

October 1, 2002



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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING OF OCTOBER 10, 2002

Michael Jones, Chair  
C. Kent Conine, Vice-Chair

Beth Anderson, Member      Shadrick Bogany, Member  
Vidal Gonzalez, Member      Norberto Salinas, Member

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**BOARD MEETING**

**SEPTEMBER 12, 2002**

**ROLL CALL**

	Present	Absent
Jones, Michael, Chair	_____	_____
Conine, C. Kent, Vice-Chair	_____	_____
Anderson, Beth, Member	_____	_____
Bogany, Shadrick, Member	_____	_____
Gonzalez, Vidal, Member	_____	_____
Salinas, Norberto, Member	_____	_____
Number Present	_____	
Number Absent		_____

\_\_\_\_\_, Presiding Officer

**BOARD MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
City Hall, City Council Chambers, First Floor, 1201 Leopard Street  
Corpus Christi, Texas 78401  
October 10, 2002                              9:15 a.m.

**A G E N D A**

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

Michael Jones  
Chair of Board

**PUBLIC COMMENT**

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

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

- Item 1 Presentation, Discussion and Possible Approval of Minutes of Board Meetings of August 29, 2002 and September 12, 2002 Michael Jones
- Item 2 Presentation, Discussion and Possible Approval of Report from The Audit Committee on Internal Audit Annual Report, Prior Audit Issues and LIHTC Inspection Fees Vidal Gonzalez
- Item 3 Presentation, Discussion and Possible Approval of Financial Items: C. Kent Conine
- a) Approval of Fourth Quarter Investment Report
  - b) Approval of Resolution No. 02-048 Authorizing the Increased Purchase Price Limits for Single Family Mortgage Revenue Bonds
  - c) Approval of One or More Inducement Resolutions Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds For projects Throughout the State of Texas and Authorizing the Filing of Related Applications for the Allocation of Private Activity Bonds with the Texas Bond Review Board for Program Year 2003 and Other Related Matters
- Priority 1 Transactions
- |                               |               |              |
|-------------------------------|---------------|--------------|
| 003-004 Magnolia Park         | Ft. Worth     | \$13,000,000 |
| 003-006 Fountain Circle       | Austin        | \$14,000,000 |
| 003-008 Green Pines II Apts.  | Austin        | \$11,000,000 |
| 003-014 Meadow Crossing       | Mesquite      | \$15,000,000 |
| 003-031 Sphinx @ Murdeaux     | Dallas        | \$13,400,000 |
| 003-033 Sphinx @ Oakwood Vls  | Dallas        | \$13,700,000 |
| 003-034 Mesa Villas           | Houston       | \$15,000,000 |
| 003-035 Martindale Villas     | Houston       | \$10,700,000 |
| 003-044 Riverbend Apts.       | Houston       | \$10,700,000 |
| 003-046 Penninsula Apts.      | Houston       | \$10,700,000 |
| 003-049 Mesquite Seniors      | Mesquite      | \$11,000,000 |
| 003-050 100 May Develop.      | Ft. Worth     | \$14,000,000 |
| 003-051 51 Keeneland Develop. | Dallas        | \$14,800,000 |
| 003-054 8100 Crowley dev.     | Ft. Worth     | \$14,400,000 |
| 003-057 Wylie Seniors         | Wylie         | \$ 8,200,000 |
| 003-058 Timber Oaks Apts.     | Grand Prairie | \$10,900,000 |
| 003-059 Greystone Ridge Apts. | Dallas        | \$14,000,000 |
| 003-067 Frisco Villas         | Frisco        | \$15,000,000 |
| 003-068 Primrose Houston Sch. | Lancaster     | \$15,000,000 |

003-069 Primrose Villas	McKinney	\$15,000,000
003-070 Primrose @Hickory	Frisco	\$15,000,000
003-071 Primrose Broadway	McKinney	\$15,000,000
003-072 Hampton Villas	Arlington	\$15,000,000
003-073 Primrose Mesquite I	Mesquite	\$15,000,000
003-074 Mesquite Meadows	Mesquite	\$15,000,000
003-076 Primrose Langdon	Dallas	\$15,000,000
003-077 Arbor Bend Villaas	Ft. Worth	\$12,100,000
003-078 Primrose at Leg. Lane	Dallas	\$15,000,000
003-079 Parks at Riverplace	Ft. Worth	\$15,000,000
003-080 Stonebrook Villas	McKinney	\$15,000,000
003-099 West Virginia Apts.	Dallas	\$11,100,000
003-113 Johnny Morris Apts.	Austin	\$14,600,000

Priority 2 Transactions

003-001 Woodway Square Apts.	Austin	\$15,000,000
003-002 Sundown Village	Houston	\$13,300,000
003-003 Timber Ridge II	Houston	\$ 7,000,000
003-005 Derby House	Baytown	\$13,800,000
003-007 Surrey Station	Pflugerville	\$15,000,000
003-009 Meadow Crossing	Mesquite	\$15,000,000
003-010 Center Square Villas	Ft. Worth	\$15,000,000
003-011 Alsbury Place	Burleson	\$14,700,000
003-012 Hillery Garden Villas	Burleson	\$15,000,000
003-013 Freeway Villas	Ft. Worth	\$15,000,000
003-015 Silver Spring Apts.	Houston	\$15,000,000
003-017 The Vines	Cedar Park	\$15,000,000
003-018 Main Street Apts.	Baytown	\$15,000,000
003-019 Meadow Brook Apts.	Houston	\$15,000,000
003-020 Amber Ridge Apts.	Kyle	\$15,000,000
003-023 Wood Hollow Apts.	Cedar Park	\$15,000,000
003-025 Waterford Park Apts.	Houston	\$15,000,000
003-026 Lincoln Park Apts.	Arlington	\$15,000,000
003-027 Asbury Park Apts.	Houston	\$15,000,000
003-028 Addison Park Apts.	Arlington	\$15,000,000
003-029 Southpark Apts.	Austin	\$11,000,000
003-030 Vista Pointe & Quarry	Cedar Park	\$15,000,000
003-036 Eagle Glen Apts.	Humble	\$14,000,000
003-037 Albender West Apts.	Houston	\$14,000,000
003-038 Albender East Apts.	Houston	\$14,200,000
003-039 Kensington Apts.	Houston	\$14,800,000
003-040 Wittershaw Apts.	Houston	\$13,100,000
003-041 Alameda Apts.	Houston	\$14,800,000
003-042 Fallbrook Belt 8 Apts.	Houston	\$13,100,000
003-043 Park 10 Barker Cypress	Houston	\$15,000,000
003-045 Peppertree Apts.	Houston	\$15,000,000
003-047 The Park at Steeplechase	Houston	\$15,000,000
003-048 Coughtrey Estates	Houston	\$10,000,000
003-055 Ashford Point Dev.	Houston	\$15,000,000
003-060 Parkview Townhome	Arlington	\$15,000,000
003-061 Parkway Pointe	Houston	\$15,000,000
003-062 Parkside Village	Arlington	\$11,000,000
003-063 Brookglen Village	Houston	\$11,600,000
003-064 Bellford Village Apts.	Houston	\$13,700,000
003-065 Parkland Pointe II	Arlington	\$10,000,000
003-066 Pineview Townhomes	Houston	\$14,200,000



003-081 Yager Park Two Apts.	Austin	\$15,000,000
003-082 Stafford Apts.	Houston	\$15,000,000
003-083 Woodline Park Apts.	The Woodlands	\$15,000,000
003-084 Highland Apartments	Baytown	\$14,700,000
003-085 Brookglen Park Apts.	Houston	\$15,000,000
003-086 West Montgomery Apts.	Houston	\$15,000,000
003-087 Groeske Apts.	Houston	\$12,900,000
003-088 Goose Creek Apts.	Baytown	\$14,700,000
003-089 Humble Parkway Apts.	Houston	\$15,000,000
003-090 Cooks Lane Park	Ft. Worth	\$15,000,000
003-091 North Vista Apts.	Ft. Worth	\$15,000,000
003-092 Median Way Park	Arlington	\$14,900,000
003-093 McCart Park Apts.	Ft. Worth	\$10,900,000
03-094 Granbury Park Apts.	Ft. Worth	\$15,000,000
003-095 John West Park	Dallas	\$13,000,000
003-096 FM 1960 Apts.	Houston	\$15,000,000
003-097 Lake June Park Apts.	Dallas	\$15,000,000
003-098 Walters Apts.	Houston	\$15,000,000
003-100 Deerbrook One Apts.	Houston	\$15,000,000
003-101 Sycamore Creek	Ft. Worth	\$12,200,000
003-102 Cycamore Creek Two	Ft. Worth	\$12,200,000
003-103 Stuebner One	Houston	\$15,000,000
003-104 Stuebner Two Apts.	Houston	\$15,000,000
003-105 West Point One Apts.	Ft. Worth	\$15,000,000
003-106 West Point Two Apts.	Ft. Worth	\$14,000,000
003-107 West Point Three Apts.	Ft. Worth	\$ 9,300,000
003-108 Chapel Creek One	Ft. Worth	\$11,900,000
003-109 Chapel Creek Two	Ft. Worth	\$ 7,000,000
003-110 Parmer Park Apts.	Pflugerville	\$15,000,000
003-111 Yager One Apts.	Austin	\$15,000,000
003-112 Bagdad Park Apts.	Leander	\$15,000,000
003-114 Century Park Apts.	Austin	\$15,000,000

d) Approval of a Proposed Issuance of Multifamily Mortgage Revenue Bonds for:

- 1) Hickory Trace Apartments, Dallas, Texas, in an Amount not to Exceed \$11,920,000
- 2) Green Crest Apartments, Houston, Texas in an Amount not to Exceed \$12,500,000
- 3) Mark IV Apartments, (fka as Iron Wood Crossing) Ft. Worth, Texas in an Amount not to Exceed \$15,000,000

Item 4 Presentation, Discussion and Possible Approval Proposed Amendment for HOME Program Regarding Biennial Funding Shadrick Bogany

Item 5 Presentation, Discussion and Possible Approval of Low Income Housing Tax Credit Items: Michael Jones

- a) Approval of Issuance of Four Percent (4%) Tax Credit Determination Notices With TDHCA as the Issuer for Tax Exempt Bond Transactions known as:
 

02-438 Hickory Trace	Dallas, Texas
02-439 Green Crest Apartments	Houston, Texas
02-440 Mark IV	Fort Worth, Texas
- b) Approval of Issuance of Four Percent (4%) Tax Credit Determination Notice With Other Issuer for Tax Exempt Bond Transaction known as:

- 02-441 Hulen Bend Seniors Community Fort Worth, Texas  
Tarrant County Housing Finance Corporation as Issuer
- c) Approval of Request to Increase Amount of Tax Credits for Tax Exempt Bond Transactions:  
99-04T Country Lane Seniors Community McKinney, Texas  
99-13T Stone Brook Seniors San Marcos, Texas  
02-413 Pleasant Valley Villas Austin, Texas
- d) Approval of Extension Request for:  
1) Closing of Construction Loan for 01-152, Parkway Senior Apartments, Pasadena, Texas  
2) Closing of Construction Loan for 01-069, Northstar Apartments, Willacy County, Texas  
3) Closing to Commence Substantial Construction for 01-007, The Grand Texan Seniors, McKinney, Texas
- e) Approval to Reallocate Returned Credits to 2002 Tax Credit Program Applicants for:
- |                                      |           |
|--------------------------------------|-----------|
| 02-135 Lakeridge Apartments          | \$62,112  |
| 02-131 Meadows of Oakhaven           | \$407,934 |
| 02-040 Residences on Stillhouse Road | \$356,659 |
| 02-012 Highland Oaks Apartments      | \$536,984 |
| 02-070 Woodview Apartments           | \$219,938 |

Item 6 Presentation, Discussion and Possible Approval of the Revised Legislative Appropriations Request

Michael Jones

**REPORT ITEMS**

Executive Directors Report  
Regional Allocation Formula  
Affordable Housing Needs Score  
TDHCA Reorganization  
PHA Advisory Group

Edwina Carrington

**EXECUTIVE SESSION**

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) – (1) *Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs et al.* Cause No. GN-202219, in the District Court of Travis County, Texas, 53<sup>rd</sup> Judicial District; (2) Sheltering Arms, Community Affairs Program Recipient; (3) Costa Verde, Ltd., Low Income Housing Tax Credit Application No. 02-041  
Consultation with Attorney Pursuant to Sec. 551.071(2), Texas Government Code on “501c(3) Multifamily Housing Mortgage Bonds (Williams Run Apartments) Series 2000A  
Personnel Matters – Discussion of Performance Evaluation for Executive Director Under Sec. 551.074, Texas Government Code  
The Board may discuss any item listed on this agenda in Executive Session

Michael Jones

**OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

Michael Jones

**ADJOURN**

Michael Jones  
Chair of Board

*To access this agenda and details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact the Board Secretary, Delores Groneck, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-3934 and request the information.*

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



segregated facility for persons with disabilities. He finds this proposed project offensive and asked the Board to remember what message they will be giving if they approve this project.

Susan Maxwell, Texas Council for Development Disabilities, Austin, Texas

Ms. Maxwell stated their mission is to encourage policy change so that people with disabilities have opportunities to be included in their communities and have control over their lives. She stated there is a great and unmet need for decent, affordable, accessible housing for people with disabilities. The project in San Antonio concerns her as there is not a mix into the regular population of people with disabilities.

Ron Cranston, ADAPT of Texas, Austin, Texas

Mr. Cranston stated he is an organizer for the community based Attendants Services Network. It is important when funding is considered, that people with a disability have the ability to be near places of employment (near jobs), near where their children go to school and integration in policies of TDHCA is vital and funding should be given to properties that are being developed with integrated housing.

J. T. Templeton, Austin, Texas

Mr. Templeton stated he does not want segregation in their community.

Karen Greeben, Austin, Texas

Ms. Greeben gave her support to integrated housing in all TDHCA funded projects.

Richard Miller, Austin, Texas

Mr. Miller requested that all housing be integrated housing.

Albert Metz, Austin, Texas

Mr. Albert Metz asked for integrated housing in all TDHCA funded projects.

Wayne Spawn, San Antonio, Texas

Mr. Spawn lives in San Antonio with old people and people with disabilities. He wants to see people of all ages living together.

Felix Briones, Austin, Texas

Mr. Briones stated he is a member of ADAPT and was for integrated housing and against segregated housing. He stated integrated housing makes everyone feel a lot better.

Freddy Gonzalez, Austin, Texas

Mr. Gonzalez stated he is a member of ADAPT and felt integration is what people need to learn and that everyone should remember there are different levels of disabilities.

Jennifer McPhail, ADAPT, Austin, Texas

Ms. McPhail stated she is an organizer with ADAPT and stated the Board has the responsibility of providing affordable, accessible and integrated housing. The Board also has the responsibility to provide housing to everyone in the community and stated TDHCA has the most integrated setting mandate to follow. The cost of segregation is way too high to calculate. She asked the Board to do what is right as they have the chance for Texas to lead the way for people with disabilities and asked the Board not to cave in to pressure from people in San Antonio or anywhere else in the state.

Mr. Jones stated there will be several speakers giving comments when agenda items are presented but at this time he will close public comments until those items are presented.

## **ACTION ITEMS**

- (1) Presentation, Discussion and Possible Approval of Minutes of the July 29, 2002 and August 8, 2002 Board Meetings**

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve the minutes of the July 29, 2002 and August 8, 2002 Board Meetings.

Ms. Anderson requested that a change be made in the August 8, 2002 minutes on a motion for determination notices. The conditions of approval being subject to underwriting staff working with the applicant to verify the cost was for Shady Oaks Development and not Pleasant Valley Villas and Eagles Landing.

The request was accepted by Mr. Conine and Mr. Gonzalez.  
Motion with request added passed unanimously.

Mr. Jones noted the following were in attendance at this meeting: Johnnie Morales from the Speakers Office, Julie Street from Urban Affairs Committee; Stacy Gunkel from the Lt. Governors Office and Marcelo Guevara from the Sunset Commission.

**(2) Presentation and Discussion on Sunset Advisory Commission Review Schedule**

Ms. Carrington stated the Department has been preparing over the last year for the Sunset Review of TDHCA. There was a draft report issued on August 21, 2002 of the House Committee on Urban Affairs, which made recommendations for continuation of the activities of TDHCA. Urban Affairs Committee will meet again on September 17th to take action on the recommendations. On September 5, 2002, members from the Sunset Advisory Commission will be in TDHCA's office for about 3 hours reviewing their process with TDHCA and then providing for a staff presentation on the implementation of SB322.

In mid to late September, the Sunset Staff will be in TDHCA's office looking at activities records verifying TDHCA's reporting on SB322 activities and accomplishments. TDHCA's Sunset hearings are scheduled for December 10-11, 2002 in Austin. The Legislature will convene on January 14 and will be looking at legislation on the Texas Department of Housing and Community Affairs.

**(3) Presentation, Discussion and Possible Approval of Financial Items:**

**(a) Operating Budget for FY2002-2003 for the Texas Department of Housing and Community Affairs**

Mr. Bill Dally, Chief Operating Officer, stated the budget this year does not include the CDBG Program which was transferred to ORCA, nor does it include manufactured housing as that Board now approves their budget.

The organizational chart included in the budget was a representation of TDHCA's organization to date but will be changing due to reorganization. An amended budget will be brought to the Board later in the year. This proposed budget represents 235 employees with a requested budget for approval of \$20,572,094 and includes legal fees, audit fees and out sourcing in the compliance area.

Motion made by Vidal Gonzalez and seconded by C. Kent Conine to approve the presented budget of \$20,572,094 for FY2002-2003.  
Passed Unanimously

**(b) Operating Budget for FY2002-2003 for the Housing Finance Division of the Texas Department of Housing and Community Affairs**

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the budget for Fy2002-2003 for \$11,859,726 for the Housing Finance Division.  
Passed Unanimously

**(c) Amended and Restated Resolutions for No 02-042 Clarkridge Villas Apartments, Dallas, Texas and No. 02-043 for Wheatland Villas Apartments, Dallas, Texas to Lower the Interest Rate from 7% to 6.75% and Other Related Matters**

This item was pulled from the agenda.

**(4) Presentation, Discussion and Possible Approval of Programmatic Items:**

**(a) Housing Trust Fund Capacity Building Recommendations for:**

<b>Azteca Complex</b>	<b>Dimmitt</b>	<b>\$ 34,690</b>
<b>East Austin Eco. Dev. Corp.</b>	<b>Austin</b>	<b>\$ 35,000</b>
<b>Center on Independent Living</b>	<b>San Antonio</b>	<b>\$ 35,000</b>
<b>Williamson-Burnet Co. Opportunities</b>	<b>Georgetown</b>	<b>\$ 25,000</b>
<b>Northeast CDO</b>	<b>El Paso</b>	<b>\$ 35,000</b>
<b>Economic Justice Foundation</b>	<b>Manor</b>	<b>\$ 35,000</b>
<b>Central Dallas Ministries</b>	<b>Dallas</b>	<b>\$ 35,000</b>
<b>Avenue CDC</b>	<b>Houston</b>	<b>\$ 35,000</b>
<b>Tarrant County Housing Partnership</b>	<b>Ft. Worth</b>	<b>\$ 35,000</b>
<b>CDC of South Texas</b>	<b>McAllen</b>	<b>\$ 35,000</b>
<b>Organization Prog. de San Elizario</b>	<b>San Elizario</b>	<b>\$ 35,000</b>
<b>YWCA CDC</b>	<b>El Paso</b>	<b>\$ 35,000</b>
<b>George Gervin Youth Center</b>	<b>San Antonio</b>	<b>\$ 35,000</b>
<b>Affordable Hsg. of Parker County</b>	<b>Springtown</b>	<b>\$ 35,000</b>
<b>Habitat for Humanity/Denton County</b>	<b>Denton</b>	<b>\$ 35,000</b>
<b>Harmony House</b>	<b>Houston</b>	<b>\$ 22,300</b>
<b>Walker-Montgomery CDC</b>	<b>New Waverly</b>	<b>\$ 21,652</b>
<b>TOTAL</b>		<b>\$558,642</b>

Mr. Keith Hoffpaur, Housing Trust Fund Manager, stated the NOFA was published on March 15th and TDHCA received 57 proposals competing for \$558,000 in funding in a statewide competition. Of the 57 submitted, 17 are being recommended for funding. This fund will provide 17 organizations opportunities to build capacity for the development of affordable housing and will result in the development of 437 units of affordable housing.

**PUBLIC COMMENT**

David Danenfelzer, Enterprise Foundation

Mr. Danenfelzer stated at a previous meeting a list of organizations were recommended for funding which was based on the regional allocation plan. Under that list there was an equal distribution of Housing Trust Fund monies. All but one region was to receive an allocation. That item was pulled from the agenda and now at this meeting, four regions now have been eliminated with 100 counties being eliminated from Housing Trust Fund monies.

Robert J. Martinez, Executive Director, COIL, San Antonio, Texas

Mr. Martinez stated their proposal, for the San Antonio area, is being recommended for \$35,000 funding and he wanted to thank the staff who have worked on this funding. He asked the Board to approve funding for this needed project in San Antonio.

Madlyn Bowen, COIL, San Antonio, Texas

Ms. Bowen stated their organization, COIL, has been providing services to people with disabilities in San Antonio for over 15 years. They provide an employment division which helps people get into the workplace; there is rehab technology with an independent living program. They also have a Housing division which these funds would be used for 18 units. They also have another project which will have 20 of the 38 units receiving funds if their project is approved.

Ms. Carrington stated there are 17 applications being recommended for funding. After TDHCA published the initial list of recommendations for the August 8th Board meeting, TDHCA received criticism stating the recommendations were not in line with the language of the NOFA. After review by staff, it was decided that TDHCA had to be consistent with the published NOFA and these are staffs recommendations presented today.

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the Housing Trust Fund recommendations for:

Azteca Complex	Dimmitt	\$ 34,690
East Austin Eco. Dev. Corp.	Austin	\$ 35,000
Center on Independent Living	San Antonio	\$ 35,000
Williamson-Burnet Co. Opportunities	Georgetown	\$ 25,000
Northeast CDO	El Paso	\$ 35,000
Economic Justice Foundation	Manor	\$ 35,000
Central Dallas Ministries	Dallas	\$ 35,000
Avenue CDC	Houston	\$ 35,000
Tarrant County Housing Partnership	Ft. Worth	\$ 35,000
CDC of South Texas	McAllen	\$ 35,000
Organizaction Prog. de San Elizario	San Elizario	\$ 35,000
YWCA CDC	El Paso	\$ 35,000
George Gervin Youth Center	San Antonio	\$ 35,000
Affordable Hsg. of Parker County	Springtown	\$ 35,000
Habitat for Humanity/Denton County	Denton	\$ 35,000
Harmony House	Houston	\$ 22,300
Walker-Montgomery CDC	New Waverly	\$ 21,652
TOTAL		\$558,642
Passed Unanimously		

**(b) Report on Findings of Home Mortgage Credit Characteristics of Underserved Areas: A State of Texas Market Study**

Ms. Sarah Anderson, Director of Strategic Planning/Housing Resource Center, stated this was a study mandated by SB322. This study is due to the Bond Review Board and the idea behind the study is to assist TDHCA move forward with designing products for the Single Family Mortgage Revenue Bond Program.

Motion made by Shadrick Bogany and seconded by C. Kent Conine to accept the Report.  
Passed Unanimously

**(5) Presentation, Discussion and Possible Approval of Low Income Housing Tax Credit Items: Selection of Hawkins, Delafield and Wood as Tax Credit Counsel**

Ms. Carrington stated TDHCA published a Request for Proposal for outside counsel services. Two proposals were received and these were (1) Hawkins, Delafield & Wood of Washington D.C. and (2) McBeth and Associates, Dallas, Texas. Based on experience and qualifications, staff is recommending Hawkins, Delafield and Wood for continued representation with the department for outside issues related to the Low Income Housing Tax Credit Program. Staff is requesting approval of a one-year agreement with the opportunity to extend for a second year.

Motion made by Shadrick Bogany and seconded by C. Kent Conine to approve Hawkins, Delafield and Wood for outside tax credit counsel with a one-year agreement with an opportunity to extend to a two-year agreement.  
Passed Unanimously

**(b) Increase of Tax Credit Allocation for Pleasant Valley Villas**

Ms. Carrington stated the Board approved the issuance of 4% credits on this transaction at the August 8th Board Meeting. Since the Board took action, documentation was received that reflected this property is located in a qualified census tract, a QCT, and this does entitle them to an increase in the tax credit allocation amount. Staff is recommending the allocation amount to be increased to \$1,137,274 from the previous \$874,026.

Motion made by Shadrick Bogany and seconded by Vidal Gonzalez to approve the increase to \$1,137,274.

Ms. Anderson had questions on the QCT and was advised by Ms. Carrington that the information was furnished to TDHCA after the August 8th Board Meeting.



Mr. Conine stated he was against the motion as it was the applicants fault and not TDHCA's that the QCT information was not submitted on time.

Mr. Jeff Spicer, of Southwest Housing, stated it was not a faulty application as they knew there was a possibility that it was in a census tract but TDHCA's list of QCT's did not include this property. They had to contact HUD and did receive proof of the property in a QCT.

The motion was again stated for the record.

Motion made by Shadrick Bogany and seconded by Vidal Gonzalez to approve the increase to \$1,137,274.

Motion did not pass with 2 ayes (Mr. Bogany and Mr. Gonzalez) and 3 nays (Ms. Anderson, Mr. Conine and Mr. Salinas)

- (c) Issuance of Four Percent (4%) Determination Notice to Tax Exempt Bond Transaction Known as Emerald Bay Apartments with Houston Housing Finance Corporation as Issuer**  
Ms. Carrington stated staff is recommending \$851,068 for this project.

Motion made by Shadrick Bogany and seconded by Beth Anderson to approve \$851,068 for Emerald Bay Apartments.

Amendment made to the motion by C. Kent Conine and seconded by Beth Anderson to reduce the amount to the original applicant request of \$835,349.

Mr. Bogany did not accept the amendment to the motion.

Amendment to the motion.

Passed with 4 ayes (Mr. Conine, Ms. Anderson, Mr. Gonzalez, Mr. Salinas) and 1 nay (Mr. Bogany)

Motion with amendment to the motion to approve the determination notice to Emerald Bay Apartments with the original applicant request of \$835,349.

Passed with 4 ayes (Mr. Conine, Ms. Anderson, Mr. Gonzalez, Mr. Salinas) and 1 nay (Mr. Bogany)

- (d) Request for Second Extension to Close the Construction Loan for #01152, Parkway Senior Apartments**

Ms. Carrington stated this is a request for an extension on a construction loan on a HUD insured 2001 tax credit allocation. The extension is from September 12 to a new deadline of October 12, 2002.

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the extension to October 12, 2002 for Parkway Senior Apartments.

Passed Unanimously

## REPORT ITEMS

Executive Directors Report

There was no report items presented.

## EXECUTIVE SESSION

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) - *Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs et al.*

Cause No. GN-202219, in the District Court of Travis County,  
Texas, 53<sup>rd</sup> Judicial District  
Consultation with Attorney Pursuant to Sec. 551.071(2), Texas  
Government Code  
Personnel Matters - Discussion and Possible Approval of Performance  
Evaluation for Internal Auditor under Sec. 551.074, Texas Government  
Code  
The Board may discuss any item listed on this agenda in Executive Session

Mr. Jones stated: "On this day, August 29, 2002 at a regular Board Meeting of the Texas Department of Housing and Community Affairs held in Austin, Texas, the Board of Directors adjourned into a closed executive session, as evidenced by the following: The Board will began its executive session today, August 29, 2002, at 3:45 p.m. The subject matter of this executive session deliberation is as follows: (1) Litigation and Anticipated Litigation, Cause No. GN-2-2219, *Century Pacific Equity Corporation vs Texas Department of Housing and Community Affairs*; (2) Consultation with Attorney, Pursuant to Section 551.071(2) Government Code, (3) Personnel matters, discussion and possible approval of Performance Evaluation for Internal Auditor Under Section 551.074, Texas Government Code, and (4) Discussion of any item listed on the Board meeting agenda of this date. At 3:45 p.m. the Board recessed into closed executive session.

The Board returned to Open Session at 4:07 p.m.

#### **OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

Mr. Jones stated: The Board has completed its executive session of the Texas Department of Housing and Community Affairs on August 29, 2002 at 4:07 p.m. The subject matter of this executive session deliberation was: Litigation and Anticipated Litigation Cause No. GN-2-2210, *Century Pacific Equity Corporation vs Texas Department of Housing and Community Affairs* 53rd Judicial Court of Travis County, Texas; Action taken none; Consultation with Attorney, Pursuant to Section 551.071(2), Texas Government Code; Action taken none; Personnel matters, discussion and possible approval of Performance Evaluation for the Internal Auditor Under Section 551.074, Texas Government Code; Action taken, none; and (4) Discussion of any item listed on the Board meeting agenda of this date; Action taken none. The Board of Directors has completed the Executive Session of the Texas Department of Housing and Community Affairs on August 29, 2002 at 4:07 p.m. I hereby certify that this agenda of the Executive Session of the Texas Department of Housing and Community Affairs was properly authorized pursuant to 551.103 of the Texas Government Code, posted at the Secretary of State's office seven days prior to the meeting pursuant to 551.044 of the Texas Government Code, and that all members of the Board were present, and that this is a true and correct record of the proceedings pursuant to the Texas Open Meetings Act, Chapter 551, Texas Government Code." Signed by Michael Jones.

#### **ADJOURN**

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to adjourn  
Passed Unanimously

The meeting adjourned at 4:10 p.m.

Respectfully submitted,

Board Secretary

p:dg/bdmiau2

**BOARD MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension, Room E1.012, 1400 North Congress, Austin, Texas 78701**  
**September 12, 2002**                      **11:00 p.m.**

**Summary of Minutes**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of September 12, 2002 was called to order by Board Chair Michael Jones at 11:05 a.m. It was held at the Capitol Extension, Room E1.012, 1400 North Congress, Austin, Texas. Roll call certified a quorum was present. Shadrick Bogany was absent.

Members present:

Michael Jones -- Chair

C. Kent Conine - Vice Chair

Vidal Gonzalez -- Member

Elizabeth Anderson -- Member

Norberto Salinas -- Member

Staff of the Texas Department of Housing and Community Affairs was also present.

**PUBLIC COMMENT**

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

Mr. Jones called for public comment and everyone who signed up to speak requested to speak at the time of presentation of the agenda item.

Mr. Jones noted the following were in attendance at this meeting: Johnnie Morales from the Speakers Office, Julie Street from Urban Affairs Committee; Stacy Gunkel from the Lt. Governors Office and Marcelo Guevara from the Sunset Commission.

**ACTION ITEMS**

**(1) Presentation and Discussion on Report on Community Affairs Division**

Mr. Eddie Fariss, Director of Community Affairs, stated the Community Affairs Division provides assistance to low, very low and extremely low income persons based on income eligibility. They administer a total of \$91, 000,000 through the Community Services Section and the Energy Assistance Section. Under the Community Services Section they administer the Community Services Block Grant Program, the Community Food and Nutrition Program, the Emergency Shelter Grants Program and the Emergency Nutrition/Temporary Emergency Relief Program. This section provides services to all 254 counties in Texas. In 2001, this section served 364,106 persons with CSBG funding and 188,223 persons with ESG fundings. Under the Emergency Nutrition Temporary Emergency Relief Program 12,482 persons were served and the Community Food and Nutrition Program generated 72,000 pounds of meat and two million pounds of produce to distribute to low income persons. They also assisted individuals to transition from poverty to achieve employment and maintain that employment. The Energy Assistance section administers

two programs. One is the Weatherization Assistance Program which includes funding from the Department of Energy as well as Health and Human Services and funding that comes directly from utility companies under the investor-owned utility contracts. The other initiative in the Energy Assistance Program is the Comprehensive Energy Assistance Program which is funded with Health and Human Services money and provides utility assistance to low income persons. The Energy Assistance Section administers the System Benefit Fund that provides funding from utility companies that are participating in deregulated utilities to the Comptroller. The Comprehensive Energy assistance Program helps low-income persons with their utility bills and helps to reduce their utility bills.

- (2) **Presentation, Discussion and Possible Approval of the Legislative Appropriations Request**  
Ms. Carrington stated the department's 2004/2005 legislative appropriation request is the fiscal framework that supports work for the next biennium. It contains TDHCA's baseline budget request for fiscal years 04 and 05 and performance measures and requested items in the budget riders. Exceptional items are those funding requests that are actually beyond the department's baseline budget, while riders are very specific legislative mandates that govern certain program funding strategies.

Mr. Bill Dally, CFO, stated this process began with the submission of the strategic plan in June. That plan lays out the various goals and strategies with the first goal being housing and the various strategies are under the Housing Trust Fund, HOME, tax credits, etc. The next section is the OCI and colonia initiatives. There are the poverty-related funds which are the Community Service Block Grant and Energy Assistance. The hearing process on TDHCA's request will begin in January-February, 2003. The department will meet with the House Appropriations Committee and the Senate Finance Committee. After the Governor approves the request around June, 2003, the department will have a final bill for the 2004 and 2005 years.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the Legislative Appropriations Request.  
Passed Unanimously

- (3) **Presentation, Discussion and Possible Approval of Report from the Audit Committee on Prior Audit Issues; Central Database and Review of LIHTC Inspection Fees**  
Mr. David Gaines, Director of Internal Auditing, stated the Audit Committee met earlier in the day and discussed the status of prior audit issues, the status of the central database and had a demonstration by the function user team, discussed survey results from operators out in the field using the system and discussed a new project that Internal Audit has undertaken, pursuant to a request by Ms. Carrington relating to tax credit inspection fees.

Mr. Gaines stated to date, the Tax Credit staff has billed about \$703,000 for inspection fees and the department has collected \$402,000. Of this amount, \$236,000 has been collected in the last 30 days. There leaves a remaining balance of \$203,000. Upon completion of this report on the LIHTC inspection fees, his division has been asked to review other fees that the department collects to ensure that a control is in place to provide reasonable assurance that all such fees that should be collected are in fact being collected and properly processed, reported and accounted for. The department will follow up with people who have not paid their inspection fees and will bill again on any remaining fees around September 22, 2002.

The prior audit issues and central database were discussed in detail in the Audit Committee Meeting.

#### **PUBLIC COMMENT**

Jeanne Talerico, Director, Texas Association of Local Housing Finance Agencies, Austin, Texas

Ms. Talerico asked the Board to defer the recommended changing in the QAP of the limitation on the unit size on the construction from the 280 units down to 250. She asked that this be deferred to the 2004 program year because of timing. The Bond Review Board begins accepting applications for private

activity bonds on October 10 which means that the local housing finance agencies are in the process now of inducing those projects for the application to the BRB. The deals have been structured and sized and the land contracted. Many of them have already been induced because of deadlines at the beginning of September from the issuers. If this recommendation is put in place, the developer now has a 280-unit project that he's applied for at the local level, it's been induced, has gone to the BRB and is getting a reservation that may not be until February or March and the 2003 QAP would apply and they would be ineligible due to the 250 unit rule.

Cynthia Bast, Attorney, Locke Liddell and Sapp, Austin, Texas

Ms. Bast stated she appreciated the work of Ms. Boston in revising the QAP and Mr. Gouris in preparing the underwriting guidelines. She stated the QAP is headed in the right direction and positive changes are apparent. She stated it may be hard to have all documents, etc. in place for the June board meeting due to rezoning situations, etc. She asked that the forward commitment not be eliminated but to reduce it to 10% for 2003 and then maybe down to 5% in future years.

She was opposed to the omission of points from mixed-income transactions as she believes mixed income projects have an important public purpose as they reduce the concentration of low-income people and provide social benefit.

Rick Deyoe, President of Rural Texas Development Corporation

Mr. Deyoe felt the unit cap change from 250 to 200 is good because it allows the credits to be spread a little more between developers. He asked that the points for elderly developments be put back in the QAP. He stated the QCT points being eliminated is good

David Saling

Mr. Saling did not give any comments.

Brent Stewart, Trammell Crow, Austin, Texas

Mr. Stewart stated the unit limitation on the size of developments should be deferred to the future years and let the 280-unit cap stay in the 2003 version of the QAP.

John Garvin, Director, Texas Affiliation of Affordable Housing Providers, Austin, Texas

Mr. Garvin stated he was in attendance to reiterate with Ms. Talerico and Mr. Stewart have said and that is to please leave the 280-unit cap in for the 2003 QAP and then look at reducing it in the 2004 QAP.

**(4) Presentation, Discussion and Possible Approval of Low Income Housing Tax Credit Items:  
(a) Approval of the 2003 "Draft" Qualified Allocation Plan and Rules to be Published in the Texas Register to Solicit Public Comments**

Ms. Carrington stated the process concerning the QAP is the document that the board approves will be published in the *Texas Register*. A series of public hearings are scheduled and the board will be asked to approve the final document in November. She asked the Board members to give staff the suggested language so staff will have exactly what the Board wants to say in the QAP.

Mr. Jones stated Mayor Salinas had mentioned to have wording in the QAP regarding the payment of all fees that are due to TDHCA and he felt this idea is a good one. He also would like to see the points put back in the QAP for elderly developments.

Ms. Carrington stated that in Section 49.31, the provision states that if one has unpaid fees, it will cause an applicant to be ineligible to apply for additional credits and ineligible to submit extension requests, ownership changes, and application amendments and this is in the current draft.

Mr. Jones and Mr. Anderson asked the General Counsel to review the proposed QAP for any issues that would cause constituents and TDHCA to end up in a litigation situation.

Mayor Salinas stated he felt strongly about having a developer to have zoning in place when one applies for tax credits. He stated cities should have a comprehensive plan and this should be in place to be eligible for funds and tax credits.

Mr. Conine stated he would be comfortable with the planning and zoning commission stating they would recommend to the city council approval of a project or piece of land to be rezoned and make sure that the city council approves that zoning change by the payment of the commitment fee, which would be within the 30-day time frame.

Motion made by C. Kent Conine and seconded by Norberto Salinas to have the planning and zoning commission approve the zoning by April 1 and at time of the application submittal, one has to have proof that they applied for zoning and by the date the commitment fee is paid, one needs to have actual zoning approved by the city council.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Norberto Salinas to amend the QAP to release the restriction on rural development caps, but keep the 250 and 280 limits on the 9% and 4% bond developments for 2003.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson to include the chart in the QAP to receive public comments.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Norberto Salinas to add the elimination of four-bedroom units in the QAP.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Norberto Salinas to include language on increasing of awards for projects that would qualify and these are projects that demonstrate that increases in development costs were beyond their control, were not foreseeable at the time of application, or were not preventable during construction.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson to state in Section 49.9 relating to points for public housing authorities that it be stated as "Owned by Public Housing Authorities, or a non-profit controlled by a PHA."  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson to use the wording "underwriting market analysis appraisal and environmental site-assessment rules" in the QAP.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson to use the word commitments in the QAP and not allocation.  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson on Section 49.5(b)(6) be consistent and to say "On the date the application round closes"; and on the material noncompliance to also add the same language of "On the date the application round closes."  
Passed Unanimously

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the draft as it has been amended by the various motions for publication in the *Texas Register* to receive public comments.  
Passed Unanimously

**(b) Approval of Issuance of Four Percent (4%) Determination Notices to Tax Exempt Bond Transactions known as:**

**02-420, The Park at Shiloh Apartments, Tyler, Texas  
East Texas Finance Housing Corporation as Issuer  
02-422, Rosemeade Apartments, Amarillo, Texas  
Texas Panhandle Regional Housing Finance Corporation as Issuer  
02-424, Spring Hill Apartments, Nacogdoches, Texas  
East Texas Housing Finance Corporation as Issuer  
02-425, Town Vista Apartments, Austin, Texas  
Travis County Housing Finance Corporation as Issuer  
02-426, Alta Falls (fka Blanca Falls Apartments), San Marcos, Texas  
Capital Area Housing Finance Corporation as Issuer  
02-433, Heatherwilde Villas, Pflugerville, Texas  
Travis County Finance Corporation as Issuer  
02-434, Yale Village Apartments, Houston, Texas  
Harris County Housing Finance Corporation as Issuer  
02-435, Castle Garden Apartments, Lubbock, Texas  
Lubbock Housing Finance Corporation as Issuer**  
Ms. Carrington stated that 02-434 and 02-435 have been withdrawn

**Park at Shiloh Apartments, Tyler, Texas**

Ms. Carrington stated the eligible basis amount and the amount that staff recommends in credits is \$420,543 with conditions that have been placed on the development.

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve the issuance of a determination notice for 02-420, Park at Shiloh Apartments.

Passed Unanimously

Carol Moore, President of Partners Prospective Development, Tyler, Texas

Ms. Moore stated she is the co-developer for Springs Hill Apartments in Nacogdoches and requested the full amount of tax credits that they submitted in the sources and uses documentation that was sent on September 4th.

Jerry Moore, Moore Building Associates, Tyler, Texas

Mr. Moore stated he was requesting that they receive the requested amount of the application to be approved subject to a final approval of underwriting and staff on the amount.

**02-424, Spring Hill Apartments, Nacogdoches, Texas**

Motion made by C. Kent Conine and seconded by Beth Anderson to approve Spring Hill apartments with a range of the minimum cap of \$646,069 and \$712,683 with staff working out the discrepancies and arrive at a satisfactory agreement.

Passed Unanimously

**02-422, Rosemeade Apartments, Amarillo, Texas**

**02-425, Town Vista Apartments, Austin, Texas**

**02-426, Alta Falls (fka Blanca Falls Apartments), San Marcos, Texas**

**02-433, Heatherwilde Villas, Pflugerville, Texas**

Ms. Carrington stated these recommendations are the requests for the 4% credits and the credit calculation is based on the eligible basis amount. 02-422, Rosemeade Apartments in Amarillo, recommended amount is \$389,427. Town Vista Apartments in Austin, No. 02-425 recommended amount is \$917,733. No. 02-426, Alta Falls (fka Blanco Falls Apartments), San Marcos, Texas recommended amount is \$820,213 and Heatherwilde Villas, No. 02-433, Pflugerville, recommended amount is \$704,917.



Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve the projects for determination notices for 02-422, Rosemeade Apartments in Amarillo, \$389,427; 02-425, Town Vista Apartments in Austin, \$917,733; 02-426, Alta Falls (fka Blanco Falls Apartments), San Marcos, \$820,213 and 02-433, Heatherwilde Villas, Pflugerville, \$704,917.  
Passed Unanimously

Mr. Conine asked staff to do a strict review of the market studies on projects from this point further and make sure there is no risk to the department.

Thomas A. McCalley, Developer

Mr. McCalley stated he had cost overruns on his project and they were not anything he could have controlled and asked the Board to approve the increase of tax credits for the projects.

**(c) Approval of Request to Increase Amount of Tax Credits for Tax Exempt Bond Transactions for:**

**#98-07T Greens of Hickory Trail, Dallas, Texas**

**#99-015T LaCasita Apartments, Houston, Texas**

**#99-05T Heather Lane Apartment Townhomes, Terrell, Texas**

Ms. Carrington stated staff is requesting approval to increase in the allocation of 4% tax credits on three prior tax exempt transactions. The first one was a 1998 allocation and that one is Greens of Hickory Trail in Dallas and they are requesting an additional allocation of \$194,244. The second is a 1999 bond allocation and is located in Houston and is the LaCasita Apartments which was an acquisition rehab of an older property. Staff is recommending an additional allocation of \$96,790 and the third one, a 1999 allocation of bonds and credits and is Heather Lane Apartments in Terrell and staff is recommending an additional \$18,164 in tax credits.

Motion made by Norberto Salinas and seconded by C. Kent Conine to approve the increase in tax credits for #98-07T, Greens of Hickory Trail, Dallas, \$194,244; #99-015T, LaCasita Apartments, Houston, \$96,790; #99-05T, Heather Lane Apartment Townhomes, Terrell, \$18,164.

Passed Unanimously

**(d) Approval of Requests for Extensions Association with the 2002 Commitments for:**

**02-036, Gateway East Apartments, El Paso, Texas**

**02-156, Town North Apartments, Texarkana, Texas**

Ms. Carrington stated these are two 2002 9% tax credit allocations and the developer is requesting an extension on the deadline to submit their carryover allocation documents from October 11 to December 11, 2002. Staff is recommending approval.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the extensions for the carryover documents for Gateway East Apartments, El Paso, Texas and Town North Apartments, Texarkana, Texas from October 11, 2002 to December 11, 2002.

Passed Unanimously

**(5) Presentation, Discussion and Possible Approval of "Draft" Underwriting Market Analysis, Appraisal and Environmental Site Assessment Rules and guidelines for the Texas Department of Housing and Community Affairs to be Published in the Texas Register to Solicit Public Comments**

Ms. Carrington stated the market study, the appraisal and the environmental site assessment information have been removed from the QAP. Staff is proposing these as a separate document that will be the underwriting market analysis appraisal and environmental site assessment rules and guidelines. The department anticipates using these rules for all other financing programs within the department.

Motion made by Vidal Gonzalez and seconded by Norberto Salinas to approve the "draft" Underwriting Market Analysis, Appraisal and Environmental Site Assessment Rules and

Guidelines for the Texas Department of Housing and Community Affairs to be published in the *Texas Register* to solicit Public Comments.  
Passed Unanimously

**(6) Presentation, Discussion and Possible Approval of Financial Items:**  
**(a) Approval of Resolution No. 02-44 Approving Extension of Origination Period for Program 55A**

Ms. Carrington stated Program 55A has about one million dollars left of lendable proceeds and staff is asking for an approval to extend this to April 1, 2003.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve Resolution No. 02-44 for the extension to April 1, 2003 for Program 551A.  
Passed Unanimously

**(b) Approval of Resolution No. 02-45 Approving Extension of Origination Period for Program 56**

Ms. Carrington stated this Program 56 has about \$17 million dollars in lendable proceeds and staff is asking for an extension to February, 2004.

Motion made by Vidal Gonzalez and seconded by Norberto Salinas to approve Resolution No. 02-45 with an extension to February, 2004 for Program 56.  
Passed Unanimously

## REPORT ITEMS

### Executive Directors Report

#### Purchase Price Limits for SF Mortgage Revenue Bonds

Ms. Carrington stated that the Texas State Affordable Housing Corporation requested and did receive from the Internal Revenue Service a private letter ruling allowing for the increase of purchase limits on the Single Family Mortgage Revenue Bond Programs.

#### Sunset Advisory Commission

Ms. Carrington also stated the Sunset Advisory Commission staff has visited the Department and outlined the process that they were going to use for their review of the department.

## EXECUTIVE SESSION

Litigation and Anticipated Litigation, (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) -- *Century Pacific Equity Corporation vs Texas Department of Housing and Community Affairs et al.* Cause No. GN202219, in the District Court of Travis County, Texas. 53<sup>rd</sup> Judicial District; (2) Sheltering Arms, Community Affairs Program Recipient

Consultation with Attorney, Pursuant to Section 551.071(2) Government Code

Discussion of any item listed on the Board meeting agenda of this date

Mr. Jones stated: "On this day, September 12, 2002 at a regular Board Meeting of the Texas Department of Housing and Community Affairs held in Austin, Texas, the Board of Directors adjourned into a closed executive session, as evidenced by the following: The Board of Directors will began its executive session today, September 12, 2002 at 2:33 p.m. The subject matter of this executive session deliberation is as follows: (1) Litigation and Anticipated Litigation, Cause No. GN-202219, *Century Pacific Equity Corporation vs Texas Department of Housing and Community Affairs et al* in the 53rd Judicial District Court of Travis County and Sheltering Arms Apartments litigation; (2) Consultation with Attorney, Pursuant to Section 551.071(2) Government

Code, (3) Discussion of any item listed on the Board meeting agenda of this date. At 2:33 p.m. the Board recessed into closed executive session.”

The Board returned to Open Session at 3:47 p.m.

## **OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

Mr. Jones stated: “The Board of Directors has completed its executive session of the Texas Department of Housing and Community Affairs on September 12, 2002 at 3:47 p.m. The subject matter of this executive session deliberation was: Litigation and Anticipated Litigation Cause No. GN-202210, *Century Pacific Equity Corporation vs Texas Department of Housing and Community Affairs* 53rd Judicial Court of Travis County, Texas and Sheltering Arms; Action taken none; Consultation with Attorney, Pursuant to Section 551.071(2), Texas Government Code; Action taken none; and Discussion of any item listed on the Board meeting agenda of this date; Action taken none. The Board of Directors has completed the Executive Session of the Texas Department of Housing and Community Affairs on September 12, 2002 at 3:47 p.m. I hereby certify that this agenda of the executive session of the Texas Department of Housing and Community Affairs was properly authorized pursuant to 551.103 of the Texas Government Code, posted at the Secretary of State’s office seven days prior to the meeting pursuant to 551.044 of the Texas Government Code, and that all members of the Board were present with the exception of Beth Anderson and Shadrick Bogany, and that this is a true and correct record of the proceedings pursuant to the Texas Open Meetings Act, Chapter 551, Texas Government Code.” Signed by Michael Jones.

Mr. Jones stated the Board would like to have read into the record, the following statement that the chairman will recommend that the Board adopt. He stated: “The Board would like to make this statement concerning Century Pacific. Century Pacific submitted four applications to the department, the low income housing tax credit applications numbers 02-019, 02-020, 02-021 and 02-022. On June 10, 2002, the department disqualified Century Pacific’s four applications based on material noncompliance related to health and safety on other low income rental property owned by Century Pacific.”

“Century appealed its disqualification to this Board and after hearing Century Pacific’s presentation, the Board denied Century Pacific’s appeal on June 24, 2002. Century Pacific, however, sought judicial relief and by order dated July 22, 2002, the 200<sup>th</sup> District Court of Travis County temporarily enjoined the department and the Board from disqualifying Century Pacific’s applications. Finding that Century Pacific met the requirements for issuance of a temporary injunction, the Court’s ruling effectively precluded the department and this Board from considering Century Pacific’s material noncompliance relating to health and safety and from disqualifying their applications.”

“Therefore, the department processed Century Pacific’s application following the Court’s temporary injunction order as if the material noncompliance did not exist. On July 29, 2002, as the Court ordered, this Board approved the department’s recommendation allocation tax credits to Century Pacific’s four applications. This Board’s approval was as ordered by the Court and as the Court’s temporary injunction order states, it is conditioned on final Court determination. But for the Court’s temporary injunction order of July 22, 2002, this Board would not have changed its decision of June 24, 2002, denying Century Pacific’s appeal, the department’s disqualifications of the applications for Century Pacific’s material noncompliance relating to health and safety. After the Board’s action on July 29, 2002, and in accordance with the department’s Qualified Allocation Plan rules, the department’s staff properly issued four commitment notices to Century Pacific with two amendments to each, the second amendment, using language and condition number three, that Century Pacific agreed to at a Court hearing on September 6, 2002. These commitment notices accurately reflect that the Board’s action on July 29, 2002, was as ordered by the temporary injunction, a condition of the final Court decision.”

"The Board's position today remains that Century Pacific's four applications were legally, correctly and appropriately disqualified, based on material noncompliance relating to health and safety on other low income property owned by Century Pacific. The people of Texas rightly expect that the state will not allocate scarce, public low income housing resources to owners that have an unsatisfactory record of managing and maintaining their properties."

Mr. Jones stated:

"Mr. Gonzalez, do you agree with this statement?"

"Yes" replied Vidal Gonzalez.

"Mr. Conine, do you agree with this statement?"

"Yes" replied C. Kent Conine

"Mayor Salinas, do you agree with this statement?"

"Yes" replied Norberto Salinas.

Mr. Jones stated:

"I would like to note for the record that the chairman agrees with this statement. Four of the Board members attending this meeting all concur with the statement individually".  
Signed as Michael E. Jones, Chairman of the Board.

#### **ADJOURN**

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to adjourn  
Passed Unanimously

The meeting adjourned at 2:55 p.m.

Respectfully submitted,

Board Secretary

p:dg/bdminsep

**AGENDA ITEM NO. 2**  
**AUDIT COMMITTEE MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension Auditorium, 1400 North Congress, Austin, Texas 78701**  
**August 8, 2002                      8:45 a.m.**

**Summary of Minutes**

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

The Audit Committee Meeting of the Texas Department of Housing and Community Affairs of August 8, 2002 was called to order by Chair Vidal Gonzalez at 8:55 a.m. It was held at the Capitol Extension, 1400 North Congress, Austin, Texas. Roll call certified a quorum was present. Shadrick Bogany was absent.

Members present:

Vidal Gonzalez -- Chair

Elizabeth Anderson -- Member

Staff of the Texas Department of Housing and Community Affairs was also present.

**PUBLIC COMMENT**

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

Mr. Gonzalez called for public comment and no one wished to give any comments.

**ACTION ITEMS**

**(1) Presentation, Discussion and Possible Approval of Minutes of the Audit Committee Meeting of June 13, 2002**

Motion made by Elizabeth Anderson and seconded by Vidal Gonzalez to approve the minutes of the June 13, 2002 Audit Committee Meeting.

Passed Unanimously

**REPORT ITEMS**

**Status of Prior Audit Issues**

Mr. David Gaines, Director of Internal Auditing, stated the first report under prior audit issues is the HOME Program Report. On the entire report, nine issues have been implemented; another twenty-one that the department is working on (eight relate to the HOME Program); four relate to Accounting; and three relate to multiple programs.

The HOME Program issues relate to a HUD monitoring visit in November of 2001, a KPMG finding in connection with last year's single audit and two issues relating to an internal audit review relating to loans and accounting for those loans and documentation supporting those loans.

On the HUD issues and KPMG finding, management considers two of the issues as resolved. One has been cleared by HUD and TDHCA has received a letter confirming this. One issue that the department disagrees with and TDHCA has provided HUD additional documentation to resolve the issue. Five issues are being worked on. HUD has identified one contract for deed recipient not having documentation on file to verify eligibility. The department has recovered funds relating to vacant lots purchased for which housing was not built within a year. On Issue 259, HUD notified the department that the issue was cleared. The issue of

importance that the department disagrees with is Issue 253 and it relates to HUD's conclusions that the department's not providing monitoring and oversight of the processing and construction activities of the HOME Program. HUD has suggested that TDHCA reinspect all units constructed since 1998 through the present, and if documentation was not sufficient, to reimburse HUD with non-federal funds. The department has informed HUD that it disagrees with the conclusions and HUD's plan. TDHCA also argues that the sample selected by HUD was not representative of the population and reinspecting properties back to 1998 is not a reasonable request by HUD.

Mr. Gaines stated TDHCA continues to work on the problems in the HOME Program and to address all audit issues. HUD has requested that the state provide assurance that no further funds be disbursed without the existence of executed agreements between all parties and that such agreements are in full compliance with the HOME regulations. TDHCA will send the subrecipients a letter requesting the status of projects and require the subrecipients to either notify the department that those projects have been canceled or provide copies of executed agreements between the related parties.

HUD has also requested TDHCA review all newly constructed projects since 1998 and ensure compliance with energy codes. The department will inform the subrecipients and will request confirmation back from those subrecipients that all projects are in compliance with this code.

The department will also begin posting program income to the IDIS system.

On the KPMG finding relating to the single audit, there is lack of documentation supporting soft costs. HUD has requested the department review all draws for project-related soft costs since 1999 and ensure that all draws are supported and if not, repay the funds with non-federal sources. TDHCA plans to request HUD to reconsider this action.

#### **Summary Status of Internal and External Audits**

Mr. Gaines stated there was a recent payroll audit completed and this report is being distributed to the Board, the Governors Office of Budget and Planning, LBB and the State Auditors Office.

The objectives of this audit were to determine whether adequate policies and procedures and controls are in place to provide reasonable assurance that payrolls are properly authorized and payroll amounts are properly supported and calculated. Based on the audit, they found that payrolls were properly authorized, supported and calculated and TDHCA is complying with the state and federal payroll reporting requirements.

There were instances of non-compliance with the internal policies of employees taking time off for FLSA overtime and to keep those hours under 80. As a result, overtime payments have been necessary and executive management has re-emphasized the policy to management, and the payroll and HR management have proposed strategies to resolve this issue.

#### **EXECUTIVE SESSION**

Mr. Gonzalez stated: "On this day, August 8, 2002 at the Audit Committee Meeting of the Texas Department of Housing and Community Affairs held in Austin, Texas, the committee adjourned into a closed executive session, as evidenced by the following: The Audit Committee will begin its executive session today, August 8, at 9:30 a.m. The subject matter of this executive session deliberation is as follows: Personnel matters, discussion and possible approval of performance evaluation for an internal auditor under Section 551.074, Texas Government Code, and discussion of any item listed on the Audit Committee meeting agenda of even date. At 9:30 a.m. the Committee recessed into closed executive session.

The Committee returned to Open Session at 10:12 a.m.

#### **OPEN SESSION**

Mr. Gonzalez stated: The Audit Committee has completed its executive session of the Texas Department of Housing and Community Affairs on August 8, 2002 at 10:12 a.m. The subject matter of this executive session deliberation was: Personnel matters, discussion and possible approval of performance evaluation for an internal auditor under Section 551.074, Texas Government Code, Action taken none; discussion of any item listed on the Audit Committee meeting agenda of even date, Action taken none. I hereby certify that this agenda of the executive session of the Texas Department of Housing and Community Affairs was properly authorized pursuant to 551.103 and 2306.056 of the Texas Government Code, posted at the Secretary of State's office seven days prior to the meeting pursuant to 551.044 of the Texas Government Code, and that two members of the Audit Committee were present, with the exception of Shadrick Bogany, and that this is a true and correct record of the proceedings pursuant to the Texas Open Meetings Act, Chapter 551, Texas Government Code."

**ADJOURN**

Motion made by Elizabeth Anderson and seconded by Vidal Gonzalez to adjourn  
Passed Unanimously

The meeting adjourned at 10:16 a.m.

Respectfully submitted,

\_\_\_\_\_, Board Secretary

p:dg/audminau

**AUDIT COMMITTEE MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension, Room E1.012, 1400 North Congress, Austin, Texas 78701**  
**September 12, 2002**                      **9:30 a.m.**

**Summary of Minutes**

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

The Audit Committee Meeting of the Texas Department of Housing and Community Affairs of September 12, 2002 was called to order by Chair Vidal Gonzalez at 9:35 a.m. It was held at the Capitol Extension, Room E1.012, 1400 North Congress, Austin, Texas. Roll call certified a quorum was present. Shadrick Bogany was absent.

Members present:

Vidal Gonzalez -- Chair

Elizabeth Anderson - Member

Staff of the Texas Department of Housing and Community Affairs was also present.

**PUBLIC COMMENT**

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

Mr. Gonzalez called for public comment and no one wished to give any comments.

**REPORT ITEMS**

**(1) Presentation and Discussion of:**  
**Status of Central Database Project**

Mr. David Gaines, Director of Internal Auditing, stated TDHCA's goal is to standardize information being presented to the board on the Central Database. On this project, the compliance monitoring and tracking system is substantially complete which is estimated to be about 95% complete. The functional planning and deployment is about 57% complete. The functional team will revisit all that is necessary in this phase to be sure they are satisfied with the progress being reported. There is a considerable amount of time being estimated to have all completed but this relates to making sure everything is tested, have the system available to the department's multifamily business partners managing properties in the portfolio that are subject to on going LURA agreements, and getting those partners on line to report their tenant and unit information on an ongoing basis.

He further stated they expect the appropriated capital budget to be fully expended by March 2003 and the entire team needs to establish strategies on how to best proceed from that time forward until September 2003.

Mr. James Roper of the Compliance Division stated they chose eleven volunteer properties to take part in the PILOT program using the external interfaces that were designed for the end user. Eight separate companies manage those eleven properties. Automated tests were conducted on the household data input and the results of those tests were evaluated against manual desk reviews conducted by in-house personnel. The results of those tests were found to be correct and more accurate than manual reviews and were faster. After the PILOT program was complete, a customer satisfaction survey was developed to get a feedback on functionality and the ease of use of the system. Eight surveys were sent out and all eight were returned. The results of those surveys were positive with 62.5% giving the highest marks, 16.6% gave the next highest marks and 9.72% gave the system a grade of meeting their expectations.

In the next phase of deployment the data cleansing and the data population is being addressed and additional fields have been added to the compliance system.



Mr. Roper then gave a short presentation on how the system is working at this time.

Ms. Anderson requested at the next Audit Committee Meeting, that Mr. Gaines has a report on what the remaining requirements are to get 100% complete development on this initial phase of compliance. She also asked for a list of remaining user requirements and this list to be restricted to the have-to-have items and not the nice-to-have items. On a reasonable schedule, she is interested in having someone talk to the Audit Committee about the roll-out plans; who is responsible for this; the coordination of roles between the compliance division and IS; and kind of tool kit that will be given to the owners.

**Status of Prior Audit Issues**

Mr. Gaines stated since the last report, eight issues have dropped as implemented or resolved. One issues has been dropped as no longer relevant. Four issues relating to the internal payroll audit have been added to the report and this makes twenty-five issues on this report. Twenty-three of those are being reported as in progress, one has been implemented, and one issue has been delayed pending action by HUD. He stated there are several communiqués between the department and HUD along with meetings held and TDHCA is in general disagreement with HUD and offered additional information for HUD to consider on Issues 253 through 260.

Mr. Gaines reviewed all findings and stated staff is working to clear all issues and several will be cleared through and after the reorganization is completed.

**Status of Review of LIHTC Inspection Fees**

Mr. Gaines stated after the last Board Meeting, Ms. Carrington discussed the situation related to the departments payment of inspection fees on tax credit properties. While these fees were to be reimbursed to the department by the property owners, adequate procedures had not been established to properly account for and collect those fees. As of this date of the Audit Committee Meeting, the Tax Credit Programs billed \$703,000 and TDHCA has collected \$423,000 which includes about \$33,000 in overpayments. the payment deadline was August 29th.

Ms. Carrington stated TDHCA will wait for 30 days from August 22nd (first billing) and do a second billing after about September 22nd. She also stated she has requested that the Internal Audit Division review other fees collected by TDHCA, just to ensure that adequate controls are in place to provide reasonable assurance that all fees that should be collected are being collected, properly recorded and processed.

**ADJOURN**

Motion made by Elizabeth Anderson and seconded by Vidal Gonzalez to adjourn  
Passed Unanimously

The meeting adjourned at 10:32 a.m.

Respectfully submitted,

Board Secretary

p:dg/aumisep

October 2, 2002

State Auditor's Office  
Internal Audit Coordinator  
Robert E. Johnson Building  
1501 North congress Avenue, Suite 4.224  
Austin, TX 78701

Attention: *Internal Audit Coordinator*

The accompanying report on the activity of the Texas Department of Housing and Community Affairs' (the Department) Internal Auditing Division (Division) for fiscal year 2002 fulfills the requirement of the Texas Internal Auditing Act (Texas Government Code, Chapter 2102). The purpose of the report is to provide information on the benefits and effectiveness of the internal audit function. In addition, the annual report assists central oversight agencies in their work planning and coordinating efforts.

The work of the Division has contributed to more effective operations of the Department during fiscal year 2002. The Department has also undergone other audits and reviews by its external auditors and its largest federal funding agency. The audits and reviews performed by external teams and the Division have provided coverage over substantially all of the Department's significant financial accounts and many of the Department's significant operations. The Division also participated in various other projects (Section V).

We appreciate the opportunity to participate in this process. For further information about the contents of this report, please contact me at 475-3813.

Sincerely,

David Gaines, CPA, CISA  
Director of Internal Auditing

cc: Wayne Roberts, Office of the Governor  
Ed Osner, Legislative Budget Board  
Joey Longley, Sunset Advisory Commission

Michael E. Jones, Chair of the Board of Directors  
Edwina Carrington, Executive Director

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**Internal Audit Annual Report for Fiscal Year 2002**

**I. Internal Audit Plan for Fiscal Year 2002**

PROJECT	GENERAL OBJECTIVES	ORIGINAL PLAN Board Approved 10/17/01	AMENDED PLAN <sup>1</sup> Board Approved 6/13/02
		ANTICIPATED REPORT DATE	ANTICIPATED REPORT DATE
Review of Board Policy (direction to the Department) and Policies and Procedures (responsibilities of the Board)	To identify Policy established by the Board and to assess whether such policy has been incorporated into the Department's formal policies and procedures to ensure compliance by Department staff.  To identify responsibilities of the Board and to assess whether such responsibilities have been reduced to formal policies and procedures to ensure that Board members are made aware of their responsibilities and to facilitate the members in fulfilling their responsibilities.	January 2002	Omitted from Amended Plan - see Note A.
LIHTC - Review of Controls over LIHTC Project Deliverables	To compare LIHTC project deliverables associated with tax credits awarded by the Department's Governing Board to projects actually delivered and Land Use Restriction Agreements actually filed identifying differences. Unfavorable differences between planned and actual project deliverables and LURAs will be investigated to identify controls that are lacking or not operating that allowed the unfavorable condition to materialize.	April 2002	Project delayed - see Note B.
LIHTC - Review of Implementation of SB 322	To review management controls established by the Department, including management plans, structural relationships and assignment of responsibilities and authorities, methods, policies, procedures, control systems, and program rules, to assess whether the Department has established appropriate controls to ensure successful implementation of SB 322 relating to the LIHTC program.	May 2002	Omitted from Amended Plan - see Note A.
Payroll Audit	To determine whether adequate policies, procedures and controls are in place to provide reasonable assurance that: <ul style="list-style-type: none"> <li>• access to the payroll system is properly restricted to those employees who need access to perform their job duties,</li> <li>• payrolls are properly authorized and that payroll amounts are properly supported and calculated,</li> <li>• the Department complies with any applicable State and Federal reporting requirements, and</li> <li>• that terminated/resigned employees are properly removed from the payroll system.</li> </ul>	August 2002	August 2002
Information	To review the project management framework being utilized by management to determine that		

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PROJECT	GENERAL OBJECTIVES	ORIGINAL PLAN Board Approved 10/17/01	AMENDED PLAN <sup>1</sup> Board Approved 6/13/02
		ANTICIPATED REPORT DATE	ANTICIPATED REPORT DATE
Systems - Review of Central Database Project Management Tools	<p>the methodology is adequate to ensure the success of the project providing for the following:</p> <ul style="list-style-type: none"> <li>• Participation by affected user department management in defining the project.</li> <li>• A clear written statement defining the nature and scope of the project.</li> <li>• A formal risk management program for identifying and eliminating or minimizing risks associated with the project.</li> <li>• The allocation of responsibilities and authorities, task breakdown schedules, time and resource budgets, milestones, checkpoints and approvals.</li> <li>• Methods of monitoring the time and costs incurred throughout the life of the project.</li> <li>• Approval of the work accomplished in each phase of the cycle before work on the next phase begins by the managers of the user and information services functions.</li> <li>• A quality plan, which is integrated with the project master plan, and formally reviewed and agreed to by appropriate parties.</li> <li>• Identification of assurance tasks during the planning phase of the project to assure that internal controls and security features meet the related requirements.</li> <li>• The creation of an appropriate test plan.</li> <li>• The creation of an appropriate training plan.</li> <li>• A plan for a post-implementation review to ascertain whether the project has delivered the planned benefits.</li> </ul> <p>The audit objectives also include compliance with the Texas Government Code, Chapter G, Sections 2054.151-2054.157, <i>Information Resources Management Act (IRMA)</i>, as it relates to project planning, monitoring and control. The criterion to be used on the audit includes IRMA and <i>Control Objectives for Information and Related Technology (Cobit)</i>, published by the Information Systems Audit and Control Foundation.</p> <p>The audit project plan incorporates the use of an independent third-party consultant to provide quality assurance over the audit plan, procedures, results and conclusions. The third-party consultant and the Director of Internal Auditing will jointly sign the audit report.</p>	February 2002	Project reclassified to advisory services - see Note C.
Follow-up on Prior Audit Issues	To track the status of prior audit issues for management/board report purposes and to ascertain that appropriate action is taken on reported audit findings.	On-going	Ongoing

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PROJECT	GENERAL OBJECTIVES	ORIGINAL PLAN Board Approved 10/17/01	AMENDED PLAN <sup>1</sup> Board Approved 6/13/02
		ANTICIPATED REPORT DATE	ANTICIPATED REPORT DATE
<b>Other Projects</b>			
	Prepare for and have conducted an external Quality Assurance Peer Review of the Department's internal audit function in accordance with professional standards.	August 2002	August 2002
	Prepare the Annual Internal Auditing Plan – FY 2003	Fall 2002	Fall 2002
	Prepare the Annual Internal Auditing Report – FY 2002	Fall 2002	Fall 2002
	Coordinate and assist external auditors	On-going	On-going
	Facilitate a Control Self Assessment (CSA) Program by developing a methodology and providing guidance and direction.  <b>Discussion:</b> A CSA is a proactive review to ensure processes, systems and activities are controlled and executed in a manner that supports and/or achieves TDHCA's business objectives. More specifically, a control self assessment is owned by management and: <ul style="list-style-type: none"> <li>• Provides the business with a checklist of critical steps necessary to achieve effective processes and controls.</li> <li>• Contains a management developed action plan to fix identified gaps (between what is and what should be).</li> <li>• Requires management prioritization.</li> <li>• Allows management to measure and therefore proactively manage controls over operations.</li> <li>• Allows management to periodically measure progress.</li> <li>• Drives operational ownership, involvement and understanding of controls.</li> </ul>	Not included in Original Plan	On-going, periodic reports, multi-year - see Note D.

<sup>1</sup> See next page for Notes regarding the Amended Plan.

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**Internal Audit Plan for Fiscal Year 2002**  
**Notes Regarding Amended Plan**

**Note A. - Projects Omitted from Amended Plan**

Projects omitted from the fiscal year 2002 amended audit plan were due to not having as many hours available as originally anticipated and a budget overage on one of the audit projects as discussed below.

- The hours originally considered in the development of the original audit plan for the year were not materialized. The original audit plan anticipated the hiring of another professional position into the Internal Auditing Division at the first of the current calendar year. That position was lost in the Department's allocation of full-time equivalent employees to the Office of Rural Community Affairs. Additionally, one of the two remaining professional staff terminated her employment with the Department effective April 30, 2002.
- The project, *LIHTC - Review of Controls over LIHTC Project Deliverables*, has expended more hours than originally anticipated. Primary reasons for the excess hours include more hours than anticipated for:
  - identifying different deliverable information relating to each LIHTC application cycle,
  - determining population of LIHTC projects to be considered and reasons for differences in populations between databases, and
  - considering data content of multiple information systems and reporting possibilities considering the information available.

**Note B. - Project Delayed**

The internal audit project, *LIHTC - Review of Controls over LIHTC Project Deliverables*, has been indefinitely delayed. The lead auditor on the project resigned from employment and the position has not been filled. Additionally, the LIHTC Section is undergoing considerable operational changes and possible changes in management in connection with a structural reorganization of the Department. Continuance of the project will be assessed in connection with developing the annual plan for fiscal year 2003.

**Note C. - Reclassification of the project, *Information Systems - Review of Central Database Project Management Tools, to Advisory Services***

The Director of Internal Auditing (Director) concluded that he was not able to serve **both** as Chair of the Central Database Steering Committee (Steering Committee), a role he had served in since October 2001 at the request of management, and as auditor of the Central Database Project, as a result of the Comptroller General of the United States and head of the General Accounting Office announcing in January 2002 significant changes to the auditor independence requirements under Government Auditing Standards.

The issue was discussed at a Steering Committee meeting in March 2002 and management requested that the Director continue in his role as Chair of the Committee. Management believed that they would be receiving greater value from the Director providing real time advice and direction in a proactive manner as opposed to periodic audit reports.

**Note D. - Facilitate a Control Self Assessment (CSA) Program by developing a methodology and providing guidance and direction.**

The Department's Governing Board Approved the *Control Self Assessment Program* project; however requested that inception of the program not begin until the structural reorganization that the Department is currently undergoing is substantially complete. Inception of the project is expected to be in the first calendar quarter of 2003.

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## **II. External Quality Assurance Review**

The Internal Auditing Division is currently undergoing a quality assurance review (QAR) that began in August 2002. Fieldwork has been completed and a report is pending completion. The expected report release date is late October 2002.

The prior QAR of the Division was conducted the summer of 1999, which resulted in a report dated August 30, 1999, and was performed by Caroline Maclay Beyer, CPA, and Charles F. Lyon, CPA.

The scope of the work included a review of the Department's internal audit function and operations for specific compliance with the:

- Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102),
- Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and
- Generally Accepted Governmental Auditing Standards issued by the U.S. General Accounting Office.

The report concluded that the work of the Department's Internal Auditing Division substantially complies with the Institute of Internal Auditor's *Standards for the Professional Practice of Internal Auditing* and the Texas Internal Auditing Act. This is the highest out of three possible ratings (substantially complies, partially complies, does not comply) which can be assigned.



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**III. List of Audits Completed Showing Scope, Observations/Findings, Recommendations, and Status**

<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
<b>Internal Audits/Reviews</b>						
1.05	01/07/02	Controls Over Single Family Loans	Controls over single family loans serviced by the Department.	The Department does not have adequate control or proper accounting over HOME Homebuyer Assistance Program (HAP) loans to ensure that its financial interests in the loans are protected.	7/22/02 - Implemented: The HOME staff is providing a weekly report to Loan Servicing for HBA draws, which started May 1, 2002, so that each loan and their trailing documents can be properly tracked in Mitas.	Proper accounting of loans and sufficient documentation to protect TDHCA's financial interests.
				Improve procedures to ensure that loan originations recorded on The Mortgage Origination System (TMO) are transferred to the loan servicing system to ensure the completeness and accuracy of both systems by conducting periodic reconciliations between the systems.	7/22/02 - Agency does not plan to implement recommendation: The Department has converted to a new loan origination and servicing system negating the issues noted.	
				Improve the reconciliation process between the loan servicing system and the accounting records to ensure the completeness and accuracy of both systems by completing a full and complete reconciliation of all loan balances.	4/26/02 - Implemented: Monthly reconciliations are being performed between the LSAM and accounting records.	
				HOME program management should develop and implement processes to ensure that all required/necessary loan documentation for both historical and future Homebuyer Assistance Program loans is acquired to adequately support and protect the Department's financial interests.	7/22/02 - In progress: Historical HAP loans need to be identified and documentation accumulated to support the Department's financial interests.	
				Management should implement formal standard operating procedures regarding required loan documentation including the use of the checklist, as intended by management, and a supervisory review process to ensure compliance with prescribed procedures.	7/22/02 - Implemented: HOME staff has implemented a new checklist and Loan Servicing has been utilizing a closing checklist to ensure that proper documentation is received.	

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<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
1.05	01/07/02	Controls Over Single Family Loans	Controls over single family loans serviced by the Department.	The Department should develop and implement formal policies and procedures for the periodic review of delinquent program loans, related collection efforts and specific criterion to be met for writing-off loan balances.	7/22/02 - In progress: Draft SOPs are in the process of development.	Adequate policies and procedures to protect TDHCA's financial interests.
				Management should development, implement and enforce formal policies and procedures relating to access and storage of the Department's critical loan documentation.	7/22/02 - Implemented: Loan Administration has updated the File Retention SOPs reflecting the current processes.	
2.07	07/23/02	Payroll Audit; Report No. 2.07	Review of FY 2002 to date (5/17/02) payroll transactions to determine whether controls are in place to provide reasonable assurance that: <ul style="list-style-type: none"> <li>• access to the department's payroll system is properly restricted to those employees who need access to perform their job duties,</li> <li>• payrolls are properly authorized and that payroll amounts are properly supported and calculated,</li> <li>• the Department complies with applicable State and Federal reporting requirements, and</li> <li>• that terminated/resigned employees are properly removed from the payroll system.</li> </ul>	Management should take appropriate action to strengthen USPS access controls.	7/23/02 - In progress: Management agrees and has established 10/31/02 as the target date for completion.	Adequate controls to protect financial resources and comply with external reporting requirements.
				Responsibilities associated with authorizing, processing, recording and reviewing payroll transactions should be separated among employees whenever possible. Appropriate compensating controls should be put into place in instances where there may be limited opportunities to segregate responsibility.	7/23/02 - In progress: Management agrees and has established 10/31/02 as the target date for completion.	
				The Department's needs to comply with or revise its internal policy of having employees take time off for FLSA overtime hours accrued.	7/23/02 - In progress: New Personnel Policies and Procedures effective September 2002 addresses the issues.	
				Human Resources management should develop specific written procedures for certain payroll processing activities and formally approve the Time and Leave SOP's already developed.	8/29/02 - Implemented: The Internal Auditing Division has verified that appropriate corrective action has been taken.	
N/A	09/07/01	HUD Monitoring Review, State of Texas Community Development Block Grant Program	A limited review to determine that the State is timely monitoring contracts, activities are eligible and meet a national objective, accomplishments are consistent with planned activities, citizen participation requirements are being met and activities are being implemented in a timely manner.	Although there were several recommendations provided as technical assistance items that the state should consider, there were no findings or concerns.	Not applicable	Assurance that program goals are met.

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<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
M-00/01-SG-48-0100	11/16/01	Monitoring Visit - HOME Program	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	The state is not providing adequate monitoring and oversight of the processing and construction activities of its recipients, subrecipients, CHDOs, contractors and/or developers in accordance with the HOME regulations and applicable OMB circulars. Additionally, the properties assisted by particular programs have insufficient or no documentation that they are in compliance with the state's housing rehabilitation (property) standards and code requirements.	7/31/02 - In progress: TDHCA respectively disagrees with HUD. TDHCA staff conducted tests of the 23 files originally reviewed by HUD plus another 120 files. Test results found the files to be adequately supported. This information and supporting documentation have been provided to HUD in anticipation of clearing this issue. The target date for completion is contingent upon HUD's response.	Accomplishment of program goals and compliance with program rules, laws and regulations.
				One of the Department's subrecipient's third-party lenders, (1) disbursed both HOME and FHA Title 1 Home Improvement Loan funds to pay a contractor, in full, to reconstruct a house that was never completed and, (2) issued checks against the FHA Title 1 Home Improvement Loan which subsequently were returned due to insufficient funds, as well as disbursing HOME funds to pay the same contractor for rehabilitation work on a second project, which was never completed.	07/31/02 - In progress: TDHCA has been working with the subrecipient to obtain the related files for review. Once the information is received, the Department will review and assess the files for further corrective action.	
M-00/01-SG-48-0100	11/16/01	Monitoring Visit - HOME Program	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Data previously entered into IDIS that was incomplete and/or inaccurate have still not been corrected.	07/31/02 - In progress: HOME staff has developed an extensive HOME Work Plan, standard operating procedures for program income and refunds, and preliminary standard operating procedure and forms to initiate the mass contract close-out process, which will include addressing IDIS corrections.	Accomplishment of program goals and compliance with program rules, laws and regulations.

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Rpt. No.	Rpt. Date	Name of Report	High-Level Audit Objective(s)	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
				Vacant lots were purchased under the contract-for-deed conversion program for which the construction of housing units was not started within 12 months of the purchase of the land, contrary to HOME rules. Additionally, income eligibility could not be determined for one of the recipients based on the state's monitoring checklist.	07/31/02 - Implemented: TDHCA Compliance Monitors conducted a review of related project files and associated questioned costs has been reimbursed by the subrecipient. The remaining 11 applicants were income eligible.	
				It could not be determined that the subrecipient executed lower-tier subcontracts including a subcontract with another third party for provider fees of \$500 per case. It could not be determined what specifically was covered by the fees or whether the fees were cost-reasonable based on the service(s) provided.	07/31/02 - In progress: TDHCA plans to send the subrecipient a letter requesting the status of these projects and either cancel the projects or provide a copy of the executed written agreements.	
				There is a prohibited clause in the Land Use Restriction Agreement (LURA) executed between one of the Department's subrecipients and a Texas limited partnership whereby occupancy requirements could be waived.	7/31/02 - In progress: TDHCA's Legal Division is reviewing the issue to determine and recommend an appropriate remedy.	
				HOME funds were disbursed to a contractor in advance of need as an "initial draw," contrary to program rules.	6/27/02 - Implemented: HUD cleared this issue pursuant to its letter dated June 27, 2002 based on the state's assurance that no federal funds will be drawn and disbursed until needed for the payment of eligible costs.	

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<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
M-00/01-SG-48-0100	11/16/01	Monitoring Visit - HOME Program	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Instances were noted where there was no documentation that newly-constructed units are in compliance with the Model Energy Code. Additionally, it was noted that a HOME funded apartment complex is not in compliance with Section 504 (handicapped accessibility) relative to units that are accessible for persons with visual and/or hearing impairments.	7/31/02 - In progress: TDHCA has requested the subrecipient to provide verification that these projects are in compliance with the Model Energy Code (MEC).  Additionally, TDHCA will ensure that a revised LURA will be filed that includes the correct language, the required number of HOME assisted units, and the correct number of special needs units to comply with Section 504.	Accomplishment of program goals and compliance with program rules, laws and regulations.
N/A	11/30/01	Report to Management - Year ended August 31, 2001	Annual independent audit of the Department's general purpose financial statements	The accounting for the Texas Housing Trust Fund is split between the governmental and proprietary funds of TDHCA. Account for the HTF in one fund or record an operating transfer from the general fund to the enterprise fund.	07/31/02 - In progress: TDHCA has prepared the loan balances necessary for transfer to general fund and will finalize operating transfer entries in October 2002.	Proper accounting of funds.
				Implement policies and procedures to ensure that Down Payment Assistance Program transactions are processed in their entirety, that relevant loan documentation is received and that Loan Administration's and Accounting's records are in agreement and reconciled on a regular basis.	7/11/02 - Implemented: The HOME staff is providing a weekly report to Loan Servicing for HBA draws, which started May 1, 2002, so that each loan and their trailing documents can be properly tracked in Mitas.	Proper accounting and sufficient documentation to protect TDHCA's financial interests.
				TDHCA does not accrue for invoices received subsequent to one month after year-end that relate to the preceding fiscal year.	07/31/02 - In progress: TDHCA will employ a new policy in FY 2002 that will give consideration to the accrual of invoices greater than \$100,000 received subsequent to thirty days after fiscal year end to more accurately reflect expenditures.	Proper accounting of funds.

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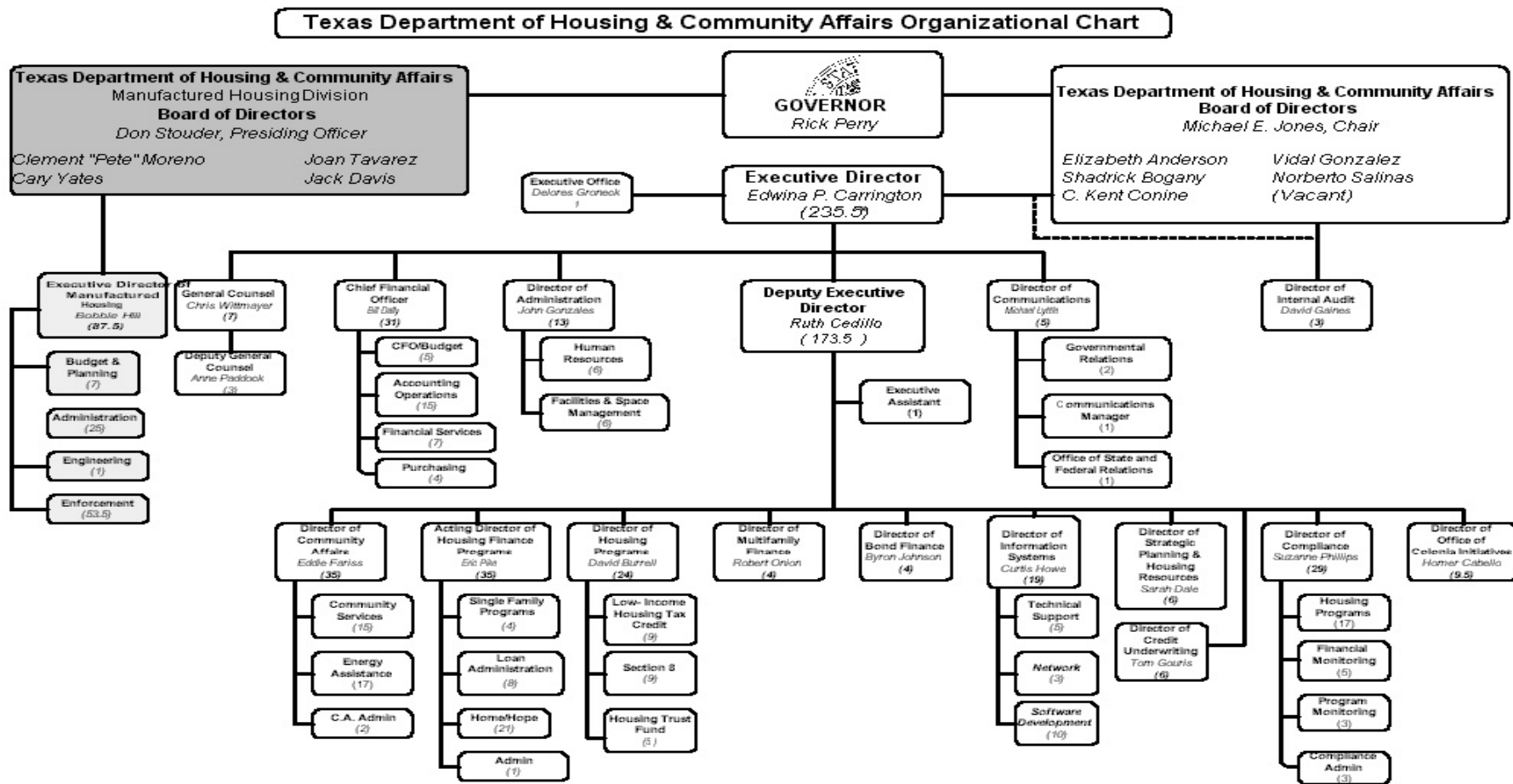
<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
N/A	11/30/01	Report to Management - Year ended August 31, 2001	Annual independent audit of the Department's general purpose financial statements	The existing financial information systems include the utilization of multiple databases which results in significant manual processing, reporting, and data interface by TDHCA personnel which may result in inefficient use of personnel resources and compromised data integrity.	07/31/02 - In progress: TDHCA has vastly improved PeopleSoft features related to procurement, purchase order, matching and reporting. Future plans include E-Procurement and interfaces with the Department's central database in the Fiscal Year 2003.	Efficiency of resources and data integrity.
				Repeat Issue - In June 1999, GASB issued its Statement No. 34, that will require significant changes to the way that TDHCA collects, records and reports its financial information and may require significant research and preparation prior to implementation.	07/31/02 - In progress: FY 2002 funds are being prepared in GASB 34 format. The Dept. has worked with the SAO and has attended the Comptroller's training for reporting requirements for the FY 2002 Annual Financial Report and intends to meet the required deadlines and formats.	Efficiency in accumulating financial information and proper financial reporting.
N/A	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).	There is a lack of documentation to support soft costs incurred by subrecipients. Known questioned costs - \$29,400. Estimated questioned costs - \$2,314,574.	In progress: TDHCA is assessing its required documentation standards and intends to work with HUD to resolve this issue.	Accomplishment of program goals and compliance with program rules, laws and regulations.

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<b>Rpt. No.</b>	<b>Rpt. Date</b>	<b>Name of Report</b>	<b>High-Level Audit Objective(s)</b>	<b>Observations/Findings and Recommendations</b>	<b>Current Status</b>	<b>Fiscal / Other Impact</b>
N/A	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).	TDHCA does not have adequate internal controls in place over monitoring the subrecipients of the HOME Program.	4/22/02 - Implemented: The HOME Program created a new policy manual effective March 1, 2002 requiring certain information from administrators prior to the release of funds as recommended by the audit.	Improved controls to ensure accomplishment of program goals and compliance with program rules, laws and regulations.
				The Compliance Division does not have a management control in place that tracks visits undertaken and reports still outstanding.	4/26/02 - Implemented: The Compliance Division tracks on-site visits, monitoring letters and reports with an excel spreadsheet and an access database and provides the Division Director a summary of the monthly activities highlighting any outstanding letters or reports.	
				The results of an independent audit of one of Low Income Home Energy Assistance's (LIHEAP) subgrantees identified embezzled funds over a period of five years. TDHCA has reported the embezzlement to the appropriate funding Federal funding agencies.	08/01/2002 - In progress: A TDHCA letter dated June 14, 2002 and addressed to subgrantee requested a meeting to resolve the matter and demanded immediate repayment. On 9/25/02, the Department received a reimbursement from the subrecipient that will be used to satisfy the questioned costs.	Recovery of funds inappropriately charged.

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**IV. Organizational Chart**





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**V. Report on Other FY2002 Internal Audit Activities**

Activity	Impact
<p><u>Facilitated Oversight of Development of Department Central Database</u>            The Director of Internal Auditing serves as the nonvoting Chair of the Steering Committee overseeing the development of a central database for the Department.</p>	<p>Helps facilitate adequate oversight of the project and that adequate project management tools are in place.</p>
<p><u>Maintained Prior Audit Issue Tracking System</u> - The Division maintains the Department's Prior Audit Issue Tracking System that tracks prior internal and external audit findings, management's responses, corrective actions taken by management and the implementation status of unresolved audit findings. Extracts from the System are periodically provided to the Department's management and Governing Board and, as requested, the Department's external auditors, the State Auditor's Office and other oversight agencies.</p>	<p>Allows the Department's management, Governing Board, oversight agencies and other interested parties to readily assess the status of prior audit issues and corrective actions taken to resolve the issues. Promotes accountability for the status of corrective actions taken. Facilitates internal and external audit planning.</p>
<p><u>Coordinated External Auditors</u> - The Internal Auditing Division served as liaison and/or helped coordinate between the Department and the external auditors/monitors and/or advised management in responding to audit issues for the following audits:</p> <ul style="list-style-type: none"> <li>• U.S. Department of Housing and Urban Development: Monitoring Visit - HOME Program On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001; Report issued November 16, 2001.</li> <li>• KPMG: Statewide Federal Single Audit for FYE August 31, 2001; Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133; Report dated February 12, 2002.</li> <li>• State Auditor's Office: Performance Measures Certification Audit; audit in progress.</li> <li>• State Auditor's Office: audit of five programs; audit in progress.</li> <li>• State Auditor's Office: Financial Profiles Review; review in progress.</li> <li>• KPMG: Statewide Federal Single Audit for FYE August 31, 2002; audit in progress.</li> </ul>	<p>Facilitated the audit process by contributing to one or more of the following:</p> <ul style="list-style-type: none"> <li>• Ensured facility and audit information needs were satisfied.</li> <li>• Monitored progress of the audits by attending entrance conferences, status meetings and/or exit conferences.</li> <li>• Helped ensure accuracy of audit findings and recommendations and adequacy of management's responses.</li> </ul> <p>The Internal Auditing Division's awareness of the Department's operating, financial and compliance considerations was promoted.</p>

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Activity	Impact
<p><u>Quality Assurance Review</u> The Internal Auditing Division is participating in a quality assurance review (QAR) that began summer 2002. The QAR included a self assessment that was completed by the Internal Auditing Division in early August 2002. The self assessment was used as a basis for the independent third-party auditors conducting the review and consisted of the internal auditing staff documenting its compliance with professional standards.</p> <p>The scope of the QAR and the self assessment included a review of the internal audit function and operations for specific compliance with the:</p> <ul style="list-style-type: none"> <li>• Texas Internal Auditing Act (Tex. Gov't Code Chapter 2102),</li> <li>• Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors, and</li> <li>• Generally Accepted Governmental Auditing Standards issued by the U.S. General Accounting Office.</li> </ul> <p>Fieldwork has been completed and a report is pending completion with an expected report release date of late October 2002.</p>	<p>The Review includes a self assessment as well as an independent third party assessment of the Internal Auditing Division. The assessments provides opportunities to identify possible areas that can be improved upon to achieve a more effective and efficient internal auditing function. The Review also assesses whether the Internal Auditing Division complies with required professional standards and the Texas Internal Auditing Act.</p>
<p><u>Participated in Professional Organizations</u> Professional staff are encouraged to be members of, and actively involved in, professional organizations. The Director of the Internal Auditing Division was actively involved in the Information Systems Audit Control Association (ISACA) and is currently serving as the Board President of the Austin ISACA Chapter. Professional staff memberships include the following professional organizations:</p> <ul style="list-style-type: none"> <li>▪ Institute of Internal Auditors</li> <li>▪ Texas Society of Certified Public Accountants</li> <li>▪ Information Systems Audit Control Association</li> <li>▪ State Auditor Internal Audit Forum</li> <li>▪ Association of Government Accountants Association of Certified Fraud Examiners</li> </ul>	<p>The benefits of membership and active involvement in professional organizations are enhanced expertise in audit and audit related matters and promote the internal audit staff's professionalism, knowledge, skills and abilities and opportunities to obtain required continuing education credits at affordable prices. The responsibilities of the Board position include the promotion and advancement of information systems audit and control knowledge.</p>

## **VI. Internal Audit Plan for Fiscal Year 2003**

The Internal Auditing Division has not developed its annual plan for fiscal year 2003. The agency is currently undergoing a major structural reorganization whereby the structure, currently based on programs delivered, is being reorganized by major functions. The reorganization is affecting substantially all of the housing programs of the agency and the operating processes, procedures, staffing, and management of those programs. The reorganization is expected to be in the implementation stage in early calendar year 2003. The Internal Auditing Division will be assessing risks associated with the reorganization in the interim and intends on presenting an audit plan to the Department's Governing Board in the first calendar quarter 2003.

Until the audit plan is approved, the Internal Auditing Division will be:

- Conducting audits of the completeness and accuracy of various fees collected by the Department. The objectives of the audits include assessing the completeness and accuracy of the accounting of fees and whether there are adequate controls in place to provide management reasonable assurance that the Department's financial interests are adequately protected. These audits were requested by the Board and the Executive Director.
- Assessing risks associated with the Department's operations and programs, considering the reorganization and the associated changes in management and staffing, to have an adequate basis for developing the annual audit plan.
- Facilitating management in its responsibility to provide guidance and direction in the development of the Department's central database.
- Tracking the status of prior audit issues to ascertain that appropriate action is taken on reported audit findings and reporting the status and progress in taking corrective actions to the Department's management and Governing Board. The Board has requested that a status report be presented monthly until prior audit issues are cleared.
- Coordinating the needs of external auditors including assisting management in developing appropriate responses to audit findings that may result.

# Texas Department of Housing and Community Affairs - Summary Report of Prior Audit Issues (except those prior audit issues previously reported as implemented or otherwise resolved)

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target	
			Codes*	Date	Date	
136	06/04/99 IA	Identification and Tracking of Subrecipients - Rpt. No. 9.09-1 To assess the adequacy of the Department's subrecipient monitoring systems and related policies and procedures.	Px	09/30/99	04/30/00	
			Px	03/15/00	04/30/00	
	Pxx	08/29/00	NR			
	Px	01/16/01	07/31/01			
	Px	07/25/01	NR			
	Px	01/08/02	NR			
	Px	04/26/02	NR			
	Px	7/15/02	1/31/03			
	Px	10/01/02	1/31/03			
	<b>Issue:</b> The Department does not have formalized processes in place to identify and capture monitoring-related information that should be used to monitor and evaluate the performance of subrecipients, to plan and track the results of monitoring reviews and to share between the Department's program areas for planning and monitoring purposes to effectively and efficiently carry out monitoring responsibilities.					
<b>DIVISION:</b> Multiple						
<b>Status:</b> 10/01/02 - All program areas have previously reported that this issue has been corrected except as noted below.  09/11/02 - It was not until January 2001 that the Section 8 new program management became aware of and began to develop a subrecipient tracking system. However, it was determined during development of the process that the current Genesis System utilized by Section 8 was not sufficient to provide the necessary tracking. The Section 8 Program will convert to a new database system to accomplish this task by 1/1/03.  09/25/02 - On 9/23/02 Compliance met with Section 8 staff to discuss monitoring tools. Section 8 staff agreed that to formulate a checklist of items to be monitored and evaluated to ensure compliance. Compliance staff suggested criteria as a guide to formulate the checklist. Monitoring forms will be developed as well as a tracking mechanism in Excel. Compliance staff agreed to review and provide comments on the first drafts of SOPs, forms and the tracking system.						
119	06/04/99 IA	Selection of Subrecipients for Monitoring Reviews - Rpt. No. 9.09-2 To assess the Department's management controls (systems, policies, procedures) used to select subrecipients for monitoring reviews.	Px	09/30/99	12/31/99	
			Px	03/15/00	05/31/00	
	Px	08/29/00	12/31/00			
	Px	01/18/01	04/30/01			
	Px	07/27/01	NR			
	Px	04/25/02	05/31/02			
	Px	7/31/02	1/31/03			
	Px	09/25/02	10/31/02			
	<b>Issue:</b> The Department does not have formal policies and procedures regarding "joint" monitoring visits to review multiple programs, if applicable, simultaneously, rather than monitoring individual programs separately.					
	<b>DIVISION:</b> Multiple					
<b>Status:</b> 9/25/02 - On 9/25/02 a SOP was finalized and is in routing for approval.						

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target	
			Codes*	Date	Date	
252	07/24/00 IA	Housing Trust Fund - Subrecipient Monitoring, Rpt. No. 0.04 The HTF program's subrecipient monitoring function.	Px	08/24/00	12/31/00	
			Px	04/18/01	05/31/01	
	Px	07/25/01	08/31/01			
	Px	09/28/01	NR			
	Pxx	01/7/02	NR			
	Px	04/25/02	05/31/02			
	Px	07/09/02	01/31/03			
	Px	09/25/02	01/31/02			
	<b>Issue:</b> We recommend that Department management explore alternatives regarding the inspection of its construction projects, including (1.) establishing an agency-wide construction inspection section, (2.) formally evaluating the costs and benefits associated with contracting with third parties, (3.) formally evaluating the degree of overlap between HTF's construction inspection objectives and procedures and those of third parties and (4.) considering obtaining additional inspection resources.					
	<b>DIVISION:</b> Multiple					
<b>Status:</b> 07/31/02 - The HTF inspection coordinator has been assigned the LIHTC duties to ensure consistency between the two programs.  Additionally, the HTF staff conducted a survey of the Department's needs and has forwarded the results to the Compliance Division, which has sponsored several working groups for the review of the summary and incorporation of the survey results into draft standard operating procedures (SOP) that address the construction inspection function.  09/25/02 - The HTF inspection coordinator continues to coordinate the review of the contract inspectors for LIHTC, provide LIHTC/HTF management assessment of the quality and content of the contractors' services, and has provided management draft SOP's for consideration for post reorganization implementation. The HTF inspector coordinator is in the process of reviewing billings from inspectors and reviewing statements of work performed.						
187	09/19/00 HUD	Section 8 Management Review Review conducted week of August 7, 2000 - To ensure compliance with statutory and regulatory requirements.	Dx	01/03/01		
			Dx	03/04/01		
	Dx	04/18/01	NR			
	Dx	11/28/01	NR			
	Pxx	04/25/02	08/31/02			
	Px	7/31/02	12/31/02			
	Px	8/30/02	12/31/02			
	<b>Issue:</b> Finding No. 17: Contract of Participation and Establishment of Escrow Account, Documentation could not Be Provided to Support Implementation of a Family Self-Sufficiency (FSS) Program (Repeat Finding).					
	<b>DIVISION:</b> Section 8					
	<b>Status:</b> 8/30/02 - HUD denied initial exception request due to a lack of any supportive evidence that the operation of a FSS is not feasible. Management is presently processing survey results on client services available in Local Operator areas to assess the feasibility. The results of the surveys and, if warranted, another exception request will be submitted to HUD by December 31, 2002.					

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target
			Codes*	Date	Date
196	12/01/00 SAO	An Audit Report on the Texas Department of Housing and Community Affairs, Report No. 01-009 Applications submitted and Contracts awarded by the Department of the LIHTC HOME and HTF Programs from FY 1995 - 1999. Tests of financial information, needs assessment procedures & related data, review of performance measures & Dept.-wide needs assessment.	Px	01/05/01	09/30/01
			Px	11/29/01	03/31/02
			Px	04/25/02	6/30/02
			Pxx	7/10/02	9/30/02
			lx	9/27/02	
<b>Issue:</b> Develop procedures to ensure compliance with Government Code that states, "a fee charged by the department to an applicant for a low income housing tax credit may not be excessive and must reflect the department's actual costs in processing the applications and providing copies of documents in connection with the application process."					
<b>DIVISION:</b> LIHTC & Accounting					
<b>Status:</b> 09/27/02 - Payroll cost information was applied to the estimated labor hours to determine the total estimated labor costs for the 2001 Application Cycle. The estimated labor costs were compared with the total application fees charged and collected for processing 2001 applications. Results show that the application fees charged to applicants were not excessive.					
To ensure that actual payroll hours are accumulated to assess the reasonableness of application fees in the future, a standard operating procedure has been developed, effective October 1, 2002, requiring employees that process LIHTC applications to account for their actual time doing so.					
-----					
233	08/15/01 IA	Internal Auditing Report on Community Services Programs - Subrecipient Monitoring Function; Rpt. No. 1.04 The Community Services programs' subrecipient monitoring function for the 1999-2000 program years.	Pxx	01/04/02	
			Pxx	04/26/02	06/30/02
			Px	07/15/02	10/31/02
			Px	09/11/02	09/16/02
			lx	10/01/02	
<b>Issue:</b> Community Services management is not recognizing other monitoring related activities being performed within the Department and the results of those activities as procedures and results that could be relied upon to assist in accomplishing its monitoring responsibilities and for use in its risk assessment processes.					
<b>DIVISION:</b> Community Services					
<b>Status:</b> 10/01/02 - Community Services inquires to other program areas and the Compliance Division in connection with its monitoring visits and contract awards to determine if there are any performance issues that should be considered.					
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237	08/15/01 IA	Internal Auditing Report on Community Services Programs - Subrecipient Monitoring Function; Rpt. No. 1.04 The Community Services programs' subrecipient monitoring function for the 1999-2000 program years.	Pxx	01/04/02	
			Px	04/26/02	06/30/02
			Px	7/17/02	10/31/02
			Px	8/30/02	9/15/02
			Px	10/01/02	10/04/02
<b>Issue:</b> Develop and implement a system to track the status of reported deficiencies supported by formal standard operating procedures.					
<b>DIVISION:</b> Community Services					
<b>Status:</b> 10/01/02 - Community Services will be receiving training on Friday, 10/04/02, on an electronic monitoring tracking system at which time it will have a system to address this issue and will consider the corrective actions necessary to resolve this issue as implemented.					
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Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
253	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Dx	07/26/02	
			Dx	9/23/02	

**Issue:** The state is not providing adequate monitoring and oversight of the processing and construction activities in accordance with the applicable requirements. Additionally, the properties assisted by several of the HOME activities have insufficient or no documentation that they are in compliance with applicable standards and code requirements.

Corrective actions includes (1) reinspecting all units assisted from 1998 through present with HOME funds through the subject subrecipient to ensure compliance with code requirements, (2) putting remaining open contracts with subrecipient on hold until reinspections have been completed and violations, if any, have been corrected, and (3) advising what steps will be implemented to assure that in the future that all HOME-assisted units will be in full compliance with all program requirements.

**DIVISION:** HOME

**Status:** 7/31/02 - Status is being presented as Action Delayed pending a further response from HUD.

The Department, pursuant to letter to HUD dated 7/26/02, respectfully disagrees with the conclusions reached and corrective actions recommended in HUD's report (reinspect all units assisted from 1998 through the present with HOME funds under agreements executed between the state and the subrecipient) . The Department reports that it does provide adequate monitoring and oversight of HOME program subrecipients and that the sample selected by HUD was not representative of the population of HOME awards.

Additionally, the Department reports that HUD did not consider documentation available at the subrecipient level. Based upon tests conducted by TDHCA staff of the 23 files originally reviewed by HUD, 100% were found to have adequate source documentation for all items HUD identified as deficient . Additionally, another 120 files were reviewed, 104 HBA and 16 OCC, that contained 100% all necessary supporting documentation. Documentation supporting these test results have been provided to HUD.

The target date for completion is contingent upon HUD's response.

9/23/02 - Staff is currently drafting a follow-up letter (to HUD) requesting probable date of issue of response to July 26, 2002 letter. Target date for letter is 10/25/02.

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target
			Codes*	Date	Date
254	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Px	07/26/02	12/31/02
			Px	10/02/02	

**Issue:** One of the Department's subrecipient's third-party lenders, (1) disbursed both HOME and FHA Title 1 Home Improvement Loan funds to pay a contractor, in full, to reconstruct a house that was never completed and, (2) issued checks against the FHA Title 1 Home Improvement Loan which subsequently were returned due to insufficient funds, as well as disbursing HOME funds to pay the same contractor for rehabilitation work on a second project, which was never completed.

Corrective Actions include, in addition to resolving the preceding, identifying all applicants funded through the third-party lender and justifying related disbursements.

**DIVISION:** HOME

**Status:** 10/02/02 - The Department and subrecipient have identified that 33 files exist. The subrecipient is in the process of securing the files. The Department has a scheduled 10/08/2002 meeting with the subrecipient to make decisions concerning the file review and the actions to be taken with the contractor or other resolution. The target dates for completion will be determined at that time.

255	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Px	07/26/02	08/31/03
			Px	10/02/02	

**Issue:** Data previously entered into IDIS that was incomplete and/or inaccurate have still not been corrected.

Corrective Actions include (1) reviewing all Project Set-up and Project Completion reports for all activities assisted from 1998 through present and making all required corrections on the forms, (2) entering all revised data into the IDIS for each activity, (3) providing a proposed timeframe for the preceding, and (4) advising HUD the steps the State plans to implement to assure in the future that all required data will be obtained and accurately entered into IDIS.

**DIVISION:** HOME

**Status:** 10/02/02 - Staff has been working with TONYA, Inc. to review the IDIS reports and prepare a plan of action that is expected to be completed by 11/15/02.

Staff is currently drafting a letter to HUD, anticipated to be released by 10/25/02, requesting clarification on specific IDIS issues and what constitutes a reporting error. The target date for completion of IDIS corrections is dependent upon the definition of reporting errors by HUD.



Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target
			Codes*	Date	Date
257	11/16/01 HUD	Monitoring Visit - HOME Program - M-00/01-SG-48-0100 On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Px	04/22/02	08/01/02
			Px	07/26/02	10/15/02
			Px	09/26/02	12/15/02
<p><b>Issue:</b> It could not be determined that all required lower-tier subcontracts were executed between the applicable parties. Additionally, there was no documentation of an executed a subcontract with another third party for provider fees of \$500 per case. It could not be determined what specifically was covered by the fees or whether the fees were cost-reasonable based on the services provided.</p> <p>Corrective Actions include (1) execution of written agreements between the subrecipient and third-party lenders in accordance with regulations, (2) no further funds be disbursed until documentation of that all written agreements between all parties have been executed and received and (3) the State obtaining assurance that service or provider fees are reasonable.</p> <p><b>DIVISION:</b> HOME</p> <p><b>Status:</b> 7/31/02 - With the implementation of the new HOME Policy and Procedure manual effective March 1, 2002, the Department requires HOME contract administrators to execute written agreements with applicable third-party service providers and that charges for services or provider fees are reasonable prior to releasing funds.</p> <p>9/26/02 - Department has determined that 3rd party agreements do not exist. The Department has identified 10 undrawn projects that are no longer in effect that will be cancelled in the system by 11/30/02. The Department will inform the subrecipient by 10/31/02 that the projects will be cancelled and a report to HUD will be provided by 12/15/02.</p>					
258	11/16/01 HUD	Monitoring Visit - HOME Program - M-00/01-SG-48-0100 On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Pxx	04/26/02	06/30/02
			Px	07/26/02	
			Px	10/02/02	
<p><b>Issue:</b> There is a prohibited clause in the Land Use Restriction Agreement (LURA) executed between one of the Department's subrecipients and a Texas limited partnership ("Owner") whereby occupancy requirements could be waived contrary to program regulations unless an exception is granted by HUD for specified reasons.</p> <p>Corrective Actions include (1) amending the LURA to remove the prohibited clause, (2) reviewing all other LURAs or similar documents from 1998 through present to assure that no prohibited clauses are in the agreements and, if so, make appropriate corrections and (3) reviewing all LURAs or similar documents in the future to ensure that no prohibited clauses are included.</p> <p><b>DIVISION:</b> HOME</p> <p><b>Status:</b> 10/02/02 - (1) The subrecipient has informed the Department that the subject property was monitored on 9/24/02 and reports that the housing sponsor has agreed to execute an appropriate amendment to the existing LURA. TDHCA will ensure that the revised LURA includes the correct language, the required number of HOME assisted units, and the correct number of special needs units. The Department is meeting with the subrecipient on 10/08/02 to determine the progress being made and will establish a target date for completion at that time.</p> <p>(2) The Department's Legal Division is reviewing the issue and will recommend an appropriate action by November 2002.</p>					

Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
260	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Px	06/27/02	01/31/03
			Px	10/02/02	

**Issue:** Instances were noted where there was no documentation that newly-constructed units (single-family and multi-family) are in compliance with the current edition of the Model Energy Code (MEC) published by the Council of American Building Officials. Additionally, it was noted that a HOME funded apartment complex is not in compliance with Section 504 (handicapped accessibility) relative to units that are accessible for persons with visual and/or hearing impairments.

Corrective Actions include (1) reviewing all applicable files from 1998 through present to verify compliance with MEC and 504 requirements, (2) increasing the number of accessible units to comply with 504, and (3) providing a proposal on how the state intends to comply with the 504 sensory impairment requirement.

**DIVISION:** HOME

**Status:** 9/12/02 - TDHCA is currently in the process of issuing an Invitation to Bid for this issue to be addressed for all HOME-assisted properties. Outsourcing the inspections to a professional organization will not only determine compliance with Section 504, but also with Fair Housing compliance. The Department plans to begin the work in FY 2002, if budget authority allows; if not, the contract will begin in FY 2003. Once awarded and scheduled, TDHCA will forward a timeframe for completion to HUD.

10/02/02 - The subrecipient has informed that the subject property was monitored on 9/24/02 and has reported that the housing sponsor has agreed to execute an appropriate amendment to the existing LURA. TDHCA will ensure that the revised LURA includes the correct language, the required number of HOME assisted units, and the correct number of special needs units.

The subrecipient is in the process of reviewing files to determine compliance with MEC. The Department is meeting with the subrecipient on 10/08/02 to determine the progress being made and will establish a target date for completion at that time.

272	11/30/01	Report to Management - Year ended August 31, 2001	Px	07/22/02	08/31/02
	Deloitte & Touche	Annual independent audit of the Department's general purpose financial statements	Px	09/11/02	10/15/02

**Issue:** The accounting for the Texas Housing Trust Fund is split between the governmental and proprietary funds of TDHCA. Account for the HTF in one fund or record an operating transfer from the general fund to the enterprise fund.

**DIVISION:** Accounting and Finance

**Status:** 07/31/02 - Financial Services has prepared the loan balances necessary for transfer to general fund.

09/11/02 - A receivable will be recorded in the General Fund from the Proprietary Fund to account for these loans within its originating fund. The recording of this transfer will be completed by October 15, 2002.

Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
274	11/30/01	Report to Management - Year ended August 31, 2001	Px	07/11/02	10/01/02
	Deloitte & Touche	Annual independent audit of the Department's general purpose financial statements			
<p><b>Issue:</b> TDHCA does not accrue for invoices received subsequent to one month after year-end that relate to the preceding fiscal year. As a result, accounts payable and the related expenditures may be understated at year-end. Consider alternatives, including a threshold of \$100,000 for large-dollar invoices received after September 30 to be reviewed for consideration.</p> <p><b>DIVISION:</b> Accounting and Finance</p> <p><b>Status:</b> 07/31/02 - The Financial Services Division will employ a new Policy in FY 2002 that will give consideration to the accrual of invoices greater than \$100,000 received subsequent to thirty days after fiscal year year end to more accurately reflect expenditures. (Previously, recognition of accruals was limited to consideration of invoices received within thirty days of fiscal year end.)</p>					
275	11/30/01	Report to Management - Year ended August 31, 2001	Px	07/11/02	08/31/03
	Deloitte & Touche	Annual independent audit of the Department's general purpose financial statements	Ix	09/30/02	
<p><b>Issue:</b> TDHCA's existing financial information systems structure currently lacks an enterprise wide, integrated scope to support TDHCA's financial management needs. The structure includes the utilization of multiple databases which results in significant manual processing, reporting, and data interface by TDHCA personnel which may result in inefficient use of personnel resources and compromised data integrity.</p> <p><b>DIVISION:</b> Accounting and Finance</p> <p><b>Status:</b> 07/31/02 - Management reports that TDHCA considers CSAS to be its official system of record, which allows for elimination of duplicate systems and manual entry through the phasing out of its FOXPRO financial Management Database. As of July 2002, TDHCA has vastly improved PeopleSoft features related to procurement, purchase order, matching and reporting. Future plans include E-Procurement and interfaces with the Department's central database in the Fiscal Year 2003.</p> <p>9/30/02 - Management believes that the actions referred to above adequately satisfies the auditor's concerns to preclude a repeat comment and, accordingly, considers this issue to be implemented.</p>					

Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
276	11/30/01	Report to Management - Year ended August 31, 2001	Px	07/10/02	12/31/02
	Deloitte & Touche	Annual independent audit of the Department's general purpose financial statements			

**Issue:** Repeat Issue - In June 1999, Governmental Accounting Standards Board issued its Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" that will require significant changes to the way that TDHCA collects, records and reports its financial information and may require significant research and preparation prior to implementation.

**DIVISION:** Accounting and Finance

**Status:** 07/31/02 - Management reports it has developed the FY 2001 Housing Finance funds in GASB 34 pro forma format and that FY 2002 funds are being prepared in GASB 34 format. The Dept. has worked with the SAO to properly report bond issues, is working toward properly accounting and reporting inventory, including the transfer to ORCA, and has attended the Comptroller's training for reporting requirements for the FY 2002 Annual Financial Report (AFR) and intends to meet the required deadlines and formats.

The Department will also work with the Deloitte & Touché auditors through interim and final fieldwork to incorporate their feedback regarding the audited financial statement to be issued in December 2002.

264	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Px	04/22/02	05/01/02
	IA	Controls over single family loans serviced by the Department.	Px	07/22/02	08/31/03
			Px	10/02/02	

**Issue:** HOME program management should develop and implement processes to ensure that all required/necessary loan documentation is acquired to adequately support and protect the Department's interests in HAP loans. Strategies should be developed to identify all historical HAP loans and to accumulate documentation to support all outstanding balances.

**DIVISION:** HOME

**Status:** 7/31/02 - Management has reported that the new HOME Program Policy and Procedure manual, implemented effective 3/1/2002, requires contract administrators to submit all necessary loan documents in connection with homebuyer assistance loans funded/reimbursed with HOME funds. In conjunction with the implementation of the new manual, a contract file documentation form and contract close-out checklist were developed and implemented for internal review and control procedures to ensure documentation and a control mechanism.

In addition, through the implementation of the new policy manual, effective 3/1/02, a contract close-out process has been implemented for designated staff review of all homebuyer assistance loans that have been funded by the HOME Program to ensure the receipt of proper documentation and to provide a control mechanism.

10/02/02 - Management plans to identify historical HAP loans funded from the HOME program and, once identified, develop strategies to accumulate the necessary documentation, at which time a target date for completion will be estimated.

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
266	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Px	04/22/02	07/01/02
	IA	Controls over single family loans serviced by the Department.	Px	07/22/02	11/01/02
<p><b>Issue:</b> The Department should develop and implement formal policies and procedures for the periodic review of delinquent program loans, related collection efforts and specific criterion to be met for writing-off loan balances.</p> <p><b>DIVISION:</b> Loan Administration</p> <p><b>Status:</b> 7/31/02 - Management reports that Loan Administration has begun to prepare draft SOPs with regard to loan collections and resolutions that will address all loans being serviced by the Department.</p>					
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268	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Px	04/22/02	08/01/02
	KPMG	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).	Px	07/31/02	10/31/02
<p><b>Issue:</b> There is a lack of documentation to support soft costs incurred by subrecipients. Known questioned costs - \$29,400. Estimated questioned costs - \$2,314,574.</p> <p><b>DIVISION:</b> HOME</p> <p><b>Status:</b> 10/02/02 - The HOME staff plans to contact other participating jurisdictions to determine the documentation that they are requiring for soft costs. Based on the results of these discussions, the Department plans to draft a letter to HUD by 10/25/02 suggesting the required minimal back up documentation for soft costs. Target date for completion is dependent upon HUD's required documentation.</p>					
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271	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Pxx	04/26/02	08/31/02
	KPMG	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).	Px	07/15/02	12/31/02
<p><b>Issue:</b> \$199,543 of energy assistance funds were questioned by KPMG as the results of an independent audit of one of Department's subgrantees that identified embezzled funds over a period of five years. TDHCA reported the questioned costs to the appropriate funding Federal funding agencies.</p> <p><b>DIVISION:</b> LIHEAP</p> <p><b>Status:</b> 10/01/02 - On 9/25/02, the Department received a reimbursement check of \$199,543 from the subrecipient. This issue is considered resolved/implemented as these funds will be used to satisfy the questioned costs relating to the LIHEAP and Weatherization programs.</p>					

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	

277	07/23/02 IA	Payroll Audit; Report No. 2.07 FY 2002 to date (5/17/02) payroll transactions.	Px	09/30/02	10/31/02
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**Issue:** Management should take appropriate action to strengthen USPS access controls.

**DIVISION:** Accounting and Finance

**Status:** 7/23/02 - Management agrees with proposed corrective actions and has established a target date of October 31, 2002 for resolution.

278	07/23/02 IA	Payroll Audit; Report No. 2.07 FY 2002 to date (5/17/02) payroll transactions.	Px	09/30/02	10/31/02
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**Issue:** Responsibilities associated with authorizing, processing, recording and reviewing payroll transactions be separated among employees whenever possible. Increased supervision and/or appropriate compensating controls should be put into place in instances where there may be limited opportunities to segregate responsibility

**DIVISION:** Accounting and Finance

**Status:** 7/23/02 - Management agrees with proposed corrective actions and has established a target date of October 31, 2002 for resolution.

279	07/23/02 IA	Payroll Audit; Report No. 2.07 FY 2002 to date (5/17/02) payroll transactions.	Px Ix	09/05/02 09/26/02	
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**Issue:** The Department's needs to (1) comply with its internal policy of having employees take time off for FLSA overtime hours accrued, (2) adopt a recently proposed policy by the Human Resources Division whereby an employee is required to take accumulated FLSA overtime hours prior to taking accumulated annual leave time, and (3) establish a policy whereby an employee is required to take time off for FLSA overtime hours accrued prior to being transferred to another division.

**DIVISION:** Human Resources

**Status:** 9/5/02 - The TDHCA Executive Director has instructed all Senior Staff to ensure that we follow Personnel Policies and Procedures, Overtime Worked and Compensatory Leave Policy.

9/26/02 - New Personnel Policies and Procedures were implemented that addresses the issues noted in this finding.

# Texas Department of Housing and Community Affairs - Prior Audit Issues Implemented in FY 2002

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target
			Codes*	Date	Date
118	06/04/99 IA	Selection of Subrecipients for Monitoring Reviews - Rpt. No. 9.09-2  To assess the Department's management controls (systems, policies, procedures) used to select subrecipients for monitoring reviews.	Px	09/30/99	12/31/99
			Px	03/15/00	04/30/00
			Pxx	08/29/00	NR
			Px	01/16/01	07/31/01
			Px	06/12/01	NR
			Px	07/25/01	08/31/01
			Px	04/06/02	06/02/02
			lx	07/31/02	
<b>Issue:</b> A formal risk assessment is not used by any of the Department's programs to select subrecipients for monitoring reviews or on-site monitoring visits.					
<b>DIVISION:</b> Multiple					
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162	07/24/00 IA	Housing Trust Fund - Subrecipient Monitoring, Rpt. No. 0.04  The HTF program's subrecipient monitoring function.	Px	08/24/00	10/31/00
			Px	03/09/01	05/31/01
			Px	07/25/01	08/31/01
			lx	09/28/01	
<b>Issue:</b> Develop and implement formal policies and procedures to ensure compliance with the UGMS. At a minimum, management should:					
* identify changes that need to be made in the HTF contracts,					
* establish processes to identify subrecipients subject to UGMS and develop monitoring procedures to provide reasonable assurance that those subrecipients comply, and					
* consider extending the UGMS to all subrecipients to further consistency and accountability.					
<b>DIVISION:</b> Housing Trust Fund					
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163	07/24/00 IA	Housing Trust Fund - Subrecipient Monitoring, Rpt. No. 0.04  The HTF program's subrecipient monitoring function.	Dx	08/24/00	06/30/01
			Px	07/25/01	08/31/01
			lx	9/28/01	
<b>Issue:</b> We recommend that management of the HTF program (1) add report distribution procedures to its monitoring SOPs, (2) use the results of the monitoring function to identify and risk rank subrecipients and compliance requirements, (3) add quality control review procedures to its monitoring SOPs, (4) enhance their policies and procedures regarding the required content of subrecipient monitoring reports and (5) develop and implement SOPs to follow up on reported deficiencies that result from the subrecipient monitoring function.					
<b>DIVISION:</b> Housing Trust Fund					

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
164	07/24/00 IA	Housing Trust Fund - Subrecipient Monitoring, Rpt. No. 0.04 The HTF program's subrecipient monitoring function.	Px	08/24/00	08/01/00
			Px	03/09/01	05/31/01
			Px	07/25/01	
			Ix	09/28/01	
<b>Issue:</b> Improve its financial management reporting systems and procedures to allow for more effective monitoring of HTF awards, expenditures, deobligations and funds at risk of lapsing. Additionally, HTF management should analyze the data on a periodic basis (monthly) for monitoring funds available for awards, funds that are at risk of lapsing, and expenditure rates and trends at the both the award and program levels.					
<b>DIVISION:</b> Housing Trust Fund					
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197	12/01/00 SAO	An Audit Report on the Texas Department of Housing and Community Affairs, Report No. 01-009 Applications submitted and Contracts awarded by the Department of the LIHTC HOME and HTF Programs from FY 1995 - 1999. Tests of financial information, needs assessment procedures & related data, review of performance measures & Dept.-wide needs assessment.	Px	01/05/01	12/18/01
			Ix	12/07/01	
<b>Issue:</b> The Statewide needs assessment for affordable housing does not include sufficient consideration of the supply of housing or funding from other sources provided to Texas cities. The assessment should include an adequate assessment of the current supply of affordable housing and consider funding provided from all sources.					
<b>DIVISION:</b> Housing Resource Center					
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198	12/01/00 SAO	An Audit Report on the Texas Department of Housing and Community Affairs, Report No. 01-009 Applications submitted and Contracts awarded by the Department of the LIHTC HOME and HTF Programs from FY 1995 - 1999. Tests of financial information, needs assessment procedures & related data, review of performance measures & Dept.-wide needs assessment.	Ix	12/06/01	
<b>Issue:</b> The Department does not have an overall plan for coordinating its programs to promote achievement of Rider 3.					
<b>DIVISION:</b> Housing Resource Center					
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Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
220	12/06/00 KPMG / Mendoza	Letter on Internal Control and Accounting Procedures - August 31, 2000 Annual independent audit of Department's general purpose financial statements for FY 1999.	Px	06/12/01	
			Px	08/08/01	
			Px	01/08/02	01/31/02
			Px	04/26/02	05/31/02
			lx	07/15/02	
<b>Issue:</b> Establish procedures to monitor the timely submission of LIHEAP subrecipient final reports. These procedures should include provision for collecting final reports within sixty to ninety days after the contract period has closed and test transactions that were charged on the final report to verify that the obligations occurred within the period of availability and that the liquidation was made within the allowed time period.					
<b>DIVISION:</b> Community Services					
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223	04/30/01 CPA	Post-Payment Audit Compliance with certain state laws and rules concerning expenditures and with the processing requirements of the uniform statewide accounting system. (USAS).	Px	08/10/01	09/01/01
			lx	01/03/02	
<b>Issue:</b> The Department does not utilize the payroll lockout security feature available in the Uniform Statewide Payroll System (USPS). By not utilizing the lockout feature, the personnel and payroll information can be altered by other agency employees after the authorized approver releases the payroll.					
<b>DIVISION:</b> Accounting and Finance					
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234	08/15/01 IA	Internal Auditing Report on Community Services Programs - Subrecipient Monitoring Function; Rpt. No. 1.04 The Community Services programs' subrecipient monitoring function for the 1999-2000 program years.	lx	01/04/02	
<b>Issue:</b> The nature and extent of monitoring procedures applied to a subrecipient is not based upon an assessment of associated risks such as the the complexity of the compliance requirements or the subrecipient's prior compliance history, its responsiveness to correcting prior monitoring findings, its prior performance with the program or similar programs and the results of other audits or oversight activities.					
<b>DIVISION:</b> Community Services					
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Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
235	08/15/01	Internal Auditing Report on Community Services Programs - Subrecipient Monitoring Function; Rpt. No. 1.04	Ix	01/04/02	
	IA	The Community Services programs' subrecipient monitoring function for the 1999-2000 program years.			
	<b>Issue:</b> On-site monitoring checklists should be expanded to include consideration of eligible activities and the achievement of performance goals. Detailed formal SOPs relating to the use and extent of use of all monitoring tools should be established.				
	<b>DIVISION:</b> Community Services				
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236	08/15/01	Internal Auditing Report on Community Services Programs - Subrecipient Monitoring Function; Rpt. No. 1.04	Ix	01/04/02	
	IA	The Community Services programs' subrecipient monitoring function for the 1999-2000 program years.			
	<b>Issue:</b> Enhance standard operating procedures to include (1) quality control review procedures, (2) report distribution procedures and (3) the use of the results of the monitoring function to identify and risk rank subrecipients and compliance requirements for determining subrecipients to be monitored and procedures to be applied.				
	<b>DIVISION:</b> Community Services				
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256	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Ix	07/26/02	
	<b>Issue:</b> Under the contract-for-deed conversion program (CFD), vacant lots were purchased for which the construction of housing units was not started within 12 months of the purchase of the land, contrary to HOME rules. Additionally, based on the state's monitoring checklist for one of the recipients of the CFD assistance, it could not be determined if the applicant was income eligible.				
	<b>DIVISION:</b> HOME				
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259	11/16/01	Monitoring Visit - HOME Program - M-00/01-SG-48-0100	Px	04/22/02	08/01/02
	HUD	On-site monitoring of the State of Texas' affordable housing programs on August 20-24, and September 6-7, 2001.	Ixx	06/27/02	
	<b>Issue:</b> HOME funds were disbursed to a contractor in advance of need as an "initial draw, " contrary to program rules that require that no Federal funds be drawn and disbursed until such time as funds are needed for payment of eligible costs.				
	<b>DIVISION:</b> HOME				
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Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>

273	11/30/01	Report to Management - Year ended August 31, 2001	Ix	07/11/02	
	Deloitte & Touche	Annual independent audit of the Department's general purpose financial statements			

**Issue:** Implement policies to ensure that DPAP transactions are processed in their entirety. Procedures should be developed to ensure that relevant loan documentation is received from the administrators and that the HOME Program's, Loan Administration's, and Accounting's records are in agreement and reconciled on a regular basis.

**DIVISION:** Accounting, HOME, Loan Administration

261	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Px	04/22/02	08/01/02
	IA	Controls over single family loans serviced by the Department.	Ix	07/22/02	

**Issue:** The Department does not have adequate control or proper accounting over HOME Homebuyer Assistance Program (HAP) loans to ensure that its financial interests in the loans are protected. HAP program loans need to be identified as they posted to Genesis and as loan proceeds are disbursed and the number and amount of loans posted to the Genesis system should be reconciled to the loan servicing system on a regular basis.

**DIVISION:** HOME

263	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Ix	04/26/02	
	IA	Controls over single family loans serviced by the Department.			

**Issue:** The reconciliation process between the LSAM and the accounting records can be improved to ensure the completeness and accuracy of both systems by completing a full and complete reconciliation of all loan balances and differences between the two systems be investigated and adjustments made, when warranted, to correct the appropriate system(s).

**DIVISION:** Financial Services Division

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
265	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Px	04/22/02	05/01/02
	IA	Controls over single family loans serviced by the Department.	Ix	07/22/02	
<p><b>Issue:</b> To improve quality control processes over the collection of loan documentation and to ensure that documentation is in place to protect the Department's financial interests, management should develop and implement written formal standard operating procedures regarding required loan documentation including the use of the checklist, as intended by management, and the supervisory review process to ensure compliance with prescribed procedures.</p> <p><b>DIVISION:</b> Loan Administration</p>					
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267	01/07/02	Controls Over Single Family Loans; Report No. 1.05	Px	04/22/02	06/01/02
	IA	Controls over single family loans serviced by the Department.	Ix	07/22/02	
<p><b>Issue:</b> Management should development, implement and enforce formal policies and procedures relating to access and storage of the Department's critical loan documentation.</p> <p><b>DIVISION:</b> Loan Administration</p>					
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269	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Ix	04/22/02	
	KPMG	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).			
<p><b>Issue:</b> TDHCA does not have adequate internal controls in place over monitoring the subrecipients of the HOME Program.</p> <p><b>DIVISION:</b> HOME</p>					
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270	02/12/02	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.	Ix	04/26/02	
	KPMG	Statewide Federal Single Audit for FYE August 31, 2001 (SAO contract with KPMG).			
<p><b>Issue:</b> The Compliance Division does not have a management control in place that tracks visits undertaken and reports still outstanding.</p> <p><b>DIVISION:</b> Compliance</p>					
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<i>Ref. #</i>	<i>Report Date</i>	<i>Report Name</i>	<i>Status</i>		<i>Target</i>
	<i>Auditors</i>	<i>Audit Scope</i>	<i>Codes*</i>	<i>Date</i>	<i>Date</i>
280	07/23/02	Payroll Audit; Report No. 2.07	Ixx	08/29/02	
	IA	FY 2002 to date (5/17/02) payroll transactions.			

**Issue:** Human Resources management should develop specific written procedures for all payroll processing activities, including policies relating to (1) granting personnel access to the USPS, (2) processing personnel action forms, (3) verifying prior state service and longevity for new employees, and (4) processing employee insurance data. HR management should also formally approve the Time and Leave SOP's already developed.

**DIVISION:** Human Resources

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Construction Inspection Fees - Schedule of Receipts and Disbursements**  
**For the Period Fiscal Year 1999 through**  
**August 31, 2002 (Disbursements) / September 30, 2002 (Receipts)**  
**(Unaudited)**

**INSPECTION FEES PAID IN EXCESS OF REIMBURSEMENTS**

**LIHTC Inspection Fees Paid for Services Provided  
(Accounting Records):**

Fiscal Year 1999	\$300.00	
Fiscal Year 2000	200,907.38	
Fiscal Year 2001	262,301.01	
Fiscal Year 2002	<u>347,247.59</u>	<b>\$ 810,755.98</b>

<b>Less Fees Reimbursed by Developers (includes  \$35,096.85 that appears to be overpayments) -  Through September 30, 2002 (LIHTC Records)</b>		<b><u>\$ 597,435.56</u></b>
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**LIHTC Inspection Fees Paid in Excess of Reimbursements** **\$ 213,320.42**

*(Note - Approximately \$60,000 of the \$213,320.42 appears to relate to inspections fees paid for FY 96 and FY 97 projects that LIHTC management does not intend to pursue collection.)*

**LIHTC INSPECTION FEES BILLED AND COLLECTED SUMMARY (LIHTC Records)**

**LIHTC Inspection Fees billed to Projects Developers** **\$ 626,015.04**

<b>Less Fees Reimbursed by Developers (includes  \$35,096.85 that appears to be overpayments) -  Through September 30, 2002</b>		<b><u>\$ 597,435.56</u></b>
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**LIHTC Inspection Fees Due (net)** **\$ 28,579.48**

**CORRECTIVE ACTIONS TAKEN BY MANAGEMENT**

Management reports that Financial Services, which began processing invoices for inspections paid in September 2002, has taken the following actions in assuming the invoicing and collecting of LIHTC Inspection Fees as of September 1, 2002:

- A separate account at Texas State Treasury to account for all reimbursement receipts has been created in which \$326,122.33 was deposited September 1, 2002 through September 30, 2002.
- A process flowchart has been created documenting the processes from the time an inspection fee invoice is received until the time that invoice has been paid to the Department by the Developer.
- An Accounts Receivable sub-ledger in the Financial Services accounting system has been set up to track invoicing and payments, which can generate an Aged Trial Balance as needed.

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

**PUBLIC FUNDS INVESTMENT ACT  
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)  
QUARTER ENDING AUGUST 31, 2002**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Internal Management Report (Sec. 2256.023)  
Quarter Ending August 31, 2002

(b) (4) Summary statement of each pooled fund group:

INDENTURE	FAIR VALUE	CARRYING	CHANGE IN CARRYING VALUE				CARRYING	FAIR VALUE	CHANGE	ACCRUED	RECOGNIZED
	(MARKET)	VALUE	ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	VALUE	(MARKET)	IN FAIR VALUE	INT REC'BL	
	@05/31/02	@05/31/02					@ 08/31/02	@ 08/31/02	(MARKET)	@ 08/31/02	GAIN
Single Family	343,908,833.52	343,638,408.44	141,630,216.22	(17,518,018.87)	(7,359,596.44)	0.00	460,391,009.35	469,290,331.50	8,628,897.07	2,223,884.78	168,167.69
RMRB	553,549,405.50	555,165,502.72	36,541,290.64	(107,465,168.44)	(9,977,171.58)	0.00	474,264,453.34	484,086,417.07	11,438,060.95	3,363,618.77	0.00
CHMRB	67,098,575.50	65,134,429.62	56,571.97	(3,625,525.26)	(2,364,993.35)	0.00	59,200,482.98	61,568,993.06	404,364.20	334,586.72	0.00
Multi Family	158,008,215.22	158,008,215.22	6,373,054.35	(59,610,029.20)	0.00	0.00	104,771,240.37	104,771,240.37	-	117.63	0.00
SF CHMRB 1993	29,014,601.75	28,033,813.15	72,704.49	(321,047.01)	(930,033.11)	0.00	26,855,437.52	28,121,722.34	285,496.22	147,663.38	0.00
SF CHMRB 1994/1995	55,119,956.45	53,041,933.11	849,845.33	(135,610.07)	(2,218,245.44)	0.00	51,537,922.93	54,063,336.67	447,390.40	279,216.95	0.00
Commercial Paper	13,020,794.44	13,020,794.44	5,786,303.75	(6,625,000.00)	0.00	0.00	12,182,098.19	12,182,098.19	-	36,244.50	0.00
General Fund	10,164,627.05	10,164,627.05	272,478.74	(577,944.89)	0.00	0.00	9,859,160.90	9,859,160.90	-	1,024.25	0.00
Housing Trust Fund	8,108,497.05	8,108,497.05	34,866.27	(71,549.73)	0.00	0.00	8,071,813.59	8,071,813.59	-	838.58	0.00
Administration	130,720.35	130,720.35	675.27	0.00	0.00	0.00	131,395.62	131,395.62	-	13.65	0.00
Compliance	3,634,860.21	3,634,860.21	56,995.91	(481,923.46)	0.00	0.00	3,209,932.66	3,209,932.66	-	333.48	0.00
Housing Initiatives	2,286,155.65	2,286,155.65	158,951.70	(309,264.97)	0.00	0.00	2,135,842.38	2,135,842.38	-	221.89	0.00
<b>TOTAL</b>	<b>1,244,045,242.69</b>	<b>1,240,367,957.01</b>	<b>191,833,954.64</b>	<b>(196,741,081.90)</b>	<b>(22,850,039.92)</b>	<b>0.00</b>	<b>1,212,610,789.83</b>	<b>1,237,492,284.35</b>	<b>21,204,208.84</b>	<b>6,387,764.58</b>	<b>168,167.69</b>

\* No relationship can be drawn between the "ACCRUED INT REC'BL @ 08/31/02" figures and the corresponding investment values,

In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$102,757,141 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

(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.

_____	Date _____
Bill Dally, Chief Financial Officer	
_____	Date _____
Byron Johnson, Director of Bond Finance	



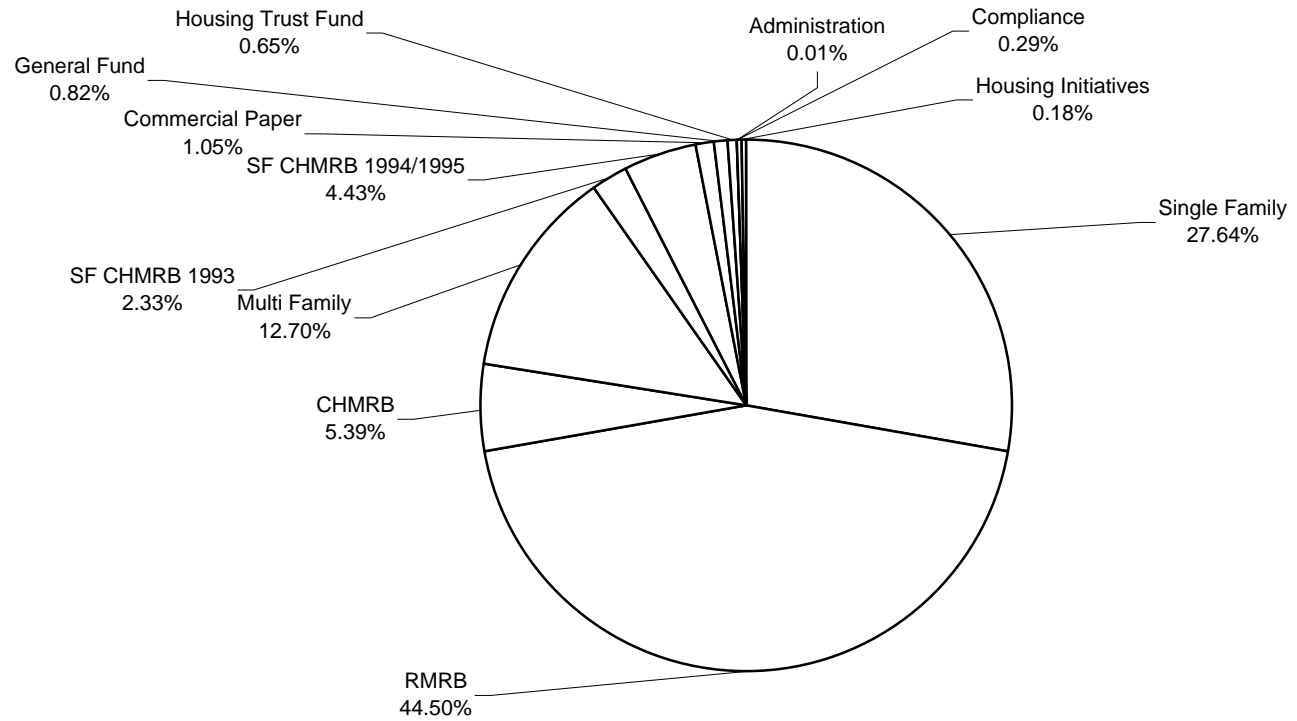
**PUBLIC FUNDS INVESTMENT ACT**  
**INTERNAL MANAGEMENT REPORT (SEC. 2256.023)**  
**QUARTER ENDING August 31, 2002**

**Supplemental Information:**

- 1) Pie Chart for Quarter Ending 08/31/02-Beginning Market Valuation by Fund Group
- 2) Pie Chart for Quarter Ending 08/31/02-Ending Market Valuation by Fund Group
- 3) Supplemental Public Funds Investment Act Report by Investment Type
- 4) Analysis of Portfolio Interest Rate Trends and Maturities
- 5) Pie Chart for Quarter Ending 08/31/02-Beginning Market Valuation by Investment Type
- 6) Pie Chart for Quarter Ending 08/31/02-Ending Market Valuation by Investment Type
- 7) Detail of Investments including maturity dates by Fund Group

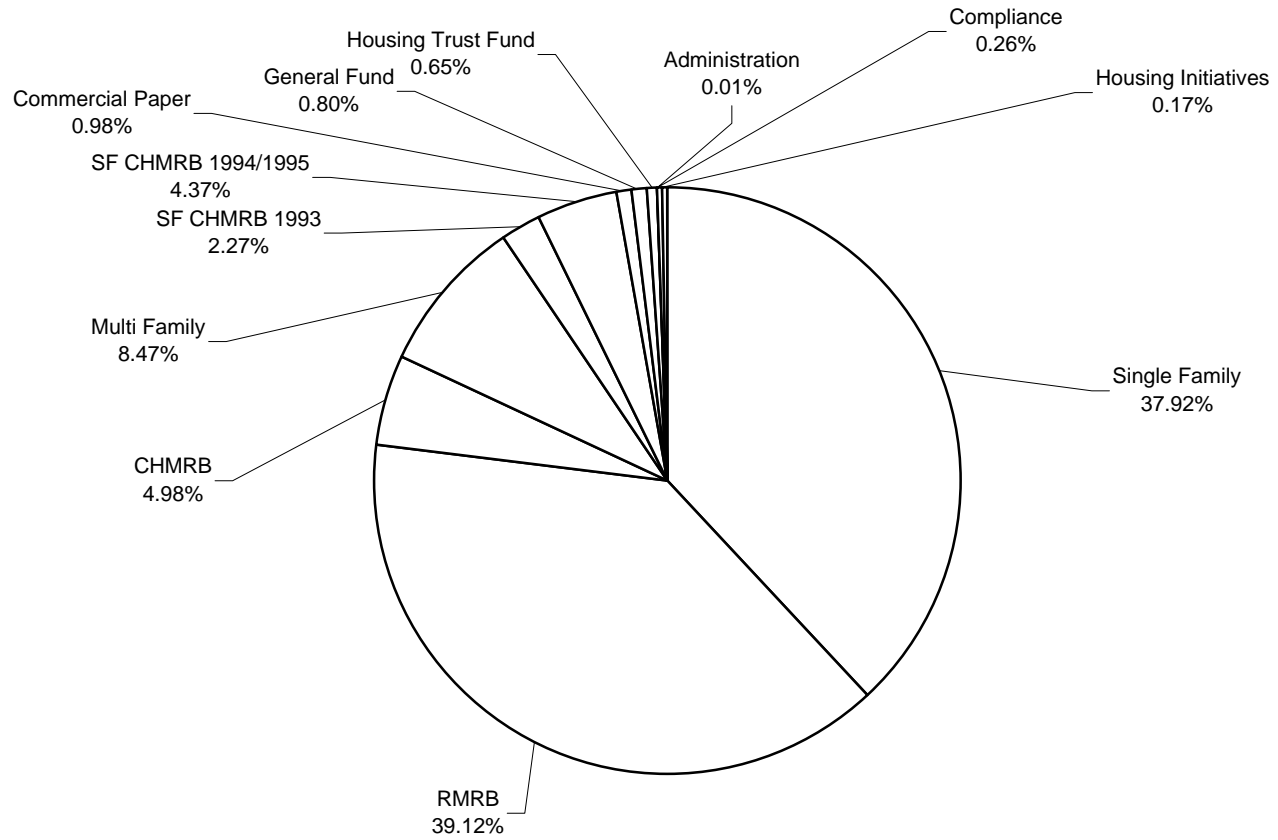
Quarter Ending  
08/31/02  
Beginning Market Valuation

- Single Family
- RMRB
- CHMRB
- Multi Family
- SF CHMRB 1993
- SF CHMRB 1994/1995
- Commercial Paper
- General Fund
- Housing Trust Fund
- Administration
- Compliance
- Housing Initiatives



Quarter Ending 08/31/02  
Ending Market Valuation

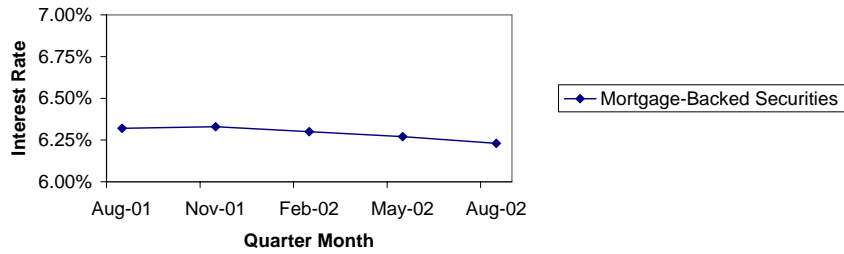
- Single Family
- RMRB
- CHMRB
- Multi Family
- SF CHMRB 1993
- SF CHMRB 1994/1995
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- Administration
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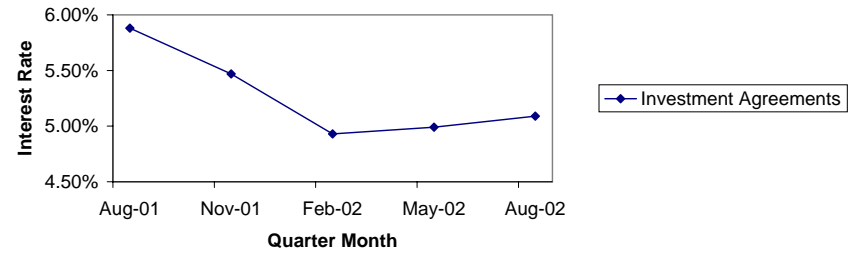
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities  
Quarter Ending August 31, 2002

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate End Carrying Value @ 05/31/02	Weighted Avg Rate End Market Value @ 05/31/02	Weighted Avg Rate End Carrying Value @ 08/31/02	Weighted Avg Rate End Market Value @ 08/31/02	Weighted Avg Maturity Beg Carrying Value @ 05/31/02		Weighted Avg Maturity Beg Market Value @ 05/31/02		Weighted Avg Maturity End Carrying Value @ 08/31/02		Weighted Avg Maturity End Market Value @ 08/31/02	
	HI	LOW						Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	8.75%	4.95%	65.11%	6.24%	6.27%	6.21%	6.23%	310	2	308	22	309	23	308	22
GNMA IIs	0.00%	0.00%	0.00%	9.90%	9.91%	0.00%	0.00%	152	28	152	22	0	0	0	0
Guaranteed Inv Contracts	7.88%	1.92%	17.54%	3.67%	3.67%	3.51%	3.51%	116	8	116	8	278	17	278	17
Investment Agreements	7.23%	1.94%	9.58%	4.99%	4.99%	5.09%	5.09%	51	6	51	6	61	8	61	8
Money Markets	1.28%	1.28%	0.03%	1.39%	1.39%	1.28%	1.28%	1	0	1	0	1	0	1	0
Treasury-Backed Mutual Funds	1.32%	0.87%	2.24%	1.51%	1.51%	1.26%	1.26%	1	0	1	0	1	0	1	0
Repurchase Agreements	1.87%	1.87%	3.76%	1.80%	1.80%	1.87%	1.87%	0	3	0	3	0	3	0	3
Treasury Bills	6.13%	5.81%	0.02%	6.02%	6.02%	6.00%	6.00%	0	18	0	18	4	5	4	5
Treasury Bonds/Notes	13.88%	4.87%	1.72%	10.39%	10.85%	8.03%	8.56%	84	3	89	0	27	17	35	27

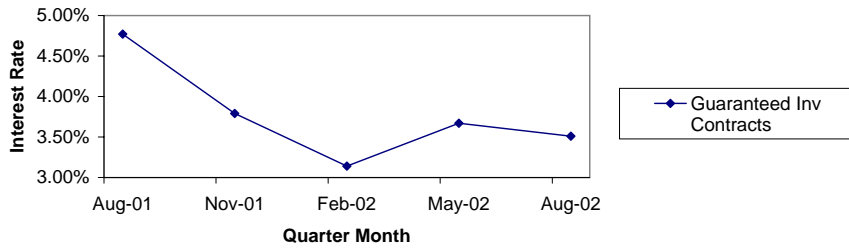
Interest Rate Trend for MBS



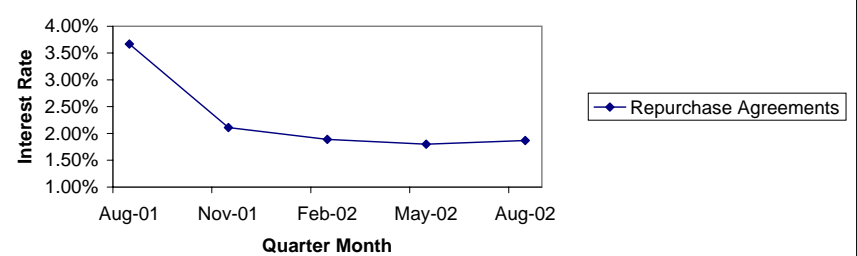
Interest Rate Trend for Investment Agreements



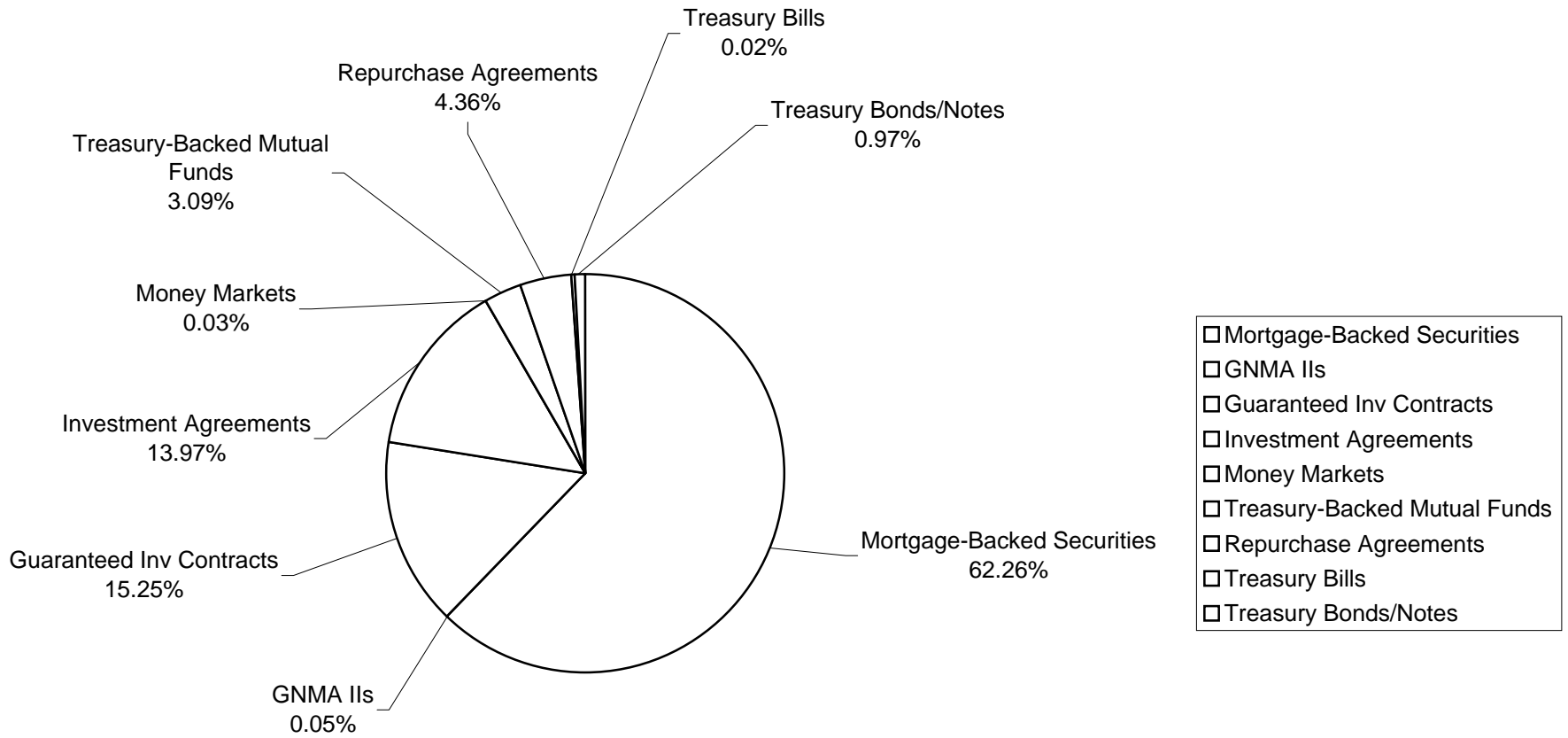
Interest Rate Trend for GICs



Interest Rate Trend for Repurchase Agreements

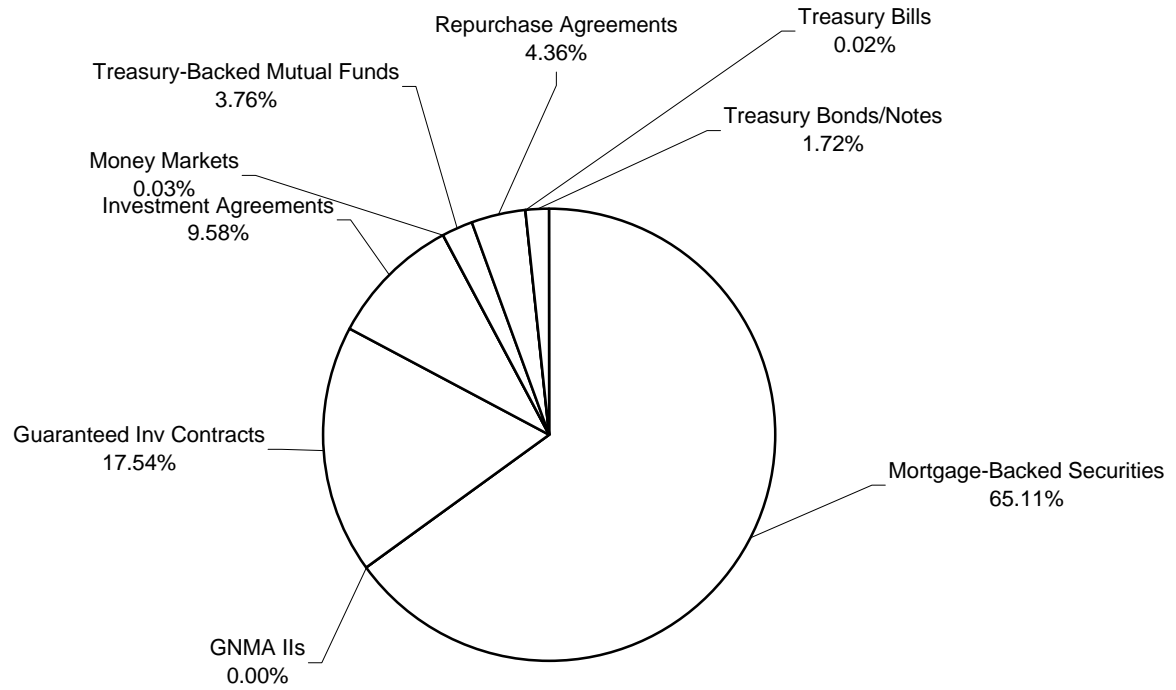


**Quarter Ending 08/31/02  
Beginning Market Valuation**



Quarter Ending 08/31/02  
Ending Market Valuation

- Mortgage-Backed Securities
- GNMA IIs
- Guaranteed Inv Contracts
- Investment Agreements
- Money Markets
- Treasury-Backed Mutual Funds
- Repurchase Agreements
- Treasury Bills
- Treasury Bonds/Notes



TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
HOUSING FINANCE DIVISION  
PUBLIC FUNDS INVESTMENT ACT  
Supplemental Schedule  
Quarter Ending August 31, 2002

(b) (4) Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @05/31/02	CARRYING VALUE @05/31/02	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 08/31/02	FAIR VALUE (MARKET) @08/31/02	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Mortgage-Backed Securities	774,519,063.82	772,831,733.16	32,720,806.68	0.00	(22,850,039.92)	0.00	782,702,499.92	805,724,892.32	21,335,061.74	0.00
GNMA IIs	608,866.40	515,644.18	0.00	(515,644.18)	0.00	0.00	0.00	0.00	(93,222.22)	52,234.17
Guaranteed Inv Contracts	189,719,452.81	189,719,452.81	130,655,985.26	(103,307,227.56)	0.00	0.00	217,068,210.51	217,068,210.51	-	0.00
Investment Agreements	173,833,779.88	173,833,779.88	1,021,113.24	(56,317,348.66)	0.00	0.00	118,537,544.46	118,537,544.46	-	0.00
Money Markets	399,190.04	399,190.04	1,251.68	(30,216.86)	0.00	0.00	370,224.86	370,224.86	-	0.00
Treasury-Backed Mutual Funds	38,401,802.05	38,401,802.05	5,363,040.15	(16,009,411.27)	0.00	0.00	27,755,430.93	27,755,430.93	-	0.00
Repurchase Agreements	54,264,079.47	54,264,079.47	5,654,202.93	(13,351,048.45)	0.00	0.00	46,567,233.95	46,567,233.95	-	0.00
Treasury Bills	221,896.87	221,896.87	2,038.46	(33,000.00)	0.00	0.00	190,935.33	190,935.33	-	0.00
Treasury Bonds/Notes	12,077,111.35	10,180,378.55	16,415,516.24	(7,177,184.92)	0.00	0.00	19,418,709.87	21,277,811.99	(37,630.68)	115,933.52
<b>TOTAL</b>	<b>1,244,045,242.69</b>	<b>1,240,367,957.01</b>	<b>191,833,954.64</b>	<b>(196,741,081.90)</b>	<b>(22,850,039.92)</b>	<b>0.00</b>	<b>1,212,610,789.83</b>	<b>1,237,492,284.35</b>	<b>21,204,208.84</b>	<b>168,167.69</b>

(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.

\_\_\_\_\_  
Bill Dally, Chief Financial Officer

\_\_\_\_\_  
Byron Johnson, Director of Bond Finance

**Detail of Investments including maturity dates by Fund Group**



**Texas Department of Housing and Community Affairs**  
**Single Family Investment Summary**  
**For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	1980 Single Family Surplus Rev	1.87	8/30/02	9/3/02	252,849.77	252,849.77	23,798.60				276,648.37	276,648.37	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	1.87	8/30/02	9/3/02	730,603.53	730,603.53		(727,232.31)			3,371.22	3,371.22	-	0.00
Treasury Bond	1980 Single Family Surplus Rev	13.88	8/5/82	5/15/11	3,511,345.79	4,711,500.07		(1,521,771.43)			1,989,574.36	2,750,494.48	(439,234.16)	0.00
GNMA II	1980 Single Family Surplus Rev				35,374.06	42,328.81		(35,374.06)					(6,954.75)	4,169.58
GICs	1980 Single Family Surplus Rev	6.08	11/14/96	9/30/29	3,269,065.24	3,269,065.24		(1,029,339.49)			2,239,725.75	2,239,725.75	-	0.00
Treasury Note	1980 Single Family Surplus Rev				1,554,083.21	1,595,403.00		(1,554,083.21)					(41,319.79)	39,362.66
GNMA II	1980 Single Family Surplus Rev				14,396.91	16,578.06		(14,396.91)					(2,181.15)	1,302.46
GNMA II	1980 Single Family Surplus Rev				49,752.39	55,123.53		(49,752.39)					(5,371.14)	2,527.51
Repo Agmt	1980 Single Family Surplus Rev	1.87	8/30/02	9/3/02	1,297.57	1,297.57	392.50				1,690.07	1,690.07	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	1.87	8/30/02	9/3/02	60,266.07	60,266.07		(20,043.69)			40,222.38	40,222.38	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	1.87	8/30/02	9/3/02	40,543.15	40,543.15	14,809.55				55,352.70	55,352.70	-	0.00
					9,519,577.69	10,775,558.80	39,000.65	(4,951,993.49)	0.00	0.00	4,606,584.85	5,367,504.97	(495,060.99)	47,362.21
Repo Agmt	1982 A Single Family	1.87	8/30/02	9/3/02	0.11	0.11		(0.07)			0.04	0.04	-	0.00
GICs	1982 A Single Family	6.08	11/14/96	9/30/29	6,043.02	6,043.02	10,006.02				16,049.04	16,049.04	-	0.00
					6,043.13	6,043.13	10,006.02	(0.07)	0.00	0.00	16,049.08	16,049.08	0.00	0.00
Repo Agmt	1983 A&B Single Family	1.87	8/30/02	9/3/02	96,264.35	96,264.35		(37,283.26)			58,981.09	58,981.09	-	0.00
GICs	1983 A&B Single Family				384,899.13	384,899.13		(384,899.13)					-	0.00
Treasury Note	1983 A&B Single Family	13.25	8/5/85	5/15/14	714.09	1,073.02	0.12				714.21	1,120.28	47.14	0.00
					481,877.57	482,236.50	0.12	(422,182.39)	0.00	0.00	59,695.30	60,101.37	47.14	0.00
Repo Agmt	1984 A&B Single Family	1.87	8/30/02	9/3/02	79,403.67	79,403.67		(79,395.78)			7.89	7.89	-	0.00
Treasury Bond	1984 A&B Single Family	13.25	8/5/85	5/15/14	406.56	611.03	0.06				406.62	637.94	26.85	0.00
GICs	1984 A&B Single Family	6.08	11/14/96	9/30/29	2,644,488.28	2,644,488.28	575,742.12				3,220,230.40	3,220,230.40	-	0.00
					2,724,298.51	2,724,502.98	575,742.18	(79,395.78)	0.00	0.00	3,220,644.91	3,220,876.23	26.85	0.00
Repo Agmt	1985 A Single Family	1.87	8/30/02	9/3/02	225,295.46	225,295.46		(138,523.74)			86,771.72	86,771.72	-	0.00
GICs	1985 A Single Family				838,392.29	838,392.29		(838,392.29)					-	0.00
					1,063,687.75	1,063,687.75	0.00	(976,916.03)	0.00	0.00	86,771.72	86,771.72	0.00	0.00
Repo Agmt	1985 B&C Single Family	1.87	8/30/02	9/3/02			0.19				0.19	0.19	-	0.00
GICs	1985 B&C Single Family				78,769.35	78,769.35		(78,769.35)					-	0.00
					78,769.35	78,769.35	0.19	(78,769.35)	0.00	0.00	0.19	0.19	0.00	0.00
Repo Agmt	1987 B Single Family	1.87	8/30/02	9/3/02	20,515.53	20,515.53	25,276.10				45,791.63	45,791.63	-	0.00
GICs	1987 B Single Family	6.08	11/14/96	9/30/29	1,309,789.88	1,309,789.88		(526,925.49)			782,864.39	782,864.39	-	0.00
Repo Agmt	1987 B Single Family				1,218,660.00	1,218,660.00		(1,218,660.00)					-	0.00
Repo Agmt	1987 B Single Family				496,984.87	496,984.87		(496,984.87)					-	0.00
Treasury Bond	1987 B Single Family	13.88	8/5/82	5/15/11			496,984.87				496,984.87	685,465.85	188,480.98	0.00
					3,045,950.28	3,045,950.28	522,260.97	(2,242,570.36)	0.00	0.00	1,325,640.89	1,514,121.87	188,480.98	0.00
Repo Agmt	1995 A&B Single Family	1.87	8/30/02	9/3/02	52,447.73	52,447.73	42,561.78				95,009.51	95,009.51	-	0.00
GICs	1995 A&B Single Family	6.08	11/14/96	9/30/29	3,324,309.84	3,324,309.84	3,321,539.98				6,645,849.82	6,645,849.82	-	0.00
GICs	1995 A&B Single Family	6.08	11/14/96	9/30/29	2,122.40	2,122.40	0.00				2,122.40	2,122.40	-	0.00
FNMA	1995 A&B Single Family	6.15	5/30/96	4/1/26	609,916.77	622,649.80		(6,497.90)			603,418.87	629,437.48	13,285.58	0.00
FNMA	1995 A&B Single Family	6.15	6/27/96	5/1/26	360,185.71	366,947.74		(3,900.86)			356,284.85	370,881.83	7,834.95	0.00
FNMA	1995 A&B Single Family	6.15	7/15/96	6/1/26	656,406.77	671,101.63		(66,934.69)			589,472.08	615,799.94	11,633.00	0.00
FNMA	1995 A&B Single Family	6.15	7/30/96	6/1/26	391,118.74	400,206.66		(1,741.98)			389,376.76	407,104.70	8,640.02	0.00
FNMA	1995 A&B Single Family	6.15	8/15/96	7/1/26	604,159.48	617,866.91		(43,193.11)			560,966.37	586,193.52	11,519.72	0.00
FNMA	1995 A&B Single Family	6.15	8/29/96	8/1/26	595,508.25	601,805.50		(3,186.92)			592,321.33	611,654.01	13,035.43	0.00
FNMA	1995 A&B Single Family	6.15	9/17/96	8/1/26	510,395.45	514,877.21		(4,496.54)			505,898.91	521,483.65	11,102.98	0.00
FNMA	1995 A&B Single Family	6.15	10/30/96	10/1/26	873,269.12	880,676.77		(5,819.72)			867,449.40	893,907.69	19,050.64	0.00
FNMA	1995 A&B Single Family	6.15	12/23/96	11/1/26	811,773.13	819,182.42		(13,774.67)			797,998.46	822,864.07	17,456.32	0.00
FNMA	1995 A&B Single Family	6.15	3/27/97	1/1/27	379,244.29	382,312.25		(5,501.14)			373,743.15	384,992.68	8,181.57	0.00
FNMA	1995 A&B Single Family	6.15	7/15/97	3/1/27	307,355.95	310,075.07		(46,793.83)			260,562.12	268,606.67	5,325.43	0.00
FNMA	1995 A&B Single Family	6.15	9/29/97	7/1/27	438,804.09	444,118.01		(2,186.80)			436,617.29	451,527.77	9,596.56	0.00
GNMA	1995 A&B Single Family	6.15	7/30/96	7/20/26	3,534,989.65	3,581,049.39		(230,748.17)			3,304,241.48	3,443,474.21	93,172.99	0.00
GNMA	1995 A&B Single Family	6.15	3/28/96	3/20/26	900,734.71	912,747.02		(4,425.40)			896,309.31	934,358.20	26,036.58	0.00







FNMA	1997 D-F Single Family	5.45	2/23/00	1/1/30	305,401.54	294,681.95		(1,522.58)		303,878.96	304,763.25	11,603.88	0.00	
GNMA	1997 D-F Single Family	5.45	4/27/00	3/20/30	1,003,112.37	953,779.30		(3,934.10)		999,178.27	998,948.46	49,103.26	0.00	
GNMA	1997 D-F Single Family	5.45	5/30/00	5/20/30	915,084.66	870,080.80		(4,143.13)		910,941.53	910,732.01	44,794.34	0.00	
GNMA	1997 D-F Single Family	5.45	6/21/00	6/20/30	1,766,756.39	1,679,867.31		(106,119.36)		1,660,637.03	1,660,255.08	86,507.13	0.00	
FNMA	1997 D-F Single Family	5.45	5/30/00	5/1/30	305,329.28	293,186.33		(1,142.14)		304,187.14	304,062.42	12,018.23	0.00	
GNMA	1997 D-F Single Family	5.45	10/23/00	9/20/30	462,857.68	440,094.34		(2,939.21)		459,918.47	459,812.69	22,657.56	0.00	
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	587,977.62	559,060.88		(2,341.68)		585,635.94	585,501.24	28,782.04	0.00	
FNMA	1997 D-F Single Family	5.45	7/24/00	6/1/30	857,733.45	823,621.39		(8,453.97)		849,279.48	848,931.28	33,763.86	0.00	
GNMA	1997 D-F Single Family	5.45	12/21/00	5/20/30	200,249.02	190,400.79		(702.87)		199,546.15	199,500.25	9,802.33	0.00	
FNMA	1997 D-F Single Family	5.45	10/6/00	9/1/30	347,360.94	333,546.40		(1,318.26)		346,042.68	345,900.80	13,672.66	0.00	
FNMA	1997 D-F Single Family	5.45	10/30/00	8/1/30	389,619.22	374,124.06		(1,907.02)		387,712.20	387,553.24	15,336.20	0.00	
FNMA	1997 D-F Single Family	5.45	2/12/01	2/1/30	130,004.27	125,441.12		(556.76)		129,447.51	129,824.20	4,939.84	0.00	
Repo Agmt	1997 D-F Single Family	1.87	8/30/02	9/3/02	688,992.33	688,992.33	0.00			688,992.33	688,992.33	-	0.00	
					59,767,246.29	58,448,774.80	3,334,648.49	0.00	(986,694.88)	0.00	62,115,199.90	62,938,601.26	2,141,872.85	0.00
Repo Agmt	2002A Single Family (JR Lien)	1.87	8/30/02	9/3/02	71,321.45	71,321.45	317.64			71,639.09	71,639.09	-	0.00	
Treasury Bond	2002A Single Family (JR Lien)	13.88	3/27/02	5/15/11	300,000.00	404,999.93	0.00			300,000.00	414,281.93	9,282.00	0.00	
Repo Agmt	2002A Single Family (JR Lien)	1.87	8/30/02	9/3/02	9,131,534.84	9,131,534.84		(1,959,674.72)		7,171,860.12	7,171,860.12	-	0.00	
Repo Agmt	2002A Single Family (JR Lien)	1.87	8/30/02	9/3/02	500,000.18	500,000.18	769,112.00			1,269,112.18	1,269,112.18	-	0.00	
Repo Agmt	2002A Single Family (JR Lien)	1.87	8/30/02	9/3/02	53,860.32	53,860.32	239.83			54,100.15	54,100.15	-	0.00	
					10,056,716.79	10,161,716.72	769,669.47	(1,959,674.72)	0.00	0.00	8,866,711.54	8,980,993.47	9,282.00	0.00
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			16.15			16.15	16.15	-	0.00	
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			3,065.90			3,065.90	3,065.90	-	0.00	
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			1,618.60			1,618.60	1,618.60	-	0.00	
GICs	2002 A-D SF MRB	5.01	6/26/02	3/1/34			377,011.14			377,011.14	377,011.14	-	0.00	
GICs	2002 A-D SF MRB	4.51	6/26/02	3/1/34			310,624.23			310,624.23	310,624.23	-	0.00	
GICs	2002 A-D SF MRB	2.56	6/26/02	3/1/34			1,606,600.00			1,606,600.00	1,606,600.00	-	0.00	
GICs	2002 A-D SF MRB	5.01	6/26/02	3/1/34			3,520,363.60			3,520,363.60	3,520,363.60	-	0.00	
Treasury Note	2002 A-D SF MRB	6.25	6/24/02	8/31/02			13,937,614.69			13,937,614.69	13,821,000.00	(116,614.69)	0.00	
GNMA	2002 A-D SF MRB	5.40	8/29/02	8/20/32			311,368.27			311,368.27	311,368.27	-	0.00	
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			4,890.00			4,890.00	4,890.00	-	0.00	
GICs	2002 A-D SF MRB	2.56	6/26/02	3/1/34			100,250,595.95			100,250,595.95	100,250,595.95	-	0.00	
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			51,226.70			51,226.70	51,226.70	-	0.00	
Repo Agmt	2002 A-D SF MRB	1.87	8/30/02	9/3/02			4,751.64			4,751.64	4,751.64	-	0.00	
					0.00	0.00	120,379,746.87	0.00	0.00	0.00	120,379,746.87	120,263,132.18	(116,614.69)	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	1.87	8/30/02	9/3/02	10,755.90	10,755.90		(8,823.95)		1,931.95	1,931.95	-	0.00	
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	9/30/29	310,912.56	310,912.56		(55,043.79)		255,868.77	255,868.77	-	0.00	
Repo Agmt	1991 A S/F (1980 A Refunding)	1.87	8/30/02	9/3/02	39,485.89	39,485.89		(39,485.56)		0.33	0.33	-	0.00	
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	9/30/29	754,063.85	754,063.85		(479,577.06)		274,486.79	274,486.79	-	0.00	
Repo Agmt	1991 A S/F (1980 A Refunding)	1.87	8/30/02	9/3/02	688,252.80	688,252.80	869.45			689,122.25	689,122.25	-	0.00	
Repo Agmt	1991 A S/F (1980 A Refunding)	1.87	8/30/02	9/3/02			0.08			0.08	0.08	-	0.00	
Treasury Note	1991 A S/F (1980 A Refunding)				3,023,024.45	3,103,402.20		(3,023,024.45)				(80,377.75)	76,570.86	
					4,826,495.45	4,906,873.20	869.53	(3,605,954.81)	0.00	0.00	1,221,410.17	1,221,410.17	(80,377.75)	76,570.86
Repo Agmt	1994 A&B SF (1983 Refunding)	1.87	8/30/02	9/3/02	1,340.00	1,340.00	35,164.39			36,504.39	36,504.39	-	0.00	
Repo Agmt	1994 A&B SF (1983 Refunding)	1.87	8/30/02	9/3/02	114.78	114.78	0.08			114.86	114.86	-	0.00	
GICs	1994 A&B SF (1983 Refunding)	6.08	11/14/96	9/30/29	175,334.87	175,334.87	594,587.36			769,922.23	769,922.23	-	0.00	
GICs	1994 A&B SF (1983 Refunding)	6.35	6/9/94	3/1/16	205,434.74	205,434.74	0.00			205,434.74	205,434.74	-	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	5/30/96	4/1/26	30,080.29	30,707.81		(320.47)		29,759.82	31,042.56	655.22	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	6/27/96	5/1/26	17,763.97	18,097.12		(192.39)		17,571.58	18,291.14	386.41	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	7/15/96	6/1/26	32,373.15	33,097.33		(3,301.10)		29,072.05	30,369.95	573.72	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	7/30/96	6/1/26	19,289.44	19,737.36		(85.92)		19,203.52	20,077.55	426.11	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	8/15/96	7/1/26	29,796.31	30,471.93		(2,130.20)		27,666.11	28,909.87	568.14	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	8/29/96	8/1/26	29,369.40	29,679.81		(157.17)		29,212.23	30,165.52	642.88	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	9/16/96	8/1/26	25,171.70	25,392.70		(221.77)		24,949.93	25,718.52	547.59	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/1/26	43,067.98	43,433.27		(287.01)		42,780.97	44,085.79	939.53	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/1/26	40,034.64	40,400.00		(679.34)		39,355.30	40,581.56	860.90	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	3/27/97	1/1/27	18,703.52	18,854.82		(271.30)		18,432.22	18,987.02	403.50	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	7/15/97	3/1/27	15,158.20	15,292.30		(2,307.77)		12,850.43	13,247.17	262.64	0.00	
FNMA	1994 A&B SF (1983 Refunding)	6.15	9/29/97	7/1/27	21,640.89	21,902.96		(107.85)		21,533.04	22,268.39	473.28	0.00	
GNMA	1994 A&B SF (1983 Refunding)	6.15	7/30/96	7/20/26	174,344.17	176,610.02		(11,380.02)		162,964.15	169,825.10	4,595.10	0.00	
GNMA	1994 A&B SF (1983 Refunding)	6.15	3/28/96	3/20/26	44,423.62	45,014.66		(218.26)		44,205.36	46,080.47	1,284.07	0.00	
GNMA	1994 A&B SF (1983 Refunding)	6.15	8/15/96	7/20/26	154,012.23	156,000.35		(12,471.22)		141,541.01	147,487.27	3,958.14	0.00	
GNMA	1994 A&B SF (1983 Refunding)	6.15	4/29/96	4/20/26	64,997.72	65,842.03		(347.58)		64,650.14	67,371.55	1,877.10	0.00	
GNMA	1994 A&B SF (1983 Refunding)	6.15	5/15/96	5/20/26	143,432.80	145,330.72		(2,866.95)		140,565.85	146,518.72	4,054.95	0.00	



FNMA	1994 A&B SF (1983 Refunding)	5.45	7/24/00	6/1/30	6,809.96	6,539.13	(48.59)	6,761.37	6,758.60	268.06	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	7/30/99	7/20/29	204,119.36	194,735.99	(848.72)	203,270.64	203,579.61	9,692.34	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	8/26/99	8/20/29	169,903.58	162,093.11	(736.71)	169,166.87	169,424.00	8,067.60	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	9/20/99	8/1/29	33,273.78	32,105.87	(182.47)	33,091.31	33,187.61	1,264.21	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	9/20/99	9/20/29	147,833.47	141,037.57	(599.33)	147,234.14	147,457.94	7,019.70	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/1/29	83,681.40	80,744.18	(453.08)	83,228.32	83,470.51	3,179.41	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	1/19/00	12/1/29	46,774.17	45,132.40	(223.74)	46,550.43	46,685.89	1,777.23	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	347,398.37	331,428.47	(5,007.53)	342,390.84	342,911.27	16,490.33	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	86,884.62	82,890.53	(365.40)	86,519.22	86,650.73	4,125.60	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	713,988.75	681,166.69	(22,906.71)	691,082.04	692,132.48	33,872.50	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	1/28/00	1/20/30	255,787.35	243,207.73	(1,048.61)	254,738.74	254,680.15	12,521.03	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	2/22/00	1/20/30	78,295.15	74,444.59	(286.06)	78,009.09	77,991.15	3,832.62	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	3/27/00	2/20/30	30,503.81	29,003.63	(119.42)	30,384.39	30,377.40	1,493.19	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	6/22/99	6/20/29	153,669.90	146,605.69	(668.76)	153,001.14	153,233.70	7,296.77	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	7/30/99	7/20/29	242,512.31	231,364.02	(1,013.95)	241,498.36	241,865.44	11,515.37	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	8/26/99	8/20/29	225,221.47	214,868.04	(916.53)	224,304.94	224,645.88	10,694.37	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	9/20/99	9/20/29	126,532.42	120,715.72	(501.48)	126,030.94	126,222.51	6,008.27	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/1/29	75,652.08	72,996.69	(628.55)	75,023.53	75,241.85	2,873.71	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	326,492.90	311,484.02	(11,147.92)	315,344.98	315,824.30	15,488.20	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	366,753.40	349,893.75	(20,884.17)	345,869.23	346,394.95	17,385.37	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	489,842.50	467,324.44	(23,584.31)	466,258.19	466,966.90	23,226.77	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	1/28/00	1/20/30	365,105.62	347,149.73	(7,814.05)	357,291.57	357,209.39	17,873.71	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	2/22/00	1/20/30	228,292.52	217,065.09	(1,058.98)	227,233.54	227,181.28	11,175.17	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	3/27/00	2/20/30	101,794.99	96,788.71	(379.44)	101,415.55	101,392.22	4,982.95	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	2/23/00	1/1/30	41,062.98	39,621.67	(204.72)	40,858.26	40,977.16	1,560.21	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	7/28/00	6/20/30	327,921.01	311,793.85	(1,170.75)	326,750.26	326,675.11	16,052.01	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	3/27/00	2/20/30	81,576.91	77,564.96	(321.23)	81,255.68	81,236.99	3,993.26	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	4/27/00	3/1/30	55,152.33	52,958.92	(267.85)	54,884.48	54,861.98	2,170.91	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	4/27/00	4/20/30	186,951.06	177,756.81	(781.84)	186,169.22	186,126.40	9,151.43	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	5/30/00	4/20/30	27,521.66	26,168.14	(100.18)	27,421.48	27,415.17	1,347.21	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	6/21/00	5/20/30	136,413.96	129,705.12	(508.97)	135,904.99	135,873.73	6,677.58	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	9/18/00	9/20/30	291,303.63	276,977.32	(1,053.51)	290,250.12	290,183.36	14,259.55	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	7/24/00	6/1/30	56,520.63	54,272.80	(403.35)	56,117.28	56,094.27	2,224.82	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	7/24/00	6/20/30	448,303.10	426,255.55	(1,833.27)	446,469.83	446,367.14	21,944.86	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	8/28/00	8/20/30	64,551.04	61,376.42	(224.77)	64,326.27	64,311.47	3,159.82	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	3/27/00	2/20/30	15,327.50	14,573.69	(57.14)	15,270.36	15,266.85	750.30	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	4/27/00	3/20/30	134,874.15	128,241.04	(528.96)	134,345.19	134,314.29	6,602.21	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	5/30/00	5/20/30	123,038.33	116,987.30	(557.07)	122,481.26	122,453.09	6,022.86	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	6/21/00	6/20/30	237,550.43	225,867.70	(14,268.34)	223,282.09	223,230.74	11,631.38	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	5/31/00	5/1/30	41,053.27	39,420.58	(153.57)	40,899.70	40,882.93	1,615.92	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	9/20/30	62,233.85	59,173.19	(395.19)	61,838.66	61,824.44	3,046.44	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	79,056.96	75,168.94	(314.85)	78,742.11	78,724.00	3,869.91	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	7/24/00	6/1/30	115,327.14	110,740.58	(1,136.68)	114,190.46	114,143.64	4,539.74	0.00			
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	5/20/30	26,924.61	25,600.46	(94.51)	26,830.10	26,823.93	1,317.98	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/6/00	9/1/30	46,704.64	44,847.20	(177.24)	46,527.40	46,508.32	1,838.36	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	8/1/30	52,386.51	50,303.10	(256.41)	52,130.10	52,108.73	2,062.04	0.00			
FNMA	1994 A&B SF (1983 Refunding)	5.45	2/12/01	2/1/30	17,479.81	16,866.27	(74.86)	17,404.95	17,455.60	664.19	0.00			
					14,200,111.11	13,859,883.32	882,399.01	0.00	(258,273.00)	0.00	14,824,237.12	14,964,430.34	480,421.01	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)	1.87	8/30/02	9/3/02	0.05	0.05	618.36		618.41	618.41	-	0.00		
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	9/30/29	158,684.28	158,684.28	2,159,664.41		2,318,348.69	2,318,348.69	-	0.00		
Repo Agmt	1995 C SF (1985 A&B Refunding)	1.87	8/30/02	9/3/02	0.02	0.02	0.00		0.02	0.02	-	0.00		
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	9/30/29	6,362.12	6,362.12	0.00		6,362.12	6,362.12	-	0.00		
					165,046.47	165,046.47	2,160,282.77	0.00	0.00	0.00	2,325,329.24	2,325,329.24	0.00	0.00
<b>Total Single Family Investment Summary</b>					343,638,408.44	343,908,833.52	141,630,216.22	(17,518,018.87)	(7,359,596.44)	0.00	460,391,009.35	469,290,331.50	8,628,897.07	168,167.69





GNMA	1998 A/B RMRB	5.35	3/27/00	3/20/30	3,521,910.70	3,330,706.17		(266,089.67)		3,255,821.03	3,244,979.15	180,362.65	0.00	
FNMA	1998 A/B RMRB	5.35	2/23/00	1/1/30	800,672.71	768,653.81		(4,282.55)		796,390.16	795,920.29	31,549.03	0.00	
FNMA	1998 A/B RMRB	5.35	3/27/00	2/1/30	351,669.01	335,805.22		(2,434.34)		349,234.67	347,939.01	14,568.13	0.00	
FNMA	1998 A/B RMRB	5.35	4/21/00	4/1/30	481,308.82	459,596.98		(1,748.52)		479,560.30	477,781.13	19,932.67	0.00	
GNMA	1998 A/B RMRB	5.35	4/24/00	4/20/30	4,293,817.96	4,060,706.58		(277,623.43)		4,016,194.53	4,002,820.60	219,737.45	0.00	
GNMA	1998 A/B RMRB	5.35	5/30/00	5/20/30	3,455,041.72	3,267,467.51		(25,366.06)		3,429,675.66	3,418,254.84	176,153.39	0.00	
GNMA	1998 A/B RMRB	5.35	6/21/00	6/20/30	2,710,131.76	2,562,998.71		(91,445.09)		2,618,686.67	2,609,966.44	138,412.82	0.00	
FNMA	1998 A/B RMRB	5.35	5/30/00	5/1/30	696,284.47	664,875.08		(3,652.16)		692,632.31	690,062.64	28,839.72	0.00	
FNMA	1998 A/B RMRB	5.35	6/21/00	6/1/30	377,921.82	360,873.77		(2,320.70)		375,601.12	374,207.64	15,654.57	0.00	
GNMA	1998 A/B RMRB	5.35	10/23/00	9/20/30	4,003,921.52	3,786,548.62		(15,116.92)		3,988,804.60	3,975,521.88	204,090.18	0.00	
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	702,703.26	664,553.50		(3,287.32)		699,415.94	697,086.88	35,820.70	0.00	
FNMA	1998 A/B RMRB	5.35	7/24/00	6/1/30	448,946.16	428,694.20		(1,885.45)		447,060.71	445,402.11	18,593.36	0.00	
FNMA	1998 A/B RMRB	5.35	8/25/00	7/1/30	381,044.61	363,855.69		(49,751.62)		331,292.99	330,063.89	15,959.82	0.00	
GNMA	1998 A/B RMRB	5.35	1/8/01	12/20/30	575,754.07	544,496.38		(2,214.39)		573,539.68	571,629.79	29,347.80	0.00	
GNMA	1998 A/B RMRB	5.35	12/20/30	12/20/30	455,311.31	430,592.46		(1,938.69)		453,372.62	451,862.89	23,209.12	0.00	
GNMA	1998 A/B RMRB	5.35	1/31/01	8/20/30	171,111.34	161,821.71		(985.51)		170,125.83	169,559.31	8,723.11	0.00	
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	637,524.13	602,912.94		(3,082.93)		634,441.20	632,328.51	32,498.50	0.00	
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	1,032,093.14	976,060.80		(3,993.71)		1,028,099.43	1,024,675.86	52,608.77	0.00	
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	333,361.91	315,263.69		(2,054.42)		331,307.49	330,204.24	16,994.97	0.00	
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	319,388.98	302,049.35		(1,093.59)		318,295.39	317,235.47	16,279.71	0.00	
FNMA	1998 A/B RMRB	5.35	10/6/00	9/1/30	548,971.20	524,207.11		(3,530.96)		545,440.24	543,416.66	22,740.51	0.00	
FNMA	1998 A/B RMRB	5.35	1/12/01	12/1/30	763,214.26	728,785.66		(3,202.43)		760,011.83	757,192.19	31,608.96	0.00	
Repo Agmt	1998 A/B RMRB	1.87	8/30/02	9/3/02	835,380.79	835,380.79	80,039.07			915,419.86	915,419.86	-	0.00	
Repo Agmt	1998 A/B RMRB	1.87	8/30/02	9/3/02	27,728.00	27,728.00		(16,307.87)		11,420.13	11,420.13	-	0.00	
					116,436,982.36	110,967,506.13	80,039.07	(4,842,394.30)	(1,885,915.31)	0.00	109,788,711.82	109,546,340.62	5,227,105.03	0.00
Repo Agmt	2000 BCDE RMRB	1.87	8/30/02	9/3/02	597,093.85	597,093.85	107,205.10			704,298.95	704,298.95	-	0.00	
Repo Agmt	2000 BCDE RMRB	1.87	8/30/02	9/3/02	31,482.92	31,482.92		(12,979.52)		18,503.40	18,503.40	-	0.00	
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	5,642,333.98	5,642,333.98		(958,759.79)		4,683,574.19	4,683,574.19	-	0.00	
Repo Agmt	2000 BCDE RMRB	1.87	8/30/02	9/3/02	1,228.19	1,228.19	0.00			1,228.19	1,228.19	-	0.00	
GNMA	2000 BCDE RMRB	6.10	2/22/01	2/20/31	2,289,115.22	2,288,059.32		(76,911.30)		2,212,203.92	2,282,870.75	71,722.73	0.00	
GNMA	2000 BCDE RMRB	6.10	2/14/01	2/20/31	736,497.93	736,172.96		(2,374.59)		734,123.34	757,588.97	23,790.60	0.00	
GNMA	2000 BCDE RMRB	6.10	2/14/01	1/20/31	125,639.58	125,581.17		(372.33)		125,267.25	129,268.23	4,059.39	0.00	
GNMA	2000 BCDE RMRB	6.10	3/7/01	2/20/31	791,201.35	790,830.16		(113,426.22)		677,775.13	699,421.56	22,017.62	0.00	
GNMA	2000 BCDE RMRB	6.10	3/7/01	2/20/31	2,456,430.85	2,455,296.59		(62,993.59)		2,393,437.26	2,469,891.76	77,588.76	0.00	
GNMA	2000 BCDE RMRB	6.10	3/7/01	2/20/31	103,479.68	103,432.72		(314.92)		103,164.76	106,461.00	3,343.20	0.00	
GNMA	2000 BCDE RMRB	6.10	3/15/01	3/20/31	408,593.38	408,405.22		(1,203.63)		407,389.75	420,403.48	13,201.89	0.00	
GNMA	2000 BCDE RMRB	6.10	3/15/01	3/20/31	2,436,820.47	2,435,683.93		(269,171.85)		2,167,648.62	2,236,883.46	70,371.38	0.00	
GNMA	2000 BCDE RMRB	6.10	3/29/01	3/20/31	170,203.67	170,123.81		(582.39)		169,621.28	175,038.17	5,496.75	0.00	
GNMA	2000 BCDE RMRB	6.10	3/29/01	3/20/31	736,811.37	736,469.15		(2,946.01)		733,865.36	757,305.10	23,781.96	0.00	
GNMA	2000 BCDE RMRB	6.10	4/16/01	3/20/31	618,226.05	617,936.54		(17,557.07)		540,668.98	557,936.94	17,557.47	0.00	
GNMA	2000 BCDE RMRB	6.10	4/16/01	4/20/31	2,488,029.07	2,486,859.47		(63,385.81)		2,424,643.26	2,502,073.16	78,599.50	0.00	
GNMA	2000 BCDE RMRB	6.10	4/30/01	4/20/31	937,370.23	936,930.21		(35,176.56)		902,193.67	931,005.62	29,251.97	0.00	
GNMA	2000 BCDE RMRB	6.10	4/30/01	4/20/31	1,611,040.02	1,610,284.82		(5,154.10)		1,605,885.92	1,657,170.91	52,040.19	0.00	
GNMA	2000 BCDE RMRB	6.10	4/30/01	4/20/31	489,889.98	489,658.00		(1,562.93)		488,327.05	503,919.67	15,824.60	0.00	
GNMA	2000 BCDE RMRB	6.10	5/10/01	5/20/31	771,163.54	770,798.40		(3,394.47)		767,769.07	792,284.51	24,880.58	0.00	
GNMA	2000 BCDE RMRB	6.10	5/10/01	5/20/31	1,157,186.33	1,156,636.72		(3,593.31)		1,153,593.02	1,190,426.35	37,382.94	0.00	
GNMA	2000 BCDE RMRB	6.10	5/22/01	4/20/31	466,092.83	465,870.54		(1,367.32)		464,725.51	479,562.88	15,059.66	0.00	
GNMA	2000 BCDE RMRB	6.10	5/22/01	4/20/31	1,796,440.25	1,795,594.30		(7,239.51)		1,789,200.74	1,846,336.06	57,981.27	0.00	
GNMA	2000 BCDE RMRB	6.10	5/22/01	5/20/31	332,587.07	332,430.12		(1,005.30)		331,581.77	342,169.96	10,745.14	0.00	
GNMA	2000 BCDE RMRB	6.10	5/30/01	5/20/31	709,884.80	709,545.85		(56,277.42)		653,607.38	674,475.11	21,206.68	0.00	
GNMA	2000 BCDE RMRB	6.10	5/30/01	5/20/31	1,510,169.54	1,509,462.97		(5,366.78)		1,504,802.76	1,552,861.00	48,764.81	0.00	
GNMA	2000 BCDE RMRB	6.10	5/30/01	5/20/31	287,511.29	287,380.28		(897.43)		286,613.86	295,770.95	9,288.10	0.00	
GNMA	2000 BCDE RMRB	6.10	6/18/01	5/20/31	1,356,062.87	1,355,408.86		(138,852.96)		1,217,209.91	1,256,065.24	39,509.34	0.00	
GNMA	2000 BCDE RMRB	6.10	6/18/01	5/20/31	2,884,303.68	2,882,912.60		(11,644.44)		2,872,659.24	2,964,359.19	93,091.03	0.00	
GNMA	2000 BCDE RMRB	6.10	6/18/01	5/20/31	389,652.46	389,464.53		(1,136.09)		388,516.37	400,918.43	12,589.99	0.00	
GNMA	2000 BCDE RMRB	6.10	6/29/01	6/20/31	672,420.49	672,100.42		(2,167.48)		670,253.01	691,652.95	21,720.01	0.00	
GNMA	2000 BCDE RMRB	6.10	6/29/01	6/20/31	2,379,882.79	2,378,753.61		(185,500.47)		2,194,382.32	2,264,449.80	71,196.66	0.00	
GNMA	2000 BCDE RMRB	6.10	6/29/01	6/20/31	583,037.79	582,759.13		(2,050.36)		580,987.43	599,536.11	18,827.34	0.00	
GNMA	2000 BCDE RMRB	6.10	7/25/01	6/20/31	828,944.58	828,544.80		(4,288.33)		824,656.25	850,980.63	26,724.16	0.00	
GNMA	2000 BCDE RMRB	6.10	7/25/01	7/20/31	2,558,918.66	2,556,918.66		(9,694.86)		2,548,457.56	2,629,808.48	82,584.68	0.00	
GNMA	2000 BCDE RMRB	6.10	7/25/01	6/20/31	329,248.75	329,089.95		(1,405.92)		327,842.83	338,308.10	10,624.07	0.00	
GNMA	2000 BCDE RMRB	6.10	8/8/01	7/20/31	624,121.42	623,827.10		(2,405.86)		621,715.56	641,568.64	20,147.40	0.00	
GNMA	2000 BCDE RMRB	6.10	8/8/01	8/20/31	3,057,326.21	3,055,877.08		(50,044.18)		3,007,282.03	3,103,305.57	97,472.67	0.00	
GNMA	2000 BCDE RMRB	6.10	8/8/01	7/20/31	508,207.69	507,965.14		(62,201.42)		446,006.27	460,246.15	14,482.43	0.00	
GNMA	2000 BCDE RMRB	6.10	8/31/01	8/20/31	905,875.93	905,446.65		(73,041.30)		832,834.63	859,427.93	27,022.58	0.00	
GNMA	2000 BCDE RMRB	6.10	8/31/01	8/20/31	2,369,591.31	2,368,464.71		(75,669.51)		2,293,921.80	2,367,164.28	74,369.08	0.00	

GNMA	2000 BCDE RMRB	6.10	8/31/01	8/20/31	474,186.11	473,960.62		(1,427.30)	472,758.81	487,853.36	15,320.04	0.00		
FNMA	2000 BCDE RMRB	6.10	2/14/01	2/1/31	611,497.63	614,006.32		(2,175.50)	609,322.13	629,185.20	17,354.38	0.00		
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	613,470.87	613,175.00		(98,603.27)	514,867.60	531,303.02	16,731.29	0.00		
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	555,893.32	555,625.21		(1,742.02)	554,151.30	571,840.71	17,957.52	0.00		
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	365,359.98	365,183.77		(1,305.51)	364,054.47	375,675.68	11,797.42	0.00		
GNMA	2000 BCDE RMRB	6.10	9/25/01	8/20/31	435,431.44	435,223.56		(1,285.81)	434,145.63	448,006.46	14,068.71	0.00		
GNMA	2000 BCDE RMRB	6.10	9/25/01	9/20/31	2,333,201.19	2,332,102.50		(7,768.53)	2,325,432.66	2,399,691.71	75,357.74	0.00		
GNMA	2000 BCDE RMRB	6.10	9/25/01	8/20/31	506,152.93	505,915.95		(2,437.53)	503,715.40	519,802.18	16,323.76	0.00		
GNMA	2000 BCDE RMRB	6.10	10/17/01	9/20/31	685,673.82	685,343.12		(114,964.67)	570,709.15	588,927.11	18,548.66	0.00		
GNMA	2000 BCDE RMRB	6.10	10/17/01	9/20/31	1,600,868.30	1,600,096.22		(6,006.97)	1,594,861.33	1,645,771.91	51,682.66	0.00		
GNMA	2000 BCDE RMRB	6.10	10/17/01	9/20/31	438,641.45	438,429.91		(1,279.62)	437,361.83	451,323.14	14,172.85	0.00		
GNMA	2000 BCDE RMRB	6.10	11/15/01	8/20/31	246,893.14	246,774.06		(710.46)	246,182.68	254,041.22	7,977.62	0.00		
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	298,329.32	298,185.44		(1,071.38)	297,257.94	306,746.90	9,632.84	0.00		
FNMA	2000 BCDE RMRB	6.10	3/15/01	2/1/31	490,951.94	492,966.68		(1,538.00)	489,413.94	505,368.76	13,940.08	0.00		
GNMA	2000 BCDE RMRB	6.10	1/22/02	12/20/31	561,277.36	561,006.68		(1,559.62)	559,717.74	577,584.85	18,137.79	0.00		
FNMA	2000 BCDE RMRB	6.10	5/10/01	4/1/31	435,682.17	437,461.49		(1,329.64)	434,352.53	448,503.51	12,371.66	0.00		
GNMA	2000 BCDE RMRB	6.10	2/25/02	2/20/32	765,902.77	765,233.26		(3,815.39)	762,087.38	786,429.76	25,011.89	0.00		
FNMA	2000 BCDE RMRB	6.10	5/30/01	4/1/31	330,488.97	331,838.60		(1,183.08)	329,305.89	340,034.42	9,378.90	0.00		
FNMA	2000 BCDE RMRB	6.10	7/12/01	5/1/31	558,374.51	560,652.32		(1,873.05)	556,501.46	574,629.34	15,850.07	0.00		
GNMA	2000 BCDE RMRB	6.10	5/15/02	5/20/32	1,010,450.45	1,009,567.17		(6,761.43)	1,003,689.02	1,035,748.58	32,942.84	0.00		
GNMA	2000 BCDE RMRB	6.10	5/24/02	5/20/32	463,940.76	463,535.21		(1,563.39)	462,377.37	477,146.51	15,174.69	0.00		
GNMA	2000 BCDE RMRB	6.10	3/21/02	2/20/32	631,844.70	631,292.38		(44,869.81)	586,974.89	605,723.87	19,301.30	0.00		
GNMA	2000 BCDE RMRB	6.10	4/17/02	4/20/32	567,710.66	567,214.40		(1,652.78)	566,057.88	584,138.75	18,577.13	0.00		
GNMA	2000 BCDE RMRB	6.10	4/29/02	4/20/32	983,835.99	982,975.97		(18,091.68)	965,744.31	996,591.85	31,707.56	0.00		
GNMA	2000 BCDE RMRB	6.10	5/15/02	5/20/32	623,561.94	623,016.86		(3,018.06)	620,543.88	640,365.12	20,366.32	0.00		
GNMA	2000 BCDE RMRB	6.10	5/15/02	2/20/32	47,346.03	47,304.65		(129.10)	47,216.93	48,725.12	1,549.57	0.00		
GNMA	2000 BCDE RMRB	6.10	8/29/02	8/20/32			1,782,526.59		1,782,526.59	1,782,526.59	-	0.00		
GNMA	2000 BCDE RMRB	6.10	6/3/02	5/20/32			840,706.58	(2,965.49)	837,741.09	864,499.99	26,758.90	0.00		
GNMA	2000 BCDE RMRB	6.10	6/10/02	6/20/32			795,266.46	(2,152.04)	793,114.42	818,447.86	25,333.44	0.00		
GNMA	2000 BCDE RMRB	6.10	6/19/02	6/20/32			855,461.17	(3,569.16)	851,892.01	879,102.91	27,210.90	0.00		
GNMA	2000 BCDE RMRB	6.10	6/25/02	6/20/32			747,092.37	(1,606.26)	745,486.11	769,298.22	23,812.11	0.00		
GNMA	2000 BCDE RMRB	6.10	7/5/02	6/20/32			1,614,263.65	(2,846.54)	1,611,417.11	1,662,888.55	51,471.44	0.00		
GNMA	2000 BCDE RMRB	6.10	7/15/02	7/20/32			543,083.04	(477.70)	542,605.34	559,937.09	17,331.75	0.00		
GNMA	2000 BCDE RMRB	6.10	7/22/02	7/20/32			1,109,126.51	(2,163.52)	1,106,962.99	1,142,321.29	35,358.30	0.00		
GNMA	2000 BCDE RMRB	6.10	7/29/02	7/20/32			639,335.66	(569.28)	638,766.38	659,169.68	20,403.30	0.00		
GNMA	2000 BCDE RMRB	6.10	8/1/02	7/20/32			603,896.80		603,896.80	623,186.30	19,289.50	0.00		
GNMA	2000 BCDE RMRB	6.10	8/12/02	8/20/32			2,259,073.19		2,259,073.19	2,331,231.88	72,158.69	0.00		
GNMA	2000 BCDE RMRB	6.10	8/23/02	8/20/32			2,191,588.27		2,191,588.27	2,261,591.38	70,003.11	0.00		
FNMA	2000 BCDE RMRB	6.10	8/31/01	6/1/31	775,688.37	778,856.49		(2,687.49)	773,000.88	798,185.08	22,016.08	0.00		
FNMA	2000 BCDE RMRB	6.10	10/17/01	9/1/31	468,082.69	470,142.68		(2,232.86)	465,849.83	480,556.69	12,646.87	0.00		
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/1/31	322,126.02	323,440.10		(2,286.04)	319,839.98	330,258.69	9,104.63	0.00		
FNMA	2000 BCDE RMRB	6.10	6/10/02	5/1/32			187,620.55	(435.63)	187,184.92	193,282.42	6,097.50	0.00		
FNMA	2000 BCDE RMRB	6.10	7/29/02	7/1/32			392,892.85	(350.53)	392,542.32	405,337.17	12,794.85	0.00		
Inv Agmt	2000 BCDE RMRB	6.73	10/26/00	4/1/04	60,235,543.97	60,235,543.97		(14,631,433.00)	45,604,110.97	45,604,110.97	-	0.00		
Repo Agmt	2000 BCDE RMRB	1.87	8/30/02	9/3/02	8.58	8.58	0.00		8.58	8.58	-	0.00		
					127,587,769.21	127,575,194.60	14,669,138.79	(15,603,172.31)	(1,764,884.16)	0.00	124,888,851.53	127,193,622.21	2,317,345.29	0.00
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	144,275.13	144,275.13	192,465.20			336,740.33	336,740.33	-	0.00	
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02			2,916.15			2,916.15	2,916.15	-	0.00	
GICs	2001 A-E RMRB	2.54	10/30/01	4/29/03	881,244.96	881,244.96		(263,837.16)	617,407.80	617,407.80	-	0.00		
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	34,801.32	34,801.32		(26,350.98)	8,450.34	8,450.34	-	0.00		
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	0.12	0.12	12.29			12.41	-	0.00		
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	15,548.16	15,548.16	26,343.92			41,892.08	41,892.08	-	0.00	
Repo Agmt	2001 A-E RMRB				214,582.54	214,582.54		(214,582.54)			-	0.00		
GICs	2001 A-E RMRB	4.71	10/30/01	7/1/33	953,371.76	953,371.76		(948,736.72)	4,635.04	4,635.04	-	0.00		
GICs	2001 A-E RMRB	4.71	10/30/01	7/1/33	2,532.51	2,532.51	61,050.02			63,582.53	63,582.53	-	0.00	
GICs	2001 A-E RMRB	4.71	10/30/01	7/1/33	1,966,424.82	1,966,424.82		(575,819.67)	1,390,605.15	1,390,605.15	-	0.00		
GICs	2001 A-E RMRB				54,300,000.00	54,300,000.00		(54,300,000.00)			-	0.00		
GICs	2001 A-E RMRB	4.71	10/30/01	7/1/33	2,970,424.25	2,970,424.25	0.00			2,970,424.25	2,970,424.25	-	0.00	
GNMA	2001 A-E RMRB	8.19	7/25/90	6/20/15	908,695.56	989,133.38		(11,057.83)	897,637.73	985,701.85	7,626.30	0.00		
GNMA	2001 A-E RMRB	8.19	10/28/91	1/20/16	42,895.79	46,667.60		(415.46)	42,480.33	46,633.21	381.07	0.00		
GNMA	2001 A-E RMRB	7.19	7/25/90	6/20/15	91,945.89	98,110.82		(1,868.04)	90,077.85	95,908.89	(333.89)	0.00		
GNMA	2001 A-E RMRB	8.19	7/25/90	6/20/15	264,413.54	287,576.99		(2,972.80)	261,440.74	286,844.97	2,240.78	0.00		
GNMA	2001 A-E RMRB	7.19	1/22/90	11/20/14	547,501.96	584,443.20		(6,923.61)	540,578.35	575,130.75	(2,388.84)	0.00		
GNMA	2001 A-E RMRB	8.19	1/22/90	11/20/14	325,966.62	354,302.48		(68,463.12)	257,503.50	282,252.94	(3,586.42)	0.00		
GNMA	2001 A-E RMRB	7.19	1/1/90	11/20/14	262,484.78	280,226.22		(3,286.51)	259,198.27	275,796.45	(1,143.26)	0.00		
GNMA	2001 A-E RMRB	7.19	1/1/90	12/20/14	400,714.66	427,751.76		(5,163.33)	395,551.33	420,833.91	(1,754.52)	0.00		

GNMA	2001 A-E RMRB	8.19	2/28/90	12/20/14	609,774.70	662,781.57	(57,072.43)	552,702.27	605,824.09	114.95	0.00
GNMA	2001 A-E RMRB	7.19	2/27/90	1/20/15	177,720.28	189,636.31	(2,172.43)	175,547.85	186,911.61	(552.27)	0.00
GNMA	2001 A-E RMRB	8.19	2/27/90	12/20/14	293,659.08	319,186.43	(4,290.23)	289,368.85	317,180.90	2,284.70	0.00
GNMA	2001 A-E RMRB	7.19	3/30/90	1/20/15	348,024.03	371,358.82	(31,219.59)	316,804.44	337,312.20	(2,827.03)	0.00
GNMA	2001 A-E RMRB	8.19	3/30/90	1/20/15	343,753.91	373,867.93	(4,128.99)	339,624.92	372,626.40	2,887.46	0.00
GNMA	2001 A-E RMRB	7.19	4/26/90	3/20/15	751,729.62	802,132.60	(16,740.29)	734,989.33	782,567.49	(2,824.82)	0.00
GNMA	2001 A-E RMRB	8.19	4/26/90	3/20/15	501,615.11	545,558.20	(7,054.65)	494,560.46	542,616.99	4,113.44	0.00
GNMA	2001 A-E RMRB	7.19	5/29/90	4/20/15	416,321.65	444,235.69	(8,009.63)	408,312.02	434,743.28	(1,482.78)	0.00
GNMA	2001 A-E RMRB	8.19	5/29/90	3/20/15	126,926.23	138,045.42	(1,389.38)	125,536.85	137,735.34	1,079.30	0.00
GNMA	2001 A-E RMRB	7.19	6/28/90	5/20/15	131,883.24	140,725.93	(1,822.55)	130,060.69	138,479.93	(423.45)	0.00
GNMA	2001 A-E RMRB	8.19	6/28/90	5/20/15	280,377.54	304,939.53	(3,088.65)	277,288.89	304,233.11	2,382.23	0.00
GNMA	2001 A-E RMRB	6.19	6/28/90	5/20/15	235,782.44	239,477.08	(3,566.14)	232,216.30	241,294.48	5,383.54	0.00
GNMA	2001 A-E RMRB	7.19	7/25/90	6/20/15	143,375.13	153,351.41	(2,442.96)	140,932.17	150,417.44	(491.01)	0.00
GNMA	2001 A-E RMRB	7.19	9/13/90	6/20/15	100,879.94	107,643.92	(1,571.73)	99,308.21	105,736.78	(335.41)	0.00
GNMA	2001 A-E RMRB	8.19	9/13/90	7/20/15	278,723.24	303,140.31	(38,807.13)	239,916.11	263,228.82	(1,104.36)	0.00
GNMA	2001 A-E RMRB	6.19	9/13/90	7/20/15	224,996.56	228,522.24	(28,358.25)	196,638.31	204,325.67	4,161.68	0.00
GNMA	2001 A-E RMRB	8.19	9/28/90	8/20/15	353,070.21	384,000.28	(5,974.82)	347,095.39	380,822.70	2,797.24	0.00
GNMA	2001 A-E RMRB	6.19	9/28/90	8/20/15	343,329.48	348,709.37	(5,219.34)	338,110.14	351,328.13	7,838.10	0.00
GNMA	2001 A-E RMRB	7.19	9/28/90	8/20/15	352,569.45	376,697.06	(4,818.37)	347,751.08	370,749.09	(1,129.60)	0.00
GNMA	2001 A-E RMRB	8.19	9/28/90	8/20/15	874,813.99	951,883.53	(9,789.21)	865,024.78	949,516.24	7,421.92	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	8/20/15	124,731.52	133,094.67	(1,788.08)	122,943.44	130,901.94	(404.65)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	9/20/15	360,918.20	392,535.80	(4,087.95)	356,830.25	391,503.51	3,055.66	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	9/20/15	320,957.63	325,986.96	(4,126.55)	316,831.08	329,217.19	7,356.78	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	236,274.90	239,977.27	(3,129.96)	233,144.94	242,259.45	5,412.14	0.00
GNMA	2001 A-E RMRB	8.19	2/25/91	10/20/15	165,840.64	180,368.90	(2,587.84)	163,252.80	179,116.19	1,129.60	0.00
GNMA	2001 A-E RMRB	6.19	1/25/91	11/20/15	271,460.27	275,713.94	(3,260.86)	268,199.41	278,684.28	6,231.20	0.00
GNMA	2001 A-E RMRB	8.19	3/28/91	12/20/15	34,013.45	36,993.07	(339.04)	33,674.41	36,946.49	292.46	0.00
GNMA	2001 A-E RMRB	8.75	4/29/91	2/20/20	519,404.27	569,650.04	(3,169.73)	516,234.54	571,611.55	5,131.24	0.00
GNMA	2001 A-E RMRB	6.19	4/29/91	4/20/16	580,211.36	589,793.94	(37,806.93)	542,404.43	564,510.32	12,523.31	0.00
GNMA	2001 A-E RMRB	8.19	4/26/91	4/20/16	136,550.16	148,544.01	(1,560.85)	134,989.31	148,172.85	1,189.69	0.00
GNMA	2001 A-E RMRB	7.19	4/26/91	4/20/16	462,255.94	493,012.48	(67,106.88)	395,149.06	420,951.14	(4,954.46)	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	9/20/17	715,704.10	728,165.86	(36,693.34)	679,010.76	707,764.45	16,291.93	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	1/20/17	148,693.43	161,856.61	(2,008.79)	146,684.64	161,124.07	1,276.25	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	9/20/17	698,036.61	704,413.37	(7,763.61)	690,273.00	717,789.90	21,140.14	0.00
GNMA	2001 A-E RMRB	5.45	2/25/02	1/20/32	716,968.65	688,348.71	(2,925.01)	714,043.64	721,018.52	35,594.82	0.00
GNMA	2001 A-E RMRB	4.95	2/25/02	2/20/32	1,388,916.31	1,303,896.24	(5,879.00)	1,383,037.31	1,366,076.36	68,059.12	0.00
GNMA	2001 A-E RMRB	5.45	5/15/02	5/20/32	677,129.98	650,078.97	(2,307.58)	674,822.40	681,387.20	33,615.81	0.00
GNMA	2001 A-E RMRB	4.95	5/15/02	5/20/32	1,529,759.99	1,436,066.53	(6,397.58)	1,523,362.41	1,504,625.24	74,956.29	0.00
GNMA	2001 A-E RMRB	4.95	5/24/02	5/20/32	984,985.83	924,658.25	(4,738.57)	980,247.26	968,196.33	48,276.65	0.00
GNMA	2001 A-E RMRB	5.45	5/24/02	5/20/32	488,292.28	468,785.24	(1,956.50)	486,335.78	491,069.83	24,241.09	0.00
GNMA	2001 A-E RMRB	5.45	3/21/02	2/20/32	2,439,422.99	2,342,027.13	(157,989.62)	2,281,433.37	2,305,166.98	121,129.47	0.00
GNMA	2001 A-E RMRB	5.45	3/21/02	2/20/32	214,658.60	206,087.23	(670.73)	213,987.87	216,073.33	10,656.83	0.00
GNMA	2001 A-E RMRB	4.95	3/21/02	2/20/32	1,342,638.81	1,260,435.33	(5,074.13)	1,337,564.68	1,321,138.44	65,777.24	0.00
GNMA	2001 A-E RMRB	5.45	4/17/02	4/20/32	3,119,296.72	2,994,764.91	(10,686.20)	3,108,610.52	3,138,939.04	154,860.33	0.00
GNMA	2001 A-E RMRB	5.45	4/17/02	3/20/32	238,683.48	229,150.49	(774.29)	237,909.19	240,225.64	11,849.44	0.00
GNMA	2001 A-E RMRB	4.95	4/17/02	4/20/32	2,174,468.20	2,041,313.59	(8,156.96)	2,166,311.24	2,139,683.53	106,526.90	0.00
GNMA	2001 A-E RMRB	5.45	4/29/02	4/20/32	153,899.10	147,757.06	(481.50)	153,417.60	154,916.12	7,640.56	0.00
GNMA	2001 A-E RMRB	4.95	4/29/02	4/20/32	2,635,347.41	2,473,977.11	(11,584.94)	2,623,762.47	2,591,535.15	129,142.98	0.00
GNMA	2001 A-E RMRB	5.45	4/29/02	4/20/32	1,122,585.71	1,077,766.56	(3,986.47)	1,118,599.24	1,129,511.80	55,731.71	0.00
GNMA	2001 A-E RMRB	4.95	4/29/02	4/20/32	88,123.92	82,727.48	(298.01)	87,825.91	86,745.93	4,316.46	0.00
GNMA	2001 A-E RMRB	5.45	5/15/02	5/20/32	429,916.05	412,741.11	(1,757.96)	428,158.09	432,326.18	21,343.03	0.00
GNMA	2001 A-E RMRB	4.95	5/15/02	4/20/32	346,716.23	325,480.85	(1,340.20)	345,376.03	341,126.89	16,986.24	0.00
GNMA	2001 A-E RMRB	5.45	5/15/02	4/20/32	136,444.57	130,993.67	(927.15)	135,517.42	136,840.32	6,773.80	0.00
GNMA	2001 A-E RMRB	5.45	8/29/02	8/20/32		914,117.60		914,117.60	914,117.60	-	0.00
GNMA	2001 A-E RMRB	4.95	8/29/02	8/20/32		664,381.50		664,381.50	664,381.50	-	0.00
GNMA	2001 A-E RMRB	5.45	6/3/02	5/20/32		490,172.76	(1,085.78)	489,086.98	493,839.13	4,752.15	0.00
GNMA	2001 A-E RMRB	4.95	6/3/02	5/20/32		1,456,716.17	(4,536.85)	1,452,179.32	1,434,302.66	(17,876.66)	0.00
GNMA	2001 A-E RMRB	5.45	6/10/02	5/20/32		133,845.16	(273.99)	133,571.17	134,868.78	1,297.61	0.00
GNMA	2001 A-E RMRB	4.95	6/10/02	5/20/32		697,718.27	(2,385.26)	695,333.01	686,775.35	(8,557.66)	0.00
GNMA	2001 A-E RMRB	5.45	6/19/02	6/20/32		211,058.91	(430.48)	210,628.43	212,674.61	2,046.18	0.00
GNMA	2001 A-E RMRB	4.95	6/19/02	6/20/32		519,136.58	(1,164.30)	517,972.28	511,591.55	(6,380.73)	0.00
GNMA	2001 A-E RMRB	5.45	6/25/02	5/20/32		437,164.68	(2,086.17)	435,078.51	439,316.92	4,238.41	0.00
GNMA	2001 A-E RMRB	4.95	6/25/02	6/20/32		431,001.36	(1,027.26)	429,974.10	424,677.98	(5,296.12)	0.00
GNMA	2001 A-E RMRB	5.45	7/5/02	6/20/32		734,803.13	(794.62)	734,008.51	741,132.19	7,123.68	0.00
GNMA	2001 A-E RMRB	4.95	7/5/02	6/20/32		1,108,901.76	(2,130.52)	1,106,771.24	1,093,133.84	(13,637.40)	0.00
GNMA	2001 A-E RMRB	5.45	7/15/02	6/20/32		320,446.88	(326.75)	320,120.13	323,226.76	3,106.63	0.00
GNMA	2001 A-E RMRB	4.95	7/15/02	6/20/32		402,196.97	(668.82)	401,528.15	396,579.60	(4,948.55)	0.00

GNMA	2001 A-E RMRB	5.45	7/22/02	6/20/32			267,978.48		(274.17)	267,704.31	270,302.28	2,597.97	0.00	
GNMA	2001 A-E RMRB	4.95	7/22/02	7/20/32			1,065,746.66		(1,618.03)	1,064,128.63	1,051,012.53	(13,116.10)	0.00	
GNMA	2001 A-E RMRB	5.45	7/29/02	6/20/32			295,734.20		(301.43)	295,432.77	298,299.82	2,867.05	0.00	
GNMA	2001 A-E RMRB	4.95	7/29/02	7/20/32			673,410.60		(792.49)	672,618.11	664,325.42	(8,292.69)	0.00	
GNMA	2001 A-E RMRB	5.45	8/1/02	7/20/32			137,593.26			137,593.26	138,927.16	1,333.90	0.00	
GNMA	2001 A-E RMRB	4.95	8/1/02	6/20/32			60,021.03			60,021.03	59,280.35	(740.68)	0.00	
GNMA	2001 A-E RMRB	5.45	8/12/02	7/20/32			718,034.24			718,034.24	724,995.23	6,960.99	0.00	
GNMA	2001 A-E RMRB	4.95	8/12/02	7/20/32			260,691.23			260,691.23	257,474.22	(3,217.01)	0.00	
GNMA	2001 A-E RMRB	5.45	8/23/02	8/20/32			1,870,669.39			1,870,669.39	1,888,804.64	18,135.25	0.00	
GNMA	2001 A-E RMRB	4.95	8/23/02	8/20/32			1,803,199.70			1,803,199.70	1,780,947.64	(22,252.06)	0.00	
FNMA	2001 A-E RMRB	5.45	4/17/02	3/1/32	311,968.96	300,783.11			(983.31)	310,985.65	311,982.39	12,182.59	0.00	
FNMA	2001 A-E RMRB	4.95	5/15/02	4/1/32	244,118.90	229,043.75			(1,037.83)	243,081.07	237,329.12	9,323.20	0.00	
FNMA	2001 A-E RMRB	4.95	6/10/02	6/1/32			253,094.07		(1,598.55)	251,495.52	245,546.89	(5,948.63)	0.00	
FNMA	2001 A-E RMRB	4.95	7/22/02	6/1/32			268,376.13		(533.66)	267,842.47	261,501.77	(6,340.70)	0.00	
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	37,452.02	37,452.02			(37,448.30)	3.72	3.72	-	0.00	
GICs	2001 A-E RMRB	2.54	10/30/01	4/29/03	300,000.00	300,000.00			(298,646.00)	1,354.00	1,354.00	-	0.00	
GICs	2001 A-E RMRB	2.54	10/30/01	4/29/03	43,596,146.00	43,596,146.00			(16,054,387.00)	27,541,759.00	27,541,759.00	-	0.00	
Repo Agmt	2001 A-E RMRB	1.87	8/30/02	9/3/02	6,747.47	6,747.47	30.13			6,777.60	6,777.60	-	0.00	
					140,716,890.86	140,584,647.38	16,479,028.43	(72,719,808.37)	(765,100.55)	0.00	83,711,010.37	84,641,818.15	1,063,051.26	0.00
Repo Agmt	1999 B-D RMRB	1.87	8/30/02	9/3/02	19.99	19.99	8,955.63			8,975.62	8,975.62	-	0.00	
Repo Agmt	1999 B-D RMRB	1.87	8/30/02	9/3/02	69,632.20	69,632.20			(68,500.19)	1,132.01	1,132.01	-	0.00	
GICs	1999 B-D RMRB				8,070,358.44	8,070,358.44			(8,070,358.44)			-	0.00	
GICs	1999 B-D RMRB	6.40	12/2/99	7/1/32	2,200,853.78	2,200,853.78	1,000,481.87			3,201,335.65	3,201,335.65	-	0.00	
Repo Agmt	1999 B-D RMRB	1.87	8/30/02	9/3/02			87.05			87.05	87.05	-	0.00	
GICs	1999 B-D RMRB	6.40	12/2/99	7/1/32			589,631.77			589,631.77	589,631.77	-	0.00	
GNMA	1999 B-D RMRB	8.18	4/1/91	1/20/21	235,801.50	255,198.86			(2,485.17)	233,316.33	255,222.29	2,508.60	0.00	
GNMA	1999 B-D RMRB	8.18	8/1/90	6/20/20	560,531.91	607,261.68			(5,442.14)	555,089.77	607,530.41	5,710.87	0.00	
GNMA	1999 B-D RMRB	7.18	8/1/90	6/20/20	176,327.76	187,088.21			(1,935.74)	174,392.02	185,279.71	127.24	0.00	
GNMA	1999 B-D RMRB	8.18	9/4/90	7/20/20	1,896,452.35	2,054,553.59			(102,193.08)	1,794,259.27	1,963,767.19	11,406.68	0.00	
GNMA	1999 B-D RMRB	8.18	7/2/90	5/20/20	444,592.12	481,656.33			(124,874.34)	319,717.78	349,922.25	(6,859.74)	0.00	
GNMA	1999 B-D RMRB	8.18	11/1/90	9/20/20	645,740.42	699,573.84			(6,170.98)	639,569.44	699,991.17	6,588.31	0.00	
GNMA	1999 B-D RMRB	8.18	9/4/90	8/20/20	997,480.55	1,080,637.36			(9,621.26)	987,859.29	1,081,184.70	10,168.60	0.00	
GNMA	1999 B-D RMRB	8.18	9/4/90	7/20/20	308,532.15	334,253.46			(2,091.20)	306,440.95	335,391.11	3,228.85	0.00	
GNMA	1999 B-D RMRB	8.18	11/1/90	8/20/20	567,967.12	615,316.71			(64,692.45)	503,274.67	550,820.19	195.93	0.00	
GNMA	1999 B-D RMRB	8.18	11/1/90	9/20/20	573,756.01	621,588.23			(59,621.07)	514,134.94	562,706.47	739.31	0.00	
GNMA	1999 B-D RMRB	7.18	11/1/90	9/20/20	434,969.30	461,513.36			(42,203.62)	392,765.68	417,286.89	(2,022.85)	0.00	
GNMA	1999 B-D RMRB	8.18	12/3/90	10/20/20	132,352.99	143,386.81			(1,138.69)	131,214.30	143,610.38	1,362.26	0.00	
GNMA	1999 B-D RMRB	8.75	12/28/89	9/20/18	3,252,911.75	3,565,779.77			(213,515.36)	3,039,396.39	3,358,303.93	6,039.52	0.00	
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	377,387.31	413,684.76			(60,186.81)	317,200.50	350,482.64	(3,015.31)	0.00	
GNMA	1999 B-D RMRB	8.75	11/30/89	9/20/18	394,556.31	432,505.09			(46,395.53)	348,160.78	384,691.41	(1,418.15)	0.00	
GNMA	1999 B-D RMRB	8.75	1/1/90	11/20/18	674,462.08	739,332.43			(40,941.07)	633,521.01	699,992.94	1,601.58	0.00	
GNMA	1999 B-D RMRB	8.75	1/1/90	12/20/18	309,730.87	339,521.06			(39,413.01)	270,317.86	298,680.85	(1,427.20)	0.00	
GNMA	1999 B-D RMRB	8.75	2/27/90	1/20/19	465,156.78	509,699.66			(3,160.55)	461,996.23	510,614.99	4,075.88	0.00	
GNMA	1999 B-D RMRB	8.75	5/29/90	4/20/19	250,043.26	273,987.09			(1,849.43)	248,193.83	274,312.80	2,175.14	0.00	
GNMA	1999 B-D RMRB	8.75	6/28/90	5/20/19	58,087.91	63,650.35			(389.74)	57,698.17	63,770.12	509.51	0.00	
GNMA	1999 B-D RMRB	7.18	2/1/91	11/20/20	471,243.65	500,001.38			(52,180.63)	419,063.02	445,226.05	(2,594.70)	0.00	
GNMA	1999 B-D RMRB	8.18	2/25/91	11/20/20	488,850.97	529,604.94			(4,088.17)	484,762.80	530,559.49	5,042.72	0.00	
GNMA	1999 B-D RMRB	7.18	5/2/91	2/20/21	393,125.90	416,010.17			(2,826.29)	390,299.61	414,717.85	1,533.97	0.00	
GNMA	1999 B-D RMRB	8.75	9/28/90	8/20/19	212,651.56	233,014.78			(1,584.29)	211,067.27	233,279.15	1,848.66	0.00	
GNMA	1999 B-D RMRB	8.75	10/23/90	9/20/19	185,116.76	202,843.34			(3,258.13)	181,858.63	200,996.77	1,411.56	0.00	
GNMA	1999 B-D RMRB	8.75	11/28/90	9/20/19	194,057.09	212,639.78			(1,282.75)	192,774.34	213,061.19	1,704.16	0.00	
GNMA	1999 B-D RMRB	8.75	12/21/90	9/20/19	87,220.03	95,572.10			(530.01)	86,690.02	95,812.94	770.85	0.00	
GNMA	1999 B-D RMRB	8.75	1/25/91	12/20/19	303,545.13	332,612.25			(3,825.64)	299,719.49	331,260.83	2,474.22	0.00	
GNMA	1999 B-D RMRB	8.75	2/22/91	12/20/19	180,802.32	198,115.72			(1,490.89)	179,311.43	198,181.46	1,556.63	0.00	
GNMA	1999 B-D RMRB	8.75	3/28/91	2/20/20	136,807.46	149,740.24			(947.23)	135,860.23	150,131.70	1,338.69	0.00	
GNMA	1999 B-D RMRB	8.75	3/28/91	12/20/19	95,626.44	104,783.52			(791.46)	94,834.98	104,815.06	823.00	0.00	
GNMA	1999 B-D RMRB	8.18	5/2/91	3/20/21	1,183,579.05	1,280,941.81			(42,080.72)	1,141,498.33	1,248,672.96	9,811.87	0.00	
GNMA	1999 B-D RMRB	6.10	7/28/00	7/20/30	4,472,044.89	4,451,294.60			(189,023.61)	4,283,021.28	4,399,005.50	136,734.51	0.00	
FNMA	1999 B-D RMRB	6.10	4/28/00	4/1/30	404,712.23	404,562.49			(1,396.81)	403,315.42	414,071.84	10,906.16	0.00	
GNMA	1999 B-D RMRB	6.10	4/20/00	4/20/30	3,107,205.94	3,092,788.50			(43,935.86)	3,063,270.08	3,146,223.43	97,370.79	0.00	
GNMA	1999 B-D RMRB	6.10	4/27/00	4/20/30	2,947,218.02	2,933,542.93			(144,743.71)	2,802,474.31	2,878,365.31	89,566.09	0.00	
GNMA	1999 B-D RMRB	6.10	6/26/00	6/20/30	5,360,898.74	5,336,024.17			(117,119.60)	5,243,779.14	5,385,780.68	166,876.11	0.00	
GNMA	1999 B-D RMRB	6.10	5/30/00	3/20/30	4,996,100.92	4,972,919.01			(363,240.57)	4,632,860.35	4,758,318.21	148,639.77	0.00	
FNMA	1999 B-D RMRB	6.10	5/30/00	5/1/30	571,996.63	571,784.99			(2,997.99)	568,998.64	584,173.83	15,386.83	0.00	
FNMA	1999 B-D RMRB	6.10	6/26/00	6/1/30	317,240.70	317,123.32			(2,881.12)	314,359.58	322,743.55	8,501.35	0.00	
GNMA	1999 B-D RMRB	6.10	9/14/00	8/20/30	7,971,600.31	7,934,612.08			(373,089.30)	7,598,511.01	7,804,278.69	242,755.91	0.00	

GNMA	1999 B-D RMRB	6.10	10/19/00	9/20/30	2,986,889.45	2,973,030.28	(288,697.26)	2,698,192.19	2,771,259.23	86,926.21	0.00			
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	862,673.70	858,670.89	(2,930.95)	859,742.75	883,024.58	27,284.64	0.00			
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	548,118.01	545,574.74	(1,969.41)	546,148.60	560,938.30	17,332.97	0.00			
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	576,453.79	573,779.04	(2,046.37)	574,407.42	589,962.37	18,229.70	0.00			
FNMA	1999 B-D RMRB	6.10	7/24/00	7/1/30	273,961.11	273,859.74	(1,405.27)	272,555.84	279,824.90	7,370.43	0.00			
GNMA	1999 B-D RMRB	6.10	1/16/01	12/20/30	340,291.92	338,712.97	(1,060.03)	339,231.89	348,418.29	10,765.35	0.00			
GNMA	1999 B-D RMRB	6.10	1/29/01	12/20/30	239,721.21	238,608.90	(1,055.98)	238,665.23	245,128.28	7,575.36	0.00			
GNMA	1999 B-D RMRB	6.10	11/16/00	11/20/30	311,023.70	309,580.55	(3,583.62)	307,440.08	315,765.56	9,768.63	0.00			
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	1,146,276.75	1,140,958.03	(71,958.00)	1,074,318.75	1,103,411.30	34,411.27	0.00			
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	439,854.13	437,813.21	(1,864.09)	437,990.04	449,850.81	13,901.69	0.00			
GNMA	1999 B-D RMRB	6.10	2/20/01	1/20/31	620,146.99	616,903.62	(62,488.61)	557,658.38	572,726.31	18,311.30	0.00			
GNMA	1999 B-D RMRB	6.10	3/15/01	3/20/31	798,941.12	794,762.66	(2,378.73)	796,562.39	818,085.51	25,701.58	0.00			
GNMA	1999 B-D RMRB	6.10	3/29/01	3/20/31	201,245.08	200,192.57	(593.09)	200,651.99	206,073.61	6,474.13	0.00			
GNMA	1999 B-D RMRB	6.10	5/10/01	4/20/31	1,550,363.07	1,542,254.67	(66,411.16)	1,483,951.91	1,524,048.29	48,204.78	0.00			
FNMA	1999 B-D RMRB	6.10	9/11/00	8/1/30	1,469,877.98	1,469,334.13	(6,163.87)	1,463,714.11	1,502,751.37	39,581.11	0.00			
FNMA	1999 B-D RMRB	6.10	10/6/00	10/1/30	438,829.61	438,667.24	(7,372.25)	431,457.36	442,964.33	11,669.34	0.00			
GNMA	1999 B-D RMRB	6.10	5/30/01	5/20/31	515,097.13	512,403.17	(2,216.75)	512,880.38	526,738.41	16,551.99	0.00			
GNMA	1999 B-D RMRB	6.10	6/18/01	4/20/31	291,511.45	289,986.85	(1,719.31)	289,792.14	297,622.32	9,354.78	0.00			
GNMA	1999 B-D RMRB	6.10	7/25/01	6/20/31	1,162,409.57	1,156,330.17	(3,468.37)	1,158,941.20	1,190,255.79	37,393.99	0.00			
GNMA	1999 B-D RMRB	6.10	8/31/01	8/20/31	999,616.41	994,388.42	(2,946.98)	996,669.43	1,023,599.44	32,158.00	0.00			
FNMA	1999 B-D RMRB	6.10	12/27/00	11/1/30	574,989.35	574,776.60	(29,126.66)	545,862.69	560,420.85	14,770.91	0.00			
FNMA	1999 B-D RMRB	6.10	1/12/01	12/1/30	301,956.71	301,844.99	(1,116.98)	300,839.73	308,863.13	8,135.12	0.00			
FNMA	1999 B-D RMRB	6.10	2/5/01	1/1/31	416,424.23	416,270.15	(1,849.12)	414,575.11	425,631.83	11,210.80	0.00			
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	118,621.92	118,001.53	(336.22)	118,285.70	121,481.78	3,816.47	0.00			
GNMA	1999 B-D RMRB	6.10	9/20/01	8/20/31	839,728.14	835,336.36	(65,547.90)	774,180.24	795,098.59	25,310.13	0.00			
GNMA	1999 B-D RMRB	6.10	9/28/01	9/20/31	287,190.55	285,688.54	(1,420.67)	285,769.88	293,491.38	9,223.51	0.00			
GNMA	1999 B-D RMRB	6.10	10/17/01	9/20/31	194,479.13	193,462.00	(777.62)	193,701.51	198,935.32	6,250.94	0.00			
GNMA	1999 B-D RMRB	6.10	10/30/01	5/20/31	45,908.46	45,668.36	(147.60)	45,760.86	46,997.32	1,476.56	0.00			
FNMA	1999 B-D RMRB	6.10	3/15/01	2/1/31	468,422.25	468,248.93	(76,577.62)	391,844.63	402,295.13	10,623.82	0.00			
GNMA	1999 B-D RMRB	6.10	1/22/02	12/20/31	312,953.03	311,316.29	(864.11)	312,088.92	320,521.56	10,069.38	0.00			
GNMA	1999 B-D RMRB	6.10	1/30/02	1/20/32	274,076.39	272,536.08	(1,369.35)	272,707.04	280,081.04	8,914.31	0.00			
GNMA	1999 B-D RMRB	6.10	2/25/02	2/20/32	1,725,228.69	1,715,532.90	(7,358.46)	1,717,870.23	1,764,321.44	56,147.00	0.00			
GNMA	1999 B-D RMRB	6.10	5/15/02	4/20/32	183,215.00	182,185.33	(677.14)	182,537.86	187,473.68	5,965.49	0.00			
GNMA	1999 B-D RMRB	6.10	5/24/02	5/20/32	343,109.00	341,180.73	(5,087.07)	338,021.93	347,162.04	11,068.38	0.00			
GNMA	1999 B-D RMRB	6.10	3/21/02	3/20/32	1,187,515.91	1,180,842.07	(4,616.39)	1,182,899.52	1,214,885.12	38,659.44	0.00			
GNMA	1999 B-D RMRB	6.10	4/17/02	3/20/32	1,813,285.26	1,803,094.60	(5,438.54)	1,807,846.72	1,856,730.90	59,074.84	0.00			
GNMA	1999 B-D RMRB	6.10	4/29/02	4/20/32	878,669.96	873,731.83	(2,566.48)	876,103.48	899,793.32	28,627.97	0.00			
GNMA	1999 B-D RMRB	6.10	5/15/02	4/20/32	101,993.00	101,419.80	(274.04)	101,718.96	104,469.44	3,323.68	0.00			
GNMA	1999 B-D RMRB	6.10	6/3/02	5/20/32			(955.19)	501,311.81	514,867.28	13,555.47	0.00			
GNMA	1999 B-D RMRB	6.10	6/10/02	5/20/32			(195.02)	107,907.98	110,825.81	2,917.83	0.00			
GNMA	1999 B-D RMRB	6.10	6/19/02	4/20/32			(566.35)	317,294.65	325,874.30	8,579.65	0.00			
GNMA	1999 B-D RMRB	6.10	6/25/02	5/20/32			(169.07)	66,253.93	68,045.44	1,791.51	0.00			
GNMA	1999 B-D RMRB	6.10	6/28/02	6/20/32			(774.92)	228,651.08	234,833.81	6,182.73	0.00			
FNMA	1999 B-D RMRB	6.10	10/17/01	9/1/31	197,809.82	197,673.33	(1,032.31)	196,777.51	202,222.34	5,581.32	0.00			
FNMA	1999 B-D RMRB	6.10	1/28/02	11/1/31	280,387.57	280,194.10	(804.64)	279,582.93	287,318.99	7,929.53	0.00			
FNMA	1999 B-D RMRB	6.10	4/17/02	2/1/32	37,399.70	37,365.29	(101.96)	37,297.74	38,330.51	1,067.18	0.00			
Repo Agmt	1999 B-D RMRB	1.87	8/30/02	9/3/02	2,080,024.00	2,080,024.00	(1,224,080.00)	855,944.00	855,944.00	-	0.00			
Repo Agmt	1999 B-D RMRB	1.87	8/30/02	9/3/02	13,559.95	13,559.95	(6,304.72)	7,255.23	7,255.23	-	0.00			
					85,629,599.80	86,827,350.79	2,823,236.32	(9,369,243.35)	(2,923,717.55)	0.00	76,159,875.22	79,181,021.61	1,823,395.40	0.00
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02			269,237.83	269,237.83	269,237.83	-	0.00			
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02			17,387.24	17,387.24	17,387.24	-	0.00			
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02	103,829.12	103,829.12	(103,416.45)	412.67	412.67	-	0.00			
GICs	2000 A RMRB	6.51	5/1/00	7/1/31	3,898,149.48	3,898,149.48	(2,743,281.28)	1,154,868.20	1,154,868.20	-	0.00			
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02	204,640.94	204,640.94	(204,640.12)	0.82	0.82	-	0.00			
GICs	2000 A RMRB	6.51	5/1/00	7/1/31			694,059.15	694,059.15	694,059.15	-	0.00			
GNMA	2000 A RMRB	6.45	7/28/00	7/20/30	1,414,418.95	1,431,094.95	(4,159.65)	1,410,259.30	1,459,547.86	32,612.56	0.00			
GNMA	2000 A RMRB	6.45	9/14/00	8/20/30	6,497,638.09	6,574,245.24	(412,736.33)	6,084,901.76	6,297,569.08	136,060.17	0.00			
GNMA	2000 A RMRB	6.45	10/16/00	9/20/30	2,265,498.05	2,292,208.27	(7,686.33)	2,257,811.72	2,336,722.24	52,200.30	0.00			
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	2,089,950.81	2,114,591.33	(95,755.85)	1,994,194.96	2,063,892.07	45,056.59	0.00			
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	952,725.55	963,958.18	(3,108.53)	949,617.02	982,806.13	21,956.48	0.00			
FNMA	2000 A RMRB	6.45	7/28/00	6/1/30	415,113.12	421,177.92	(1,697.99)	413,415.13	427,053.70	7,573.77	0.00			
GNMA	2000 A RMRB	6.45	1/8/01	12/20/30	667,080.06	674,944.93	(1,927.29)	665,152.77	688,399.86	15,382.22	0.00			
GNMA	2000 A RMRB	6.45	1/29/01	1/20/31	444,494.50	449,490.62	(2,082.71)	442,411.79	457,639.60	10,231.69	0.00			
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	1,715,744.22	1,735,972.84	(5,082.07)	1,710,662.15	1,770,449.79	39,559.02	0.00			
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	1,107,126.50	1,120,179.52	(3,781.55)	1,103,344.95	1,141,906.86	25,508.89	0.00			
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	1,366,792.05	1,382,906.53	(4,335.46)	1,362,456.59	1,410,074.45	31,503.38	0.00			

GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	742,898.19	751,656.96		(2,105.80)	740,792.39	766,683.08	17,131.92	0.00		
GNMA	2000 A RMRB	6.45	2/20/01	1/20/31	799,195.36	808,178.32		(2,561.36)	796,634.00	824,054.14	18,437.18	0.00		
GNMA	2000 A RMRB	6.45	2/28/01	2/20/31	978,544.92	989,543.76		(3,029.54)	975,515.38	1,009,092.62	22,578.40	0.00		
GNMA	2000 A RMRB	6.45	3/15/01	6/20/31	899,278.12	909,386.01		(2,544.12)	896,734.00	927,599.58	20,757.69	0.00		
GNMA	2000 A RMRB	6.45	3/29/01	2/20/31	186,108.56	188,200.42		(525.62)	185,582.94	191,970.70	4,295.90	0.00		
GNMA	2000 A RMRB	6.45	4/30/01	4/20/31	710,464.96	718,450.59		(1,972.80)	708,492.16	732,878.46	16,400.67	0.00		
FNMA	2000 A RMRB	6.45	9/11/00	8/1/30	994,126.68	1,008,650.87		(10,927.04)	983,199.64	1,015,635.40	17,911.57	0.00		
FNMA	2000 A RMRB	6.45	10/6/00	9/1/30	313,342.12	317,920.05		(901.43)	312,440.69	322,748.11	5,729.49	0.00		
FNMA	2000 A RMRB	6.45	11/16/00	10/1/30	367,319.96	372,686.50		(1,061.99)	366,257.97	378,340.82	6,716.31	0.00		
GNMA	2000 A RMRB	6.45	5/30/01	5/30/31	582,050.83	588,593.08		(1,961.77)	580,089.06	600,055.73	13,424.42	0.00		
GNMA	2000 A RMRB	6.45	6/18/01	3/20/31	319,862.66	323,457.92		(888.78)	318,973.88	329,952.96	7,383.82	0.00		
GNMA	2000 A RMRB	6.45	7/16/01	6/20/31	281,778.16	284,945.35		(1,031.63)	280,746.53	290,409.83	6,496.11	0.00		
GNMA	2000 A RMRB	6.45	8/8/01	7/20/31	340,805.42	344,636.07		(918.67)	339,886.75	351,585.65	7,868.25	0.00		
GNMA	2000 A RMRB	6.45	8/31/01	8/20/31	895,548.37	905,614.33		(2,434.48)	893,113.89	923,854.87	20,675.02	0.00		
FNMA	2000 A RMRB	6.45	12/27/00	11/1/30	621,088.28	630,162.38		(1,874.18)	619,214.10	639,641.97	11,353.77	0.00		
FNMA	2000 A RMRB	6.45	2/5/01	1/1/31	265,470.66	269,349.19		(923.79)	264,546.87	273,274.27	4,848.87	0.00		
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	1,197,073.03	1,210,528.13		(67,440.48)	1,129,632.55	1,168,514.50	25,426.85	0.00		
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	890,021.12	900,024.96		(4,006.17)	886,014.95	916,511.58	20,492.79	0.00		
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	1,087,261.66	1,099,482.48		(3,537.34)	1,083,724.32	1,121,026.11	25,080.97	0.00		
GNMA	2000 A RMRB	6.45	9/25/01	9/20/31	1,050,837.24	1,062,648.65		(2,839.73)	1,047,997.51	1,084,069.58	24,260.66	0.00		
GNMA	2000 A RMRB	6.45	9/28/01	9/20/31	1,498,228.50	1,515,068.59		(102,339.44)	1,395,889.06	1,443,935.56	31,206.41	0.00		
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	841,173.86	850,628.65		(2,913.40)	838,260.46	867,113.39	19,398.14	0.00		
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	1,256,429.88	1,270,552.15		(52,289.93)	1,204,139.95	1,245,586.45	27,324.23	0.00		
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	624,094.07	631,108.89		(1,874.02)	622,220.05	643,636.86	14,401.99	0.00		
FNMA	2000 A RMRB	6.45	3/29/01	2/1/31	341,350.25	346,337.38		(2,150.51)	339,199.74	350,389.94	6,203.07	0.00		
GNMA	2000 A RMRB	6.45	1/22/02	1/20/32	1,275,336.11	1,289,581.61		(5,533.72)	1,269,802.39	1,313,547.08	29,499.19	0.00		
GNMA	2000 A RMRB	6.45	1/30/02	12/20/31	210,419.00	212,784.11		(549.63)	209,869.37	217,093.07	4,858.59	0.00		
GNMA	2000 A RMRB	6.45	2/25/02	2/20/32	2,397,949.24	2,424,734.33		(63,711.71)	2,334,237.53	2,414,652.01	53,629.39	0.00		
FNMA	2000 A RMRB	6.45	7/12/01	6/1/31	299,188.75	303,488.09		(1,584.63)	297,604.12	307,431.01	5,527.55	0.00		
GNMA	2000 A RMRB	6.45	5/15/02	4/20/32	94,696.00	95,753.75		(237.56)	94,458.44	97,712.53	2,196.34	0.00		
GNMA	2000 A RMRB	6.45	5/24/02	5/20/32	227,301.00	229,839.95		(719.50)	226,581.50	234,387.23	5,266.78	0.00		
GNMA	2000 A RMRB	6.45	3/21/02	2/20/32	782,973.98	791,719.80		(2,696.67)	780,277.31	807,157.86	18,134.73	0.00		
GNMA	2000 A RMRB	6.45	4/17/02	3/20/32	744,115.50	752,427.27		(2,278.32)	741,837.18	767,393.47	17,244.52	0.00		
GNMA	2000 A RMRB	6.45	4/29/02	4/20/32	224,412.01	226,918.69		(1,678.75)	222,733.26	230,406.42	5,166.48	0.00		
GNMA	2000 A RMRB	6.45	5/15/02	3/20/32	70,971.00	71,763.75		(178.68)	70,792.32	73,231.12	1,646.05	0.00		
GNMA	2000 A RMRB	6.45	8/29/02	4/20/32			50,478.00		50,478.00	52,216.97	1,738.97	0.00		
GNMA	2000 A RMRB	6.45	8/29/02	8/20/32			67,467.00		67,467.00	69,791.24	2,324.24	0.00		
GNMA	2000 A RMRB	6.45	6/3/02	5/20/32			139,457.00	-358.98	139,098.02	143,889.95	4,791.93	0.00		
GNMA	2000 A RMRB	6.45	7/5/02	3/20/32			51,614.00	-145.00	51,469.00	53,242.11	1,773.11	0.00		
GNMA	2000 A RMRB	6.45	8/1/02	5/20/32			64,493.00		64,493.00	66,714.78	2,221.78	0.00		
GNMA	2000 A RMRB	6.45	8/12/02	6/20/32			53,705.00		53,705.00	55,555.14	1,850.14	0.00		
FNMA	2000 A RMRB	6.45	9/28/01	9/1/31	353,761.02	358,844.57		(1,168.51)	352,592.51	364,235.11	6,559.05	0.00		
FNMA	2000 A RMRB	6.45	10/17/01	9/1/31	228,227.87	231,507.50		(614.43)	227,613.44	235,129.24	4,236.17	0.00		
FNMA	2000 A RMRB	6.45	12/27/01	11/1/31	230,836.39	234,153.51		(1,035.26)	229,801.13	237,389.16	4,270.91	0.00		
FNMA	2000 A RMRB	6.45	4/17/02	3/1/32	166,659.54	169,036.11		(429.98)	166,229.56	171,718.46	3,112.33	0.00		
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02			1,070,047.37		1,070,047.37	1,070,047.37	-	0.00		
GICs	2000 A RMRB				1,497,261.37	1,497,261.37		(1,497,261.37)						
Repo Agmt	2000 A RMRB	1.87	8/30/02	9/3/02	33,410.69	33,410.69	535.13		33,945.82	33,945.82	-	0.00		
					50,065,073.77	50,588,426.65	2,478,480.72	(4,548,599.22)	(900,329.11)	0.00	47,094,626.16	48,607,476.86	989,497.82	0.00
GNMA	1999 A RMRB	7.50	8/31/89	7/20/18	845,901.89	907,218.82		(61,736.78)	784,165.11	836,773.90	(8,708.14)	0.00		
GNMA	1999 A RMRB	7.50	10/31/89	9/20/18	2,148,826.82	2,305,034.31		(135,593.41)	2,013,233.41	2,148,742.57	(20,698.33)	0.00		
GNMA	1999 A RMRB	8.75	10/31/89	9/20/18	573,443.59	628,604.97		(85,023.93)	488,419.66	539,674.03	(3,907.01)	0.00		
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	1,469,117.35	1,575,654.67		(155,250.90)	1,313,866.45	1,402,056.67	(18,347.10)	0.00		
GNMA	1999 A RMRB	8.75	11/30/89	9/20/18	320,442.95	351,268.94		(3,015.81)	317,427.14	350,738.61	2,485.48	0.00		
GNMA	1999 A RMRB	7.50	1/1/90	11/20/18	691,914.53	742,264.51		(5,886.06)	686,028.47	732,248.28	(4,130.17)	0.00		
GNMA	1999 A RMRB	8.75	1/1/90	11/20/18	148,171.25	162,424.14		(989.19)	147,182.06	162,626.74	1,191.79	0.00		
GNMA	1999 A RMRB	7.50	1/1/90	12/20/18	631,267.99	677,046.43		(5,240.70)	626,027.29	668,047.06	(3,758.67)	0.00		
GNMA	1999 A RMRB	7.50	2/27/90	12/20/18	328,087.95	351,880.68		(57,382.99)	270,704.96	288,876.25	(5,621.44)	0.00		
GNMA	1999 A RMRB	8.75	5/29/90	2/20/19	378,248.93	414,474.82		(5,549.30)	372,699.63	411,926.38	3,000.86	0.00		
GNMA	1999 A RMRB	7.50	3/30/90	1/20/19	638,339.20	684,419.47		(6,297.96)	632,041.24	674,605.18	(3,516.33)	0.00		
GNMA	1999 A RMRB	8.75	3/30/90	1/20/19	477,897.03	523,667.84		(4,777.74)	473,119.29	522,916.60	4,026.50	0.00		
GNMA	1999 A RMRB	7.50	4/26/90	3/20/19	734,992.93	788,051.63		(66,662.15)	668,330.78	713,340.81	(8,048.67)	0.00		
GNMA	1999 A RMRB	8.75	4/26/90	3/20/19	352,978.42	387,018.01		(43,469.22)	309,509.20	342,321.63	(1,227.16)	0.00		
GNMA	1999 A RMRB	7.50	5/29/90	4/20/19	616,121.20	660,598.21		(5,608.71)	610,512.49	651,627.21	(3,362.29)	0.00		
GNMA	1999 A RMRB	7.50	6/28/90	4/20/19	158,166.20	169,584.41		(1,220.16)	156,946.04	167,515.89	(848.36)	0.00		
GNMA	1999 A RMRB	8.75	6/28/90	4/20/19	271,118.63	297,084.22		(2,028.60)	269,090.03	297,411.66	2,356.04	0.00		

GNMA	1999 A RMRB	7.50	10/31/90	7/20/19	242,917.30	260,452.48			(2,196.70)		240,720.60	256,931.12	(1,324.66)	0.00		
GNMA	1999 A RMRB	7.50	12/21/90	8/20/19	132,522.63	142,089.00			(1,274.55)		131,248.08	140,086.67	(1,274.78)	0.00		
GNMA	1999 A RMRB	8.75	12/21/90	8/20/19	143,891.57	157,672.28			(945.94)		142,945.63	157,990.53	(1,264.19)	0.00		
GNMA	1999 A RMRB	7.50	3/28/91	11/20/19	96,452.17	103,415.22			(49,210.94)		47,241.23	50,423.83	(3,780.45)	0.00		
GNMA	1999 A RMRB	8.75	4/26/91	1/20/20	310,023.30	339,333.69			(2,473.02)		307,550.28	339,860.06	(2,999.39)	0.00		
GNMA	1999 A RMRB	8.75	4/29/91	2/20/20	265,177.45	290,248.55			(2,230.83)		262,946.62	290,571.10	(2,553.38)	0.00		
GNMA	1999 A RMRB	7.50	4/29/91	12/20/19	313,181.73	335,790.78			(72,964.42)		240,217.31	256,396.76	(6,429.60)	0.00		
GNMA	1999 A RMRB	5.35	1/31/01	8/20/30	63,555.15	60,104.74			(366.04)		63,189.11	62,978.69	3,239.99	0.00		
GNMA	1999 A RMRB	5.35	1/31/01	1/20/31	474,352.45	448,457.55			(1,690.26)		472,662.19	470,974.79	24,207.50	0.00		
GNMA	1999 A RMRB	5.35	3/15/01	1/20/31	129,036.19	121,992.10			(823.50)		128,212.69	127,754.97	6,586.37	0.00		
GNMA	1999 A RMRB	5.35	5/10/01	4/20/31	250,745.96	237,057.74			(940.71)		249,805.25	248,913.45	12,796.42	0.00		
GNMA	1999 A RMRB	5.35	6/22/01	5/20/31	58,541.42	55,345.64			(198.36)		58,343.06	58,134.78	2,987.50	0.00		
GNMA	1999 A RMRB	5.35	6/29/01	5/20/31	156,132.81	147,609.52			(576.07)		155,556.74	155,001.40	7,967.95	0.00		
FNMA	1999 A RMRB	5.35	3/15/01	10/1/30	278,705.46	266,133.06			(984.30)		277,721.16	276,690.81	11,542.05	0.00		
FNMA	1999 A RMRB	5.35	6/18/01	3/1/31	77,917.61	74,341.97			(568.47)		77,349.14	76,911.34	3,137.84	0.00		
GNMA	1999 A RMRB	5.35	3/18/02	2/20/32	42,465.44	40,145.13			(133.49)		42,331.95	42,177.44	2,165.80	0.00		
Repo Agmt	1999 A RMRB	1.87	8/30/02	9/3/02	358,005.35	358,005.35			(355,000.00)		3,005.35	3,005.35	-	0.00		
Repo Agmt	1999 A RMRB	1.87	8/30/02	9/3/02	401,199.23	401,199.23			0.00		401,199.23	401,199.23	-	0.00		
					14,579,860.08	15,465,690.11			0.00	(355,000.00)	(783,311.21)	0.00	13,441,548.87	14,327,451.79	72.89	0.00
<b>Total Residential Mortgage Revenue Bonds Investment Summary</b>					555,165,502.72	553,549,405.50	36,541,290.64	(107,465,168.44)	(9,977,171.58)	0.00	474,264,453.34	484,086,417.07	11,438,060.95	0.00		

**Texas Department of Housing and Community Affairs  
Collateralized Home Mortgage Revenue Bonds Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
					Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	1990 A&B CHMRB	1.87	8/30/02	9/3/02	44,691.90	44,691.90	199.01				44,890.91	44,890.91	-	0.00
Repo Agmt	1990 A&B CHMRB	1.87	8/30/02	9/3/02	72,262.20	72,262.20	321.80				72,584.00	72,584.00	-	0.00
Mutual Fund	1990 A&B CHMRB	1.32	8/1/02	9/1/02	201,399.22	201,399.22	619.69				202,018.91	202,018.91	-	0.00
					318,353.32	318,353.32	1,140.50	0.00	0.00	0.00	319,493.82	319,493.82	0.00	0.00
Repo Agmt	1991 A CHMRB	1.87	8/30/02	9/3/02	94,305.65	94,305.65	419.94				94,725.59	94,725.59	-	0.00
Repo Agmt	1991 A CHMRB	1.87	8/30/02	9/3/02	7,360.51	7,360.51		(1,045.86)			6,314.65	6,314.65	-	0.00
					101,666.16	101,666.16	419.94	(1,045.86)	0.00	0.00	101,040.24	101,040.24	0.00	0.00
Repo Agmt	1992 A-C CHMRB	1.87	8/30/02	9/3/02	378,721.56	378,721.56		(378,552.27)			169.29	169.29	-	0.00
GICs	1992 A-C CHMRB	6.09	6/29/92	7/2/24	4,482,707.40	4,482,707.40		(3,245,028.81)			1,237,678.59	1,237,678.59	-	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	12/1/23	348,553.11	350,516.00			(2,133.91)		346,419.20	348,370.08	(12.01)	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	5/1/23	449,710.94	452,243.52			(2,825.51)		446,885.43	449,402.10	(15.91)	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	6/1/23	664,967.15	668,711.92			(4,823.05)		660,144.10	663,861.71	(27.16)	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	6/1/23	55,565.61	55,879.30			(1,432.45)		54,133.16	54,438.79	(8.06)	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	2/1/25	3,772,058.47	3,772,058.44			(160,541.17)		3,611,517.30	3,611,517.28	0.01	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	3/1/25	3,069,240.45	3,069,240.44			(233,932.07)		2,835,308.38	2,835,308.37	0.00	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	3/1/25	982,917.20	982,917.22			(8,297.54)		974,619.66	974,619.68	-	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	5/1/25	1,941,100.83	1,940,320.03			(78,105.92)		1,862,994.91	1,862,245.53	31.42	0.00
FNMA	1992 A-C CHMRB	6.91	6/30/95	5/1/25	3,088,291.47	3,088,291.48			(51,173.17)		3,037,118.30	3,037,118.32	0.01	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/96	12/20/22	1,443,254.09	1,510,215.25			(122,676.22)		1,320,577.87	1,397,820.83	10,281.80	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	1/20/23	983,679.87	1,028,961.42			(8,237.80)		975,442.07	1,031,788.95	11,065.33	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	4/20/23	1,218,677.73	1,274,776.84			(49,667.45)		1,169,010.28	1,236,538.67	11,429.28	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	7/20/23	1,611,699.48	1,685,890.51			(135,061.93)		1,476,637.55	1,561,936.20	11,107.62	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	8/20/23	979,878.22	1,024,984.74			(58,564.12)		921,314.10	974,534.21	8,113.59	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	9/20/23	598,448.49	625,996.73			(4,200.29)		594,248.20	628,575.20	6,778.76	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	9/20/23	395,373.96	413,574.14			(3,360.57)		392,013.39	414,658.22	4,444.65	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	12/20/23	1,350,437.11	1,412,601.52			(39,370.50)		1,311,066.61	1,386,800.98	13,569.96	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	5/20/23	82,996.44	86,824.11			(1,455.56)		81,540.88	86,258.32	889.77	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	4/20/25	2,473,495.12	2,581,717.55			(55,470.00)		2,418,025.12	2,551,361.07	25,113.52	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	5/20/25	2,758,409.93	2,879,098.19			(52,067.50)		2,706,342.43	2,855,576.91	28,546.22	0.00
GNMA	1992 A-C CHMRB	6.91	6/30/95	6/20/25	2,865,141.19	2,990,499.24			(17,695.48)		2,847,445.71	3,004,460.97	31,657.21	0.00
GICs	1992 A-C CHMRB	6.09	6/29/92	7/2/24	100,000.00	100,000.00			0.00		100,000.00	100,000.00	-	0.00
GICs	1992 A-C CHMRB	6.09	6/29/92	7/2/24	1,020,948.07	1,020,948.07	55,011.53				1,075,959.60	1,075,959.60	-	0.00
FNMA	1992 A-C CHMRB	6.91	4/28/95	6/1/23	299,926.06	301,615.08			(2,903.80)		297,022.26	298,694.93	(16.35)	0.00

GNMA	1992 A-C CHMRB	6.91	4/28/95	3/20/23	3,361,426.19	3,516,161.99		(117,694.43)		3,243,731.76	3,431,107.36	32,639.80	0.00	
GNMA	1992 A-C CHMRB	6.91	4/28/95	1/20/25	7,896,126.76	8,241,604.71		(412,050.86)		7,484,075.90	7,896,766.54	67,212.69	0.00	
GNMA	1992 A-C CHMRB	6.91	4/28/95	2/20/25	5,927,826.01	6,187,185.22		(321,799.63)		5,606,026.38	5,915,156.67	49,771.08	0.00	
GNMA	1992 A-C CHMRB	6.91	4/28/95	3/20/25	10,089,909.36	10,531,371.53		(419,452.42)		9,670,456.94	10,203,710.08	91,790.97	0.00	
Repo Agmt	1992 A-C CHMRB	1.87	8/30/02	9/3/02	22,921.87	22,921.87		(898.32)		22,023.55	22,023.55	-	0.00	
					64,714,410.14	66,678,556.02	55,011.53	(3,624,479.40)	(2,364,993.35)	0.00	58,779,948.92	61,148,459.00	404,364.20	0.00
<b>Total Collateralized Home Mortgage Revenue Bonds Investment Summary</b>					65,134,429.62	67,098,575.50	56,571.97	(3,625,525.26)	(2,364,993.35)	0.00	59,200,482.98	61,568,993.06	404,364.20	0.00



**Texas Department of Housing and Community Affairs  
Multi Family Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Money Market	1996 A&B MF (Brighton/LasColi)	1.28	8/1/02	9/1/02	153,841.99	153,841.99	595.71				154,437.70	154,437.70	-	0.00
Money Market	1996 A&B MF (Brighton/LasColi)	1.28	8/1/02	9/1/02	97,299.26	97,299.26	655.97				97,955.23	97,955.23	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	1.30	8/1/02	9/1/02	0.01	0.01	25.99				26.00	26.00	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	1.30	8/1/02	9/1/02			40.63				40.63	40.63	-	0.00
Money Market	1996 A&B MF (Brighton/LasColi)	1.28	8/1/02	9/1/02	54,041.31	54,041.31	0.00				54,041.31	54,041.31	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	1.30	8/1/02	9/1/02	40,509.99	40,509.99		(29,576.68)			10,933.31	10,933.31	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	1.30	8/1/02	9/1/02	25,910.10	25,910.10		(18,742.92)			7,167.18	7,167.18	-	0.00
					371,602.66	371,602.66	1,318.30	(48,319.60)	0.00	0.00	324,601.36	324,601.36	0.00	0.00
Money Market	1998 M/F (Dallas-Oxford Rfdg)				2,391.70	2,391.70		(2,391.70)					-	0.00
Money Market	1998 M/F (Dallas-Oxford Rfdg)				424.25	424.25		(424.25)					-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	1.30	8/1/02	9/1/02	32,335.29	32,335.29	6,180.42				38,515.71	38,515.71	-	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	1.30	8/1/02	9/1/02	454.79	454.79	1.32				456.11	456.11	-	0.00
					35,606.03	35,606.03	6,181.74	(2,815.95)	0.00	0.00	38,971.82	38,971.82	0.00	0.00
Mutual Fund	1984 A & B M/F (Summer Bend)	1.30	8/1/02	9/1/02	99.48	99.48		(11.25)			88.23	88.23	-	0.00
Money Market	1984 A & B M/F (Summer Bend)	1.28	8/1/02	9/1/02	91,191.53	91,191.53		(27,400.91)			63,790.62	63,790.62	-	0.00
					91,291.01	91,291.01	0.00	(27,412.16)	0.00	0.00	63,878.85	63,878.85	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)	1.30	8/1/02	9/1/02	180,467.52	180,467.52	530.13				180,997.65	180,997.65	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	1.30	8/1/02	9/1/02			46.26				46.26	46.26	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	1.58	8/1/02	9/1/02	0.30	0.30		(0.06)			0.24	0.24	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	1.30	8/1/02	9/1/02	45,272.00	45,272.00		(29,755.80)			15,516.20	15,516.20	-	0.00
					225,739.82	225,739.82	576.39	(29,755.86)	0.00	0.00	196,560.35	196,560.35	0.00	0.00
Treasury Note	1993 A&B M/F(Reming. Hill/HP)	4.87	8/1/02	9/1/02	600,127.87	600,127.87	43,304.34				643,432.21	643,432.21	-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	1.87	8/30/02	9/3/02	512.50	512.50	2.32				514.82	514.82	-	0.00
Treasury Bill	1993 A&B M/F(Reming. Hill/HP)	5.81	8/1/02	9/1/02	74,896.87	74,896.87	2,038.46				76,935.33	76,935.33	-	0.00
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	1.87	8/30/02	9/3/02	54,754.14	54,754.14		(32,548.04)			22,206.10	22,206.10	-	0.00
					730,291.38	730,291.38	45,345.12	(32,548.04)	0.00	0.00	743,088.46	743,088.46	0.00	0.00
Repo Agmt	1987 South Tx. Rental Housing	1.87	8/30/02	9/3/02	1,033,619.59	1,033,619.59	4,602.93				1,038,222.52	1,038,222.52	-	0.00
					1,033,619.59	1,033,619.59	4,602.93	0.00	0.00	0.00	1,038,222.52	1,038,222.52	0.00	0.00
Inv Agmt	1993 NCHMP	3.05	12/29/93	12/31/23	551,950.61	551,950.61		(348,204.36)			203,746.25	203,746.25	-	0.00
Inv Agmt	1993 NCHMP	5.38	12/29/93	12/31/23	1,000,000.00	1,000,000.00	0.00				1,000,000.00	1,000,000.00	-	0.00
					1,551,950.61	1,551,950.61	0.00	(348,204.36)	0.00	0.00	1,203,746.25	1,203,746.25	0.00	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	3,899.80	3,899.80	2,834.10				6,733.90	6,733.90	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	22.14	22.14	0.00				22.14	22.14	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	0.10	0.10	0.00				0.10	0.10	-	0.00
Inv Agmt	1996 A-D M/F(Dallas-Ft Worth)	6.50	8/12/96	7/1/26	32,218.69	32,218.69	9,642.02				41,860.71	41,860.71	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	27,202.85	27,202.85	82,301.38				109,504.23	109,504.23	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	67,999.99	67,999.99	21,000.01				89,000.00	89,000.00	-	0.00
Inv Agmt	1996 A-D M/F(Dallas-Ft Worth)	7.23	8/6/96	7/1/26	192,180.00	192,180.00		(158,000.00)			34,180.00	34,180.00	-	0.00
Inv Agmt	1996 A-D M/F(Dallas-Ft Worth)	7.23	8/6/96	7/1/26	1,373,425.00	1,373,425.00	0.00				1,373,425.00	1,373,425.00	-	0.00
Inv Agmt	1996 A-D M/F(Dallas-Ft Worth)	7.23	8/6/96	7/1/26	77,107.98	77,107.98		(2,321.00)			74,786.98	74,786.98	-	0.00
Treasury Bill	1996 A-D M/F(Dallas-Ft Worth)	6.13	7/1/02	1/2/03	147,000.00	147,000.00		(33,000.00)			114,000.00	114,000.00	-	0.00
Treasury Note	1996 A-D M/F(Dallas-Ft Worth)				112,130.87	112,130.87		(112,130.87)					-	0.00
Treasury Note	1996 A-D M/F(Dallas-Ft Worth)	5.63	8/1/02	9/1/02	144,185.08	144,185.08		(31,814.33)			112,370.75	112,370.75	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	51,116.99	51,116.99		(49,366.90)			1,750.09	1,750.09	-	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.30	8/1/02	9/1/02	8,965.63	8,965.63		(6,322.14)			2,643.49	2,643.49	-	0.00
					2,237,455.12	2,237,455.12	115,777.51	(392,955.24)	0.00	0.00	1,960,277.39	1,960,277.39	0.00	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	1.30	8/1/02	9/1/02	93,431.00	93,431.00	25,473.97				118,904.97	118,904.97	-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	1.30	8/1/02	9/1/02	45,049.75	45,049.75	42,425.89				87,475.64	87,475.64	-	0.00
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.25	11/12/96	7/1/26	164,083.35	164,083.35	36,209.41				200,292.76	200,292.76	-	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	1.30	8/1/02	9/1/02	70,434.81	70,434.81	97,496.49				167,931.30	167,931.30	-	0.00

Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	1.30	8/1/02	9/1/02			0.01		0.01			-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/5/96	7/1/26	86,743.95	86,743.95	0.00		86,743.95	86,743.95		-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/5/96	7/1/26	777,671.25	777,671.25	0.00		777,671.25	777,671.25		-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	6.75	11/5/96	7/1/26	177,500.00	177,500.00	0.00		177,500.00	177,500.00		-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	7/1/26	322,054.40	322,054.40		(187,844.12)	134,210.28	134,210.28		-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	7/1/26	34,331.26	34,331.26		(17,131.23)	17,200.03	17,200.03		-	0.00	
Inv Agmt	1996 A-D M/F(Harbors/Plumtree)	5.90	11/12/96	7/1/26	78,416.66	78,416.66		(45,180.08)	33,236.58	33,236.58		-	0.00	
					1,849,716.43	1,849,716.43	201,605.77	(250,155.43)	0.00	0.00	1,801,166.77	1,801,166.77	0.00	0.00
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	56,261.91	56,261.91	0.00		56,261.91	56,261.91		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	197,058.70	197,058.70	40,446.18		237,504.88	237,504.88		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	85.05	85.05	8.87		93.92	93.92		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.20	12/31/96	1/1/27	1,072,886.64	1,072,886.64		(871,486.00)	201,400.64	201,400.64		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	3,959.69	3,959.69		(2,964.51)	995.18	995.18		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.20	12/31/96	1/1/27	479,986.75	479,986.75	13,120.42		493,107.17	493,107.17		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	2,000.30	2,000.30	0.00		2,000.30	2,000.30		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.20	11/21/96	1/1/27	312,045.72	312,045.72	58,476.98		370,522.70	370,522.70		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	28.68	28.68	0.09		28.77	28.77		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.70	11/21/96	1/1/27	1.00	1.00	0.00		1.00	1.00		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	0.03	0.03		(0.01)	0.02	0.02		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.70	11/21/96	1/1/27	2,069,749.00	2,069,749.00	0.00		2,069,749.00	2,069,749.00		-	0.00	
Mutual Fund	1996 A&B M/F(NHP Project)	1.30	8/1/02	9/1/02	37,673.82	37,673.82		(37,044.75)	629.07	629.07		-	0.00	
Inv Agmt	1996 A&B M/F(NHP Project)	6.20	11/26/96	1/1/27	825,601.00	825,601.00		(483,000.00)	342,601.00	342,601.00		-	0.00	
					5,057,338.29	5,057,338.29	112,052.54	(1,394,495.27)	0.00	0.00	3,774,895.56	3,774,895.56	0.00	0.00
Mutual Fund	1997 M/F (Meadow Ridge)	1.30	8/1/02	9/1/02	257.93	257.93		(249.69)	8.24	8.24		-	0.00	
Mutual Fund	1997 M/F (Meadow Ridge)	1.30	8/1/02	9/1/02			75,300.79		75,300.79	75,300.79		-	0.00	
Inv Agmt	1997 M/F (Meadow Ridge)	5.45	12/18/97	7/31/18	295,480.74	295,480.74		(292,757.88)	2,722.86	2,722.86		-	0.00	
Mutual Fund	1997 M/F (Meadow Ridge)	1.30	8/1/02	9/1/02	126,324.22	126,324.22		(125,520.63)	803.59	803.59		-	0.00	
					422,062.89	422,062.89	75,300.79	(418,528.20)	0.00	0.00	78,835.48	78,835.48	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)	1.30	8/1/02	9/1/02	26,070.87	26,070.87		(17,357.95)	8,712.92	8,712.92		-	0.00	
Mutual Fund	1998 M/F (Pebble Brook)	1.30	8/1/02	9/1/02	60,736.37	60,736.37	32.94		60,769.31	60,769.31		-	0.00	
Inv Agmt	1998 M/F (Pebble Brook)	5.20	4/30/98	12/1/30	331,592.04	331,592.04		(193,875.00)	137,717.04	137,717.04		-	0.00	
Mutual Fund	1998 M/F (Pebble Brook)	1.30	8/1/02	9/1/02	39,000.47	39,000.47	114.56		39,115.03	39,115.03		-	0.00	
					457,399.75	457,399.75	147.50	(211,232.95)	0.00	0.00	246,314.30	246,314.30	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	217,957.67	217,957.67	533.04		218,490.71	218,490.71		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	15.09	15.09	0.03		15.12	15.12		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	3,417.19	3,417.19	1,150.60		4,567.79	4,567.79		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	43,266.24	43,266.24	5,049.90		48,316.14	48,316.14		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	1,049.13	1,049.13	27,473.94		28,523.07	28,523.07		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	2,054.49	2,054.49	120,399.62		122,454.11	122,454.11		-	0.00	
Mutual Fund	1998 M/F (Residence Oaks Proj)	1.32	8/1/02	9/1/02	120,259.23	120,259.23		(314.66)	119,944.57	119,944.57		-	0.00	
					388,019.04	388,019.04	154,607.13	(314.66)	0.00	0.00	542,311.51	542,311.51	0.00	0.00
Mutual Fund	1998 M/F (Volente Project)	1.30	8/1/02	9/1/02	78,336.06	78,336.06		(77,849.53)	486.53	486.53		-	0.00	
Inv Agmt	1998 M/F (Volente Project)	5.22	5/14/98	1/1/31	318,030.87	318,030.87		(241,928.34)	76,102.53	76,102.53		-	0.00	
Mutual Fund	1998 M/F (Volente Project)	1.30	8/1/02	9/1/02	27,717.60	27,717.60		(23,883.70)	3,833.90	3,833.90		-	0.00	
Mutual Fund	1998 M/F (Volente Project)	1.30	8/1/02	9/1/02	1.24	1.24	0.00		1.24	1.24		-	0.00	
Mutual Fund	1998 M/F (Volente Project)	1.30	8/1/02	9/1/02	263.74	263.74	64,021.57		64,285.31	64,285.31		-	0.00	
Mutual Fund	1998 M/F (Volente Project)				46,875.00	46,875.00		(46,875.00)				-	0.00	
					471,224.51	471,224.51	64,021.57	(390,536.57)	0.00	0.00	144,709.51	144,709.51	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02			62,500.00		62,500.00	62,500.00		-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02	72,085.54	72,085.54	180,000.00		252,085.54	252,085.54		-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02	237,804.16	237,804.16		(224,252.87)	13,551.29	13,551.29		-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02	12,916.67	12,916.67		(12,665.99)	250.68	250.68		-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	3/22/01	9/1/30	2,500.04	2,500.04	71,785.11		74,285.15	74,285.15		-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail				1.00	1.00		(1.00)				-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02	27,300.30	27,300.30		(26,149.18)	1,151.12	1,151.12		-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	9/10/98	9/1/30	13,872.01	13,872.01	304,801.32		318,673.33	318,673.33		-	0.00	
Mutual Fund	1998 M/F (Greens-Hickory Trail	1.30	8/1/02	9/1/02	19,945.81	19,945.81	25,686.09		45,631.90	45,631.90		-	0.00	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	3/22/01	9/1/30	6,450.00	6,450.00	0.00		6,450.00	6,450.00		-	0.00	
					392,875.53	392,875.53	644,772.52	(263,069.04)	0.00	0.00	774,579.01	774,579.01	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	88,191.64	88,191.64	66,103.30		154,294.94	154,294.94		-	0.00	

Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	1.78	1.78	0.00			1.78	1.78	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	7,863.55	7,863.55	941.21			8,804.76	8,804.76	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	48,021.25	48,021.25	11,883.63			59,904.88	59,904.88	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02			38,962.49			38,962.49	38,962.49	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	178.15	178.15	161,611.36			161,789.51	161,789.51	-	0.00	
Mutual Fund	1999 M/F (Mayfield Apts)	1.32	8/1/02	9/1/02	0.16	0.16	0.00			0.16	0.16	-	0.00	
					144,256.53	144,256.53	279,501.99	0.00	0.00	0.00	423,758.52	423,758.52	0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village)	1.32	8/1/02	9/1/02	19,285.11	19,285.11	7,085.38			26,370.49	26,370.49	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	1.30	8/1/02	9/1/02	14,173.08	14,173.08	31,662.92			45,836.00	45,836.00	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	1.32	8/1/02	9/1/02			81.96			81.96	81.96	-	0.00	
Inv Agmt	1999 M/F (Woodglen Village)				81.77	81.77		(81.77)				-		
Mutual Fund	1999 M/F (Woodglen Village)	1.32	8/1/02	9/1/02	26,204.20	26,204.20	14,294.26			40,498.46	40,498.46	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	1.32	8/1/02	9/1/02	87,633.06	87,633.06	32,134.64			119,767.70	119,767.70	-	0.00	
Mutual Fund	1999 M/F (Woodglen Village)	1.32	8/1/02	9/1/02	13.59	13.59	0.03			13.62	13.62	-	0.00	
					147,390.81	147,390.81	85,259.19	(81.77)	0.00	0.00	232,568.23	232,568.23	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	1.30	8/1/02	9/1/02	11,529.61	11,529.61	1,746.61			13,276.22	13,276.22	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)				2.33	2.33		(2.33)				-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	1.30	8/1/02	9/1/02			1.36			1.36	1.36	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)	1.30	8/1/02	9/1/02			2.33			2.33	2.33	-	0.00	
Mutual Fund	2000 M/F (Timber Point Apts)				11,555.33	11,555.33		(11,555.33)				-	0.00	
					23,087.27	23,087.27	1,750.30	(11,557.66)	0.00	0.00	13,279.91	13,279.91	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	63,743.12	63,743.12	66,756.40			130,499.52	130,499.52	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	16,694.87	16,694.87	16,736.39			33,431.26	33,431.26	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	925,522.18	925,522.18		(924,854.01)		668.17	668.17	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	48.75	48.75		(48.71)		0.04	0.04	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	56.74	56.74	65,866.74			65,923.48	65,923.48	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	594,682.33	594,682.33		(594,248.44)		433.89	433.89	-	0.00	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	1.30	8/1/02	9/1/02	7,584.03	7,584.03	11,618.56			19,202.59	19,202.59	-	0.00	
					1,608,332.02	1,608,332.02	160,978.09	(1,519,151.16)	0.00	0.00	250,158.95	250,158.95	0.00	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.99	5/17/00	12/2/02	563,833.21	563,833.21		(214,238.75)		349,594.46	349,594.46	-	0.00	
Mutual Fund	2000 M/F (Deerwood Apts)	1.30	8/1/02	9/1/02			18.63			18.63	18.63	-	0.00	
Mutual Fund	2000 M/F (Deerwood Apts)				10.97	10.97		(10.97)				-	0.00	
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	5/23/00	6/1/32	1,987.11	1,987.11	0.00			1,987.11	1,987.11	-	0.00	
					565,831.29	565,831.29	18.63	(214,249.72)	0.00	0.00	351,600.20	351,600.20	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	1.32	8/1/02	9/1/02	6,322.68	6,322.68		(3,957.48)		2,365.20	2,365.20	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	1.32	8/1/02	9/1/02	93.45	93.45	9.53			102.98	102.98	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	1.32	8/1/02	9/1/02			0.03			0.03	0.03	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)	1.32	8/1/02	9/1/02	727,663.04	727,663.04		(727,437.74)		225.30	225.30	-	0.00	
Mutual Fund	2000 M/F (Creek Point Apts)				38,557.79	38,557.79		(38,557.79)				-	0.00	
					772,636.96	772,636.96	9.56	(769,953.01)	0.00	0.00	2,693.51	2,693.51	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	17,864.32	17,864.32		(7,818.61)		10,045.71	10,045.71	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	14,601.12	14,601.12	16,729.50			31,330.62	31,330.62	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	10.72	10.72	0.03			10.75	10.75	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	351,998.63	351,998.63		(351,741.88)		256.75	256.75	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	456,714.07	456,714.07	1,534.34			458,248.41	458,248.41	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	27.99	27.99	64,345.59			64,373.58	64,373.58	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	220.87	220.87	0.00			220.87	220.87	-	0.00	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	1.30	8/1/02	9/1/02	45,778.66	45,778.66	65,875.45			111,654.11	111,654.11	-	0.00	
					887,216.38	887,216.38	148,484.91	(359,560.49)	0.00	0.00	676,140.80	676,140.80	0.00	0.00
Mutual Fund	2000 M/F (Honey Creek)	1.32	8/1/02	9/1/02	70,675.63	70,675.63		(5,906.48)		64,769.15	64,769.15	-	0.00	
Mutual Fund	2000 M/F (Honey Creek)	1.32	8/1/02	9/1/02	120,726.15	120,726.15		(13,259.31)		107,466.84	107,466.84	-	0.00	
Mutual Fund	2000 M/F (Honey Creek)	1.32	8/1/02	9/1/02	17,226.98	17,226.98	34,150.93			51,377.91	51,377.91	-	0.00	
Mutual Fund	2000 M/F (Honey Creek)	1.32	8/1/02	9/1/02	0.01	0.01	0.01			0.02	0.02	-	0.00	
					208,628.77	208,628.77	34,150.94	(19,165.79)	0.00	0.00	223,613.92	223,613.92	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	1.32	8/1/02	9/1/02	0.02	0.02	78.73			78.75	78.75	-	0.00	
Inv Agmt	2000 A-C MF Highland Meadows	6.25	11/2/00	9/26/02	359,732.30	359,732.30		(247,876.86)		111,855.44	111,855.44	-	0.00	
Mutual Fund	2000 A-C MF Highland Meadows	1.32	8/1/02	9/1/02	27,437.95	27,437.95		(5,962.48)		21,475.47	21,475.47	-	0.00	
					387,170.27	387,170.27	78.73	(253,839.34)	0.00	0.00	133,409.66	133,409.66	0.00	0.00

Mutual Fund	2000 A/B MF Greenbridge	1.30	8/1/02	9/1/02	32,621.05	32,621.05		(20,480.24)		12,140.81	12,140.81	-	0.00	
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/9/00	11/1/40			463,403.00			463,403.00	463,403.00	-	0.00	
Inv Agmt	2000 A/B MF Greenbridge				4,577,462.25	4,577,462.25		(4,577,462.25)				-	0.00	
Mutual Fund	2000 A/B MF Greenbridge				9,409.64	9,409.64		(9,409.64)				-	0.00	
Inv Agmt	2000 A/B MF Greenbridge				463,403.00	463,403.00		(463,403.00)				-	0.00	
Mutual Fund	2000 A/B MF Greenbridge	1.30	8/1/02	9/1/02	54,778.23	54,778.23		(53,537.04)		1,241.19	1,241.19	-	0.00	
Inv Agmt	2000 A/B MF Greenbridge	6.35	11/9/00	11/1/03	416,700.80	416,700.80		(305,466.96)		111,233.84	111,233.84	-	0.00	
Mutual Fund	2000 A/B MF Greenbridge	1.30	8/1/02	9/1/02	44,829.01	44,829.01	35,013.41			79,842.42	79,842.42	-	0.00	
Inv Agmt	2000 A/B MF Greenbridge	6.35	11/9/00	11/1/03	2,192,763.44	2,192,763.44	0.00			2,192,763.44	2,192,763.44	-	0.00	
					7,791,967.42	7,791,967.42	498,416.41	(5,429,759.13)	0.00	0.00	2,860,624.70	2,860,624.70	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	1.32	8/1/02	9/1/02	499,815.58	499,815.58		(275,050.41)		224,765.17	224,765.17	-	0.00	
Mutual Fund	2000 A-C MF Collingham Park	1.32	8/1/02	9/1/02	100,840.53	100,840.53	3,138.53			103,979.06	103,979.06	-	0.00	
					600,656.11	600,656.11	3,138.53	(275,050.41)	0.00	0.00	328,744.23	328,744.23	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	1.30	8/1/02	9/1/02	46,016.01	46,016.01		(17,920.04)		28,095.97	28,095.97	-	0.00	
Mutual Fund	2000 A/B MF Willams Run	1.30	8/1/02	9/1/02	201,679.01	201,679.01		(92,381.19)		109,297.82	109,297.82	-	0.00	
Mutual Fund	2000 A/B MF Willams Run	1.30	8/1/02	9/1/02	3,387.13	3,387.13	1,770.42			5,157.55	5,157.55	-	0.00	
Mutual Fund	2000 A/B MF Willams Run	1.30	8/1/02	9/1/02	1,380.44	1,380.44	4.64			1,385.08	1,385.08	-	0.00	
Mutual Fund	2000 A/B MF Willams Run	1.30	8/1/02	9/1/02	0.66	0.66	0.00			0.66	0.66	-	0.00	
					252,463.25	252,463.25	1,775.06	(110,301.23)	0.00	0.00	143,937.08	143,937.08	0.00	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02	5,353.10	5,353.10	6,187.60			11,540.70	11,540.70	-	0.00	
Inv Agmt	2000 A/B MF Red Hills Villas				986,287.02	986,287.02		(986,287.02)				-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02	2,797.01	2,797.01	9.39			2,806.40	2,806.40	-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02	10,618.98	10,618.98	1,978.73			12,597.71	12,597.71	-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02	2,834.14	2,834.14	2,834.14			2,834.14	2,834.14	-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02	64,222.90	64,222.90	19,728.39			83,951.29	83,951.29	-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas				171.68	171.68		(171.68)				-	0.00	
Mutual Fund	2000 A/B MF Red Hills Villas	1.30	8/1/02	9/1/02			32,679.59			32,679.59	32,679.59	-	0.00	
					1,069,450.69	1,069,450.69	63,417.84	(986,458.70)	0.00	0.00	146,409.83	146,409.83	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.30	8/1/02	9/1/02	508,360.28	508,360.28		(499,454.20)		8,906.08	8,906.08	-	0.00	
Inv Agmt	2001A MF Bluffview Sr. Apts.	4.27	5/3/01	2/28/03	4,190,530.38	4,190,530.38		(4,187,998.98)		2,531.40	2,531.40	-	0.00	
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.30	8/1/02	9/1/02	2.86	2.86	2.18			5.04	5.04	-	0.00	
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.32	8/1/02	9/1/02	275,237.18	275,237.18	1,676,133.89			1,951,371.07	1,951,371.07	-	0.00	
Inv Agmt	2001A MF Bluffview Sr. Apts.	4.27	5/3/01	2/28/03	3,137.94	3,137.94	122.58			3,260.52	3,260.52	-	0.00	
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.30	8/1/02	9/1/02			306,838.85			306,838.85	306,838.85	-	0.00	
Inv Agmt	2001A MF Bluffview Sr. Apts.				183,248.73	183,248.73		(183,248.73)				-	0.00	
					5,160,517.37	5,160,517.37	1,983,097.50	(4,870,701.91)	0.00	0.00	2,272,912.96	2,272,912.96	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	1.30	8/1/02	9/1/02	612,021.11	612,021.11		(567,301.21)		44,719.90	44,719.90	-	0.00	
Inv Agmt	2001A MF Knollwood Villas Apts	4.27	5/3/01	2/28/03	10,292,362.59	10,292,362.59		(3,359,330.90)		6,933,031.69	6,933,031.69	-	0.00	
Mutual Fund	2001A MF Knollwood Villas Apts	1.30	8/1/02	9/1/02	3.68	3.68		(2.37)		1.31	1.31	-	0.00	
Mutual Fund	2001A MF Knollwood Villas Apts	1.30	8/1/02	9/1/02	577,243.65	577,243.65		(86,617.23)		490,626.42	490,626.42	-	0.00	
Inv Agmt	2001A MF Knollwood Villas Apts	4.27	5/3/01	2/28/03	7,130.56	7,130.56	345.29			7,475.85	7,475.85	-	0.00	
Mutual Fund	2001A MF Knollwood Villas Apts	1.30	8/1/02	9/1/02			394,298.52			394,298.52	394,298.52	-	0.00	
Inv Agmt	2001A MF Knollwood Villas Apts				237,392.80	237,392.80		(237,392.80)				-	0.00	
					11,726,154.39	11,726,154.39	394,643.81	(4,250,644.51)	0.00	0.00	7,870,153.69	7,870,153.69	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	1.30	8/1/02	9/1/02	1,408.43	1,408.43	0.00			1,408.43	1,408.43	-	0.00	
Mutual Fund	2001A MF Skyway Villas	1.30	8/1/02	9/1/02	43.28	43.28	37.13			80.41	80.41	-	0.00	
Inv Agmt	2001A MF Skyway Villas	3.80	7/10/01	3/1/03	10,763,371.00	10,763,371.00		(4,746,477.08)		6,016,893.92	6,016,893.92	-	0.00	
Mutual Fund	2001A MF Skyway Villas	1.30	8/1/02	9/1/02	14.35	14.35	15.42			29.77	29.77	-	0.00	
					10,764,837.06	10,764,837.06	52.55	(4,746,477.08)	0.00	0.00	6,018,412.53	6,018,412.53	0.00	0.00
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02	37.80	37.80	0.00			37.80	37.80	-	0.00	
Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	11,891.00	11,891.00	0.00			11,891.00	11,891.00	-	0.00	
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02			7,785.00			7,785.00	7,785.00	-	0.00	
Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	152,753.00	152,753.00		(70,044.00)		82,709.00	82,709.00	-	0.00	
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02	19,366.04	19,366.04		(7,906.81)		11,459.23	11,459.23	-	0.00	
Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	5,244,180.00	5,244,180.00		(2,408,807.00)		2,835,373.00	2,835,373.00	-	0.00	
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02	161.98	161.98	0.01			161.99	161.99	-	0.00	
Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	50,960.00	50,960.00	0.00			50,960.00	50,960.00	-	0.00	
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02	317.85	317.85	0.02			317.87	317.87	-	0.00	
Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	100,000.00	100,000.00	0.00			100,000.00	100,000.00	-	0.00	
Mutual Fund	2001AB Cobb Park	1.30	8/1/02	9/1/02	1,542.50	1,542.50		(505.71)		1,036.79	1,036.79	-	0.00	

Inv Agmt	2001AB Cobb Park	3.81	7/31/01	1/1/03	282,747.63	282,747.63		(97,612.31)			185,135.32	185,135.32	-	0.00
					5,863,957.80	5,863,957.80	7,785.03	(2,584,875.83)	0.00	0.00	3,286,867.00	3,286,867.00	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	1.58	8/1/02	9/1/02	8,737.00	8,737.00	8,737.50				17,474.50	17,474.50	-	0.00
Mutual Fund	2001A MF Greens Road Apts	1.30	8/1/02	9/1/02	233,251.79	233,251.79		(233,126.39)			125.40	125.40	-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	9/14/01	6/1/34			1,528.03				1,528.03	1,528.03	-	0.00
Mutual Fund	2001A MF Greens Road Apts	1.58	8/1/02	9/1/02			0.36				0.36	0.36	-	0.00
Inv Agmt	2001A MF Greens Road Apts	3.41	9/14/01	11/1/02	181,589.48	181,589.48	0.00				181,589.48	181,589.48	-	0.00
Mutual Fund	2001A MF Greens Road Apts				5,079.61	5,079.61		(5,079.61)					-	0.00
Inv Agmt	2001A MF Greens Road Apts	3.41	9/14/01	11/1/02	3,331,299.20	3,331,299.20		(1,880,394.87)			1,450,904.33	1,450,904.33	-	0.00
Mutual Fund	2001A MF Greens Road Apts	1.30	8/1/02	9/1/02	83,816.80	83,816.80	330.89				84,147.69	84,147.69	-	0.00
					3,843,773.88	3,843,773.88	10,596.78	(2,118,600.87)	0.00	0.00	1,735,769.79	1,735,769.79	0.00	0.00
Mutual Fund	2001AB MF Meridian Apts	1.32	8/1/02	9/1/02	71,417.35	71,417.35	239,684.62				311,101.97	311,101.97	-	0.00
Inv Agmt	2001AB MF Meridian Apts	3.77	9/25/01	2/1/04	3,036,964.37	3,036,964.37		(1,726,295.95)			1,310,668.42	1,310,668.42	-	0.00
Mutual Fund	2001AB MF Meridian Apts	1.32	8/1/02	9/1/02	8,542.02	8,542.02	321,696.40				330,238.42	330,238.42	-	0.00
Inv Agmt	2001AB MF Meridian Apts	3.77	9/25/01	2/1/04	6,412,789.05	6,412,789.05		(4,841,794.05)			1,570,995.00	1,570,995.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	1.32	8/1/02	9/1/02	480,283.13	480,283.13		(480,283.12)			0.01	0.01	-	0.00
					10,009,995.92	10,009,995.92	561,381.02	(7,048,373.12)	0.00	0.00	3,523,003.82	3,523,003.82	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	1.32	8/1/02	9/1/02	1,960.41	1,960.41	200,349.94				202,310.35	202,310.35	-	0.00
Inv Agmt	2001AB MF Wildwood Branch	3.75	9/25/01	2/1/04	2,399,088.75	2,399,088.75		(135,588.00)			2,263,500.75	2,263,500.75	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	1.32	8/1/02	9/1/02	9,163.53	9,163.53	303,134.55				312,298.08	312,298.08	-	0.00
Inv Agmt	2001AB MF Wildwood Branch	3.75	9/25/01	2/1/04	11,339,898.83	11,339,898.83		(2,696,987.00)			8,642,911.83	8,642,911.83	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	1.32	8/1/02	9/1/02	298.89	298.89	313.34				612.23	612.23	-	0.00
Mutual Fund	2001AB MF Wildwood Branch				472,724.08	472,724.08		(472,724.08)					-	0.00
					14,223,134.49	14,223,134.49	503,797.83	(3,305,299.08)	0.00	0.00	11,421,633.24	11,421,633.24	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	1.58	8/1/02	9/1/02	11,818,624.13	11,818,624.13		(6,232,583.80)			5,586,040.33	5,586,040.33	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	1.32	8/1/02	9/1/02	3,454.22	3,454.22	8,640.43				12,094.65	12,094.65	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	1.32	8/1/02	9/1/02	892,442.19	892,442.19		(245,268.63)			647,173.56	647,173.56	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	1.32	8/1/02	9/1/02	92,488.46	92,488.46		(896.08)			91,592.38	91,592.38	-	0.00
					12,807,009.00	12,807,009.00	8,640.43	(6,478,748.51)	0.00	0.00	6,336,900.92	6,336,900.92	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	1.30	8/1/02	9/1/02			163.54				163.54	163.54	-	0.00
Inv Agmt	2001 MF Oak Hollow Apts	2.20	12/18/01	8/1/03	6,754.99	6,754.99		(6,220.92)			534.07	534.07	-	0.00
Inv Agmt	2001 MF Oak Hollow Apts	2.20	12/18/01	8/1/03	6,119,706.08	6,119,706.08		(1,846,826.91)			4,272,879.17	4,272,879.17	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	1.30	8/1/02	9/1/02	1,331.07	1,331.07		(267.21)			1,063.86	1,063.86	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	1.30	8/1/02	9/1/02	54,724.81	54,724.81	2,352.49				57,077.30	57,077.30	-	0.00
Inv Agmt	2001 MF Oak Hollow Apts	2.20	12/18/01	8/1/03	643,546.99	643,546.99		(136,626.60)			506,920.39	506,920.39	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts				163.35	163.35		(163.35)					-	0.00
					6,826,227.29	6,826,227.29	2,516.03	(1,990,104.99)	0.00	0.00	4,838,638.33	4,838,638.33	0.00	0.00
Inv Agmt	2001AB MF Hillside Apts	2.20	12/18/01	8/1/03	157,417.00	157,417.00	0.00				157,417.00	157,417.00	-	0.00
Mutual Fund	2001AB MF Hillside Apts	1.30	8/1/02	9/1/02	1.85	1.85	0.40				2.25	2.25	-	0.00
Inv Agmt	2001AB MF Hillside Apts	2.20	12/18/01	8/1/03	9,614,763.86	9,614,763.86		(2,079,164.13)			7,535,599.73	7,535,599.73	-	0.00
Mutual Fund	2001AB MF Hillside Apts	1.30	8/1/02	9/1/02	1,905.16	1,905.16		(396.54)			1,508.62	1,508.62	-	0.00
Mutual Fund	2001AB MF Hillside Apts	1.30	8/1/02	9/1/02	1.68	1.68	3.45				5.13	5.13	-	0.00
Inv Agmt	2001AB MF Hillside Apts	2.20	12/18/01	8/1/03	152,507.74	152,507.74		(83,962.00)			68,545.74	68,545.74	-	0.00
Mutual Fund	2001AB MF Hillside Apts	1.30	8/1/02	9/1/02	51,648.66	51,648.66	53,294.97				104,943.63	104,943.63	-	0.00
Inv Agmt	2001AB MF Hillside Apts	2.20	12/18/01	8/1/03	933,772.33	933,772.33		(250,823.15)			682,949.18	682,949.18	-	0.00
Mutual Fund	2001AB MF Hillside Apts				3.00	3.00		(3.00)					-	0.00
					10,912,021.28	10,912,021.28	53,298.82	(2,414,348.82)	0.00	0.00	8,550,971.28	8,550,971.28	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	0.87	8/1/02	9/1/02	181,168.93	181,168.93		(181,135.15)			33.78	33.78	-	0.00
GICs	2002A MF Millstone Apts	1.92	1/30/02	7/31/03	12,002,503.92	12,002,503.92		(921,039.74)			11,081,464.18	11,081,464.18	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.87	8/1/02	9/1/02	3,697.22	3,697.22		(3,697.12)			0.10	0.10	-	0.00
GICs	2002A MF Millstone Apts	1.92	1/30/02	7/31/03	196,302.78	196,302.78	0.00				196,302.78	196,302.78	-	0.00
Mutual Fund	2002A MF Millstone Apts	1.32	8/1/02	9/1/02	21,793.11	21,793.11	51.57				21,844.68	21,844.68	-	0.00
					12,405,465.96	12,405,465.96	51.57	(1,105,872.01)	0.00	0.00	11,299,645.52	11,299,645.52	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.87	8/1/02	9/1/02			127,578.48				127,578.48	127,578.48	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.87	8/1/02	9/1/02	8,634,408.23	8,634,408.23		(2,787,777.74)			5,846,630.49	5,846,630.49	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.87	8/1/02	9/1/02	83,084.03	83,084.03	196.30				83,280.33	83,280.33	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.87	8/1/02	9/1/02	1,202,905.10	1,202,905.10		(296,141.05)			906,764.05	906,764.05	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.87	8/1/02	9/1/02	74,286.54	74,286.54		(24,838.78)			49,447.76	49,447.76	-	0.00
					9,994,683.90	9,994,683.90	127,774.78	(3,108,757.57)	0.00	0.00	7,013,701.11	7,013,701.11	0.00	0.00

Mutual Fund	2002 MF West Oaks Apts	1.30	8/1/02	9/1/02	0.69	0.69	0.00		0.69	0.69	-	0.00		
Mutual Fund	2002 MF West Oaks Apts				0.05	0.05		(0.05)			-	0.00		
Inv Agmt	2002 MF West Oaks Apts	1.94	2/8/02	12/26/02	8,501,448.05	8,501,448.05		(1,693,976.37)	6,807,471.68	6,807,471.68	-	0.00		
Mutual Fund	2002 MF West Oaks Apts	1.30	8/1/02	9/1/02			22.73		22.73	22.73	-	0.00		
Inv Agmt	2002 MF West Oaks Apts	1.94	2/8/02	12/26/02	1.86	1.86	0.00		1.86	1.86	-	0.00		
Mutual Fund	2002 MF West Oaks Apts	1.30	8/1/02	9/1/02	2.37	2.37		(2.37)	0.00	0.00	-	0.00		
Inv Agmt	2002 MF West Oaks Apts	1.94	2/8/02	12/26/02	533,204.66	533,204.66		(133,751.72)	399,452.94	399,452.94	-	0.00		
Mutual Fund	2002 MF West Oaks Apts				22.65	22.65		(22.65)			-	0.00		
					<u>9,034,680.33</u>	<u>9,034,680.33</u>	<u>22.73</u>	<u>(1,827,753.16)</u>	<u>0.00</u>	<u>0.00</u>	<u>7,206,949.90</u>	<u>7,206,949.90</u>	<u>0.00</u>	<u>0.00</u>
Mutual Fund	2002 MF Park Meadows Apts	1.32	8/1/02	9/1/02	25,038.22	25,038.22	86.53		25,124.75	25,124.75	-	0.00		
Mutual Fund	2002 MF Park Meadows Apts	1.32	8/1/02	9/1/02	4,585,138.07	4,585,138.07	15,845.12		4,600,983.19	4,600,983.19	-	0.00		
Mutual Fund	2002 MF Park Meadows Apts	1.32	8/1/02	9/1/02	50,299.83	50,299.83	173.83		50,473.66	50,473.66	-	0.00		
					<u>4,660,476.12</u>	<u>4,660,476.12</u>	<u>16,105.48</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,676,581.60</u>	<u>4,676,581.60</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Multi-Family Investment Summary</b>					<b>158,008,215.22</b>	<b>158,008,215.22</b>	<b>6,373,054.35</b>	<b>(59,610,029.20)</b>	<b>0.00</b>	<b>0.00</b>	<b>104,771,240.37</b>	<b>104,771,240.37</b>	<b>0.00</b>	<b>0.00</b>

**Texas Department of Housing and Community Affairs**  
**Single Family Collateralized Home Mortgage Revenue Bonds Series 1993 Investment Summary**  
**For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	7,244.91	7,244.91	32.27				7,277.18	7,277.18	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	202,826.76	202,826.76		(139,355.82)			63,470.94	63,470.94	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	264,180.94	264,180.94	26,665.78				290,846.72	290,846.72	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	270,838.48	270,838.48		(143,603.16)			127,235.32	127,235.32	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	234,076.64	234,076.64	46,004.75				280,081.39	280,081.39	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	306,692.24	306,692.24		(38,088.03)			268,604.21	268,604.21	-	0.00
FNMA	1993 SF MRB CHMRB	6.10	6/30/94	6/1/24	500,183.01	500,183.01			(3,916.62)		496,266.39	496,266.39	-	0.00
FNMA	1993 SF MRB CHMRB	6.90	8/17/94	8/1/24	699,590.77	705,624.76			(9,063.16)		690,527.61	696,483.44	(78.16)	0.00
FNMA	1993 SF MRB CHMRB	6.97	8/17/94	7/1/24	780,946.22	788,009.37			(9,007.67)		771,938.55	778,920.23	(81.47)	0.00
FNMA	1993 SF MRB CHMRB	7.06	8/17/94	7/1/24	617,663.36	621,693.55			(3,742.56)		613,920.80	617,926.57	(24.42)	0.00
FNMA	1993 SF MRB CHMRB	6.90	5/26/95	1/1/25	242,035.28	241,387.43			(1,070.33)		240,964.95	240,319.97	2.87	0.00
FNMA	1993 SF MRB CHMRB	6.97	8/15/95	4/1/25	63,253.68	63,253.68			(339.58)		62,914.10	62,914.10	-	0.00
FNMA	1993 SF MRB CHMRB	7.10	8/15/95	5/1/25	349,329.68	349,329.68			(12,340.71)		336,988.97	336,988.97	-	0.00
GNMA	1993 SF MRB CHMRB	6.10	6/30/94	6/20/24	4,582,897.75	4,637,666.65			(282,495.17)		4,300,402.58	4,481,143.86	125,972.38	0.00
GNMA	1993 SF MRB CHMRB	6.90	8/17/94	8/20/24	5,389,721.25	5,633,071.93			(241,932.67)		5,147,788.58	5,440,253.91	49,114.65	0.00
GNMA	1993 SF MRB CHMRB	6.97	8/17/94	8/20/24	4,859,935.38	5,091,272.25			(132,391.71)		4,727,543.67	5,001,127.67	42,247.13	0.00
GNMA	1993 SF MRB CHMRB	7.06	8/17/94	8/20/24	1,964,335.35	2,073,120.54			(77,838.56)		1,886,496.79	2,003,914.24	8,632.26	0.00
GNMA	1993 SF MRB CHMRB	6.10	1/27/95	10/20/24	572,620.95	579,740.46			(3,092.14)		569,528.81	593,748.45	17,100.13	0.00
GNMA	1993 SF MRB CHMRB	6.97	2/16/95	12/20/24	1,770,009.77	1,855,912.34			(75,405.65)		1,694,604.12	1,794,265.15	13,758.46	0.00
GNMA	1993 SF MRB CHMRB	6.90	3/30/95	2/20/25	377,758.72	394,409.58			(1,753.97)		376,004.75	396,943.40	4,287.79	0.00
GNMA	1993 SF MRB CHMRB	7.06	3/30/95	12/20/24	285,377.80	301,331.65			(5,370.04)		280,007.76	297,583.44	1,621.83	0.00
GNMA	1993 SF MRB CHMRB	6.97	6/1/95	5/20/25	331,652.03	347,316.74			(1,715.02)		329,937.01	348,880.06	3,278.34	0.00
GNMA	1993 SF MRB CHMRB	6.90	8/15/95	2/20/25	56,029.34	58,534.25			(241.23)		55,788.11	58,930.28	637.26	0.00
GNMA	1993 SF MRB CHMRB	7.06	6/29/95	4/20/25	296,458.41	312,742.63			(1,272.26)		295,186.15	313,577.11	2,106.74	0.00
GNMA	1993 SF MRB CHMRB	7.10	6/29/95	5/20/25	1,093,710.96	1,153,686.01			(5,058.03)		1,088,652.93	1,155,919.29	7,291.31	0.00
GNMA	1993 SF MRB CHMRB	7.06	8/15/95	6/20/25	316,131.40	333,225.49			(53,699.94)		262,431.46	278,555.38	(970.17)	0.00
GNMA	1993 SF MRB CHMRB	7.10	8/15/95	8/20/25	1,597,957.23	1,686,874.94			(8,286.09)		1,589,671.14	1,689,188.14	10,599.29	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	1.06	1.06	0.00				1.06	1.06	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	4.60	4.60	0.00				4.60	4.60	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	341.87	341.87	1.69				343.56	343.56	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	2.71	2.71	0.00				2.71	2.71	-	0.00
Repo Agmt	1993 SF MRB CHMRB	1.87	8/30/02	9/3/02	4.60	4.60	0.00				4.60	4.60	-	0.00
					<u>28,033,813.15</u>	<u>29,014,601.75</u>	<u>72,704.49</u>	<u>(321,047.01)</u>	<u>(930,033.11)</u>	<u>0.00</u>	<u>26,855,437.52</u>	<u>28,121,722.34</u>	<u>285,496.22</u>	<u>0.00</u>
<b>Total 1993 SF MRB CHMRB Investment Summary</b>					28,033,813.15	29,014,601.75	72,704.49	(321,047.01)	(930,033.11)	0.00	26,855,437.52	28,121,722.34	285,496.22	0.00

**Texas Department of Housing and Community Affairs**  
**Single Family Collateralized Home Mortgage Revenue Bonds Series 1994 and 1995 Investment Summary**  
**For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	13,758.31	13,758.31	61.29				13,819.60	13,819.60	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	6,962.11	6,962.11	30.96				6,993.07	6,993.07	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	353,189.70	353,189.70	212,186.96				565,376.66	565,376.66	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	128,637.14	128,637.14			(128,163.68)		473.46	473.46	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	8,271.69	8,271.69			(7,446.39)		825.30	825.30	-	0.00
GICs	1994 SF MRB CHMRB	6.42	4/26/95	11/1/26	170,996.37	170,996.37	228,804.72				399,801.09	399,801.09	-	0.00
GICs	1994 SF MRB CHMRB	6.05	6/27/96	11/1/26	70,535.18	70,535.18	268,111.77				338,646.95	338,646.95	-	0.00
FNMA	1994 SF MRB CHMRB	7.10	6/29/95	4/1/25	1,258,637.03	1,258,636.45			(36,150.86)		1,222,486.17	1,222,485.60	0.01	0.00
FNMA	1994 SF MRB CHMRB	7.10	7/28/95	5/1/25	395,819.47	395,819.47			(2,975.80)		392,843.67	392,843.67	-	0.00
FNMA	1994 SF MRB CHMRB	6.70	8/30/95	7/1/25	783,728.37	783,728.72			(4,044.38)		779,683.99	779,684.34	(0.00)	0.00
FNMA	1994 SF MRB CHMRB	7.10	8/30/95	6/1/25	40,040.15	40,040.14			(727.50)		39,312.65	39,312.64	0.00	0.00
FNMA	1994 SF MRB CHMRB	6.70	9/19/95	8/1/25	678,006.08	678,006.08			(3,931.43)		674,074.65	674,074.65	-	0.00
FNMA	1994 SF MRB CHMRB	7.10	9/28/95	7/1/25	96,432.39	96,432.39			(1,311.01)		95,121.38	95,121.38	-	0.00
FNMA	1994 SF MRB CHMRB	6.70	1/12/96	11/1/25	679,685.27	679,685.23			(15,933.53)		663,751.74	663,751.70	-	0.00
FNMA	1994 SF MRB CHMRB	7.10	1/30/96	9/1/25	372,939.69	372,939.54			(7,448.53)		365,491.16	365,491.02	0.01	0.00
FNMA	1994 SF MRB CHMRB	7.10	2/28/96	9/1/25	194,389.25	194,389.13			(58,151.40)		136,237.85	136,237.76	0.03	0.00
FNMA	1994 SF MRB CHMRB	7.10	2/28/96	5/1/25	149,083.12	149,083.17			(609.93)		148,473.19	148,473.24	(0.00)	0.00
FNMA	1994 SF MRB CHMRB	6.70	3/28/96	10/1/25	165,539.79	165,539.75			(869.72)		164,670.07	164,670.03	-	0.00
FNMA	1994 SF MRB CHMRB	6.70	7/30/96	7/1/25	243,079.39	251,310.21			(1,223.98)		241,855.41	252,920.50	2,834.27	0.00
FNMA	1994 SF MRB CHMRB	7.10	8/29/96	8/1/26	372,876.26	392,452.90			(1,773.23)		371,103.03	393,486.39	2,806.72	0.00
FNMA	1994 SF MRB CHMRB	6.70	9/16/96	6/1/26	150,266.27	155,100.88			(717.24)		149,549.03	156,135.84	1,752.20	0.00
FNMA	1994 SF MRB CHMRB	6.70	11/14/96	7/1/26	269,088.56	278,330.98			(1,287.68)		267,800.88	280,249.81	3,206.51	0.00
FNMA	1994 SF MRB CHMRB	6.72	2/13/97	11/1/26	266,029.15	276,062.55			(2,102.34)		263,926.81	277,002.82	3,042.61	0.00
FNMA	1994 SF MRB CHMRB	7.10	3/27/97	1/1/26	106,030.54	111,600.40			(457.15)		105,573.39	111,989.44	846.19	0.00
FNMA	1994 SF MRB CHMRB	6.72	5/15/97	12/1/26	558,092.20	583,044.01			(2,753.78)		555,338.42	586,748.39	6,458.16	0.00
GNMA	1994 SF MRB CHMRB	7.10	6/29/95	5/20/25	6,295,252.65	6,637,215.27			(308,709.39)		5,986,543.26	6,353,336.63	24,830.75	0.00
GNMA	1994 SF MRB CHMRB	7.10	7/28/95	7/20/25	2,258,674.84	2,383,518.41			(233,164.78)		2,025,510.06	2,151,553.76	1,200.13	0.00
GNMA	1994 SF MRB CHMRB	6.70	8/30/95	8/20/25	5,153,740.51	5,339,426.17			(126,893.87)		5,026,846.64	5,286,804.36	74,272.06	0.00
GNMA	1994 SF MRB CHMRB	6.70	12/1/99	6/20/25	704,349.60	731,566.58			(79,569.74)		624,779.86	659,639.84	7,643.00	0.00
GNMA	1994 SF MRB CHMRB	7.10	8/30/95	7/20/25	1,492,277.50	1,575,399.42			(62,610.51)		1,429,666.99	1,519,249.08	6,460.17	0.00
GNMA	1994 SF MRB CHMRB	6.70	8/30/95	8/20/25	1,297,055.64	1,344,422.22			(29,202.35)		1,267,853.29	1,334,048.57	18,828.70	0.00
GNMA	1994 SF MRB CHMRB	7.10	8/30/95	8/20/25	702,224.36	741,304.58			(55,152.46)		647,071.90	687,584.90	1,432.78	0.00
GNMA	1994 SF MRB CHMRB	7.10	9/19/95	8/20/25	568,524.45	599,956.87			(82,165.29)		486,359.16	516,631.61	(1,159.97)	0.00
GNMA	1994 SF MRB CHMRB	6.70	9/19/95	9/20/25	1,211,543.98	1,256,752.16			(5,720.07)		1,205,823.91	1,269,754.94	18,722.85	0.00
GNMA	1994 SF MRB CHMRB	7.10	9/28/95	8/20/25	126,959.83	133,970.90			(5,787.07)		121,172.76	128,707.00	523.17	0.00
GNMA	1994 SF MRB CHMRB	6.70	9/28/95	9/20/25	1,265,842.46	1,313,033.93			(63,471.56)		1,202,370.90	1,266,077.57	16,515.20	0.00
FNMA	1994 SF MRB CHMRB	6.72	9/18/97	11/1/26	110,807.48	115,948.18			(1,295.30)		109,512.18	115,866.01	1,213.13	0.00
GNMA	1994 SF MRB CHMRB	6.70	7/30/96	6/20/26	210,433.49	217,886.12			(836.09)		209,597.40	220,348.58	3,298.55	0.00
GNMA	1994 SF MRB CHMRB	6.70	1/12/96	11/20/25	2,175,866.67	2,255,724.21			(70,013.93)		2,105,852.74	2,216,191.49	30,481.21	0.00
GNMA	1994 SF MRB CHMRB	7.10	1/30/96	10/20/25	1,370,651.91	1,445,558.33			(73,200.72)		1,297,451.19	1,377,375.88	5,018.27	0.00
GNMA	1994 SF MRB CHMRB	7.10	2/28/96	12/20/25	306,886.96	323,395.08			(1,286.75)		305,600.21	324,161.64	2,053.31	0.00
GNMA	1994 SF MRB CHMRB	6.70	2/28/96	1/20/26	773,239.52	800,644.68			(75,078.07)		698,161.45	733,991.97	8,425.36	0.00
GNMA	1994 SF MRB CHMRB	6.70	8/15/96	7/20/26	538,881.94	557,335.52			(3,272.19)		535,609.75	562,446.51	8,383.18	0.00
GNMA	1994 SF MRB CHMRB	6.70	5/30/96	11/20/25	583,809.55	603,871.33			(4,207.48)		579,602.07	608,595.47	8,931.62	0.00
GNMA	1994 SF MRB CHMRB	7.10	8/15/96	8/20/26	1,214,219.40	1,279,024.55			(5,103.54)		1,209,115.86	1,282,054.46	8,133.45	0.00
GNMA	1994 SF MRB CHMRB	7.10	8/29/96	8/20/26	923,141.04	972,610.46			(3,998.82)		919,142.22	974,788.59	6,176.95	0.00
GNMA	1994 SF MRB CHMRB	6.70	9/16/96	8/20/26	846,420.32	876,951.30			(6,996.51)		839,423.81	883,039.93	13,085.14	0.00
GNMA	1994 SF MRB CHMRB	6.70	11/14/96	10/20/26	478,374.04	495,629.35			(2,141.93)		476,232.11	500,976.96	7,489.54	0.00
GNMA	1994 SF MRB CHMRB	6.70	12/1/99	6/20/26	224,572.45	234,074.15			(84,381.57)		140,190.88	149,772.10	79.52	0.00
GNMA	1994 SF MRB CHMRB	6.72	11/18/96	10/20/26	5,010,363.27	5,189,729.01			(279,011.73)		4,731,351.54	4,973,980.17	63,262.89	0.00
GNMA	1994 SF MRB CHMRB	6.72	1/16/97	12/20/26	1,311,889.02	1,358,928.98			(6,116.35)		1,305,772.67	1,372,807.84	19,995.21	0.00
GNMA	1994 SF MRB CHMRB	7.10	1/30/97	12/20/26	636,005.82	670,677.33			(58,340.20)		577,665.62	613,177.06	839.93	0.00
GNMA	1994 SF MRB CHMRB	7.10	3/27/97	3/20/27	478,205.63	503,825.74			(1,767.13)		476,438.50	504,962.13	2,903.52	0.00
GNMA	1994 SF MRB CHMRB	6.72	5/15/97	1/20/27	1,269,830.69	1,313,333.92			(83,265.41)		1,186,565.28	1,246,075.17	16,006.66	0.00
GNMA	1994 SF MRB CHMRB	6.70	7/30/97	6/20/27	1,182,785.93	1,223,030.91			(5,261.52)		1,177,524.41	1,236,790.19	19,020.80	0.00
GNMA	1994 SF MRB CHMRB	6.72	9/18/97	9/20/27	1,630,293.57	1,685,880.97			(108,865.02)		1,521,428.55	1,597,481.78	20,465.83	0.00
GICs	1994 SF MRB CHMRB	6.05	6/27/96	11/1/26	74,426.45	74,426.45	0.00				74,426.45	74,426.45	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	541.49	541.49	2.60				544.09	544.09	-	0.00



Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	414.97	414.97	1.83				416.80	416.80	-	0.00
Repo Agmt	1994 SF MRB CHMRB	1.87	8/30/02	9/3/02	79.35	79.35	0.00				79.35	79.35	-	0.00
					49,960,700.26	51,870,641.39	709,200.13	(135,610.07)	(2,069,356.84)	0.00	48,464,933.48	50,810,354.23	435,479.62	0.00
Repo Agmt	1995 A/B SF MR Refunding Bonds	1.87	8/30/02	9/3/02	31,909.20	31,909.20	140,640.75				172,549.95	172,549.95	-	0.00
GNMA	1995 A/B SF MR Refunding Bonds	7.10	6/29/95	6/20/25	2,664,511.03	2,811,123.84		(82,608.24)			2,581,902.79	2,741,923.62	13,408.02	0.00
GNMA	1995 A/B SF MR Refunding Bonds	7.10	2/28/96	7/1/25	383,837.45	405,306.85		(66,280.36)			317,557.09	337,529.25	(1,497.24)	0.00
Repo Agmt	1995 A/B SF MR Refunding Bonds	1.87	8/30/02	9/3/02	975.17	975.17	4.45				979.62	979.62	-	0.00
					3,081,232.85	3,249,315.06	140,645.20	0.00	(148,888.60)	0.00	3,072,989.45	3,252,982.44	11,910.78	0.00
<b>Total 1994/1995 SF MRB CHMRB Investment Summary</b>					53,041,933.11	55,119,956.45	849,845.33	(135,610.07)	(2,218,245.44)	0.00	51,537,922.93	54,063,336.67	447,390.40	0.00

**Texas Department of Housing and Community Affairs  
Comm Paper Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/02	Beginning Market Value 05/31/02	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/02	Ending Market Value 08/31/02	Change in Market Value	Recognized Gain
Repo Agmt	Commercial Paper	1.87	8/30/02	9/3/02	70,794.44	70,794.44	11,303.75				82,098.19	82,098.19	-	0.00
GICs	Commercial Paper	2.30	8/15/02	10/15/02	12,950,000.00	12,950,000.00		(6,625,000.00)			6,325,000.00	6,325,000.00	-	0.00
GICs	Commercial Paper	2.45	6/17/02	10/15/02			5,775,000.00				5,775,000.00	5,775,000.00	-	0.00
					<u>13,020,794.44</u>	<u>13,020,794.44</u>	<u>5,786,303.75</u>	<u>(6,625,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>12,182,098.19</u>	<u>12,182,098.19</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Commercial Paper Investment Summary</b>					13,020,794.44	13,020,794.44	5,786,303.75	(6,625,000.00)	0.00	0.00	12,182,098.19	12,182,098.19	0.00	0.00

**Texas Department of Housing and Community Affairs  
General Fund Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/02	Beginning Market Value 05/31/02	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/02	Ending Market Value 08/31/02	Change in Market Value	Recognized Gain
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	70,769.12	70,769.12	315.07				71,084.19	71,084.19	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	2,464,934.03	2,464,934.03	10,976.95				2,475,910.98	2,475,910.98	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	2,346,814.51	2,346,814.51	13,886.63				2,360,701.14	2,360,701.14	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	1,975,384.22	1,975,384.22	8,796.84				1,984,181.06	1,984,181.06	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	665,613.08	665,613.08		(105,623.95)			559,989.13	559,989.13	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	302,028.96	302,028.96	1,345.00				303,373.96	303,373.96	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	515,912.78	515,912.78	2,297.53				518,210.31	518,210.31	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	585,078.07	585,078.07	2,605.47				587,683.54	587,683.54	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	11,746.00	11,746.00	9,253.68				20,999.68	20,999.68	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	608,103.15	608,103.15	2,708.06				610,811.21	610,811.21	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	138,546.81	138,546.81	100,688.99				239,235.80	239,235.80	-	0.00
Repo Agmt	General Fund	1.87	8/30/02	9/3/02	7,375.38	7,375.38	119,604.52				126,979.90	126,979.90	-	0.00
Repo Agmt	General Fund				472,320.94	472,320.94		(472,320.94)					-	0.00
					10,164,627.05	10,164,627.05	272,478.74	(577,944.89)	0.00	0.00	9,859,160.90	9,859,160.90	0.00	0.00
<b>Total General Fund Investment Summary</b>					10,164,627.05	10,164,627.05	272,478.74	(577,944.89)	0.00	0.00	9,859,160.90	9,859,160.90	0.00	0.00

**Texas Department of Housing and Community Affairs  
Housing Trust Fund Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/02	Beginning Market Value 05/31/02	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/02	Ending Market Value 08/31/02	Change in Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	1.87	8/30/02	9/3/02	454,319.37	454,319.37	8,045.26				462,364.63	462,364.63	-	0.00
					454,319.37	454,319.37	8,045.26	0.00	0.00	0.00	462,364.63	462,364.63	0.00	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	2,919,121.57	2,919,121.57		(71,549.73)			2,847,571.84	2,847,571.84	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	809,598.13	809,598.13	3,534.35				813,132.48	813,132.48	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	89,841.58	89,841.58	6,520.13				96,361.71	96,361.71	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	585,256.32	585,256.32	2,546.63				587,802.95	587,802.95	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	24,546.98	24,546.98	78.06				24,625.04	24,625.04	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	7,841.99	7,841.99	4.07				7,846.06	7,846.06	-	0.00
Repo Agmt	Housing Trust Fund	1.87	8/30/02	9/3/02	3,217,971.11	3,217,971.11	14,137.77				3,232,108.88	3,232,108.88	-	0.00
					7,654,177.68	7,654,177.68	26,821.01	(71,549.73)	0.00	0.00	7,609,448.96	7,609,448.96	0.00	0.00
<b>Total Housing Trust Fund Investment Summary</b>					8,108,497.05	8,108,497.05	34,866.27	(71,549.73)	0.00	0.00	8,071,813.59	8,071,813.59	0.00	0.00

**Texas Department of Housing and Community Affairs  
Administration Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/02	Beginning Market Value 05/31/02	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/02	Ending Market Value 08/31/02	Change in Market Value	Recognized Gain
Repo Agmt	Administration	1.87	8/30/02	9/3/02	130,720.35	130,720.35	675.27				131,395.62	131,395.62	-	0.00
					130,720.35	130,720.35	675.27	0.00	0.00	0.00	131,395.62	131,395.62	0.00	0.00
	<b>Total Administration Investment Summary</b>				130,720.35	130,720.35	675.27	0.00	0.00	0.00	131,395.62	131,395.62	0.00	0.00

**Texas Department of Housing and Community Affairs  
Compliance Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	RTC	1.87	8/30/02	9/3/02	2,263,820.66	2,263,820.66		(449,098.20)			1,814,722.46	1,814,722.46	-	0.00
Repo Agmt	Multi Family	1.87	8/30/02	9/3/02	298,265.20	298,265.20	56,995.91				355,261.11	355,261.11	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.87	8/30/02	9/3/02	1,072,774.35	1,072,774.35		(32,825.26)			1,039,949.09	1,039,949.09	-	0.00
					3,634,860.21	3,634,860.21	56,995.91	(481,923.46)	0.00	0.00	3,209,932.66	3,209,932.66	0.00	0.00
<b>Total Compliance Investment Summary</b>					3,634,860.21	3,634,860.21	56,995.91	(481,923.46)	0.00	0.00	3,209,932.66	3,209,932.66	0.00	0.00

**Texas Department of Housing and Community Affairs  
Housing Initiatives Investment Summary  
For Period Ending August 31, 2002**

Investment Type	Issue	Current	Current	Current	Beginning	Beginning	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending	Ending	Change in Market Value	Recognized Gain
		Interest Rate	Purchase Date	Maturity Date	Carrying Value 05/31/02	Market Value 05/31/02					Carrying Value 08/31/02	Market Value 08/31/02		
Repo Agmt	S/F Interim Construction	1.87	8/30/02	9/3/02	426,511.97	426,511.97	1,847.80				428,359.77	428,359.77	-	0.00
Repo Agmt	S/F Interim Construction	1.87	8/30/02	9/3/02	524.12	524.12		(27.69)			496.43	496.43	-	0.00
Repo Agmt	S/F Interim Construction	1.87	8/30/02	9/3/02	358.24	358.24		(28.33)			329.91	329.91	-	0.00
Repo Agmt	Mtg. Credit Certificate	1.87	8/30/02	9/3/02	63,890.41	63,890.41	311.03				64,201.44	64,201.44	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.87	8/30/02	9/3/02	1,026,082.21	1,026,082.21	156,792.87				1,182,875.08	1,182,875.08	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.87	8/30/02	9/3/02	768,788.70	768,788.70		(309,208.95)			459,579.75	459,579.75	-	0.00
					<u>2,286,155.65</u>	<u>2,286,155.65</u>	<u>158,951.70</u>	<u>(309,264.97)</u>	<u>0.00</u>	<u>0.00</u>	<u>2,135,842.38</u>	<u>2,135,842.38</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Housing Initiatives Investment Summary</b>					<u>2,286,155.65</u>	<u>2,286,155.65</u>	<u>158,951.70</u>	<u>(309,264.97)</u>	<u>0.00</u>	<u>0.00</u>	<u>2,135,842.38</u>	<u>2,135,842.38</u>	<u>0.00</u>	<u>0.00</u>
<b>Total Investment Summary</b>					<u>1,240,367,957.01</u>	<u>1,244,045,242.69</u>	<u>191,833,954.64</u>	<u>(196,741,081.90)</u>	<u>(22,850,039.92)</u>	<u>0.00</u>	<u>1,212,610,789.83</u>	<u>1,237,492,284.35</u>	<u>21,204,208.84</u>	<u>168,167.69</u>

	Beg	End
<b>Single Family</b>	27.64%	37.92%
<b>RMRB</b>	44.50%	39.12%
<b>CHMRB</b>	5.39%	4.98%
<b>Multi Family</b>	12.70%	8.47%
<b>SF CHMRB 1993</b>	2.33%	2.27%
<b>SF CHMRB 1994/1995</b>	4.43%	4.37%
<b>Commercial Paper</b>	1.05%	0.98%
<b>General Fund</b>	0.82%	0.80%
<b>Housing Trust Fund</b>	0.65%	0.65%
<b>Administration</b>	0.01%	0.01%
<b>Compliance</b>	0.29%	0.26%
<b>Housing Initiatives</b>	0.18%	0.17%
	<u>100.00%</u>	<u>100.00%</u>

	Beg	End
<b>Mortgage-Backed Securities</b>	62.26%	65.11%
<b>GNMA IIs</b>	0.05%	0.00%
<b>Guaranteed Inv Contracts</b>	15.25%	17.54%
<b>Investment Agreements</b>	13.97%	9.58%
<b>Money Markets</b>	0.03%	0.03%
<b>Treasury-Backed Mutual Funds</b>	3.09%	2.24%
<b>Repurchase Agreements</b>	4.36%	3.76%
<b>Treasury Bills</b>	0.02%	0.02%
<b>Treasury Bonds/Notes</b>	0.97%	1.72%
	<u>100.00%</u>	<u>100.00%</u>



## **PRESENTATION, DISCUSSION AND APPROVAL OF RESOLUTION INCREASING PURCHASE PRICE LIMITS FOR SINGLE FAMILY MORTGAGE REVENUE BONDS**

The Texas State Affordable Housing Corporation (“TSAHC”) conducted a study which documented the justification for an increase in the average area purchase price limits for all statistical areas in Texas for single family mortgage revenue bond issues (see Exhibit A). Current purchase price limits, established in 1994, do not accurately reflect current home prices throughout Texas. The Department proposes to implement the purchase price limits set forth by the TSAHC study for current and future single family mortgage revenue bond issues, subject to IRS time limits.

Several of the purchase price limit levels allowable by the TSAHC study may be too high in light of TDHCA’s goals to provide housing for low and very low households, as well as moderate income households.

Staff consequently developed the following calculation for adjusting the TSAHC study purchase price limits:

$$(2.5 \times 115\% \text{ Area Median Family Income}) \times (90\% \times \text{Average Purchase Price})$$

This calculation represents the industry standard of 2.5 times income, as an approximation of a borrower’s maximum housing purchase capability, multiplied by the IRS’s maximum non-targeted area median family income (AMFI). The product of this calculation is then multiplied by the IRS’s formula for attaining maximum purchase price limits i.e., 90% multiplied by the average purchase price.

The use of this calculation resulted in lower purchase price limits for new homes in the cities of Austin, Fort Worth, and San Antonio (see Purchase Price Limits 115% AMFI).

Therefore, for non-targeted geographical areas, Staff recommends that TDHCA implement the lower of:

1. The TSAHC study purchase price limits (Exhibit A) or
2. The product of the above formula (Attachment A).

For targeted geographical areas, Staff recommends that TDHCA implement the TSAHC study purchase price limits.

### **RECOMMENDATION**

The Board approve the attached resolution authorizing increased purchase price limits for single family mortgage revenue bonds.

**Resolution No. 02-\_\_**

**RESOLUTION APPROVING REVISED PURCHASE PRICE LIMITS FOR MORTGAGE PURCHASE PROGRAMS**

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

WHEREAS, the Act authorizes the Department: (a) to make and acquire and finance, and to enter into advance commitments to make and 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, finance or acquire participating interests in 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, the Department has implemented certain mortgage purchase programs (the "Programs") in conjunction with the Department's mortgage revenue bonds; and

WHEREAS, the Board now desires to approve new purchase price limits for residences financed under the Programs so as not to have an adverse impact on the Programs;

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

Section 1.1--Approval of Revised Purchase Price Limits. The purchase price limits set forth on Exhibit A attached to this resolution are hereby approved with respect to the Programs. Such figures represent maximum purchase price limits and may be revised and adjusted from time to time by the Department.

Section 1.2--Execution and Delivery of Other Documents. The authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver all agreements, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.3--Authorized Representatives. The following persons are each hereby named as authorized representatives of the Department for purposes of executing and delivering the documents and instruments referred to in this Article I: the Chairman of the Board; the Vice Chairman of the Board; the Secretary of the Board; the Executive Director of the Department; and the Director of Bond Finance of the Department.

**ARTICLE II**

**GENERAL PROVISIONS**

Section 2.1--Purpose of Resolution. The Board has expressly determined and hereby confirms that the approval of revised purchase price limits will accomplish a valid public purpose of the Department 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, thereby (a) helping to eliminate a shortage of such housing in rural and urban areas which contributes to the creation and persistence of substandard living conditions and is inimical to the health, welfare and prosperity of the residents and communities of the State; (b) increasing the supply of residential housing for persons and families displaced by public actions and natural disasters; and (c) assisting private enterprise in providing in sufficient quantities the construction or rehabilitation of such housing.

Section 2.2--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 2.3-- Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Michael E. Jones, Chairman

ATTEST:

\_\_\_\_\_  
Delores Groneck, Secretary

(SEAL)

EXHIBIT A

PURCHASE PRICE LIMITS

MAXIMUM ACQUISITION COST IN NON-TARGETED AREAS  
(90% of Average Area Purchase Price)

	<u>New</u>	<u>Existing</u>
Austin-San Marcos MSA (1)	\$205,677	\$175,593
Beaumont-Port Arthur MSA (2)	130,808	79,266
Brazoria PMSA (3)	130,808	85,440
Corpus Christi MSA (4)	130,808	109,075
Dallas PMSA (5)	171,155	159,620
El Paso MSA (6)	130,808	100,127
Ft. Worth-Arlington PMSA (7)	189,109	128,149
Galveston-Texas City PMSA (8)	130,808	92,462
Houston PMSA (9)	143,904	131,004
Killeen-Temple MSA (10)	130,808	125,773
San Antonio MSA (11)	135,432	112,658
Tyler MSA (12)	130,808	84,914
all other areas (13)	130,808	82,694

MAXIMUM ACQUISITION COST IN TARGETED AREAS  
(110% of Average Area Purchase Price)

	<u>New</u>	<u>Existing</u>
Austin-San Marcos MSA (1)	\$251,384	\$214,614
Beaumont-Port Arthur MSA (2)	159,877	96,881
Brazoria PMSA (3)	159,877	104,427
Corpus Christi MSA (4)	159,877	133,314
Dallas PMSA (5)	209,190	195,091
El Paso MSA (6)	159,877	122,378
Ft. Worth-Arlington PMSA (7)	231,134	156,626
Galveston-Texas City PMSA (8)	159,877	113,009
Houston PMSA (9)	175,833	160,117
Killeen-Temple MSA (10)	159,877	153,722
San Antonio MSA (11)	165,529	137,693
Tyler MSA (12)	159,877	103,783
all other areas (13)	159,877	101,071

- (1) Bastrop, Caldwell, Hays, Travis and Williamson Counties
- (2) Hardin, Jefferson and Orange Counties
- (3) Brazoria County
- (4) Nueces and San Patricio Counties
- (5) Collin, Dallas, Denton, Ellis, Henderson, Hunt, Kaufman and Rockwall Counties
- (6) El Paso County
- (7) Hood, Johnson, Parker and Tarrant Counties
- (8) Galveston County
- (9) Chambers, Fort Bend, Harris, Liberty, Montgomery and Waller Counties
- (10) Bell and Coryell Counties
- (11) Bexar, Comal, Guadalupe and Wilson Counties
- (12) Smith County
- (13) All counties not listed above

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

**MEMORANDUM**

To: Finance Committee  
Board of Directors

From: Robert Onion  
Director of Multifamily Finance

Date: October 10,2002

Re: Inducement Resolutions for Multifamily Housing Mortgage Revenue Bonds and  
Authorization for Filing Applications for Year 2003 Private Activity Bond  
Authority

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Section 3	Sample Inducement Resolution (Signature copies of Inducement Resolutions for each application will be available at the meeting)
Section 4	Applications for Inducement – Priority 1 Multifamily Finance Division Prequalification Analyses
Section 5	Applications for Inducement – Priority 2 Multifamily Finance Division Prequalification Analyses
Section 6	Withdrawn Applications

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

**MEMORANDUM**

To: Finance Committee  
Board of Directors

From: Robert Onion  
Director of Multifamily Finance

Date: October 10,2002

Re: Inducement Resolutions for Multifamily Housing Mortgage Revenue Bonds and  
Authorization for Filing Applications for Year 2003 Private Activity Bond  
Authority

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**Action Requested:**

Approve Inducement Resolutions (sample attached) to proceed with applications to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority in the 2003 lottery process with the intent to issue tax-exempt mortgage revenue bonds to finance the acquisition, construction or rehabilitation, equipping and permanent financing of the subject properties listed on the attached report. The issuance of the proposed bonds is subject to: (1) actual allocation of the State Volume Cap; (2) favorable completion of the Department's underwriting of the property feasibility and bond structure; (3) approval of the final structure and bond documents by the Department's Board; and, (4) approval by the Texas Bond Review Board.

Attached is a report of one hundred and fourteen (114) applications totalling approximately \$1 billion received by the Department for the Year 2003 Multifamily Housing Mortgage Revenue Bond program.

With your approval, the Department will submit applications for each property recommended for inducement to the Texas Bond Review Board ("BRB") to participate in the upcoming lottery for private-activity ceiling cap to finance these properties. This memorandum is intended to provide some background information on the lottery process and to summarize this Board's action as contemplated by the Inducement Resolutions.

**2003 Private-Activity Bond Lottery Process:**

Each year, the State of Texas receives a cap on the amount of private-activity, tax-exempt revenue bonds that may be issued within the state (approximately \$1.587 billion for 2002). This cap is determined based on the population of the state as estimated by the Census Bureau (\$75

per person). Of this total amount, 23% is allocated by the Texas Legislature for multifamily housing. Based on last year's figures population figures, approximately \$365 million is estimated to be available for multifamily housing in 2003.

Eligible issuers apply to the Bond Review Board for the authority to issue private activity bonds, and a Lottery is held to determine the priority with which every project might receive funding. Every project is assigned a number through the lottery system, and the Private Activity Bond authority is allocated starting with the lowest lottery numbers and continuing down the list until the entire cap has been reserved. Projects which do not initially receive a reservation for bond authority remain on the list throughout the year, as further authority may become available during the year. Those issuers that receive a Reservation for private-activity cap for a property will have 120 days from the date of the Reservation to close the transaction. If the transaction is not closed within that 120 day timeframe, the Reservation is canceled and the next project on the waiting list receives the Reservation and likewise has 120 days from that Reservation date to close.

In addition to this system, the 76<sup>th</sup> legislature in 1999 instituted a priority system in order to encourage the production of more affordable housing. The multifamily subceiling was further divided into three categories according to the affordability of the rents. Reservations would be given to projects in the highest priorities, still according to lot number, before being offered to any projects in subsequent priorities. The priority system is summarized as follows:

- Priority 1:** 100% of the units must be set-aside with rents capped at 30% of 50% AMFI  
Eligible tenants may qualify with incomes up to 60% AMFI  
Developers required to use 4% LIHTC Program
- Priority 2:** 100% of the units must be set-aside with rents capped at 30% of 60% AMFI  
Eligible tenants may qualify with incomes up to 60% AMFI  
Developers required to use 4% LIHTC Program
- Priority 3:** Tax code set-aside requirements (either 20% at 50% AMFI or 40% at 60% AMFI)  
No rent caps mandated (although issuers may impose)  
Use of the 4% LIHTC Program is at developers option

Because there developed a trend of bond-financed projects only being done in a few of Texas's major metropolitan markets, the 77<sup>th</sup> legislature instituted further changes in 2001 to take effect in 2002. Of the entire multifamily subceiling, seventy-five percent (75%) will be allocated to each of the eleven (11) state service regions based on population, and is reserved only for local issuers until August 15, 2003. The remaining twenty-five percent (25%) is available exclusively to TDHCA until August 15, 2003, to be issued for projects throughout the state. Additionally, no more than fifty percent (50%) of the multifamily subceiling can be



allocated to projects located in Qualified Census Tracts, and after June 1 Priority I expands to include any projects in Counties or MSAs with median income below statewide median.

This year, the application window for submitting proposed multifamily issues to the BRB for the lottery runs from October 10, 2002 through October 19, 2002. The lottery will be held on **October 31, 2002**. Although the lottery is held in October, the official authority to issue bonds (called a "Reservation" of private-activity cap) does not become effective until after the first of the year.

### **TDHCA Application Process and Prequalification Analysis:**

Developers were required to submit a Pre-Application to the Department by September 9, 2002. Prior to the submission of the Pre-Application, staff met with a representative of each developer to discuss the proposed project including underwriting parameters, development plans, zoning and permitting issues as well as the likelihood for local community support for the property. Developers who already have experience closing a bond transaction were not required to attend a pre-application meeting.

The Pre-Application itself consists of the Uniform TDHCA Application with all schedules; a copy of the earnest money contract or warranty deed; a construction draw and lease-up proforma; current market information including occupancy and rental comparables; and, other supporting documentation to the application.

Staff reviewed each Pre-Application for completeness and prepared a Prequalification Analysis for each property. The Prequalification Analysis focuses on the developer's construction cost assumptions, sources and uses of funds, operating proforma and debt coverage. Staff has also cross-referenced the principals of each application with the Department's list of properties in material non-compliance. The Department's pre-qualification assumptions are explained under the following tab. Market information was also reviewed to ensure that the proposed rents were reasonable and that sub-market occupancy would support the additional units.

In some instances, developers submitted multiple applications for properties in the same sub-market or Qualified Census Tract. TDHCA will only issue transactions as supportable by the sub-market (determined by lot order) and in accordance with the requirements of TDHCA's concentration policy.

Staff received a total of one hundred and fourteen (114) applications of which nine (9) were withdrawn by the applicants. Staff have reviewed the remaining one hundred and five (105) applications, of which thirty-two (32) application being considered under Priority I and

seventy-three (73) applications being considered under Priority II fell within staff's parameters of general feasibility as outlined under the following tab.

Of the thirty-two (32) transactions in Priority I, thirteen (13) projects are located in qualified census tracts, and two (2) transactions are seeking local tax exemptions as allowed under current state law due to the CHDO status of the general partner. Of the seventy-three (73) applications in Priority II, six (6) are located in qualified census tracts, and two (2) others are seeking local property tax exemptions.

### **Summary of an Inducement Resolution:**

A component of the application to the BRB to participate in the lottery is an Inducement Resolution from an Issuer. Basically, the Inducement Resolution provides the BRB with evidence that an issuer has entered into discussions with the developer of a multifamily property and that the issuer has an interest in issuing bonds for the subject property. **An Inducement Resolution is not a commitment by TDHCA to issue bonds.** The issuance of bonds is subject to this Board's approval of the fully underwritten transaction, including among other items, the feasibility of the project, the structure of the bonds and loan terms, and satisfaction of the Board that the project meets all public policy criteria. The Inducement Resolution authorizes staff, Bond Counsel, and other consultants to proceed with filing an application to the BRB for an allocation of private-activity ceiling cap and to proceed with underwriting and document preparation which are subject to the Board's approval.

Generally, an Inducement Resolution:

1. summarizes TDHCA's legal authority to issue tax-exempt mortgage revenue bonds;
2. indicates that the developer has requested financing for a project and a willingness to enter into contractual arrangements with TDHCA regarding the property and the financing;
3. states that TDHCA expects, subject to certain conditions and findings as addressed below, to incur tax-exempt or taxable obligations (in the form of revenue bonds) for financing the project;
4. summarizes the requirement to submit an application for private-activity bonds to the BRB;
5. cites certain findings with respect to the property, the owner and the financing with regard to (a) the necessity of providing affordable housing, (b) the quality and design of housing which will be provided for the tenants, (c) the public purpose and public benefit provided by the financing, and (d) the legal authority under which the issuance will be made;
6. provides for an authorization of the issue subject to underwriting for financial feasibility and other conditions;

7. states a maximum amount of bonds contemplated by the issue;
8. states that the bonds are to be limited obligations of TDHCA payable solely from the revenues generated from the mortgage loan; and,
9. states that the bonds are not obligations of the State of Texas.

**Staff Recommendation:**

Approve as presented.

# **TDHCA MULTIFAMILY APPLICATIONS FOR THE 2003 PRIVATE ACTIVITY BOND LOTTERY**

## **PREQUALIFICATION ASSUMPTIONS**

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- Construction Costs:           \$47 - \$52/square foot (Garden Style)  
  \$47 - \$56/square foot (Townhome)  
  \$47 - \$61/square foot (Seniors)
  
- Maximum Rents:                Use Actual Published Restricted Rents. Trended rents will not  
  be considered.
  
- Secondary Income:             \$180 per unit per year (\$15/unit/month)
  
- Vacancy:                         7.5% per year
  
- Expenses:                       \$3,600 - \$3,800 per year
  
- Interest Rates:                 6.25% for 30 year loans  
  7.00% for 40 year loans
  
- Debt Coverage Ratio:         1.10 including TDHCA fees
  
- Deferred Developer's Fee:    No more than 80%
  
- Tax Credit Rate:                \$0.80 per tax credit
  
- Applicable Percent:          3.55%
  
- CHDO Tax Exemption:         Include estimated taxes based on the greater of (a) \$2,900/unit,  
  or (b) the formula: (operating expenses net of taxes) X (25% of  
  appraised value as assessed value for taxes) X (applicable mil  
  rate for the property).

RESOLUTION NO. 02-050

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL PROJECTS; AUTHORIZING THE FILING OF APPLICATIONS FOR ALLOCATIONS OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low and very 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 project 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, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multi-family residential rental developments (each a "Project" and collectively, the "Projects") as more fully described in Exhibit "A" attached hereto. The ownership of each Project as more fully described in Exhibit "A" will consist of the ownership entity and its principals or a related person (each an "Owner" and collectively, the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, each Owner has made not more than 60 days prior to the date hereof, payments with respect to its respective Project and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with each respective Project from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, each Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the units of its Project will be occupied at all times by Eligible Tenants, as determined by the Board of the Department pursuant to the Act, that the other requirements of the Act and the Department will be satisfied and that its Project will satisfy Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse each Owner for the costs associated with its Project listed on Exhibit "A" attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of each Owner, the Department reasonably expects to incur debt in the form of tax-exempt and taxable obligations for purposes of paying the costs of each respective Project described on Exhibit "A" attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for each Project an Application for Allocation of Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt

Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the state to issue private activity bonds; and

WHEREAS, the Board intends that the issuance of Bonds for any particular Project is not dependent or related to the issuance of Bonds for any other Project and that a separate Application shall be filed with respect to each Project; and

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to each Owner to finance its Project on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

Section 1--Certain Findings. The Board finds that:

- (a) each Project is necessary to provide decent, safe and sanitary housing at rentals that eligible tenants can afford;
- (b) each Owner will supply, in its Project, well-planned and well-designed housing for eligible tenants;
- (c) the financing of each Project pursuant to the provisions of the Act will constitute a public purpose and will provide a public benefit; and
- (d) each Project will be undertaken within the authority conferred by the Act upon the Department and each Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in amounts estimated to be sufficient to (a) fund a loan or loans to each Owner to provide financing for its Project in an aggregate principal amount not to exceed those amounts, corresponding to each respective Project, set forth in Exhibit "A"; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental project bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Project; (iii) approval by the Bond Review Board; (iv) approval by the Texas Attorney General; (v) satisfaction of the Board that each Project meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of its Project and listed on Exhibit "A" attached hereto ("Costs of each respective Project") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction of its Project, including reimbursing each Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction of its Project; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of each Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse each Owner for the costs of its respective Project will not exceed the amount set forth in Exhibit "A" which corresponds to its Project.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction of its Project, which Project will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing each Owner for the costs of its Project and each Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to each Owner to provide financing for the Owner's Project, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Project. Substantially all of the proceeds of the Bonds shall be used to finance the Projects, each of which is to be occupied entirely by Eligible Tenants, as determined by the Department, and each of which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse each Owner for costs of its Project.

Section 9--Costs of Project. The Costs of each respective Project may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Project. Without limiting the generality of the foregoing, the Costs of each respective Project shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Project, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Project, the placing of the Project in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Project incurred by it prior to issuance of the Bonds and will pay all costs of its Project which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under each Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State of Texas, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by each Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the units for each Project will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied, that each Owner will create a tenant advisory council or provide for other measures, acceptable to the Department, to insure local

input regarding Project management and that each Project will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the required approval of the Texas Bond Review Board and the Attorney General of the State of Texas.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for each Project will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Project's necessary review and legal documentation for the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Project may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the respective Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of each respective Project which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of each respective Project may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of each Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute each Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.



PASSED AND APPROVED this 10th day of October, 2002.

[SEAL]

By: \_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_  
Secretary

EXHIBIT "A"

Description of each Owner and its Project

Project Name	Owner	Principals	Amount Not to Exceed
51 Keeneland Development	Echo Valley Villas, L.P.	An entity to be formed the managing member of which will be Glenn W. Lynch	\$14,800,000
Costs: (i) acquisition of real property located at 51 Keeneland Parkway, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$14,800,000.			
Project Name	Owner	Principals	Amount Not to Exceed
100 May Development	May Town Center Villas, L.P.	An entity to be formed the managing member of which will be Glenn W. Lynch	\$14,000,000
Costs: (i) acquisition of real property located at 100 May Street, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
8100 Crowley Development	Crowley Villas, L.P.	An entity to be formed the managing member of which will be Glenn W. Lynch	\$14,400,000
Costs: (i) acquisition of real property located at the 3000 Block of Alameda Street, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,400,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Addison Park Apartments	Arlington Partners, L.P.	JAN-TX IV, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 6501 Joplin Street, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 228-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
AlBender East Apartments	AlBender East Apartments, L.P.	AlBender East Development, L.L.C., managing general partner	\$14,200,000
Costs: (i) acquisition of real property located at 2400 Block of Aldine Bender Road, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,200,000.			

Project Name	Owner	Principals	Amount Not to Exceed
AlBender West Apartments	AlBender West Apartments, L.P.	AlBender West Development, L.L.C., managing general partner	\$14,200,000
Costs: (i) acquisition of real property located at 2400 Block of Aldine Bender Road, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,200,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Alemeda Apartments	Alemeda Apartments, L.P.	Alemeda Apartments I, L.L.C., managing general partner	\$14,800,000
Costs: (i) acquisition of real property located at 900 Block of Bammel Road, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,800,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Alsburly Place	Mesquite Shillingi Enterprises IV, L.P.	Shillingi, Inc., managing general partner	\$14,700,000
Costs: (i) acquisition of real property located at Stonebrook Dr. at Northeast Alsburly Blvd., Burleson, Johnson & Tarrant Counties, Texas, and (ii) the construction thereon of an approximately 276-unit multifamily residential rental housing project, in the amount not to exceed \$14,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Amber Ridge Apartments	Finlay Interests 31, Ltd.	Finlay Interests GP 31, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at -0- Amberwood South in Kyle, Hays County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Arbor Bend Villas	Arbor Bend Villas Housing, L.P.	Arbor Bend Villas Development, L.L.C., managing general partner	\$12,100,000
Costs: (i) acquisition of real property located at Oakmont Trail at Hulen Bend, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 204-unit multifamily residential rental housing project, in the amount not to exceed \$12,100,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Asbury Park Apartments	Harris Park Partners III, L.P.	JAN-TX VII, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Perry Road and Mills Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 236-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Ashford Pointe Development	Ashford Villas, L.P.	An entity to be formed the managing member of which will be Glenn W. Lynch	\$15,000,000
Costs: (i) acquisition of real property located at Ashford Pointe Drive and Ashburnham Drive, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Bagdad Park Apartments	Bagdad Park Apartments Limited Partnership	TCR Bagdad Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 1000 Block of S. Bagdad Road, Leander, Williamson County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Bellfort Village Apartments	Ascot Park Townhomes Limited Partnership	Brisben Texas II, Inc., managing general partner	\$13,700,000
Costs: (i) acquisition of real property located at South Gessner Road at Bellfort, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 230-unit multifamily residential rental housing project, in the amount not to exceed \$13,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Brookglen Park Apartments	Brookglen Park Apartments Limited Partnership	TCR Brookglen Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 12100 Block of Antoine, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Brookglen Village Apartments	Brisben Clarkridge Plaza Limited Partnership	Brisben Texas II, Inc., managing general partner	\$11,600,000
Costs: (i) acquisition of real property located at Galveston Road at Brookglen, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 196-unit multifamily residential rental housing project, in the amount not to exceed \$11,600,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Center Square Villas	Mesquite Shillingi Enterprises, L.P.	Shillingi, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Western Center Blvd. and Watauga Smithfield Rd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Century Park Apartments	Century Park Apartments Limited Partnership	TCR Century Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 3200 Block of Century Park Boulevard, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Chapel Creek Park One Apartments	Chapel Creek Park One Apartments Limited Partnership	TCR Chapel Creek Park One Partners Limited Partnership, managing general partner	\$11,900,000
Costs: (i) acquisition of real property located at the 10400 Block of Westpoint Blvd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 214-unit multifamily residential rental housing project, in the amount not to exceed \$11,900,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Chapel Creek Park Two Apartments	Chapel Creek Park Two Apartments Limited Partnership	TCR Chapel Creek Park Two Partners Limited Partnership, managing general partner	\$7,000,000
Costs: (i) acquisition of real property located at the 10400 Block of Westpoint Blvd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 120-unit multifamily residential rental housing project, in the amount not to exceed \$7,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Cooks Lane Park Apartments	Cooks Lane Park Apartments Limited Partnership	TCR West Cooks Lane Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 7700 Block of John T. White Road, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Coughtrey Estates Apartments	Texas Coughtrey Estates Limited Partnership	RMH Holdings, Inc. and KPE Development LLC, general partners	\$10,000,000
Costs: (i) acquisition of real property located at the northwest corner of Osler Drive and Timber Oaks Lane, Grand Prairie, Tarrant County, Texas; and (ii) the construction thereon of an approximately 200-unit multifamily senior residential rental housing project, in the amount not to exceed \$10,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Deerbrook One Apartments	Deerbrook One Apartments Limited Partnership	TCR Deerbrook One Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the southeast corner of FM 1960 & Hightower, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Derby House	Wendover Texas IV, Ltd.	TexWen IV, Inc., managing general partner	\$13,800,000
Costs: (i) acquisition of real property located at the northwest corner of Garth Road and East Chase Street, Baytown, Harris County, Texas, and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$13,800,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Eagle Glen Apartments	276HOU Eagle Glen, Ltd.	Commonwealth Texas (Eagle Glen) LLC, managing general partner	\$14,000,000
Costs: (i) acquisition of real property located at 19821 Kenswick Drive, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 276-unit multifamily residential rental housing project, in the amount not to exceed \$14,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Fallbrook Belt 8 Apartments	Fallbrook Belt 8 Apartments, L.P.	Fallbrook Belt 8 Development, L.L.C., managing general partner	\$13,100,000
Costs: (i) acquisition of real property located at the southwest corner of Beltway 8 and Fallbrook Drive, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$13,100,000.			
Project Name	Owner	Principals	Amount Not to Exceed
FM1960 Apartments	FM1960 Apartments Limited Partnership	TCR FM1960 Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 19900 Block of Foxwood Forest Blvd., Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Fountain Circle	Wendover Tx II, Ltd.	TexWen II, Inc., managing general partner	\$14,000,000
Costs: (i) acquisition of real property located at 9371 U.S. Highway 290 East, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$14,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Freeway Villas	Mesquite Shillingi Enterprises I, L.P.	Shillingi, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at FM 1187 & M K T, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Frisco Villas	Frisco Villas Housing, L.P.	Frisco Villas Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located between FM670 and Collin McKinney Parkway along the Alpha Road right-of-way in the city of Frisco, Collin County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Goose Creek Apartments	Goose Creek Apartments Limited Partnership	TCR Goose Creek Partners Limited Partnership, managing general partner	\$14,700,000
Costs: (i) acquisition of real property located at 3000 Block IH-10, East, Baytown, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Granbury Park Apartments	Granbury Park Apartments Limited Partnership	TCR Granbury Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 6700 Granbury Road, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Green Pines II Apartments	St. Moritz Partners LP	Texas Nantucket LLC, managing general partner	\$11,000,000
Costs: (i) acquisition of real property located at 6000 Greens Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$11,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Greystone Ridge Apartments	Greystone Ridge Limited Partnership	Picerne Greystone Ridge, LLC, managing general partner	\$14,000,000
Costs: (i) acquisition of real property located at 400-500 Block of East Camp Wisdom Road, Dallas, Dallas County, Texas; and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$14,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Groeschke Apartments	Groeske Apartments Limited Partnership	TCR Groeske Partners Limited Partnership, managing general partner	\$12,900,000
Costs: (i) acquisition of real property located at 18900 Groeschke Road, Harris County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$12,900,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Hampton Villas	TX Hampton Villas, L.P.	Hampton Villas Development Corporation, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Mayfield Road and New York Avenue, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Highland Apartments	TLO Highland Apartments Limited Partnership	TCR Highland Partners Limited Partnership, managing general partner	\$14,700,000
Costs: (i) acquisition of real property located at 6600 Block of John Martin Road, Baytown, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Hillery Garden Villas	Mesquite Shilling Enterprises V, L.P.	Shilling, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at SH 174 & Hillery St., Burleson, Johnson & Tarrant Counties, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			



Project Name	Owner	Principals	Amount Not to Exceed
Humble Parkway Apartments	Humble Parkway Apartments Limited Partnership	TCR Humble Parkway Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at FM 1960 just west of Humble Parkway, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
John West Park Apartments	John West Park Apartments Limited Partnership	TCR John West Park Partners Limited Partnership, managing general partner	\$13,000,000
Costs: (i) acquisition of real property located at 2563 John West Road, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 200-unit multifamily residential rental housing project, in the amount not to exceed \$13,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Johnny Morris Apartments	Johnny Morris Apartments Limited Partnership	TCR Johnny Morris Partners Limited Partnership, managing general partner	\$14,600,000
Costs: (i) acquisition of real property located at the 7700 Block of Johnny Morris Road, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,600,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Kensington Apartments	Kensington Apartments, L.P.	Kensington Development, L.L.C., managing general partner	\$14,800,000
Costs: (i) acquisition of real property located at 4500 Block of South Shaver, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$14,800,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Lake June Park Apartments	Lake June Park Apartments Limited Partnership	TCR Lake June Park Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 9605 Lake June Road, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Lincoln Park Apartments	Arlington Partners II, L.P.	JAN-TX V, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 5800 Matlock Road, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 196-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Magnolia Park	Wendover Tx I, Ltd.	TexWen I, Inc., managing general partner	\$13,000,000
Costs: (i) acquisition of real property located at the northwest corner of East Seminary and Campus Drive, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$13,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Main Street Apartments	Finlay Interests 32, Ltd.	Finlay Interests GP 32, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the northeast corner of South Main Street and SH 146 in the city of Baytown, Harris County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Martindale Villas	Martindale Villas, LLC	Songhai Ventures, Inc., sole member	\$15,000,000
Costs: (i) acquisition of real property located at 10050 Cullen Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
McCart Park Apartments	McCart Park Apartments Limited Partnership	TCR McCart Park Partners Limited Partnership, managing general partner	\$10,900,000
Costs: (i) acquisition of real property located at the 3500 Block of Sycamore School Road, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 190-unit multifamily residential rental housing project, in the amount not to exceed \$10,900,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Meadow Brook Apartments	Finlay Interests 29, Ltd.	Finlay Interests GP 29, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the NEC Fondren Road & Fornmeadows in the city of Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Meadow Crossing	Mesquite Shilling Enterprises II, L.P.	Shilling, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Highway 80 & E. Meadow Blvd., Mesquite, Dallas County, Texas, and (ii) the construction thereon of an approximately 276-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Meadow Crossing Annex	Mesquite Shilling Enterprises III, L.P.	Shilling, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Highway 80 & E. Meadow Blvd., Mesquite, Dallas County, Texas, and (ii) the construction thereon of an approximately 276-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Median Way Park Apartments	Median Way Park Apartments Limited Partnership	TCR Median Way Park Partners Limited Partnership, managing general partner	\$14,900,000
Costs: (i) acquisition of real property located at the 5700 Block of US Highway 287, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$14,900,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Mesa Villas	Mesa Villas, L.P.	Songhai Ventures, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 10000 Block of Mesa Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Mesquite Meadows	Primrose Houston South Housing, L.P.	Primrose Houston South Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 2900 East Meadows, Mesquite, Dallas County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Mesquite Senior Apartment Community	PWA-Mesquite Senior Community, L.P.	PWA-Mesquite GP, LLC, managing general partner	\$11,000,000
Costs: (i) acquisition of real property located at 5201 Northwest Drive, Mesquite, Dallas County, Texas, and (ii) the construction thereon of an approximately 200-unit multifamily senior residential rental housing project, in the amount not to exceed \$11,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
North Vista Apartments	North Vista Apartments Limited Partnership	TCR North Vista Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 100 Block of North Vista Drive, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Park 10 Barker Cypress Apartments	Park 10 Barker Cypress Apartments, L.P.	Park 10 Barker Cypress Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 17500 Block of South Parkview Drive, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Park at Steeplechase Apartments	Steeplechase Housing, L.P.	Camden Realty, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at southwest corner of the intersection of Jones Road and Fallbrook, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Parkland Pointe II	Brisben Parkland Pointe II Limited Partnership	Brisben Texas II, Inc., managing general partner	\$10,000,000
Costs: (i) acquisition of real property located at 975 Mineral Springs Road, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 148-unit multifamily residential rental housing project, in the amount not to exceed \$10,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Parks at Riverplace	Parks at Riverplace Housing, L.P.	Parks at Riverplace Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the southwest corner of Longhorn Drive and Old Decatur Road, Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Parkside Village Apartments	Brisben Berkshire Limited Partnership	Brisben Texas II, Inc., managing general partner	\$11,000,000
Costs: (i) acquisition of real property located at Susan Road near the intersection of Park Row Drive, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 160-unit multifamily residential rental housing project, in the amount not to exceed \$11,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Parkview Townhomes	Dove Lane Apartments Limited Partnership	Brisben Texas II, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located near the southeast corner of Sublett Road and South Cooper Street, Arlington, Tarrant County, Texas, and (ii) the construction thereon of an approximately 224-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Parkway Pointe	Trails of Sycamore Townhomes Limited Partnership	Housing Initiatives Corporation IV, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at southwest corner of Veterans Memorial Drive and Gears Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 250-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Parmer Park Apartments	Parmer Park Apartments Limited Partnership	TCR Parmer Park Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the northwest corner of Parmer Lane and Harris Branch Parkway, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Peninsula Apartments	The Peninsula Apartments, L.P.	The Peninsula Apartments I, L.L.C., managing general partner	\$10,700,000
Costs: (i) acquisition of real property located at the 5100 Block of W. Fuqua, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$10,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Peppertree Apartments	Peppertree Apartments, L.P.	Peppertree Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 2904 1st Street, Rosenberg, Fort Bend County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Pineview Townhomes	Cobblestone Townhomes Limited Partnership	Brisben Texas II, Inc., managing general partner	\$14,200,000
Costs: (i) acquisition of real property located at the corner of Cypress-North Houston at Huffmeister, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$14,200,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Primrose at Hickory	Primrose Central TX 7 Housing, L.P.	Primrose Central TX 7 Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Highway 67 and Pentagon Parkway, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Primrose at Legendary Lane	Primrose SA South Housing, L.P.	Primrose SA South Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Highway 67 and Pentagon Parkway, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Primrose Broadway	Primrose Broadway Housing, L.P.	Primrose Broadway Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Frisco Road and Medical Center Drive, McKinney, Collin County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Primrose Houston School	Primrose Houston I Housing, L.P.	Primrose Houston I Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Pleasant Run Road and Houston School Road, Lancaster, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Primrose Langdon	Primrose Central TX 2 Housing, L.P.	Primrose Central TX 2 Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Langdon Road and Bonnie View Road, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Primrose Mesquite I	Primrose Central TX 4 Housing, L.P.	Primrose Central TX 4 Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 2606 John West and 2600 Eastfield Boulevard, Mesquite, Dallas County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Primrose Villas	Primrose Villas Housing, L.P.	Primrose Villas Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Frisco Road and Medical Center Drive, McKinney, Collin County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Riverbend Apartments	Riverbend Apartments, L.P.	Riverbend Apartments I, L.L.C., managing general partner	\$10,700,000
Costs: (i) acquisition of real property located at 5000-5100 Block of West Fuqua, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$10,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Silver Spring Apartments	Finlay Interests 33, Ltd.	Finlay Interests GP 33, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at NEC Fondren Road and Beltway 8 in Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Southpark Apartments	S.P. – Southpark Apartment Venture I, L.L.C.	Gregory L. Thorse, sole member	\$11,000,000
Costs: (i) acquisition of real property located at 9401 South First Street, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 192-unit multifamily residential rental housing project, in the amount not to exceed \$11,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Sphinx at Murdeaux	Murdeaux Villas, L.P.	SDC Murdeaux, L.L.C., managing general partner	\$13,400,000
Costs: (i) acquisition of real property located at 7400 Block of Loop 12, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 250-unit multifamily residential rental housing project, in the amount not to exceed \$13,400,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Sphinx at Oakwood Villas	SDC Oakwood Townhomes, L.P.	SDC Oakwood Townhomes Development, L.L.C., managing general partner	\$13,700,000
Costs: (i) acquisition of real property located at 1700 Block of St. Augustine, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$13,700,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Stafford Apartments	Stafford Apartments Limited Partnership	TCR Stafford Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 12600 Block of Stafford Road, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Stonebrook Villas	Stonebrook Villas Housing, L.P.	Stonebrook Villas Development, L.L.C., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Peregrine Drive at Virginia Parkway, McKinney, Collin County, Texas, and (ii) the construction thereon of an approximately 250-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Stuebner One Apartments	Stuebner One Apartments Limited Partnership	TCR Stuebner One Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 11300 Block, Stuebner Airline (Veterans Memorial), North of Greens Road, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Stuebner Two Apartments	Stuebner Two Apartments Limited Partnership	TCR Stuebner Two Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 11300 Block, Stuebner Airline (Veterans Memorial), North of Greens Road, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			



Project Name	Owner	Principals	Amount Not to Exceed
Sundown Village	Saums Sundown Village, Ltd.	Richco Rinehart Investments, L.L.C., managing general partner	\$13,300,000
Costs: (i) acquisition of real property located at 20300 Saums Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$13,300,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Surrey Station	Wendover Tx VI, Ltd.	TexWen VI, Inc., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Wells Branch Parkway and 10th Street, Pflugerville, Travis County, Texas, and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Sycamore Creek Park One Apartments	Sycamore Creek Park One Apartments Limited Partnership	TCR Sycamore Creek Park One Partners Limited Partnership, managing general partner	\$12,200,000
Costs: (i) acquisition of real property located at the 900 Block of Sycamore School Rd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 216-unit multifamily residential rental housing project, in the amount not to exceed \$12,200,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Sycamore Creek Park Two Apartments	Sycamore Creek Park Two Apartments Limited Partnership	TCR Sycamore Creek Park Two Partners Limited Partnership, managing general partner	\$12,200,000
Costs: (i) acquisition of real property located at the 900 Block of Sycamore School Rd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 216-unit multifamily residential rental housing project, in the amount not to exceed \$12,200,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Timber Oaks Apartments	CEI Timber Oaks, Ltd.	Colonial Equities, Inc., managing general partner	\$10,900,000
Costs: (i) acquisition of real property located at the southwest corner of Osler Drive and Timber Oaks Lane, Grand Prairie, Tarrant County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$10,900,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Timber Ridge II	Timber Ridge Housing II, Ltd.	Beinhorn Partners Limited Partnership, managing general partner	\$7,000,000
Costs: (i) acquisition of real property located at 5321 Aldine Bender Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 124-unit multifamily residential rental housing project, in the amount not to exceed \$7,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
The Vines Apartments	Finlay Interests 39, Ltd.	Finlay Interests GP 39, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at -0- Central Dr. in Cedar Park, Williamson County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Vista Pointe @ The Quarry Apartments	Quarry Cedar Park Partners, Ltd.	Quarry Partners, Ltd., managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 2200-2400 Block of FM 1431 (Whitestone Blvd.) Cedar Park, Travis County, Texas; and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Walters Apartments	Walters Apartments Limited Partnership	TCR Walters Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the east side of Walters Road, south of FM 1960 (3500 Block), Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Waterford Park Apartments	Harris Park Partners II, L.P.	JAN-TX VI, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at Perry Road and Mills Road, Houston, Harris County, Texas, and (ii) the construction thereon of an approximately 236-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
West Montgomery Apartments	West Montgomery Apartments Limited Partnership	TCR West Montgomery Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 11500 Block of West Montgomery, southeast corner at SH249, Harris County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

Project Name	Owner	Principals	Amount Not to Exceed
West Point One Apartments	West Point One Apartments Limited Partnership	TCR West Point One Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 9800 Block of Westpoint Blvd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
West Point Two Apartments	West Point Two Apartments Limited Partnership	TCR West Point Two Partners Limited Partnership, managing general partner	\$14,000,000
Costs: (i) acquisition of real property located at 9600 Block of Westpoint Blvd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 252-unit multifamily residential rental housing project, in the amount not to exceed \$14,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
West Point Three Apartments	West Point Three Apartments Limited Partnership	TCR West Point Three Partners Limited Partnership, managing general partner	\$9,300,000
Costs: (i) acquisition of real property located at the 9500 Block of Westpoint Blvd., Fort Worth, Tarrant County, Texas, and (ii) the construction thereon of an approximately 162-unit multifamily residential rental housing project, in the amount not to exceed \$9,300,000.			
Project Name	Owner	Principals	Amount Not to Exceed
West Virginia Apartments	West Virginia Apartments Limited Partnership	TCR West Virginia Partners Limited Partnership, managing general partner	\$11,100,000
Costs: (i) acquisition of real property located at 7600 Block of West Virginia Drive, Dallas, Dallas County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$11,100,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Wittershaw Apartments	Wittershaw Apartments, L.P.	Wittershaw Development, L.L.C., managing general partner	\$13,100,000
Costs: (i) acquisition of real property located at northeast corner of Wittershaw Drive and Kuykendahl Road, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 248-unit multifamily residential rental housing project, in the amount not to exceed \$13,100,000.			

Project Name	Owner	Principals	Amount Not to Exceed
Wood Hollow Apartments	Finlay Interests 35, Ltd.	Finlay Interests GP 35, LLC, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at O.S. Blockhouse Dr. in Cedar Park, Williamson County, Texas, and (ii) the construction thereon of an approximately 264-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Woodway Square Apartments	Teri Road Housing, Ltd.	Beinhorn Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 1700 Block of Teri Road, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 240-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Wylie Senior Apartment Community	PWA-Wylie Senior Community, L.P.	PWA-Wylie GP, LLC, managing general partner	\$8,200,000
Costs: (i) acquisition of real property located at 701 Highway 78 South, Wylie, Collin County, Texas, and (ii) the construction thereon of an approximately 150-unit multifamily senior residential rental housing project, in the amount not to exceed \$8,200,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Yager One Apartments	Yager One Apartments Limited Partnership	TCR Yager One Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at the 400 Block of East Yager Lane, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 260-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Yager Park Two Apartments	Yager Two Apartments Limited Partnership	TCR Yager Two Partners Limited Partnership, managing general partner	\$15,000,000
Costs: (i) acquisition of real property located at 500 Block of East Yager Lane, Austin, Travis County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

RESOLUTION NO. 02-051

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL PROJECT; AUTHORIZING THE FILING OF AN APPLICATION FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by persons and families of low and very 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 project 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, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for a multi-family residential rental development (the "Project") consisting of approximately 280 units to be located in Montgomery County, Texas, on the land described in Exhibit A attached hereto, and to be owned by Woodline Park Apartments Limited Partnership, a Texas limited partnership or a related person (the "Owner") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Owner has made not more than 60 days prior to the date hereof, payments with respect to the Project and expects to make additional payments in the future and desires that it be reimbursed for such payments and other costs associated with the Project from the proceeds of tax-exempt and taxable obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owner has indicated its willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that 100 percent of the Project units will be occupied at all times by Eligible Tenants, as determined by the Board of the Department pursuant to the Act, that the other requirements of the Act and the Department will be satisfied and that the Project will satisfy Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

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

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

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

WHEREAS, the Board has determined to declare its intent to issue its multifamily revenue bonds for the purpose of providing funds to the Owner to finance the Project on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

Section 1--Certain Findings. The Board finds that:

- (a) the Project is necessary to provide decent, safe and sanitary housing at rentals that eligible tenants can afford;
- (b) the Owner will supply, in the Project, well-planned and well-designed housing for eligible tenants;
- (c) the financing of the Project pursuant to the provisions of the Act will constitute a public purpose and will provide a public benefit; and
- (d) the Project will be undertaken within the authority conferred by the Act upon the Department and the Owner.

Section 2--Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds (the "Bonds") in an amount estimated to be sufficient to: (a) fund a loan or loans to the Owner to provide financing for the Project in an aggregate principal amount not to exceed \$15,000,000; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental project bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in the Project; (iii) approval by the Bond Review Board; (iv) approval by the Texas Attorney General; (v) satisfaction of the Board that the Project meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

Section 3--Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 4--Reimbursement. The Department reasonably expects to reimburse the Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction of the Project and listed on Exhibit "A" attached hereto ("Costs of the Project") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction of the Project, including reimbursing the Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction of the Project; (b) to fund any reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 5--Principal Amount. Based on representations of the Owner, the Department reasonably expects that the maximum principal amount of debt issued to reimburse the Owner for the Costs of the Project will not exceed \$15,000,000.

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction of the Project, which Project will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, the Owner will enter into a loan agreement on an installment payment basis with the Department under which the Department will make a loan to the Owner for the purpose of reimbursing the Owner for the Costs of the Project and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for the Project, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 7--The Project. Substantially all of the proceeds of the Bonds shall be used to finance the Project, which is to be occupied entirely by Eligible Tenants, as determined by the Department, and which is to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 8--Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owner for Costs of the Project.

Section 9--Costs of Project. The Costs of the Project may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Project. Without limiting the generality of the foregoing, the Costs of the Project shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Project, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Project, the placing of the Project in operation and that satisfy the Code and the Act. The Owner shall be responsible for and pay any Costs of the Project incurred by it prior to issuance of the Bonds and will pay all Costs of the Project which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 10--No Commitment to Issue Bonds. Neither the Owner nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owner nor any one claiming by, through or under the Owner shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 11--No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State of Texas, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds.

Section 12--Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owner and the Department of contractual arrangements providing assurance satisfactory to the Department that 100 percent of the Project units will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied, that Owner will create a tenant advisory council or provide for other measures, acceptable to the Department, to insure local input

regarding Project management and that the Project will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds); (b) the receipt of an opinion from Vinson & Elkins L.L.P. or other nationally recognized bond counsel acceptable to the Department, substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the required approval of the Texas Bond Review Board and the Attorney General of the State of Texas.

Section 13--Certain Findings. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Project will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the necessary Project review and legal documentation for the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of the Project may be undertaken by any company or partnership that is a "related person" to the Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owner.

Section 16--Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Project which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Project may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 17--Authorization of Certain Actions. The Department hereby authorizes the filing of and directs the filing of the Application in such form presented to the Board with the Bond Review Board and each director of the Board are hereby severally authorized and directed to execute the Application on behalf of the Department and to cause the same to be filed with the Bond Review Board.

Section 18--Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

Section 19--Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.



PASSED AND APPROVED this 10th day of October, 2002.

[SEAL]

By: \_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_

Secretary

EXHIBIT "A"

Description of the Project

Costs of the Project include:

(i) acquisition of real property located at end of Woodline Drive, east of IH-45, Montgomery County, Texas, and (ii) the construction thereon of an approximately 280-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.

# Texas Department of Housing and Community

## 2003 Multifamily Private-Activity Bonds

### Priority 1 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-004	Magnolia Park New Construction NW corner of E Seminary & Campus Drive County: Tarrant City: Ft Worth	248	\$13,000,000	Todd Borck Wendover Tx I, Ltd  (407) 333-3233	
2003-006	Fountain Circle New Construction 9371 US Hwy 290 County: Travis City: Austin	248	\$14,000,000	Todd Borck Wendover Tx, II, Ltd  (407) 333-3233	
2003-008	Green Pines II Apartments New Construction 6000 Greens Road County: Harris City: Houston	240	\$11,000,000	Gerald Russell St Moritz Partners, LP  (713) 977-1772	
2003-014	Meadow Crossing New Construction Hwy 80 & E. Meadow Blvd. County: Dallas City: Mesquite	276	\$15,000,000	Daniel Ndogo Mesquite Shillingi Enterprises, LP  (972) 222-0590	
2003-031	Sphinx @ Murdeaux New Construction 7400 block of Loop 12 County: Dallas City: Dallas	250	\$13,400,000	Jay O. Oji Murdeaux Villas, LP  (214) 342-1405	
2003-033	Sphinx @ Oakwood Villas New Construction 1700 block of St Augustine County: Dallas City: Dallas	260	\$13,700,000	Jay O. Oji SDC Oakwood Townhomes, LP  (214) 342-1405	

## Priority 1 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-034	Mesa Villas New Construction 10000 Mesa Road County: Harris City: Houston	280	\$15,000,000	Jay O. Oji Mesa Villas, LP  (214) 342-1405	
2003-035	Martindale Villas New Construction 10050 Cullen Road County: Harris City: Houston	280	\$15,000,000	Jay O. Oji Martindale Villas, LLC  (214) 342-1405	
2003-044	Riverbend Apartments New Construction 5000 block of West Fuqua County: Harris City: Houston	280	\$10,700,000	Dwayne Henson Riverbend Apartments, LP  (713) 334-5514	
2003-046	The Penninsula Apartments New Construction 5100 block of W. Fuqua County: Harris City: Houston	280	\$10,700,000	Dwayne Henson The Penninsula Apartments, LP  (713) 334-5514	
2003-049	Mesquite Seniors Apt Community New Construction 5201 Northwest Drive County: Dallas City: Mesquite	200	\$11,000,000	Don Maison PWA - Mesquite Senior Community, LP (214) 941-0523	
2003-050	100 May Development New Construction 100 May Street County: Tarrant City: Ft Worth	280	\$14,000,000	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	
2003-051	51 Keeneland Development New Construction 51 Keeneland Parkway County: Dallas City: Dallas	260	\$14,800,000	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	

**Priority 1 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-054	8100 Crowley Development New Construction 8100 block of Crowley Road County: Tarrant City: Ft Worth	280	\$14,400,000	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	
2003-057	Wylie Senior Apartments New Construction 701 S Hwy 78 County: Collin City: Wylie	150	\$8,200,000	Don Maison PWA Coalition of Dallas, Inc  (214) 941-0523	
2003-058	Timber Oaks Apartments New Construction 1198 Timber Oaks Lane County: Dallas City: Grand Prairie	280	\$10,900,000	Richard Shaw CEI Timber Oaks, Ltd  (972) 733-0096	
2003-059	Greystone Ridge Apartments New Construction 400-500 block of E Camp Wisdom Road County: Dallas City: Dallas	248	\$14,000,000	Kurt Kehoe Greystone Ridge Limited Partnership (407) 772-0200	
2003-067	Frisco Villas New Construction  County: Denton City: Frisco	280	\$15,000,000	Brian Potashnik Frisco Villas Housing, LP  (214) 891-1402	
2003-068	Primrose Houston School New Construction Pleasant Run Road & Houston School Road County: Dallas City: Lancaster	280	\$15,000,000	Brian Potashnik Primrose Houston I Housing, LP  (214) 891-1402	
2003-069	Primrose Villas New Construction Frisco Road & Medical Center Drive County: Collin City: McKinney	280	\$15,000,000	Brian Potashnik Primrose Villas Housing, LP  (214) 891-1402	

**Priority 1 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-070	Primrose @ Hickory New Construction Hickory Street & Preston Road County: Denton City: Frisco	280	\$15,000,000	Brian Potashnik Primrose Central TX 7 Housing, LP (214) 891-1402	
2003-071	Primrose Broadway New Construction Frisco Road & Medical Center Drive County: Collin City: McKinney	280	\$15,000,000	Brian Potashnik Primrose Broadway Housing, LP (214) 891-1402	
2003-072	Hampton Villas New Construction Mayfield Road & New York Avenue County: Tarrant City: Arlington	280	\$15,000,000	Brian Potashnik TX Hampton Villas, LP (214) 891-1402	
2003-073	Primrose Mesquite I New Construction 2606 John West Blvd County: Dallas City: Mesquite	280	\$15,000,000	Brian Potashnik Primrose Central TX 4 Housing, LP (214) 891-1402	
2003-074	Mesquite Meadows New Construction 2900 E Meadows County: Dallas City: Mesquite	264	\$15,000,000	Brian Potashnik Primrose Houston South Housing, LP (214) 891-1402	
2003-076	Primrose Langdon New Construction Langdon Road & Bonnie View Drive County: Dallas City: Dallas	280	\$15,000,000	Brian Potashnik Primrose Central TX 2 Housing, LP (214) 891-1402	
2003-077	Arbor Bend Villas New Construction Oakmont Trail & Hulen Bend County: Tarrant City: Ft Worth	204	\$12,100,000	Brian Potashnik Arbor Bend Villas Housing, LP (214) 891-1402	

**Priority 1 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-078	Primrose at Legendary Lane New Construction Hwy 67 & Pentagon Pkwy County: Dallas City: Dallas	280	\$15,000,000	Brian Potashnik Primrose SA South Housing, LP  (214) 891-1402	
2003-079	Parks at Riverplace New Construction SW corner of Longhorn Drive & Old Decatur Road County: Tarrant City: Ft Worth	280	\$15,000,000	Brian Potashnik Parks at riverplace Housing, LP  (214) 891-1402	
2003-080	Stonebrook Villas New Construction Custer Road & Virginia Pkwy County: Collin City: McKinney	250	\$15,000,000	Brian Potashnik Stonebrook Villas Housing, LP  (214) 891-1402	
2003-099	West Virginia Apartments New Construction 7600 block of West Virginia Drive County: Dallas City: Dallas	240	\$11,100,000	Brent Stewart West Virginia Apartments Limited Partnership (512) 477-9900	
2003-113	Johnny Morris Apartments New Construction 7700 block of Johnny Morris Road County: Travis City: Austin	280	\$14,600,000	Brent Stewart Johnny Morris Apartments Limited Partnership (512) 477-9900	
Totals	32 Applications	8,37 units,	\$436,600,000	in total	





**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS  
FOUNTAIN CIRCLE, AUSTIN (#2003-006)**

Unit Mix and Rent Schedule					
Unit Type	Bed/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	48	\$ 602	745	0.81
50% AMI	2BD/2BA	104	\$ 725	1,033	0.70
50% AMI	3BD/2BA	96	\$ 833	1,176	0.71
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		248	\$ 2,211,168	256,088	\$ 0.72
<b>Averages</b>			\$ 743	1,033	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,218,750	\$ 4,914	\$ 4.76	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,218,750</b>	<b>\$ 4,914</b>	<b>\$ 4.76</b>	<b>0.06</b>
Sitework	1,472,820	5,939	5.75	0.07
Hard Construction Costs	9,748,916	39,310	38.07	0.46
General Requirements (6%)	600,000	2,419	2.34	0.03
Contractor's Overhead (2%)	225,000	907	0.88	0.01
Contractor's Profit (6%)	550,000	2,218	2.15	0.03
Construction Contingency	400,000	1,613	1.56	0.02
<b>Subtotal Construction</b>	<b>\$ 12,996,736</b>	<b>\$ 52,406</b>	<b>\$ 50.75</b>	<b>0.61</b>
Indirect Construction	1,602,450	6,461	6.26	0.08
Developer's Fee	2,570,000	10,363	10.04	0.12
Financing	2,636,000	10,629	10.29	0.12
Reserves + Other	175,000	706	0.68	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,983,450</b>	<b>\$ 28,159</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,198,936</b>	<b>\$ 85,480</b>	<b>\$ 82.78</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,129,498	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,000,000	6.25%	30	\$1,034,405
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 119,438	4.6%	\$2,450,562	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,248,936</b>			<b>\$1,034,405</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,129,498	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,670,883	6.25%	30	\$ 1,010,088
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 398,555	15.5%	\$ 2,171,445	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,198,936</b>			<b>\$ 1,010,088</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,211,168	\$8.63		
Other Income & Loss	44,640	0.17	180	
Vacancy & Collection	-7.49% (168,912)	-0.66	-681	
Effective Gross Income	\$2,086,896	8.15	8,415	
Total Operating Expenses	\$865,492	\$3.38	\$3,490	
Net Operating Income	\$1,221,404	\$4.77	\$4,925	
Debt Service	1,034,405	4.04	4,171	
Net Cash Flow	\$186,999	\$0.73	\$754	
Debt Coverage Ratio	1.18			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$186,999	\$0.73	\$754	
DCR after TDHCA Fees	1.18			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	85.92%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,211,168	\$8.63		
Other Income & Loss	44,640	0.17	180	
Vacancy & Collection	7.50% (169,186)	-0.66	-682	
Effective Gross Income	\$2,086,622	8.15	8,414	
Total Operating Expenses	45.2% \$942,400	\$3.68	\$3,800	
Net Operating Income	\$1,144,222	\$4.47	\$4,614	
Debt Service	1,010,088	3.94	4,073	
Net Cash Flow	\$134,135	\$0.52	\$541	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$29,791	\$0.12	\$120	
Net Cash Flow	\$104,344	\$0.41	\$421	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$49,000	0.19	198
Management Fees	93,735	0.37	378
Payroll, Payroll Tax & Employee Exp.	167,500	0.65	675
Maintenance/Repairs	96,775	0.38	390
Utilities	169,000	0.66	681
Property Insurance	47,120	0.18	190
Property Taxes	192,762	0.75	777
Replacement Reserves	49,600	0.19	200
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$865,492</b>	<b>\$3.38</b>	<b>\$3,490</b>

Staff Notes/Comments
Supportive service contract fees of \$12,000 and compliance fees of \$16,120 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

GREEN PINES II, HOUSTON (#2003-008)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	8	\$ 506	616	0.82
50% AMI	1BD/1BA	8	\$ 506	659	0.77
50% AMI	1BD/1BA	16	\$ 506	696	0.73
50% AMI	2BD/2BA	48	\$ 609	1,011	0.60
50% AMI	2BD/2BA	56	\$ 609	1,057	0.58
50% AMI	3BD/2BA	104	\$ 704	1,075	0.65
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		240	\$ 1,832,930	240,856	\$ 0.63
Averages			\$ 636	1,004	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 718,000	\$ 2,992	\$ 2.98	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 718,000</b>	<b>\$ 2,992</b>	<b>\$ 2.98</b>	<b>0.04</b>
Sitework	1,673,043	6,971	6.95	0.10
Hard Construction Costs	8,798,770	36,662	36.53	0.51
General Requirements (6%)	760,196	3,167	3.16	0.04
Contractor's Overhead (2%)	201,284	839	0.84	0.01
Contractor's Profit (6%)	612,522	2,552	2.54	0.04
Construction Contingency	478,953	1,996	1.99	0.03
<b>Subtotal Construction</b>	<b>\$ 12,524,769</b>	<b>\$ 52,187</b>	<b>\$ 52.00</b>	<b>0.72</b>
Indirect Construction	324,000	1,350	1.35	0.02
Developer's Fee	2,040,570	8,502	8.47	0.12
Financing	1,461,627	6,090	6.07	0.08
Reserves	230,000	958	0.95	0.01
<b>Subtotal Other Costs</b>	<b>\$ 4,056,197</b>	<b>\$ 16,901</b>	<b>\$ 17</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 17,298,966</b>	<b>\$ 72,079</b>	<b>\$ 71.82</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,078,041	\$0.00	0.00%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,000,330	6.40%	30	\$ 825,693
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,761,160	86.3%	\$279,410	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,839,531</b>			<b>\$ 825,693</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,496,663	\$0.00	0.00%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,371,942	6.25%	30	\$ 766,342
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,430,361	70.1%	\$ 610,209	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 17,298,966</b>			<b>\$ 766,342</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,882,236	\$7.81		
Other Income & Loss	43,200	0.18	180	
Vacancy & Collection	-7.50% (144,408)	-0.60	-602	
<b>Effective Gross Income</b>	<b>\$1,781,028</b>	<b>7.39</b>	<b>7,421</b>	
<b>Total Operating Expenses</b>	<b>\$864,000</b>	<b>\$3.59</b>	<b>\$3,600</b>	
<b>Net Operating Income</b>	<b>\$917,028</b>	<b>\$3.81</b>	<b>\$3,821</b>	
Debt Service	825,693	3.43	3,440	
<b>Net Cash Flow</b>	<b>\$91,335</b>	<b>\$0.38</b>	<b>\$381</b>	
<b>Debt Coverage Ratio</b>	<b>1.11</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
<b>Net Cash Flow</b>	<b>\$91,335</b>	<b>\$0.38</b>	<b>\$381</b>	
<b>DCR after TDHCA Fees</b>	<b>1.11</b>			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	92.19%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,832,930	\$7.61		
Other Income & Loss	43,200	0.18	180	
Vacancy & Collection	7.50% (140,710)	-0.58	-586	
<b>Effective Gross Income</b>	<b>1,735,420</b>	<b>7.21</b>	<b>7,231</b>	
<b>Total Operating Expenses</b>	<b>\$864,000</b>	<b>\$3.59</b>	<b>\$3,600</b>	
<b>Net Operating Income</b>	<b>\$871,420</b>	<b>\$3.62</b>	<b>\$3,631</b>	
Debt Service	766,342	3.18	3,193	
<b>Net Cash Flow</b>	<b>\$105,078</b>	<b>\$0.44</b>	<b>\$438</b>	
<b>Debt Coverage Ratio</b>	<b>1.14</b>			
TDHCA/TSAHC Fees	\$25,972	\$0.11	\$108	
<b>Net Cash Flow</b>	<b>\$79,106</b>	<b>\$0.33</b>	<b>\$330</b>	
<b>DCR after TDHCA Fees</b>	<b>1.10</b>			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	90.36%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$54,347	0.23	226
Management Fees	89,051	0.37	371
Payroll, Payroll Tax & Employee Exp.	148,000	0.61	617
Maintenance/Repairs	96,000	0.40	400
Utilities	126,200	0.52	526
Property Insurance	82,500	0.34	344
Property Taxes	219,902	0.91	916
Replacement Reserves	48,000	0.20	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$864,000</b>	<b>\$3.59</b>	<b>\$3,600</b>

Staff Notes/Comments
Applicant's hard costs at \$57.50 exceeded TDHCA guidelines. Costs were adjusted to \$52 per square foot.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Meadow Crossing. Mesquite (2003-014)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	50	\$ 647	900	0.72
50% AMI	3BD/2BA	180	\$ 762	1,134	0.67
50% AMI	4BD/2BA	46	\$ 838	1,200	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		276	\$ 2,496,696	304,320	\$ 0.68
Averages			\$ 754	1,103	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 932,180	\$ 3,377	\$ 3.06	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 932,180</b>	<b>\$ 3,377</b>	<b>\$ 3.06</b>	<b>0.04</b>
Sitework	1,518,000	5,500	4.99	0.06
Hard Construction Costs	12,223,805	44,289	40.17	0.52
General Requirements (6%)	507,840	1,840	1.67	0.02
Contractor's Overhead (2%)	253,920	920	0.83	0.01
Contractor's Profit (6%)	761,760	2,760	2.50	0.03
Construction Contingency	253,920	920	0.83	0.01
<b>Subtotal Construction</b>	<b>\$ 15,519,245</b>	<b>\$ 56,229</b>	<b>\$ 51.00</b>	<b>0.66</b>
Indirect Construction	1,525,914	5,529	5.01	0.06
Developer's Fee	3,219,998	11,667	10.58	0.14
Financing	1,976,254	7,160	6.49	0.08
Reserves	308,271	1,117	1.01	0.01
<b>Subtotal Other Costs</b>	<b>\$ 7,030,437</b>	<b>\$ 25,473</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,481,862</b>	<b>\$ 85,079</b>	<b>\$ 77.16</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,794,188	\$0.81	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,014,845	7.00%	40	\$1,119,683
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,489,023	46.2%	\$1,730,975	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,298,056</b>			<b>\$1,119,683</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,794,188	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,179,337	7.00%	40	\$ 1,131,950
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,508,337	77.9%	\$ 711,661	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,481,862</b>			<b>\$ 1,131,950</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,496,696	\$8.20		
Other Income & Loss	82,680	0.27	300	
Vacancy & Collection	-7.50% (193,580)	-0.64	-701	
Effective Gross Income	\$2,385,796	7.84	8,644	
Total Operating Expenses	\$1,073,170	\$3.53	\$3,888	
Net Operating Income	\$1,312,626	\$4.31	\$4,756	
Debt Service	1,119,683	3.68	4,057	
Net Cash Flow	\$192,943	\$0.63	\$699	
Debt Coverage Ratio	<b>1.17</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$192,943	\$0.63	\$699	
DCR after TDHCA Fees	<b>1.17</b>			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	87.83%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,496,696	\$8.20		
Other Income & Loss	49,680	0.16	180	
Vacancy & Collection	7.50% (190,978)	-0.63	-692	
Effective Gross Income	2,355,398	7.74	8,534	
Total Operating Expenses	45.6% \$1,073,170	\$3.53	\$3,888	
Net Operating Income	\$1,282,228	\$4.21	\$4,646	
Debt Service	1,131,950	3.72	4,101	
Net Cash Flow	\$150,278	\$0.49	\$544	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,119	\$0.11	\$120	
Net Cash Flow	\$117,159	\$0.38	\$424	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	89.65%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$135,014	0.44	489
Management Fees	92,216	0.30	334
Payroll, Payroll Tax & Employee Exp.	220,800	0.73	800
Maintenance/Repairs	144,624	0.48	524
Utilities	83,628	0.27	303
Property Insurance	82,800	0.27	300
Property Taxes	258,888	0.85	938
Replacement Reserves	55,200	0.18	200
Other Expenses	-	0.00	0
Total Expnses	\$1,073,170	\$3.53	\$3,888

Staff Notes/Comments
Check utility allowances and expenses #s

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Sphinx @ Murdeaux, Dallas (2003-031)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	80	\$ 673	950	0.71
50% AMI	3BD/2BA	100	\$ 775	1,120	0.69
50% AMI	4BD/2BA	70	\$ 856	1,300	0.66
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		250	\$ 2,295,120	279,000	\$ 0.69
Averages			\$ 765	1,116	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 988,500	\$ 3,954	\$ 3.54	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 988,500</b>	<b>\$ 3,954</b>	<b>\$ 3.54</b>	<b>0.04</b>
Sitework	1,450,000	5,800	5.20	0.06
Hard Construction Costs	11,924,850	47,699	42.74	0.52
General Requirements (6%)	802,491	3,210	2.88	0.04
Contractor's Overhead (2%)	267,497	1,070	0.96	0.01
Contractor's Profit (6%)	802,491	3,210	2.88	0.04
Construction Contingency	634,994	2,540	2.28	0.03
<b>Subtotal Construction</b>	<b>\$ 15,882,323</b>	<b>\$ 63,529</b>	<b>\$ 56.93</b>	<b>0.69</b>
Indirect Construction	370,000	1,480	1.33	0.02
Developer's Fee	2,663,918	10,656	9.55	0.12
Financing	2,262,913	9,052	8.11	0.10
Reserves	685,268	2,741	2.46	0.03
<b>Subtotal Other Costs</b>	<b>\$ 5,982,099</b>	<b>\$ 23,928</b>	<b>\$ 21</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,852,922</b>	<b>\$ 91,412</b>	<b>\$ 81.91</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,539,554	\$0.79	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,383,501	7.00%	40	\$ 998,031
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,929,867	72.4%	\$734,051	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,852,922</b>			<b>\$ 998,031</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,628,980	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,383,501	7.00%	40	\$ 998,031
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,929,867	72.4%	\$ 734,051	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,942,348</b>			<b>\$ 998,031</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,295,120	\$8.23		
Other Income & Loss	21,000	0.08	84	
Vacancy & Collection	-7.50% (173,712)	-0.62	-695	
Effective Gross Income	\$2,142,408	7.68	8,570	
Total Operating Expenses	\$942,167	\$3.38	\$3,769	
Net Operating Income	\$1,200,241	\$4.30	\$4,801	
Debt Service	998,031	3.58	3,992	
Net Cash Flow	\$202,210	\$0.72	\$809	
Debt Coverage Ratio	1.20			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$202,210	\$0.72	\$809	
DCR after TDHCA Fees	1.20			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	84.54%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,295,120	\$8.23		
Other Income & Loss	45,000	0.16	180	
Vacancy & Collection	7.50% (175,509)	-0.63	-702	
Effective Gross Income	\$2,164,611	7.76	8,658	
Total Operating Expenses	43.9% \$950,000	\$3.41	\$3,800	
Net Operating Income	\$1,214,611	\$4.35	\$4,858	
Debt Service	998,031	3.58	3,992	
Net Cash Flow	\$216,580	\$0.78	\$866	
Debt Coverage Ratio	1.22			
TDHCA/TSAHC Fees	\$29,634	\$0.11	\$119	
Net Cash Flow	\$186,946	\$0.67	\$748	
DCR after TDHCA Fees	1.18			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	86.17%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$103,550	0.37	414
Management Fees	102,017	0.37	408
Payroll, Payroll Tax & Employee Exp.	80,500	0.29	322
Maintenance/Repairs	207,200	0.74	829
Utilities	134,900	0.48	540
Property Insurance	44,000	0.16	176
Property Taxes	220,000	0.79	880
Replacement Reserves	50,000	0.18	200
Other Expenses	-	0.00	0
Total Expenses	\$942,167	\$3.38	\$3,769

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Sphinx @ Oakwood Villas, Dallas (2003-033)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	84	\$ 673	950	0.71
50% AMI	3BD/2BA	104	\$ 775	1,120	0.69
50% AMI	4BD/2BA	72	\$ 856	1,300	0.66
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>260</b>	<b>\$ 2,385,168</b>	<b>289,880</b>	<b>\$ 0.69</b>
<b>Averages</b>			<b>\$ 764</b>	<b>1,115</b>	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 750,000	\$ 2,885	\$ 2.59	0.03
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 750,000</b>	<b>\$ 2,885</b>	<b>\$ 2.59</b>	<b>0.03</b>
Sitework	1,450,000	5,577	5.00	0.06
Hard Construction Costs	12,383,490	47,629	42.72	0.53
General Requirements (6%)	830,009	3,192	2.86	0.04
Contractor's Overhead (2%)	276,670	1,064	0.95	0.01
Contractor's Profit (6%)	830,009	3,192	2.86	0.04
Construction Contingency	653,340	2,513	2.25	0.03
<b>Subtotal Construction</b>	<b>\$ 16,423,518</b>	<b>\$ 63,167</b>	<b>\$ 56.66</b>	<b>0.70</b>
Indirect Construction	370,000	1,423	1.28	0.02
Developer's Fee	2,749,699	10,576	9.49	0.12
Financing	2,306,081	8,870	7.96	0.10
Reserves	702,919	2,704	2.42	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,128,699</b>	<b>\$ 23,572</b>	<b>\$ 21</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,302,217</b>	<b>\$ 89,624</b>	<b>\$ 80.39</b>	<b>1.00</b>

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,539,554	\$0.79	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,383,501	7.00%	40	\$ 998,031
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,929,867	70.2%	\$819,832	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,852,922</b>			<b>\$ 998,031</b>

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,628,980	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,383,501	7.00%	40	\$ 998,031
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,929,867	70.2%	\$ 819,832	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,942,348</b>			<b>\$ 998,031</b>

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,385,168	\$8.23		
Other Income & Loss	21,000	0.07	81	
Vacancy & Collection	-7.22% (173,712)	-0.60	-668	
Effective Gross Income	\$2,232,456	7.70	8,586	
Total Operating Expenses	\$942,167	\$3.25	\$3,624	
Net Operating Income	\$1,290,289	\$4.45	\$4,963	
Debt Service	998,031	3.44	3,839	
Net Cash Flow	\$292,258	\$1.01	\$1,124	
Debt Coverage Ratio	1.29			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$292,258	\$1.01	\$1,124	
DCR after TDHCA Fees	1.29			
Break-even Rents/S.F.	0.56			
Break-even Occupancy	81.34%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,385,168	\$8.23		
Other Income & Loss	46,800	0.16	180	
Vacancy & Collection	7.50% (182,398)	-0.63	-702	
Effective Gross Income	\$2,249,570	7.76	8,652	
Total Operating Expenses	43.9% \$988,000	\$3.41	\$3,800	
Net Operating Income	\$1,261,570	\$4.35	\$4,852	
Debt Service	998,031	3.44	3,839	
Net Cash Flow	\$263,539	\$0.91	\$1,014	
Debt Coverage Ratio	1.26			
TDHCA/TSAHC Fees	\$30,284	\$0.10	\$116	
Net Cash Flow	\$233,256	\$0.80	\$897	
DCR after TDHCA Fees	1.23			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	84.54%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$103,550	0.36	398
Management Fees	102,017	0.35	392
Payroll, Payroll Tax & Employee Exp.	80,500	0.28	310
Maintenance/Repairs	207,200	0.71	797
Utilities	134,900	0.47	519
Property Insurance	44,000	0.15	169
Property Taxes	220,000	0.76	846
Replacement Reserves	50,000	0.17	192
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$942,167</b>	<b>\$3.25</b>	<b>\$3,624</b>

<b>Staff Notes/Comments</b>

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Mesa Villas, Houston (2003-034)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	60	\$ 610	945	0.65
50% AMI	3BD/2BA	140	\$ 704	1,050	0.67
50% AMI	4BD/2BA	80	\$ 778	1,250	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,368,800</b>	<b>303,700</b>	<b>\$ 0.65</b>
<b>Averages</b>			<b>\$ 705</b>	<b>1,085</b>	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 742,830	\$ 2,653	\$ 2.45	0.03
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 742,830</b>	<b>\$ 2,653</b>	<b>\$ 2.45</b>	<b>0.03</b>
Sitework	1,736,000	6,200	5.72	0.07
Hard Construction Costs	12,320,000	44,000	40.57	0.52
General Requirements (6%)	855,120	3,054	2.82	0.04
Contractor's Overhead (2%)	285,000	1,018	0.94	0.01
Contractor's Profit (6%)	855,120	3,054	2.82	0.04
Construction Contingency	570,080	2,036	1.88	0.02
<b>Subtotal Construction</b>	<b>\$ 16,621,320</b>	<b>\$ 59,362</b>	<b>\$ 54.73</b>	<b>0.70</b>
Indirect Construction	1,087,820	3,885	3.58	0.05
Developer's Fee	3,018,878	10,782	9.94	0.13
Financing	1,666,990	5,954	5.49	0.07
Reserves	749,686	2,677	2.47	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,523,374</b>	<b>\$ 23,298</b>	<b>\$ 21</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,887,524</b>	<b>\$ 85,313</b>	<b>\$ 78.66</b>	<b>1.00</b>

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 8,276,388	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 611,176	20.2%	\$2,407,702	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,887,564</b>			<b>\$1,108,291</b>

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 8,276,388	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,001,735	6.25%	30	\$ 1,034,533
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,609,401	53.3%	\$ 1,409,477	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,887,524</b>			<b>\$ 1,034,533</b>

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,368,800	\$7.80		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.56% (182,772)	-0.60	-653	
Effective Gross Income	\$2,236,428	7.36	7,987	
Total Operating Expenses	\$1,037,007	\$3.41	\$3,704	
Net Operating Income	\$1,199,421	\$3.95	\$4,284	
Debt Service	1,108,291	3.65	3,958	
Net Cash Flow	\$91,130	\$0.30	\$325	
Debt Coverage Ratio	1.08			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$91,130	\$0.30	\$325	
DCR after TDHCA Fees	1.08			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	90.56%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,368,800	\$7.80		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (181,440)	-0.60	-648	
Effective Gross Income	\$2,237,760	7.37	7,992	
Total Operating Expenses	47.5% \$1,064,000	\$3.50	\$3,800	
Net Operating Income	\$1,173,760	\$3.86	\$4,192	
Debt Service	1,034,533	3.41	3,695	
Net Cash Flow	\$139,227	\$0.46	\$497	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$32,202	\$0.11	\$115	
Net Cash Flow	\$107,025	\$0.35	\$382	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	89.95%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$95,561	0.31	341
Management Fees	111,921	0.37	400
Payroll, Payroll Tax & Employee Exp.	182,700	0.60	653
Maintenance/Repairs	142,800	0.47	510
Utilities	155,400	0.51	555
Property Insurance	51,800	0.17	185
Property Taxes	218,400	0.72	780
Replacement Reserves	56,000	0.18	200
Other Expenses	22,425	0.07	80
<b>Total Exepnses</b>	<b>\$1,037,007</b>	<b>\$3.41</b>	<b>\$3,704</b>

<b>Staff Notes/Comments</b>	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Martindale Villas, Houston (2003-035)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	60	\$ 610	945	0.65
50% AMI	3BD/2BA	140	\$ 704	1,050	0.67
50% AMI	4BD/2BA	80	\$ 778	1,250	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,368,800	303,700	\$ 0.65
Averages			\$ 705	1,085	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 764,478	\$ 2,730	\$ 2.52	0.03
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 764,478</b>	<b>\$ 2,730</b>	<b>\$ 2.52</b>	<b>0.03</b>
Sitework	1,736,000	6,200	5.72	0.07
Hard Construction Costs	12,320,000	44,000	40.57	0.52
General Requirements (6%)	855,120	3,054	2.82	0.04
Contractor's Overhead (2%)	285,000	1,018	0.94	0.01
Contractor's Profit (6%)	855,120	3,054	2.82	0.04
Construction Contingency	570,080	2,036	1.88	0.02
<b>Subtotal Construction</b>	<b>\$ 16,621,320</b>	<b>\$ 59,362</b>	<b>\$ 54.73</b>	<b>0.70</b>
Indirect Construction	1,087,820	3,885	3.58	0.05
Developer's Fee	3,018,878	10,782	9.94	0.13
Financing	1,666,990	5,954	5.49	0.07
Reserves	749,686	2,677	2.47	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,523,374</b>	<b>\$ 23,298</b>	<b>\$ 21</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,909,172</b>	<b>\$ 85,390</b>	<b>\$ 78.73</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 8,276,388	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 632,824	21.0%	\$2,386,054	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	<b>\$ 23,909,212</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 8,276,388	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,001,735	6.25%	30	\$ 1,034,533
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,609,401	53.3%	\$ 1,409,477	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	<b>\$ 23,887,524</b>			<b>\$ 1,034,533</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,368,800	\$7.80		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.56% (182,772)	-0.60	-653	
Effective Gross Income	\$2,236,428	7.36	7,987	
Total Operating Expenses	\$1,037,007	\$3.41	\$3,704	
Net Operating Income	\$1,199,421	\$3.95	\$4,284	
Debt Service	1,108,291	3.65	3,958	
Net Cash Flow	\$91,130	\$0.30	\$325	
Debt Coverage Ratio	1.08			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$91,130	\$0.30	\$325	
DCR after TDHCA Fees	1.08			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	90.56%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,368,800	\$7.80		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (181,440)	-0.60	-648	
Effective Gross Income	\$2,237,760	7.37	7,992	
Total Operating Expenses	47.5% \$1,064,000	\$3.50	\$3,800	
Net Operating Income	\$1,173,760	\$3.86	\$4,192	
Debt Service	1,034,533	3.41	3,695	
Net Cash Flow	\$139,227	\$0.46	\$497	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$32,202	\$0.11	\$115	
Net Cash Flow	\$107,025	\$0.35	\$382	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	89.95%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$95,561	0.31	341
Management Fees	111,921	0.37	400
Payroll, Payroll Tax & Employee Exp.	182,700	0.60	653
Maintenance/Repairs	142,800	0.47	510
Utilities	155,400	0.51	555
Property Insurance	51,800	0.17	185
Property Taxes	218,400	0.72	780
Replacement Reserves	56,000	0.18	200
Other Expenses	22,425	0.07	80
Total Exepnses	\$1,037,007	\$3.41	\$3,704

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

RIVERBEND APARTMENTS, HOUSTON (#2003-044)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	96	\$ 502	667	0.75
50% AMI	2BD/2BA	120	\$ 600	910	0.66
50% AMI	3BD/2BA	64	\$ 690	1,110	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 1,972,224	244,272	\$ 0.67
Averages			\$ 587	872	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 495,000	\$ 1,768	\$ 2.03	0.03
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 495,000</b>	<b>\$ 1,768</b>	<b>\$ 2.03</b>	<b>0.03</b>
Sitework	1,634,140	5,836	6.69	0.09
Hard Construction Costs	9,265,800	33,092	37.93	0.50
General Requirements (6%)	653,471	2,334	2.68	0.04
Contractor's Overhead (2%)	217,515	777	0.89	0.01
Contractor's Profit (6%)	653,471	2,334	2.68	0.04
Construction Contingency	277,679	992	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 12,702,076</b>	<b>\$ 45,365</b>	<b>\$ 52.00</b>	<b>0.69</b>
Indirect Construction	887,000	3,168	3.63	0.05
Developer's Fee	2,132,315	7,615	8.73	0.12
Financing	2,105,761	7,521	8.62	0.11
Reserves	200,000	714	0.82	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,325,076</b>	<b>\$ 19,018</b>	<b>\$ 22</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 18,522,152</b>	<b>\$ 66,151</b>	<b>\$ 75.83</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,189,517	\$0.00	0.00%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,630,189	6.08%	30	\$ 771,374
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,392,183	65.3%	\$740,132	
Source IV	Proceeds	Description	Annual D/S	
HTF & GIC	\$ 500,000		\$ -	
<b>Total Sources</b>	<b>\$ 19,711,889</b>		<b>\$ 771,374</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,747,134	\$0.00	0.00%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,230,503	6.25%	30	\$ 755,892
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,544,515	72.4%	\$ 587,800	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,522,152</b>		<b>\$ 755,892</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,972,224	\$8.07		
Other Income & Loss	100,800	0.41	360	
Vacancy & Collection	-7.28% (150,936)	-0.62	-539	
Effective Gross Income	\$1,922,088	7.87	6,865	
Total Operating Expenses	\$1,008,000	\$4.13	\$3,600	
Net Operating Income	\$914,088	\$3.74	\$3,265	
Debt Service	771,374	3.16	2,755	
Net Cash Flow	\$142,714	\$0.58	\$510	
Debt Coverage Ratio	<b>1.19</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$142,714	\$0.58	\$510	
DCR after TDHCA Fees	<b>1.19</b>			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	90.22%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,972,224	\$8.07		
Other Income & Loss	50,400	0.21	180	
Vacancy & Collection	7.50% (151,697)	-0.62	-542	
Effective Gross Income	\$1,870,927	7.66	6,682	
Total Operating Expenses	53.9% \$1,008,000	\$4.13	\$3,600	
Net Operating Income	\$862,927	\$3.53	\$3,082	
Debt Service	755,892	3.09	2,700	
Net Cash Flow	\$107,036	\$0.44	\$382	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$28,431	\$0.12	\$102	
Net Cash Flow	\$78,605	\$0.32	\$281	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	90.88%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$119,707	0.49	428
Management Fees	93,080	0.38	332
Payroll, Payroll Tax & Employee Exp.	184,000	0.75	657
Maintenance/Repairs	153,500	0.63	548
Utilities	117,250	0.48	419
Property Insurance	68,217	0.28	244
Property Taxes	216,246	0.89	772
Replacement Reserves	56,000	0.23	200
Other Expenses	-	0.00	0
Total Exepnses	\$1,008,000	\$4.13	\$3,600

Staff Notes/Comments
Applicant's hard costs at \$56.18 exceeded TDHCA guidelines. Costs were adjusted to \$52 per square foot.
Applicant included water, sewer and trash in utility allowances. TDHCA guideline expenses already account for such, and were therefore excluded form the utility allowances.









**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS  
51 KEENELAND, DALLAS (#2003-051)**

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	100	\$ 672	997	0.67
50% AMI	3BD/2BA	100	\$ 776	1,194	0.65
50% AMI	4BD/2BA	60	\$ 856	1,320	0.65
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		260	\$ 2,353,920	298,300	\$ 0.66
Averages			\$ 754	1,147	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 997,448	\$ 3,836	\$ 3.34	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 997,448</b>	<b>\$ 3,836</b>	<b>\$ 3.34</b>	<b>0.05</b>
Sitework	1,560,000	6,000	5.23	0.07
Hard Construction Costs	11,700,000	45,000	39.22	0.54
General Requirements (6%)	795,600	3,060	2.67	0.04
Contractor's Overhead (2%)	265,200	1,020	0.89	0.01
Contractor's Profit (6%)	795,600	3,060	2.67	0.04
Construction Contingency	265,200	1,020	0.89	0.01
<b>Subtotal Construction</b>	<b>\$ 15,381,600</b>	<b>\$ 59,160</b>	<b>\$ 51.56</b>	<b>0.71</b>
Indirect Construction	576,300	2,217	1.93	0.03
Developer's Fee	2,563,870	9,861	8.59	0.12
Financing	1,932,562	7,433	6.48	0.09
Reserves	218,000	838	0.73	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,290,732</b>	<b>\$ 20,349</b>	<b>\$ 18</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,669,780</b>	<b>\$ 83,345</b>	<b>\$ 72.64</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,581,841	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,753,716	6.25%	30	\$1,090,094
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,334,223	52.0%	\$1,229,647	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,669,780</b>			<b>\$1,090,094</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,581,841	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,417,828	6.25%	30	\$ 1,065,277
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,670,111	65.1%	\$ 893,759	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,669,780</b>			<b>\$ 1,065,277</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,353,920	\$7.89		
Other Income & Loss	94,800	0.32	365	
Vacancy & Collection	-7.50% (183,660)	-0.62	-706	
Effective Gross Income	\$2,265,060	7.59	8,712	
Total Operating Expenses	\$1,013,576	\$3.40	\$3,898	
Net Operating Income	\$1,251,484	\$4.20	\$4,813	
Debt Service	1,090,094	3.65	4,193	
Net Cash Flow	\$161,390	\$0.54	\$621	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$161,390	\$0.54	\$621	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	89.37%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,353,920	\$7.89		
Other Income & Loss	46,800	0.16	180	
Vacancy & Collection	7.50% (180,054)	-0.60	-693	
Effective Gross Income	\$2,220,666	7.44	8,541	
Total Operating Expenses	45.6% \$1,013,576	\$3.40	\$3,898	
Net Operating Income	\$1,207,090	\$4.05	\$4,643	
Debt Service	1,065,277	3.57	4,097	
Net Cash Flow	\$141,813	\$0.48	\$545	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,318	\$0.10	\$120	
Net Cash Flow	\$110,496	\$0.37	\$425	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	89.64%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$56,400	0.19	217
Management Fees	90,602	0.30	348
Payroll, Payroll Tax & Employee Exp.	170,182	0.57	655
Maintenance/Repairs	110,500	0.37	425
Utilities	87,356	0.29	336
Property Insurance	60,414	0.20	232
Property Taxes	371,722	1.25	1430
Replacement Reserves	56,000	0.19	215
Other Expenses: Termite Bond & Misc.	10,400	0.03	40
Total Expenses	\$1,013,576	\$3.40	\$3,898

Staff Notes/Comments
Property is zoned Commercial.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

8100 CROWLEY, FORT WORTH (#2003-054)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	60	\$ 614	997	0.62
50% AMI	3BD/2BA	160	\$ 710	1,194	0.59
50% AMI	4BD/2BA	60	\$ 792	1,320	0.60
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,375,520	330,060	\$ 0.60
Averages			\$ 707	1,179	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 400,000	\$ 1,429	\$ 1.21	0.02
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 400,000</b>	<b>\$ 1,429</b>	<b>\$ 1.21</b>	<b>0.02</b>
Sitework	1,680,000	6,000	5.09	0.08
Hard Construction Costs	12,432,000	44,400	37.67	0.56
General Requirements (6%)	846,720	3,024	2.57	0.04
Contractor's Overhead (2%)	282,240	1,008	0.86	0.01
Contractor's Profit (6%)	846,720	3,024	2.57	0.04
Construction Contingency	282,240	1,008	0.86	0.01
<b>Subtotal Construction</b>	<b>\$ 16,369,920</b>	<b>\$ 58,464</b>	<b>\$ 49.60</b>	<b>0.73</b>
Indirect Construction	675,400	2,412	2.05	0.03
Developer's Fee	2,724,390	9,730	8.25	0.12
Financing	1,902,848	6,796	5.77	0.09
Reserves	270,000	964	0.82	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,572,638</b>	<b>\$ 19,902</b>	<b>\$ 17</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,342,558</b>	<b>\$ 79,795</b>	<b>\$ 67.69</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,931,313	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,394,115	6.25%	30	\$1,063,525
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,017,130	74.0%	\$707,260	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,342,558</b>			<b>\$1,063,525</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,931,313	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,406,000	6.25%	30	\$ 1,064,403
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,005,245	73.6%	\$ 719,145	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,342,558</b>			<b>\$ 1,064,403</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,375,520	\$7.20		
Other Income & Loss	98,400	0.30	351	
Vacancy & Collection	-7.42% (183,456)	-0.56	-655	
Effective Gross Income	\$2,290,464	6.94	8,180	
Total Operating Expenses	\$1,036,933	\$3.14	\$3,703	
Net Operating Income	\$1,253,531	\$3.80	\$4,477	
Debt Service	1,063,525	3.22	3,798	
Net Cash Flow	\$190,006	\$0.58	\$679	
Debt Coverage Ratio	1.18			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$190,006	\$0.58	\$679	
DCR after TDHCA Fees	1.18			
Break-even Rents/S.F.	0.53			
Break-even Occupancy	88.42%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,375,520	\$7.20		
Other Income & Loss	50,400	0.15	180	
Vacancy & Collection	7.50% (181,944)	-0.55	-650	
Effective Gross Income	\$2,243,976	6.80	8,014	
Total Operating Expenses	46.2% \$1,036,933	\$3.14	\$3,703	
Net Operating Income	\$1,207,043	\$3.66	\$4,311	
Debt Service	1,064,403	3.22	3,801	
Net Cash Flow	\$142,640	\$0.43	\$509	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$32,606	\$0.10	\$116	
Net Cash Flow	\$110,034	\$0.33	\$393	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.54			
Break-even Occupancy	89.83%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$57,700	0.17	206
Management Fees	90,000	0.27	321
Payroll, Payroll Tax & Employee Exp.	183,272	0.56	655
Maintenance/Repairs	124,009	0.38	443
Utilities	98,480	0.30	352
Property Insurance	66,736	0.20	238
Property Taxes	349,536	1.06	1248
Replacement Reserves	56,000	0.17	200
Other Expenses: Termite Bond & Misc.	11,200	0.03	40
<b>Total Expnses</b>	<b>\$1,036,933</b>	<b>\$3.14</b>	<b>\$3,703</b>

Staff Notes/Comments
Property is zoned commercial.





**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

TIMBER OAKS, GRAND PRAIRIE (#2003-058)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	96	\$ 506	750	0.67
50% AMI	2BD/1BA	48	\$ 608	850	0.72
50% AMI	2BD/2BA	100	\$ 608	950	0.64
50% AMI	3BD/2BA	36	\$ 699	1,150	0.61
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 1,964,688	249,200	\$ 0.66
Averages			\$ 585	890	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 900,000	\$ 3,214	\$ 3.61	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 900,000</b>	<b>\$ 3,214</b>	<b>\$ 3.61</b>	<b>0.05</b>
Sitework	1,189,251	4,247	4.77	0.07
Hard Construction Costs	10,505,051	37,518	42.16	0.59
General Requirements (6%)	644,178	2,301	2.58	0.04
Contractor's Overhead (2%)	222,985	796	0.89	0.01
Contractor's Profit (6%)	0	0	0.00	0.00
Construction Contingency	396,417	1,416	1.59	0.02
<b>Subtotal Construction</b>	<b>\$ 12,957,881</b>	<b>\$ 46,278</b>	<b>\$ 52.00</b>	<b>0.72</b>
Indirect Construction	436,500	1,559	1.75	0.02
Developer's Fee	2,155,517	7,698	8.65	0.12
Financing	1,377,000	4,918	5.53	0.08
Reserves	100,000	357	0.40	0.01
<b>Subtotal Other Costs</b>	<b>\$ 4,069,017</b>	<b>\$ 14,532</b>	<b>\$ 16</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 17,926,898</b>	<b>\$ 64,025</b>	<b>\$ 71.94</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,228,960	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,813,058	6.11%	30	\$ 794,794
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,021,482	47.4%	\$1,134,035	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,063,500</b>			<b>\$ 794,794</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,173,164	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,147,482	6.25%	30	\$ 749,758
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,606,252	74.5%	\$ 549,265	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 17,926,898</b>			<b>\$ 749,758</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,964,688	\$7.88		
Other Income & Loss	92,400	0.37	330	
Vacancy & Collection	-7.50% (154,284)	-0.62	-551	
Effective Gross Income	\$1,902,804	7.64	6,796	
Total Operating Expenses	\$1,007,390	\$4.04	\$3,598	
Net Operating Income	\$895,414	\$3.59	\$3,198	
Debt Service	794,794	3.19	2,839	
Net Cash Flow	\$100,620	\$0.40	\$359	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$100,620	\$0.40	\$359	
DCR after TDHCA Fees	1.13			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	91.73%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,964,688	\$7.88		
Other Income & Loss	50,400	0.20	180	
Vacancy & Collection	7.50% (151,132)	-0.61	-540	
Effective Gross Income	\$1,863,956	7.48	6,657	
Total Operating Expenses	54.1% \$1,008,000	\$4.04	\$3,600	
Net Operating Income	\$855,956	\$3.43	\$3,057	
Debt Service	749,758	3.01	2,678	
Net Cash Flow	\$106,199	\$0.43	\$379	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$28,347	\$0.11	\$101	
Net Cash Flow	\$77,851	\$0.31	\$278	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	90.91%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$32,000	0.13	114
Management Fees	95,140	0.38	340
Payroll, Payroll Tax & Employee Exp.	190,000	0.76	679
Maintenance/Repairs	170,000	0.68	607
Utilities	141,000	0.57	504
Property Insurance	51,000	0.20	182
Property Taxes	272,250	1.09	972
Replacement Reserves	56,000	0.22	200
Other Expenses	-	0.00	0
Total Expenses	\$1,007,390	\$4.04	\$3,598

Staff Notes/Comments
Applicant's hard costs were slightly higher than TDHCA guidelines and were reduced to \$52 per unit.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

GREYSTONE RIDGE, DALLAS (#2003-059)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	108	\$ 672	893	0.75
50% AMI	3BD/2BA	108	\$ 776	1,063	0.73
50% AMI	4BD/2BA	32	\$ 856	1,240	0.69
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		248	\$ 2,205,312	250,928	\$ 0.73
Averages			\$ 741	1,012	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,495,000	\$ 6,028	\$ 5.96	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,495,000</b>	<b>\$ 6,028</b>	<b>\$ 5.96</b>	<b>0.08</b>
Sitework	1,568,300	6,324	6.25	0.08
Hard Construction Costs	9,472,531	38,196	37.75	0.48
General Requirements (6%)	662,450	2,671	2.64	0.03
Contractor's Overhead (2%)	220,817	890	0.88	0.01
Contractor's Profit (6%)	662,450	2,671	2.64	0.03
Construction Contingency	552,042	2,226	2.20	0.03
<b>Subtotal Construction</b>	<b>\$ 13,138,589</b>	<b>\$ 52,978</b>	<b>\$ 52.36</b>	<b>0.67</b>
Indirect Construction	934,500	3,768	3.72	0.05
Developer's Fee	2,200,000	8,871	8.77	0.11
Financing	1,918,812	7,737	7.65	0.10
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,053,312</b>	<b>\$ 20,376</b>	<b>\$ 20</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 19,686,901</b>	<b>\$ 79,383</b>	<b>\$ 78.46</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,950,914	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,060,000	7.00%	40	\$1,048,479
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 675,988	30.7%	\$1,524,012	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,686,902</b>		<b>\$1,048,479</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,950,914	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,905,132	7.00%	40	\$ 1,036,930
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 830,855	37.8%	\$ 1,369,145	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,686,901</b>		<b>\$ 1,036,930</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,205,312	\$8.79		
Other Income & Loss	44,640	0.18	180	
Vacancy & Collection	-7.50% (168,744)	-0.67	-680	
Effective Gross Income	\$2,081,208	8.29	8,392	
Total Operating Expenses	\$907,580	\$3.62	\$3,660	
Net Operating Income	\$1,173,628	\$4.68	\$4,732	
Debt Service	1,048,479	4.18	4,228	
Net Cash Flow	\$125,149	\$0.50	\$505	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$125,149	\$0.50	\$505	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	88.70%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,205,312	\$8.79		
Other Income & Loss	44,640	0.18	180	
Vacancy & Collection	7.50% (168,746)	-0.67	-680	
Effective Gross Income	2,081,206	8.29	8,392	
Total Operating Expenses	43.6% \$907,580	\$3.62	\$3,660	
Net Operating Income	\$1,173,626	\$4.68	\$4,732	
Debt Service	1,036,930	4.13	4,181	
Net Cash Flow	\$136,696	\$0.54	\$551	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$30,025	\$0.12	\$121	
Net Cash Flow	\$106,670	\$0.43	\$430	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.54%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$61,560	0.25	248
Management Fees	104,060	0.41	420
Payroll, Payroll Tax & Employee Exp.	229,400	0.91	925
Maintenance/Repairs	76,680	0.31	309
Utilities	92,400	0.37	373
Property Insurance	39,680	0.16	160
Property Taxes	254,200	1.01	1025
Replacement Reserves	49,600	0.20	200
Other Expenses	-	0.00	0
Total Expenses	\$907,580	\$3.62	\$3,660

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Frisco Villas, Frisco (2003-067)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	116	\$ 679	950	0.71
50% AMI	3BD/2BA	116	\$ 786	1,100	0.71
50% AMI	4BD/2BA	48	\$ 878	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,545,008	300,200	\$ 0.71
Averages			\$ 757	1,072	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,025,000	\$ 7,232	\$ 6.75	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,025,000</b>	<b>\$ 7,232</b>	<b>\$ 6.75</b>	<b>0.09</b>
Sitework	1,820,000	6,500	6.06	0.08
Hard Construction Costs	11,567,540	41,313	38.53	0.49
General Requirements (6%)	803,252	2,869	2.68	0.03
Contractor's Overhead (2%)	267,751	956	0.89	0.01
Contractor's Profit (6%)	803,252	2,869	2.68	0.03
Construction Contingency	334,689	1,195	1.11	0.01
<b>Subtotal Construction</b>	<b>\$ 15,596,484</b>	<b>\$ 55,702</b>	<b>\$ 51.95</b>	<b>0.66</b>
Indirect Construction	842,500	3,009	2.81	0.04
Developer's Fee	2,567,221	9,169	8.55	0.11
Financing	2,595,485	9,270	8.65	0.11
Reserves	150,000	536	0.50	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,155,206</b>	<b>\$ 21,983</b>	<b>\$ 21</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,776,690</b>	<b>\$ 84,917</b>	<b>\$ 79.20</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,589,138	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,150,000	7.00%	40	\$1,204,334
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,843,662	71.8%	\$723,559	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 193,891		\$ -	
<b>Total Sources</b>	<b>\$ 23,776,691</b>			<b>\$1,204,334</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,452,818	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,150,000	7.14%	40	\$ 1,224,091
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,979,981	77.1%	\$ 587,240	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 193,891		\$ -	
<b>Total Sources</b>	<b>\$ 23,776,690</b>			<b>\$ 1,224,091</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,545,008	\$8.48		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.50% (194,656)	-0.65	-695	
Effective Gross Income	\$2,400,752	8.00	8,574	
Total Operating Expenses	\$1,012,678	\$3.37	\$3,617	
Net Operating Income	\$1,388,074	\$4.62	\$4,957	
Debt Service	1,204,334	4.01	4,301	
Net Cash Flow	\$183,740	\$0.61	\$656	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$183,740	\$0.61	\$656	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	87.11%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,545,008	\$8.48		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (194,656)	-0.65	-695	
Effective Gross Income	\$2,400,752	8.00	8,574	
Total Operating Expenses	42.2% \$1,012,678	\$3.37	\$3,617	
Net Operating Income	\$1,388,074	\$4.62	\$4,957	
Debt Service	1,224,091	4.08	4,372	
Net Cash Flow	\$163,983	\$0.55	\$586	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$34,350	\$0.11	\$123	
Net Cash Flow	\$129,633	\$0.43	\$463	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	89.24%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.37	392
Management Fees	120,038	0.40	429
Payroll, Payroll Tax & Employee Exp.	203,000	0.68	725
Maintenance/Repairs	110,880	0.37	396
Utilities	161,000	0.54	575
Property Insurance	56,000	0.19	200
Property Taxes	196,000	0.65	700
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$1,012,678	\$3.37	\$3,617

Staff Notes/Comments
Developer states the tenant will not be paying for water/sewer or hot water heating. Used McKinney Housing Authority utilities because Frisco Housing Authority utilities are unrealistically low and they are in the process of adjusting the rates.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Primrose Houston School (#2003-068)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	124	\$ 700	950	0.74
50% AMI	3BD/2BA	108	\$ 800	1,100	0.73
50% AMI	4BD/2BA	48	\$ 890	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,591,040	299,000	\$ 0.72
Averages			\$ 771	1,068	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,700,000	\$ 6,071	\$ 5.69	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,700,000</b>	<b>\$ 6,071</b>	<b>\$ 5.69</b>	<b>0.07</b>
Sitework	1,820,000	6,500	6.09	0.08
Hard Construction Costs	11,520,790	41,146	38.53	0.49
General Requirements (6%)	800,447	2,859	2.68	0.03
Contractor's Overhead (2%)	266,816	953	0.89	0.01
Contractor's Profit (6%)	800,447	2,859	2.68	0.03
Construction Contingency	333,520	1,191	1.12	0.01
<b>Subtotal Construction</b>	<b>\$ 15,542,020</b>	<b>\$ 55,507</b>	<b>\$ 51.98</b>	<b>0.67</b>
Indirect Construction	827,500	2,955	2.77	0.04
Developer's Fee	2,561,321	9,148	8.57	0.11
Financing	2,665,635	9,520	8.92	0.11
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,054,456</b>	<b>\$ 21,623</b>	<b>\$ 20</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,296,476</b>	<b>\$ 83,202</b>	<b>\$ 77.91</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,576,292	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,610,000	7.00%	40	\$1,238,637
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 831,625	32.5%	\$1,729,696	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 278,559		\$ -	
<b>Total Sources</b>	<b>\$ 23,296,476</b>		<b>\$1,238,637</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,440,285	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,982,368	7.20%	40	\$ 1,219,795
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,595,264	62.3%	\$ 966,057	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 278,559		\$ -	
<b>Total Sources</b>	<b>\$ 23,296,476</b>		<b>\$ 1,219,795</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,591,040	\$8.67		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.50% (198,108)	-0.66	-708	
Effective Gross Income	\$2,443,332	8.17	8,726	
Total Operating Expenses	\$1,009,207	\$3.38	\$3,604	
Net Operating Income	\$1,434,125	\$4.80	\$5,122	
Debt Service	1,238,637	4.14	4,424	
Net Cash Flow	\$195,488	\$0.65	\$698	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$195,488	\$0.65	\$698	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	86.75%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,591,040	\$8.67		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (198,108)	-0.66	-708	
Effective Gross Income	\$2,443,332	8.17	8,726	
Total Operating Expenses	43.5% \$1,064,000	\$3.56	\$3,800	
Net Operating Income	\$1,379,332	\$4.61	\$4,926	
Debt Service	1,219,795	4.08	4,356	
Net Cash Flow	\$159,537	\$0.53	\$570	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$34,182	\$0.11	\$122	
Net Cash Flow	\$125,354	\$0.42	\$448	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.46%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.37	392
Management Fees	122,167	0.41	436
Payroll, Payroll Tax & Employee Exp.	203,000	0.68	725
Maintenance/Repairs	110,880	0.37	396
Utilities	161,000	0.54	575
Property Insurance	56,000	0.19	200
Property Taxes	190,400	0.64	680
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,009,207</b>	<b>\$3.38</b>	<b>\$3,604</b>

Staff Notes/Comments
Developer is not showing an expense for water heating or water & sewer on the utility allowance calculation worksheet.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Primrose Villas, McKinney (2003-069)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	136	\$ 679	950	0.71
50% AMI	3BD/2BA	108	\$ 786	1,100	0.71
50% AMI	4BD/2BA	36	\$ 878	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,506,080	294,800	\$ 0.71
Averages			\$ 746	1,053	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,120,000	\$ 7,571	\$ 7.19	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,120,000</b>	<b>\$ 7,571</b>	<b>\$ 7.19</b>	<b>0.09</b>
Sitework	1,820,000	6,500	6.17	0.08
Hard Construction Costs	11,249,257	40,176	38.16	0.48
General Requirements (6%)	784,155	2,801	2.66	0.03
Contractor's Overhead (2%)	261,385	934	0.89	0.01
Contractor's Profit (6%)	784,155	2,801	2.66	0.03
Construction Contingency	424,751	1,517	1.44	0.02
<b>Subtotal Construction</b>	<b>\$ 15,323,703</b>	<b>\$ 54,728</b>	<b>\$ 51.98</b>	<b>0.66</b>
Indirect Construction	827,500	2,955	2.81	0.04
Developer's Fee	2,520,812	9,003	8.55	0.11
Financing	2,543,960	9,086	8.63	0.11
Reserves	0	0.00	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,892,272</b>	<b>\$ 21,044</b>	<b>\$ 20</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,335,975</b>	<b>\$ 83,343</b>	<b>\$ 79.16</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,134,529	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,820,000	7.00%	40	\$1,179,725
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 110,708	4.4%	\$2,410,104	
Source IV	Proceeds	Description	Annual D/S	
Other	GIC Income	\$ 270,739	\$ -	
<b>Total Sources</b>	<b>\$ 23,335,976</b>		<b>\$1,179,725</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,960,516	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,230,952	7.10%	40	\$ 1,149,099
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 873,768	34.7%	\$ 1,647,044	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 270,739		\$ -	
<b>Total Sources</b>	<b>\$ 23,335,975</b>		<b>\$ 1,149,099</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,506,080	\$8.50		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.61% (194,656)	-0.66	-695	
Effective Gross Income	\$2,361,824	8.01	8,435	
Total Operating Expenses	\$1,012,678	\$3.44	\$3,617	
Net Operating Income	\$1,349,146	\$4.58	\$4,818	
Debt Service	1,179,725	4.00	4,213	
Net Cash Flow	\$169,421	\$0.57	\$605	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$169,421	\$0.57	\$605	
DCR after TDHCA Fees	1.14			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	87.48%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,506,080	\$8.50		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (191,736)	-0.65	-685	
Effective Gross Income	\$2,364,744	8.02	8,446	
Total Operating Expenses	45.0% \$1,064,000	\$3.61	\$3,800	
Net Operating Income	\$1,300,744	\$4.41	\$4,646	
Debt Service	1,149,099	3.90	4,104	
Net Cash Flow	\$151,645	\$0.51	\$542	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,431	\$0.11	\$119	
Net Cash Flow	\$118,214	\$0.40	\$422	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.64%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.37	392
Management Fees	120,038	0.41	429
Payroll, Payroll Tax & Employee Exp.	203,000	0.69	725
Maintenance/Repairs	110,880	0.38	396
Utilities	161,000	0.55	575
Property Insurance	56,000	0.19	200
Property Taxes	196,000	0.66	700
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$1,012,678	\$3.44	\$3,617

Staff Notes/Comments
Developer states the tenant will not be paying for water/sewer or hot water heating. Used McKinney Housing Authority utilities because Frisco Housing Authority utilities are unrealistically low and they are in the process of adjusting the rates.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Primrose at Hickory, Frisco (2003-070)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	116	\$ 679	950	0.71
50% AMI	3BD/2BA	116	\$ 786	1,100	0.71
50% AMI	4BD/2BA	48	\$ 878	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,545,008	300,200	\$ 0.71
Averages			\$ 757	1,072	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,125,000	\$ 7,589	\$ 7.08	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,125,000</b>	<b>\$ 7,589</b>	<b>\$ 7.08</b>	<b>0.09</b>
Sitework	1,820,000	6,500	6.06	0.08
Hard Construction Costs	11,567,540	41,313	38.53	0.49
General Requirements (6%)	803,252	2,869	2.68	0.03
Contractor's Overhead (2%)	267,751	956	0.89	0.01
Contractor's Profit (6%)	803,252	2,869	2.68	0.03
Construction Contingency	334,689	1,195	1.11	0.01
<b>Subtotal Construction</b>	<b>\$ 15,596,485</b>	<b>\$ 55,702</b>	<b>\$ 51.95</b>	<b>0.66</b>
Indirect Construction	842,500	3,009	2.81	0.04
Developer's Fee	2,567,221	9,169	8.55	0.11
Financing	2,595,485	9,270	8.65	0.11
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,005,206</b>	<b>\$ 21,447</b>	<b>\$ 20</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,726,691</b>	<b>\$ 84,738</b>	<b>\$ 79.04</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,589,138	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,150,000	7.00%	40	\$1,204,334
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,796,451	70.0%	\$770,770	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 191,101		\$ -	
<b>Total Sources</b>	<b>\$ 23,726,690</b>			<b>\$1,204,334</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,452,818	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,150,000	7.14%	40	\$ 1,224,091
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,932,772	75.3%	\$ 634,449	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 191,101		\$ -	
<b>Total Sources</b>	<b>\$ 23,726,691</b>			<b>\$ 1,224,091</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,545,008	\$8.48		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.50% (194,652)	-0.65	-695	
Effective Gross Income	\$2,400,756	8.00	8,574	
Total Operating Expenses	\$1,012,678	\$3.37	\$3,617	
Net Operating Income	\$1,388,078	\$4.62	\$4,957	
Debt Service	1,204,334	4.01	4,301	
Net Cash Flow	\$183,744	\$0.61	\$656	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$183,744	\$0.61	\$656	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	87.11%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,545,008	\$8.48		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (194,656)	-0.65	-695	
Effective Gross Income	2,400,752	8.00	8,574	
Total Operating Expenses	42.2% \$1,012,678	\$3.37	\$3,617	
Net Operating Income	\$1,388,074	\$4.62	\$4,957	
Debt Service	1,224,091	4.08	4,372	
Net Cash Flow	\$163,983	\$0.55	\$586	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$34,350	\$0.11	\$123	
Net Cash Flow	\$129,633	\$0.43	\$463	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	89.24%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.37	392
Management Fees	120,038	0.40	429
Payroll, Payroll Tax & Employee Exp.	203,000	0.68	725
Maintenance/Repairs	110,880	0.37	396
Utilities	161,000	0.54	575
Property Insurance	56,000	0.19	200
Property Taxes	196,000	0.65	700
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,012,678</b>	<b>\$3.37</b>	<b>\$3,617</b>

Staff Notes/Comments
Developer states that tenant will not pay for water/sewer, hot water or trash collection. Utility allowance is based on McKinney Housing Authority because Frisco was unreasonably low and is in the process of adjusting their rates.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Primrose at Broadway, McKinney (2003-071)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	136	\$ 679	950	0.71
50% AMI	3BD/2BA	108	\$ 786	1,100	0.71
50% AMI	4BD/2BA	36	\$ 878	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,506,080</b>	<b>294,800</b>	<b>\$ 0.71</b>
<b>Averages</b>			<b>\$ 746</b>	<b>1,053</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,120,000	\$ 7,571	\$ 7.19	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,120,000</b>	<b>\$ 7,571</b>	<b>\$ 7.19</b>	<b>0.09</b>
Sitework	1,820,000	6,500	6.17	0.08
Hard Construction Costs	11,249,257	40,176	38.16	0.48
General Requirements (6%)	784,155	2,801	2.66	0.03
Contractor's Overhead (2%)	261,385	934	0.89	0.01
Contractor's Profit (6%)	784,155	2,801	2.66	0.03
Construction Contingency	424,751	1,517	1.44	0.02
<b>Subtotal Construction</b>	<b>\$ 15,323,704</b>	<b>\$ 54,728</b>	<b>\$ 51.98</b>	<b>0.66</b>
Indirect Construction	827,500	2,955	2.81	0.04
Developer's Fee	2,520,812	9,003	8.55	0.11
Financing	2,543,960	9,086	8.63	0.11
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,892,272</b>	<b>\$ 21,044</b>	<b>\$ 20</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,335,976</b>	<b>\$ 83,343</b>	<b>\$ 79.16</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,134,529	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,820,000	7.00%	40	\$1,179,725
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 110,708	4.4%	\$2,410,104	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 270,739		\$ -	
<b>Total Sources</b>	<b>\$ 23,335,976</b>			<b>\$1,179,725</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,960,516	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,230,952	7.10%	40	\$ 1,149,099
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 873,769	34.7%	\$ 1,647,043	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 270,739		\$ -	
<b>Total Sources</b>	<b>\$ 23,335,976</b>			<b>\$ 1,149,099</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,506,080	\$8.50		
Other Income & Loss	500,400	1.70	1,787	
Vacancy & Collection	-6.38% (191,736)	-0.65	-685	
Effective Gross Income	\$2,814,744	9.55	10,053	
Total Operating Expenses	\$1,010,877	\$3.43	\$3,610	
Net Operating Income	\$1,803,867	\$6.12	\$6,442	
Debt Service	1,179,725	4.00	4,213	
Net Cash Flow	\$624,142	\$2.12	\$2,229	
Debt Coverage Ratio	1.53			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$624,142	\$2.12	\$2,229	
DCR after TDHCA Fees	1.53			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	87.41%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,506,080	\$8.50		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (191,736)	-0.65	-685	
Effective Gross Income	2,364,744	8.02	8,446	
Total Operating Expenses	45.0% \$1,064,000	\$3.61	\$3,800	
Net Operating Income	\$1,300,744	\$4.41	\$4,646	
Debt Service	1,149,099	3.90	4,104	
Net Cash Flow	\$151,645	\$0.51	\$542	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,431	\$0.11	\$119	
Net Cash Flow	\$118,214	\$0.40	\$422	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.64%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.37	392
Management Fees	118,237	0.40	422
Payroll, Payroll Tax & Employee Exp.	203,000	0.69	725
Maintenance/Repairs	110,880	0.38	396
Utilities	161,000	0.55	575
Property Insurance	56,000	0.19	200
Property Taxes	196,000	0.66	700
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,010,877</b>	<b>\$3.43</b>	<b>\$3,610</b>

Staff Notes/Comments
Developer states tenant will not be paying for water/sewer, hot water or trash collection.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Hampton Villas, Arlington (2003-072)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	68	\$ 635	950	0.67
50% AMI	3BD/2BA	164	\$ 729	1,100	0.66
50% AMI	4BD/2BA	48	\$ 803	1,300	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,415,360	307,400	\$ 0.65
Averages			\$ 719	1,098	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,650,000	\$ 5,893	\$ 5.37	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,650,000</b>	<b>\$ 5,893</b>	<b>\$ 5.37</b>	<b>0.07</b>
Sitework	1,820,000	6,500	5.92	0.08
Hard Construction Costs	11,239,550	40,141	36.56	0.50
General Requirements (6%)	783,573	2,798	2.55	0.03
Contractor's Overhead (2%)	261,191	933	0.85	0.01
Contractor's Profit (6%)	783,573	2,798	2.55	0.03
Construction Contingency	326,489	1,166	1.06	0.01
<b>Subtotal Construction</b>	<b>\$ 15,214,376</b>	<b>\$ 54,337</b>	<b>\$ 49.49</b>	<b>0.67</b>
Indirect Construction	827,500	2,955	2.69	0.04
Developer's Fee	2,496,455	8,916	8.12	0.11
Financing	2,386,635	8,524	7.76	0.11
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,710,590</b>	<b>\$ 20,395</b>	<b>\$ 19</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,574,966</b>	<b>\$ 80,625</b>	<b>\$ 73.44</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,435,070	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,010,000	7.00%	40	\$ 1,119,322
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,898,585	76.1%	\$597,870	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 231,310		\$ -	
<b>Total Sources</b>	<b>\$ 22,574,965</b>			<b>\$ 1,119,322</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,435,070	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,010,000	7.00%	40	\$ 1,119,322
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,898,585	76.1%	\$ 597,870	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 231,310		\$ -	
<b>Total Sources</b>	<b>\$ 22,574,965</b>			<b>\$ 1,119,322</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,415,360	\$7.86		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	-7.50% (184,932)	-0.60	-660	
Effective Gross Income	\$2,280,828	7.42	8,146	
Total Operating Expenses	\$1,009,481	\$3.28	\$3,605	
Net Operating Income	\$1,271,347	\$4.14	\$4,541	
Debt Service	1,119,322	3.64	3,998	
Net Cash Flow	\$152,025	\$0.49	\$543	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$152,025	\$0.49	\$543	
DCR after TDHCA Fees	1.14			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	88.14%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,415,360	\$7.86		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	7.50% (184,932)	-0.60	-660	
Effective Gross Income	2,280,828	7.42	8,146	
Total Operating Expenses	44.3% \$1,009,481	\$3.28	\$3,605	
Net Operating Income	\$1,271,347	\$4.14	\$4,541	
Debt Service	1,119,322	3.64	3,998	
Net Cash Flow	\$152,025	\$0.49	\$543	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$33,210	\$0.11	\$119	
Net Cash Flow	\$118,815	\$0.39	\$424	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	89.51%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.36	392
Management Fees	114,041	0.37	407
Payroll, Payroll Tax & Employee Exp.	203,000	0.66	725
Maintenance/Repairs	110,880	0.36	396
Utilities	161,000	0.52	575
Property Insurance	56,000	0.18	200
Property Taxes	198,800	0.65	710
Replacement Reserves	56,000	0.18	200
Other Expenses	-	0.00	0
Total Expenses	\$1,009,481	\$3.28	\$3,605

Staff Notes/Comments
Developer states that tenant will not pay for water/sewer, hot water or trash collection.
Higher than average number of 3/2 units



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

PRIMROSE MESQUITE I, MESQUITE, TEXAS (#2003-073)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	116	\$ 687	950	0.72
50% AMI	3BD/2BA	116	\$ 793	1,100	0.72
50% AMI	4BD/2BA	48	\$ 877	1,300	0.67
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,565,312	300,200	\$ 0.71
Averages			\$ 763	1,072	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,150,000	\$ 7,679	\$ 7.16	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,150,000</b>	<b>\$ 7,679</b>	<b>\$ 7.16</b>	<b>0.09</b>
Sitework	1,820,000	6,500	6.06	0.08
Hard Construction Costs	11,567,540	41,313	38.53	0.48
General Requirements (6%)	803,252	2,869	2.68	0.03
Contractor's Overhead (2%)	267,751	956	0.89	0.01
Contractor's Profit (6%)	803,252	2,869	2.68	0.03
Construction Contingency	334,689	1,195	1.11	0.01
<b>Subtotal Construction</b>	<b>\$ 15,596,485</b>	<b>\$ 55,702</b>	<b>\$ 51.95</b>	<b>0.65</b>
Indirect Construction	842,500	3,009	2.81	0.04
Developer's Fee	2,568,695	9,174	8.56	0.11
Financing	2,587,700	9,242	8.62	0.11
Reserves	150,000	536	0.50	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,148,895</b>	<b>\$ 21,960</b>	<b>\$ 20</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,895,380</b>	<b>\$ 85,341</b>	<b>\$ 79.60</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,592,346	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,300,000	7.16%	40	\$1,238,317
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,751,732	68.2%	\$816,963	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 251,301			\$ -
<b>Total Sources</b>	<b>\$ 23,895,379</b>			<b>\$1,238,317</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,592,346	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,100,465	7.16%	40	\$ 1,223,159
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,951,268	76.0%	\$ 617,427	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 251,301			\$ -
<b>Total Sources</b>	<b>\$ 23,895,380</b>			<b>\$ 1,223,159</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,565,312	\$8.55		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.54% (197,256)	-0.66	-704	
Effective Gross Income	\$2,418,456	8.06	8,637	
Total Operating Expenses	\$977,217	\$3.26	\$3,490	
Net Operating Income	\$1,441,239	\$4.80	\$5,147	
Debt Service	1,238,317	4.12	4,423	
Net Cash Flow	\$202,922	\$0.68	\$725	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$202,922	\$0.68	\$725	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	86.37%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,565,312	\$8.55		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (196,178)	-0.65	-701	
Effective Gross Income	2,419,534	8.06	8,641	
Total Operating Expenses	42.8% \$1,036,000	\$3.45	\$3,700	
Net Operating Income	\$1,383,534	\$4.61	\$4,941	
Debt Service	1,223,159	4.07	4,368	
Net Cash Flow	\$160,375	\$0.53	\$573	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$34,300	\$0.11	\$123	
Net Cash Flow	\$126,074	\$0.42	\$450	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.40%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$70,560	0.24	252
Management Fees	120,977	0.40	432
Payroll, Payroll Tax & Employee Exp.	203,000	0.68	725
Maintenance/Repairs	110,880	0.37	396
Utilities	161,000	0.54	575
Property Insurance	56,000	0.19	200
Property Taxes	198,800	0.66	710
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$977,217	\$3.26	\$3,490

Staff Notes/Comments
Supportive service contract fees of \$28,000 and compliance fees of \$11,200 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

MESQUITE MEADOWS, MESQUITE, TEXAS (#2003-074)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	116	\$ 687	950	0.72
50% AMI	3BD/2BA	116	\$ 793	1,100	0.72
50% AMI	4BD/2BA	32	\$ 877	1,300	0.67
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		264	\$ 2,396,928	279,400	\$ 0.71
Averages			\$ 757	1,058	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,200,000	\$ 4,545	\$ 4.29	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,200,000</b>	<b>\$ 4,545</b>	<b>\$ 4.29</b>	<b>0.06</b>
Sitework	1,716,000	6,500	6.14	0.08
Hard Construction Costs	10,741,470	40,687	38.44	0.50
General Requirements (6%)	747,448	2,831	2.68	0.03
Contractor's Overhead (2%)	249,149	944	0.89	0.01
Contractor's Profit (6%)	747,448	2,831	2.68	0.03
Construction Contingency	311,437	1,180	1.11	0.01
<b>Subtotal Construction</b>	<b>\$ 14,512,953</b>	<b>\$ 54,973</b>	<b>\$ 51.94</b>	<b>0.67</b>
Indirect Construction	842,500	3,191	3.02	0.04
Developer's Fee	2,398,392	9,085	8.58	0.11
Financing	2,441,765	9,249	8.74	0.11
Reserves	300,000	1,136	1.07	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,982,657</b>	<b>\$ 22,662</b>	<b>\$ 21</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,695,610</b>	<b>\$ 82,180</b>	<b>\$ 77.65</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,221,576	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,350,000	7.05%	40	\$ 1,151,372
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 917,331	38.2%	\$ 1,481,061	
Source IV	Proceeds	Description	Annual D/S	
Other (GIC Income)	\$ 206,702		\$ -	
<b>Total Sources</b>	<b>\$ 21,695,609</b>			<b>\$ 1,151,372</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,221,576	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,806,186	7.05%	40	\$ 1,110,582
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,461,146	60.9%	\$ 937,246	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 206,702		\$ -	
<b>Total Sources</b>	<b>\$ 21,695,610</b>			<b>\$ 1,110,582</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,396,928	\$8.58		
Other Income & Loss	47,520	0.17	180	
Vacancy & Collection	-7.50% (183,336)	-0.66	-694	
Effective Gross Income	\$2,261,112	8.09	8,565	
Total Operating Expenses	\$917,600	\$3.28	\$3,476	
Net Operating Income	\$1,343,512	\$4.81	\$5,089	
Debt Service	1,151,372	4.12	4,361	
Net Cash Flow	\$192,140	\$0.69	\$728	
Debt Coverage Ratio	1.17			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$192,140	\$0.69	\$728	
DCR after TDHCA Fees	1.17			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	86.32%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,396,928	\$8.58		
Other Income & Loss	47,520	0.17	180	
Vacancy & Collection	7.50% (183,334)	-0.66	-694	
Effective Gross Income	2,261,114	8.09	8,565	
Total Operating Expenses	44.4% \$1,003,200	\$3.59	\$3,800	
Net Operating Income	\$1,257,914	\$4.50	\$4,765	
Debt Service	1,110,582	3.97	4,207	
Net Cash Flow	\$147,333	\$0.53	\$558	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,966	\$0.11	\$121	
Net Cash Flow	\$115,366	\$0.41	\$437	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.52%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$66,400	0.24	252
Management Fees	113,056	0.40	428
Payroll, Payroll Tax & Employee Exp.	191,400	0.69	725
Maintenance/Repairs	104,544	0.37	396
Utilities	151,800	0.54	575
Property Insurance	52,800	0.19	200
Property Taxes	184,800	0.66	700
Replacement Reserves	52,800	0.19	200
Other Expenses	-	0.00	0
Total Exepnses	\$917,600	\$3.28	\$3,476

**Staff Notes/Comments**  
Supportive service contract fees of \$26,400 and compliance fees of \$10,560 were deleted from the Administrative Expenses in the Total Expenses column.



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

PRIMROSE LANGDON, DALLAS, TEXAS (#2003-076)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	136	\$ 687	950	0.72
50% AMI	3BD/2BA	120	\$ 793	1,100	0.72
50% AMI	4BD/2BA	24	\$ 877	1,300	0.67
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		280	\$ 2,515,680	292,400	\$ 0.72
<b>Averages</b>			\$ 749	1,044	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 850,000	\$ 3,036	\$ 2.91	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	\$ 850,000	\$ 3,036	\$ 2.91	0.04
Sitework	1,820,000	6,500	6.22	0.08
Hard Construction Costs	11,243,163	40,154	38.45	0.50
General Requirements (6%)	783,790	2,799	2.68	0.03
Contractor's Overhead (2%)	261,263	933	0.89	0.01
Contractor's Profit (6%)	783,790	2,799	2.68	0.03
Construction Contingency	326,579	1,166	1.12	0.01
<b>Subtotal Construction</b>	\$ 15,218,585	\$ 54,352	\$ 52.05	0.68
Indirect Construction	842,500	3,009	2.88	0.04
Developer's Fee	2,522,699	9,010	8.63	0.11
Financing	2,771,638	9,899	9.48	0.12
Reserves	300,000	1,071	1.03	0.01
<b>Subtotal Other Costs</b>	\$ 6,436,837	\$ 22,989	\$ 22	0
<b>Total Uses</b>	\$ 22,505,422	\$ 80,377	\$ 76.97	1.00

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,492,207	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,930,000	7.12%	40	\$1,204,626
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 792,172	31.4%	\$1,730,527	
Source IV	Proceeds	Description		Annual D/S
Other (GIC Income)	\$ 291,041			\$ -
<b>Total Sources</b>	\$ 22,505,420			\$1,204,626

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,492,207	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,301,638	7.12%	40	\$ 1,157,110
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,420,536	56.3%	\$ 1,102,163	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 291,041			\$ -
<b>Total Sources</b>	\$ 22,505,422			\$ 1,157,110

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,515,680	\$8.60		
Other Income & Loss	47,520	0.16	170	
Vacancy & Collection	-7.15% (183,336)	-0.63	-655	
Effective Gross Income	\$2,379,864	8.14	8,500	
Total Operating Expenses	\$969,321	\$3.32	\$3,462	
Net Operating Income	\$1,410,543	\$4.82	\$5,038	
Debt Service	1,204,626	4.12	4,302	
Net Cash Flow	\$205,917	\$0.70	\$735	
Debt Coverage Ratio	1.17			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$205,917	\$0.70	\$735	
DCR after TDHCA Fees	1.17			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	86.42%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,515,680	\$8.60		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (192,456)	-0.66	-687	
Effective Gross Income	2,373,624	8.12	8,477	
Total Operating Expenses	44.8% \$1,064,000	\$3.64	\$3,800	
Net Operating Income	\$1,309,624	\$4.48	\$4,677	
Debt Service	1,157,110	3.96	4,133	
Net Cash Flow	\$152,514	\$0.52	\$545	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,502	\$0.11	\$120	
Net Cash Flow	\$119,013	\$0.41	\$425	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.62%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$70,560	0.24	252
Management Fees	118,681	0.41	424
Payroll, Payroll Tax & Employee Exp.	203,000	0.69	725
Maintenance/Repairs	110,880	0.38	396
Utilities	161,000	0.55	575
Property Insurance	56,000	0.19	200
Property Taxes	193,200	0.66	690
Replacement Reserves	56,000	0.19	200
Other Expenses	-	0.00	0
<b>Total Expnses</b>	\$969,321	\$3.32	\$3,462

<b>Staff Notes/Comments</b>
Supportive service contract fees of \$28,000 and compliance fees of \$11,200 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Arbor Bend Villas, Fort Worth (2003-077)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	3BD/2BA	124	\$ 726	1,100	0.66
50% AMI	4BD/2BA	80	\$ 810	1,300	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		204	\$ 1,857,888	240,400	\$ 0.64
Averages			\$ 759	1,178	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,700,000	\$ 8,333	\$ 7.07	0.10
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,700,000</b>	<b>\$ 8,333</b>	<b>\$ 7.07</b>	<b>0.10</b>
Sitework	1,326,000	6,500	5.52	0.07
Hard Construction Costs	8,492,840	41,632	35.33	0.48
General Requirements (6%)	589,130	2,888	2.45	0.03
Contractor's Overhead (2%)	196,377	963	0.82	0.01
Contractor's Profit (6%)	589,130	2,888	2.45	0.03
Construction Contingency	245,471	1,203	1.02	0.01
<b>Subtotal Construction</b>	<b>\$ 11,438,949</b>	<b>\$ 56,073</b>	<b>\$ 47.58</b>	<b>0.64</b>
Indirect Construction	827,500	4,056	3.44	0.05
Developer's Fee	1,912,860	9,377	7.96	0.11
Financing	1,983,561	9,723	8.25	0.11
Reserves	0	0.00	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 4,723,921</b>	<b>\$ 23,156</b>	<b>\$ 20</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 17,862,870</b>	<b>\$ 87,563</b>	<b>\$ 74.30</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,164,516	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,010,000	7.00%	40	\$ 895,607
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,513,379	79.1%	\$399,481	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 174,974		\$ -	
<b>Total Sources</b>	<b>\$ 17,862,869</b>		<b>\$ 895,607</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,164,516	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,010,000	7.00%	40	\$ 895,607
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,513,379	79.1%	\$ 399,481	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 174,974		\$ -	
<b>Total Sources</b>	<b>\$ 17,862,869</b>		<b>\$ 895,607</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,857,888	\$7.73	180	
Other Income & Loss	36,720	0.15	180	
Vacancy & Collection	-7.50% (142,092)	-0.59	-697	
Effective Gross Income	\$1,752,516	7.29	8,591	
Total Operating Expenses	\$734,918	\$3.06	\$3,603	
Net Operating Income	\$1,017,598	\$4.23	\$4,988	
Debt Service	895,607	3.73	4,390	
Net Cash Flow	\$121,991	\$0.51	\$598	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$121,991	\$0.51	\$598	
DCR after TDHCA Fees	1.14			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	87.76%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,857,888	\$7.73	180	
Other Income & Loss	36,720	0.15	180	
Vacancy & Collection	7.50% (142,096)	-0.59	-697	
Effective Gross Income	1,752,512	7.29	8,591	
Total Operating Expenses	41.9% \$734,918	\$3.06	\$3,603	
Net Operating Income	\$1,017,594	\$4.23	\$4,988	
Debt Service	895,607	3.73	4,390	
Net Cash Flow	\$121,988	\$0.51	\$598	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$25,270	\$0.11	\$124	
Net Cash Flow	\$96,718	\$0.40	\$474	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	89.12%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$79,968	0.33	392
Management Fees	87,626	0.36	430
Payroll, Payroll Tax & Employee Exp.	147,900	0.62	725
Maintenance/Repairs	80,784	0.34	396
Utilities	117,300	0.49	575
Property Insurance	40,800	0.17	200
Property Taxes	139,740	0.58	685
Replacement Reserves	40,800	0.17	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$734,918</b>	<b>\$3.06</b>	<b>\$3,603</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

PRIMROSE AT LEGENDARY LANE, DALLAS, TEXAS (#2003-078)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	128	\$ 687	950	0.72
50% AMI	3BD/2BA	128	\$ 793	1,100	0.72
50% AMI	4BD/2BA	24	\$ 877	1,300	0.67
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,525,856	293,600	\$ 0.72
Averages			\$ 752	1,049	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,150,000	\$ 4,107	\$ 3.92	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,150,000</b>	<b>\$ 4,107</b>	<b>\$ 3.92</b>	<b>0.05</b>
Sitework	1,820,000	6,500	6.20	0.08
Hard Construction Costs	11,283,488	40,298	38.43	0.49
General Requirements (6%)	786,209	2,808	2.68	0.03
Contractor's Overhead (2%)	262,070	936	0.89	0.01
Contractor's Profit (6%)	786,209	2,808	2.68	0.03
Construction Contingency	327,587	1,170	1.12	0.01
<b>Subtotal Construction</b>	<b>\$ 15,265,563</b>	<b>\$ 54,520</b>	<b>\$ 51.99</b>	<b>0.67</b>
Indirect Construction	842,500	3,009	2.87	0.04
Developer's Fee	2,527,724	9,028	8.61	0.11
Financing	2,757,000	9,846	9.39	0.12
Reserves	300,000	1,071	1.02	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,427,224</b>	<b>\$ 22,954</b>	<b>\$ 22</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,842,787</b>	<b>\$ 81,581</b>	<b>\$ 77.80</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,503,147	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,020,000	7.13%	40	\$1,212,835
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,101,001	43.6%	\$1,426,723	
Source IV	Proceeds	Description	Annual D/S	
Other (GIC Income)	\$ 218,639		\$ -	
<b>Total Sources</b>	<b>\$ 22,842,787</b>		<b>\$1,212,835</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,503,147	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,395,705	7.13%	40	\$ 1,165,571
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,725,296	68.3%	\$ 802,428	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 218,639		\$ -	
<b>Total Sources</b>	<b>\$ 22,842,787</b>		<b>\$ 1,165,571</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,525,856	\$8.60		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	-7.50% (193,224)	-0.66	-690	
Effective Gross Income	<b>\$2,383,032</b>	<b>8.12</b>	<b>8,511</b>	
Total Operating Expenses	<b>\$969,792</b>	<b>\$3.30</b>	<b>\$3,464</b>	
Net Operating Income	\$1,413,240	\$4.81	\$5,047	
Debt Service	1,212,835	4.13	4,332	
Net Cash Flow	<b>\$200,405</b>	<b>\$0.68</b>	<b>\$716</b>	
Debt Coverage Ratio	<b>1.17</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	<b>\$200,405</b>	<b>\$0.68</b>	<b>\$716</b>	
DCR after TDHCA Fees	<b>1.17</b>			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	86.41%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,525,856	\$8.60		
Other Income & Loss	50,400	0.17	180	
Vacancy & Collection	7.50% (193,219)	-0.66	-690	
Effective Gross Income	<b>2,383,037</b>	<b>8.12</b>	<b>8,511</b>	
Total Operating Expenses	<b>\$1,064,000</b>	<b>\$3.62</b>	<b>\$3,800</b>	
Net Operating Income	\$1,319,037	\$4.49	\$4,711	
Debt Service	1,165,571	3.97	4,163	
Net Cash Flow	<b>\$153,466</b>	<b>\$0.52</b>	<b>\$548</b>	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,596	\$0.11	\$120	
Net Cash Flow	<b>\$119,870</b>	<b>\$0.41</b>	<b>\$428</b>	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.60%			

Applicant - Annual Operating Expenses				
		Per S.F.	Per Unit	
General & Administrative Expenses	\$70,560	0.24	252	
Management Fees	119,152	0.41	426	
Payroll, Payroll Tax & Employee Exp.	203,000	0.69	725	
Maintenance/Repairs	110,880	0.38	396	
Utilities	161,000	0.55	575	
Property Insurance	56,000	0.19	200	
Property Taxes	193,200	0.66	690	
Replacement Reserves	56,000	0.19	200	
Other Expenses	-	0.00	0	
Total Expnses	<b>\$969,792</b>	<b>\$3.30</b>	<b>\$3,464</b>	

Staff Notes/Comments
Supportive service contract fees of \$28,000 and compliance fees of \$11,200 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Parks at Riverplace, Fort Worth (2003-079)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	48	\$ 628	950	0.66
50% AMI	3BD/2BA	200	\$ 726	1,100	0.66
50% AMI	4BD/2BA	32	\$ 810	1,300	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,415,168</b>	<b>307,200</b>	<b>\$ 0.66</b>
<b>Averages</b>			<b>\$ 719</b>	<b>1,097</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,700,000	\$ 6,071	\$ 5.53	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,700,000</b>	<b>\$ 6,071</b>	<b>\$ 5.53</b>	<b>0.08</b>
Sitework	1,820,000	6,500	5.92	0.08
Hard Construction Costs	11,232,400	40,116	36.56	0.50
General Requirements (6%)	783,144	2,797	2.55	0.03
Contractor's Overhead (2%)	261,048	932	0.85	0.01
Contractor's Profit (6%)	783,144	2,797	2.55	0.03
Construction Contingency	326,310	1,165	1.06	0.01
<b>Subtotal Construction</b>	<b>\$ 15,206,046</b>	<b>\$ 54,307</b>	<b>\$ 49.50</b>	<b>0.67</b>
Indirect Construction	827,500	2,955	2.69	0.04
Developer's Fee	2,495,303	8,912	8.12	0.11
Financing	2,423,160	8,654	7.89	0.11
Reserves	0	0.00	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,745,963</b>	<b>\$ 20,521</b>	<b>\$ 19</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,652,009</b>	<b>\$ 80,900</b>	<b>\$ 73.74</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,432,564	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,020,000	7.00%	40	\$ 1,120,068
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,969,504	78.9%	\$525,799	
Source IV	Proceeds	Description	Annual D/S	
Other GIC Income	\$ 229,941		\$ -	
<b>Total Sources</b>	<b>\$ 22,652,009</b>			<b>\$ 1,120,068</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,432,564	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,020,000	7.00%	40	\$ 1,120,068
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,969,504	78.9%	\$ 525,799	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 229,941		\$ -	
<b>Total Sources</b>	<b>\$ 22,652,009</b>			<b>\$ 1,120,068</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,415,168	\$7.86		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	-7.50% (184,920)	-0.60	-660	
<b>Effective Gross Income</b>	<b>\$2,280,648</b>	<b>7.42</b>	<b>8,145</b>	
Total Operating Expenses	\$1,008,073	\$3.28	\$3,600	
Net Operating Income	\$1,272,575	\$4.14	\$4,545	
Debt Service	1,120,068	3.65	4,000	
Net Cash Flow	\$152,507	\$0.50	\$545	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$152,507	\$0.50	\$545	
DCR after TDHCA Fees	<b>1.14</b>			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	88.12%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,415,168	\$7.86		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	7.50% (184,918)	-0.60	-660	
<b>Effective Gross Income</b>	<b>2,280,650</b>	<b>7.42</b>	<b>8,145</b>	
Total Operating Expenses	44.2% \$1,008,073	\$3.28	\$3,600	
Net Operating Income	\$1,272,577	\$4.14	\$4,545	
Debt Service	1,120,068	3.65	4,000	
Net Cash Flow	\$152,510	\$0.50	\$545	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$33,220	\$0.11	\$119	
Net Cash Flow	\$119,290	\$0.39	\$426	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	89.49%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$109,760	0.36	392
Management Fees	114,033	0.37	407
Payroll, Payroll Tax & Employee Exp.	203,000	0.66	725
Maintenance/Repairs	110,880	0.36	396
Utilities	161,000	0.52	575
Property Insurance	56,000	0.18	200
Property Taxes	197,400	0.64	705
Replacement Reserves	56,000	0.18	200
Other Expenses	-	0.00	0
<b>Total Expnses</b>	<b>\$1,008,073</b>	<b>\$3.28</b>	<b>\$3,600</b>

Staff Notes/Comments
Developer states the tenant will not be paying for water/sewer or hot water heating.
Development has an extremely high number of 3/2 units.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

STONEBROOK VILLAS, MCKINNEY, TEXAS (#2003-080)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	2BD/2BA	74	\$ 679	950	0.71
50% AMI	3BD/2BA	140	\$ 786	1,100	0.71
50% AMI	4BD/2BA	36	\$ 878	1,300	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		250	\$ 2,302,728	271,100	\$ 0.71
Averages			\$ 768	1,084	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,950,000	\$ 7,800	\$ 7.19	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,950,000</b>	<b>\$ 7,800</b>	<b>\$ 7.19</b>	<b>0.09</b>
Sitework	1,625,000	6,500	5.99	0.08
Hard Construction Costs	10,372,617	41,490	38.26	0.48
General Requirements (6%)	719,857	2,879	2.66	0.03
Contractor's Overhead (2%)	239,952	960	0.89	0.01
Contractor's Profit (6%)	719,857	2,879	2.66	0.03
Construction Contingency	419,917	1,680	1.55	0.02
<b>Subtotal Construction</b>	<b>\$ 14,097,200</b>	<b>\$ 56,389</b>	<b>\$ 52.00</b>	<b>0.65</b>
Indirect Construction	827,500	3,310	3.05	0.04
Developer's Fee	2,331,705	9,327	8.60	0.11
Financing	2,418,310	9,673	8.92	0.11
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,577,515</b>	<b>\$ 22,310</b>	<b>\$ 21</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 21,624,715</b>	<b>\$ 86,499</b>	<b>\$ 79.77</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,076,391	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	40	\$1,118,576
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,314,644	56.4%	\$1,017,061	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 233,679		\$ -	
<b>Total Sources</b>	<b>\$ 21,624,714</b>			<b>\$1,118,576</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,076,391	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,467,756	7.00%	40	\$ 1,078,886
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,846,889	79.2%	\$ 484,816	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 233,679		\$ -	
<b>Total Sources</b>	<b>\$ 21,624,715</b>			<b>\$ 1,078,886</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,302,728	\$8.49		
Other Income & Loss	45,000	0.17	180	
Vacancy & Collection	-7.50% (176,076)	-0.65	-704	
Effective Gross Income	\$2,171,652	8.01	8,687	
Total Operating Expenses	\$865,582	\$3.19	\$3,462	
Net Operating Income	\$1,306,070	\$4.82	\$5,224	
Debt Service	1,118,576	4.13	4,474	
Net Cash Flow	\$187,494	\$0.69	\$750	
Debt Coverage Ratio	1.17			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$187,494	\$0.69	\$750	
DCR after TDHCA Fees	1.17			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	86.17%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,302,728	\$8.49		
Other Income & Loss	45,000	0.17	180	
Vacancy & Collection	7.50% (176,080)	-0.65	-704	
Effective Gross Income	2,171,648	8.01	8,687	
Total Operating Expenses	43.7% \$950,000	\$3.50	\$3,800	
Net Operating Income	\$1,221,648	\$4.51	\$4,887	
Debt Service	1,078,886	3.98	4,316	
Net Cash Flow	\$142,762	\$0.53	\$571	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$30,718	\$0.11	\$123	
Net Cash Flow	\$112,045	\$0.41	\$448	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	89.44%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,000	0.23	252
Management Fees	108,582	0.40	434
Payroll, Payroll Tax & Employee Exp.	181,250	0.67	725
Maintenance/Repairs	99,000	0.37	396
Utilities	143,750	0.53	575
Property Insurance	50,000	0.18	200
Property Taxes	170,000	0.63	680
Replacement Reserves	50,000	0.18	200
Other Expenses	-	0.00	0
Total Expenses	\$865,582	\$3.19	\$3,462

Staff Notes/Comments
Supportive service contract fees of \$25,000 and compliance fees of \$10,000 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

WEST VIRGINIA APTS, DALLAS (#2003-099)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	48	\$ 565	700	0.81
50% AMI	2BD/2BA	96	\$ 673	900	0.75
50% AMI	2BD/2BA	54	\$ 673	970	0.69
50% AMI	3BD/2BA	42	\$ 776	1,200	0.65
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		240	\$ 1,927,944	222,780	\$ 0.72
Averages			\$ 669	928	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,301,925	\$ 5,425	\$ 5.84	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,301,925</b>	<b>\$ 5,425</b>	<b>\$ 5.84</b>	<b>0.07</b>
Sitework	1,793,150	7,471	8.05	0.10
Hard Construction Costs	8,677,510	36,156	38.95	0.46
General Requirements (6%)	628,240	2,618	2.82	0.03
Contractor's Overhead (2%)	209,413	873	0.94	0.01
Contractor's Profit (6%)	628,240	2,618	2.82	0.03
Construction Contingency	332,967	1,387	1.49	0.02
<b>Subtotal Construction</b>	<b>\$ 12,269,520</b>	<b>\$ 51,123</b>	<b>\$ 55.07</b>	<b>0.65</b>
Indirect Construction	853,500	3,556	3.83	0.05
Developer's Fee	2,081,159	8,671	9.34	0.11
Financing	2,290,463	9,544	10.28	0.12
Reserves	60,027	250	0.27	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,285,149</b>	<b>\$ 22,021</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 18,856,594</b>	<b>\$ 78,569</b>	<b>\$ 84.64</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,890,789	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,100,000	6.25%	30	\$ 820,135
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,295,027	62.2%	\$786,132	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 570,777			\$ -
<b>Total Sources</b>	<b>\$ 18,856,593</b>			<b>\$ 820,135</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,890,789	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,851,670	6.25%	30	\$ 801,787
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,543,358	74.2%	\$ 537,801	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 570,777			\$ -
<b>Total Sources</b>	<b>\$ 18,856,594</b>			<b>\$ 801,787</b>

Applicant - Operating Proforma/Debt Coverage					
			Per S.F.	Per Unit	
Potential Gross Income		\$1,927,944	\$8.65		
Other Income & Loss		43,200	0.19	180	
Vacancy & Collection	-7.50%	(147,840)	-0.66	-616	
Effective Gross Income		\$1,823,304	8.18	7,597	
Total Operating Expenses		\$890,125	\$4.00	\$3,709	
Net Operating Income		\$933,179	\$4.19	\$3,888	
Debt Service		820,135	3.68	3,417	
Net Cash Flow		\$113,044	\$0.51	\$471	
Debt Coverage Ratio			1.14		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0	
Net Cash Flow		\$113,044	\$0.51	\$471	
DCR after TDHCA Fees			1.14		
Break-even Rents/S.F.		0.64			
Break-even Occupancy		88.71%			

TDHCA - Operating Proforma/Debt Coverage					
			Per S.F.	Per Unit	
Potential Gross Income		\$1,927,944	\$8.65		
Other Income & Loss		43,200	0.19	180	
Vacancy & Collection	7.50%	(147,836)	-0.66	-616	
Effective Gross Income		\$1,823,308	8.18	7,597	
Total Operating Expenses	50.0%	\$912,000	\$4.09	\$3,800	
Net Operating Income		\$911,308	\$4.09	\$3,797	
Debt Service		801,787	3.60	3,341	
Net Cash Flow		\$109,521	\$0.49	\$456	
Debt Coverage Ratio			1.14		
TDHCA/TSAHC Fees		\$26,452	\$0.12	\$110	
Net Cash Flow		\$83,069	\$0.37	\$346	
DCR after TDHCA Fees			1.10		
Break-even Rents/S.F.		0.65			
Break-even Occupancy		90.26%			

Applicant - Annual Operating Expenses				
		Per S.F.	Per Unit	
General & Administrative Expenses	\$55,200	0.25	230	
Management Fees	91,165	0.41	380	
Payroll, Payroll Tax & Employee Exp.	216,000	0.97	900	
Maintenance/Repairs	99,360	0.45	414	
Utilities	98,400	0.44	410	
Property Insurance	54,000	0.24	225	
Property Taxes	216,000	0.97	900	
Replacement Reserves	60,000	0.27	250	
Other Expenses	-	0.00	0	
Total Expenses	\$890,125	\$4.00	\$3,709	

Staff Notes/Comments	
Supportive service contract fees of \$18,000 and compliance fees of \$26,702 were deleted from the Administrative Expenses in the Total Expenses column.	



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

JOHNNY MORRIS APTS, AUSTIN (#2003-113)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
50% AMI	1BD/1BA	16	\$ 603	684	0.88
50% AMI	1BD/1.5BA	32	\$ 603	795	0.76
50% AMI	1BD/1.5BA	10	\$ 603	826	0.73
50% AMI	2BD/1.5BA	114	\$ 724	1,027	0.70
50% AMI	2BD/2BA	40	\$ 724	1,102	0.66
50% AMI	2BD/2BA	10	\$ 724	1,128	0.64
50% AMI	3BD/2.5BA	58	\$ 832	1,143	0.73
Totals		280	\$ 2,423,592	283,376	\$ 0.71
Averages			\$ 721	1,012	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,755,000	\$ 6,268	\$ 6.19	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,755,000</b>	<b>\$ 6,268</b>	<b>\$ 6.19</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,682,245	38,151	37.70	0.46
General Requirements (6%)	765,115	2,733	2.70	0.03
Contractor's Overhead (2%)	255,038	911	0.90	0.01
Contractor's Profit (6%)	765,115	2,733	2.70	0.03
Construction Contingency	405,511	1,448	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,942,699</b>	<b>\$ 53,367</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,559,600	9,141	9.03	0.11
Financing	3,006,349	10,737	10.61	0.13
Reserves	95,174	340	0.34	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,774,623</b>	<b>\$ 24,195</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,472,322</b>	<b>\$ 83,830</b>	<b>\$ 82.83</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,245,034	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,495,381	6.25%	30	\$1,071,007
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 925,739	36.2%	\$1,633,861	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 806,169		\$ -	
<b>Total Sources</b>	<b>\$ 23,472,323</b>		<b>\$1,071,007</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,245,034	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,495,381	6.25%	30	\$ 1,071,007
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 925,739	36.2%	\$ 1,633,861	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 806,169		\$ -	
<b>Total Sources</b>	<b>\$ 23,472,323</b>		<b>\$ 1,071,007</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,423,592	\$8.55		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (185,568)	-0.65	-663	
Effective Gross Income	\$2,288,424	8.08	8,173	
Total Operating Expenses	\$1,072,710	\$3.79	\$3,831	
Net Operating Income	\$1,215,714	\$4.29	\$4,342	
Debt Service	1,071,007	3.78	3,825	
Net Cash Flow	\$144,707	\$0.51	\$517	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$144,707	\$0.51	\$517	
DCR after TDHCA Fees	<b>1.14</b>			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	88.45%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,423,592	\$8.55		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (185,549)	-0.65	-663	
Effective Gross Income	\$2,288,443	8.08	8,173	
Total Operating Expenses	46.9% \$1,072,710	\$3.79	\$3,831	
Net Operating Income	\$1,215,733	\$4.29	\$4,342	
Debt Service	1,071,007	3.78	3,825	
Net Cash Flow	\$144,726	\$0.51	\$517	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$32,695	\$0.12	\$117	
Net Cash Flow	\$112,031	\$0.40	\$400	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.80%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	114,430	0.40	409
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.41	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expnses</b>	<b>\$1,072,710</b>	<b>\$3.79</b>	<b>\$3,831</b>

Staff Notes/Comments
Supportive service contract fees of \$18,000 and compliance fees of \$31,627 were deleted from the Administrative Expenses in the Total Expenses column.

# Texas Department of Housing and Community

## 2003 Multifamily Private-Activity Bonds

### Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-001	Woodway Square Apartments New Construction 1700 block of Teri Road County: Travis City: Austin	240	\$15,000,000	Joyce Rinehart/Chris Richardson Teri Road Housing, Ltd  (713) 914-9200	
2003-002	Sundown Village New Construction 20300 Saums Road County: Harris City: Houston	240	\$13,300,000	Joyce Rinehart/Chris Richardson Saums Sundown Village, Ltd  (713) 914-9200	
2003-003	Timber Ridge II New Construction 5321 Aldine Bender Road County: Harris City: Houston	124	\$7,000,000	Joyce Rinehart/Chris Richardson Timber Ridge Housing II, Ltd  (713) 914-9200	
2003-005	Derby House New Construction Garth Road & Eastchase Street County: Harris City: Baytown	248	\$13,800,000	Todd Borck Wendover Texas IV, Ltd  (407) 333-3233	
2003-007	Surrey Station New Construction Wells Branch Pkwy & 10th Street County: Travis City: Pflugerville	248	\$15,000,000	Todd Borck Wendover Tx IV, Ltd  (407) 333-3233	
2003-009	Meadow Crossing Annex New Construction Hwy 80 & E. Meadow Blvd. County: Dallas City: Mesquite	276	\$15,000,000	Daniel Ndogo Mesquite Shilling Enterprises, LP  (972) 222-0590	



**Priority 2 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-010	Center Square Villas New Construction Western Center Blvd & Watauga Smithfield Rd County: Tarrant City: Ft Worth	280	\$15,000,000	Daniel Ndogo Mesquite Shillingi Enterprises, LP  (972) 222-0590	
2003-011	Alsbury Place New Construction Stonebrooke Drive at NE Albury Blvd County: Johnson City: Burleson	276	\$14,700,000	Daniel Ndogo Mesquite Shillingi Enterprises, LP  (972) 222-0590	
2003-012	Hillery Garden Villas New Construction SH 174 & Hillery Street County: Johnson City: Burleson	280	\$15,000,000	Daniel Ndogo Mesquite Shillingi Enterprises, LP  (972) 222-0590	
2003-013	Freeway Villas New Construction FM 1187 & M K T County: Tarrant City: Ft Worth	280	\$15,000,000	Daniel Ndogo Mesquite Shillingi Enterprises, LP  (972) 222-0590	
2003-015	Silver Spring Apartments New Construction NE corner of Fondren Road & Beltway 8 County: Harris City: Houston	262	\$15,000,000	Bob Seldomridge Finlay Interests 33, Ltd  (904) 280-1000	
2003-017	The Vines New Construction Center Drive & Hwy 183 County: Williamson City: Cedar Park	262	\$15,000,000	Bob Seldomridge Finalay Interests 39, Ltd  (904) 280-1000	
2003-018	Main Street Apartments New Construction Hwy 146 & S. Main Street & S. Alexander Drive County: Harris City: Baytown	262	\$15,000,000	Bob Seldomridge Finalay Interests 32, Ltd  (904) 280-1000	

## Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-019	Meadow Brook Apartments New Construction NE corner of Fondren Road & Minetta County: Harris City: Houston	262	\$15,000,000	Bob Seldomridge Finlay Interests 29, Ltd  (904) 280-1000	
2003-020	Amber Ridge Apartments New Construction Intersection of Amberwood South & Amberwood Loop County: Hays City: Kyle	264	\$15,000,000	Bob Seldomridge Finlay Interests 31, Ltd  (904) 280-1000	
2003-023	Wood Hollow Apartments New Construction Blockhouse Drive??? County: Williamson City: Cedar Park	262	\$15,000,000	Bob Seldomridge Finlay Interests 35, Ltd  (904) 280-1000	
2003-025	Waterford Park Apartments New Construction NE corner (back) Perry Road & Mills Road County: Harris City: Houston	236	\$15,000,000	Cliff Bates Harris Park Partners II, LP  (601) 321-7623	
2003-026	Lincoln Park Apartments New Construction 5800 Matlock Road County: Tarrant City: Arlington	196	\$15,000,000	Cliff Bates Arlington Partners II, LP  (601) 321-7623	
2003-027	Asbury Park Apartments New Construction NE corner (front) Perry Road & Mills Road County: Harris City: Houston	236	\$15,000,000	Cliff Bates Harris Park Partners III, LP  (601) 321-7623	
2003-028	Addison Park Apartments New Construction 6501 Joplin Road County: Tarrant City: Arlington	228	\$15,000,000	Cliff Bates Arlington Partners, LP  (601) 321-7623	

## Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-029	Southpark Apartments New Construction SW corner of Slaughter Lane and S. 1st County: Travis City: Austin	192	\$11,000,000	Gregory Thorse S.P. - Southpark Apartment Venture I, LLC (210) 530-0090	
2003-030	Vista Pointe @ The Quarry New Construction 2200 FM 1431 & Lime Creek Road County: Williamson City: Cedar Park	280	\$15,000,000	Larry Paul Manley Quarry Cedar Park Partners, Ltd  (512) 370-2777	
2003-036	Eagle Glen Apartments New Construction 19821 Kenswick Drive County: Harris City: Humble	276	\$14,000,000	Lewis Foley 276 HOU Eagle Glen, Ltd  (281) 847-1000	
2003-037	Albender West Apartments New Construction 2400 block of Aldine Bender Road County: Harris City: Houston	280	\$14,200,000	Sally Gaskin Albender West Apartments, LP  (713) 334-5514	
2003-038	Albender Eas Apartments New Construction 2400 block of Aldine Bender Road County: Harris City: Houston	280	\$14,200,000	Sally Gaskin Abender East Apartments, LP  (713) 334-5514	
2003-039	Kensington Apartments New Construction 4500 block of South Shaver County: Harris City: Houston	280	\$14,800,000	Sally Gaskin Kensington Apartments, LP  (713) 334-5514	
2003-040	Wittershaw Apartments New Construction 300 Block of Wittershaw County: Harris City: Houston	248	\$13,100,000	Sally Gaskin Wittershaw Apartments, LP  (713) 334-5514	

## Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-041	Alemeda Apartments New Construction 900 block of Bammel County: Harris City: Houston	280	\$14,800,000	Sally Gaskin Alemeda Apartments, LP  (713) 334-5514	
2003-042	Fallbrook Belt 8 Apartments New Construction SW corner of Beltway 8 & Fallbrook County: Harris City: Houston	248	\$13,100,000	Steve Ford Fallbrook Belt 8 Apartments, LP  (713) 334-5514	
2003-043	Park 10 Barker Cypress Apts New Construction 17500 block of S Park View Drive County: Harris City: Houston	280	\$15,000,000	Steve Ford Park 10 Barker Cypress Apartments, LP (713) 334-5514	
2003-045	Peppertree Apartments New Construction 2904 1st Street County: Fort Bend City: Rosenberg	280	\$15,000,000	Dwayne Henson Peppertree Apartments, LP  (713) 334-5514	
2003-047	The Park at Steeplechase New Construction Jones Road & Fallbrook County: Harris City: Houston	280	\$15,000,000	Todd Triggs Camden Realty, Inc  (713) 354-2614	
2003-048	Coughtrey Estates New Construction NW corner Osler Drive & Timber Oaks Lane County: Dallas City: Grand Prairie	200	\$10,000,000	Robert Sherman RMH Holdings, Inc & KPE Development, LLC (214) 750-1709	
2003-055	Ashford Point Development New Construction SW corner of Ashford Pointe Drive & Ashburnham County: Harris City: Houston	260	\$15,000,000	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	

**Priority 2 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-060	Parkview Townhome New Construction Sublett Road & Cooper Street County: Tarrant City: Arlington	224	\$15,000,000	Don Paxton Dove Lane Apartments Limited Partnership (513) 489-1990	
2003-061	Parkway Pointe New Construction Veterans Memorial & Gears Drive County: Harris City: Houston	250	\$15,000,000	Don Paxton Trails of Sycamore Townhomes Limited Partnership (513) 489-1990	
2003-062	Parkside Village Apartments New Construction Susan Road & Park Row Drive County: Tarrant City: Arlington	160	\$11,000,000	Don Paxton Brisben Berkshire Limited Partnership (513) 489-1990	
2003-063	Brookglen Village Apartments New Construction Galveston Road & Brookglen County: Harris City: Houston	196	\$11,600,000	Don Paxton Brisben Clarkridge Plaza Limited Partnership (513) 489-1990	
2003-064	Bellfort Village Apartments New Construction S Gessner Road & Bellfort County: Harris City: Houston	230	\$13,700,000	Don Paxton Ascot Park Townhomes Limited Partnership (513) 489-1990	
2003-065	Parkland Pointe II New Construction 975 Mineral Springs Road County: Tarrant City: Arlington	148	\$10,000,000	Don Paxton Brisben Oarkland Pointe II Limited Partnership (513) 489-1990	
2003-066	Pineview Townhomes New Construction Cypress North Houston & Huffmeister County: Harris City: Houston	240	\$14,200,000	Don Paxton Cobblestone Townhomes Limited Partnership (513) 489-1990	

## Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-081	Yager Park Two Apartments New Construction 500 block of E Yager Lane County: Travis City: Austin	280	\$15,000,000	Brent Stewart Yager Two Apartments Limited Partnership (512) 477-9900	
2003-082	Stafford Apartments New Construction 12600 block of Stafford Road County: Harris City: Houston	280	\$15,000,000	Brent Stewart Stafford Apartments Limited Partnership (512) 477-9900	
2003-083	Woodline Park Apartments New Construction End of Woodline Drive, East of I-45 County: Montgomery City: The Woodlands	280	\$15,000,000	Brent Stewart Woodline Park Apartments Limited Partnership (512) 477-9900	
2003-084	Highland Apartments New Construction 6600 block of John Martin Road County: Harris City: Baytown	280	\$14,700,000	Brent Stewart TLO Highland Apartments Limited Partnership (512) 477-9900	
2003-085	Brookglen Park Apartments New Construction 12100 block of Antoine County: Harris City: Houston	280	\$15,000,000	Brent Stewart Brookglen Park Apartments Limited Partnership (512) 477-9900	
2003-086	West Montgomery Apartments New Construction 11500 block W Montgomery Road, South of Hwy 249 County: Harris City: Houston	280	\$15,000,000	Brent Stewart West Montgoment Apartment Limited Partnership (512) 477-9900	
2003-087	Groeske Apartments New Construction 18900 Groeske Road County: Harris City: Houston	240	\$12,900,000	Brent Stewart Groeschke Apartments Limited Partnership (512) 477-9900	

**Priority 2 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-088	Goose Creek Apartments New Construction 3000 block I-10 East County: Harris City: Baytown	280	\$14,700,000	Brent Stewart Goose Creek Apartments Limited Partnership (512) 477-9900	
2003-089	Humble Parkway Apartments New Construction FM 1960, west of Humble Parkway County: Harris City: Houston	280	\$15,000,000	Brent Stewart Humble Parkway Apartments Limited Partnership (512) 477-9900	
2003-090	Cooks Lane Park Apartments New Construction 7700 block of John T White Road County: Tarrant City: Ft Worth	280	\$15,000,000	Brent Stewart Cooks Lane Park Apartments Limited Partnership (512) 477-9900	
2003-091	North Vista Apartments New Construction 100 block of North Vista Drive County: Harris City: Houston	280	\$15,000,000	Brent Stewart North Vista Apartments Limited Partnership (512) 477-9900	
2003-092	Median Way Park Apartments New Construction 5700 block of US Hwy 287 County: Tarrant City: Arlington	260	\$14,900,000	Brent Stewart Median Way Park Apartments Limited Partnership (512) 477-9900	
2003-093	McCart Park Apartments New Construction 3500 block of Sycamore School Road County: Tarrant City: Ft Worth	190	\$10,900,000	Brent Stewart McCart Park Apartments Limited Partnership (512) 477-9900	
2003-094	Granbury Park Apartments New Construction 6700 Granbury Road County: Tarrant City: Ft Worth	280	\$15,000,000	Brent Stewart Granbury Park Apartments Limited Partnership (512) 477-9900	

**Priority 2 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-095	John West Park Apartments New Construction 2563 John West Road County: Dallas City: Dallas	200	\$13,000,000	Brent Stewart John West Park Apartments Limited Partnership (512) 477-9900	
2003-096	FM 1960 Apartments New Construction 19900 block of Foxwood Forest Blvd County: Harris City: Houston	280	\$15,000,000	Brent Stewart FM 1960 Apartments Limited Partnership (512) 477-9900	
2003-097	Lake June Park Apartments New Construction 9605 Lake June Road County: Dallas City: Dallas	280	\$15,000,000	Brent Stewart Lake June Park Apartments Limited Partnership (512) 477-9900	
2003-098	Walters Apartments New Construction E side of Walters Road, S of FM 1960 (3500 block) County: Harris City: Houston	280	\$15,000,000	Brent Stewart Walters Apartments Limited Partnership (512) 477-9900	
2003-100	Deerbrook One Apartments New Construction Southeast corner fo FM 1960 & Hightower County: Harris City: Houston	280	\$15,000,000	Brent Stewart Deerbrook One Apartments Limited Partnership (512) 477-9900	
2003-101	Sycamore Creek Park One Apts New Construction 900 block of Sycamore School Road County: Tarrant City: Ft Worth	216	\$12,200,000	Brent Stewart Sycamore Creek Park One Apartments LP (512) 477-9900	
2003-102	Sycamore Creek Park Two Apts New Construction 900 block of Sycamore School Road County: Tarrant City: Ft Worth	216	\$12,200,000	Brent Stewart Sycamore Creek Park Two Apartments LP (512) 477-9900	



## Priority 2 Transactions

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-103	Stuebner One Apartments New Construction 11300 block, Stuebner Airline (Veterans Memorial), County: Harris City: Houston	280	\$15,000,000	Brent Stewart Stuebner One Apartments Limited Partnership (512) 477-9900	
2003-104	Stuebner Two Apartments New Construction 11300 block, Stuebner Airline (Veterans Memorial), County: Harris City: Houston	280	\$15,000,000	Brent Stewart Stuebner Two Apartments Limited Partnership (512) 477-9900	
2003-105	West Point One Apartments New Construction 9800 block of Westpoint Blvd County: Tarrant City: Ft Worth	280	\$15,000,000	Brent Stewart West Point One Apartments limited Partnership (512) 477-9900	
2003-106	West Point Two Apartments New Construction 9600 block of Westpoint Blvd County: Tarrant City: Ft Worth	252	\$14,000,000	Brent Stewart West Point Two Apartments limited Partnership (512) 477-9900	
2003-107	West Point Three Apartments New Construction 9500 block of Westpoint Blvd County: Tarrant City: Ft Worth	162	\$9,300,000	Brent Stewart West Point Three Apartments limited Partnership (512) 477-9900	
2003-108	Chapel Creek One Apartments New Construction 10400 block of Westpoint Blvd County: Tarrant City: Ft Worth	214	\$11,900,000	Brent Stewart Chapel Creek Park One Apartments LP (512) 477-9900	
2003-109	Chapel Creek Two Apartments New Construction 10400 block of Westpoint Blvd County: Tarrant City: Ft Worth	120	\$7,000,000	Brent Stewart Chapel Creek Park Two Apartments LP (512) 477-9900	

**Priority 2 Transactions**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-110	Parmer Park Apartments New Construction NW corner of Parmer Lane & Harris Branch Pkwy County: Travis City: Pflugerville	280	\$15,000,000	Brent Stewart Parmer Park Apartments Limited Partnership (512) 477-9900	
2003-111	Yager One Apartments New Construction 400 block of E yager Lane County: Travis City: Austin	260	\$15,000,000	Brent Stewart Yager One Apartments Limited Partnership (512) 477-9900	
2003-112	Bagdad Park Apartments New Construction 1000 block of Bagdad Road County: Williamson City: Leander	280	\$15,000,000	Brent Stewart Bagdad Park Apartments Limited Partnership (512) 477-9900	
2003-114	Century Park Apartments New Construction 3200 block of Century Park Blvd County: Travis City: Austin	260	\$15,000,000	Brent Stewart Century Park Apartments Limited Partnership (512) 477-9900	
Totals	73 Applications	18,2 units,	\$1,021,200,00	in total	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

WOODWAY SQUARE APTS, AUSTIN, TX (#2003-001)

Unit Mix and Rental Rates					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	60	\$ 736	811	0.91
60% AMI	2BD/2BA	138	\$ 878	1,074	0.82
60% AMI	3BD/2.5BA	42	\$ 1,012	1,313	0.77
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		240	\$ 2,493,936	252,018	\$ 0.82
Averages			\$ 866	1,050	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,393,000	\$ 5,804	\$ 5.53	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,393,000</b>	<b>\$ 5,804</b>	<b>\$ 5.53</b>	<b>0.06</b>
Sitework	1,560,000	6,500	6.19	0.07
Construction Costs	10,470,683	43,628	41.55	0.48
Contingency	100,000	417	0.40	0.00
General Requirements	721,840	3,008	2.86	0.03
Contractor's Fee	962,450	4,010	3.82	0.04
<b>Subtotal Construction</b>	<b>\$ 13,814,973</b>	<b>\$ 57,562</b>	<b>\$ 54.82</b>	<b>0.64</b>
Indirect Construction	580,072	2,417	2.30	0.03
Developer's Fee	2,877,738	11,991	11.42	0.13
Financing	3,022,625	12,594	11.99	0.14
Reserves	0	0	0.00	0.00
Legal & Closing Costs	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,480,435</b>	<b>\$ 27,002</b>	<b>\$ 25.71</b>	<b>0.30</b>
<b>Total Uses</b>	<b>\$ 21,688,408</b>	<b>\$ 90,368</b>	<b>\$ 86.06</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,584,172	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,104,236	38.4%	\$1,773,502	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,688,408</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,584,172	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,104,236	38.4%	\$ 1,773,502	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,688,408</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,493,936	\$9.90		
Other Income & Loss	57,600	0.23	240	
Vacancy & Collection	-7.50% (191,335)	-0.76	-797	
Effective Gross Income	\$2,360,201	9.37	9,834	
Total Operating Expenses	\$927,233	\$3.68	\$3,863	
Net Operating Income	\$1,432,968	\$5.69	\$5,971	
Debt Service	1,108,291	4.40	4,618	
Net Cash Flow	\$324,677	\$1.29	\$1,353	
Debt Coverage Ratio	1.29			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$324,677	\$1.29	\$1,353	
DCR after TDHCA Fees	1.29			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	81.62%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,493,936	\$9.90		
Other Income & Loss	43,200	0.17	180	
Vacancy & Collection	7.50% (190,285)	-0.76	-793	
Effective Gross Income	2,346,851	9.31	9,779	
Total Operating Expenses	\$927,233	\$3.68	\$3,863	
Net Operating Income	\$1,419,618	\$5.63	\$5,915	
Debt Service	1,108,291	4.40	4,618	
Net Cash Flow	\$311,327	\$1.24	\$1,297	
Debt Coverage Ratio	1.28			
TDHCA/TSAHC Fees	\$30,600	\$0.12	\$128	
Net Cash Flow	\$280,727	\$1.11	\$1,170	
DCR after TDHCA Fees	1.25			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	82.85%			

Applicant - Expense Summary			
		Per S.F.	Per Unit
Management Fee	\$92,036	0.37	383
Salaries/Wages/Benefits	200,000	0.79	833
General and Admin.	63,260	0.25	264
Maintenance/Repairs	93,600	0.37	390
Utilities	160,500	0.64	669
Property Taxes	209,837	0.83	874
Insurance	60,000	0.24	250
Replacement Reserves	48,000	0.19	200
Other Expenses	-	0.00	0
Total Expnses	\$927,233	3.68	\$3,863

Staff Notes/Comments
Supportive service contract fees of \$18,000 and compliance fees of \$4,800 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**  
SUNDOWN APTS, KATY, TX (#2003-002)

Unit Mix and Rental Rates					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	60	\$ 614	811	0.76
60% AMI	2BD/2BA	138	\$ 734	1,074	0.68
60% AMI	3BD/2.5BA	42	\$ 845	1,313	0.64
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		240	\$ 2,083,464	252,018	\$ 0.69
<b>Averages</b>			\$ 723	1,050	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 826,950	\$ 3,446	\$ 3.28	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 826,950</b>	<b>\$ 3,446</b>	<b>\$ 3.28</b>	<b>0.04</b>
Sitework	1,558,864	6,495	6.19	0.08
Construction Costs	10,196,805	42,487	40.46	0.51
Contingency	100,000	417	0.40	0.01
General Requirements	705,340	2,939	2.80	0.04
Contractor's Fee	940,450	3,919	3.73	0.05
<b>Subtotal Construction</b>	<b>\$ 13,501,459</b>	<b>\$ 56,256</b>	<b>\$ 53.57</b>	<b>0.68</b>
Indirect Construction	549,813	2,291	2.18	0.03
Developer's Fee	2,717,064	11,321	10.78	0.14
Financing	2,231,009	9,296	8.85	0.11
Reserves	0	0	0.00	0.00
Legal & Closing Costs	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,497,886</b>	<b>\$ 22,908</b>	<b>\$ 21.82</b>	<b>0.28</b>
<b>Total Uses</b>	<b>\$ 19,826,295</b>	<b>\$ 82,610</b>	<b>\$ 78.67</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,272,391	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,250,000	6.25%	30	\$ 978,990
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,303,904	48.0%	\$1,413,160	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,826,295</b>			<b>\$ 978,990</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,272,391	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,601,263	6.25%	30	\$ 931,058
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,952,641	71.9%	\$ 764,423	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,826,295</b>			<b>\$ 931,058</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,083,464	\$8.27		
Other Income & Loss	57,600	0.23	240	
Vacancy & Collection	-7.50% (160,584)	-0.64	-669	
Effective Gross Income	\$1,980,480	7.86	8,252	
Total Operating Expenses	\$881,670	\$3.50	\$3,674	
Net Operating Income	\$1,098,810	\$4.36	\$4,578	
Debt Service	978,990	3.88	4,079	
Net Cash Flow	\$119,820	\$0.48	\$499	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$119,820	\$0.48	\$499	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	89.31%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,083,464	\$8.27		
Other Income & Loss	43,200	0.17	180	
Vacancy & Collection	7.50% (159,500)	-0.63	-665	
Effective Gross Income	\$1,967,164	7.81	8,197	
Total Operating Expenses	\$912,000	\$3.62	\$3,800	
Net Operating Income	\$1,055,164	\$4.19	\$4,397	
Debt Service	931,058	3.69	3,879	
Net Cash Flow	\$124,106	\$0.49	\$517	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$28,201	\$0.11	\$118	
Net Cash Flow	\$95,905	\$0.38	\$400	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	89.81%			

Applicant - Expense Summary			
		Per S.F.	Per Unit
Management Fee	\$83,339	0.33	347
Salaries/Wages/Benefits	200,000	0.79	833
General and Admin.	54,260	0.22	226
Maintenance/Repairs	93,600	0.37	390
Utilities	96,500	0.38	402
Property Taxes	245,971	0.98	1025
Insurance	60,000	0.24	250
Replacement Reserves	48,000	0.19	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$881,670</b>	<b>3.50</b>	<b>\$3,674</b>

Staff Notes/Comments
Supportive service contract fees of \$18,000 and compliance fees of \$4,800 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

TIMBER RIDGE II, HOUSTON, TX (#2003-003)

Unit Mix and Rental Rates					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	30	\$ 614	811	0.76
60% AMI	2BD/2BA	72	\$ 734	1,074	0.68
60% AMI	3BD/2.5BA	22	\$ 845	1,313	0.64
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		124	\$ 1,078,296	130,544	\$ 0.69
Averages			\$ 725	1,053	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 499,500	\$ 4,028	\$ 3.83	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 499,500</b>	<b>\$ 4,028</b>	<b>\$ 3.83</b>	<b>0.04</b>
Sitework	801,078	6,460	6.14	0.07
Construction Costs	5,679,916	45,806	43.51	0.49
General Requirements	388,860	3,136	2.98	0.03
Contractor's Ovhd & Profit	518,480	4,181	3.97	0.04
Construction Contingency	100,000	806	0.77	0.01
<b>Subtotal Construction</b>	<b>\$ 7,488,334</b>	<b>\$ 60,390</b>	<b>\$ 57.36</b>	<b>0.65</b>
Indirect Construction	602,580	4,860	4.62	0.05
Developer's Fee	1,567,024	12,637	12.00	0.14
Financing	1,420,777	11,458	10.88	0.12
Reserves	0	0	0.00	0.00
Legal & Closing Costs	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 3,590,381</b>	<b>\$ 28,955</b>	<b>\$ 27.50</b>	<b>0.31</b>
<b>Total Uses</b>	<b>\$ 11,578,215</b>	<b>\$ 93,373</b>	<b>\$ 88.69</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,952,997	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 6,950,000	6.25%	30	\$ 513,508
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 675,218	43.1%	\$891,806	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 11,578,215</b>			<b>\$ 513,508</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,952,997	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 6,529,383	6.25%	30	\$ 482,430
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,095,835	69.9%	\$ 471,189	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 11,578,215</b>			<b>\$ 482,430</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,078,296	\$8.26		
Other Income & Loss	29,760	0.23	240	
Vacancy & Collection	-7.50% (83,100)	-0.64	-670	
Effective Gross Income	\$1,024,956	7.85	8,266	
Total Operating Expenses	\$448,581	\$3.44	\$3,618	
Net Operating Income	\$576,375	\$4.42	\$4,648	
Debt Service	513,508	3.93	4,141	
Net Cash Flow	\$62,867	\$0.48	\$507	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$62,867	\$0.48	\$507	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	89.22%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,078,296	\$8.26		
Other Income & Loss	22,320	0.17	180	
Vacancy & Collection	7.50% (82,546)	-0.63	-666	
Effective Gross Income	\$1,018,070	7.80	8,210	
Total Operating Expenses	\$471,200	\$3.61	\$3,800	
Net Operating Income	\$546,870	\$4.19	\$4,410	
Debt Service	482,430	3.70	3,891	
Net Cash Flow	\$64,439	\$0.49	\$520	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$14,589	\$0.11	\$118	
Net Cash Flow	\$49,850	\$0.38	\$402	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	89.79%			

Applicant - Expense Summary				
		Per S.F.	Per Unit	
General and Admin.	47,400	0.36	382	
Management Fee	\$43,132	0.33	348	
Salaries/Wages/Benefits	100,000	0.77	806	
Maintenance/Repairs	52,400	0.40	423	
Utilities	61,000	0.47	492	
Insurance	35,000	0.27	282	
Property Taxes	84,849	0.65	684	
Replacement Reserves	24,800	0.19	200	
Other Expenses	-	0.00	0	
Total Expnses	448,581	3.44	\$3,618	

Staff Notes/Comments
Supportive service contract fees of \$8,000 and compliance fees of \$2,480 were deleted from the Administrative Expenses in the Total Expenses column.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**  
 DERBY HOUSE, HOUSTON (#2003-005)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	48	\$ 590	745	0.79
60% AMI	2BD/2BA	104	\$ 701	1,033	0.68
60% AMI	3BD/2BA	96	\$ 805	1,176	0.68
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		248	\$ 2,142,167	256,088	\$ 0.70
Averages			\$ 720	1,033	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,706,296	\$ 6,880	\$ 6.66	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,706,296</b>	<b>\$ 6,880</b>	<b>\$ 6.66</b>	<b>0.08</b>
Sitework	1,423,806	5,741	5.56	0.07
Hard Construction Costs	9,515,580	38,369	37.16	0.47
General Requirements (6%)	575,000	2,319	2.25	0.03
Contractor's Overhead (2%)	225,000	907	0.88	0.01
Contractor's Profit (6%)	500,000	2,016	1.95	0.02
Construction Contingency	350,000	1,411	1.37	0.02
<b>Subtotal Construction</b>	<b>\$ 12,589,386</b>	<b>\$ 50,764</b>	<b>\$ 49.16</b>	<b>0.62</b>
Indirect Construction	1,397,450	5,635	5.46	0.07
Developer's Fee	2,400,000	9,677	9.37	0.12
Financing	2,136,195	8,614	8.34	0.10
Reserves	125,000	504	0.49	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,058,645</b>	<b>\$ 24,430</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 20,354,327</b>	<b>\$ 82,074</b>	<b>\$ 79.48</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,183,187	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,750,000	6.25%	30	\$1,015,933
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,421,140	59.2%	\$978,860	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,354,327</b>			<b>\$1,015,933</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,031,152	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,485,204	6.25%	30	\$ 996,369
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,837,971	76.6%	\$ 562,029	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,354,327</b>			<b>\$ 996,369</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,142,167	\$8.36		
Other Income & Loss	44,640	0.17	180	
Vacancy & Collection	-7.46% (163,056)	-0.64	-657	
Effective Gross Income	\$2,023,751	7.90	8,160	
Total Operating Expenses	\$894,208	\$3.49	\$3,606	
Net Operating Income	\$1,129,543	\$4.41	\$4,555	
Debt Service	1,015,933	3.97	4,097	
Net Cash Flow	\$113,609	\$0.44	\$458	
Debt Coverage Ratio	1.11			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$113,609	\$0.44	\$458	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	89.17%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,142,167	\$8.36		
Other Income & Loss	44,640	0.17	180	
Vacancy & Collection	7.50% (164,011)	-0.64	-661	
Effective Gross Income	2,022,797	7.90	8,156	
Total Operating Expenses	44.2% \$894,208	\$3.49	\$3,606	
Net Operating Income	\$1,128,588	\$4.41	\$4,551	
Debt Service	996,369	3.89	4,018	
Net Cash Flow	\$132,219	\$0.52	\$533	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$29,605	\$0.12	\$119	
Net Cash Flow	\$102,614	\$0.40	\$414	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.62			
Break-even Occupancy	89.64%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$75,620	0.30	305
Management Fees	90,493	0.35	365
Payroll, Payroll Tax & Employee Exp.	167,500	0.65	675
Maintenance/Repairs	96,775	0.38	390
Utilities	179,000	0.70	722
Property Insurance	47,120	0.18	190
Property Taxes	188,100	0.73	758
Replacement Reserves	49,600	0.19	200
Other Expenses	-	0.00	0
<b>Total Expenes</b>	<b>\$894,208</b>	<b>\$3.49</b>	<b>\$3,606</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

SURREY STATION, PFLUGERVILLE (#2003-007)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	64	\$ 686	745	0.92
60% AMI	2BD/2BA	112	\$ 773	1,033	0.75
60% AMI	3BD/2BA	72	\$ 883	1,176	0.75
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		248	\$ 2,328,672	248,048	\$ 0.78
Averages			\$ 782	1,000	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,802,500	\$ 7,268	\$ 7.27	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,802,500</b>	<b>\$ 7,268</b>	<b>\$ 7.27</b>	<b>0.09</b>
Sitework	1,472,820	5,939	5.94	0.07
Hard Construction Costs	9,748,916	39,310	39.30	0.48
General Requirements (6%)	600,000	2,419	2.42	0.03
Contractor's Overhead (2%)	225,000	907	0.91	0.01
Contractor's Profit (6%)	500,000	2,016	2.02	0.02
Construction Contingency	400,000	1,613	1.61	0.02
<b>Subtotal Construction</b>	<b>\$ 12,946,736</b>	<b>\$ 52,205</b>	<b>\$ 52.19</b>	<b>0.63</b>
Indirect Construction	1,602,450	6,461	6.46	0.08
Developer's Fee	1,227,777	4,951	4.95	0.06
Financing	2,625,644	10,587	10.59	0.13
Reserves	225,000	907	0.91	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,680,871</b>	<b>\$ 22,907</b>	<b>\$ 23</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 20,430,107</b>	<b>\$ 82,379</b>	<b>\$ 82.36</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,430,107	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$1,227,777	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,430,107</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,302,968	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 127,139	10.4%	\$ 1,100,638	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,430,107</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,328,672	\$9.39		
Other Income & Loss	44,640	0.18	180	
Vacancy & Collection	-7.50% (177,996)	-0.72	-718	
Effective Gross Income	\$2,195,316	8.85	8,852	
Total Operating Expenses	\$914,730	\$3.69	\$3,688	
Net Operating Income	\$1,280,586	\$5.16	\$5,164	
Debt Service	1,108,291	4.47	4,469	
Net Cash Flow	\$172,295	\$0.69	\$695	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$172,295	\$0.69	\$695	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	86.87%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,328,672	\$9.39		
Other Income & Loss	44,640	0.18	180	
Vacancy & Collection	7.50% (177,998)	-0.72	-718	
Effective Gross Income	\$2,195,314	8.85	8,852	
Total Operating Expenses	41.7% \$914,730	\$3.69	\$3,688	
Net Operating Income	\$1,280,584	\$5.16	\$5,164	
Debt Service	1,108,291	4.47	4,469	
Net Cash Flow	\$172,293	\$0.69	\$695	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$31,120	\$0.13	\$125	
Net Cash Flow	\$141,173	\$0.57	\$569	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.69			
Break-even Occupancy	88.21%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$77,120	0.31	311
Management Fees	98,789	0.40	398
Payroll, Payroll Tax & Employee Exp.	167,500	0.68	675
Maintenance/Repairs	96,775	0.39	390
Utilities	169,000	0.68	681
Property Insurance	47,120	0.19	190
Property Taxes	208,826	0.84	842
Replacement Reserves	49,600	0.20	200
Other Expenses	-	0.00	0
Total Exepnses	\$914,730	\$3.69	\$3,688

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Meadow Crossing Annex, Mesquite (2003-009)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	50	\$ 797	900	0.89
60% AMI	2BD/2BA	180	\$ 915	1,134	0.81
60% AMI	3BD/2BA	46	\$ 1,033	1,200	0.86
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		276	\$ 3,024,816	304,320	\$ 0.83
Averages			\$ 913	1,103	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,271,950	\$ 4,609	\$ 4.18	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,271,950</b>	<b>\$ 4,609</b>	<b>\$ 4.18</b>	<b>0.05</b>
Sitework	1,518,000	5,500	4.99	0.06
Hard Construction Costs	12,223,804	44,289	40.17	0.50
General Requirements (6%)	824,508	2,987	2.71	0.03
Contractor's Overhead (2%)	274,836	996	0.90	0.01
Contractor's Profit (6%)	824,508	2,987	2.71	0.03
Construction Contingency	253,920	920	0.83	0.01
<b>Subtotal Construction</b>	<b>\$ 15,919,577</b>	<b>\$ 57,680</b>	<b>\$ 52.31</b>	<b>0.66</b>
Indirect Construction	1,525,914	5,529	5.01	0.06
Developer's Fee	3,220,411	11,668	10.58	0.13
Financing	1,978,545	7,169	6.50	0.08
Reserves	308,271	1,117	1.01	0.01
<b>Subtotal Other Costs</b>	<b>\$ 7,033,141</b>	<b>\$ 25,482</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 24,224,668</b>	<b>\$ 87,771</b>	<b>\$ 79.60</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,891,130	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,014,845	7.00%	40	\$1,119,683
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,734,555	53.9%	\$1,485,856	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,640,530</b>			<b>\$1,119,683</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,747,444	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,738,536	7.20%	40	\$ 1,277,507
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,734,555	53.9%	\$ 1,485,856	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 24,220,535</b>			<b>\$ 1,277,507</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$3,024,816	\$9.94		
Other Income & Loss	82,680	0.27	300	
Vacancy & Collection	-7.50% (233,062)	-0.77	-844	
Effective Gross Income	\$2,874,434	9.45	10,415	
Total Operating Expenses	\$1,073,140	\$3.53	\$3,888	
Net Operating Income	\$1,801,294	\$5.92	\$6,526	
Debt Service	1,119,683	3.68	4,057	
Net Cash Flow	\$681,611	\$2.24	\$2,470	
Debt Coverage Ratio	1.61			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$681,611	\$2.24	\$2,470	
DCR after TDHCA Fees	1.61			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	72.49%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$3,024,816	\$9.94		
Other Income & Loss	49,680	0.16	180	
Vacancy & Collection	7.50% (230,587)	-0.76	-835	
Effective Gross Income	2,843,909	9.35	10,304	
Total Operating Expenses	37.7% \$1,073,140	\$3.53	\$3,888	
Net Operating Income	\$1,770,769	\$5.82	\$6,416	
Debt Service	1,277,507	4.20	4,629	
Net Cash Flow	\$493,262	\$1.62	\$1,787	
Debt Coverage Ratio	1.39			
TDHCA/TSAHC Fees	\$34,679	\$0.11	\$126	
Net Cash Flow	\$458,583	\$1.51	\$1,662	
DCR after TDHCA Fees	1.35			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	78.86%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$135,008	0.44	489
Management Fees	92,192	0.30	334
Payroll, Payroll Tax & Employee Exp.	220,800	0.73	800
Maintenance/Repairs	144,624	0.48	524
Utilities	83,626	0.27	303
Property Insurance	82,800	0.27	300
Property Taxes	258,888	0.85	938
Replacement Reserves	55,200	0.18	200
Other Expenses	-	0.00	0
Total Expenses	\$1,073,138	\$3.53	\$3,888

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Center Square Villas, Fort Worth (2003-010)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	30	\$ 752	900	0.84
60% AMI	3BD/2BA	160	\$ 870	1,134	0.77
60% AMI	4BD/2BA	90	\$ 970	1,200	0.81
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,988,720	316,440	\$ 0.79
Averages			\$ 890	1,130	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,324,017	\$ 4,729	\$ 4.18	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,324,017</b>	<b>\$ 4,729</b>	<b>\$ 4.18</b>	<b>0.06</b>
Sitework	1,260,000	4,500	3.98	0.05
Hard Construction Costs	11,848,702	42,317	37.44	0.51
General Requirements (6%)	786,522	2,809	2.49	0.03
Contractor's Overhead (2%)	262,174	936	0.83	0.01
Contractor's Profit (6%)	786,522	2,809	2.49	0.03
Construction Contingency	252,000	900	0.80	0.01
<b>Subtotal Construction</b>	<b>\$ 15,195,920</b>	<b>\$ 54,271</b>	<b>\$ 48.02</b>	<b>0.65</b>
Indirect Construction	1,462,920	5,225	4.62	0.06
Developer's Fee	3,189,395	11,391	10.08	0.14
Financing	1,985,130	7,090	6.27	0.08
Reserves	303,812	1,085	0.96	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,941,257</b>	<b>\$ 24,790</b>	<b>\$ 22</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,461,194</b>	<b>\$ 83,790</b>	<b>\$ 74.14</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,848,453	\$0.83	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,049,539	7.20%	40	\$1,148,600
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,239,984	70.2%	\$949,411	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,137,976</b>			<b>\$1,148,600</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,637,063	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,049,539	7.00%	40	\$ 1,122,271
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,239,984	70.2%	\$ 949,411	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,926,586</b>			<b>\$ 1,122,271</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	83,400	0.26	298	
Vacancy & Collection	-7.49% (230,000)	-0.73	-821	
Effective Gross Income	\$2,842,120	8.98	10,150	
Total Operating Expenses	\$1,018,181	\$3.22	\$3,636	
Net Operating Income	\$1,823,939	\$5.76	\$6,514	
Debt Service	1,148,600	3.63	4,102	
Net Cash Flow	\$675,339	\$2.13	\$2,412	
Debt Coverage Ratio	1.59			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$675,339	\$2.13	\$2,412	
DCR after TDHCA Fees	1.59			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	72.50%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	7.50% (227,934)	-0.72	-814	
Effective Gross Income	\$2,811,186	8.88	10,040	
Total Operating Expenses	37.8% \$1,064,000	\$3.36	\$3,800	
Net Operating Income	\$1,747,186	\$5.52	\$6,240	
Debt Service	1,122,271	3.55	4,008	
Net Cash Flow	\$624,915	\$1.97	\$2,232	
Debt Coverage Ratio	1.56			
TDHCA/TSAHC Fees	\$33,250	\$0.11	\$119	
Net Cash Flow	\$591,666	\$1.87	\$2,113	
DCR after TDHCA Fees	1.51			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	74.26%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$105,227	0.33	376
Management Fees	112,634	0.36	402
Payroll, Payroll Tax & Employee Exp.	200,000	0.63	714
Maintenance/Repairs	155,680	0.49	556
Utilities	84,840	0.27	303
Property Insurance	84,000	0.27	300
Property Taxes	217,000	0.69	775
Replacement Reserves	56,000	0.18	200
Other Expenses	2,800	0.01	10
Total Expenses	\$1,018,181	\$3.22	\$3,636

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Alsbury Place Burleson (2003-011)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	40	\$ 752	900	0.84
60% AMI	3BD/2BA	138	\$ 870	1,134	0.77
60% AMI	3BD/2BA	20	\$ 870	1,134	0.77
60% AMI	4BD/2BA	78	\$ 970	1,200	0.81
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		276	\$ 2,918,400	308,772	\$ 0.79
Averages			\$ 881	1,119	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 995,200	\$ 3,606	\$ 3.22	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 995,200</b>	<b>\$ 3,606</b>	<b>\$ 3.22</b>	<b>0.05</b>
Sitework	1,242,000	4,500	4.02	0.06
Hard Construction Costs	11,040,000	40,000	35.75	0.51
General Requirements (6%)	736,920	2,670	2.39	0.03
Contractor's Overhead (2%)	245,640	890	0.80	0.01
Contractor's Profit (6%)	736,920	2,670	2.39	0.03
Construction Contingency	248,400	900	0.80	0.01
<b>Subtotal Construction</b>	<b>\$ 14,249,880</b>	<b>\$ 51,630</b>	<b>\$ 46.15</b>	<b>0.65</b>
Indirect Construction	1,443,114	5,229	4.67	0.07
Developer's Fee	3,140,533	11,379	10.17	0.14
Financing	1,686,784	6,112	5.46	0.08
Reserves	296,707	1,075	0.96	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,567,138</b>	<b>\$ 23,794</b>	<b>\$ 21</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,812,218</b>	<b>\$ 79,030</b>	<b>\$ 70.64</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,588,527	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,702,302	7.20%	40	\$1,122,099
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,292,308	41.1%	\$1,848,225	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,583,137</b>			<b>\$1,122,099</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,473,445	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,702,302	7.00%	40	\$ 1,096,376
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,636,471	52.1%	\$ 1,504,062	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,812,218</b>			<b>\$ 1,096,376</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,918,400	\$9.45		
Other Income & Loss	49,680	0.16	180	
Vacancy & Collection	-6.23% (185,040)	-0.60	-670	
Effective Gross Income	\$2,783,040	9.01	10,083	
Total Operating Expenses	\$975,496	\$3.16	\$3,534	
Net Operating Income	\$1,807,544	\$5.85	\$6,549	
Debt Service	1,122,099	3.63	4,066	
Net Cash Flow	\$685,445	\$2.22	\$2,483	
Debt Coverage Ratio	1.61			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$685,445	\$2.22	\$2,483	
DCR after TDHCA Fees	1.61			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	71.87%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,918,400	\$9.45		
Other Income & Loss	49,680	0.16	180	
Vacancy & Collection	7.50% (222,606)	-0.72	-807	
Effective Gross Income	\$2,745,474	8.89	9,947	
Total Operating Expenses	35.5% \$975,496	\$3.16	\$3,534	
Net Operating Income	\$1,769,978	\$5.73	\$6,413	
Debt Service	1,096,376	3.55	3,972	
Net Cash Flow	\$673,602	\$2.18	\$2,441	
Debt Coverage Ratio	1.61			
TDHCA/TSAHC Fees	\$32,642	\$0.11	\$118	
Net Cash Flow	\$640,959	\$2.08	\$2,322	
DCR after TDHCA Fees	1.57			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	72.11%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$85,595	0.28	310
Management Fees	109,976	0.36	398
Payroll, Payroll Tax & Employee Exp.	188,181	0.61	682
Maintenance/Repairs	153,456	0.50	556
Utilities	83,628	0.27	303
Property Insurance	82,800	0.27	300
Property Taxes	213,900	0.69	775
Replacement Reserves	55,200	0.18	200
Other Expenses	2,760	0.01	10
Total Expenses	\$975,496	\$3.16	\$3,534

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Hillery Garden Villas, Burleson (2003-012)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	30	\$ 752	900	0.84
60% AMI	2BD/2BA	160	\$ 870	1,134	0.77
60% AMI	3BD/2BA	90	\$ 970	1,200	0.81
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,988,720	316,440	\$ 0.79
Averages			\$ 890	1,130	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,611,300	\$ 5,755	\$ 5.09	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,611,300</b>	<b>\$ 5,755</b>	<b>\$ 5.09</b>	<b>0.07</b>
Sitework	1,260,000	4,500	3.98	0.05
Hard Construction Costs	11,848,704	42,317	37.44	0.50
General Requirements (6%)	786,522	2,809	2.49	0.03
Contractor's Overhead (2%)	262,174	936	0.83	0.01
Contractor's Profit (6%)	786,522	2,809	2.49	0.03
Construction Contingency	252,000	900	0.80	0.01
<b>Subtotal Construction</b>	<b>\$ 15,195,923</b>	<b>\$ 54,271</b>	<b>\$ 48.02</b>	<b>0.64</b>
Indirect Construction	1,462,920	5,225	4.62	0.06
Developer's Fee	3,191,806	11,399	10.09	0.13
Financing	1,997,792	7,135	6.31	0.08
Reserves	304,549	1,088	0.96	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,957,067</b>	<b>\$ 24,847</b>	<b>\$ 22</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,764,290</b>	<b>\$ 84,872</b>	<b>\$ 75.10</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,933,770	\$0.83	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,160,365	7.20%	40	\$1,157,059
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,014,674	63.1%	\$1,177,132	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,108,809</b>		<b>\$1,157,059</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,719,296	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,160,365	7.00%	40	\$ 1,130,535
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,014,674	63.1%	\$ 1,177,132	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,894,335</b>		<b>\$ 1,130,535</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	83,400	0.26	298	
Vacancy & Collection	-7.49% (230,000)	-0.73	-821	
Effective Gross Income	\$2,842,120	8.98	10,150	
Total Operating Expenses	\$1,018,181	\$3.22	\$3,636	
Net Operating Income	\$1,823,939	\$5.76	\$6,514	
Debt Service	1,157,059	3.66	4,132	
Net Cash Flow	\$666,880	\$2.11	\$2,382	
Debt Coverage Ratio	<b>1.58</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$666,880	\$2.11	\$2,382	
DCR after TDHCA Fees	<b>1.58</b>			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	72.78%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	7.50% (227,934)	-0.72	-814	
Effective Gross Income	\$2,811,186	8.88	10,040	
Total Operating Expenses	36.2% \$1,018,181	\$3.22	\$3,636	
Net Operating Income	\$1,793,005	\$5.67	\$6,404	
Debt Service	1,130,535	3.57	4,038	
Net Cash Flow	\$662,470	\$2.09	\$2,366	
Debt Coverage Ratio	<b>1.59</b>			
TDHCA/TSAHC Fees	\$33,360	\$0.11	\$119	
Net Cash Flow	\$629,110	\$1.99	\$2,247	
DCR after TDHCA Fees	<b>1.54</b>			
Break-even Rents/S.F.	0.57			
Break-even Occupancy	73.01%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$105,227	0.33	376
Management Fees	112,634	0.36	402
Payroll, Payroll Tax & Employee Exp.	200,000	0.63	714
Maintenance/Repairs	155,680	0.49	556
Utilities	84,840	0.27	303
Property Insurance	84,000	0.27	300
Property Taxes	217,000	0.69	775
Replacement Reserves	56,000	0.18	200
Other Expenses	2,800	0.01	10
Total Expenses	\$1,018,181	\$3.22	\$3,636

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**  
 Freeway Villas, Fort Worth (2003-013)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	30	\$ 752	900	0.84
60% AMI	3BD/2BA	160	\$ 870	1,134	0.77
60% AMI	4BD/2BA	90	\$ 970	1,200	0.81
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,988,720	316,440	\$ 0.79
Averages			\$ 890	1,130	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,515,689	\$ 5,413	\$ 4.79	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,515,689</b>	<b>\$ 5,413</b>	<b>\$ 4.79</b>	<b>0.06</b>
Sitework	1,260,000	4,500	3.98	0.05
Hard Construction Costs	11,848,702	42,317	37.44	0.51
General Requirements (6%)	504,000	1,800	1.59	0.02
Contractor's Overhead (2%)	252,000	900	0.80	0.01
Contractor's Profit (6%)	756,000	2,700	2.39	0.03
Construction Contingency	252,000	900	0.80	0.01
<b>Subtotal Construction</b>	<b>\$ 14,872,702</b>	<b>\$ 53,117</b>	<b>\$ 47.00</b>	<b>0.64</b>
Indirect Construction	1,462,920	5,225	4.62	0.06
Developer's Fee	3,189,790	11,392	10.08	0.14
Financing	1,987,328	7,098	6.28	0.09
Reserves	303,812	1,085	0.96	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,943,850</b>	<b>\$ 24,799</b>	<b>\$ 22</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,332,241</b>	<b>\$ 83,329</b>	<b>\$ 73.73</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,903,471	\$0.83	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,049,539	7.20%	40	\$1,148,600
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,379,231	74.6%	\$810,559	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,332,241</b>			<b>\$1,148,600</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,690,093	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,500,000	7.10%	40	\$ 1,169,397
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,142,148	67.2%	\$ 1,047,642	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,332,241</b>			<b>\$ 1,169,397</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	49,680	0.16	177	
Vacancy & Collection	-6.26% (190,200)	-0.60	-679	
Effective Gross Income	\$2,848,200	9.00	10,172	
Total Operating Expenses	\$1,073,140	\$3.39	\$3,833	
Net Operating Income	\$1,775,060	\$5.61	\$6,340	
Debt Service	1,148,600	3.63	4,102	
Net Cash Flow	\$626,460	\$1.98	\$2,237	
Debt Coverage Ratio	1.55			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$626,460	\$1.98	\$2,237	
DCR after TDHCA Fees	1.55			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	74.34%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,988,720	\$9.44		
Other Income & Loss	50,400	0.16	180	
Vacancy & Collection	7.50% (227,934)	-0.72	-814	
Effective Gross Income	2,811,186	8.88	10,040	
Total Operating Expenses	38.2% \$1,073,140	\$3.39	\$3,833	
Net Operating Income	\$1,738,046	\$5.49	\$6,207	
Debt Service	1,169,397	3.70	4,176	
Net Cash Flow	\$568,649	\$1.80	\$2,031	
Debt Coverage Ratio	1.49			
TDHCA/TSAHC Fees	\$33,700	\$0.11	\$120	
Net Cash Flow	\$534,949	\$1.69	\$1,911	
DCR after TDHCA Fees	1.44			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	76.16%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$114,248	0.36	408
Management Fees	92,192	0.29	329
Payroll, Payroll Tax & Employee Exp.	220,800	0.70	789
Maintenance/Repairs	144,624	0.46	517
Utilities	83,628	0.26	299
Property Insurance	82,800	0.26	296
Property Taxes	258,888	0.82	925
Replacement Reserves	55,200	0.17	197
Other Expenses	2,760	0.01	10
Total Expenses	\$1,055,140	\$3.33	\$3,768

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Silver Springs Apartments, Houston (2003-015)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 734	1,017	0.72
60% AMI	3BD/2BA	132	\$ 845	1,215	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,483,520	292,590	\$ 0.71
Averages			\$ 790	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,143,450	\$ 4,364	\$ 3.91	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,143,450</b>	<b>\$ 4,364</b>	<b>\$ 3.91</b>	<b>0.05</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.47
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.65</b>
Indirect Construction	607,750	2,320	2.08	0.03
Developer's Fee	2,591,825	9,892	8.86	0.11
Financing	2,994,301	11,429	10.23	0.13
Reserves	736,732	2,812	2.52	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,930,608</b>	<b>\$ 26,453</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,962,741</b>	<b>\$ 87,644</b>	<b>\$ 78.48</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,620,286	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,342,456	90.4%	\$249,369	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,962,742</b>			<b>\$1,197,544</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,483,206	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,786,916	6.44%	30	\$ 1,189,943
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,692,619	65.3%	\$ 899,206	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,962,741</b>			<b>\$ 1,189,943</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,520	\$8.49		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-7.50% (188,640)	-0.64	-720	
Effective Gross Income	\$2,326,560	7.95	8,880	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,427,277	\$4.88	\$5,448	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$229,733	\$0.79	\$877	
Debt Coverage Ratio	<b>1.19</b>			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$204,983	\$0.70	\$782	
DCR after TDHCA Fees	<b>1.17</b>			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	85.43%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,520	\$8.49		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (189,801)	-0.65	-724	
Effective Gross Income	2,340,879	8.00	8,935	
Total Operating Expenses	42.5% \$995,600	\$3.40	\$3,800	
Net Operating Income	\$1,345,279	\$4.60	\$5,135	
Debt Service	1,189,943	4.07	4,542	
Net Cash Flow	\$155,336	\$0.53	\$593	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$32,817	\$0.11	\$125	
Net Cash Flow	\$122,519	\$0.42	\$468	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	89.32%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
Total Expenses	\$899,283	\$3.07	\$3,432

Staff Notes/Comments	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

The Vines Apartments, Cedar Park (2003-017)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 855	1,017	0.84
60% AMI	3BD/2BA	132	\$ 977	1,215	0.80
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,881,368	292,590	\$ 0.82
Averages			\$ 916	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,400,000	\$ 5,344	\$ 4.78	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,400,000</b>	<b>\$ 5,344</b>	<b>\$ 4.78</b>	<b>0.06</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.48
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.65</b>
Indirect Construction	577,750	2,205	1.97	0.03
Developer's Fee	2,592,238	9,894	8.86	0.11
Financing	2,842,459	10,849	9.71	0.12
Reserves	579,385	2,211	1.98	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,591,832</b>	<b>\$ 25,160</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,880,515</b>	<b>\$ 87,330</b>	<b>\$ 78.20</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,621,181	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,259,334	87.2%	\$332,904	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,880,515</b>			<b>\$1,197,544</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,484,079	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 17,396,436	6.40%	30	\$ 1,305,789
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$ 2,592,238	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,880,515</b>			<b>\$ 1,305,789</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,368	\$9.85		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-6.48% (188,640)	-0.64	-720	
Effective Gross Income	\$2,724,408	9.31	10,399	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,825,125	\$6.24	\$6,966	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$627,581	\$2.14	\$2,395	
Debt Coverage Ratio	<b>1.52</b>			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$602,831	\$2.06	\$2,301	
DCR after TDHCA Fees	<b>1.49</b>			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	73.63%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,368	\$9.85		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (219,640)	-0.75	-838	
Effective Gross Income	\$2,708,888	9.26	10,339	
Total Operating Expenses	\$995,600	\$3.40	\$3,800	
Net Operating Income	\$1,713,288	\$5.86	\$6,539	
Debt Service	1,305,789	4.46	4,984	
Net Cash Flow	\$407,500	\$1.39	\$1,555	
Debt Coverage Ratio	<b>1.31</b>			
TDHCA/TSAHC Fees	\$34,426	\$0.12	\$131	
Net Cash Flow	\$373,073	\$1.28	\$1,424	
DCR after TDHCA Fees	<b>1.28</b>			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	81.07%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$899,283</b>	<b>\$3.07</b>	<b>\$3,432</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Main Street Apartments, Baytown (2003-018)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 688	1,017	0.68
60% AMI	3BD/2BA	132	\$ 784	1,215	0.65
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,315,136	292,590	\$ 0.66
Averages			\$ 736	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,524,600	\$ 5,819	\$ 5.21	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,524,600</b>	<b>\$ 5,819</b>	<b>\$ 5.21</b>	<b>0.07</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.47
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.64</b>
Indirect Construction	667,750	2,549	2.28	0.03
Developer's Fee	2,590,810	9,889	8.85	0.11
Financing	2,983,200	11,386	10.20	0.13
Reserves	756,732	2,888	2.59	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,998,492</b>	<b>\$ 26,712</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,411,775</b>	<b>\$ 89,358</b>	<b>\$ 80.02</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,303,509	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 108,266	4.2%	\$2,482,544	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,411,775</b>			<b>\$1,197,544</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,125,375	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,286,400	49.7%	\$ 1,304,410	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 23,411,775</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,315,136	\$7.91		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-8.04% (188,640)	-0.64	-720	
Effective Gross Income	\$2,158,176	7.38	8,237	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,258,893	\$4.30	\$4,805	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$61,349	\$0.21	\$234	
Debt Coverage Ratio	1.05			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$36,599	\$0.13	\$140	
DCR after TDHCA Fees	1.03			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	91.64%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,315,136	\$7.91		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (177,172)	-0.61	-676	
Effective Gross Income	2,185,124	7.47	8,340	
Total Operating Expenses	41.2% \$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,285,841	\$4.39	\$4,908	
Debt Service	1,108,291	3.79	4,230	
Net Cash Flow	\$177,550	\$0.61	\$678	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$32,030	\$0.11	\$122	
Net Cash Flow	\$145,520	\$0.50	\$555	
DCR after TDHCA Fees	1.13			
Break-even Rents/S.F.	0.58			
Break-even Occupancy	88.10%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
Total Exepnses	\$899,283	\$3.07	\$3,432

Staff Notes/Comments	



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Meadow Brook Apartments, Houston (2003-019)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 734	1,017	0.72
60% AMI	3BD/2BA	132	\$ 845	1,215	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,483,520	292,590	\$ 0.71
Averages			\$ 790	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,156,082	\$ 4,413	\$ 3.95	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,156,082</b>	<b>\$ 4,413</b>	<b>\$ 3.95</b>	<b>0.05</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.47
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.65</b>
Indirect Construction	607,750	2,320	2.08	0.03
Developer's Fee	2,591,959	9,893	8.86	0.11
Financing	2,994,754	11,430	10.24	0.13
Reserves	736,732	2,812	2.52	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,931,195</b>	<b>\$ 26,455</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,975,960</b>	<b>\$ 87,695</b>	<b>\$ 78.53</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,620,577	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,355,384	90.9%	\$236,575	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,975,961</b>			<b>\$1,197,544</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,483,490	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,017,882	6.32%	30	\$ 1,192,263
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,474,588	56.9%	\$ 1,117,371	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,975,960</b>			<b>\$ 1,192,263</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,520	\$8.49		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-7.50% (188,640)	-0.64	-720	
Effective Gross Income	\$2,326,560	7.95	8,880	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,427,277	\$4.88	\$5,448	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$229,733	\$0.79	\$877	
Debt Coverage Ratio	<b>1.19</b>			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$204,983	\$0.70	\$782	
DCR after TDHCA Fees	<b>1.17</b>			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	85.43%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,520	\$8.49		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (189,801)	-0.65	-724	
Effective Gross Income	2,340,879	8.00	8,935	
Total Operating Expenses	42.5% \$995,600	\$3.40	\$3,800	
Net Operating Income	\$1,345,279	\$4.60	\$5,135	
Debt Service	1,192,263	4.07	4,551	
Net Cash Flow	\$153,016	\$0.52	\$584	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,048	\$0.11	\$126	
Net Cash Flow	\$119,968	\$0.41	\$458	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	89.43%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
Total Exepnses	\$899,283	\$3.07	\$3,432

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Amber Ridge Apartments, Kyle (2003-020)

Unit Mix and Rent Schedule					
Unit Type	Bed/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 883	1,017	0.87
60% AMI	3BD/2BA	132	\$ 1,016	1,215	0.84
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,986,824	292,590	\$ 0.85
Averages			\$ 950	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,427,679	\$ 5,449	\$ 4.88	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,427,679</b>	<b>\$ 5,449</b>	<b>\$ 4.88</b>	<b>0.06</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.48
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.65</b>
Indirect Construction	577,750	2,205	1.97	0.03
Developer's Fee	2,592,356	9,894	8.86	0.11
Financing	2,842,513	10,849	9.72	0.12
Reserves	579,385	2,211	1.98	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,592,004</b>	<b>\$ 25,160</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,908,366</b>	<b>\$ 87,437</b>	<b>\$ 78.30</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,621,436	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,286,931	88.2%	\$305,425	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,908,367</b>		<b>\$1,197,544</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,484,328	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 17,424,039	6.40%	30	\$ 1,307,861
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$ 2,592,356	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,908,367</b>		<b>\$ 1,307,861</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,986,824	\$10.21		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-6.25% (188,640)	-0.64	-720	
Effective Gross Income	\$2,829,864	9.67	10,801	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,930,581	\$6.60	\$7,369	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$733,037	\$2.51	\$2,798	
Debt Coverage Ratio	<b>1.61</b>			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$708,287	\$2.42	\$2,703	
DCR after TDHCA Fees	<b>1.58</b>			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	71.03%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,986,824	\$10.21		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (227,549)	-0.78	-869	
Effective Gross Income	2,806,435	9.59	10,712	
Total Operating Expenses	35.5% \$995,600	\$3.40	\$3,800	
Net Operating Income	\$1,810,835	\$6.19	\$6,912	
Debt Service	1,307,861	4.47	4,992	
Net Cash Flow	\$502,974	\$1.72	\$1,920	
Debt Coverage Ratio	<b>1.38</b>			
TDHCA/TSAHC Fees	\$34,454	\$0.12	\$132	
Net Cash Flow	\$468,520	\$1.60	\$1,788	
DCR after TDHCA Fees	<b>1.35</b>			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	78.27%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$899,283</b>	<b>\$3.07</b>	<b>\$3,432</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Wood Hollow Apartments, Cedar Park (2003-023)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	130	\$ 855	1,017	0.84
60% AMI	3BD/2BA	132	\$ 977	1,215	0.80
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		262	\$ 2,881,368	292,590	\$ 0.82
Averages			\$ 916	1,117	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,400,000	\$ 5,344	\$ 4.78	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,400,000</b>	<b>\$ 5,344</b>	<b>\$ 4.78</b>	<b>0.06</b>
Sitework	1,715,120	6,546	5.86	0.07
Hard Construction Costs	10,902,408	41,612	37.26	0.48
General Requirements (6%)	757,052	2,890	2.59	0.03
Contractor's Overhead (2%)	252,351	963	0.86	0.01
Contractor's Profit (6%)	757,052	2,890	2.59	0.03
Construction Contingency	504,701	1,926	1.72	0.02
<b>Subtotal Construction</b>	<b>\$ 14,888,683</b>	<b>\$ 56,827</b>	<b>\$ 50.89</b>	<b>0.65</b>
Indirect Construction	577,750	2,205	1.97	0.03
Developer's Fee	2,592,238	9,894	8.86	0.11
Financing	2,842,459	10,849	9.71	0.12
Reserves	579,385	2,211	1.98	0.03
<b>Subtotal Other Costs</b>	<b>\$ 6,591,832</b>	<b>\$ 25,160</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,880,515</b>	<b>\$ 87,330</b>	<b>\$ 78.20</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,621,181	\$0.82	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	30	\$1,197,544
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,259,334	87.2%	\$332,904	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,880,515</b>		<b>\$1,197,544</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,484,079	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 17,396,436	6.40%	30	\$ 1,305,789
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$ 2,592,238	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,880,515</b>		<b>\$ 1,305,789</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,368	\$9.85		
Other Income & Loss	31,680	0.11	121	
Vacancy & Collection	-6.48% (188,640)	-0.64	-720	
Effective Gross Income	\$2,724,408	9.31	10,399	
Total Operating Expenses	\$899,283	\$3.07	\$3,432	
Net Operating Income	\$1,825,125	\$6.24	\$6,966	
Debt Service	1,197,544	4.09	4,571	
Net Cash Flow	\$627,581	\$2.14	\$2,395	
Debt Coverage Ratio	1.52			
TDHCA/TSAHC Fees	\$24,750	\$0.08	\$94	
Net Cash Flow	\$602,831	\$2.06	\$2,301	
DCR after TDHCA Fees	1.49			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	73.63%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,368	\$9.85		
Other Income & Loss	47,160	0.16	180	
Vacancy & Collection	7.50% (219,640)	-0.75	-838	
Effective Gross Income	\$2,708,888	9.26	10,339	
Total Operating Expenses	36.8% \$995,600	\$3.40	\$3,800	
Net Operating Income	\$1,713,288	\$5.86	\$6,539	
Debt Service	1,305,789	4.46	4,984	
Net Cash Flow	\$407,500	\$1.39	\$1,555	
Debt Coverage Ratio	1.31			
TDHCA/TSAHC Fees	\$34,426	\$0.12	\$131	
Net Cash Flow	\$373,073	\$1.28	\$1,424	
DCR after TDHCA Fees	1.28			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	81.07%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$80,400	0.27	307
Management Fees	116,328	0.40	444
Payroll, Payroll Tax & Employee Exp.	101,290	0.35	387
Maintenance/Repairs	86,400	0.30	330
Utilities	76,000	0.26	290
Property Insurance	106,065	0.36	405
Property Taxes	280,000	0.96	1069
Replacement Reserves	52,800	0.18	202
Other Expenses	-	0.00	0
Total Expnses	\$899,283	\$3.07	\$3,432

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Waterford Park Apartments, Houston (2003-025)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	32	\$ 596	774	0.77
60% AMI	2BD/2BA	124	\$ 716	1,048	0.68
60% AMI	3BD/2BA	80	\$ 827	1,248	0.66
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		236	\$ 2,088,192	254,560	\$ 0.68
Averages			\$ 737	1,079	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,107,553	\$ 4,693	\$ 4.35	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,107,553</b>	<b>\$ 4,693</b>	<b>\$ 4.35</b>	<b>0.05</b>
Sitework	1,534,000	6,500	6.03	0.08
Hard Construction Costs	10,542,360	44,671	41.41	0.52
General Requirements (6%)	724,582	3,070	2.85	0.04
Contractor's Overhead (2%)	241,527	1,023	0.95	0.01
Contractor's Profit (6%)	724,582	3,070	2.85	0.04
Construction Contingency	603,818	2,559	2.37	0.03
<b>Subtotal Construction</b>	<b>\$ 14,370,868</b>	<b>\$ 60,894</b>	<b>\$ 56.45</b>	<b>0.71</b>
Indirect Construction	630,782	2,673	2.48	0.03
Developer's Fee	2,065,058	8,750	8.11	0.10
Financing	1,910,000	8,093	7.50	0.09
Reserves	205,000	869	0.81	0.01
<b>Subtotal Other Costs</b>	<b>\$ 4,810,840</b>	<b>\$ 20,385</b>	<b>\$ 19</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 20,289,261</b>	<b>\$ 85,971</b>	<b>\$ 79.70</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,264,633	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,424,000	6.25%	30	\$ 991,847
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 846,629	41.0%	\$1,218,429	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,535,262</b>			<b>\$ 991,847</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,264,633	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,424,000	6.25%	30	\$ 991,847
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,600,628	77.5%	\$ 464,430	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,289,261</b>			<b>\$ 991,847</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,088,192	\$8.20		
Other Income & Loss	42,480	0.17	180	
Vacancy & Collection	-7.50% (159,804)	-0.63	-677	
Effective Gross Income	\$1,970,868	7.74	8,351	
Total Operating Expenses	\$825,751	\$3.24	\$3,499	
Net Operating Income	\$1,145,117	\$4.50	\$4,852	
Debt Service	991,847	3.90	4,203	
Net Cash Flow	\$153,270	\$0.60	\$649	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$153,270	\$0.60	\$649	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	87.04%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,088,192	\$8.20		
Other Income & Loss	42,480	0.17	180	
Vacancy & Collection	7.50% (159,800)	-0.63	-677	
Effective Gross Income	\$1,970,872	7.74	8,351	
Total Operating Expenses	43.1% \$849,600	\$3.34	\$3,600	
Net Operating Income	\$1,121,272	\$4.40	\$4,751	
Debt Service	991,847	3.90	4,203	
Net Cash Flow	\$129,425	\$0.51	\$548	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$28,764	\$0.11	\$122	
Net Cash Flow	\$100,661	\$0.40	\$427	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	89.56%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$55,460	0.22	235
Management Fees	98,871	0.39	419
Payroll, Payroll Tax & Employee Exp.	171,100	0.67	725
Maintenance/Repairs	94,400	0.37	400
Utilities	35,400	0.14	150
Property Insurance	63,720	0.25	270
Property Taxes	259,600	1.02	1100
Replacement Reserves	47,200	0.19	200
Other Expenses	-	#VALUE!	#VALUE!
Total Expsnes	\$825,751	#VALUE!	#VALUE!

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Lincoln Park Apts. 2003-026

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	24	\$ 631	773	0.82
60% AMI	2BD/1BA	104	\$ 752	1,012	0.74
60% AMI	3BD/2BA	68	\$ 865	1,248	0.69
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		196	\$ 1,826,064	208,664	\$ 0.73
Averages			\$ 776	1,065	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,095,000	\$ 5,587	\$ 5.25	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,095,000</b>	<b>\$ 5,587</b>	<b>\$ 5.25</b>	<b>0.06</b>
Sitework	1,274,000	6,500	6.11	0.07
Hard Construction Costs	8,964,650	45,738	42.96	0.49
General Requirements (6%)	614,319	3,134	2.94	0.03
Contractor's Overhead (2%)	204,773	1,045	0.98	0.01
Contractor's Profit (6%)	614,319	3,134	2.94	0.03
Construction Contingency	511,932	2,612	2.45	0.03
<b>Subtotal Construction</b>	<b>\$ 12,183,993</b>	<b>\$ 62,163</b>	<b>\$ 58.39</b>	<b>0.67</b>
Indirect Construction	683,668	3,488	3.28	0.04
Developer's Fee	1,750,809	8,933	8.39	0.10
Financing	2,217,750	11,315	10.63	0.12
Reserves	300,000	1,531	1.44	0.02
<b>Subtotal Other Costs</b>	<b>\$ 4,952,227</b>	<b>\$ 25,266</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 18,231,220</b>	<b>\$ 93,016</b>	<b>\$ 87.37</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,524,627	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,503,000	6.25%	30	\$ 923,797
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,203,593	68.7%	\$547,216	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,231,220</b>		<b>\$ 923,797</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,524,627	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,159,689	6.25%	30	\$ 898,432
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,546,904	88.4%	\$ 203,905	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,231,220</b>		<b>\$ 898,432</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,826,064	\$8.75		
Other Income & Loss	35,280	0.17	180	
Vacancy & Collection	-7.50% (139,596)	-0.67	-712	
Effective Gross Income	\$1,721,748	8.25	8,784	
Total Operating Expenses	\$705,600	\$3.38	\$3,600	
Net Operating Income	\$1,016,148	\$4.87	\$5,184	
Debt Service	923,797	4.43	4,713	
Net Cash Flow	\$92,351	\$0.44	\$471	
Debt Coverage Ratio	<b>1.10</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$92,351	\$0.44	\$471	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.23%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,826,064	\$8.75		
Other Income & Loss	35,280	0.17	180	
Vacancy & Collection	7.50% (139,601)	-0.67	-712	
Effective Gross Income	\$1,721,743	8.25	8,784	
Total Operating Expenses	41.0% \$705,600	\$3.38	\$3,600	
Net Operating Income	\$1,016,143	\$4.87	\$5,184	
Debt Service	898,432	4.31	4,584	
Net Cash Flow	\$117,712	\$0.56	\$601	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$24,900	\$0.12	\$127	
Net Cash Flow	\$92,812	\$0.44	\$474	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.20%			

Applicant - Annual Operating Expenses			
	Per S.F.	Per Unit	
General & Administrative Expenses	\$0	0.00	0
Management Fees	-	0.00	0
Payroll, Payroll Tax & Employee Exp.	-	0.00	0
Maintenance/Repairs	-	0.00	0
Utilities	-	0.00	0
Property Insurance	-	0.00	0
Property Taxes	-	0.00	0
Replacement Reserves	-	0.00	0
Other Expenses	-	0.00	0
Total Expenses	\$0	\$0.00	\$0

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Asbury Park Apartments, Houston (2003-027)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	32	\$ 596	774	0.77
60% AMI	2BD/1BA	124	\$ 716	1,048	0.68
60% AMI	3BD/2BA	80	\$ 827	1,248	0.66
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		236	\$ 2,088,192	254,560	\$ 0.68
Averages			\$ 737	1,079	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,107,553	\$ 4,693	\$ 4.35	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,107,553</b>	<b>\$ 4,693</b>	<b>\$ 4.35</b>	<b>0.05</b>
Sitework	1,534,000	6,500	6.03	0.08
Hard Construction Costs	10,542,360	44,671	41.41	0.52
General Requirements (6%)	724,582	3,070	2.85	0.04
Contractor's Overhead (2%)	241,527	1,023	0.95	0.01
Contractor's Profit (6%)	724,582	3,070	2.85	0.04
Construction Contingency	603,818	2,559	2.37	0.03
<b>Subtotal Construction</b>	<b>\$ 14,370,868</b>	<b>\$ 60,894</b>	<b>\$ 56.45</b>	<b>0.71</b>
Indirect Construction	630,782	2,673	2.48	0.03
Developer's Fee	2,065,058	8,750	8.11	0.10
Financing	1,910,000	8,093	7.50	0.09
Reserves	205,000	869	0.81	0.01
<b>Subtotal Other Costs</b>	<b>\$ 4,810,840</b>	<b>\$ 20,385</b>	<b>\$ 19</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 20,289,261</b>	<b>\$ 85,971</b>	<b>\$ 79.70</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,264,633	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,424,000	6.25%	30	\$ 991,847
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,600,629	77.5%	\$464,429	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,289,262</b>			<b>\$ 991,847</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,264,633	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,402,294	6.25%	30	\$ 990,243
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,622,335	78.6%	\$ 442,723	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,289,262</b>			<b>\$ 990,243</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,088,192	\$8.20		
Other Income & Loss	42,480	0.17	180	
Vacancy & Collection	7.50% (159,804)	-0.63	-677	
Effective Gross Income	\$1,970,868	7.74	8,351	
Total Operating Expenses	\$825,751	\$3.24	\$3,499	
Net Operating Income	\$1,145,117	\$4.50	\$4,852	
Debt Service	991,847	3.90	4,203	
Net Cash Flow	\$153,270	\$0.60	\$649	
Debt Coverage Ratio	1.15			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$153,270	\$0.60	\$649	
DCR after TDHCA Fees	1.15			
Break-even Rents/S.F.	0.60			
Break-even Occupancy	87.04%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,088,192	\$8.20		
Other Income & Loss	42,480	0.17	180	
Vacancy & Collection	7.50% (159,800)	-0.63	-677	
Effective Gross Income	\$1,970,872	7.74	8,351	
Total Operating Expenses	43.1% \$849,600	\$3.34	\$3,600	
Net Operating Income	\$1,121,272	\$4.40	\$4,751	
Debt Service	990,243	3.89	4,196	
Net Cash Flow	\$131,029	\$0.51	\$555	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$28,742	\$0.11	\$122	
Net Cash Flow	\$102,287	\$0.40	\$433	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.61			
Break-even Occupancy	89.48%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$55,460	0.22	235
Management Fees	98,871	0.39	419
Payroll, Payroll Tax & Employee Exp.	171,100	0.67	725
Maintenance/Repairs	94,400	0.37	400
Utilities	35,400	0.14	150
Property Insurance	63,720	0.25	270
Property Taxes	259,600	1.02	1100
Replacement Reserves	47,200	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$825,751	\$3.24	\$3,499

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Addison Park, Arlington (2003-028)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	28	\$ 631	773	0.82
60% AMI	2BD/1BA	116	\$ 752	1,012	0.74
60% AMI	3BD/2BA	84	\$ 865	1,248	0.69
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		228	\$ 2,130,720	243,868	\$ 0.73
Averages			\$ 779	1,070	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,125,590	\$ 4,937	\$ 4.62	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,125,590</b>	<b>\$ 4,937</b>	<b>\$ 4.62</b>	<b>0.05</b>
Sitework	1,482,000	6,500	6.08	0.07
Hard Construction Costs	10,436,500	45,774	42.80	0.50
General Requirements (6%)	715,110	3,136	2.93	0.03
Contractor's Overhead (2%)	238,370	1,045	0.98	0.01
Contractor's Profit (6%)	715,110	3,136	2.93	0.03
Construction Contingency	595,925	2,614	2.44	0.03
<b>Subtotal Construction</b>	<b>\$ 14,183,015</b>	<b>\$ 62,206</b>	<b>\$ 58.16</b>	<b>0.68</b>
Indirect Construction	685,275	3,006	2.81	0.03
Developer's Fee	2,038,063	8,939	8.36	0.10
Financing	2,489,000	10,917	10.21	0.12
Reserves	300,000	1,316	1.23	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,512,338</b>	<b>\$ 24,177</b>	<b>\$ 23</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 20,820,943</b>	<b>\$ 91,320</b>	<b>\$ 85.38</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,220,534	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 600,409	29.5%	\$1,437,654	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,820,943</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,220,534	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,226,411	6.25%	30	\$ 1,051,134
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,373,998	67.4%	\$ 664,065	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 20,820,943</b>			<b>\$ 1,051,134</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,130,720	\$8.74		
Other Income & Loss	41,040	0.17	180	
Vacancy & Collection	-7.50% (162,888)	-0.67	-714	
Effective Gross Income	\$2,008,872	8.24	8,811	
Total Operating Expenses	\$831,288	\$3.41	\$3,646	
Net Operating Income	\$1,177,584	\$4.83	\$5,165	
Debt Service	1,108,291	4.54	4,861	
Net Cash Flow	\$69,293	\$0.28	\$304	
Debt Coverage Ratio	1.06			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$69,293	\$0.28	\$304	
DCR after TDHCA Fees	1.06			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	91.03%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,130,720	\$8.74		
Other Income & Loss	41,040	0.17	180	
Vacancy & Collection	7.50% (162,882)	-0.67	-714	
Effective Gross Income	\$2,008,878	8.24	8,811	
Total Operating Expenses	40.9% \$820,800	\$3.37	\$3,600	
Net Operating Income	\$1,188,078	\$4.87	\$5,211	
Debt Service	1,051,134	4.31	4,610	
Net Cash Flow	\$136,944	\$0.56	\$601	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$29,046	\$0.12	\$127	
Net Cash Flow	\$107,898	\$0.44	\$473	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.22%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$47,880	0.20	210
Management Fees	117,638	0.48	516
Payroll, Payroll Tax & Employee Exp.	182,400	0.75	800
Maintenance/Repairs	91,810	0.38	403
Utilities	34,200	0.14	150
Property Insurance	61,560	0.25	270
Property Taxes	250,800	1.03	1100
Replacement Reserves	45,000	0.18	197
Other Expenses	-	0.00	0
Total Expenses	\$831,288	\$3.41	\$3,646

Staff Notes/Comments	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Southpark Apartments, Austin (2003-029)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	48	\$ 712	622	1.14
60% AMI	1BD/1BA	36	\$ 712	737	0.97
60% AMI	2BD/1BA	12	\$ 837	893	0.94
60% AMI	2BD/2BA	36	\$ 837	960	0.87
60% AMI	2BD/2BA	36	\$ 837	1,025	0.82
60% AMI	3BD/3BA	24	\$ 944	1,317	0.72
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		192	\$ 1,833,264	170,172	\$ 0.90
Averages			\$ 796	886	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,410,000	\$ 7,344	\$ 8.29	0.10
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,410,000</b>	<b>\$ 7,344</b>	<b>\$ 8.29</b>	<b>0.10</b>
Sitework	0	0	0.00	0.00
Hard Construction Costs	8,657,199	45,090	50.87	0.60
General Requirements (6%)	0	0	0.00	0.00
Contractor's Overhead (2%)	0	0	0.00	0.00
Contractor's Profit (6%)	0	0	0.00	0.00
Construction Contingency	0	0	0.00	0.00
<b>Subtotal Construction</b>	<b>\$ 8,657,199</b>	<b>\$ 45,090</b>	<b>\$ 50.87</b>	<b>0.60</b>
Indirect Construction	1,718,376	8,950	10.10	0.12
Developer's Fee	1,510,080	7,865	8.87	0.10
Financing	590,339	3,075	3.47	0.04
Reserves/Escrows	497,042	2,589	2.92	0.03
<b>Subtotal Other Costs</b>	<b>\$ 4,315,837</b>	<b>\$ 22,478</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 14,383,036</b>	<b>\$ 74,912</b>	<b>\$ 84.52</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,490,848	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,892,188	6.25%	30	\$ 804,781
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$1,510,080	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 14,383,036</b>			<b>\$ 804,781</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,490,848	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,892,188	6.25%	30	\$ 804,781
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$ 1,510,080	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 14,383,036</b>			<b>\$ 804,781</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,833,264	\$10.77		
Other Income & Loss	105,108	0.62	547	
Vacancy & Collection	-7.39% (143,304)	-0.84	-746	
Effective Gross Income	\$1,795,068	10.55	9,349	
Total Operating Expenses	\$790,843	\$4.65	\$4,119	
Net Operating Income	\$1,004,225	\$5.90	\$5,230	
Debt Service	804,781	4.73	4,192	
Net Cash Flow	\$199,444	\$1.17	\$1,039	
Debt Coverage Ratio	1.25			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$199,444	\$1.17	\$1,039	
DCR after TDHCA Fees	1.25			
Break-even Rents/S.F.	0.78			
Break-even Occupancy	87.04%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,833,264	\$10.77		
Other Income & Loss	34,560	0.20	180	
Vacancy & Collection	7.50% (140,087)	-0.82	-730	
Effective Gross Income	1,727,737	10.15	8,999	
Total Operating Expenses	45.8% \$790,843	\$4.65	\$4,119	
Net Operating Income	\$936,894	\$5.51	\$4,880	
Debt Service	804,781	4.73	4,192	
Net Cash Flow	\$132,113	\$0.78	\$688	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$23,372	\$0.14	\$122	
Net Cash Flow	\$108,741	\$0.64	\$566	
DCR after TDHCA Fees	1.13			
Break-even Rents/S.F.	0.79			
Break-even Occupancy	88.31%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$48,000	0.28	250
Management Fees	72,225	0.42	376
Payroll, Payroll Tax & Employee Exp.	115,200	0.68	600
Maintenance/Repairs	105,600	0.62	550
Utilities	38,400	0.23	200
Property Insurance	51,052	0.30	266
Property Taxes	326,766	1.92	1702
Replacement Reserves	33,600	0.20	175
Other Expenses	-	0.00	0
Total Expenses	\$790,843	\$4.65	\$4,119

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

VISTA POINTE AT THE QUARRY, CEDAR PARK (#2003-030)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	60	\$ 722	750	0.96
60% AMI	2BD/2BA	112	\$ 870	985	0.88
60% AMI	3BD/2BA	108	\$ 1,008	1,148	0.88
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,995,488</b>	<b>279,304</b>	<b>\$ 0.89</b>
<b>Averages</b>			<b>\$ 892</b>	<b>998</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,400,000	\$ 5,000	\$ 5.01	0.05
Off-sites	351,188	1,254	1.26	0.01
<b>Subtotal Site Costs</b>	<b>\$ 1,751,188</b>	<b>\$ 6,254</b>	<b>\$ 6.27</b>	<b>0.06</b>
Sitework	2,067,520	7,384	7.40	0.08
Hard Construction Costs	13,646,734	48,738	48.86	0.50
General Requirements (6%)	963,927	3,443	3.45	0.04
Contractor's Overhead (2%)	321,309	1,148	1.15	0.01
Contractor's Profit (6%)	963,927	3,443	3.45	0.04
Construction Contingency	803,272	2,869	2.88	0.03
<b>Subtotal Construction</b>	<b>\$ 18,766,689</b>	<b>\$ 67,024</b>	<b>\$ 67.19</b>	<b>0.69</b>
Indirect Construction	556,409	1,987	1.99	0.02
Developer's Fee	3,161,143	11,290	11.32	0.12
Financing	2,720,631	9,717	9.74	0.10
Reserves	423,116	1,511	1.51	0.02
<b>Subtotal Other Costs</b>	<b>\$ 6,861,299</b>	<b>\$ 24,505</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 27,379,176</b>	<b>\$ 97,783</b>	<b>\$ 98.03</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,840,605	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 19,745,000	6.25%	30	\$ 1,458,880
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 793,569	25.1%	\$ 2,367,574	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 27,379,174</b>			<b>\$ 1,458,880</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,840,605	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 905,792	28.7%	\$ 2,255,351	
Source IV	Proceeds	Rate	Amort	Annual D/S
Taxable Bonds	\$ 4,632,779	9.00%	30	\$ 447,317
<b>Total Sources</b>	<b>\$ 27,379,176</b>			<b>\$ 1,555,608</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,995,488	\$10.72		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.53% (229,476)	-0.82	-820	
Effective Gross Income	\$2,816,412	10.08	10,059	
Total Operating Expenses	\$1,068,468	\$3.83	\$3,816	
Net Operating Income	\$1,747,944	\$6.26	\$6,243	
Debt Service	1,458,880	5.22	5,210	
Net Cash Flow	\$289,064	\$1.03	\$1,032	
Debt Coverage Ratio	1.20			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$289,064	\$1.03	\$1,032	
DCR after TDHCA Fees	1.20			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	84.37%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,995,488	\$10.72		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (228,442)	-0.82	-816	
Effective Gross Income	\$2,817,446	10.09	10,062	
Total Operating Expenses	37.9% \$1,068,468	\$3.83	\$3,816	
Net Operating Income	\$1,748,979	\$6.26	\$6,246	
Debt Service	1,555,608	5.57	5,556	
Net Cash Flow	\$193,371	\$0.69	\$691	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$160,171	\$0.57	\$572	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.79			
Break-even Occupancy	88.71%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$57,220	0.20	204
Management Fees	141,507	0.51	505
Payroll, Payroll Tax & Employee Exp.	166,156	0.59	593
Maintenance/Repairs	113,900	0.41	407
Utilities	98,400	0.35	351
Property Insurance	51,524	0.18	184
Property Taxes	378,761	1.36	1353
Replacement Reserves	56,000	0.20	200
Other Expenses	5,000	0.02	18
<b>Total Exepnses</b>	<b>\$1,068,468</b>	<b>\$3.83</b>	<b>\$3,816</b>

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

EAGLE GLEN APARTMENTS, HARRIS COUNTY (#2003-036)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	32	\$ 574	546	1.05
60% AMI	1BD/1BA	48	\$ 574	620	0.93
60% AMI	1BD/1BA	32	\$ 574	802	0.72
60% AMI	1BD/1BA	16	\$ 574	815	0.70
60% AMI	1BD/1BA	24	\$ 574	800	0.72
60% AMI	2BD/1BA	48	\$ 686	902	0.76
60% AMI	2BD/2BA	52	\$ 686	1,135	0.60
60% AMI	1BD/1.5BA	24	\$ 574	853	0.67
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		276	\$ 2,035,488	227,924	\$ 0.74
<b>Averages</b>			\$ 615	826	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,718,442	\$ 6,226	\$ 7.54	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,718,442</b>	<b>\$ 6,226</b>	<b>\$ 7.54</b>	<b>0.09</b>
Sitework	1,973,946	7,152	8.66	0.11
Hard Construction Costs	8,428,046	30,536	36.98	0.46
General Requirements (6%)	689,020	2,496	3.02	0.04
Contractor's Overhead (2%)	221,820	804	0.97	0.01
Contractor's Profit (6%)	443,640	1,607	1.95	0.02
Construction Contingency	0	0	0.00	0.00
<b>Subtotal Construction</b>	<b>\$ 11,756,472</b>	<b>\$ 42,596</b>	<b>\$ 51.58</b>	<b>0.65</b>
Indirect Construction	443,142	1,606	1.94	0.02
Developer's Fee	1,904,708	6,901	8.36	0.10
Financing	1,784,030	6,464	7.83	0.10
Reserves	595,210	2,157	2.61	0.03
<b>Subtotal Other Costs</b>	<b>\$ 4,727,090</b>	<b>\$ 17,127</b>	<b>\$ 21</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 18,202,004</b>	<b>\$ 65,949</b>	<b>\$ 79.86</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,473,305	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,728,699	6.25%	30	\$1,014,359
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ -	0.0%	\$1,904,708	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,202,004</b>			<b>\$1,014,359</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,473,305	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,477,451	6.25%	30	\$ 995,796
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 251,248	13.2%	\$ 1,653,460	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 18,202,004</b>			<b>\$ 995,796</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,035,488	\$8.93		
Other Income & Loss	48,024	0.21	174	
Vacancy & Collection	-7.50% (156,168)	-0.69	-566	
Effective Gross Income	\$1,927,344	8.46	6,983	
Total Operating Expenses	\$798,734	\$3.50	\$2,894	
Net Operating Income	\$1,128,610	\$4.95	\$4,089	
Debt Service	1,014,359	4.45	3,675	
Net Cash Flow	\$114,251	\$0.50	\$414	
Debt Coverage Ratio	1.11			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$114,251	\$0.50	\$414	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.07%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,035,488	\$8.93		
Other Income & Loss	49,680	0.22	180	
Vacancy & Collection	7.50% (156,388)	-0.69	-567	
Effective Gross Income	\$1,928,780	8.46	6,988	
Total Operating Expenses	41.4% \$798,734	\$3.50	\$2,894	
Net Operating Income	\$1,130,046	\$4.96	\$4,094	
Debt Service	995,796	4.37	3,608	
Net Cash Flow	\$134,251	\$0.59	\$486	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,417	\$0.14	\$114	
Net Cash Flow	\$102,833	\$0.45	\$373	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.71%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$92,057	0.40	334
Management Fees	77,046	0.34	279
Payroll, Payroll Tax & Employee Exp.	220,031	0.97	797
Maintenance/Repairs	94,452	0.41	342
Utilities	89,910	0.39	326
Property Insurance	54,670	0.24	198
Property Taxes	120,000	0.53	435
Replacement Reserves	50,568	0.22	183
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$798,734</b>	<b>\$3.50</b>	<b>\$2,894</b>

Staff Notes/Comments
Property utilizes CHDO tax exemption.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

ALBENDER WEST APARTMENTS, HOUSTON (#2003-037)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 596	690	0.86
60% AMI	2BD/2BA	120	\$ 716	1,015	0.71
60% AMI	3BD/2BA	64	\$ 827	1,188	0.70
					0.00
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					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,352,768	264,072	\$ 0.74
Averages			\$ 700	943	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,300,000	\$ 4,643	\$ 4.92	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,300,000</b>	<b>\$ 4,643</b>	<b>\$ 4.92</b>	<b>0.06</b>
Sitework	1,834,500	6,552	6.95	0.08
Hard Construction Costs	10,477,500	37,420	39.68	0.48
General Requirements (6%)	738,500	2,638	2.80	0.03
Contractor's Overhead (2%)	246,000	879	0.93	0.01
Contractor's Profit (6%)	738,500	2,638	2.80	0.03
Construction Contingency	300,000	1,071	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 14,335,000</b>	<b>\$ 51,196</b>	<b>\$ 54.28</b>	<b>0.66</b>
Indirect Construction	930,000	3,321	3.52	0.04
Developer's Fee	2,494,000	8,907	9.44	0.11
Financing	2,608,231	9,315	9.88	0.12
Reserves	200,000	714	0.76	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,232,231</b>	<b>\$ 22,258</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,867,231</b>	<b>\$ 78,097</b>	<b>\$ 82.81</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,638,840	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,138,840	6.05%	30	\$1,022,694
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 89,851	3.6%	\$2,404,149	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	<b>\$ 21,867,531</b>			<b>\$1,022,694</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,389,808	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,138,840	6.25%	30	\$ 1,044,663
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 338,583	13.6%	\$ 2,155,417	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	<b>\$ 21,867,231</b>			<b>\$ 1,044,663</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (180,240)	-0.68	-644	
Effective Gross Income	\$2,222,928	8.42	7,939	
Total Operating Expenses	\$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,928	\$4.49	\$4,239	
Debt Service	1,022,694	3.87	3,652	
Net Cash Flow	\$164,234	\$0.62	\$587	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$164,234	\$0.62	\$587	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	87.50%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (180,238)	-0.68	-644	
Effective Gross Income	\$2,222,930	8.42	7,939	
Total Operating Expenses	46.6% \$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,930	\$4.49	\$4,239	
Debt Service	1,044,663	3.96	3,731	
Net Cash Flow	\$142,267	\$0.54	\$508	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$32,339	\$0.12	\$115	
Net Cash Flow	\$109,928	\$0.42	\$393	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.81%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$112,135	0.42	400
Management Fees	111,147	0.42	397
Payroll, Payroll Tax & Employee Exp.	187,500	0.71	670
Maintenance/Repairs	141,500	0.54	505
Utilities	117,000	0.44	418
Property Insurance	66,018	0.25	236
Property Taxes	244,700	0.93	874
Replacement Reserves	56,000	0.21	200
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,036,000</b>	<b>\$3.92</b>	<b>\$3,700</b>

Staff Notes/Comments
One bedroom rents may be leading the market slightly.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

ALBENDER EAST APARTMENTS, HOUSTON (#2003-038)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 596	690	0.86
60% AMI	2BD/2BA	120	\$ 716	1,015	0.71
60% AMI	3BD/2BA	64	\$ 827	1,188	0.70
					0.00
					0.00
					0.00
					0.00
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					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,352,768	264,072	\$ 0.74
Averages			\$ 700	943	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,300,000	\$ 4,643	\$ 4.92	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,300,000</b>	<b>\$ 4,643</b>	<b>\$ 4.92</b>	<b>0.06</b>
Sitework	1,834,500	6,552	6.95	0.08
Hard Construction Costs	10,477,500	37,420	39.68	0.48
General Requirements (6%)	738,500	2,638	2.80	0.03
Contractor's Overhead (2%)	246,000	879	0.93	0.01
Contractor's Profit (6%)	738,500	2,638	2.80	0.03
Construction Contingency	300,000	1,071	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 14,335,000</b>	<b>\$ 51,196</b>	<b>\$ 54.28</b>	<b>0.66</b>
Indirect Construction	930,000	3,321	3.52	0.04
Developer's Fee	2,494,000	8,907	9.44	0.11
Financing	2,608,231	9,315	9.88	0.12
Reserves	200,000	714	0.76	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,232,231</b>	<b>\$ 22,258</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 21,867,231</b>	<b>\$ 78,097</b>	<b>\$ 82.81</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,638,840	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,138,840	6.05%	30	\$1,022,694
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 89,851	3.6%	\$2,404,149	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,867,531</b>			<b>\$1,022,694</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 7,389,808	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,138,840	6.25%	30	\$ 1,044,663
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 338,583	13.6%	\$ 2,155,417	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,867,231</b>			<b>\$ 1,044,663</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (180,240)	-0.68	-644	
Effective Gross Income	\$2,222,928	8.42	7,939	
Total Operating Expenses	\$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,928	\$4.49	\$4,239	
Debt Service	1,022,694	3.87	3,652	
Net Cash Flow	\$164,234	\$0.62	\$587	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$164,234	\$0.62	\$587	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	87.50%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (180,238)	-0.68	-644	
Effective Gross Income	\$2,222,930	8.42	7,939	
Total Operating Expenses	46.6% \$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,930	\$4.49	\$4,239	
Debt Service	1,044,663	3.96	3,731	
Net Cash Flow	\$142,267	\$0.54	\$508	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$32,339	\$0.12	\$115	
Net Cash Flow	\$109,928	\$0.42	\$393	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.81%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$112,135	0.42	400
Management Fees	111,147	0.42	397
Payroll, Payroll Tax & Employee Exp.	187,500	0.71	670
Maintenance/Repairs	141,500	0.54	505
Utilities	117,000	0.44	418
Property Insurance	66,018	0.25	236
Property Taxes	244,700	0.93	874
Replacement Reserves	56,000	0.21	200
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,036,000</b>	<b>\$3.92</b>	<b>\$3,700</b>

Staff Notes/Comments
One bedroom rents may be leading the market slightly.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

KENSINGTON APARTMENTS, HARRIS COUNTY (#2003-039)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 596	690	0.86
60% AMI	2BD/2BA	120	\$ 716	1,015	0.71
60% AMI	3BD/2BA	64	\$ 827	1,188	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,352,768	264,072	\$ 0.74
Averages			\$ 700	943	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,262,064	\$ 4,507	\$ 4.78	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,262,064</b>	<b>\$ 4,507</b>	<b>\$ 4.78</b>	<b>0.06</b>
Sitework	1,834,500	6,552	6.95	0.08
Hard Construction Costs	10,477,500	37,420	39.68	0.48
General Requirements (6%)	738,500	2,638	2.80	0.03
Contractor's Overhead (2%)	246,000	879	0.93	0.01
Contractor's Profit (6%)	738,500	2,638	2.80	0.03
Construction Contingency	300,000	1,071	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 14,335,000</b>	<b>\$ 51,196</b>	<b>\$ 54.28</b>	<b>0.66</b>
Indirect Construction	930,000	3,321	3.52	0.04
Developer's Fee	2,494,000	8,907	9.44	0.11
Financing	2,608,231	9,315	9.88	0.12
Reserves	200,000	714	0.76	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,232,231</b>	<b>\$ 22,258</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 21,829,295</b>	<b>\$ 77,962</b>	<b>\$ 82.66</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,876,031	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,781,200	6.05%	30	\$1,069,158
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,172,064	47.0%	\$1,321,936	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,829,295</b>			<b>\$1,069,158</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,684,468	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,166,274	6.25%	30	\$ 1,046,690
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,978,553	79.3%	\$ 515,447	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,829,295</b>			<b>\$ 1,046,690</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (180,240)	-0.68	-644	
Effective Gross Income	\$2,222,928	8.42	7,939	
Total Operating Expenses	\$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,928	\$4.49	\$4,239	
Debt Service	1,069,158	4.05	3,818	
Net Cash Flow	\$117,770	\$0.45	\$421	
Debt Coverage Ratio	1.11			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$117,770	\$0.45	\$421	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.48%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$8.91		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (180,238)	-0.68	-644	
Effective Gross Income	\$2,222,930	8.42	7,939	
Total Operating Expenses	46.6% \$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,186,930	\$4.49	\$4,239	
Debt Service	1,046,690	3.96	3,738	
Net Cash Flow	\$140,240	\$0.53	\$501	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$32,366	\$0.12	\$116	
Net Cash Flow	\$107,874	\$0.41	\$385	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.90%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$112,135	0.42	400
Management Fees	111,147	0.42	397
Payroll, Payroll Tax & Employee Exp.	187,500	0.71	670
Maintenance/Repairs	141,500	0.54	505
Utilities	117,000	0.44	418
Property Insurance	66,018	0.25	236
Property Taxes	244,700	0.93	874
Replacement Reserves	56,000	0.21	200
Other Expenses	-	0.00	0
Total Expenses	\$1,036,000	\$3.92	\$3,700

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

WITTERSHAW APARTMENTS, HARRIS COUNTY (#2003-040)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	80	\$ 596	690	0.86
60% AMI	2BD/2BA	120	\$ 716	1,015	0.71
60% AMI	3BD/2BA	48	\$ 827	1,188	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		248	\$ 2,079,552	234,024	\$ 0.74
Averages			\$ 699	944	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 946,123	\$ 3,815	\$ 4.04	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 946,123</b>	<b>\$ 3,815</b>	<b>\$ 4.04</b>	<b>0.05</b>
Sitework	1,684,707	6,793	7.20	0.09
Hard Construction Costs	9,266,502	37,365	39.60	0.48
General Requirements (6%)	657,000	2,649	2.81	0.03
Contractor's Overhead (2%)	219,000	883	0.94	0.01
Contractor's Profit (6%)	657,000	2,649	2.81	0.03
Construction Contingency	300,000	1,210	1.28	0.02
<b>Subtotal Construction</b>	<b>\$ 12,784,209</b>	<b>\$ 51,549</b>	<b>\$ 54.63</b>	<b>0.67</b>
Indirect Construction	683,000	2,754	2.92	0.04
Developer's Fee	2,200,000	8,871	9.40	0.11
Financing	2,360,058	9,516	10.08	0.12
Reserves	200,000	806	0.85	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,443,058</b>	<b>\$ 21,948</b>	<b>\$ 23</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 19,173,390</b>	<b>\$ 77,312</b>	<b>\$ 81.93</b>	<b>1.00</b>

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,200,144	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,042,062	6.05%	30	\$ 943,362
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 931,184	42.3%	\$1,268,816	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,173,390</b>		<b>\$ 943,362</b>	

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,030,615	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,498,756	6.25%	30	\$ 923,484
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,644,019	74.7%	\$ 555,981	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,173,390</b>		<b>\$ 923,484</b>	

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,079,552	\$8.89		
Other Income & Loss	44,640	0.19	180	
Vacancy & Collection	-7.50% (159,312)	-0.68	-642	
Effective Gross Income	\$1,964,880	8.40	7,923	
Total Operating Expenses	\$917,600	\$3.92	\$3,700	
Net Operating Income	\$1,047,280	\$4.48	\$4,223	
Debt Service	943,362	4.03	3,804	
Net Cash Flow	\$103,918	\$0.44	\$419	
Debt Coverage Ratio	<b>1.11</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$103,918	\$0.44	\$419	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.49%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,079,552	\$8.89		
Other Income & Loss	44,640	0.19	180	
Vacancy & Collection	7.50% (159,314)	-0.68	-642	
Effective Gross Income	\$1,964,878	8.40	7,923	
Total Operating Expenses	46.7% \$917,600	\$3.92	\$3,700	
Net Operating Income	\$1,047,278	\$4.48	\$4,223	
Debt Service	923,484	3.95	3,724	
Net Cash Flow	\$123,794	\$0.53	\$499	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$28,619	\$0.12	\$115	
Net Cash Flow	\$95,175	\$0.41	\$384	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.91%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$99,197	0.42	400
Management Fees	98,244	0.42	396
Payroll, Payroll Tax & Employee Exp.	171,000	0.73	690
Maintenance/Repairs	126,553	0.54	510
Utilities	92,800	0.40	374
Property Insurance	63,186	0.27	255
Property Taxes	217,020	0.93	875
Replacement Reserves	49,600	0.21	200
Other Expenses	-	0.00	0
Total Exepnses	\$917,600	\$3.92	\$3,700

<b>Staff Notes/Comments</b>

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

ALAMEDA APARTMENTS, HARRIS COUNTY (#2003-041)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 596	667	0.89
60% AMI	2BD/2BA	120	\$ 716	910	0.79
60% AMI	3BD/2BA	64	\$ 827	1,110	0.75
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,352,768	244,272	\$ 0.80
Averages			\$ 700	872	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,090,880	\$ 7,467	\$ 8.56	0.10
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,090,880</b>	<b>\$ 7,467</b>	<b>\$ 8.56</b>	<b>0.10</b>
Sitework	1,765,500	6,305	7.23	0.08
Hard Construction Costs	10,010,628	35,752	40.98	0.47
General Requirements (6%)	706,000	2,521	2.89	0.03
Contractor's Overhead (2%)	235,000	839	0.96	0.01
Contractor's Profit (6%)	706,000	2,521	2.89	0.03
Construction Contingency	300,000	1,071	1.23	0.01
<b>Subtotal Construction</b>	<b>\$ 13,723,128</b>	<b>\$ 49,011</b>	<b>\$ 56.18</b>	<b>0.64</b>
Indirect Construction	887,000	3,168	3.63	0.04
Developer's Fee	2,301,000	8,218	9.42	0.11
Financing	2,105,761	7,521	8.62	0.10
Reserves	200,000	714	0.82	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,493,761</b>	<b>\$ 19,621</b>	<b>\$ 22</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 21,307,769</b>	<b>\$ 76,099</b>	<b>\$ 87.23</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,530,398	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,781,200	6.05%	30	\$1,069,158
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 996,171	43.3%	\$1,304,829	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,307,769</b>		<b>\$1,069,158</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,350,102	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,166,425	6.25%	30	\$ 1,046,701
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,791,242	77.8%	\$ 509,758	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 21,307,769</b>		<b>\$ 1,046,701</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$9.63		
Other Income & Loss	50,400	0.21	180	
Vacancy & Collection	-7.50% (180,240)	-0.74	-644	
Effective Gross Income	\$2,222,928	9.10	7,939	
Total Operating Expenses	\$1,036,000	\$4.24	\$3,700	
Net Operating Income	\$1,186,928	\$4.86	\$4,239	
Debt Service	1,069,158	4.38	3,818	
Net Cash Flow	\$117,770	\$0.48	\$421	
Debt Coverage Ratio	<b>1.11</b>			
TDHCA/TSAHC Fees	\$10,000	\$0.04	\$36	
Net Cash Flow	\$107,770	\$0.44	\$385	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.72			
Break-even Occupancy	89.90%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,352,768	\$9.63		
Other Income & Loss	50,400	0.21	180	
Vacancy & Collection	7.50% (180,238)	-0.74	-644	
Effective Gross Income	\$2,222,930	9.10	7,939	
Total Operating Expenses	46.6% \$1,036,000	\$4.24	\$3,700	
Net Operating Income	\$1,186,930	\$4.86	\$4,239	
Debt Service	1,046,701	4.28	3,738	
Net Cash Flow	\$140,229	\$0.57	\$501	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$32,366	\$0.13	\$116	
Net Cash Flow	\$107,863	\$0.44	\$385	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.72			
Break-even Occupancy	89.90%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$111,735	0.46	399
Management Fees	111,147	0.46	397
Payroll, Payroll Tax & Employee Exp.	187,900	0.77	671
Maintenance/Repairs	141,500	0.58	505
Utilities	117,000	0.48	418
Property Insurance	66,018	0.27	236
Property Taxes	244,700	1.00	874
Replacement Reserves	56,000	0.23	200
Other Expenses	-	0.00	0
Total Exepnses	\$1,036,000	\$4.24	\$3,700

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

FALLBROOK BELT 8 APARTMENTS, HOUSTON (#2003-042)

Unit Mix and Rent Schedule					
Unit Type	Bed/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	80	\$ 614	690	0.89
60% AMI	2BD/2BA	120	\$ 734	1,015	0.72
60% AMI	3BD/2BA	48	\$ 845	1,188	0.71
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		248	\$ 2,133,120	234,024	\$ 0.76
Averages			\$ 717	944	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,461,438	\$ 5,893	\$ 6.24	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	\$ 1,461,438	\$ 5,893	\$ 6.24	0.07
Sitework	1,684,707	6,793	7.20	0.09
Hard Construction Costs	9,266,502	37,365	39.60	0.47
General Requirements (6%)	657,000	2,649	2.81	0.03
Contractor's Overhead (2%)	219,000	883	0.94	0.01
Contractor's Profit (6%)	657,000	2,649	2.81	0.03
Construction Contingency	300,000	1,210	1.28	0.02
<b>Subtotal Construction</b>	\$ 12,784,209	\$ 51,549	\$ 54.63	0.65
Indirect Construction	683,000	2,754	2.92	0.03
Developer's Fee	2,200,000	8,871	9.40	0.11
Financing	2,360,058	9,516	10.08	0.12
Reserves	200,000	806	0.85	0.01
<b>Subtotal Other Costs</b>	\$ 5,443,058	\$ 21,948	\$ 23	0
<b>Total Uses</b>	\$ 19,688,705	\$ 79,390	\$ 84.13	1.00

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,200,144	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,042,062	6.05%	30	\$ 943,362
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,446,499	65.7%	\$753,501	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	\$ 19,688,705			\$ 943,362

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,030,615	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,099,084	6.25%	30	\$ 967,840
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,559,006	70.9%	\$ 640,994	
Source IV	Proceeds	Description		Annual D/S
Other	\$ -			\$ -
<b>Total Sources</b>	\$ 19,688,705			\$ 967,840

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,133,120	\$9.11		
Other Income & Loss	44,640	0.19	180	
Vacancy & Collection	-7.32% (159,312)	-0.68	-642	
Effective Gross Income	\$2,018,448	8.62	8,139	
Total Operating Expenses	\$917,600	\$3.92	\$3,700	
Net Operating Income	\$1,100,848	\$4.70	\$4,439	
Debt Service	943,362	4.03	3,804	
Net Cash Flow	\$157,486	\$0.67	\$635	
Debt Coverage Ratio	<b>1.17</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$157,486	\$0.67	\$635	
DCR after TDHCA Fees	<b>1.17</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	87.24%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,133,120	\$9.11		
Other Income & Loss	44,640	0.19	180	
Vacancy & Collection	7.50% (163,332)	-0.70	-659	
Effective Gross Income	2,014,428	8.61	8,123	
Total Operating Expenses	45.6% \$917,600	\$3.92	\$3,700	
Net Operating Income	\$1,096,828	\$4.69	\$4,423	
Debt Service	967,840	4.14	3,903	
Net Cash Flow	\$128,988	\$0.55	\$520	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$29,219	\$0.12	\$118	
Net Cash Flow	\$99,769	\$0.43	\$402	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	89.76%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$99,197	0.42	400
Management Fees	98,244	0.42	396
Payroll, Payroll Tax & Employee Exp.	171,000	0.73	690
Maintenance/Repairs	126,553	0.54	510
Utilities	92,800	0.40	374
Property Insurance	63,186	0.27	255
Property Taxes	217,020	0.93	875
Replacement Reserves	49,600	0.21	200
Other Expenses	-	0.00	0
Total Expsnes	\$917,600	\$3.92	\$3,700

Staff Notes/Comments	
Utility allowances were calculated including water, sewer and trash. These exceed TDHCA guidelines due to the level of estimated expenses, and were therefore adjusted down.	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

PARK 10 BARKER CYPRESS APARTMENTS, HOUSTON (#2003-043)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 614	690	0.89
60% AMI	2BD/2BA	120	\$ 734	1,015	0.72
60% AMI	3BD/2BA	64	\$ 845	1,188	0.71
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,413,248	264,072	\$ 0.76
Averages			\$ 718	943	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,532,502	\$ 5,473	\$ 5.80	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,532,502</b>	<b>\$ 5,473</b>	<b>\$ 5.80</b>	<b>0.07</b>
Sitework	1,834,500	6,552	6.95	0.08
Hard Construction Costs	10,477,500	37,420	39.68	0.47
General Requirements (6%)	738,500	2,638	2.80	0.03
Contractor's Overhead (2%)	246,000	879	0.93	0.01
Contractor's Profit (6%)	738,500	2,638	2.80	0.03
Construction Contingency	300,000	1,071	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 14,335,000</b>	<b>\$ 51,196</b>	<b>\$ 54.28</b>	<b>0.65</b>
Indirect Construction	930,000	3,321	3.52	0.04
Developer's Fee	2,494,000	8,907	9.44	0.11
Financing	2,608,231	9,315	9.88	0.12
Reserves	200,000	714	0.76	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,232,231</b>	<b>\$ 22,258</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,099,733</b>	<b>\$ 78,928</b>	<b>\$ 83.69</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,876,031	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,781,200	6.05%	30	\$1,069,158
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,442,502	57.8%	\$1,051,498	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	\$ 22,099,733			\$1,069,158

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,684,468	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,844,169	6.25%	30	\$ 1,096,777
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,571,096	63.0%	\$ 922,904	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	\$ 22,099,733			\$ 1,096,777

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,413,248	\$9.14		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.32% (180,240)	-0.68	-644	
Effective Gross Income	\$2,283,408	8.65	8,155	
Total Operating Expenses	\$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,247,408	\$4.72	\$4,455	
Debt Service	1,069,158	4.05	3,818	
Net Cash Flow	\$178,250	\$0.68	\$637	
Debt Coverage Ratio	1.17			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$178,250	\$0.68	\$637	
DCR after TDHCA Fees	1.17			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	87.23%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,413,248	\$9.14		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (184,774)	-0.70	-660	
Effective Gross Income	\$2,278,874	8.63	8,139	
Total Operating Expenses	45.5% \$1,036,000	\$3.92	\$3,700	
Net Operating Income	\$1,242,874	\$4.71	\$4,439	
Debt Service	1,096,777	4.15	3,917	
Net Cash Flow	\$146,097	\$0.55	\$522	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,044	\$0.13	\$118	
Net Cash Flow	\$113,053	\$0.43	\$404	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	89.75%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$111,762	0.42	399
Management Fees	111,147	0.42	397
Payroll, Payroll Tax & Employee Exp.	187,900	0.71	671
Maintenance/Repairs	141,473	0.54	505
Utilities	117,000	0.44	418
Property Insurance	66,018	0.25	236
Property Taxes	244,700	0.93	874
Replacement Reserves	56,000	0.21	200
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,036,000</b>	<b>\$3.92</b>	<b>\$3,700</b>

Staff Notes/Comments
Utility allowances were calculated including water, sewer and trash. These exceed TDHCA guidelines due to the level of estimated expenses, and were therefore adjusted down.



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

PEPPERTREE APARTMENTS, ROSENBERG (#2003-045)

Unit Mix and Rent Schedule					
Unit Type	Bed/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	96	\$ 631	690	0.91
60% AMI	2BD/2BA	120	\$ 756	1,015	0.74
60% AMI	3BD/2BA	64	\$ 870	1,188	0.73
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,483,712	264,072	\$ 0.78
Averages			\$ 739	943	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,000,000	\$ 7,143	\$ 7.57	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,000,000</b>	<b>\$ 7,143</b>	<b>\$ 7.57</b>	<b>0.09</b>
Sitework	1,834,500	6,552	6.95	0.08
Hard Construction Costs	10,477,500	37,420	39.68	0.46
General Requirements (6%)	738,500	2,638	2.80	0.03
Contractor's Overhead (2%)	246,000	879	0.93	0.01
Contractor's Profit (6%)	738,500	2,638	2.80	0.03
Construction Contingency	300,000	1,071	1.14	0.01
<b>Subtotal Construction</b>	<b>\$ 14,335,000</b>	<b>\$ 51,196</b>	<b>\$ 54.28</b>	<b>0.64</b>
Indirect Construction	930,000	3,321	3.52	0.04
Developer's Fee	2,494,000	8,907	9.44	0.11
Financing	2,608,231	9,315	9.88	0.12
Reserves	200,000	714	0.76	0.01
<b>Subtotal Other Costs</b>	<b>\$ 6,232,231</b>	<b>\$ 22,258</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,567,231</b>	<b>\$ 80,597</b>	<b>\$ 85.46</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,876,031	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.05%	30	\$1,084,984
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,691,200	67.8%	\$802,800	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,567,231</b>			<b>\$1,084,984</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,684,468	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,653,112	66.3%	\$ 840,888	
Source IV	Proceeds	Rate	Amort	Annual D/S
Other: Taxable Bonds	\$ 229,652	9.00%	30	\$ 22,174
<b>Total Sources</b>	<b>\$ 22,567,231</b>			<b>\$ 1,130,465</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,712	\$9.41		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (190,056)	-0.72	-679	
Effective Gross Income	\$2,344,056	8.88	8,372	
Total Operating Expenses	\$1,064,000	\$4.03	\$3,800	
Net Operating Income	\$1,280,056	\$4.85	\$4,572	
Debt Service	1,084,984	4.11	3,875	
Net Cash Flow	\$195,072	\$0.74	\$697	
Debt Coverage Ratio	1.18			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$195,072	\$0.74	\$697	
DCR after TDHCA Fees	1.18			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	86.52%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,483,712	\$9.41		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (190,058)	-0.72	-679	
Effective Gross Income	\$2,344,054	8.88	8,372	
Total Operating Expenses	45.4% \$1,064,000	\$4.03	\$3,800	
Net Operating Income	\$1,280,054	\$4.85	\$4,572	
Debt Service	1,130,465	4.28	4,037	
Net Cash Flow	\$149,589	\$0.57	\$534	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,200	\$0.13	\$119	
Net Cash Flow	\$116,389	\$0.44	\$416	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	89.69%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$125,262	0.47	447
Management Fees	117,203	0.44	419
Payroll, Payroll Tax & Employee Exp.	187,900	0.71	671
Maintenance/Repairs	174,000	0.66	621
Utilities	125,500	0.48	448
Property Insurance	79,222	0.30	283
Property Taxes	198,913	0.75	710
Replacement Reserves	56,000	0.21	200
Other Expenses	-	0.00	0
Total Expenses	\$1,064,000	\$4.03	\$3,800

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

The Park at Steeplechase, Houston (2003-047)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	60	\$ 600	664	0.90
60% AMI	1BD/1BA	96	\$ 600	720	0.83
60% AMI	2BD/1BA	60	\$ 714	937	0.76
60% AMI	2BD/2BA	48	\$ 714	1,067	0.67
60% AMI	3BD/2BA	16	\$ 820	1,178	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,205,984	235,244	\$ 0.78
Averages			\$ 657	840	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,844,296	\$ 6,587	\$ 7.84	0.09
Off-sites	100,000	357	0.43	0.01
<b>Subtotal Site Costs</b>	<b>\$ 1,944,296</b>	<b>\$ 6,944</b>	<b>\$ 8.27</b>	<b>0.10</b>
Sitework	0	0	0.00	0.00
Hard Construction Costs	10,776,000	38,486	45.81	0.55
General Requirements (6%)		0	0.00	0.00
Contractor's Overhead (2%)	192,900	689	0.82	0.01
Contractor's Profit (6%)	578,700	2,067	2.46	0.03
Construction Contingency	289,350	1,033	1.23	0.01
<b>Subtotal Construction</b>	<b>\$ 11,836,950</b>	<b>\$ 42,275</b>	<b>\$ 50.32</b>	<b>0.61</b>
Indirect Construction	1,116,456	3,987	4.75	0.06
Developer's Fee	2,539,802	9,071	10.80	0.13
Financing	1,773,255	6,333	7.54	0.09
Reserves/Issuer Fees	261,056	932	1.11	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,690,569</b>	<b>\$ 20,323</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 19,471,815</b>	<b>\$ 69,542</b>	<b>\$ 82.77</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,531,070	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,449,566	7.00%	40	\$1,002,958
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,491,179	58.7%	\$1,048,623	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,471,815</b>			<b>\$1,002,958</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,531,070	\$0.80	3.67%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,000,827	6.25%	30	\$ 960,580
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,939,918	76.4%	\$ 599,884	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 19,471,815</b>			<b>\$ 960,580</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,205,984	\$9.38		
Other Income & Loss	-	0.00	0	
Vacancy & Collection	-7.50% (165,444)	-0.70	-591	
Effective Gross Income	\$2,040,540	8.67	7,288	
Total Operating Expenses	\$996,206	\$4.23	\$3,558	
Net Operating Income	\$1,044,334	\$4.44	\$3,730	
Debt Service	1,002,958	4.26	3,582	
Net Cash Flow	\$41,376	\$0.18	\$148	
Debt Coverage Ratio	1.04			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$41,376	\$0.18	\$148	
DCR after TDHCA Fees	1.04			
Break-even Rents/S.F.	0.71			
Break-even Occupancy	90.62%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,205,984	\$9.38		
Other Income & Loss	50,400	0.21	180	
Vacancy & Collection	7.50% (169,229)	-0.72	-604	
Effective Gross Income	2,087,155	8.87	7,454	
Total Operating Expenses	47.7% \$996,206	\$4.23	\$3,558	
Net Operating Income	\$1,090,949	\$4.64	\$3,896	
Debt Service	960,580	4.08	3,431	
Net Cash Flow	\$130,369	\$0.55	\$466	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$31,201	\$0.13	\$111	
Net Cash Flow	\$99,168	\$0.42	\$354	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	90.12%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$55,000	0.23	196
Management Fees	85,646	0.36	306
Payroll, Payroll Tax & Employee Exp.	245,000	1.04	875
Maintenance/Repairs	92,000	0.39	329
Utilities	91,000	0.39	325
Property Insurance	56,000	0.24	200
Property Taxes	285,560	1.21	1020
Replacement Reserves	56,000	0.24	200
Other Expenses (marketing/leasing)	30,000	0.13	107
Total Expenes	\$996,206	\$4.23	\$3,558

Staff Notes/Comments	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Coughtrey Estates, Grand Prairie (2003-048)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	72	\$ 622	750	0.83
60% AMI	1BD/1BA	30	\$ 622	795	0.78
60% AMI	1BD/1BA	16	\$ 622	806	0.77
60% AMI	2BD/2BA	66	\$ 750	995	0.75
60% AMI	2BD/2BA	16	\$ 750	1,027	0.73
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		200	\$ 1,618,752	172,848	\$ 0.78
Averages			\$ 674	864	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,048,707	\$ 5,244	\$ 6.07	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,048,707</b>	<b>\$ 5,244</b>	<b>\$ 6.07</b>	<b>0.07</b>
Sitework	904,000	4,520	5.23	0.06
Hard Construction Costs	7,183,000	35,915	41.56	0.47
General Requirements (6%)	485,220	2,426	2.81	0.03
Contractor's Overhead (2%)	161,740	809	0.94	0.01
Contractor's Profit (6%)	485,220	2,426	2.81	0.03
Construction Contingency	400,000	2,000	2.31	0.03
<b>Subtotal Construction</b>	<b>\$ 9,619,180</b>	<b>\$ 48,096</b>	<b>\$ 55.65</b>	<b>0.63</b>
Indirect Construction	439,000	2,195	2.54	0.03
Developer's Fee	1,640,000	8,200	9.49	0.11
Financing	1,524,000	7,620	8.82	0.10
Reserves	985,000	4,925	5.70	0.06
<b>Subtotal Other Costs</b>	<b>\$ 4,588,000</b>	<b>\$ 22,940</b>	<b>\$ 27</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 15,255,887</b>	<b>\$ 76,279</b>	<b>\$ 88.26</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,807,993	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,823,194	6.25%	30	\$ 725,797
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 624,700	38.1%	\$1,015,300	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 15,255,887</b>		<b>\$ 725,797</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,807,993	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,666,448	6.25%	30	\$ 714,216
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 781,446	47.6%	\$ 858,554	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 15,255,887</b>		<b>\$ 714,216</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,618,752	\$9.37		
Other Income & Loss	24,000	0.14	120	
Vacancy & Collection	-7.50% (123,204)	-0.71	-616	
Effective Gross Income	\$1,519,548	8.79	7,598	
Total Operating Expenses	\$691,169	\$4.00	\$3,456	
Net Operating Income	\$828,379	\$4.79	\$4,142	
Debt Service	725,797	4.20	3,629	
Net Cash Flow	\$102,582	\$0.59	\$513	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$102,582	\$0.59	\$513	
DCR after TDHCA Fees	<b>1.14</b>			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	87.53%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,618,752	\$9.37		
Other Income & Loss	36,000	0.21	180	
Vacancy & Collection	7.50% (124,106)	-0.72	-621	
Effective Gross Income	\$1,530,646	8.86	7,653	
Total Operating Expenses	47.0% \$720,000	\$4.17	\$3,600	
Net Operating Income	\$810,646	\$4.69	\$4,053	
Debt Service	714,216	4.13	3,571	
Net Cash Flow	\$96,430	\$0.56	\$482	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$22,666	\$0.13	\$113	
Net Cash Flow	\$73,763	\$0.43	\$369	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	90.00%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$51,000	0.30	255
Management Fees	73,000	0.42	365
Payroll, Payroll Tax & Employee Exp.	120,000	0.69	600
Maintenance/Repairs	72,400	0.42	362
Utilities	94,000	0.54	470
Property Insurance	35,000	0.20	175
Property Taxes	205,769	1.19	1029
Replacement Reserves	40,000	0.23	200
Other Expenses	-	0.00	0
Total Expenses	\$691,169	\$4.00	\$3,456

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

ASHFORD POINTE, HOUSTON (#2003-055)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	160	\$ 722	997	0.72
60% AMI	3BD/2BA	100	\$ 830	1,194	0.70
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		260	\$ 2,382,240	278,920	\$ 0.71
Averages			\$ 764	1,073	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 400,000	\$ 1,538	\$ 1.43	0.02
Off-sites		0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 400,000</b>	<b>\$ 1,538</b>	<b>\$ 1.43</b>	<b>0.02</b>
Sitework	1,680,000	6,462	6.02	0.08
Hard Construction Costs	12,432,000	47,815	44.57	0.56
General Requirements (6%)	846,720	3,257	3.04	0.04
Contractor's Overhead (2%)	282,240	1,086	1.01	0.01
Contractor's Profit (6%)	846,720	3,257	3.04	0.04
Construction Contingency	282,240	1,086	1.01	0.01
<b>Subtotal Construction</b>	<b>\$ 16,369,920</b>	<b>\$ 62,961</b>	<b>\$ 58.69</b>	<b>0.73</b>
Indirect Construction	675,400	2,598	2.42	0.03
Developer's Fee	2,724,390	10,478	9.77	0.12
Financing	1,902,848	7,319	6.82	0.09
Reserves	270,000	1,038	0.97	0.01
<b>Subtotal Other Costs</b>	<b>\$ 5,572,638</b>	<b>\$ 21,433</b>	<b>\$ 20</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,342,558</b>	<b>\$ 85,933</b>	<b>\$ 80.10</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,931,313	\$0.85	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,394,115	6.25%	30	\$1,063,525
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,017,130	74.0%	\$707,260	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,342,558</b>		<b>\$1,063,525</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,557,722	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,045,087	6.25%	30	\$ 1,111,622
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,739,749	63.9%	\$ 984,641	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
<b>Total Sources</b>	<b>\$ 22,342,558</b>		<b>\$ 1,111,622</b>	

Applicant - Operating Proforma/Debt Coverage					
		Per S.F.	Per Unit		
Potential Gross Income	\$2,382,240	\$8.54			
Other Income & Loss	94,800	0.34	365		
Vacancy & Collection	-7.50% (185,784)	-0.67	-715		
Effective Gross Income	\$2,291,256	8.21	8,813		
Total Operating Expenses	\$988,907	\$3.55	\$3,803		
Net Operating Income	\$1,302,349	\$4.67	\$5,009		
Debt Service	1,063,525	3.81	4,090		
Net Cash Flow	\$238,824	\$0.86	\$919		
Debt Coverage Ratio	<b>1.22</b>				
TDHCA/TSAHC Fees	\$0	\$0.00	\$0		
Net Cash Flow	\$238,824	\$0.86	\$919		
DCR after TDHCA Fees	<b>1.22</b>				
Break-even Rents/S.F.	0.61				
Break-even Occupancy	86.16%				

TDHCA - Operating Proforma/Debt Coverage					
		Per S.F.	Per Unit		
Potential Gross Income	\$2,382,240	\$8.54			
Other Income & Loss	46,800	0.17	180		
Vacancy & Collection	7.50% (182,178)	-0.65	-701		
Effective Gross Income	\$2,246,862	8.06	8,642		
Total Operating Expenses	44.0% \$988,907	\$3.55	\$3,803		
Net Operating Income	\$1,257,955	\$4.51	\$4,838		
Debt Service	1,111,622	3.99	4,275		
Net Cash Flow	\$146,333	\$0.52	\$563		
Debt Coverage Ratio	<b>1.13</b>				
TDHCA/TSAHC Fees	\$31,945	\$0.11	\$123		
Net Cash Flow	\$114,388	\$0.41	\$440		
DCR after TDHCA Fees	<b>1.10</b>				
Break-even Rents/S.F.	0.64				
Break-even Occupancy	89.52%				

Applicant - Annual Operating Expenses				
		Per S.F.	Per Unit	
General & Administrative Expenses	\$56,400	0.20	217	
Management Fees	91,650	0.33	353	
Payroll, Payroll Tax & Employee Exp.	170,183	0.61	655	
Maintenance/Repairs	116,918	0.42	450	
Utilities	80,160	0.29	308	
Property Insurance	56,538	0.20	217	
Property Taxes	354,658	1.27	1364	
Replacement Reserves	52,000	0.19	200	
Other Expenses	10,400	0.04	40	
Total Expenses	\$988,907	\$3.55	\$3,803	

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Parkview Townhomes, Arlington (2003-060)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	112	\$ 752	1,100	0.68
60% AMI	3BD/2BA	112	\$ 865	1,322	0.65
				-	0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		224	\$ 2,173,248	271,264	\$ 0.67
Averages			\$ 809	1,211	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,766,685	\$ 7,887	\$ 6.51	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,766,685</b>	<b>\$ 7,887</b>	<b>\$ 6.51</b>	<b>0.08</b>
Sitework	1,344,000	6,000	4.95	0.06
Hard Construction Costs	10,304,000	46,000	37.99	0.46
General Requirements (6%)	698,880	3,120	2.58	0.03
Contractor's Overhead (2%)	232,960	1,040	0.86	0.01
Contractor's Profit (6%)	698,880	3,120	2.58	0.03
Construction Contingency	582,400	2,600	2.15	0.03
<b>Subtotal Construction</b>	<b>\$ 13,861,120</b>	<b>\$ 61,880</b>	<b>\$ 51.10</b>	<b>0.62</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	2,704,345	12,073	9.97	0.12
Financing	4,167,844	18,606	15.36	0.19
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,872,189</b>	<b>\$ 30,679</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,499,994</b>	<b>\$ 100,446</b>	<b>\$ 82.95</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,346,091	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	7.00%	40	\$1,118,576
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,855,617	68.6%	\$848,728	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 298,287		\$ -	
<b>Total Sources</b>	<b>\$ 22,499,995</b>		<b>\$1,118,576</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,346,091	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,735,791	7.00%	40	\$ 1,098,874
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,119,825	78.4%	\$ 584,520	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 298,287		\$ -	
<b>Total Sources</b>	<b>\$ 22,499,994</b>		<b>\$ 1,098,874</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,173,248	\$8.01		
Other Income & Loss	40,320	0.15	180	
Vacancy & Collection	7.50% (166,020)	-0.61	-741	
Effective Gross Income	\$2,047,548	7.55	9,141	
Total Operating Expenses	\$806,400	\$2.97	\$3,600	
Net Operating Income	\$1,241,148	\$4.58	\$5,541	
Debt Service	1,118,576	4.12	4,994	
Net Cash Flow	\$122,572	\$0.45	\$547	
Debt Coverage Ratio	1.11			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$122,572	\$0.45	\$547	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	88.58%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,173,248	\$8.01		
Other Income & Loss	40,320	0.15	180	
Vacancy & Collection	7.50% (166,018)	-0.61	-741	
Effective Gross Income	\$2,047,550	7.55	9,141	
Total Operating Expenses	39.4% \$806,400	\$2.97	\$3,600	
Net Operating Income	\$1,241,150	\$4.58	\$5,541	
Debt Service	1,098,874	4.05	4,906	
Net Cash Flow	\$142,277	\$0.52	\$635	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$29,296	\$0.11	\$131	
Net Cash Flow	\$112,981	\$0.42	\$504	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.59			
Break-even Occupancy	89.02%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$53,760	0.20	240
Management Fees	102,378	0.38	457
Payroll, Payroll Tax & Employee Exp.	170,902	0.63	763
Maintenance/Repairs	106,400	0.39	475
Utilities	95,200	0.35	425
Property Insurance	42,560	0.16	190
Property Taxes	190,400	0.70	850
Replacement Reserves	44,800	0.17	200
Other Expenses	-	0.00	0
Total Exepnses	\$806,400	\$2.97	\$3,600

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Parkway Pointe, Houston (2003-061)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	60	\$ 626	1,027	0.61
60% AMI	2BD/2.5BA	34	\$ 671	1,113	0.60
60% AMI	2BD/2.5BA	24	\$ 671	1,189	0.56
60% AMI	3BD/2BA	42	\$ 724	1,287	0.56
60% AMI	3BD/2BA	90	\$ 769	1,240	0.62
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		250	\$ 2,113,152	293,652	\$ 0.60
Averages			\$ 704	1,175	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,025,000	\$ 4,100	\$ 3.49	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,025,000</b>	<b>\$ 4,100</b>	<b>\$ 3.49</b>	<b>0.05</b>
Sitework	1,500,000	6,000	5.11	0.07
Hard Construction Costs	10,625,000	42,500	36.18	0.49
General Requirements (6%)	727,500	2,910	2.48	0.03
Contractor's Overhead (2%)	242,500	970	0.83	0.01
Contractor's Profit (6%)	727,500	2,910	2.48	0.03
Construction Contingency	606,250	2,425	2.06	0.03
<b>Subtotal Construction</b>	<b>\$ 14,428,750</b>	<b>\$ 57,715</b>	<b>\$ 49.14</b>	<b>0.66</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	2,715,472	10,862	9.25	0.12
Financing	3,674,400	14,698	12.51	0.17
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,389,872</b>	<b>\$ 25,559</b>	<b>\$ 22</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 21,843,622</b>	<b>\$ 87,374</b>	<b>\$ 74.39</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,415,080	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,460,000	7.00%	40	\$1,078,308
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,668,716	61.5%	\$1,046,756	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 299,825		\$ -	
<b>Total Sources</b>	<b>\$ 21,843,621</b>		<b>\$1,078,308</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,415,080	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,186,847	7.00%	40	\$ 1,057,938
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,941,870	71.5%	\$ 773,602	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 299,825		\$ -	
<b>Total Sources</b>	<b>\$ 21,843,622</b>		<b>\$ 1,057,938</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,113,152	\$7.20		
Other Income & Loss	45,000	0.15	180	
Vacancy & Collection	-7.50% (161,760)	-0.55	-647	
Effective Gross Income	\$1,996,392	6.80	7,986	
Total Operating Expenses	\$798,881	\$2.72	\$3,196	
Net Operating Income	\$1,197,511	\$4.08	\$4,790	
Debt Service	1,078,308	3.67	4,313	
Net Cash Flow	\$119,203	\$0.41	\$477	
Debt Coverage Ratio	<b>1.11</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$119,203	\$0.41	\$477	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.53			
Break-even Occupancy	88.83%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,113,152	\$7.20		
Other Income & Loss	45,000	0.15	180	
Vacancy & Collection	7.50% (161,861)	-0.55	-647	
Effective Gross Income	\$1,996,291	6.80	7,985	
Total Operating Expenses	40.0% \$798,881	\$2.72	\$3,196	
Net Operating Income	\$1,197,410	\$4.08	\$4,790	
Debt Service	1,057,938	3.60	4,232	
Net Cash Flow	\$139,472	\$0.47	\$558	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$30,437	\$0.10	\$122	
Net Cash Flow	\$109,035	\$0.37	\$436	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.54			
Break-even Occupancy	89.31%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,899	0.22	256
Management Fees	99,752	0.34	399
Payroll, Payroll Tax & Employee Exp.	222,516	0.76	890
Maintenance/Repairs	126,470	0.43	506
Utilities	113,156	0.39	453
Property Insurance	50,588	0.17	202
Property Taxes	72,500	0.25	290
Replacement Reserves	50,000	0.17	200
Other Expenses	-	0.00	0
Total Expenses	\$798,881	\$2.72	\$3,196

Staff Notes/Comments
Applicant is a CHDO and is calculating a PILOT Agreement at \$202 per unit.

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Parkside Village, Arlington (2003-062)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	80	\$ 752	978	0.77
60% AMI	3BD/2BA	80	\$ 865	1,118	0.77
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		160	\$ 1,552,320	167,680	\$ 0.77
Averages			\$ 809	1,048	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,006,018	\$ 6,288	\$ 6.00	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,006,018</b>	<b>\$ 6,288</b>	<b>\$ 6.00</b>	<b>0.07</b>
Sitework	960,000	6,000	5.73	0.07
Hard Construction Costs	6,496,000	40,600	38.74	0.45
General Requirements (6%)	447,360	2,796	2.67	0.03
Contractor's Overhead (2%)	149,120	932	0.89	0.01
Contractor's Profit (6%)	447,360	2,796	2.67	0.03
Construction Contingency	372,800	2,330	2.22	0.03
<b>Subtotal Construction</b>	<b>\$ 8,872,640</b>	<b>\$ 55,454</b>	<b>\$ 52.91</b>	<b>0.61</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	1,758,786	10,992	10.49	0.12
Financing	2,852,603	17,829	17.01	0.20
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 4,611,389</b>	<b>\$ 28,821</b>	<b>\$ 28</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 14,490,047</b>	<b>\$ 90,563</b>	<b>\$ 86.41</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,421,975	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,740,000	7.00%	40	\$ 800,901
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 95,255	5.4%	\$1,663,531	
Source IV	Proceeds	Description	Annual D/S	
Interest Earnings	\$ 232,816		\$ -	
<b>Total Sources</b>	<b>\$ 14,490,046</b>		<b>\$ 800,901</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,421,975	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,525,243	7.00%	40	\$ 784,886
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 310,013	17.6%	\$ 1,448,773	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 232,816		\$ -	
<b>Total Sources</b>	<b>\$ 14,490,047</b>		<b>\$ 784,886</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,552,320	\$9.26		
Other Income & Loss	28,800	0.17	180	
Vacancy & Collection	-7.50% (118,584)	-0.71	-741	
Effective Gross Income	\$1,462,536	8.72	9,141	
Total Operating Expenses	\$569,000	\$3.39	\$3,556	
Net Operating Income	\$893,536	\$5.33	\$5,585	
Debt Service	800,901	4.78	5,006	
Net Cash Flow	\$92,635	\$0.55	\$579	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$92,635	\$0.55	\$579	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	88.25%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,552,320	\$9.26		
Other Income & Loss	28,800	0.17	180	
Vacancy & Collection	7.50% (118,584)	-0.71	-741	
Effective Gross Income	\$1,462,536	8.72	9,141	
Total Operating Expenses	39.4% \$576,000	\$3.44	\$3,600	
Net Operating Income	\$886,536	\$5.29	\$5,541	
Debt Service	784,886	4.68	4,906	
Net Cash Flow	\$101,650	\$0.61	\$635	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$20,925	\$0.12	\$131	
Net Cash Flow	\$80,725	\$0.48	\$505	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.69			
Break-even Occupancy	89.02%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$31,400	0.19	196
Management Fees	73,127	0.44	457
Payroll, Payroll Tax & Employee Exp.	130,073	0.78	813
Maintenance/Repairs	76,000	0.45	475
Utilities	68,000	0.41	425
Property Insurance	30,400	0.18	190
Property Taxes	128,000	0.76	800
Replacement Reserves	32,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$569,000	\$3.39	\$3,556

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Brookglen Village, Houston (2003-063)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	98	\$ 698	978	0.71
60% AMI	3BD/2BA	98	\$ 800	1,118	0.72
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		196	\$ 1,761,648	205,408	\$ 0.71
Averages			\$ 749	1,048	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 789,000	\$ 4,026	\$ 3.84	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 789,000</b>	<b>\$ 4,026</b>	<b>\$ 3.84</b>	<b>0.05</b>
Sitework	1,176,000	6,000	5.73	0.07
Hard Construction Costs	7,938,000	40,500	38.65	0.47
General Requirements (6%)	546,840	2,790	2.66	0.03
Contractor's Overhead (2%)	182,280	930	0.89	0.01
Contractor's Profit (6%)	546,840	2,790	2.66	0.03
Construction Contingency	455,700	2,325	2.22	0.03
<b>Subtotal Construction</b>	<b>\$ 10,845,660</b>	<b>\$ 55,335</b>	<b>\$ 52.80</b>	<b>0.64</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	2,100,858	10,719	10.23	0.12
Financing	3,160,061	16,123	15.38	0.19
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,260,919</b>	<b>\$ 26,841</b>	<b>\$ 26</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 16,895,579</b>	<b>\$ 86,202</b>	<b>\$ 82.25</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,126,131	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,590,000	7.00%	40	\$ 864,287
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 936,810	44.6%	\$1,164,048	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 242,678		\$ -	
<b>Total Sources</b>	<b>\$ 16,895,619</b>		<b>\$ 864,287</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,126,131	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,335,583	7.00%	40	\$ 845,314
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,191,187	56.7%	\$ 909,671	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 242,678		\$ -	
<b>Total Sources</b>	<b>\$ 16,895,579</b>		<b>\$ 845,314</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,761,648	\$8.58		
Other Income & Loss	35,280	0.17	180	
Vacancy & Collection	-7.50% (134,772)	-0.66	-688	
Effective Gross Income	\$1,662,156	8.09	8,480	
Total Operating Expenses	\$697,600	\$3.40	\$3,559	
Net Operating Income	\$964,556	\$4.70	\$4,921	
Debt Service	864,287	4.21	4,410	
Net Cash Flow	\$100,269	\$0.49	\$512	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$100,269	\$0.49	\$512	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	88.66%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,761,648	\$8.58		
Other Income & Loss	35,280	0.17	180	
Vacancy & Collection	7.50% (134,770)	-0.66	-688	
Effective Gross Income	1,662,158	8.09	8,480	
Total Operating Expenses	42.5% \$705,600	\$3.44	\$3,600	
Net Operating Income	\$956,558	\$4.66	\$4,880	
Debt Service	845,314	4.12	4,313	
Net Cash Flow	\$111,244	\$0.54	\$568	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$24,076	\$0.12	\$123	
Net Cash Flow	\$87,169	\$0.42	\$445	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.40%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$39,040	0.19	199
Management Fees	83,108	0.40	424
Payroll, Payroll Tax & Employee Exp.	146,212	0.71	746
Maintenance/Repairs	93,100	0.45	475
Utilities	83,300	0.41	425
Property Insurance	37,240	0.18	190
Property Taxes	176,400	0.86	900
Replacement Reserves	39,200	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$697,600	\$3.40	\$3,559

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Bellfort Village, Houston (2003-064)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	114	\$ 698	978	0.71
60% AMI	3BD/2BA	116	\$ 800	1,118	0.72
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		230	\$ 2,068,464	241,180	\$ 0.71
Averages			\$ 749	1,049	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,346,000	\$ 5,852	\$ 5.58	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,346,000</b>	<b>\$ 5,852</b>	<b>\$ 5.58</b>	<b>0.07</b>
Sitework	1,380,000	6,000	5.72	0.07
Hard Construction Costs	9,338,000	40,600	38.72	0.46
General Requirements (6%)	643,080	2,796	2.67	0.03
Contractor's Overhead (2%)	214,360	932	0.89	0.01
Contractor's Profit (6%)	643,080	2,796	2.67	0.03
Construction Contingency	535,900	2,330	2.22	0.03
<b>Subtotal Construction</b>	<b>\$ 12,754,420</b>	<b>\$ 55,454</b>	<b>\$ 52.88</b>	<b>0.63</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	2,476,674	10,768	10.27	0.12
Financing	3,756,740	16,334	15.58	0.18
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,233,414</b>	<b>\$ 27,102</b>	<b>\$ 26</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 20,333,834</b>	<b>\$ 88,408</b>	<b>\$ 84.31</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,864,266	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,620,000	7.00%	40	\$1,015,667
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,576,899	63.7%	\$899,775	
Source IV	Proceeds	Description	Annual D/S	
Interest Income	\$ 272,669		\$ -	
<b>Total Sources</b>	<b>\$ 20,333,834</b>			<b>\$1,015,667</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,864,266	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,315,143	7.00%	40	\$ 992,934
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,881,756	76.0%	\$ 594,918	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 272,669		\$ -	
<b>Total Sources</b>	<b>\$ 20,333,834</b>			<b>\$ 992,934</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,068,464	\$8.58		
Other Income & Loss	41,400	0.17	180	
Vacancy & Collection	-7.50% (158,244)	-0.66	-688	
Effective Gross Income	\$1,951,620	8.09	8,485	
Total Operating Expenses	\$818,500	\$3.39	\$3,559	
Net Operating Income	\$1,133,120	\$4.70	\$4,927	
Debt Service	1,015,667	4.21	4,416	
Net Cash Flow	\$117,453	\$0.49	\$511	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$117,453	\$0.49	\$511	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	88.67%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,068,464	\$8.58		
Other Income & Loss	41,400	0.17	180	
Vacancy & Collection	7.50% (158,240)	-0.66	-688	
Effective Gross Income	\$1,951,624	8.09	8,485	
Total Operating Expenses	42.4% \$828,000	\$3.43	\$3,600	
Net Operating Income	\$1,123,624	\$4.66	\$4,885	
Debt Service	992,934	4.12	4,317	
Net Cash Flow	\$130,691	\$0.54	\$568	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$28,265	\$0.12	\$123	
Net Cash Flow	\$102,425	\$0.42	\$445	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.40%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$45,700	0.19	199
Management Fees	97,581	0.40	424
Payroll, Payroll Tax & Employee Exp.	171,519	0.71	746
Maintenance/Repairs	109,250	0.45	475
Utilities	97,750	0.41	425
Property Insurance	43,700	0.18	190
Property Taxes	207,000	0.86	900
Replacement Reserves	46,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$818,500	\$3.39	\$3,559

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Parkland Pointe II, Arlington (2003-065)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	76	\$ 752	978	0.77
60% AMI	3BD/2BA	72	\$ 865	1,118	0.77
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		148	\$ 1,433,184	154,824	\$ 0.77
Averages			\$ 807	1,046	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,225,000	\$ 8,277	\$ 7.91	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,225,000</b>	<b>\$ 8,277</b>	<b>\$ 7.91</b>	<b>0.09</b>
Sitework	888,000	6,000	5.74	0.06
Hard Construction Costs	5,994,000	40,500	38.71	0.43
General Requirements (6%)	412,920	2,790	2.67	0.03
Contractor's Overhead (2%)	137,640	930	0.89	0.01
Contractor's Profit (6%)	412,920	2,790	2.67	0.03
Construction Contingency	344,100	2,325	2.22	0.02
<b>Subtotal Construction</b>	<b>\$ 8,189,580</b>	<b>\$ 55,335</b>	<b>\$ 52.90</b>	<b>0.58</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	1,675,588	11,322	10.82	0.12
Financing	2,981,007	20,142	19.25	0.21
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 4,656,595</b>	<b>\$ 31,463</b>	<b>\$ 30</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 14,071,175</b>	<b>\$ 95,076</b>	<b>\$ 90.88</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,265,523	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,910,000	7.00%	40	\$ 739,006
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 697,049	41.6%	\$978,539	
Source IV	Proceeds	Description		Annual D/S
Interest Earnings	\$ 198,602			\$ -
<b>Total Sources</b>	<b>\$ 14,071,174</b>			<b>\$ 739,006</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,265,523	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,705,137	7.00%	40	\$ 723,729
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 901,913	53.8%	\$ 773,675	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 198,602			\$ -
<b>Total Sources</b>	<b>\$ 14,071,175</b>			<b>\$ 723,729</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,433,184	\$9.26		
Other Income & Loss	26,640	0.17	180	
Vacancy & Collection	-7.50% (109,488)	-0.71	-740	
Effective Gross Income	\$1,350,336	8.72	9,124	
Total Operating Expenses	\$526,300	\$3.40	\$3,556	
Net Operating Income	\$824,036	\$5.32	\$5,568	
Debt Service	739,006	4.77	4,993	
Net Cash Flow	\$85,030	\$0.55	\$575	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$85,030	\$0.55	\$575	
DCR after TDHCA Fees	1.12			
Break-even Rents/S.F.	0.68			
Break-even Occupancy	88.29%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,433,184	\$9.26		
Other Income & Loss	26,640	0.17	180	
Vacancy & Collection	7.50% (109,487)	-0.71	-740	
Effective Gross Income	\$1,350,337	8.72	9,124	
Total Operating Expenses	39.5% \$532,800	\$3.44	\$3,600	
Net Operating Income	\$817,537	\$5.28	\$5,524	
Debt Service	723,729	4.67	4,890	
Net Cash Flow	\$93,808	\$0.61	\$634	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$19,325	\$0.12	\$131	
Net Cash Flow	\$74,483	\$0.48	\$503	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.69			
Break-even Occupancy	89.02%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$29,020	0.19	196
Management Fees	67,517	0.44	456
Payroll, Payroll Tax & Employee Exp.	120,443	0.78	814
Maintenance/Repairs	70,300	0.45	475
Utilities	62,900	0.41	425
Property Insurance	28,120	0.18	190
Property Taxes	118,400	0.76	800
Replacement Reserves	29,600	0.19	200
Other Expenses	-	0.00	0
Total Exepnses	\$526,300	\$3.40	\$3,556

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Pineview Townhomes, Houston (2003-066)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	2BD/2BA	120	\$ 698	978	0.71
60% AMI	3BD/2BA	120	\$ 800	1,118	0.72
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		240	\$ 2,157,120	251,520	\$ 0.71
Averages			\$ 749	1,048	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,454,000	\$ 6,058	\$ 5.78	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,454,000</b>	<b>\$ 6,058</b>	<b>\$ 5.78</b>	<b>0.07</b>
Sitework	1,440,000	6,000	5.73	0.07
Hard Construction Costs	10,296,000	42,900	40.94	0.47
General Requirements (6%)	704,160	2,934	2.80	0.03
Contractor's Overhead (2%)	234,720	978	0.93	0.01
Contractor's Profit (6%)	704,160	2,934	2.80	0.03
Construction Contingency	586,800	2,445	2.33	0.03
<b>Subtotal Construction</b>	<b>\$ 13,965,840</b>	<b>\$ 58,191</b>	<b>\$ 55.53</b>	<b>0.64</b>
Indirect Construction	0	0	0.00	0.00
Developer's Fee	2,641,962	11,008	10.50	0.12
Financing	3,647,241	15,197	14.50	0.17
Reserves	0	0	0.00	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,289,203</b>	<b>\$ 26,205</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,709,043</b>	<b>\$ 90,454</b>	<b>\$ 86.31</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,222,285	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,200,000	7.00%	40	\$1,058,919
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,002,792	75.8%	\$639,170	
Source IV	Proceeds	Description	Annual D/S	
Interest Earnings	\$ 283,966		\$ -	
<b>Total Sources</b>	<b>\$ 21,709,043</b>		<b>\$1,058,919</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,222,285	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,019,384	6.25%	30	\$ 1,035,837
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,183,408	82.6%	\$ 458,554	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 283,966		\$ -	
<b>Total Sources</b>	<b>\$ 21,709,043</b>		<b>\$ 1,035,837</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,157,120	\$8.58		
Other Income & Loss	43,200	0.17	180	
Vacancy & Collection	-7.50% (165,024)	-0.66	-688	
Effective Gross Income	\$2,035,296	8.09	8,480	
Total Operating Expenses	\$854,500	\$3.40	\$3,560	
Net Operating Income	\$1,180,796	\$4.69	\$4,920	
Debt Service	1,058,919	4.21	4,412	
Net Cash Flow	\$121,877	\$0.48	\$508	
Debt Coverage Ratio	<b>1.12</b>			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$121,877	\$0.48	\$508	
DCR after TDHCA Fees	<b>1.12</b>			
Break-even Rents/S.F.	0.63			
Break-even Occupancy	88.70%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,157,120	\$8.58		
Other Income & Loss	43,200	0.17	180	
Vacancy & Collection	7.50% (165,024)	-0.66	-688	
Effective Gross Income	2,035,296	8.09	8,480	
Total Operating Expenses	42.5% \$864,000	\$3.44	\$3,600	
Net Operating Income	\$1,171,296	\$4.66	\$4,880	
Debt Service	1,035,837	4.12	4,316	
Net Cash Flow	\$135,459	\$0.54	\$564	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$29,619	\$0.12	\$123	
Net Cash Flow	\$105,840	\$0.42	\$441	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.64			
Break-even Occupancy	89.45%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$48,100	0.19	200
Management Fees	101,765	0.40	424
Payroll, Payroll Tax & Employee Exp.	179,035	0.71	746
Maintenance/Repairs	114,000	0.45	475
Utilities	102,000	0.41	425
Property Insurance	45,600	0.18	190
Property Taxes	216,000	0.86	900
Replacement Reserves	48,000	0.19	200
Other Expenses	-	0.00	0
Total Expenses	\$854,500	\$3.40	\$3,560

Staff Notes/Comments	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Yager Two Apartments, Austin (2003-081)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	15	\$ 730	684	1.07
50% AMI	1BD/1BA	1	\$ 596	684	0.87
60% AMI	1BD/1.5BA	30	\$ 730	795	0.92
50% AMI	1BD/1.5BA	2	\$ 596	795	0.75
60% AMI	1BD/1.5BA	9	\$ 730	826	0.88
50% AMI	1BD/1.5BA	1	\$ 596	826	0.72
60% AMI	2BD/1.5BA	106	\$ 862	1,027	0.84
50% AMI	2BD/1.5BA	8	\$ 702	1,027	0.68
60% AMI	2BD/2BA	37	\$ 862	1,102	0.78
50% AMI	2BD/2BA	3	\$ 702	1,102	0.64
60% AMI	2BD/2BA	9	\$ 862	1,128	0.76
50% AMI	2BD/2BA	1	\$ 702	1,128	0.62
60% AMI	3BD/1.5BA	54	\$ 988	1,143	0.86
50% AMI	3BD/1.5BA	4	\$ 803	1,143	0.70
<b>Totals</b>		<b>280</b>	<b>\$ 2,815,248</b>	<b>278,804</b>	<b>\$ 0.84</b>
<b>Averages</b>			<b>\$ 838</b>	<b>996</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,885,000	\$ 6,732	\$ 6.76	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,885,000</b>	<b>\$ 6,732</b>	<b>\$ 6.76</b>	<b>0.08</b>
Sitework	2,069,675	7,392	7.42	0.09
Hard Construction Costs	10,682,245	38,151	38.31	0.44
General Requirements (6%)	765,115	2,733	2.74	0.03
Contractor's Overhead (2%)	255,038	911	0.91	0.01
Contractor's Profit (6%)	765,115	2,733	2.74	0.03
Construction Contingency	405,511	1,448	1.45	0.02
<b>Subtotal Construction</b>	<b>\$ 14,942,700</b>	<b>\$ 53,367</b>	<b>\$ 53.60</b>	<b>0.61</b>
Indirect Construction	1,113,500	3,977	3.99	0.05
Developer's Fee	2,601,876	9,292	9.33	0.11
Financing	3,714,965	13,268	13.32	0.15
Reserves	66,410	237	0.24	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,496,751</b>	<b>\$ 26,774</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 24,324,451</b>	<b>\$ 86,873</b>	<b>\$ 87.25</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,665,151	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,385,000	6.43%	30	\$ 1,384,328
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 3,813	0.1%	\$ 2,598,063	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 270,486		\$ -	
<b>Total Sources</b>	<b>\$ 24,324,450</b>			<b>\$ 1,384,328</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,665,151	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,385,000	6.43%	30	\$ 1,384,328
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 3,813	0.1%	\$ 2,598,063	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 270,486		\$ -	
<b>Total Sources</b>	<b>\$ 24,324,450</b>			<b>\$ 1,384,328</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,815,248	\$10.10		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.57% (216,828)	-0.78	-774	
Effective Gross Income	\$2,648,820	9.50	9,460	
Total Operating Expenses	\$1,091,993	\$3.92	\$3,900	
Net Operating Income	\$1,556,827	\$5.58	\$5,560	
Debt Service	1,384,328	4.97	4,944	
Net Cash Flow	\$172,499	\$0.62	\$616	
Debt Coverage Ratio	<b>1.12</b>			
TDHCA/TSAHC Fees	\$34,181	\$0.12	\$122	
Net Cash Flow	\$138,318	\$0.50	\$494	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	89.18%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,815,248	\$10.10		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (214,924)	-0.77	-768	
Effective Gross Income	\$2,650,724	9.51	9,467	
Total Operating Expenses	41.2% \$1,091,993	\$3.92	\$3,900	
Net Operating Income	\$1,558,731	\$5.59	\$5,567	
Debt Service	1,384,328	4.97	4,944	
Net Cash Flow	\$174,404	\$0.63	\$623	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$36,585	\$0.13	\$131	
Net Cash Flow	\$137,819	\$0.49	\$492	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	89.26%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.23	227
Management Fees	133,713	0.48	478
Payroll, Payroll Tax & Employee Exp.	252,000	0.90	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.41	410
Property Insurance	63,000	0.23	225
Property Taxes	280,000	1.00	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expsnes</b>	<b>\$1,091,993</b>	<b>\$3.92</b>	<b>\$3,900</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Stafford Apartments, Houston (2003-082)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,040,744	\$ 3,717	\$ 3.67	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,040,744</b>	<b>\$ 3,717</b>	<b>\$ 3.67</b>	<b>0.05</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.47
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,176	9,161	9.04	0.11
Financing	3,070,518	10,966	10.82	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,839,891</b>	<b>\$ 24,428</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,838,944</b>	<b>\$ 81,568</b>	<b>\$ 80.51</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,244	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,415,509	55.2%	\$1,149,667	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 838,191		\$ -	
<b>Total Sources</b>	<b>\$ 22,838,944</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,244	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,415,509	55.2%	\$ 1,149,667	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 838,191		\$ -	
<b>Total Sources</b>	<b>\$ 22,838,944</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,074,919</b>	<b>\$3.79</b>	<b>\$3,839</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Woodline Park Apartments, Conroe (2003-083)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 618	684	0.90
60% AMI	1BD/1.5BA	32	\$ 618	795	0.78
60% AMI	1BD/1.5BA	8	\$ 618	826	0.75
60% AMI	2BD/1.5BA	120	\$ 743	1,027	0.72
60% AMI	2BD/2BA	32	\$ 743	1,102	0.67
60% AMI	2BD/2BA	8	\$ 743	1,128	0.66
60% AMI	3BD/2.5BA	64	\$ 861	1,143	0.75
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,503,104	283,672	\$ 0.74
Averages			\$ 745	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,474,699	\$ 5,267	\$ 5.20	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,474,699</b>	<b>\$ 5,267</b>	<b>\$ 5.20</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,568,801	9,174	9.06	0.11
Financing	3,128,734	11,174	11.03	0.13
Reserves	87,727	313	0.31	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,898,762</b>	<b>\$ 24,638</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,331,770</b>	<b>\$ 83,328</b>	<b>\$ 82.25</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,593,136	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,300,000	6.25%	30	\$ 1,130,457
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,584,977	61.7%	\$983,824	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 853,655		\$ -	
<b>Total Sources</b>	<b>\$ 23,331,768</b>			<b>\$ 1,130,457</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,593,136	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,300,000	6.25%	30	\$ 1,130,457
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,584,977	61.7%	\$ 983,824	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 853,655		\$ -	
<b>Total Sources</b>	<b>\$ 23,331,768</b>			<b>\$ 1,130,457</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,503,104	\$8.82		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (191,520)	-0.68	-684	
Effective Gross Income	\$2,361,984	8.33	8,436	
Total Operating Expenses	\$1,076,384	\$3.79	\$3,844	
Net Operating Income	\$1,285,600	\$4.53	\$4,591	
Debt Service	1,130,457	3.99	4,037	
Net Cash Flow	\$155,143	\$0.55	\$554	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$32,168	\$0.11	\$115	
Net Cash Flow	\$122,975	\$0.43	\$439	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.45%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,503,104	\$8.82		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (191,513)	-0.68	-684	
Effective Gross Income	2,361,991	8.33	8,436	
Total Operating Expenses	45.6% \$1,076,384	\$3.79	\$3,844	
Net Operating Income	\$1,285,607	\$4.53	\$4,591	
Debt Service	1,130,457	3.99	4,037	
Net Cash Flow	\$155,150	\$0.55	\$554	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$33,500	\$0.12	\$120	
Net Cash Flow	\$121,650	\$0.43	\$434	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.50%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	118,104	0.42	422
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,076,384	\$3.79	\$3,844

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Highland Apartments, Baytown (2003-084)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	48	\$ 607	695	0.87
60% AMI	2BD/2BA	172	\$ 725	940	0.77
60% AMI	3BD/2.5BA	60	\$ 832	1,125	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,445,072	262,540	\$ 0.78
Averages			\$ 728	938	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,284,680	\$ 4,588	\$ 4.89	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,284,680</b>	<b>\$ 4,588</b>	<b>\$ 4.89</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.88	0.09
Hard Construction Costs	10,269,705	36,678	39.12	0.46
General Requirements (6%)	740,363	2,644	2.82	0.03
Contractor's Overhead (2%)	246,788	881	0.94	0.01
Contractor's Profit (6%)	740,363	2,644	2.82	0.03
Construction Contingency	392,392	1,401	1.49	0.02
<b>Subtotal Construction</b>	<b>\$ 14,459,285</b>	<b>\$ 51,640</b>	<b>\$ 55.07</b>	<b>0.65</b>
Indirect Construction	973,500	3,477	3.71	0.04
Developer's Fee	2,465,854	8,807	9.39	0.11
Financing	3,016,048	10,772	11.49	0.14
Reserves	93,244	333	0.36	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,548,646</b>	<b>\$ 23,388</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,292,611</b>	<b>\$ 79,616</b>	<b>\$ 84.91</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,368,986	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,700,000	6.25%	30	\$ 1,086,125
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,406,918	57.1%	\$ 1,058,936	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 816,707		\$ -	
<b>Total Sources</b>	<b>\$ 22,292,611</b>		<b>\$ 1,086,125</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,368,986	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,700,000	6.25%	30	\$ 1,086,125
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,406,918	57.1%	\$ 1,058,936	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 816,707		\$ -	
<b>Total Sources</b>	<b>\$ 22,292,611</b>		<b>\$ 1,086,125</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,445,072	\$9.31		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (187,104)	-0.71	-668	
Effective Gross Income	\$2,308,368	8.79	8,244	
Total Operating Expenses	\$1,073,662	\$4.09	\$3,835	
Net Operating Income	\$1,234,706	\$4.70	\$4,410	
Debt Service	1,086,125	4.14	3,879	
Net Cash Flow	\$148,581	\$0.57	\$531	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$31,767	\$0.12	\$113	
Net Cash Flow	\$116,814	\$0.44	\$417	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	89.63%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,445,072	\$9.31		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (187,160)	-0.71	-668	
Effective Gross Income	2,308,312	8.79	8,244	
Total Operating Expenses	46.5% \$1,073,662	\$4.09	\$3,835	
Net Operating Income	\$1,234,650	\$4.70	\$4,409	
Debt Service	1,086,125	4.14	3,879	
Net Cash Flow	\$148,524	\$0.57	\$530	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$32,900	\$0.13	\$118	
Net Cash Flow	\$115,624	\$0.44	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	89.68%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.24	227
Management Fees	115,382	0.44	412
Payroll, Payroll Tax & Employee Exp.	252,000	0.96	900
Maintenance/Repairs	114,920	0.44	410
Utilities	114,800	0.44	410
Property Insurance	63,000	0.24	225
Property Taxes	280,000	1.07	1000
Replacement Reserves	70,000	0.27	250
Other Expenses	-	0.00	0
Total Expsnes	\$1,073,662	\$4.09	\$3,835

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Brookglenn Park Apartments, Houston (2003-085)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,303,389	\$ 4,655	\$ 4.59	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,303,389</b>	<b>\$ 4,655</b>	<b>\$ 4.59</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,560,554	9,145	9.03	0.11
Financing	2,992,776	10,688	10.55	0.13
Reserves	74,472	266	0.26	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,741,302</b>	<b>\$ 24,076</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,003,000</b>	<b>\$ 82,154</b>	<b>\$ 81.09</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,575,179	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,615,716	63.1%	\$944,838	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 812,104		\$ -	
<b>Total Sources</b>	<b>\$ 23,002,999</b>			<b>\$ 1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,575,179	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,615,716	63.1%	\$ 944,838	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 812,104		\$ -	
<b>Total Sources</b>	<b>\$ 23,002,999</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,074,919</b>	<b>\$3.79</b>	<b>\$3,839</b>

Staff Notes/Comments





**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Groske Apartments, Houston (2003-087)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	36	\$ 614	695	0.88
60% AMI	2BD/2BA	160	\$ 734	940	0.78
60% AMI	3BD/2.5BA	44	\$ 845	1,125	0.75
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		240	\$ 2,120,688	224,920	\$ 0.79
Averages			\$ 736	937	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,419,981	\$ 5,917	\$ 6.31	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,419,981</b>	<b>\$ 5,917</b>	<b>\$ 6.31</b>	<b>0.07</b>
Sitework	1,793,150	7,471	7.97	0.09
Hard Construction Costs	8,778,090	36,575	39.03	0.45
General Requirements (6%)	634,274	2,643	2.82	0.03
Contractor's Overhead (2%)	211,425	881	0.94	0.01
Contractor's Profit (6%)	634,274	2,643	2.82	0.03
Construction Contingency	336,165	1,401	1.49	0.02
<b>Subtotal Construction</b>	<b>\$ 12,387,379</b>	<b>\$ 51,614</b>	<b>\$ 55.07</b>	<b>0.64</b>
Indirect Construction	998,500	4,160	4.44	0.05
Developer's Fee	2,129,658	8,874	9.47	0.11
Financing	2,494,677	10,394	11.09	0.13
Reserves	65,680	274	0.29	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,688,515</b>	<b>\$ 23,702</b>	<b>\$ 25</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 19,495,875</b>	<b>\$ 81,233</b>	<b>\$ 86.68</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,636,976	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,900,000	6.25%	30	\$ 953,130
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,317,554	61.9%	\$812,104	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 641,344		\$ -	
<b>Total Sources</b>	<b>\$ 19,495,874</b>		<b>\$ 953,130</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,636,976	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,900,000	6.25%	30	\$ 953,130
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,317,554	61.9%	\$ 812,104	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 641,344		\$ -	
<b>Total Sources</b>	<b>\$ 19,495,874</b>		<b>\$ 953,130</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,120,688	\$9.43		
Other Income & Loss	43,200	0.19	180	
Vacancy & Collection	-7.50% (162,324)	-0.72	-676	
Effective Gross Income	\$2,001,564	8.90	8,340	
Total Operating Expenses	\$923,060	\$4.10	\$3,846	
Net Operating Income	\$1,078,504	\$4.80	\$4,494	
Debt Service	953,130	4.24	3,971	
Net Cash Flow	\$125,374	\$0.56	\$522	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$27,934	\$0.12	\$116	
Net Cash Flow	\$97,440	\$0.43	\$406	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.71			
Break-even Occupancy	89.79%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,120,688	\$9.43		
Other Income & Loss	43,200	0.19	180	
Vacancy & Collection	7.50% (162,292)	-0.72	-676	
Effective Gross Income	\$2,001,596	8.90	8,340	
Total Operating Expenses	46.1% \$923,060	\$4.10	\$3,846	
Net Operating Income	\$1,078,536	\$4.80	\$4,494	
Debt Service	953,130	4.24	3,971	
Net Cash Flow	\$125,406	\$0.56	\$523	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$28,500	\$0.13	\$119	
Net Cash Flow	\$96,906	\$0.43	\$404	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.71			
Break-even Occupancy	89.81%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$55,200	0.25	230
Management Fees	100,100	0.45	417
Payroll, Payroll Tax & Employee Exp.	216,000	0.96	900
Maintenance/Repairs	99,360	0.44	414
Utilities	98,400	0.44	410
Property Insurance	54,000	0.24	225
Property Taxes	240,000	1.07	1000
Replacement Reserves	60,000	0.27	250
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$923,060</b>	<b>\$4.10</b>	<b>\$3,846</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Goose Creek Apartments, Baytown (2003-088)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	48	\$ 607	695	0.87
60% AMI	2BD/2BA	172	\$ 725	940	0.77
60% AMI	3BD/2.5BA	60	\$ 832	1,125	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,445,072	262,540	\$ 0.78
Averages			\$ 728	938	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 827,300	\$ 2,955	\$ 3.15	0.04
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 827,300</b>	<b>\$ 2,955</b>	<b>\$ 3.15</b>	<b>0.04</b>
Sitework	2,069,675	7,392	7.88	0.09
Hard Construction Costs	10,269,705	36,678	39.12	0.47
General Requirements (6%)	740,363	2,644	2.82	0.03
Contractor's Overhead (2%)	246,788	881	0.94	0.01
Contractor's Profit (6%)	740,363	2,644	2.82	0.03
Construction Contingency	392,392	1,401	1.49	0.02
<b>Subtotal Construction</b>	<b>\$ 14,459,285</b>	<b>\$ 51,640</b>	<b>\$ 55.07</b>	<b>0.66</b>
Indirect Construction	973,500	3,477	3.71	0.04
Developer's Fee	2,465,645	8,806	9.39	0.11
Financing	3,014,657	10,767	11.48	0.14
Reserves	93,244	333	0.36	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,547,046</b>	<b>\$ 23,382</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,833,631</b>	<b>\$ 77,977</b>	<b>\$ 83.16</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,368,532	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,700,000	6.25%	30	\$ 1,086,125
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 936,530	38.0%	\$ 1,529,115	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 828,569		\$ -	
<b>Total Sources</b>	<b>\$ 21,833,631</b>			<b>\$ 1,086,125</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,368,532	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,700,000	6.25%	30	\$ 1,086,125
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 936,530	38.0%	\$ 1,529,115	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 828,569		\$ -	
<b>Total Sources</b>	<b>\$ 21,833,631</b>			<b>\$ 1,086,125</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,445,072	\$9.31		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (187,104)	-0.71	-668	
Effective Gross Income	\$2,308,368	8.79	8,244	
Total Operating Expenses	\$1,073,662	\$4.09	\$3,835	
Net Operating Income	\$1,234,706	\$4.70	\$4,410	
Debt Service	1,086,125	4.14	3,879	
Net Cash Flow	\$148,581	\$0.57	\$531	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$31,767	\$0.12	\$113	
Net Cash Flow	\$116,814	\$0.44	\$417	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	89.63%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,445,072	\$9.31		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (187,160)	-0.71	-668	
Effective Gross Income	2,308,312	8.79	8,244	
Total Operating Expenses	46.5% \$1,073,662	\$4.09	\$3,835	
Net Operating Income	\$1,234,650	\$4.70	\$4,409	
Debt Service	1,086,125	4.14	3,879	
Net Cash Flow	\$148,524	\$0.57	\$530	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$32,900	\$0.13	\$118	
Net Cash Flow	\$115,624	\$0.44	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	89.68%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.24	227
Management Fees	115,382	0.44	412
Payroll, Payroll Tax & Employee Exp.	252,000	0.96	900
Maintenance/Repairs	114,920	0.44	410
Utilities	114,800	0.44	410
Property Insurance	63,000	0.24	225
Property Taxes	280,000	1.07	1000
Replacement Reserves	70,000	0.27	250
Other Expenses	-	0.00	0
Total Expnses	\$1,073,662	\$4.09	\$3,835

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Humble Parkway Apartments, Humble (2003-089)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	48	\$ 615	695	0.88
60% AMI	2BD/2BA	176	\$ 734	940	0.78
60% AMI	3BD/2.5BA	56	\$ 845	1,125	0.75
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,472,288	261,800	\$ 0.79
Averages			\$ 736	935	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,515,657	\$ 5,413	\$ 5.79	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,515,657</b>	<b>\$ 5,413</b>	<b>\$ 5.79</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.91	0.09
Hard Construction Costs	10,234,925	36,553	39.09	0.45
General Requirements (6%)	738,276	2,637	2.82	0.03
Contractor's Overhead (2%)	246,092	879	0.94	0.01
Contractor's Profit (6%)	738,276	2,637	2.82	0.03
Construction Contingency	391,286	1,397	1.49	0.02
<b>Subtotal Construction</b>	<b>\$ 14,418,530</b>	<b>\$ 51,495</b>	<b>\$ 55.07</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	4.25	0.05
Developer's Fee	2,483,977	8,871	9.49	0.11
Financing	3,068,081	10,957	11.72	0.14
Reserves	90,625	324	0.35	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,756,183</b>	<b>\$ 24,129</b>	<b>\$ 26</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 22,690,370</b>	<b>\$ 81,037</b>	<b>\$ 86.67</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,408,445	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,450,016	58.4%	\$1,033,961	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 831,908		\$ -	
<b>Total Sources</b>	<b>\$ 22,690,369</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,408,445	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,450,016	58.4%	\$ 1,033,961	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 831,908		\$ -	
<b>Total Sources</b>	<b>\$ 22,690,369</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,472,288	\$9.44		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	-7.50% (189,204)	-0.72	-676	
Effective Gross Income	\$2,333,484	8.91	8,334	
Total Operating Expenses	\$1,074,954	\$4.11	\$3,839	
Net Operating Income	\$1,258,530	\$4.81	\$4,495	
Debt Service	1,108,291	4.23	3,958	
Net Cash Flow	\$150,239	\$0.57	\$537	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$31,973	\$0.12	\$114	
Net Cash Flow	\$118,266	\$0.45	\$422	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.71			
Break-even Occupancy	89.60%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,472,288	\$9.44		
Other Income & Loss	50,400	0.19	180	
Vacancy & Collection	7.50% (189,202)	-0.72	-676	
Effective Gross Income	2,333,486	8.91	8,334	
Total Operating Expenses	46.1% \$1,074,954	\$4.11	\$3,839	
Net Operating Income	\$1,258,532	\$4.81	\$4,495	
Debt Service	1,108,291	4.23	3,958	
Net Cash Flow	\$150,241	\$0.57	\$537	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$33,200	\$0.13	\$119	
Net Cash Flow	\$117,041	\$0.45	\$418	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.71			
Break-even Occupancy	89.65%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.24	227
Management Fees	116,674	0.45	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.96	900
Maintenance/Repairs	114,920	0.44	410
Utilities	114,800	0.44	410
Property Insurance	63,000	0.24	225
Property Taxes	280,000	1.07	1000
Replacement Reserves	70,000	0.27	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,074,954	\$4.11	\$3,839

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Cooks Lane Park Apartments, Fort Worth (2003-090)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	12	\$ 627	684	0.92
60% AMI	1BD/1.5BA	24	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	128	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	68	\$ 870	1,143	0.76
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,557,008</b>	<b>287,364</b>	<b>\$ 0.74</b>
<b>Averages</b>			<b>\$ 761</b>	<b>1,026</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,633,160	\$ 5,833	\$ 5.68	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,633,160</b>	<b>\$ 5,833</b>	<b>\$ 5.68</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.20	0.09
Hard Construction Costs	10,861,705	38,792	37.80	0.46
General Requirements (6%)	775,883	2,771	2.70	0.03
Contractor's Overhead (2%)	258,628	924	0.90	0.01
Contractor's Profit (6%)	775,883	2,771	2.70	0.03
Construction Contingency	411,218	1,469	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 15,152,991</b>	<b>\$ 54,118</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.87	0.05
Developer's Fee	2,603,949	9,300	9.06	0.11
Financing	3,225,444	11,519	11.22	0.14
Reserves	84,140	301	0.29	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,027,033</b>	<b>\$ 25,097</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,813,184</b>	<b>\$ 85,047</b>	<b>\$ 82.87</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,666	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,453,407	55.8%	\$ 1,150,542	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 890,113		\$ -	
<b>Total Sources</b>	<b>\$ 23,813,186</b>			<b>\$ 1,173,572</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,666	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,453,407	55.8%	\$ 1,150,542	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 890,113		\$ -	
<b>Total Sources</b>	<b>\$ 23,813,186</b>			<b>\$ 1,173,572</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (195,552)	-0.68	-698	
Effective Gross Income	\$2,411,856	8.39	8,614	
Total Operating Expenses	\$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,983	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,411	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$32,495	\$0.11	\$116	
Net Cash Flow	\$126,916	\$0.44	\$453	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.36%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (195,556)	-0.68	-698	
Effective Gross Income	2,411,852	8.39	8,614	
Total Operating Expenses	44.7% \$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,979	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,407	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$34,000	\$0.12	\$121	
Net Cash Flow	\$125,407	\$0.44	\$448	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.42%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	120,593	0.42	431
Payroll, Payroll Tax & Employee Exp.	252,000	0.88	900
Maintenance/Repairs	114,920	0.40	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.97	1000
Replacement Reserves	70,000	0.24	250
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,078,873</b>	<b>\$3.75</b>	<b>\$3,853</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

North Vista Apartments, Houston (2003-091)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,357,861	\$ 4,850	\$ 4.79	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,357,861</b>	<b>\$ 4,850</b>	<b>\$ 4.79</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,321	9,162	9.04	0.11
Financing	3,071,484	10,970	10.83	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,841,002</b>	<b>\$ 24,432</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,157,172</b>	<b>\$ 82,704</b>	<b>\$ 81.63</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,559	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,740,051	67.8%	\$825,270	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 831,560		\$ -	
<b>Total Sources</b>	<b>\$ 23,157,170</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,559	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,740,051	67.8%	\$ 825,270	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 831,560		\$ -	
<b>Total Sources</b>	<b>\$ 23,157,170</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,074,919	\$3.79	\$3,839

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Median Way Park Apartments, Arlington (2003-092)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	8	\$ 635	684	0.93
60% AMI	1BD/1.5BA	16	\$ 635	795	0.80
60% AMI	1BD/1.5BA	10	\$ 635	826	0.77
60% AMI	2BD/1.5BA	116	\$ 758	1,027	0.74
60% AMI	2BD/2BA	40	\$ 758	1,102	0.69
60% AMI	2BD/2BA	10	\$ 758	1,128	0.67
60% AMI	3BD/2.5BA	60	\$ 871	1,143	0.76
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		260	\$ 2,396,136	269,524	\$ 0.74
Averages			\$ 768	1,037	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,235,000	\$ 4,750	\$ 4.58	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,235,000</b>	<b>\$ 4,750</b>	<b>\$ 4.58</b>	<b>0.06</b>
Sitework	1,931,412	7,429	7.17	0.09
Hard Construction Costs	10,197,168	39,220	37.83	0.46
General Requirements (6%)	727,715	2,799	2.70	0.03
Contractor's Overhead (2%)	242,572	933	0.90	0.01
Contractor's Profit (6%)	727,715	2,799	2.70	0.03
Construction Contingency	385,689	1,483	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,212,270</b>	<b>\$ 54,663</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,083,500	4,167	4.02	0.05
Developer's Fee	2,447,189	9,412	9.08	0.11
Financing	3,048,203	11,724	11.31	0.14
Reserves	74,658	287	0.28	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,653,550</b>	<b>\$ 25,591</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,100,820</b>	<b>\$ 85,003</b>	<b>\$ 82.00</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,328,346	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,900,000	6.25%	30	\$ 1,100,902
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,014,885	41.5%	\$ 1,432,304	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 857,589		\$ -	
<b>Total Sources</b>	<b>\$ 22,100,820</b>			<b>\$ 1,100,902</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,328,346	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,900,000	6.25%	30	\$ 1,100,902
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,014,885	41.5%	\$ 1,432,304	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 857,589		\$ -	
<b>Total Sources</b>	<b>\$ 22,100,820</b>			<b>\$ 1,100,902</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,396,136	\$8.89		
Other Income & Loss	46,800	0.17	180	
Vacancy & Collection	-7.50% (183,216)	-0.68	-705	
Effective Gross Income	\$2,259,720	8.38	8,691	
Total Operating Expenses	\$1,003,246	\$3.72	\$3,859	
Net Operating Income	\$1,256,474	\$4.66	\$4,833	
Debt Service	1,100,902	4.08	4,234	
Net Cash Flow	\$155,572	\$0.58	\$598	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$30,604	\$0.11	\$118	
Net Cash Flow	\$124,968	\$0.46	\$481	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.09%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,396,136	\$8.89		
Other Income & Loss	46,800	0.17	180	
Vacancy & Collection	7.50% (183,220)	-0.68	-705	
Effective Gross Income	\$2,259,716	8.38	8,691	
Total Operating Expenses	44.4% \$1,003,246	\$3.72	\$3,859	
Net Operating Income	\$1,256,470	\$4.66	\$4,833	
Debt Service	1,100,902	4.08	4,234	
Net Cash Flow	\$155,567	\$0.58	\$598	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$31,800	\$0.12	\$122	
Net Cash Flow	\$123,767	\$0.46	\$476	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.14%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$59,020	0.22	227
Management Fees	112,986	0.42	435
Payroll, Payroll Tax & Employee Exp.	234,000	0.87	900
Maintenance/Repairs	107,140	0.40	412
Utilities	106,600	0.40	410
Property Insurance	58,500	0.22	225
Property Taxes	260,000	0.96	1000
Replacement Reserves	65,000	0.24	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,003,246	\$3.72	\$3,859

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

McCart Park Apartments, Fort Worth (2003-093)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	4	\$ 627	684	0.92
60% AMI	1BD/1.5BA	8	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	86	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	44	\$ 870	1,143	0.76
Totals		190	\$ 1,746,864	198,606	\$ 0.73
Averages			\$ 766	1,045	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,115,500	\$ 5,871	\$ 5.62	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,115,500</b>	<b>\$ 5,871</b>	<b>\$ 5.62</b>	<b>0.07</b>
Sitework	1,447,494	7,618	7.29	0.09
Hard Construction Costs	7,489,776	39,420	37.71	0.45
General Requirements (6%)	536,236	2,822	2.70	0.03
Contractor's Overhead (2%)	178,745	941	0.90	0.01
Contractor's Profit (6%)	536,236	2,822	2.70	0.03
Construction Contingency	284,205	1,496	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 10,472,693</b>	<b>\$ 55,119</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	848,500	4,466	4.27	0.05
Developer's Fee	1,802,663	9,488	9.08	0.11
Financing	2,171,837	11,431	10.94	0.13
Reserves	51,480	271	0.26	0.00
<b>Subtotal Other Costs</b>	<b>\$ 4,874,480</b>	<b>\$ 25,655</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 16,462,673</b>	<b>\$ 86,646</b>	<b>\$ 82.89</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,924,999	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,900,000	6.25%	30	\$ 805,358
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,112,135	61.7%	\$690,528	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 525,540		\$ -	
<b>Total Sources</b>	<b>\$ 16,462,674</b>		<b>\$ 805,358</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,924,999	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 10,900,000	6.25%	30	\$ 805,358
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,112,135	61.7%	\$ 690,528	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 525,540		\$ -	
<b>Total Sources</b>	<b>\$ 16,462,674</b>		<b>\$ 805,358</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,746,864	\$8.80		
Other Income & Loss	34,200	0.17	180	
Vacancy & Collection	-7.50% (133,584)	-0.67	-703	
Effective Gross Income	\$1,647,480	8.30	8,671	
Total Operating Expenses	\$729,134	\$3.67	\$3,838	
Net Operating Income	\$918,346	\$4.62	\$4,833	
Debt Service	805,358	4.06	4,239	
Net Cash Flow	\$112,988	\$0.57	\$595	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$23,315	\$0.12	\$123	
Net Cash Flow	\$89,673	\$0.45	\$472	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.18%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,746,864	\$8.80		
Other Income & Loss	34,200	0.17	180	
Vacancy & Collection	7.50% (133,580)	-0.67	-703	
Effective Gross Income	\$1,647,484	8.30	8,671	
Total Operating Expenses	44.3% \$729,134	\$3.67	\$3,838	
Net Operating Income	\$918,350	\$4.62	\$4,833	
Debt Service	805,358	4.06	4,239	
Net Cash Flow	\$112,992	\$0.57	\$595	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$23,250	\$0.12	\$122	
Net Cash Flow	\$89,742	\$0.45	\$472	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.17%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$43,400	0.22	228
Management Fees	82,374	0.41	434
Payroll, Payroll Tax & Employee Exp.	171,000	0.86	900
Maintenance/Repairs	76,110	0.38	401
Utilities	76,000	0.38	400
Property Insurance	42,750	0.22	225
Property Taxes	190,000	0.96	1000
Replacement Reserves	47,500	0.24	250
Other Expenses	-	0.00	0
Total Expenses	\$729,134	\$3.67	\$3,838

Staff Notes/Comments	



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Granbury Park, Fort Worth (2003-094)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	12	\$ 627	684	0.92
60% AMI	1BD/1.5BA	24	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	128	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	68	\$ 870	1,143	0.76
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,557,008</b>	<b>287,364</b>	<b>\$ 0.74</b>
<b>Averages</b>			<b>\$ 761</b>	<b>1,026</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,213,000	\$ 4,332	\$ 4.22	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,213,000</b>	<b>\$ 4,332</b>	<b>\$ 4.22</b>	<b>0.05</b>
Sitework	2,069,675	7,392	7.20	0.09
Hard Construction Costs	10,861,705	38,792	37.80	0.46
General Requirements (6%)	775,883	2,771	2.70	0.03
Contractor's Overhead (2%)	258,628	924	0.90	0.01
Contractor's Profit (6%)	775,883	2,771	2.70	0.03
Construction Contingency	411,218	1,469	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 15,152,991</b>	<b>\$ 54,118</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	1,113,500	3,977	3.87	0.05
Developer's Fee	2,603,758	9,299	9.06	0.11
Financing	3,224,166	11,515	11.22	0.14
Reserves	84,140	301	0.29	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,025,564</b>	<b>\$ 25,091</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,391,555</b>	<b>\$ 83,541</b>	<b>\$ 81.40</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,249	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,023,634	39.3%	\$ 1,580,124	
Source IV	Proceeds	Description		Annual D/S
Gic Income/Interim NOI	\$ 898,673			\$ -
<b>Total Sources</b>	<b>\$ 23,391,556</b>			<b>\$ 1,173,572</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,249	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,023,634	39.3%	\$ 1,580,124	
Source IV	Proceeds	Description		Annual D/S
Other	\$ 898,673			\$ -
<b>Total Sources</b>	<b>\$ 23,391,556</b>			<b>\$ 1,173,572</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (195,552)	-0.68	-698	
Effective Gross Income	\$2,411,856	8.39	8,614	
Total Operating Expenses	\$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,983	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,411	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$32,495	\$0.11	\$116	
Net Cash Flow	\$126,916	\$0.44	\$453	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.36%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (195,556)	-0.68	-698	
Effective Gross Income	\$2,411,852	8.39	8,614	
Total Operating Expenses	44.7% \$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,979	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,407	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$34,000	\$0.12	\$121	
Net Cash Flow	\$125,407	\$0.44	\$448	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.42%			

Applicant - Annual Operating Expenses				
		Per S.F.	Per Unit	
General & Administrative Expenses	\$63,560	0.22	227	
Management Fees	120,593	0.42	431	
Payroll, Payroll Tax & Employee Exp.	252,000	0.88	900	
Maintenance/Repairs	114,920	0.40	410	
Utilities	114,800	0.40	410	
Property Insurance	63,000	0.22	225	
Property Taxes	280,000	0.97	1000	
Replacement Reserves	70,000	0.24	250	
Other Expenses	-	0.00	0	
<b>Total Expenses</b>	<b>\$1,078,873</b>	<b>\$3.75</b>	<b>\$3,853</b>	

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

John West Park Apartments, Dallas (2003-095)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	4	\$ 689	684	1.01
60% AMI	1BD/1.5BA	8	\$ 689	795	0.87
60% AMI	1BD/1.5BA	8	\$ 689	826	0.83
60% AMI	2BD/1.5BA	92	\$ 822	1,027	0.80
60% AMI	2BD/2BA	32	\$ 822	1,102	0.75
60% AMI	2BD/2BA	8	\$ 822	1,128	0.73
60% AMI	3BD/2.5BA	48	\$ 949	1,143	0.83
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>200</b>	<b>\$ 2,014,032</b>	<b>209,340</b>	<b>\$ 0.80</b>
<b>Averages</b>			<b>\$ 839</b>	<b>1,047</b>	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 905,000	\$ 4,525	\$ 4.32	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 905,000</b>	<b>\$ 4,525</b>	<b>\$ 4.32</b>	<b>0.05</b>
Sitework	1,516,625	7,583	7.24	0.09
Hard Construction Costs	7,903,675	39,518	37.76	0.45
General Requirements (6%)	565,218	2,826	2.70	0.03
Contractor's Overhead (2%)	188,406	942	0.90	0.01
Contractor's Profit (6%)	565,218	2,826	2.70	0.03
Construction Contingency	299,566	1,498	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 11,038,708</b>	<b>\$ 55,194</b>	<b>\$ 52.73</b>	<b>0.63</b>
Indirect Construction	938,500	4,693	4.48	0.05
Developer's Fee	1,921,959	9,610	9.18	0.11
Financing	2,565,404	12,827	12.25	0.15
Reserves	31,878	159	0.15	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,457,741</b>	<b>\$ 27,289</b>	<b>\$ 26</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 17,401,449</b>	<b>\$ 87,007</b>	<b>\$ 83.13</b>	<b>1.00</b>

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,184,746	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,000,000	6.25%	30	\$ 960,519
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 27,842	1.4%	\$ 1,894,117	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 188,860		\$ -	
<b>Total Sources</b>	<b>\$ 17,401,448</b>			<b>\$ 960,519</b>

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,184,746	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 13,000,000	6.25%	30	\$ 960,519
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 27,842	1.4%	\$ 1,894,117	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 188,860		\$ -	
<b>Total Sources</b>	<b>\$ 17,401,448</b>			<b>\$ 960,519</b>

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,014,032	\$9.62		
Other Income & Loss	36,000	0.17	180	
Vacancy & Collection	-7.50% (153,744)	-0.73	-769	
Effective Gross Income	\$1,896,288	9.06	9,481	
Total Operating Expenses	\$797,810	\$3.81	\$3,989	
Net Operating Income	\$1,098,478	\$5.25	\$5,492	
Debt Service	960,519	4.59	4,803	
Net Cash Flow	\$137,959	\$0.66	\$690	
Debt Coverage Ratio		<b>1.14</b>		
TDHCA/TSAHC Fees	\$25,403	\$0.12	\$127	
Net Cash Flow	\$112,556	\$0.54	\$563	
DCR after TDHCA Fees		<b>1.11</b>		
Break-even Rents/S.F.	0.71			
Break-even Occupancy	88.57%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,014,032	\$9.62		
Other Income & Loss	36,000	0.17	180	
Vacancy & Collection	7.50% (153,752)	-0.73	-769	
Effective Gross Income	\$1,896,280	9.06	9,481	
Total Operating Expenses	42.1% \$797,810	\$3.81	\$3,989	
Net Operating Income	\$1,098,470	\$5.25	\$5,492	
Debt Service	960,519	4.59	4,803	
Net Cash Flow	\$137,951	\$0.66	\$690	
Debt Coverage Ratio		<b>1.14</b>		
TDHCA/TSAHC Fees	\$26,000	\$0.12	\$130	
Net Cash Flow	\$111,951	\$0.53	\$560	
DCR after TDHCA Fees		<b>1.11</b>		
Break-even Rents/S.F.	0.71			
Break-even Occupancy	88.59%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$68,000	0.32	340
Management Fees	94,810	0.45	474
Payroll, Payroll Tax & Employee Exp.	174,000	0.83	870
Maintenance/Repairs	84,000	0.40	420
Utilities	82,000	0.39	410
Property Insurance	45,000	0.21	225
Property Taxes	200,000	0.96	1000
Replacement Reserves	50,000	0.24	250
Other Expenses	-	0.00	0
<b>Total Expnses</b>	<b>\$797,810</b>	<b>\$3.81</b>	<b>\$3,989</b>

<b>Staff Notes/Comments</b>	

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

FM 1960 Apartments, Houston (2003-096)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,200,827	\$ 4,289	\$ 4.23	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,200,827</b>	<b>\$ 4,289</b>	<b>\$ 4.23</b>	<b>0.05</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.47
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,249	9,162	9.04	0.11
Financing	3,071,006	10,968	10.83	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,840,452</b>	<b>\$ 24,430</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,999,588</b>	<b>\$ 82,141</b>	<b>\$ 81.08</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,403	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,579,340	61.6%	\$985,909	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 834,844		\$ -	
<b>Total Sources</b>	<b>\$ 22,999,587</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,403	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,579,340	61.6%	\$ 985,909	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 834,844		\$ -	
<b>Total Sources</b>	<b>\$ 22,999,587</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,074,919	\$3.79	\$3,839

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Lake June Park Apartments, Dallas (2003-097)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 689	684	1.01
60% AMI	1BD/1.5BA	32	\$ 689	795	0.87
60% AMI	1BD/1.5BA	8	\$ 689	826	0.83
60% AMI	2BD/1.5BA	120	\$ 822	1,027	0.80
60% AMI	2BD/2BA	32	\$ 822	1,102	0.75
60% AMI	2BD/2BA	8	\$ 822	1,128	0.73
60% AMI	3BD/2.5BA	64	\$ 949	1,143	0.83
Totals		280	\$ 2,770,080	283,672	\$ 0.81
Averages			\$ 824	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 374,000	\$ 1,336	\$ 1.32	0.02
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 374,000</b>	<b>\$ 1,336</b>	<b>\$ 1.32</b>	<b>0.02</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.48
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.67</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,582,577	9,223	9.10	0.11
Financing	3,362,444	12,009	11.85	0.15
Reserves	74,615	266	0.26	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,133,136</b>	<b>\$ 25,475</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,465,445</b>	<b>\$ 80,234</b>	<b>\$ 79.20</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,623,131	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,550,000	6.34%	30	\$ 1,234,463
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 33,513	1.3%	\$ 2,549,064	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 258,800		\$ -	
<b>Total Sources</b>	<b>\$ 22,465,444</b>			<b>\$ 1,234,463</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,623,131	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,550,000	6.34%	30	\$ 1,234,463
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 33,513	1.3%	\$ 2,549,064	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 258,800		\$ -	
<b>Total Sources</b>	<b>\$ 22,465,444</b>			<b>\$ 1,234,463</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,770,080	\$9.77		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.27% (204,988)	-0.72	-732	
Effective Gross Income	\$2,615,492	9.22	9,341	
Total Operating Expenses	\$1,103,921	\$3.89	\$3,943	
Net Operating Income	\$1,511,571	\$5.33	\$5,398	
Debt Service	1,234,463	4.35	4,409	
Net Cash Flow	\$277,108	\$0.98	\$990	
Debt Coverage Ratio	1.22			
TDHCA/TSAHC Fees	\$32,984	\$0.12	\$118	
Net Cash Flow	\$244,124	\$0.86	\$872	
DCR after TDHCA Fees	1.19			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	85.61%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,770,080	\$9.77		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (211,536)	-0.75	-755	
Effective Gross Income	\$2,608,944	9.20	9,318	
Total Operating Expenses	42.3% \$1,103,921	\$3.89	\$3,943	
Net Operating Income	\$1,505,023	\$5.31	\$5,375	
Debt Service	1,234,463	4.35	4,409	
Net Cash Flow	\$270,560	\$0.95	\$966	
Debt Coverage Ratio	1.22			
TDHCA/TSAHC Fees	\$34,750	\$0.12	\$124	
Net Cash Flow	\$235,810	\$0.83	\$842	
DCR after TDHCA Fees	1.19			
Break-even Rents/S.F.	0.70			
Break-even Occupancy	85.67%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$81,560	0.29	291
Management Fees	127,641	0.45	456
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$1,103,921</b>	<b>\$3.89</b>	<b>\$3,943</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Walters Apartments, Houston (2003-098)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,675,500	\$ 5,984	\$ 5.91	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,675,500</b>	<b>\$ 5,984</b>	<b>\$ 5.91</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,466	9,162	9.04	0.11
Financing	3,072,449	10,973	10.83	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,842,112</b>	<b>\$ 24,436</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,475,921</b>	<b>\$ 83,843</b>	<b>\$ 82.76</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,874	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,065,428	80.5%	\$500,038	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 824,619		\$ -	
<b>Total Sources</b>	<b>\$ 23,475,921</b>			<b>\$ 1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,874	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,065,428	80.5%	\$ 500,038	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 824,619		\$ -	
<b>Total Sources</b>	<b>\$ 23,475,921</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,074,919	\$3.79	\$3,839

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Deerbrook One Apartments, Houston (2003-100)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,470,848</b>	<b>283,672</b>	<b>\$ 0.73</b>
<b>Averages</b>			<b>\$ 735</b>	<b>1,013</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 787,399	\$ 2,812	\$ 2.78	0.03
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 787,399</b>	<b>\$ 2,812</b>	<b>\$ 2.78</b>	<b>0.03</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.47
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.66</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,061	9,161	9.04	0.11
Financing	3,069,748	10,963	10.82	0.14
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,839,006</b>	<b>\$ 24,425</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,584,714</b>	<b>\$ 80,660</b>	<b>\$ 79.62</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,584,993	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,154,928	45.0%	\$1,410,133	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 844,792		\$ -	
<b>Total Sources</b>	<b>\$ 22,584,713</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,584,993	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,154,928	45.0%	\$ 1,410,133	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 844,792		\$ -	
<b>Total Sources</b>	<b>\$ 22,584,713</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,074,919</b>	<b>\$3.79</b>	<b>\$3,839</b>

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Sycamore Creek Park One, Fort Worth (2003-101)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	8	\$ 627	684	0.92
60% AMI	1BD/1.5BA	16	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	96	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	48	\$ 870	1,143	0.76
Totals		216	\$ 1,969,152	222,544	\$ 0.74
Averages			\$ 760	1,030	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,037,000	\$ 4,801	\$ 4.66	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,037,000</b>	<b>\$ 4,801</b>	<b>\$ 4.66</b>	<b>0.06</b>
Sitework	1,627,235	7,533	7.31	0.09
Hard Construction Costs	8,387,245	38,830	37.69	0.46
General Requirements (6%)	600,869	2,782	2.70	0.03
Contractor's Overhead (2%)	200,290	927	0.90	0.01
Contractor's Profit (6%)	600,869	2,782	2.70	0.03
Construction Contingency	318,460	1,474	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 11,734,967</b>	<b>\$ 54,329</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	912,500	4,225	4.10	0.05
Developer's Fee	2,022,360	9,363	9.09	0.11
Financing	2,508,319	11,613	11.27	0.14
Reserves	55,940	259	0.25	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,499,119</b>	<b>\$ 25,459</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 18,271,086</b>	<b>\$ 84,588</b>	<b>\$ 82.10</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,403,352	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,200,000	6.25%	30	\$ 901,410
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,003,529	49.6%	\$1,018,831	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 664,205		\$ -	
<b>Total Sources</b>	<b>\$ 18,271,086</b>			<b>\$ 901,410</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,403,352	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,200,000	6.25%	30	\$ 901,410
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,003,529	49.6%	\$ 1,018,831	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 664,205		\$ -	
<b>Total Sources</b>	<b>\$ 18,271,086</b>			<b>\$ 901,410</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,969,152	\$8.85		
Other Income & Loss	38,880	0.17	180	
Vacancy & Collection	-7.50% (150,600)	-0.68	-697	
Effective Gross Income	\$1,857,432	8.35	8,599	
Total Operating Expenses	\$830,975	\$3.73	\$3,847	
Net Operating Income	\$1,026,457	\$4.61	\$4,752	
Debt Service	901,410	4.05	4,173	
Net Cash Flow	\$125,047	\$0.56	\$579	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$25,895	\$0.12	\$120	
Net Cash Flow	\$99,152	\$0.45	\$459	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.29%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,969,152	\$8.85		
Other Income & Loss	38,880	0.17	180	
Vacancy & Collection	7.50% (150,602)	-0.68	-697	
Effective Gross Income	\$1,857,430	8.35	8,599	
Total Operating Expenses	44.7% \$830,975	\$3.73	\$3,847	
Net Operating Income	\$1,026,455	\$4.61	\$4,752	
Debt Service	901,410	4.05	4,173	
Net Cash Flow	\$125,045	\$0.56	\$579	
Debt Coverage Ratio	1.14			
TDHCA/TSAHC Fees	\$26,240	\$0.12	\$121	
Net Cash Flow	\$98,805	\$0.44	\$457	
DCR after TDHCA Fees	1.11			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.31%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$51,920	0.23	240
Management Fees	92,871	0.42	430
Payroll, Payroll Tax & Employee Exp.	189,000	0.85	875
Maintenance/Repairs	90,024	0.40	417
Utilities	88,560	0.40	410
Property Insurance	48,600	0.22	225
Property Taxes	216,000	0.97	1000
Replacement Reserves	54,000	0.24	250
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$830,975</b>	<b>\$3.73</b>	<b>\$3,847</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Sycamore Creek Park Two, Fort Worth (2003-102)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	8	\$ 627	684	0.92
60% AMI	1BD/1.5BA	16	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	96	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	48	\$ 870	1,143	0.76
Totals		216	\$ 1,969,152	222,544	\$ 0.74
Averages			\$ 760	1,030	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 821,000	\$ 3,801	\$ 3.69	0.05
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 821,000</b>	<b>\$ 3,801</b>	<b>\$ 3.69</b>	<b>0.05</b>
Sitework	1,627,235	7,533	7.31	0.09
Hard Construction Costs	8,387,245	38,830	37.69	0.46
General Requirements (6%)	600,869	2,782	2.70	0.03
Contractor's Overhead (2%)	200,290	927	0.90	0.01
Contractor's Profit (6%)	600,869	2,782	2.70	0.03
Construction Contingency	318,460	1,474	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 11,734,967</b>	<b>\$ 54,329</b>	<b>\$ 52.73</b>	<b>0.65</b>
Indirect Construction	912,500	4,225	4.10	0.05
Developer's Fee	2,022,261	9,362	9.09	0.11
Financing	2,507,662	11,610	11.27	0.14
Reserves	55,940	259	0.25	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,498,363</b>	<b>\$ 25,455</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 18,054,330</b>	<b>\$ 83,585</b>	<b>\$ 81.13</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,403,137	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,200,000	6.25%	30	\$ 901,410
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 782,056	38.7%	\$ 1,240,205	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 669,137		\$ -	
<b>Total Sources</b>	<b>\$ 18,054,330</b>		<b>\$ 901,410</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,403,137	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 12,200,000	6.25%	30	\$ 901,410
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 782,056	38.7%	\$ 1,240,205	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 669,137		\$ -	
<b>Total Sources</b>	<b>\$ 18,054,330</b>		<b>\$ 901,410</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,969,152	\$8.85		
Other Income & Loss	38,880	0.17	180	
Vacancy & Collection	-7.50% (150,660)	-0.68	-698	
Effective Gross Income	\$1,857,372	8.35	8,599	
Total Operating Expenses	\$830,975	\$3.73	\$3,847	
Net Operating Income	\$1,026,397	\$4.61	\$4,752	
Debt Service	901,410	4.05	4,173	
Net Cash Flow	\$124,987	\$0.56	\$579	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$25,895	\$0.12	\$120	
Net Cash Flow	\$99,092	\$0.45	\$459	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.29%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,969,152	\$8.85		
Other Income & Loss	38,880	0.17	180	
Vacancy & Collection	7.50% (150,602)	-0.68	-697	
Effective Gross Income	\$1,857,430	8.35	8,599	
Total Operating Expenses	44.7% \$830,975	\$3.73	\$3,847	
Net Operating Income	\$1,026,455	\$4.61	\$4,752	
Debt Service	901,410	4.05	4,173	
Net Cash Flow	\$125,045	\$0.56	\$579	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$26,240	\$0.12	\$121	
Net Cash Flow	\$98,805	\$0.44	\$457	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.31%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$51,920	0.23	240
Management Fees	92,871	0.42	430
Payroll, Payroll Tax & Employee Exp.	189,000	0.85	875
Maintenance/Repairs	90,024	0.40	417
Utilities	88,560	0.40	410
Property Insurance	48,600	0.22	225
Property Taxes	216,000	0.97	1000
Replacement Reserves	54,000	0.24	250
Other Expenses	-	0.00	0
Total Exepnses	\$830,975	\$3.73	\$3,847

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Stuebner One Apartments, Houston (2003-103)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,470,848</b>	<b>283,672</b>	<b>\$ 0.73</b>
<b>Averages</b>			<b>\$ 735</b>	<b>1,013</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,444,981	\$ 5,161	\$ 5.09	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,444,981</b>	<b>\$ 5,161</b>	<b>\$ 5.09</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,361	9,162	9.04	0.11
Financing	3,071,748	10,971	10.83	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,841,306</b>	<b>\$ 24,433</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,244,596</b>	<b>\$ 83,016</b>	<b>\$ 81.94</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,645	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,829,211	71.3%	\$736,150	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 829,739		\$ -	
<b>Total Sources</b>	<b>\$ 23,244,595</b>			<b>\$1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,645	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,829,211	71.3%	\$ 736,150	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 829,739		\$ -	
<b>Total Sources</b>	<b>\$ 23,244,595</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,074,919</b>	<b>\$3.79</b>	<b>\$3,839</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Stuebner Two Apartments, Houston (2003-104)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 614	684	0.90
60% AMI	1BD/1.5BA	32	\$ 614	795	0.77
60% AMI	1BD/1.5BA	8	\$ 614	826	0.74
60% AMI	2BD/1.5BA	120	\$ 734	1,027	0.71
60% AMI	2BD/2BA	32	\$ 734	1,102	0.67
60% AMI	2BD/2BA	8	\$ 734	1,128	0.65
60% AMI	3BD/2.5BA	64	\$ 845	1,143	0.74
Totals		280	\$ 2,470,848	283,672	\$ 0.73
Averages			\$ 735	1,013	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,618,350	\$ 5,780	\$ 5.71	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,618,350</b>	<b>\$ 5,780</b>	<b>\$ 5.71</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,695,565	38,198	37.70	0.46
General Requirements (6%)	765,914	2,735	2.70	0.03
Contractor's Overhead (2%)	255,305	912	0.90	0.01
Contractor's Profit (6%)	765,914	2,735	2.70	0.03
Construction Contingency	405,935	1,450	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,958,309</b>	<b>\$ 53,423</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,565,440	9,162	9.04	0.11
Financing	3,072,274	10,972	10.83	0.13
Reserves	90,697	324	0.32	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,841,911</b>	<b>\$ 24,435</b>	<b>\$ 24</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 23,418,570</b>	<b>\$ 83,638</b>	<b>\$ 82.56</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,817	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,006,829	78.2%	\$558,611	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 825,924		\$ -	
<b>Total Sources</b>	<b>\$ 23,418,570</b>			<b>\$ 1,108,291</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,585,817	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,000,000	6.25%	30	\$ 1,108,291
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,006,829	78.2%	\$ 558,611	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 825,924		\$ -	
<b>Total Sources</b>	<b>\$ 23,418,570</b>			<b>\$ 1,108,291</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (189,144)	-0.67	-676	
Effective Gross Income	\$2,332,104	8.22	8,329	
Total Operating Expenses	\$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,185	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,894	\$0.52	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$31,973	\$0.11	\$114	
Net Cash Flow	\$116,921	\$0.41	\$418	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.65%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,470,848	\$8.71		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (189,094)	-0.67	-675	
Effective Gross Income	2,332,154	8.22	8,329	
Total Operating Expenses	46.1% \$1,074,919	\$3.79	\$3,839	
Net Operating Income	\$1,257,235	\$4.43	\$4,490	
Debt Service	1,108,291	3.91	3,958	
Net Cash Flow	\$148,944	\$0.53	\$532	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$33,200	\$0.12	\$119	
Net Cash Flow	\$115,744	\$0.41	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.65			
Break-even Occupancy	89.70%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	116,639	0.41	417
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Expenses	\$1,074,919	\$3.79	\$3,839

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

West Point One Apartments, Fort Worth (2003-105)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	12	\$ 627	684	0.92
60% AMI	1BD/1.5BA	24	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	128	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	68	\$ 870	1,143	0.76
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
<b>Totals</b>		<b>280</b>	<b>\$ 2,557,008</b>	<b>287,364</b>	<b>\$ 0.74</b>
<b>Averages</b>			<b>\$ 761</b>	<b>1,026</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,325,000	\$ 4,732	\$ 4.61	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,325,000</b>	<b>\$ 4,732</b>	<b>\$ 4.61</b>	<b>0.06</b>
Sitework	2,069,675	7,392	7.20	0.09
Hard Construction Costs	10,861,705	38,792	37.80	0.46
General Requirements (6%)	775,883	2,771	2.70	0.03
Contractor's Overhead (2%)	258,628	924	0.90	0.01
Contractor's Profit (6%)	775,883	2,771	2.70	0.03
Construction Contingency	411,218	1,469	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 15,152,991</b>	<b>\$ 54,118</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,113,500	3,977	3.87	0.05
Developer's Fee	2,603,809	9,299	9.06	0.11
Financing	3,224,507	11,516	11.22	0.14
Reserves	84,140	301	0.29	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,025,956</b>	<b>\$ 25,093</b>	<b>\$ 24</b>	<b>\$ 0</b>
<b>Total Uses</b>	<b>\$ 23,503,947</b>	<b>\$ 83,943</b>	<b>\$ 81.79</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,360	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,138,472	43.7%	\$ 1,465,337	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 896,116		\$ -	
<b>Total Sources</b>	<b>\$ 23,503,948</b>			<b>\$ 1,173,572</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,669,360	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 15,800,000	6.30%	30	\$ 1,173,572
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,138,472	43.7%	\$ 1,465,337	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 896,116		\$ -	
<b>Total Sources</b>	<b>\$ 23,503,948</b>			<b>\$ 1,173,572</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.50% (195,552)	-0.68	-698	
Effective Gross Income	\$2,411,856	8.39	8,614	
Total Operating Expenses	\$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,983	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,411	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$32,495	\$0.11	\$116	
Net Cash Flow	\$126,916	\$0.44	\$453	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.36%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,557,008	\$8.90		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (195,556)	-0.68	-698	
Effective Gross Income	2,411,852	8.39	8,614	
Total Operating Expenses	44.7% \$1,078,873	\$3.75	\$3,853	
Net Operating Income	\$1,332,979	\$4.64	\$4,761	
Debt Service	1,173,572	4.08	4,191	
Net Cash Flow	\$159,407	\$0.55	\$569	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$34,000	\$0.12	\$121	
Net Cash Flow	\$125,407	\$0.44	\$448	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.42%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$63,560	0.22	227
Management Fees	120,593	0.42	431
Payroll, Payroll Tax & Employee Exp.	252,000	0.88	900
Maintenance/Repairs	114,920	0.40	410
Utilities	114,800	0.40	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.97	1000
Replacement Reserves	70,000	0.24	250
Other Expenses	-	0.00	0
<b>Total Exepnses</b>	<b>\$1,078,873</b>	<b>\$3.75</b>	<b>\$3,853</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

West Point Two Apartments, Fort Worth (2003-106)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	12	\$ 627	684	0.92
60% AMI	1BD/1.5BA	24	\$ 627	795	0.79
60% AMI	1BD/1.5BA	8	\$ 627	826	0.76
60% AMI	2BD/1.5BA	112	\$ 752	1,027	0.73
60% AMI	2BD/2BA	32	\$ 752	1,102	0.68
60% AMI	2BD/2BA	8	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	56	\$ 870	1,143	0.76
Totals		252	\$ 2,287,344	257,216	\$ 0.74
Averages			\$ 756	1,021	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,199,000	\$ 4,758	\$ 4.66	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,199,000</b>	<b>\$ 4,758</b>	<b>\$ 4.66</b>	<b>0.06</b>
Sitework	1,876,107	7,445	7.29	0.09
Hard Construction Costs	9,698,613	38,487	37.71	0.46
General Requirements (6%)	694,483	2,756	2.70	0.03
Contractor's Overhead (2%)	231,494	919	0.90	0.01
Contractor's Profit (6%)	694,483	2,756	2.70	0.03
Construction Contingency	368,076	1,461	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 13,563,257</b>	<b>\$ 53,822</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,071,500	4,252	4.17	0.05
Developer's Fee	2,338,324	9,279	9.09	0.11
Financing	2,891,317	11,473	11.24	0.14
Reserves	78,353	311	0.30	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,379,494</b>	<b>\$ 25,315</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 21,141,751</b>	<b>\$ 83,896</b>	<b>\$ 82.19</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,091,311	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,000,000	6.25%	30	\$1,034,405
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,261,747	54.0%	\$1,076,577	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 788,692		\$ -	
<b>Total Sources</b>	<b>\$ 21,141,750</b>			<b>\$1,034,405</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,091,311	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,000,000	6.25%	30	\$ 1,034,405
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,261,747	54.0%	\$ 1,076,577	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 788,692		\$ -	
<b>Total Sources</b>	<b>\$ 21,141,750</b>			<b>\$ 1,034,405</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,287,344	\$8.89		
Other Income & Loss	45,360	0.18	180	
Vacancy & Collection	-7.50% (174,948)	-0.68	-694	
Effective Gross Income	\$2,157,756	8.39	8,563	
Total Operating Expenses	\$988,940	\$3.84	\$3,924	
Net Operating Income	\$1,168,816	\$4.54	\$4,638	
Debt Service	1,034,405	4.02	4,105	
Net Cash Flow	\$134,411	\$0.52	\$533	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$29,468	\$0.11	\$117	
Net Cash Flow	\$104,943	\$0.41	\$416	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.75%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,287,344	\$8.89		
Other Income & Loss	45,360	0.18	180	
Vacancy & Collection	7.50% (174,953)	-0.68	-694	
Effective Gross Income	\$2,157,751	8.39	8,563	
Total Operating Expenses	45.8% \$988,940	\$3.84	\$3,924	
Net Operating Income	\$1,168,811	\$4.54	\$4,638	
Debt Service	1,034,405	4.02	4,105	
Net Cash Flow	\$134,406	\$0.52	\$533	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$30,380	\$0.12	\$121	
Net Cash Flow	\$104,026	\$0.40	\$413	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.79%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$75,204	0.29	298
Management Fees	107,888	0.42	428
Payroll, Payroll Tax & Employee Exp.	226,800	0.88	900
Maintenance/Repairs	104,028	0.40	413
Utilities	103,320	0.40	410
Property Insurance	56,700	0.22	225
Property Taxes	252,000	0.98	1000
Replacement Reserves	63,000	0.24	250
Other Expenses	-	0.00	0
Total Expenses	\$988,940	\$3.84	\$3,924

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

West Point Three Apartments, Fort Worth (2003-107)

<b>Unit Mix and Rent Schedule</b>					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	4	\$ 627	684	0.92
60% AMI	1BD/1.5BA	8	\$ 627	795	0.79
60% AMI	1BD/1.5BA	6	\$ 627	826	0.76
60% AMI	2BD/1.5BA	74	\$ 752	1,027	0.73
60% AMI	2BD/2BA	24	\$ 752	1,102	0.68
60% AMI	2BD/2BA	6	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	40	\$ 870	1,143	0.76
Totals		162	\$ 1,491,528	168,986	\$ 0.74
Averages			\$ 767	1,043	

<b>Uses of Funds/Project Costs</b>				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 794,000	\$ 4,901	\$ 4.70	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 794,000</b>	<b>\$ 4,901</b>	<b>\$ 4.70</b>	<b>0.06</b>
Sitework	1,253,926	7,740	7.42	0.09
Hard Construction Costs	6,350,444	39,200	37.58	0.45
General Requirements (6%)	456,262	2,816	2.70	0.03
Contractor's Overhead (2%)	152,087	939	0.90	0.01
Contractor's Profit (6%)	456,262	2,816	2.70	0.03
Construction Contingency	241,819	1,493	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 8,910,801</b>	<b>\$ 55,005</b>	<b>\$ 52.73</b>	<b>0.63</b>
Indirect Construction	806,500	4,978	4.77	0.06
Developer's Fee	1,548,779	9,560	9.17	0.11
Financing	1,962,503	12,114	11.61	0.14
Reserves	36,873	228	0.22	0.00
<b>Subtotal Other Costs</b>	<b>\$ 4,354,655</b>	<b>\$ 26,881</b>	<b>\$ 26</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 14,059,456</b>	<b>\$ 86,787</b>	<b>\$ 83.20</b>	<b>1.00</b>

<b>Applicant - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,372,207	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,300,000	6.25%	30	\$ 687,140
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 916,086	59.1%	\$632,693	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 471,163		\$ -	
<b>Total Sources</b>	<b>\$ 14,059,456</b>		<b>\$ 687,140</b>	

<b>TDHCA - Sources of Funds</b>				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 3,372,207	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 9,300,000	6.25%	30	\$ 687,140
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 916,086	59.1%	\$ 632,693	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 471,163		\$ -	
<b>Total Sources</b>	<b>\$ 14,059,456</b>		<b>\$ 687,140</b>	

<b>Applicant - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,491,528	\$8.83		
Other Income & Loss	29,160	0.17	180	
Vacancy & Collection	-7.50% (114,048)	-0.67	-704	
Effective Gross Income	\$1,406,640	8.32	8,683	
Total Operating Expenses	\$627,962	\$3.72	\$3,876	
Net Operating Income	\$778,678	\$4.61	\$4,807	
Debt Service	687,140	4.07	4,242	
Net Cash Flow	\$91,538	\$0.54	\$565	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$20,399	\$0.12	\$126	
Net Cash Flow	\$71,139	\$0.42	\$439	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.54%			

<b>TDHCA - Operating Proforma/Debt Coverage</b>				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,491,528	\$8.83		
Other Income & Loss	29,160	0.17	180	
Vacancy & Collection	7.50% (114,052)	-0.67	-704	
Effective Gross Income	1,406,636	8.32	8,683	
Total Operating Expenses	44.6% \$627,962	\$3.72	\$3,876	
Net Operating Income	\$778,674	\$4.61	\$4,807	
Debt Service	687,140	4.07	4,242	
Net Cash Flow	\$91,534	\$0.54	\$565	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$19,830	\$0.12	\$122	
Net Cash Flow	\$71,704	\$0.42	\$443	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.66			
Break-even Occupancy	89.50%			

<b>Applicant - Annual Operating Expenses</b>			
		Per S.F.	Per Unit
General & Administrative Expenses	\$42,000	0.25	259
Management Fees	70,332	0.42	434
Payroll, Payroll Tax & Employee Exp.	145,800	0.86	900
Maintenance/Repairs	66,080	0.39	408
Utilities	64,800	0.38	400
Property Insurance	36,450	0.22	225
Property Taxes	162,000	0.96	1000
Replacement Reserves	40,500	0.24	250
Other Expenses	-	0.00	0
Total Expsnes	\$627,962	\$3.72	\$3,876

<b>Staff Notes/Comments</b>

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Chapel Creek Park One, Fort Worth (2003-108)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	12	\$ 627	684	0.92
60% AMI	1BD/1.5BA	24	\$ 627	795	0.79
60% AMI	1BD/1.5BA	6	\$ 627	826	0.76
60% AMI	2BD/1.5BA	92	\$ 752	1,027	0.73
60% AMI	2BD/2BA	24	\$ 752	1,102	0.68
60% AMI	2BD/2BA	6	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	50	\$ 870	1,143	0.76
Totals		214	\$ 1,938,936	217,094	\$ 0.74
Averages			\$ 755	1,014	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,028,000	\$ 4,804	\$ 4.74	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,028,000</b>	<b>\$ 4,804</b>	<b>\$ 4.74</b>	<b>0.06</b>
Sitework	1,613,409	7,539	7.43	0.09
Hard Construction Costs	8,155,821	38,111	37.57	0.46
General Requirements (6%)	586,154	2,739	2.70	0.03
Contractor's Overhead (2%)	195,385	913	0.90	0.01
Contractor's Profit (6%)	586,154	2,739	2.70	0.03
Construction Contingency	310,662	1,452	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 11,447,584</b>	<b>\$ 53,493</b>	<b>\$ 52.73</b>	<b>0.64</b>
Indirect Construction	1,014,500	4,741	4.67	0.06
Developer's Fee	1,977,902	9,243	9.11	0.11
Financing	2,333,090	10,902	10.75	0.13
Reserves	34,385	161	0.16	0.00
<b>Subtotal Other Costs</b>	<b>\$ 5,359,877</b>	<b>\$ 25,046</b>	<b>\$ 25</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 17,835,461</b>	<b>\$ 83,343</b>	<b>\$ 82.16</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,306,551	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,900,000	6.25%	30	\$ 879,244
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,036,284	52.4%	\$941,618	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 592,626		\$ -	
<b>Total Sources</b>	<b>\$ 17,835,461</b>		<b>\$ 879,244</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 4,306,551	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 11,900,000	6.25%	30	\$ 879,244
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,036,284	52.4%	\$ 941,618	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 592,626		\$ -	
<b>Total Sources</b>	<b>\$ 17,835,461</b>		<b>\$ 879,244</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,938,936	\$8.93		
Other Income & Loss	38,520	0.18	180	
Vacancy & Collection	-7.50% (148,260)	-0.68	-693	
Effective Gross Income	\$1,829,196	8.43	8,548	
Total Operating Expenses	\$822,990	\$3.79	\$3,846	
Net Operating Income	\$1,006,206	\$4.63	\$4,702	
Debt Service	879,244	4.05	4,109	
Net Cash Flow	\$126,962	\$0.58	\$593	
Debt Coverage Ratio		1.14		
TDHCA/TSAHC Fees	\$25,560	\$0.12	\$119	
Net Cash Flow	\$101,402	\$0.47	\$474	
DCR after TDHCA Fees		1.11		
Break-even Rents/S.F.		0.66		
Break-even Occupancy		89.11%		

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,938,936	\$8.93		
Other Income & Loss	38,520	0.18	180	
Vacancy & Collection	7.50% (148,309)	-0.68	-693	
Effective Gross Income	1,829,147	8.43	8,547	
Total Operating Expenses	45.0% \$822,990	\$3.79	\$3,846	
Net Operating Income	\$1,006,157	\$4.63	\$4,702	
Debt Service	879,244	4.05	4,109	
Net Cash Flow	\$126,913	\$0.58	\$593	
Debt Coverage Ratio		1.14		
TDHCA/TSAHC Fees	\$25,810	\$0.12	\$121	
Net Cash Flow	\$101,103	\$0.47	\$472	
DCR after TDHCA Fees		1.11		
Break-even Rents/S.F.		0.66		
Break-even Occupancy		89.12%		

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$51,680	0.24	241
Management Fees	91,424	0.42	427
Payroll, Payroll Tax & Employee Exp.	187,250	0.86	875
Maintenance/Repairs	89,246	0.41	417
Utilities	87,740	0.40	410
Property Insurance	48,150	0.22	225
Property Taxes	214,000	0.99	1000
Replacement Reserves	53,500	0.25	250
Other Expenses	-	0.00	0
<b>Total Expenses</b>	<b>\$822,990</b>	<b>\$3.79</b>	<b>\$3,846</b>

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Chapel Creek Park Two, Fort Worth (2003-109)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	4	\$ 627	684	0.92
60% AMI	1BD/1.5BA	8	\$ 627	795	0.79
60% AMI	1BD/1.5BA	2	\$ 627	826	0.76
60% AMI	2BD/1.5BA	62	\$ 752	1,027	0.73
60% AMI	2BD/2BA	8	\$ 752	1,102	0.68
60% AMI	2BD/2BA	2	\$ 752	1,128	0.67
60% AMI	3BD/2.5BA	34	\$ 870	1,143	0.76
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		120	\$ 1,110,024	124,356	\$ 0.74
Averages			\$ 771	1,036	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 605,000	\$ 5,042	\$ 4.87	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 605,000</b>	<b>\$ 5,042</b>	<b>\$ 4.87</b>	<b>0.06</b>
Sitework	963,575	8,030	7.75	0.09
Hard Construction Costs	4,570,267	38,086	36.75	0.44
General Requirements (6%)	332,031	2,767	2.67	0.03
Contractor's Overhead (2%)	110,677	922	0.89	0.01
Contractor's Profit (6%)	332,031	2,767	2.67	0.03
Construction Contingency	175,976	1,466	1.42	0.02
<b>Subtotal Construction</b>	<b>\$ 6,484,556</b>	<b>\$ 54,038</b>	<b>\$ 52.15</b>	<b>0.62</b>
Indirect Construction	683,500	5,696	5.50	0.07
Developer's Fee	1,140,048	9,500	9.17	0.11
Financing	1,542,073	12,851	12.40	0.15
Reserves	37,766	315	0.30	0.00
<b>Subtotal Other Costs</b>	<b>\$ 3,403,387</b>	<b>\$ 28,362</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 10,492,943</b>	<b>\$ 87,441</b>	<b>\$ 84.38</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 2,482,264	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 7,000,000	6.25%	30	\$ 517,202
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 667,556	58.6%	\$472,492	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 343,122		\$ -	
<b>Total Sources</b>	<b>\$ 10,492,942</b>		<b>\$ 517,202</b>	

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 2,482,264	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 6,930,000	6.25%	30	\$ 512,030
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 737,557	64.7%	\$ 402,491	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 343,122		\$ -	
<b>Total Sources</b>	<b>\$ 10,492,943</b>		<b>\$ 512,030</b>	

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,110,024	\$8.93		
Other Income & Loss	21,600	0.17	180	
Vacancy & Collection	-7.50% (84,852)	-0.68	-707	
Effective Gross Income	\$1,046,772	8.42	8,723	
Total Operating Expenses	\$467,027	\$3.76	\$3,892	
Net Operating Income	\$579,745	\$4.66	\$4,831	
Debt Service	517,202	4.16	4,310	
Net Cash Flow	\$62,543	\$0.50	\$521	
Debt Coverage Ratio	1.12			
TDHCA/TSAHC Fees	\$16,094	\$0.13	\$134	
Net Cash Flow	\$46,449	\$0.37	\$387	
DCR after TDHCA Fees	1.09			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	90.12%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,110,024	\$8.93		
Other Income & Loss	21,600	0.17	180	
Vacancy & Collection	7.50% (84,872)	-0.68	-707	
Effective Gross Income	1,046,752	8.42	8,723	
Total Operating Expenses	44.6% \$467,027	\$3.76	\$3,892	
Net Operating Income	\$579,725	\$4.66	\$4,831	
Debt Service	512,030	4.12	4,267	
Net Cash Flow	\$67,695	\$0.54	\$564	
Debt Coverage Ratio	1.13			
TDHCA/TSAHC Fees	\$14,730	\$0.12	\$123	
Net Cash Flow	\$52,965	\$0.43	\$441	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.67			
Break-even Occupancy	89.53%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$40,000	0.32	333
Management Fees	62,327	0.50	519
Payroll, Payroll Tax & Employee Exp.	93,000	0.75	775
Maintenance/Repairs	51,500	0.41	429
Utilities	49,200	0.40	410
Property Insurance	27,000	0.22	225
Property Taxes	114,000	0.92	950
Replacement Reserves	30,000	0.24	250
Other Expenses	-	0.00	0
Total Expenses	\$467,027	\$3.76	\$3,892

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Parmer Park (2003-110)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	15	\$ 736	684	1.08
50% AMI	1BD/1BA	1	\$ 602	684	0.88
60% AMI	1BD/1.5BA	30	\$ 736	795	0.93
50% AMI	1BD/1.5BA	2	\$ 602	795	0.76
60% AMI	1BD/1.5BA	9	\$ 736	826	0.89
50% AMI	1BD/1.5BA	1	\$ 602	826	0.73
60% AMI	2BD/1.5BA	106	\$ 884	1,027	0.86
50% AMI	2BD/1.5BA	8	\$ 724	1,027	0.70
60% AMI	2BD/2BA	37	\$ 884	1,102	0.80
50% AMI	2BD/2BA	3	\$ 724	1,102	0.66
60% AMI	2BD/2BA	9	\$ 884	1,128	0.78
50% AMI	2BD/2BA	1	\$ 724	1,128	0.64
60% AMI	3BD/1.5BA	54	\$ 1,017	1,143	0.89
50% AMI	3BD/1.5BA	4	\$ 832	1,143	0.73
<b>Totals</b>		<b>280</b>	<b>\$ 2,881,512</b>	<b>278,804</b>	<b>\$ 0.86</b>
<b>Averages</b>			<b>\$ 858</b>	<b>996</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 2,305,000	\$ 8,232	\$ 8.27	0.09
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 2,305,000</b>	<b>\$ 8,232</b>	<b>\$ 8.27</b>	<b>0.09</b>
Sitework	2,069,675	7,392	7.42	0.08
Hard Construction Costs	10,682,245	38,151	38.31	0.43
General Requirements (6%)	765,115	2,733	2.74	0.03
Contractor's Overhead (2%)	255,038	911	0.91	0.01
Contractor's Profit (6%)	765,115	2,733	2.74	0.03
Construction Contingency	405,511	1,448	1.45	0.02
<b>Subtotal Construction</b>	<b>\$ 14,942,700</b>	<b>\$ 53,367</b>	<b>\$ 53.60</b>	<b>0.60</b>
Indirect Construction	1,113,500	3,977	3.99	0.05
Developer's Fee	2,601,097	9,290	9.33	0.11
Financing	3,700,127	13,215	13.27	0.15
Reserves	68,743	246	0.25	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,483,467</b>	<b>\$ 26,727</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 24,731,167</b>	<b>\$ 88,326</b>	<b>\$ 88.70</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,663,455	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,300,000	6.44%	30	\$ 1,379,368
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 520,301	20.0%	\$ 2,080,796	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 247,411		\$ -	
<b>Total Sources</b>	<b>\$ 24,731,167</b>			<b>\$ 1,379,368</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,663,455	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,300,000	6.44%	30	\$ 1,379,368
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 520,301	20.0%	\$ 2,080,796	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 247,411		\$ -	
<b>Total Sources</b>	<b>\$ 24,731,167</b>			<b>\$ 1,379,368</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,512	\$10.34		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.40% (216,828)	-0.78	-774	
Effective Gross Income	\$2,715,084	9.74	9,697	
Total Operating Expenses	\$1,116,993	\$4.01	\$3,989	
Net Operating Income	\$1,598,091	\$5.73	\$5,707	
Debt Service	1,379,368	4.95	4,926	
Net Cash Flow	\$218,723	\$0.78	\$781	
Debt Coverage Ratio	<b>1.16</b>			
TDHCA/TSAHC Fees	\$34,126	\$0.12	\$122	
Net Cash Flow	\$184,597	\$0.66	\$659	
DCR after TDHCA Fees	<b>1.13</b>			
Break-even Rents/S.F.	0.76			
Break-even Occupancy	87.82%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,881,512	\$10.34		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (219,893)	-0.79	-785	
Effective Gross Income	2,712,019	9.73	9,686	
Total Operating Expenses	41.2% \$1,116,993	\$4.01	\$3,989	
Net Operating Income	\$1,595,026	\$5.72	\$5,697	
Debt Service	1,379,368	4.95	4,926	
Net Cash Flow	\$215,658	\$0.77	\$770	
Debt Coverage Ratio	<b>1.16</b>			
TDHCA/TSAHC Fees	\$36,500	\$0.13	\$130	
Net Cash Flow	\$179,158	\$0.64	\$640	
DCR after TDHCA Fees	<b>1.13</b>			
Break-even Rents/S.F.	0.76			
Break-even Occupancy	87.90%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$81,560	0.29	291
Management Fees	133,713	0.48	478
Payroll, Payroll Tax & Employee Exp.	259,000	0.93	925
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.41	410
Property Insurance	63,000	0.23	225
Property Taxes	280,000	1.00	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expnses</b>	<b>\$1,116,993</b>	<b>\$4.01</b>	<b>\$3,989</b>

Staff Notes/Comments



**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Yager One Apartments, Austin (2003-111)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	15	\$ 730	684	1.07
50% AMI	1BD/1BA	1	\$ 596	684	0.87
60% AMI	1BD/1.5BA	30	\$ 730	795	0.92
50% AMI	1BD/1.5BA	2	\$ 596	795	0.75
60% AMI	1BD/1.5BA	9	\$ 730	826	0.88
50% AMI	1BD/1.5BA	1	\$ 596	826	0.72
60% AMI	2BD/1.5BA	92	\$ 862	1,027	0.84
50% AMI	2BD/1.5BA	8	\$ 702	1,027	0.68
60% AMI	2BD/2BA	37	\$ 862	1,102	0.78
50% AMI	2BD/2BA	3	\$ 702	1,102	0.64
60% AMI	2BD/2BA	9	\$ 862	1,128	0.76
50% AMI	2BD/2BA	1	\$ 702	1,128	0.62
60% AMI	3BD/1.5BA	48	\$ 988	1,143	0.86
50% AMI	3BD/1.5BA	4	\$ 803	1,143	0.70
<b>Totals</b>		<b>260</b>	<b>\$ 2,599,296</b>	<b>257,568</b>	<b>\$ 0.84</b>
<b>Averages</b>			<b>\$ 833</b>	<b>991</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,875,000	\$ 7,212	\$ 7.28	0.08
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,875,000</b>	<b>\$ 7,212</b>	<b>\$ 7.28</b>	<b>0.08</b>
Sitework	1,931,412	7,429	7.50	0.09
Hard Construction Costs	9,864,888	37,942	38.30	0.43
General Requirements (6%)	707,778	2,722	2.75	0.03
Contractor's Overhead (2%)	235,926	907	0.92	0.01
Contractor's Profit (6%)	707,778	2,722	2.75	0.03
Construction Contingency	375,122	1,443	1.46	0.02
<b>Subtotal Construction</b>	<b>\$ 13,822,904</b>	<b>\$ 53,165</b>	<b>\$ 53.67</b>	<b>0.61</b>
Indirect Construction	1,083,500	4,167	4.21	0.05
Developer's Fee	2,412,615	9,279	9.37	0.11
Financing	3,443,537	13,244	13.37	0.15
Reserves	60,004	231	0.23	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,999,656</b>	<b>\$ 26,922</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,697,560</b>	<b>\$ 87,298</b>	<b>\$ 88.12</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,253,068	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 17,000,000	6.37%	30	\$ 1,272,028
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 203,106	8.4%	\$ 2,209,509	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 241,387		\$ -	
<b>Total Sources</b>	<b>\$ 22,697,561</b>			<b>\$ 1,272,028</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,253,068	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 17,000,000	6.37%	30	\$ 1,272,028
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 203,106	8.4%	\$ 2,209,509	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 241,387		\$ -	
<b>Total Sources</b>	<b>\$ 22,697,561</b>			<b>\$ 1,272,028</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,599,296	\$10.09		
Other Income & Loss	46,800	0.18	180	
Vacancy & Collection	-7.57% (200,364)	-0.78	-771	
Effective Gross Income	\$2,445,732	9.50	9,407	
Total Operating Expenses	\$1,013,819	\$3.94	\$3,899	
Net Operating Income	\$1,431,913	\$5.56	\$5,507	
Debt Service	1,272,028	4.94	4,892	
Net Cash Flow	\$159,885	\$0.62	\$615	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$31,978	\$0.12	\$123	
Net Cash Flow	\$127,907	\$0.50	\$492	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	89.17%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,599,296	\$10.09		
Other Income & Loss	46,800	0.18	180	
Vacancy & Collection	7.50% (198,457)	-0.77	-763	
Effective Gross Income	\$2,447,639	9.50	9,414	
Total Operating Expenses	41.4% \$1,013,819	\$3.94	\$3,899	
Net Operating Income	\$1,433,820	\$5.57	\$5,515	
Debt Service	1,272,028	4.94	4,892	
Net Cash Flow	\$161,792	\$0.63	\$622	
Debt Coverage Ratio	<b>1.13</b>			
TDHCA/TSAHC Fees	\$33,900	\$0.13	\$130	
Net Cash Flow	\$127,892	\$0.50	\$492	
DCR after TDHCA Fees	<b>1.10</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	89.25%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$59,020	0.23	227
Management Fees	123,559	0.48	475
Payroll, Payroll Tax & Employee Exp.	234,000	0.91	900
Maintenance/Repairs	107,140	0.42	412
Utilities	106,600	0.41	410
Property Insurance	58,500	0.23	225
Property Taxes	260,000	1.01	1000
Replacement Reserves	65,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expsnes</b>	<b>\$1,013,819</b>	<b>\$3.94</b>	<b>\$3,899</b>

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
MULTIFAMILY FINANCE DIVISION  
PREQUALIFICATION ANALYSIS**

Bagdad Park, Leander (2003-112)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	16	\$ 744	684	1.09
60% AMI	1BD/1.5BA	32	\$ 744	795	0.94
60% AMI	1BD/1.5BA	10	\$ 744	826	0.90
60% AMI	2BD/1.5BA	114	\$ 897	1,027	0.87
60% AMI	2BD/2BA	40	\$ 897	1,102	0.81
60% AMI	2BD/2BA	10	\$ 897	1,128	0.80
60% AMI	3BD/2.5BA	58	\$ 1,041	1,143	0.91
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		280	\$ 3,007,656	283,376	\$ 0.88
Averages			\$ 895	1,012	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,764,341	\$ 6,301	\$ 6.23	0.07
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,764,341</b>	<b>\$ 6,301</b>	<b>\$ 6.23</b>	<b>0.07</b>
Sitework	2,069,675	7,392	7.30	0.09
Hard Construction Costs	10,682,245	38,151	37.70	0.44
General Requirements (6%)	765,115	2,733	2.70	0.03
Contractor's Overhead (2%)	255,038	911	0.90	0.01
Contractor's Profit (6%)	765,115	2,733	2.70	0.03
Construction Contingency	405,511	1,448	1.43	0.02
<b>Subtotal Construction</b>	<b>\$ 14,942,700</b>	<b>\$ 53,367</b>	<b>\$ 52.73</b>	<b>0.62</b>
Indirect Construction	1,113,500	3,977	3.93	0.05
Developer's Fee	2,600,068	9,286	9.18	0.11
Financing	3,685,549	13,163	13.01	0.15
Reserves	57,190	204	0.20	0.00
<b>Subtotal Other Costs</b>	<b>\$ 7,456,307</b>	<b>\$ 26,630</b>	<b>\$ 26</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 24,163,348</b>	<b>\$ 86,298</b>	<b>\$ 85.27</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,661,216	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,232,000	6.44%	30	\$ 1,374,242
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 241	0.0%	\$ 2,599,827	
Source IV	Proceeds	Description	Annual D/S	
Gic Income/Interim NOI	\$ 269,891		\$ -	
<b>Total Sources</b>	<b>\$ 24,163,348</b>			<b>\$ 1,374,242</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,661,216	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 18,232,000	6.44%	30	\$ 1,374,242
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 241	0.0%	\$ 2,599,827	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 269,891		\$ -	
<b>Total Sources</b>	<b>\$ 24,163,348</b>			<b>\$ 1,374,242</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$3,007,656	\$10.61		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	-7.45% (227,892)	-0.80	-814	
Effective Gross Income	\$2,830,164	9.99	10,108	
Total Operating Expenses	\$1,116,816	\$3.94	\$3,989	
Net Operating Income	\$1,713,348	\$6.05	\$6,119	
Debt Service	1,374,242	4.85	4,908	
Net Cash Flow	\$339,106	\$1.20	\$1,211	
Debt Coverage Ratio	1.25			
TDHCA/TSAHC Fees	\$34,082	\$0.12	\$122	
Net Cash Flow	\$305,024	\$1.08	\$1,089	
DCR after TDHCA Fees	1.22			
Break-even Rents/S.F.	0.74			
Break-even Occupancy	83.96%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$3,007,656	\$10.61		
Other Income & Loss	50,400	0.18	180	
Vacancy & Collection	7.50% (229,354)	-0.81	-819	
Effective Gross Income	2,828,702	9.98	10,103	
Total Operating Expenses	39.5% \$1,116,816	\$3.94	\$3,989	
Net Operating Income	\$1,711,886	\$6.04	\$6,114	
Debt Service	1,374,242	4.85	4,908	
Net Cash Flow	\$337,644	\$1.19	\$1,206	
Debt Coverage Ratio	1.25			
TDHCA/TSAHC Fees	\$36,432	\$0.13	\$130	
Net Cash Flow	\$301,212	\$1.06	\$1,076	
DCR after TDHCA Fees	1.21			
Break-even Rents/S.F.	0.74			
Break-even Occupancy	84.04%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$81,560	0.29	291
Management Fees	140,536	0.50	502
Payroll, Payroll Tax & Employee Exp.	252,000	0.89	900
Maintenance/Repairs	114,920	0.41	410
Utilities	114,800	0.41	410
Property Insurance	63,000	0.22	225
Property Taxes	280,000	0.99	1000
Replacement Reserves	70,000	0.25	250
Other Expenses	-	0.00	0
Total Exepnses	\$1,116,816	\$3.94	\$3,989

Staff Notes/Comments

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS**  
**MULTIFAMILY FINANCE DIVISION**  
**PREQUALIFICATION ANALYSIS**

Century Park Apartments, Austin (2003-114)

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	15	\$ 730	684	1.07
50% AMI	1BD/1BA	1	\$ 596	684	0.87
60% AMI	1BD/1.5BA	30	\$ 730	795	0.92
50% AMI	1BD/1.5BA	2	\$ 596	795	0.75
60% AMI	1BD/1.5BA	9	\$ 730	826	0.88
50% AMI	1BD/1.5BA	1	\$ 596	826	0.72
60% AMI	2BD/1.5BA	92	\$ 862	1,027	0.84
50% AMI	2BD/1.5BA	8	\$ 702	1,027	0.68
60% AMI	2BD/2BA	37	\$ 862	1,102	0.78
50% AMI	2BD/2BA	3	\$ 702	1,102	0.64
60% AMI	2BD/2BA	9	\$ 862	1,128	0.76
50% AMI	2BD/2BA	1	\$ 702	1,128	0.62
60% AMI	3BD/1.5BA	48	\$ 988	1,143	0.86
50% AMI	3BD/1.5BA	4	\$ 803	1,143	0.70
<b>Totals</b>		<b>260</b>	<b>\$ 2,599,296</b>	<b>257,568</b>	<b>\$ 0.84</b>
<b>Averages</b>			<b>\$ 833</b>	<b>991</b>	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,365,000	\$ 5,250	\$ 5.30	0.06
Off-sites	0	0	0.00	0.00
<b>Subtotal Site Costs</b>	<b>\$ 1,365,000</b>	<b>\$ 5,250</b>	<b>\$ 5.30</b>	<b>0.06</b>
Sitework	1,931,412	7,429	7.50	0.09
Hard Construction Costs	9,864,888	37,942	38.30	0.45
General Requirements (6%)	707,778	2,722	2.75	0.03
Contractor's Overhead (2%)	235,926	907	0.92	0.01
Contractor's Profit (6%)	707,778	2,722	2.75	0.03
Construction Contingency	375,122	1,443	1.46	0.02
<b>Subtotal Construction</b>	<b>\$ 13,822,904</b>	<b>\$ 53,165</b>	<b>\$ 53.67</b>	<b>0.63</b>
Indirect Construction	1,083,500	4,167	4.21	0.05
Developer's Fee	2,407,984	9,261	9.35	0.11
Financing	3,368,959	12,958	13.08	0.15
Reserves	60,004	231	0.23	0.00
<b>Subtotal Other Costs</b>	<b>\$ 6,920,447</b>	<b>\$ 26,617</b>	<b>\$ 27</b>	<b>0</b>
<b>Total Uses</b>	<b>\$ 22,108,351</b>	<b>\$ 85,032</b>	<b>\$ 85.84</b>	<b>1.00</b>

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,242,983	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,615,000	6.36%	30	\$ 1,241,916
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,727	0.1%	\$ 2,406,257	
Source IV	Proceeds	Description	Annual D/S	
GIC Income/Interim NOI	\$ 248,641		\$ -	
<b>Total Sources</b>	<b>\$ 22,108,351</b>			<b>\$ 1,241,916</b>

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 5,242,983	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 16,615,000	6.36%	30	\$ 1,241,916
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 1,727	0.1%	\$ 2,406,257	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ 248,641		\$ -	
<b>Total Sources</b>	<b>\$ 22,108,351</b>			<b>\$ 1,241,916</b>

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,599,296	\$10.09		
Other Income & Loss	46,800	0.18	180	
Vacancy & Collection	-7.57% (200,364)	-0.78	-771	
Effective Gross Income	\$2,445,732	9.50	9,407	
Total Operating Expenses	\$1,031,819	\$4.01	\$3,969	
Net Operating Income	\$1,413,913	\$5.49	\$5,438	
Debt Service	1,241,916	4.82	4,777	
Net Cash Flow	\$171,997	\$0.67	\$662	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$31,726	\$0.12	\$122	
Net Cash Flow	\$140,271	\$0.54	\$540	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	88.70%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,599,296	\$10.09		
Other Income & Loss	46,800	0.18	180	
Vacancy & Collection	7.50% (198,457)	-0.77	-763	
Effective Gross Income	2,447,639	9.50	9,414	
Total Operating Expenses	42.2% \$1,031,819	\$4.01	\$3,969	
Net Operating Income	\$1,415,820	\$5.50	\$5,445	
Debt Service	1,241,916	4.82	4,777	
Net Cash Flow	\$173,903	\$0.68	\$669	
Debt Coverage Ratio	<b>1.14</b>			
TDHCA/TSAHC Fees	\$33,515	\$0.13	\$129	
Net Cash Flow	\$140,388	\$0.55	\$540	
DCR after TDHCA Fees	<b>1.11</b>			
Break-even Rents/S.F.	0.75			
Break-even Occupancy	88.76%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$77,020	0.30	296
Management Fees	123,559	0.48	475
Payroll, Payroll Tax & Employee Exp.	234,000	0.91	900
Maintenance/Repairs	107,140	0.42	412
Utilities	106,600	0.41	410
Property Insurance	58,500	0.23	225
Property Taxes	260,000	1.01	1000
Replacement Reserves	65,000	0.25	250
Other Expenses	-	0.00	0
<b>Total Expsnes</b>	<b>\$1,031,819</b>	<b>\$4.01</b>	<b>\$3,969</b>

Staff Notes/Comments

# Texas Department of Housing and Community

## 2003 Multifamily Private-Activity Bonds

### Withdrawn Applications

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-016	Oak Bridge Apartments New Construction S side of Old Hwy 146 & E of South Main County: Harris City: Baytown	262	\$15,000,000	Bob Seldomridge Finlay Interests 38, Ltd  (904) 280-1000	
2003-021	The Grande New Construction East of FM 2354 and South of MOPAC ROW County: Harris City: Baytown	262	\$15,000,000	Bob Seldomridge Finlay Interests 37, Ltd  (904) 280-1000	
2003-022	The Greens New Construction East of FM 2354 and South of MOPAC ROW County: Harris City: Baytown	262	\$15,000,000	Bob Seldomridge Finlay Interests 36, Ltd  (904) 280-1000	
2003-024	Cedar Creek Apartments New Construction South of I-10 E, West side of Crosby Cedar Bayou County: Harris City: Baytown	262	\$15,000,000	Bob Seldomridge Finlay Interests 28, Ltd  (904) 280-1000	
2003-032	Sphinx @ St. Augustine New Construction 9401 Sandyland Blvd County: Dallas City: Dallas	260	\$13,845,000	Jay O. Oji St Augustine Villas Housing, LP  (214) 342-1405	
2003-052	2000 Sycamore Development New Construction 2000 block of Sycamore School Road County: Tarrant City: Ft Worth	280	\$14,394,115	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	

**Withdrawn Applications**

<i>Application #</i>	<i>Project Information</i>	<i># Units</i>	<i>Bond Amount</i>	<i>Developer Information</i>	<i>Notes</i>
2003-053	3000 Alemeda Development New Construction 3000 block of Alemeda Street County: Tarrant City: Ft Worth	250	\$14,811,751	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	
2003-056	1100 Sycamore Development New Construction 1100 block of Sycamore School Road County: Tarrant City: Ft Worth	280	\$14,394,115	Glenn Lynch Glenn Lynch Companies, Onc  (817) 341-1378	
2003-075	Primrose Paris New Construction 1700 Northeast Loop 286 County: Lamar City: Paris	280	\$10,400,000	Brian Potashnik Primrose Central TX 1 Housing, LP (214) 891-1402	
Totals	9 Applications	2,39 units,	\$127,844,981	in total	



# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

## HOUSING FINANCE DIVISION - MULTIFAMILY

### REQUEST FOR BOARD APPROVAL OF MULTIFAMILY MORTGAGE REVENUE BOND ISSUANCE

#### 2002 PRIVATE ACTIVITY MULTIFAMILY REVENUE BONDS

#### HICKORY TRACE APARTMENTS

**\$11,920,000 (\*) Tax Exempt – Series 2002**

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### TABLE OF EXHIBITS

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TAB 1	TDHCA Board Presentation
TAB 2	Sources & Uses of Funds Estimated Costs of Issuance
TAB 3	Department's Credit Underwriting Analysis
TAB 4	Rental Restrictions Explanation Results & Analysis
TAB 5	Location Map
TAB 6	TDHCA Compliance Report
TAB 7	Results of Public/TEFRA Hearings (September 12, 2002)

*(\*) Preliminary - subject to change*

**FINANCE COMMITTEE AND BOARD APPROVAL  
MEMORANDUM**

**October 10, 2002**

**PROJECT:** Hickory Trace Apartments, Dallas, Dallas County, Texas

**PROGRAM:** Texas Department of Housing and Community Affairs  
2002 Multifamily Housing Mortgage Revenue Bonds  
(Reservation received 07/15/2002)

**ACTION**

**REQUESTED:** Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Act (the "Act"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein.

**PURPOSE:** The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Hickory Trace Housing, L.P., a Texas limited partnership (the "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a new, 180-unit multifamily residential rental project located near the intersection of W. Wheatland Road and Westmoreland Road right-of-way in Dallas, Texas (the "Project"). The Bonds will be tax-exempt by virtue of the Project's qualifying as a residential rental project.

**BOND AMOUNT:** \$11,920,000 Series 2002, (the "Bonds") (\*)

(\*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Project and the amount for which Bond Counsel can deliver its Bond Opinion.

**ANTICIPATED  
CLOSING DATE:**

The Department received a volume cap allocation for the Bonds on July 15, 2002 pursuant to the Texas Bond Review Board's 2002 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before November 12, 2002, the anticipated closing date is November 8, 2002.

**BORROWER:** Hickory Trace Housing, L.P., a Texas limited partnership, the general partner of which is Hickory Trace Development, L.L.C., a Texas limited liability company, the manager of which is Brian Potashnik.

**COMPLIANCE  
HISTORY:**

A recent Compliance Report reveals that the principal of the general partner above has a total of 15 properties being monitored by the Department. Seven of these properties have received a compliance score. All of the scores are below the material non-compliance threshold score of 30.

**ISSUANCE TEAM & ADVISORS:**

Charter Municipal Mortgage Acceptance Company (“Bond Purchaser”)  
Wells Fargo Bank Texas, N.A., (“Trustee”)  
Vinson & Elkins L.L.P. (“Bond Counsel”)  
RBC Dain Rauscher Inc. (“Financial Advisor”)  
McCall, Parkhurst & Horton, L.L.P. (Disclosure Counsel)

**BOND PURCHASER:**

The Bonds will be purchased by Charter Municipal Mortgage Acceptance Company. The purchaser and any subsequent purchaser will be required to sign the Department’s standard traveling investor letter.

**PROJECT DESCRIPTION:**

**Site:** The proposed affordable housing community is a 180-unit multifamily residential rental development to be constructed on approximately 15 acres of land located near the intersection of W. Wheatland Road and Westmoreland Road right-of-way in Dallas, Texas. Access will be provided along the western boundary of the property from the existing Westmoreland Road right-of-way. (The 100 foot wide R.O.W. extending south from W. Wheatland Road shall be constructed concurrently with the proposed property improvements.) The site is currently undeveloped as is the land immediately north and south of the site. An existing affordable multi-family rental housing project is located just east the subject property. The proposed density is 12 dwelling units per acre. Food stores and neighborhood convenience stores are located approximately 2 miles west of the site. There is also a hospital and elementary school located within a few blocks of the site on W. Wheatland Road.

**Buildings:** The development will include a total of thirty-two (32) two-story, wood-framed apartment buildings containing approximately 215,856 net rentable square feet and having an average unit size of 1,199 square feet. The units will feature large bathrooms, walk-in closets, energy efficient appliances, and private balconies or patios with additional storage. Colors will be chosen from a palette compatible with the surrounding architecture and scenery.

<u>Units</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Proposed Net Rent</u>
20	3-Bedrooms/2-Baths	1,156	\$793.00
116	3-Bedrooms/2.5-Baths	1,165	\$793.00
<u>44</u>	4-Bedrooms/2-Baths	1,309	\$877.00
180			

**On-site Amenities:** There will be a community building with laundry and maintenance facilities as well as picnic and open play areas interspersed throughout the site. The community building will be centrally located and will have office and leasing space as well as provide for community and educational meetings, hot lunch programs, social and fitness activities, health checks, and the arrangement of transportation services. The community building will contain the following spaces: manager and leasing offices, social service office,



business center/community services room, great room/parlor with television and fireplace, residential kitchen, activity center, entry foyer, restrooms, telephone and vending area, laundry room, mechanical room, and maintenance shop.

**SET-ASIDE UNITS:**

For Bond covenant purposes, at least forty (40%) of the residential units in the development are set aside for persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each project will be set aside on a priority basis for persons with special needs.

*(The Borrower has elected to set aside 100% of the units for tax credit purposes.)*

**RENT CAPS:**

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for fifty percent (50%) of the area median income.

**TENANT SERVICES:**

Borrower has provided a Tenant Services Program and Preliminary Budget with for a wide range of supportive services that would otherwise not be available for the tenants. The provision of these services will be included in the Regulatory and Land Use Restriction Agreement.

**DEPARTMENT  
ORIGINATION  
FEES:**

\$1,000 Pre-Application Fee (Paid).  
\$10,000 Application Fee (Paid).  
\$59,600 Issuance Fee (.50% of the bond amount paid at closing).

**DEPARTMENT  
ANNUAL FEES:**

\$11,920 Bond Administration (0.10% of first year bond amount)  
\$4,500 Compliance (\$25/unit/year adjusted annually for CPI)

*(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Project cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)*

**ASSET OVERSIGHT  
FEE:**

\$4,500 to TSAHC or assigns (\$25/unit/year adjusted annually for CPI)

**TAX CREDITS:**

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to approximately \$765,922 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of its limited partnership interests, typically 99%, to raise equity funds for the project. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately \$6,043,000 of equity for the transaction.

**BOND STRUCTURE:**

The Bonds are proposed to be issued under a Trust Indenture (the

"Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser, and will mature over a term of 40 years. During the construction and lease-up period, the Bonds will pay as to interest only. The Bonds will be secured by a first lien on the Project.

The Bonds are mortgage revenue bonds and, as such, create no potential liability for the general revenue fund or any other state fund. The Act provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas. The only funds pledged by the Department to the payment of the Bonds are the revenues from the project financed through the issuance of the Bonds.

**BOND INTEREST RATES:** The interest rate on the Bonds will be 7.00%.

**CREDIT ENHANCEMENT:** The bonds will be unrated with no credit enhancement.

**FORM OF BONDS:** The Bonds will be issued in book entry (typewritten or lithographical) form and in denominations of \$100,000 and any amount in excess of \$100,000.

**MATURITY/SOURCES & METHODS OF REPAYMENT:** The Bonds will bear interest at a fixed rate until maturity and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Capitalized Interest Account of the Construction Fund, earnings derived from amounts held on deposit in an investment agreement, if any, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

**TERMS OF THE MORTGAGE LOAN:** The Mortgage Loan is a non-recourse obligation of the Borrower (which means, subject to certain exceptions, the Borrower is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and interest upon conversion to the permanent phase. A Deed of Trust and related documents convey the Borrower's interest in the project to secure the payment of the Mortgage Loan.

**REDEMPTION OF BONDS PRIOR TO**

**MATURITY:**

The Bonds may be subject to redemption under any of the following circumstances:

**Mandatory Redemption:**

- (a) (i) In whole or in part, to the extent excess funds remain on deposit in the Loan Account of the Construction Fund after the Project's Completion Date; and (ii) under certain circumstances, upon request by the Majority Owner to redeem Bonds from amounts on deposit in the Earnout Account of the Construction Fund; or
- (b) in part, if the project has not achieved Stabilization within twenty-four (24) months after the earlier of (A) the date the Project achieves Completion or (B) the Completion Date; or
- (c) in whole or in part, if there is damage to or destruction or condemnation of the Project, to the extent that Insurance Proceeds or a Condemnation Award in connection with the Project are deposited in the Revenue Fund and are not to be used to repair or restore the Project; or
- (d) upon the determination of Taxability if the owner of a Bond presents his Bond or Bonds for redemption on any date selected by such owner specified in a written notice delivered to the Borrower and the Issuer at least thirty (30) days' prior to such date; or
- (e) in whole on any interest payment date on or after December 1, 2019, if the Owners of all of the Bonds elect redemption and provide a 180 days' written notice to the Issuer, Trustee and Borrower; or
- (f) in part, according to the dates and amounts indicated on the Mandatory Sinking Fund Schedule of Redemptions.

**Optional Redemption:**

- (a) The Bonds are subject to redemption, in whole, any time on or after December 1, 2019, from the proceeds of an optional prepayment of the Loan by the Borrower.

**FUNDS AND  
ACCOUNTS/FUNDS  
ADMINISTRATION:**

Under the Trust Indenture, the Trustee will serve as registrar and authenticating agent for the Bonds and as trustee of certain of the accounts created under the Trust Indenture (described below). The Trustee will also have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture accounts are required to be invested in eligible investments prescribed in the Trust Indenture until

needed for the purposes for which they are held.

The Trust Indenture will create the following Funds and Accounts:

1. Construction Fund – On the closing date, the proceeds of the Bonds shall be deposited in the Construction Fund which may consist of five (5) accounts as follows:
  - (a) Loan Account – represents a portion of the proceeds of the sale of the Bonds that will be used to pay for Qualified Project Costs;
  - (b) Insurance and Condemnation Proceeds Account - represents Condemnation Award and Insurance Proceeds allocated to restore the Project pursuant to the Loan Documents;
  - (c) Net Project Revenue Account – represents Project revenues less Project expenses from which the Trustee may make payments from for the purpose of paying Project Costs when properly authorized and approved;
  - (d) Capitalized Interest Account – represents a portion of the initial equity contribution of the Borrower which may be transferred to the Revenue Fund from this account in order to pay interest on the Bonds until the Completion Date of the Project;
  - (e) Costs of Issuance Account – represents a portion of the initial equity contribution of the Borrower from which the costs of issuance are disbursed;
  - (f) Earnout Account – represents a portion of the initial equity contribution of the Borrower, the disbursements from which are to be requested in writing by the Developer and approved by the Majority Owner of the Outstanding Bonds; and
  - (g) Equity Account – represents the balance of the initial equity contribution of the Borrower.
2. Replacement Reserve Fund – Amounts which are held in reserve to cover replacement costs and ongoing maintenance to the Project.
3. Tax and Insurance Fund – The Borrower must deposit certain moneys in the Tax and Insurance Fund to be applied to the payment of real estate taxes and insurance premiums.
4. Revenue Fund – Revenues from the Project are deposited to the Revenue Fund and disbursed to sub-accounts for payment to the various funds according to the order designated under the Trust Indenture: (1) to the payment of interest on the Bonds; (2) to the payment of the principal or redemption price, including

premium, if any, on the Bonds; (3) to the payment of any required deposit in the Tax and Insurance Fund; (4) to the payment of any required deposit in the Replacement Reserve Fund; (5) to the payment of the fees of the Trustee, the Servicer, the Issuer and the Asset Oversight Agent, if any, due and owing under the Loan Documents and the Indenture; (6) to the payment of any other amounts then due and owing under the Loan Documents; and (7) the remaining balance to the Borrower.

5. Rebate Fund – Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

Essentially, all of the bond proceeds will be deposited into the Construction Fund and disbursed therefrom during the Construction Phase to finance the construction of the Project. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

**DEPARTMENT  
ADVISORS:**

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in August 17, 2001. V&E has served in such capacity for all Department or Agency bond financings since 1980, when the firm was selected initially (also through an RFP process) to act as Agency bond counsel.
2. Bond Trustee - Wells Fargo Bank Texas, N.A. (formerly Norwest Bank, N.A.) was selected as bond trustee by the Department pursuant to a request for proposals process in June 1996.
3. Financial Advisor – RBC Dain Rauscher Inc., formerly Rauscher Pierce Refsnes, was selected by the Department as the Department's financial advisor through a request for proposals process in September 1991.
4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in 1998.

**ATTORNEY GENERAL  
REVIEW OF BONDS:**

No preliminary written review of the Bonds by the Attorney General of

Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 02-048

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (HICKORY TRACE APARTMENTS) SERIES 2002; 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 and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); 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 and very 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 multi-family residential rental project 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 the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Hickory Trace Apartments) Series 2002 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank Texas, N.A. (the "Trustee"), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Hickory Trace Housing, L.P., a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental project described on Exhibit A attached hereto (the "Project") located within the State of Texas 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 October 17, 2001, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee 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 and construction of the Project 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 Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust and Security Agreement (with Power of Sale) (the "Deed of Trust") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's interest in the Loan, including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Borrower and Charter Municipal Mortgage Acceptance Company, a Delaware business trust (the "Purchaser"), will execute a Bond Purchase Agreement (the "Purchase Agreement"), with respect to the sale of the Bonds; 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 Project which will be filed of record in the real property records of Dallas County; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement and the Purchase Agreement, all of which are attached to and comprise a part of this Resolution; 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 Section 1.12, to authorize the issuance of the Bonds, the execution and delivery of such documents 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 I

### 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, 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 each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Bonds shall be, from the date of issuance until paid on the maturity date or earlier redemption or acceleration thereof, 7.0%; (ii) the aggregate principal amount of the Bonds shall be \$11,920,000; and (iii) the final maturity of the Bonds shall occur on November 1, 2042.

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 of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement and Regulatory Agreement. That the form and substance of the Loan Agreement and the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Loan Agreement and the Regulatory Agreement and deliver the Loan Agreement and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.6--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.7--Approval, Execution and Delivery of the Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement to the Borrower and the Purchaser.

Section 1.8--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby 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 1.9--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 - Assignments
- Exhibit F - Purchase Agreement

Section 1.10--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., 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 of the Department named in this Resolution.

Section 1.11--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: Chairman or Vice Chairman of the Board, Executive Director of the Department, Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance, Director of Multifamily Finance of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.12--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Project's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or the Acting Executive Director; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Project.

## ARTICLE II

### 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 of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, 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 and the Assistant Secretary of the Board hereby are severally 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--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 Project in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the units of the Project shall not exceed the amounts attached as Exhibit O to the Loan Agreement and shall be annually redetermined by the Issuer as stated in the Loan Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

### ARTICLE III

#### 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 Project and the information with respect to the proposed financing of the Project 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 Project 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 Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the Borrower is financially responsible,

(iv) that the financing of the Project is a public purpose and will provide a public benefit, and

(v) that the Project 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 Project in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and 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 has entered into a binding commitment to repay the loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, or will not enter into a contract for the Project 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 Project in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Project 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 Project 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 of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Project, 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 Project 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 Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage 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 Project 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.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Sections 35 and 39, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be 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 of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas 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 of Texas 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. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the

Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 10th day of October, 2002.

By: \_\_\_\_\_  
Michael E. Jones, Chairman

Attest: \_\_\_\_\_  
Delores Groneck, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: Hickory Trace Housing, L.P., a Texas limited partnership

Project: The Project is a 180-unit multifamily facility to be known as Hickory Trace Apartments and to be located near West Wheatland Road and Westmoreland Road right-of-way in Dallas, Dallas County, Texas. The Project will include a total of 32 two-story residential apartment buildings with a total of 215,856 net rentable square feet and an average unit size of 1,199 square feet. The unit mix will consist of:

- 20 three-bedroom/two-bath units
- 116 three-bedroom/two-and-one-half-bath units
- 44 four-bedroom/two-bath units

180 Total Units

Unit sizes will range from approximately 1,156 square feet to approximately 1,309 square feet.

Common areas will include a swimming pool, a children's play area, and a community building with kitchen facilities, laundry facilities, vending area, parlor with television and fireplace and telephones.

# Hickory Trace

<b>Estimated Sources &amp; Uses of Funds</b>
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<b>Sources of Funds</b>	
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Bond Proceeds, Series 2002 Bonds (Tax-Exempt)	\$ 11,920,000
LIHTC Equity	6,043,000
Interest Income	145,414
Soft Financing	-
Deferred Developer's Fee	1,408,567
<b>Total Sources</b>	<u><u>\$ 19,516,981</u></u>

<b>Uses of Funds</b>	
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Deposit to Mortgage Loan Fund (Construction funds)	\$ 15,365,874
Capitalized Interest (Constr. Interest)	1,182,067
Marketing	75,000
Developer's Overhead & Fee	2,100,675
Costs of Issuance	
Direct Bond Related	298,350
Bond Purchaser Costs	166,700
Other Transaction Costs	153,315
Real Estate Closing Costs	175,000
<b>Total Uses</b>	<u><u>\$ 19,516,981</u></u>

<b>Estimated Costs of Issuance of the Bonds</b>
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<b>Direct Bond Related</b>	
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TDHCA Issuance Fee (.50% of Issuance)	\$ 59,600
TDHCA Application Fee	11,000
TDHCA Bond Compliance Fee (\$25 per unit)	6,500
TDHCA Bond Counsel and Direct Expenses (Note 1)	66,500
TDHCA Financial Advisor and Direct Expenses	30,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Borrower's Bond Counsel	100,000
Placement Agent	-
Trustee's Fees (Note 1)	8,000
Trustee's Counsel (Note 1)	5,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	1,250
Texas Bond Review Board Application Fee	500
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,750
TEFRA Hearing Publication Expenses	3,750
<b>Total Direct Bond Related</b>	<u><u>\$ 298,350</u></u>

<b>Bond Purchase Costs</b>	
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Loan Origination Fee (Charter Mac @1%)	119,200
Due Diligence Cost (Charter Mac)	12,500
Bond Counsel & Expenses (Charter Mac)	35,000
<b>Total</b>	<u><u>\$ 166,700</u></u>



## Hickory Trace

<b>Other Transaction Costs</b>	
Letter of Credit Origination Fee (0.75% of Issuance)	-
Letter of Credit Legal Fees	-
Construction Servicing (Charter Mac @ 1%)	119,200
Tax Credit Determination Fee (4% annual tax cr.)	30,215
Tax Credit Application Fee (\$15/u)	3,900
<b>Total</b>	<b>\$ 153,315</b>

<b>Real Estate Closing Costs</b>	
Title & Recording (Const.& Perm.)	125,000
Property Taxes	50,000
<b>Total Real Estate Costs</b>	<b>\$ 175,000</b>

**Estimated Total Costs of Issuance** \$ 793,365

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 27, 2002      **PROGRAM:** Multifamily Bonds      **FILE NUMBER:** 2002-057  
4% LIHTC      02438

**DEVELOPMENT NAME**

Hickory Trace

**APPLICANT**

**Name:** Hickory Trace Housing, L.P.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expwy., Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206    **Contact:** Brian Potashnik      **Phone:** (214) 891-1402    **Fax:** (214) 987-9294

**PRINCIPALS of the APPLICANT**

**Name:** Hickory Trace Development, LLC      **(%):** .01      **Title:** Managing General Partner  
**Name:** Related Capital Company      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Brian Potashnik      **(%):** n/a      **Title:** Owner of GP

**GENERAL PARTNER**

**Name:** Hickory Trace Development, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expwy., Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206    **Contact:** Brian Potashnik      **Phone:** (214) 891-1402    **Fax:** (214) 987-9294

**PROPERTY LOCATION**

**Location:** Wheatland and Old Hickory Rd.       **QCT**     **DDA**  
**City:** Dallas      **County:** Dallas      **Zip:** 75237

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
① \$765,922	n/a	n/a	n/a-
② \$11,920,000			
<b>Other Requested Terms:</b>	① Annual ten-year allocation of low-income housing tax credit revised by applicant on 9/27/2002; ② tax-exempt bonds		
<b>Proposed Use of Funds:</b>	<u>New Construction</u>	<b>Set-Aside:</b> <input type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit	

**SITE DESCRIPTION**

**Size:** 15.62 acres    680,407 square feet      **Zoning/ Permitted Uses:** RR-Regional Retail in process of rezoning to MF-2 (A)  
**Flood Zone Designation:** Zone X      **Status of Off-Sites:** Fully Improved

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CREDIT UNDERWRITING ANALYSIS**

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 180    **# Rental Buildings:** 32    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** n/a yrs

Number	Bedrooms	Bathroom	Size in SF
20	3	2	1,156
116	3	2.5	1,165
44	4	2	1,309

**Net Rentable SF:** 215,856    **Av Un SF:** 1,199    **Common Area SF:** 5,444    **Gross Bldng SF:** 221,300

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab, 25% stone veneer/65% Stucco siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, ceiling fans, laminated counter tops

**ON-SITE AMENITIES**

5,444-SF community building with two activity rooms, management offices, laundry facilities, kitchen, restrooms, central mailroom, swimming pool, equipped children's play area, picnic area, perimeter fencing, limited access gate

**Uncovered Parking:** 180 spaces    **Carports:** n/a spaces    **Garages:** 180 spaces

**OTHER SOURCES of FUNDS**

**INTERIM TO PERMANENT FINANCING**

**Source:** Charter Mac    **Contact:** Marnie Miller

**Principal Amount:** \$11,920,000    **Interest Rate:** 7.0%

**Additional Information:** Debt service amount appears to be based upon prior debt amount,

**Amortization:** 40 yrs    **Term:** 15 yrs    **Commitment:**     None     Firm     Conditional

**Annual Payment:** \$915,193    **Lien Priority:** 1st    **Commitment Date:** 9/ 20/ 2002

**LIHTC SYNDICATION**

**Source:** Related Capital Company    **Contact:** Justin Ginsberg

**Address:** 625 Madison Avenue    **City:** New York

**State:** NY    **Zip:** 10022    **Phone:** (212) 421-5333    **Fax:** (212) 751-3550

**Net Proceeds:** \$6,043,000    **Net Syndication Rate (per \$1.00 of 10-yr LIHTC):** 82¢

**Commitment:**     None     Firm     Conditional    **Date:** 2/ 23/ 2002

**Additional Information:** Based upon credits of \$736,973

**APPLICANT EQUITY**

**Amount:** \$1,408,567    **Source:** Deferred developer fee

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CREDIT UNDERWRITING ANALYSIS**

**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land:</b>	\$204,360	<b>Assessment for the Year of:</b>	2002
<b>Building:</b>	n/a	<b>Valuation by:</b>	Dallas County Appraisal District
<b>Total Assessed Value:</b>	\$204,360	<b>Tax Rate:</b>	2.73

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Unimproved Property Contract, Assignment and Amendment

**Contract Expiration Date:** 10/ 15/ 2002 **Anticipated Closing Date:** 10/ 15/ 2002

**Acquisition Cost:** \$ 1,050,000 **Other Terms/Conditions:** \$10K earnest money \$75K non-refundable escrow plus \$25K non-refundable extension, & up to \$150K in closing costs for assignment from related party

**Seller:** PRS Realty II, Inc. **Related to Development Team Member:** No

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Hickory Trace is a proposed new construction development of 180 units of affordable housing located in southern Dallas. The development is comprised of 32 residential buildings as follows:

- (4) Building Type A with two 3-bedroom/2-bath units and four 3-bedroom/2.5-bath units;
- (22) Building Type B with four 3-bedroom/2.5-bath units and two 4-bedroom/2-bath units;
- (6) Building Type C with two 3-bedroom/2-bath units and two 3-bedroom/2.5-bath units;

Based on the site plan the apartment buildings are distributed evenly throughout the site with the community building, mailboxes, and swimming pool located near the entrance to the site of the future Westmoreland Drive. The 5,444-square foot community building plan includes the management office, two activity rooms, kitchen, restrooms, laundry facilities, storage and maintenance rooms. It should be noted that the Applicant's rents schedule did not calculate the correct total net rentable square footage for the proposed project. Originally the project was to consist of 260 units including two-bedroom, three-bedroom and four-bedroom units. The Applicant later changed the unit mix and total number of units to consist of 180 townhome units including only three-bedroom and four-bedroom units. Based on the architectural drawings submitted, the Applicant was asked to provide a revised rent schedule indicating the correct square footage for each unit type. Although the Underwriter received confirmation that the new floor plans submitted were correct, a revised rent schedule showing the correct square footage for each unit was not received.

**Supportive Services:** The Applicant has contracted with Housing Services of Texas to provide the following supportive services to tenants: provide a wide range of services at HTA including after school program, adult education programs, health screenings and immunizations, family counseling/domestic crisis intervention, computer education, emergency assistance and relief, community outreach programs, vocational guidance, social/recreational activities, state workforce development and welfare program assistance. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services and to pay \$2,000 per month for these support services. Although a supportive services contract was submitted detailing the scope of services to be provided, an executed copy was not included in the application.

**Schedule:** The Applicant anticipates construction to begin in November of 2002, to be completed in April of 2004, to be placed in service and to be substantially leased-up in October of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 20% at 50% or less of area median gross income (AMGI) set-aside although as a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. 180 of the units (100% of the total) will

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CREDIT UNDERWRITING ANALYSIS**

be reserved for low-income tenants. All of the units will be reserved for households earning 50% or less of AMGI.

**Special Needs Set-Asides:** None of the units are specifically designated to be handicapped-accessible or equipped for tenants with hearing or visual impairments.

**Compliance Period Extension:** The Applicant did not indicate whether to extend the compliance period.

**MARKET HIGHLIGHTS**

A market feasibility study dated August 16, 2002 was prepared by Butler & Burgher, LLC and highlighted the following findings:

**Definition of Market/Submarket:** “For purposes of this market study, the neighborhood and primary market area is defined as the area within a 5-mile radius of the intersection of Wheatland Road and Old Hickory Trail in southern Dallas...The 5-mile radius was chosen as the primary market area and includes portions of the Cities of Dallas, Duncanville, DeSoto, Cedar Hill, and Lancaster and falls within the required population range.” (p. 57)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	110	2%	110	2%
Resident Turnover	6,741	98%	6,809	98%
<b>TOTAL ANNUAL DEMAND</b>	<b>6,851</b>	<b>100%</b>	<b>6,918</b>	<b>100%</b>

Ref: p. 72

**Capture Rate:** The market analyst originally calculated a capture rate of 13.37% based on the subject’s original proposal of 260 units for this project. However, changes to the unit mix now include only 180 units in the proposed project. Based on the new number of units the capture rate is now 12.2% based upon a revised estimate of 836 unstabilized comparable units divided by a total annual demand of 6,851. The market analyst included Madison Pointe (140 units), Clarkridge Villas (256 units), Wheatland Villas (260 units) and the subject (180 units) in the estimate of unstabilized units.

The Underwriter calculated a concentration capture rate of 11.9% based upon a revised supply of unstabilized comparable affordable units of 820 which include Madison Pointe (140 units), Clarkridge Villas (256 units), Timbercreek Apartments (100 units not included by the market analyst), The Villas of Lancaster (144 units not included by the market analyst) and the subject Hickory Trace (180 units) divided by a revised demand of 6,918. Wheatland Villas was not included by the Underwriter because it was withdrawn subsequent to the completion of the market study.

**Local Housing Authority Waiting List Information:** “The available inventory of public and subsidized housing is fully occupied and there is a waiting list including over 5,000 households for the Section 8 vouchers as well as low-income housing according to Michelle Ragon, Dallas Housing Authority.” (p. 67)

**Market Rent Comparables:** The market analyst surveyed 7 comparable apartment projects totaling 1,850 units in the market area. (p. 82)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>3-Bedroom (1156 sf) (50%)</b>	\$864	\$864	\$0	\$875	-\$11
<b>3-Bedroom (1165 sf) (50%)</b>	\$864	\$864	\$0	\$875	-\$11
<b>4-Bedroom (50%)</b>	\$963	\$963	\$0	\$1,040	-\$77

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

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**Submarket Vacancy Rates:** “M/PF reflects 93.8% overall occupancy for 8,711 units in 2<sup>nd</sup> Quarter 2002 in Duncanville, DeSoto, Cedar Hill, Lancaster submarket.” (p. 74)

**Absorption Projections:** “Overall absorption has slowed in D/FW for several reasons including an influx of new units entering the market, slower employment gains, and higher rental rates. However, pent-up demand does exist in the immediate market and the subject’s lease-up is anticipated to be relatively quick. An absorption rate of 20 units/ month is reasonable for the subject, as encumbered by LIHTC, resulting in just over a 12-month absorption period to obtain stabilization at 94.0%.” (p. 74)

**Known Planned Development:** “Although new development activity peaked in 1<sup>st</sup> Quarter 1999, the number of units under construction remains high. A total of 13,285 apartment units were under construction in the D/FW Area as of 2<sup>nd</sup> Quarter 2002.” The market analyst indicates that the most active submarkets in the coming year for new construction are located in northern Dallas. The subject site is located in the southern Dallas submarket.

**Effect on Existing Housing Stock:** “Demographics of the area indicate residents are unable to pay market rent for housing, thereby requiring tenants to relocate to areas offering available affordable housing and/or lower rents due to lower incomes;...The existing supply of affordable rental units is minimal in the defined 5-mile primary market area as compared to other areas within the city.” (p. 67)

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is a rectangular-shaped parcel located in the southern area of Dallas. The site is situated on the east side of the future Westmoreland Road just north of Kirnwood and south of Wheatland. The site appears to currently be landlocked except for a ten foot wide strip of property that runs from the back of the site along the southern boundary of the Greens of Hickory Trail Apartments to Old Hickory Trail.

**Population:** The estimated 2002 population of the primary market area was 193,060 and is expected to increase by 4.66% to approximately 202,066 by 2007. Within the primary market area there were estimated to be 67,716 households in 2002.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are mixed with vacant land, light industrial, older apartment complexes, and retail. Adjacent land uses include:

- **North:** vacant land/Wheatland Road/medical office buildings/extensive retail development
- **South:** vacant land
- **East:** Greens of Hickory Trail Apts./Old Hickory Trail/industrial development
- **West:** future Westmoreland Road/hospital/medical office buildings/multi-family and retirement development

**Site Access:** Access and entry to the property will be from the future extension of Westmoreland Road. The Applicant has included in the off-site budget \$538K in cost for Westmoreland Road development. “The neighborhood has good freeway access to the entire D/FW Metroplex via several major roadways: Interstate Highway 20, which bisects the neighborhood in an east/west direction; IH-35E that traverses the eastern border of the neighborhood in a north/south direction; US 67 which traverses the neighborhood, and then merges with IH-35E to the north, and Loop 12 in the northern portion of the neighborhood in an east/west direction encircles the City of Dallas.” (p. 57 of the market study)

**Public Transportation:** Public transportation to the area is provided by the Dallas Area Rapid Transit Authority (DART) though the closest bus stop currently is several blocks away from the site.

**Shopping & Services:** “Retail and commercial developments are located along major thoroughfares throughout the neighborhood. The general area of Camp Wisdom between Westmoreland and US 67 in the central portion of the neighborhood provides concentrated office and retail development, including Southwest Center, a regional mall.” (p. 58)

**Special Adverse Site Characteristics:** The market study indicated that the subject property is currently zoned RR- Regional Retail District and that the Applicant is currently requesting a zoning change to a new multi-family zoning ordinance. After a verbal inquiry the Applicant confirmed that a request to change the zoning of the property has been made and that the Planning and Zoning Department have unanimously voted for the change. The City Council is expected to vote and make final approval of the change in October.

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CREDIT UNDERWRITING ANALYSIS**

Receipt, review and acceptance of written documentation confirming that the development as proposed and underwritten is a conforming land use is a condition of this report.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated August 15, 2002 was prepared by Butler Burgher, Inc. and contained the following conclusions and recommendations:

“Based on existing conditions observed at the Subject and adjacent property on the day of inspection, there was no evidence of recognized environmental conditions, as defined in *ASTM 1527-00 Standard Practice for Environmental Site Assessments*.

In the professional opinion of Butler Burgher, an appropriate level of inquiry has been made into the previous ownership and uses of the property consistent with good commercial and customary practice in an effort to minimize liability, and no evidence or indication of recognized environmental conditions has been revealed. No further investigation/assessment is warranted at this time pertaining to the Phase I ESA. However, if more information is revealed in regards to the environmental conditions at the subject, Butler Burgher retains the right to update this Phase I ESA.” (p. 15)

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are the maximum rents allowed under LIHTC guidelines. The Applicant estimated secondary income at \$20/unit without providing additional documentation to show how that income could be achieved, therefore, the Underwriter utilized the maximum guideline of \$15/unit. Estimates of vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result, the Applicant’s effective gross income estimate is \$10K higher or within 1% of the Underwriter’s estimate.

**Expenses:** The Applicant’s total expense estimate of \$3,366 per unit is more than 5% below the Underwriter’s TDHCA database-derived estimate of \$3,775 per unit. The Applicant’s budget shows several line item estimates that deviate significantly when compared to the database averages, particularly general and administrative (\$13K lower), payroll (\$18K lower), utilities (\$9K lower), and property tax (\$29K lower). It should be noted that compliance fees and supportive service fees have been evaluated outside of normal operating expenses as an item fundable out of cash flow.

**Conclusion:** The Applicant’s estimated operating expense is inconsistent with the Underwriter’s expectations and the Applicant’s net operating income is not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s NOI will be used to evaluate debt service capacity. In the Underwriter’s income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage (bonds only) at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.25. When trustee fees, asset oversight fees, TDHCA issuer and compliance fees and supportive services fees are considered as secondary debt service items the debt coverage ratio reduces to 1.04 in the first year but rises above the minimum 1.10 by the fourth year.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The Applicant included \$150,000 in maximum potential closing costs associated with an assignment of the original contract by a related party which has inflated the stated \$1.2M acquisition price. The remainder \$1,050,000 contracted acquisition price is assumed to be reasonable since it is an arm’s-length transaction.

**Off-Site Costs:** The Applicant claimed off-site costs of \$538,056 for an access road and provided a third party certification through an engineer to justify \$498,200 of these costs. According to the engineer’s letter, “typically, projects of this type do not require significant offsite improvements. However, due to the lack of direct access to a public roadway and public utilities (water and wastewater), it is necessary to construct approximately 1,400 feet of twenty-five foot wide reinforced concrete roadway and appurtenances thereto in order to facilitate roadway and utility access to this site from Wheatland Road. The estimated cost associated with the offsite improvements is \$498,200, which equates to a cost of \$2767.78 per unit (based on 180 units).” It would not appear from the documentation provided, however, that this cost encompasses the entire anticipated cost of the extension of Wheatland Road. Moreover, no documentation from the City of Dallas was provided with regard to the acceptance of this work and/or an anticipated time frame in which the

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**CREDIT UNDERWRITING ANALYSIS**

City will complete the work if the proposed work only applies to a portion of the cost of the extension. Receipt review and acceptance of documentation from the City of Dallas indicating that the proposed work is sufficient to complete the extension of Wheatland Road and/or a time frame in which the City has anticipated its completion of the extension is a condition of this report.

**Sitework Cost:** The Applicant's claimed sitework costs of \$6,145 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$252K or 3% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

**Fees:** The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit all exceed the maximums allowed by TDHCA guidelines. Additionally, contingency costs exceed 5% and developer fees exceed 15% of the Applicant's eligible basis. As a result, the eligible portion of these fees must be reduced by a total of \$23K.

**Conclusion:** The Underwriter based this analysis on the most current project cost schedule submitted by the Applicant, although there were several inconsistencies between this and the sources and uses information submitted. The Applicant's total development cost estimate, as revised and submitted, is within 5% of the Underwriter's verifiable estimate. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted above, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$16,030,886 is used to determine a credit allocation of \$762,750 from this method, or \$3,172 less than their revised request. 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 three types of financing from three sources: a bond-financed interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Bonds:** The Applicant has requested tax-exempt private activity bonds in the amount of \$11,920,000 to be issued by TDHCA. Charter Mac has proposed to purchase the bonds. The commitment letter indicates a 7.00% interest rate for the bonds and an overall maturity of 40 years.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,043,000 based on a syndication factor of 82%. While this syndication is based on a reservation of tax credits in the amount of \$736,973, the Applicant has actually requested \$769,824 in tax credits. The funds would be disbursed in a five-phased pay-in schedule:

1. 20% upon admission to the partnership;
2. 10% upon completion of 50% of construction;
3. 34% upon completion of 75% of construction;
4. 18% upon completion of construction;
5. 18% upon attainment of Rental Achievement.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$1,408,567 amount to 67% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$762,750 annually for ten years, resulting in syndication proceeds of approximately \$6,253,921. Based on the underwriting analysis and the \$150K reduction in identity of interest site acquisition costs, the Applicant's deferred developer fee will be reduced to \$1,196,542. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee may be available to fund those development cost overruns. During the first three years of operation it is possible that a portion of the Department's asset oversight, compliance and supportive services fees may be funded outside of the 1.10 debt coverage ratio. These fees and all of the deferred developer's fee appear to be repayable out of development cashflow within the first ten years of operation.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are simple with varied rooflines and stone accents. All units are larger than the



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average size for market rate and LIHTC units, and have covered patios. Each unit has a semi-private exterior entry that is shared with another unit. The units are in two-story, fourplex structures with stucco and stone exterior finish and pitched roofs.

**IDENTITIES of INTEREST**

The General Contractor and Property Manager are directly affiliated with the Applicant by common ownership. These are typical relationships in tax credit properties. The potential identity of interest in the assignment of the purchase contract as indicated above has been addressed by removing the \$150K assignment amount from the Underwriter's costs and since the Applicants total uses of funds will be utilized in this instance the \$150K amount has been reduced from the final sources of funds needed for this development.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The owner of the Applicant and General Partner, Brian Potashnik, submitted an unaudited financial statement as of July 11, 2002.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The managing member of the General Partner has completed sixteen affordable housing developments totaling 3,220 units since 1996.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Significant inconsistencies in the application could affect the financial feasibility of the project.

**RECOMMENDATION**

- RECOMMEND LIHTC ALLOCATION OF NOT MORE THAN \$762,750 PER YEAR FOR TEN YEARS AND TDHCA TAX-EXEMPT BOND ISSUANCE IN AN AMOUNT NOT MORE THAN \$11,920,000, TO BE AMORTIZED OVER 40 YEARS AT AN INTEREST RATE OF 7% CONDITIONED UPON THE FOLLOWING:

**CONDITIONS**

1. Receipt review and acceptance of documentation from the City of Dallas indicating that the proposed work is sufficient to complete the extension of Wheatland Road and/or a time frame in which the City has anticipated its completion of the extension
2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
3. Receipt, review and acceptance of written zoning documentation from the City of Dallas confirming that the development as proposed and underwritten is a conforming land use.
4. Receipt, review, and acceptance of a revised rent schedule and development proforma using consistent expense and debt service figures;
5. Should the terms of the proposed debt and syndication be altered, the recommendation should be re-evaluated.

**Associate Underwriter:**

*Raquel Morales*

**Date:** September 27, 2002

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

**Director of Credit Underwriting:** \_\_\_\_\_

*Tom Gouris*

**Date:** September 27, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Hickory Trace Apartments, Dallas, 2002-057**

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%	20	3	2	1,156	\$864	\$793	\$15,860	\$0.69	\$71.00	\$61.00
TC 50%	116	3	2.5	1,165	864	793	91,988	0.68	71.00	61.00
TC 50%	44	4	2	1,309	963	877	38,588	0.67	86.00	75.00
<b>TOTAL:</b>										
180										
<b>AVERAGE:</b>										
1,199										
\$888										
\$814										
\$146,436										
\$0.68										
\$74.67										
\$64.42										

**INCOME** Total Net Rentable Sq Ft: **215,856**

POTENTIAL GROSS RENT			
Secondary Income	Per Unit Per Month:	\$15.00	
Other Support Income: (describe)			
POTENTIAL GROSS INCOME			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	
Employee or Other Non-Rental Units or Concessions			
EFFECTIVE GROSS INCOME			

	TDHCA	APPLICANT		
	\$1,757,232	\$1,757,232		
	32,400	43,200	\$20.00	Per Unit Per Month
	0	0		
	\$1,789,632	\$1,800,432		
	(134,222)	(135,036)	-7.50%	of Potential Gross Rent
	0	0		
	\$1,655,410	\$1,665,396		

EXPENSES	% OF RGI	PER UNIT	PER SQ FT
General & Administrative	3.55%	\$326	\$0.27
Management	5.00%	460	0.38
Payroll & Payroll Tax	9.07%	834	0.70
Repairs & Maintenance	5.04%	464	0.39
Utilities	2.48%	228	0.19
Water, Sewer, & Trash	3.95%	363	0.30
Property Insurance	2.09%	192	0.16
Property Tax	2.73%	712	0.59
Reserve for Replacements	2.17%	200	0.17
Other:	0.00%	0	0.00
<b>TOTAL EXPENSES</b>	<b>41.09%</b>	<b>\$3,779</b>	<b>\$3.15</b>
<b>NET OPERATING INC</b>	<b>58.91%</b>	<b>\$5,417</b>	<b>\$4.52</b>

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF RGI
	\$58,712	\$45,360	\$0.21	\$252	2.72%
	82,770	83,317	0.39	463	5.00%
	150,120	132,250	0.61	735	7.94%
	83,508	79,030	0.37	439	4.75%
	41,126	32,400	0.15	180	1.95%
	65,403	67,500	0.31	375	4.05%
	34,537	31,050	0.14	173	1.86%
	128,110	99,000	0.46	550	5.94%
	36,000	36,000	0.17	200	2.16%
	0	0	0.00	0	0.00%
	\$680,287	\$605,907	\$2.81	\$3,366	36.38%
	\$975,123	\$1,059,489	\$4.91	\$5,886	63.62%

DEBT SERVICE	% OF RGI	PER UNIT	PER SQ FT
Charter Mac - tax-exempt bonds	53.70%	\$4,938	\$4.12
Trustee Fee	0.21%	\$19	\$0.02
TDHCA Admin. Fees	0.72%	\$66	\$0.06
Ast Ovst, Comp Fees, & Supp Serv	1.79%	\$165	\$0.14
<b>NET CASH FLOW</b>	<b>2.48%</b>	<b>\$228</b>	<b>\$0.19</b>

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF RGI
	\$888,895	\$915,193	\$4.24	\$5,084	54.95%
	\$3,500		\$0.00	\$0	0.00%
	11,920	12,810	\$0.06	\$71	0.77%
	29,700	41,200	\$0.19	\$229	2.47%
	\$41,107	\$90,286	\$0.42	\$502	5.42%
<b>AGGREGATE DEBT COVERAGE RATIO</b>	<b>1.04</b>	<b>1.09</b>			
<b>BONDS &amp; TRUSTEE FEE-ONLY DEBT COVERAGE RATIO</b>	<b>1.09</b>				
<b>BONDS-ONLY DEBT COVERAGE RATIO</b>	<b>1.10</b>				

CONSTRUCTION COST	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldng)		5.26%	\$5,833	\$4.86
Off-Sites		2.50%	2,768	2.31
Sitework		5.54%	6,145	5.12
Direct Construction		48.97%	54,320	45.30
Contingency	4.85%	2.64%	2,933	2.45
General Req'ts	5.82%	3.17%	3,520	2.94
Contractor's G & A	1.94%	1.06%	1,173	0.98
Contractor's Profi	5.82%	3.17%	3,520	2.94
Indirect Construction		3.52%	3,906	3.26
Ineligible Costs		8.66%	9,604	8.01
Developer's G & A	1.66%	1.19%	1,319	1.10
Developer's Profit	13.00%	9.34%	10,357	8.64
Interim Financing		3.74%	4,153	3.46
Reserves		1.24%	1,376	1.15
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$110,926</b>	<b>\$92.50</b>
<b>Recap-Hard Construction Costs</b>		<b>64.56%</b>	<b>\$71,610</b>	<b>\$59.72</b>

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$1,050,000	\$1,200,000	\$5.56	\$6,667	6.15%
	498,200	538,056	2.49	2,989	2.76%
	1,106,079	1,106,079	5.12	6,145	5.67%
	9,777,560	9,389,216	43.50	52,162	48.10%
	527,961	527,961	2.45	2,933	2.70%
	633,553	633,553	2.94	3,520	3.25%
	211,184	211,184	0.98	1,173	1.08%
	633,553	633,553	2.94	3,520	3.25%
	703,000	703,000	3.26	3,906	3.60%
	1,728,704	1,728,704	8.01	9,604	8.86%
	237,406	0	0.00	0	0.00%
	1,864,251	2,101,657	9.74	11,676	10.77%
	747,500	747,500	3.46	4,153	3.83%
	247,677	0	0.00	0	0.00%
	\$19,966,628	\$19,520,463	\$90.43	\$108,447	100.00%
	\$12,889,890	\$12,501,546	\$57.92	\$69,453	64.04%

SOURCES OF FUNDS	Factor	% of TOTAL	PER UNIT	PER SQ FT
Charter Mac - tax-exempt bonds		59.70%	\$66,222	\$55.22
LIHTC Syndication Proceeds		30.27%	\$33,572	\$28.00
Additional Financing		0.00%	\$0	\$0.00
Deferred Developer's Fee		7.05%	\$7,825	\$6.53
Additional (excess) Funds Required		2.98%	\$3,306	\$2.76
<b>TOTAL SOURCES</b>		<b>100.00%</b>	<b>\$110,926</b>	<b>\$92.50</b>

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$11,920,000	\$11,920,000	\$56.12	\$604,000	54.44%
	6,043,000	6,043,000	27.65	\$64,433	5.81%
	0	0	0.00	0	0.00%
	1,408,567	1,408,567	6.25	\$14,886	1.34%
	595,061	148,896	2.68	\$1,544	1.40%
	\$19,966,628	\$19,520,463	\$90.43	\$108,447	100.00%
	\$11,920,000	\$11,920,000	\$56.12	\$604,000	54.44%
	6,043,000	6,043,000	27.65	\$64,433	5.81%
	0	0	0.00	0	0.00%
	1,408,567	1,408,567	6.25	\$14,886	1.34%
	595,061	148,896	2.68	\$1,544	1.40%
	\$19,966,628	\$19,520,463	\$90.43	\$108,447	100.00%

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Hickory Trace Apartments, Dallas, 2002-057**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Townhouse Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$45.71	\$9,866,778
<b>Adjustments</b>				
Exterior Wall Fini	1.75%		\$0.80	\$172,669
9' Ceilings	3%		1.37	296,003
Roofing			0.00	0
Subfloor			(1.12)	(240,679)
Floor Cover			2.43	524,530
Porches/Balconies	\$12.77	15,388	0.91	196,505
Plumbing	\$700	412	1.34	288,400
Built-In Appliance	\$2,100	180	1.75	378,000
Fireplaces	\$0		0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.47	317,308
Garages/Carports	\$15.32	46,800	3.32	716,976
Comm &/or Aux Bldn	\$53.18	5,444	1.34	289,493
Other:			0.00	0
<b>SUBTOTAL</b>			<b>59.33</b>	<b>12,805,982</b>
Current Cost Multiplier	1.02		1.19	256,120
Local Multiplier	0.92		(4.75)	(1,024,479)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$55.77</b>	<b>\$12,037,623</b>
Plans, specs, survy, b	3.90%		(\$2.17)	(\$469,467)
Interim Construction I	3.38%		(1.88)	(406,270)
Contractor's OH & Prof	11.50%		(6.41)	(1,384,327)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$45.30</b>	<b>\$9,777,560</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$11,920,000	Amort	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>		Amort	
Int Rate		Subtotal DCR	1.08

<b>Additional</b>		Amort	
Int Rate		Aggregate DCR	1.04

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$888,895
Trustee Fee	3,500
TDHCA Fees	41,620
<b>NET CASH FLOW</b>	<b>\$41,107</b>

<b>Primary</b>	\$11,920,000	Amort	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>		Amort	0
Int Rate		Subtotal DCR	1.09

<b>Additional</b>		Amort	0
Int Rate		Aggregate DCR	1.04

**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	\$1,757,232	\$1,809,949	\$1,864,247	\$1,920,175	\$1,977,780	\$2,292,789	\$2,657,971	\$3,081,317	\$4,141,032
Secondary Income	32,400	33,372	34,373	35,404	36,466	42,275	49,008	56,814	76,353
Other Support Income: (de	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,789,632	1,843,321	1,898,621	1,955,579	2,014,247	2,335,064	2,706,979	3,138,131	4,217,385
Vacancy & Collection Los	(134,222)	(138,249)	(142,397)	(146,668)	(151,068)	(175,130)	(203,023)	(235,360)	(316,304)
Employee or Other Non-Ren	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,655,410</b>	<b>\$1,705,072</b>	<b>\$1,756,224</b>	<b>\$1,808,911</b>	<b>\$1,863,178</b>	<b>\$2,159,934</b>	<b>\$2,503,956</b>	<b>\$2,902,771</b>	<b>\$3,901,081</b>
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$58,712	\$61,060	\$63,502	\$66,043	\$68,684	\$83,565	\$101,670	\$123,697	\$183,101
Management	82,770	85,254	87,811	90,446	93,159	107,997	125,198	145,139	195,054
Payroll & Payroll Tax	150,120	156,125	162,370	168,865	175,619	213,668	259,959	316,280	468,172
Repairs & Maintenance	83,508	86,848	90,322	93,935	97,692	118,858	144,609	175,939	260,432
Utilities	41,126	42,771	44,482	46,262	48,112	58,536	71,218	86,647	128,259
Water, Sewer & Trash	65,403	68,019	70,740	73,570	76,513	93,089	113,257	137,795	203,970
Insurance	34,537	35,918	37,355	38,849	40,403	49,157	59,807	72,764	107,709
Property Tax	128,110	133,235	138,564	144,107	149,871	182,341	221,846	269,909	399,531
Reserve for Replacements	36,000	37,440	38,938	40,495	42,115	51,239	62,340	75,847	112,271
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$680,287</b>	<b>\$706,671</b>	<b>\$734,085</b>	<b>\$762,570</b>	<b>\$792,169</b>	<b>\$958,449</b>	<b>\$1,159,903</b>	<b>\$1,404,016</b>	<b>\$2,058,500</b>
<b>NET OPERATING INCOME</b>	<b>\$975,123</b>	<b>\$998,401</b>	<b>\$1,022,139</b>	<b>\$1,046,340</b>	<b>\$1,071,009</b>	<b>\$1,201,485</b>	<b>\$1,344,053</b>	<b>\$1,498,755</b>	<b>\$1,842,581</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees	11,920	11,864	11,803	11,739	11,669	11,239	10,630	9,766	6,806
Ast Ovst, Comp Fees, & Su	29,700	30,888	32,124	33,408	34,745	42,272	51,431	62,573	92,624
Cash Flow	41,107	63,254	85,817	108,798	132,200	255,578	389,596	534,020	850,756
AGGREGATE DCR	1.04	1.07	1.09	1.12	1.14	1.27	1.41	1.55	1.86
BONDS & TRUSTEE FEE-ONLY DC	1.09	1.12	1.15	1.17	1.20	1.35	1.51	1.68	2.06
BONDS-ONLY DCR	1.10	1.12	1.15	1.18	1.20	1.35	1.51	1.69	2.07

LIHTC Allocation Calculation - Hickory Trace Apartments, Dallas, 2002-057

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost		20		
Purchase of land	\$116	\$1,050,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,106,079	\$1,106,079	\$1,106,079	\$1,106,079
Off-site improvements	\$538,056	\$498,200		
(3) Construction Hard Costs				
New structures/rehabilitation ha	\$9,389,216	\$9,777,560	\$9,389,216	\$9,777,560
(4) Contractor Fees & General Requirements				
Contractor overhead	\$211,184	\$211,184	\$209,906	\$211,184
Contractor profit	\$633,553	\$633,553	\$629,718	\$633,553
General requirements	\$633,553	\$633,553	\$629,718	\$633,553
(5) Contingencies	\$527,961	\$527,961	\$524,765	\$527,961
(6) Eligible Indirect Fees	\$703,000	\$703,000	\$703,000	\$703,000
(7) Eligible Financing Fees	\$747,500	\$747,500	\$747,500	\$747,500
(8) All Ineligible Costs	\$1,728,704	\$1,728,704		
(9) Developer Fees			\$2,090,985	
Developer overhead		\$237,406		\$237,406
Developer fee	\$2,101,657	\$1,864,251		\$1,864,251
(10) Development Reserves		\$247,677		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$18,320,579</b>	<b>\$19,966,628</b>	<b>\$16,030,886</b>	<b>\$16,442,047</b>

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
E.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)				
<b>TOTAL ELIGIBLE BASIS</b>			\$16,030,886	\$16,442,047
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$20,840,152	\$21,374,661
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$20,840,152	\$21,374,661
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$762,750	\$782,313
Syndication Proceeds	0.8199		\$6,253,921	\$6,414,322

**Rent Cap Explanation**  
Dallas MSA

**AFFORDABILITY DEFINITION & COMMENTS**

An apartment unit is "**affordable**" if the total housing expense (rent and utilities) that the tenant pays is **equal to or less than 30%** of the tenant's household income (as determined by HUD).

**Rent Caps** are established at this **30%** "affordability" threshold based on local area median income, adjusted for family size. Therefore, rent caps will vary from property to property depending upon the local area median income where the specific property is located.

If existing rents in the local market area are lower than the rent caps calculated at the 30% threshold for the area, then by definition the market is "affordable". This situation will occur in some larger metropolitan areas with high median incomes. In other words, the rent caps will not provide for lower rents to the tenants because the rents are already affordable. This situation, however, does not ensure that individuals and families will have access to affordable rental units in the area. The set-aside requirements under the Department's bond programs ensure availability of units in these markets to lower income individuals and families.

**MAXIMUM INCOME & RENT CALCULATIONS (ADJUSTED FOR HOUSEHOLD SIZE) - 2002**

MSA/County: **Dallas** Area Median Family Income (Annual): **\$66,500**

ANNUALLY				MONTHLY								
Maximum Allowable Household Income to Qualify for Set-Aside units under the Program Rules				Maximum Total Housing Expense Allowed based on Household Income (Includes Rent & Utilities)				Utility Allowance by Unit Type (provided by the local PHA)	Maximum Rent that Owner is Allowed to Charge on the Set-Aside Units (Rent Cap)			
# of Persons	At or Below			Unit Type	At or Below				At or Below			
	50%	60%	80%		50%	60%	80%	50%	60%	80%		
1	\$ 23,300	\$ 27,960	\$ 37,250	Efficiency	\$ 582	\$ 699	\$ 931	\$ 39.00	\$ 543	\$ 660	\$ 892	
2	26,600	31,920	42,550	1-Bedroom	623	748	997	47.00	576	701	950	
	<b>29,950</b>	<b>35,940</b>	<b>47,900</b>	<b>2-Bedroom</b>	<b>748</b>	<b>898</b>	<b>1,197</b>	<b>61.00</b>	<b>687</b>	<b>837</b>	<b>1,136</b>	
4	33,250	39,900	53,200	3-Bedroom	864	1,037	1,383	71.00	793	966	1,312	
5	35,900	43,080	57,450	4-Bedroom	963	1,156	1,542	86.00	877	1,070	1,456	
6	38,550	46,260	61,700	5-Bedroom	1,064	1,277	1,701	97.00	978	1,191	1,615	
7	41,250	49,500	65,950									
8	43,900	52,680	70,200									

**FIGURE 1**

**FIGURE 2**

**FIGURE 3**

**FIGURE 4**

**Figure 1** outlines the maximum annual household incomes in the area, adjusted by the number of people in the family, to qualify for a unit under the set-aside grouping indicated above each column.

For example, a family of three earning \$33,000 per year would fall in the 60% set-aside group. A family of three earning \$28,000 would fall in the 50% set-aside group.

**Figure 2** shows the maximum total housing expense that a family can pay under the affordable definition (i.e. under 30% of their household income).

For example, a family of three in the 50% income bracket earning \$29,950 could not pay more than \$748 for rent and utilities under the affordable definition.

- 1) \$29,950 divided by 12 = **\$2,496** monthly income; then,
- 2) **\$2,496** monthly income times 30% = **\$748** maximum total housing expense.

**Figure 4** displays the resulting maximum rent that can be charged for each unit type, under the three set-aside brackets. This becomes the rent cap for the unit.

The rent cap is calculated by subtracting the utility allowance in **Figure 3** from the maximum total housing expense for each unit type found in **Figure 2**.

**Figure 3** shows the utility allowance by unit size, as determined by the local public housing authority. The example assumes all electric units.

Hickory Trace Apartments

**RESULTS & ANALYSIS:**

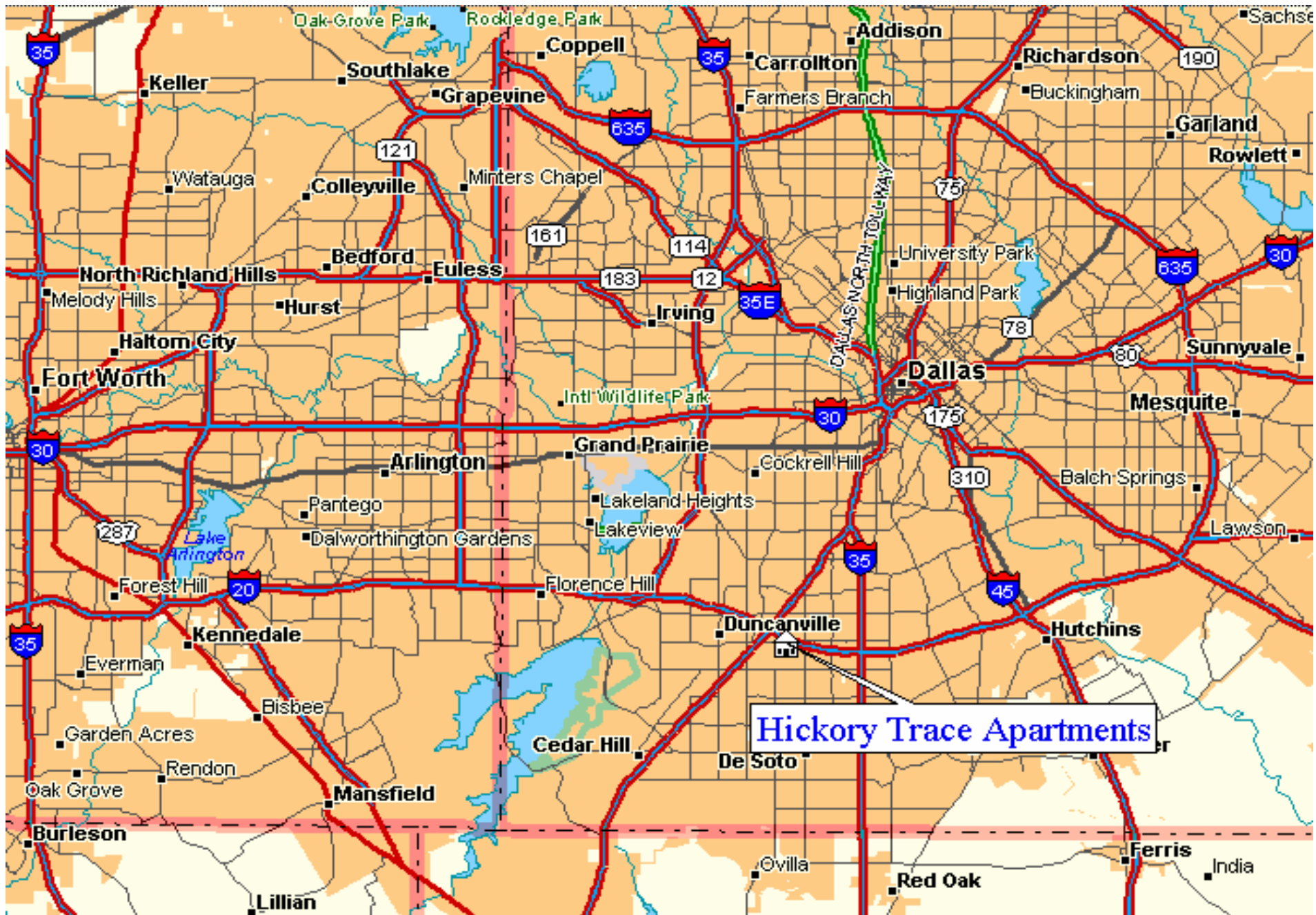
**Tenants** in the 60% AMFI bracket will **save \$135 to \$170** per month (leaving 3.9% to 4.4% more of their monthly income for food, child care and other living expenses).

This is a monthly savings off the market rents of **14.5% to 16.3%**.

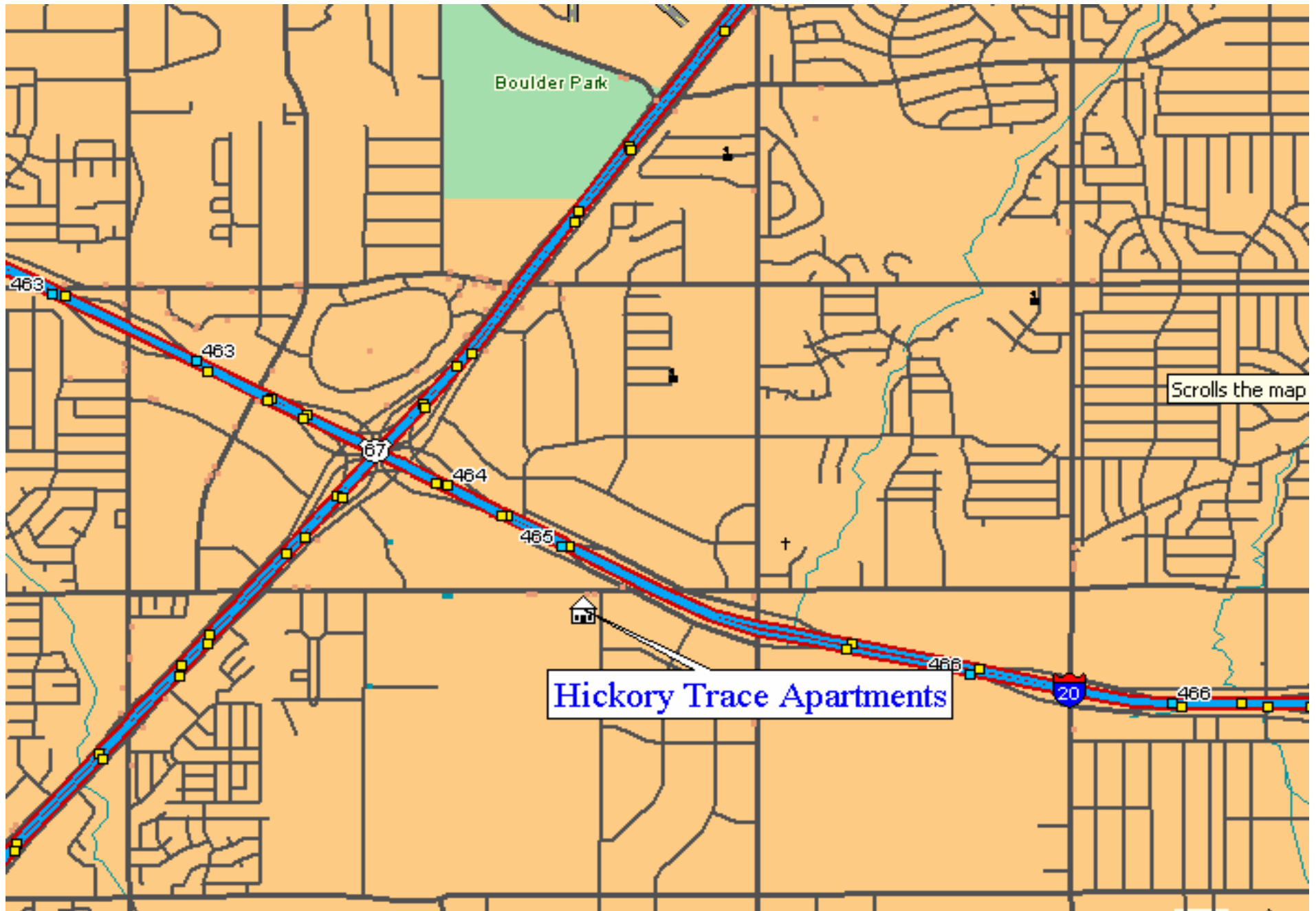
<b>PROJECT INFORMATION</b>				
<b>Unit Mix</b>				
Unit Description		3-Bedroom	4-Bedroom	
Square Footage		1,164	1,309	
Rents if Offered at Market Rates		\$ 928	\$ 1,047	
Rent per Square Foot		\$0.80	\$0.80	

<b>SAVINGS ANALYSIS FOR 60% AMFI GROUPING</b>				
Rent Cap for 50% AMFI Set-Aside		\$793	\$877	
<b>Monthly Savings for Tenant</b>		<b>\$ 135</b>	<b>\$ 170</b>	
Rent per Square Foot		\$0.68	\$0.67	
Maximum Monthly Income - 60% AMFI		\$3,458	\$3,855	
<b>Monthly Savings as % of Monthly Income</b>		<b>3.9%</b>	<b>4.4%</b>	
<b>% DISCOUNT OFF MONTHLY RENT</b>		<b>14.5%</b>	<b>16.3%</b>	

**Market information provided by:** Butler Burgher, LLC, 8150 North central expressway, Suite 801, Dallas , Texas 75206







Boulder Park

Scrolls the map

Hickory Trace Apartments

468

463

464

465

466

466

67

20

# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02438

LIHTC 9%  LIHTC 4%

**Project Name:** Hickory Trace

HOME  HTF

**Project City:**

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 7 # not yet monitored or pending review 8

# of projects grouped by score 0-9: 7 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received Yes

Non-Compliance Reported No

**Completed by** Jo En Taylor **Completed on** 09/16/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments:

**Completed by** Lucy Trevino **Completed on** 09/16/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments:

**Completed by** Ralph Hendrickson **Completed on** 09/16/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer                      **Completed on** 09/17/2002

**Executive Director:** \_\_\_\_\_                      **Date Signed:** \_\_\_\_\_

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HICKORY TRACE HOUSING, L.P.

PUBLIC HEARING

Auditorium  
Lee Elementary School  
7808 Racine Drive  
Dallas, Texas

September 12, 2002  
7:02 p.m.

BEFORE: WAYNE HARLESS,  
Multifamily Loan Officer  
Texas Department of Housing  
And Community Affairs

I N D E X

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P R O C E E D I N G S

1  
2 MR. HARLESS: Thanks for answering the  
3 questions of the audience here this evening. Good  
4 evening. My name is Wayne Harless. I'm with the state of  
5 Texas. And this part of the hearing will be recorded.

6 I would like to proceed with the public hearing  
7 at this time. Let the record show that I have two minutes  
8 after 7:00 -- I need to write that in right now before I  
9 forget it -- Thursday evening, September 12, 2002, and we  
10 are at the Lee Elementary School Auditorium located at  
11 7808 Racine Drive, Dallas, Texas.

12 I am here to conduct the public hearing on  
13 behalf of the Texas Department of Housing and Community  
14 Affairs with respect to an issue of tax exempt multifamily  
15 revenue bonds for a residential rental community.

16 This hearing is required by the Internal  
17 Revenue Code. The sole purpose of this hearing is to  
18 collect comments that will be provided to the highest  
19 elected official with jurisdiction over this issue, which,  
20 in this case, is the Attorney General.

21 No decisions regarding the project will be made  
22 at this hearing. There are no department board members  
23 present. The department's board will meet to consider the  
24 transaction on October 10, 2002, upon recommendation by

1 the finance committee.

2 In addition to providing your comments at this  
3 hearing, the public is also invited to make their comments  
4 directly to the finance committee or the board at any of  
5 their meetings. Department staff will also accept written  
6 comments from the public via facsimile at 512/475-3362 up  
7 to 5:00 p.m. on September 27, 2002. An alternate fax  
8 number, I'll interject here, is 512/475-3085.

9 The bonds will be issued as tax exempt  
10 multifamily revenue bonds in the aggregate principal  
11 amount not to exceed \$15 million and taxable bonds, if  
12 necessary, in an amount to be determined and issued in one  
13 or more series by the Texas Department of Housing and  
14 Community Affairs, the issuer in this case.

15 The proceeds of the bonds will be loaned to  
16 Hickory Trace Housing Limited Partnership or a related  
17 person or affiliate entity thereof to finance a portion of  
18 the costs of acquiring, constructing, and equipping a  
19 multifamily rental housing community described as follows:

20 A 260-unit multifamily residential rental  
21 development to be constructed on approximately 15 acres of  
22 land, approximately 650 feet south of Wheatland Road and  
23 1300 feet east of Bolton Boone Drive in Dallas, Dallas  
24 County, Texas 75237. The proposed multifamily rental

1 housing community will be initially owned and operated by  
2 the borrower or related person or affiliate thereof.

3 I would like to now take this opportunity to  
4 open the floor for public comment. If you have signed the  
5 sign-in sheets, I will take those and start on the first  
6 page and just go down the list.

7 If you would like to speak at that time, please  
8 come forward to this podium and speak into the amplified  
9 mike here, and we'll be able to record your comments for  
10 the Attorney General and all of our board members to  
11 review prior to their meetings.

12 In no particular order, I have -- and forgive  
13 me if I mispronounce your names -- Birdie Barnett?

14 (No response.)

15 MR. HARLESS: On deck I have Darlene Williams,  
16 I believe.

17 VOICE: She's got some time constraints and  
18 signed to speak, but she --

19 MR. HARLESS: Okay. Right after these.

20 (Pause.)

21 MR. HARLESS: Please come forward and state  
22 your name for the record please.

23 MS. BARNETT: My name is Birdie Barnett. I  
24 have been enrolled in the university of life for 72 years.



1 I'm not here to prove anything except the fact  
2 that where we live -- I'm a resident at Kernwood. I'm  
3 very satisfied with it. The procedures that you have to  
4 use to get in there -- at 72, I had to -- it's kind of  
5 like a criminal background check. They find out if you  
6 are a criminal. If you are, you don't live there. If you  
7 do not abide by the regulations and the procedures that  
8 they have or the policies, you don't live there.

9 And I'm very grateful for that because, at 72,  
10 I'm glad to get somewhere where I can rest at night  
11 without going to bed with fear. And I've been there for  
12 four years, and I have found it a pretty safe place to  
13 live. No place now can guarantee you safety.

14 But I've enjoyed it, and I'm also thankful for  
15 the vision that this corporation have. Finally we have a  
16 corporation that's interested in the family units. Our  
17 children need to have a decent place to live if you want  
18 them to grow up and be decent.

19 Everybody cannot afford a home when they first  
20 start out as young people. And to have a place where a  
21 child can see some examples and some decency, to go out in  
22 his yard and see some flowers and hear some birds singing,  
23 and it's quite, there are rules and regulations -- I think  
24 it's good for our children, not only for the old folk,

1 like myself.

2           But I thank you for the vision that you have to  
3 try to put our children out of some of the kinds of  
4 housing that they have been exposed to. And then we  
5 expect for them to come out and to be princes and  
6 princesses. So I thank you for that.

7           I'm old and I'm getting out of here. But at  
8 last I see that there are some -- yes, and it's about  
9 money. We're all about making some money; we all want to  
10 make money. But I'm glad to see somebody trying to build  
11 some decent housing for single parents to raise their  
12 children, to give them an opportunity to make some  
13 choices. And when you're living in a dump, it's kind of  
14 hard to make a choice.

15           MR. HARLESS: Thank you. Darlene, would you --  
16 no? Victoria Welcome.

17           MS. WELCOME: Good evening. My name is  
18 Victoria Welcome. I have lived in this part of Oak Cliff  
19 since 1981. I started out living in housing for single  
20 parents, and many of us without cars in the Oak Lawn  
21 community in 1997. So I certainly have a long perspective  
22 of this whole issue.

23           But I think it's always important to make sure  
24 that all interests in a community are balanced. And while

1 certainly it's important to have good rental housing, it's  
2 also important not to destabilize the ownership community  
3 with inferior housing. Otherwise, a significant part of  
4 the tax base is eroded and it makes the community a less  
5 attractive place for everyone, whether you rent or whether  
6 you own or whether you hope to start out renting and look  
7 in that same community for housing to buy.

8           This has certainly been an informative and  
9 enlightening meeting tonight. And unfortunately,  
10 interested neighborhood homeowners groups don't always  
11 have the opportunity to know as much about a proposed  
12 applicant's project before public hearing time.

13           So I would encourage the committee that has  
14 noticed these meetings to encourage all proposed  
15 applicants to start making informal contacts with  
16 neighborhood interest groups well in advance of these  
17 meetings so that some of the questions can be answered.

18           And when we have a good developer of a quality  
19 community making an application, we are in a position to  
20 support rather than automatically take what seems like a  
21 knee-jerk position and come out in opposition. Case in  
22 point -- there's been a great deal of discussion about  
23 another project, not related to this, that has, I think,  
24 for a number of the neighborhood homeowner associations

1 caused what seems like just knee-jerk opposition.

2           And at least the preliminary discussion in my  
3 neighborhood was to oppose any of these projects, whether  
4 they are tax credit, bond, or otherwise, that involve  
5 multifamily housing, at least until we know much more than  
6 what we generally hear, which is a name of an owner and a  
7 location where the proposed development will be built.

8           We certainly appreciate the forthcomingness of  
9 the company involved in this project tonight and -- for  
10 the part of my neighborhood association, and now I will  
11 take this back to my friends in United.

12           We hope to invite you out for further meetings,  
13 if not with United, with some of the different interested  
14 neighborhood associations. And as you do more projects  
15 over in this part of the city, in Pleasant Grove, in  
16 nearby communities, we hope you will call us and let  
17 you -- let us know about your plans.

18           And hopefully, if they're as good as what we  
19 hear from your current residents and as good as everything  
20 looks in artists' renderings and on the drawing board,  
21 we'll be in a position to support them rather than just  
22 merely say, We oppose any development of this character,  
23 because I know we need to have housing for everyone, but I  
24 think we need to have housing that upgrades the community

1 rather than downgrades the community. So you know the  
2 concerns, and we certainly appreciate that you've been  
3 responsive to them tonight. Thank you.

4 MR. HARLESS: Thank you. Next on the list I  
5 have Lillian Gary -- if I pronounced that correctly.  
6 After Lillian, I have Lucille Belford.

7 MS. GARY: My name is Lillian Gary. I can say  
8 we -- the early part of last year, David and I decided to  
9 sort of turn a chapter in our book of life and we put our  
10 house up for sale. And it sold quickly, and we had to get  
11 out. And we moved to the Villas of Remon [phonetic],  
12 which is owned by this same company.

13 We had six months to try it out and see if we  
14 really liked what we were getting into, and we were  
15 pleased. We had earlier applied for a place at the  
16 Primrose Oaks. And we lived at the Villas of Remon for  
17 six months, and we were happy with what we had. And we  
18 were happy when we had the opportunity to move on to the  
19 completed Primrose Oaks.

20 For the company, we're -- I mean, I don't know  
21 what any better group of people that you could ask for.  
22 We have moved twice in the last year, and I hope we -- and  
23 I'm sure we're going to stay satisfied because the next  
24 place we move we want to go on up. So we're happy with

1 what -- with the company and what you represent. And I  
2 just highly recommend you.

3 MR. HARLESS: Thank you.

4 (Pause.)

5 MR. HARLESS: Okay. That's fine. Rose Mathis?  
6 After Rose, Nita Hamilton.

7 MS. MATHIS: Good evening. I'm Rose Mathis,  
8 and I'm here on the behalf of Southwest Housing. And I  
9 live at the Primrose Parks Apartment.

10 Well, first, I lived in Kernwood, and I just  
11 loved it over there, but the reason I had to move from  
12 there is because of the stairway. I fell down the stairs  
13 a couple of times and the doctor suggested that I move,  
14 you know, downstairs. But -- now, I said that not talking  
15 against that. I loved the apartment; I would still be  
16 over there if it wasn't, you know, for that. And then I  
17 decided -- asked that I move to the Primrose Oaks.

18 So I say that to say this: I love the  
19 apartments. And when I was raising my kids, we didn't  
20 have anything like that to live in. We had to live in  
21 what we call the projects here. And that -- and cement --  
22 we didn't have plaster walls. Everything in there was  
23 cement, or whatever you call it.

24 And the living room was downstairs. There was

1 a kitchen downstairs and the bedrooms upstairs, which was  
2 uncomfortable. But that's all we had. That's all I could  
3 afford. And during that time, if you had children -- I  
4 don't care if you had but one child, you couldn't move  
5 anything into nice apartments if they had them.

6           So I hope everyone supports this company  
7 because a single mother of whatever -- a family -- they  
8 need something nice to live in. You know, life is short,  
9 and we need to -- they need to have something to enjoy --  
10 that they will be able to go to sleep at night, which we  
11 all do in our place where we live now. We can sleep, and  
12 we don't worry about anyone coming in. And the staff is  
13 just beautiful.

14           Also they have -- they promote their staff.  
15 Mark was at the Kernwood when I lived over there, also  
16 Tom. Tom and Mark treated us like we were babies, and  
17 they loved us; they did. And we loved them, too.

18           So I hope -- you know, like I say, I hope  
19 everyone vote on this because I think it's wonderful. I  
20 think it's nice. I think I might would move over there if  
21 I could, but I'm going to stay where I am. And like I  
22 say, I love the Primrose Oaks and I love all my friends.  
23 They're my family, and I just love the guys, too.

24           MR. HARLESS: Thank you. After Nita, Liz

1 Payne.

2 MS. HAMILTON: Hi. I'm Nita Hamilton. At the  
3 age of -- be 63 this month, and I'm proud that I've got a  
4 place that is comfortable to live in. I can recall back  
5 hearing all these oppositions and for and everything.  
6 When I was growing up, you lived in the country. You  
7 didn't have the things that you have today. Y'all can  
8 relate back where I'm coming from.

9 But thank God that, after looking for several  
10 weeks and months even to find a place to move to here in  
11 the Dallas area, I found in a little book this Primrose  
12 was advertised. So that's how I found out about it.

13 Economical-wise they were more than reasonable.

14 And what's so funny about it, I have two granddaughters  
15 that I pretty well raised. And when grandma was looking  
16 for an apartment they said, Grandma, please don't move  
17 into an apartment that we can't come visit you. I said,  
18 Granddaughters, I will never live where you can't come to  
19 visit with me.

20 And, you know, that has been what has been a  
21 blessing to me. My two granddaughters are eleven and  
22 twelve right now. And the other day they were over at  
23 Primrose and they said, You know, we think we've got about  
24 20 grandmas. And so they've adopted them like they -- you



1 know, it works both ways.

2           And I do appreciate having some place that will  
3 carry forth. We've recently had a lot of things done at  
4 Primrose Parks. And the company came out and is doing  
5 those things. And I appreciate them doing and carrying  
6 forth what they have promised. And we can promise and we  
7 can promise, but to do what you promise, then that's 100  
8 percent.

9           MR. HARLESS: After Liz Payne, I have Dr.  
10 Brown.

11           MS. PAYNE: Liz Payne, the Primrose on Bolton  
12 Boone. I have lived in De Soto since '64, coming from  
13 Dallas. And I am very proud where I am living now.

14           Like Nita said, the company -- thank you -- has  
15 made promises, and they are keeping their promises. So if  
16 they do it for us, I'm quite sure they will keep their  
17 promises on the families that will be moving into the  
18 apartments that they want to be built. Thank you.

19           MR. HARLESS: After Dr. Brown, I have Alonzo  
20 Johnston.

21           VOICE: His wife will speak for him.

22           MR. HARLESS: Oh, okay. That's fine.

23           DR. BROWN: I'm Dr. W.L. Brown, pastor of the  
24 Greater Faith Baptist Church, a resident of Primrose Oaks.

1 I support the Southwest [indiscernible] Housing  
2 Development 100 percent. I believe that we need a place  
3 where we can call home that will make us feel like home,  
4 for our children to grow up in a safe environment away  
5 from crime and criminals. Amen.

6 MR. HARLESS: Okay. After Doris Johnston, I  
7 have Norma Peoples.

8 MS. JOHNSTON: Good evening, everyone.

9 (A chorus of good evening.)

10 MS. JOHNSTON: Good evening, everyone.

11 (A louder chorus of good evening.)

12 MS. JOHNSTON: Oh, that's better. You sound  
13 alive now. I'm Doris Johnston, and I want you to know  
14 that Southwest Housing is an answer to my prayer.

15 My husband and I had both retired from our  
16 jobs. And, you know, the leaves were piling up in the  
17 yard, and the fences were falling down in the backyard.  
18 And I'll remind him, The wind blew the fences down last  
19 night. Okay, I'll get to it. And, you know, four or five  
20 days would pass and he hadn't gotten to it.

21 So we sat down one day, and I told him -- I  
22 said, You know, we both are retired and we don't have all  
23 the energy that we used to have. And it's getting to be  
24 very expensive to have to call somebody to nail the fence

1 and rake the leaves.

2 I said, Why don't we find a nice place for  
3 seniors; I understand they're building places now. And so  
4 he said, Well, where? That sounds good. Where? And I  
5 said, Well, I don't know, but -- I'll tell you about me.  
6 I believe in praying about everything. And I told him --  
7 I said, I'll tell you what. I'm going to ask God to help  
8 us find a place.

9 So he was on his way to the doctor over at  
10 Dallas Southwest Hospital. And this beautiful big sign  
11 was there that said, Affordable luxury living for  
12 independent seniors, 55 plus. I said, Oh, praise the  
13 Lord. I said, When you come out of there, we're going to  
14 stop here. This is the answer to my prayer.

15 I didn't want to go to the doctor with him. So  
16 I said, Do you want to drop me off here? He said, No,  
17 we'll both go in, then we'll come out. So we stopped  
18 there and we met Mark St. John and -- who was the other  
19 guy, ladies?

20 VOICE: Sandy.

21 MS. JOHNSTON: Sandy. And they told us about  
22 all this -- and I'm very emotional. I just wanted to  
23 shout as they told us about it. I said, Oh, we get to  
24 give up these houses, and we don't have to call people to

1 do things for us.

2           And I want to tell you something -- you know,  
3 James Cleveland made a song popular that said, Jesus is  
4 the best thing that ever happened to me. Well, I'm going  
5 to paraphrase that and say, Next to Jesus, Southwest  
6 Housing is the best thing that ever happened for me. So  
7 I'm 100 percent plus for everything that Southwest Housing  
8 is doing.

9           You know, the young lady who left was talking  
10 about how the quality of some of the apartments have sort  
11 of been derogatory for certain areas and communities.  
12 Well, the communities that I have seen are -- that have  
13 been done by Southwest Housing -- I feel will pass in the  
14 high-class community in New York, California, or anywhere  
15 in the world.

16           And I tell you, you have products that we are  
17 certainly proud of, and we're not ashamed. God bless you  
18 for that vision to help to make life better for all  
19 people -- seniors, families, and children. God bless.

20           MR. HARLESS: Thank you, Doris. Next on the  
21 list is Norma.

22           MS. PEOPLES: Hello. My name is Norma Peoples.  
23 I think I've been at Primrose Park about three months.  
24 And to be honest with you all, I thought I had died and

1 went to heaven. I didn't realize that when I heard about  
2 the place that it would be as nice as it was. And since  
3 I've been there, just the people that I've met -- I'm glad  
4 they screen everybody because I've met some wonderful,  
5 wonderful people.

6 And I'm for this project. I think it's good  
7 for the community, for the children, for single parents,  
8 and for us. I'm for it.

9 MR. HARLESS: Next I have Lucy Thompson. I  
10 don't know if this is an X or a Y. So you're welcome to  
11 speak.

12 MS. THOMPSON: Good evening. We're the first  
13 married couple at Primrose Park. My name is Lucy Thompson  
14 and this is my husband Louie. We are from California, and  
15 we have -- Louie was born in California. I was a resident  
16 and a business owner in California for 42 years. And we  
17 really have seen everything you need to see in the world.

18 I came to Texas to write a book, and Louie was  
19 still in California. We wasn't married then. So he  
20 decided to come here. And for the ten years he's been  
21 asking me to marry him -- for ten years I've been writing  
22 this book and I couldn't -- you know.

23 So, anyway, I said yes. So we came down here  
24 and we decided -- somebody introduced us to the Primrose

1 people. And when we saw that and met Annette and Luanna  
2 and Mark and the whole crew -- and then we moved in. And  
3 after we moved in, we met the pastor -- because we have  
4 our own church on the property. Okay? And that in itself  
5 is just a miracle.

6           So anybody that will allow you to do your faith  
7 and your worship on their property because a lot of  
8 apartment buildings, I -- well, from what I can understand  
9 they -- you've got so many diverse criminal types running  
10 around until nobody even does anything like that. And  
11 that was very impressive to me and to Louie.

12           So, anyway, what we're saying is we're 100  
13 percent behind Southwest. We're 100 percent behind  
14 Primrose. And we call that home.

15           Now, the new place coming up here -- we all  
16 have had children. Some of us have lived in public  
17 housings. Fortunately, we were fortunate and we didn't  
18 have to, but we've seen and helped people throughout our  
19 lifetime in charity work and missionary work and helping  
20 them that didn't have good quality places.

21           Now, Mr. Fisher has said that these people are  
22 going to be checked out. They're going to have to have  
23 jobs to afford the rent. If they want to live this type  
24 of life, then they're going to have to have the best

1 training and teaching their children the proper way to  
2 respect the neighborhood and themselves.

3           So I feel that if the quality of people that  
4 comes into -- is it Sleepy Hollow?

5           VOICE: Rosemont.

6           MS. THOMPSON: Rosemont -- comes into that  
7 apartment building will be the same caliber people that's  
8 in the Parks, the Oaks, and the rest of the places. So we  
9 are voting for it.

10          MR. THOMPSON: Thank you. [indiscernible]. My  
11 name is Louie Thompson. I'm from Los Angeles. I was born  
12 and raised there. I'd like to say I'm very proud to be a  
13 part of Primrose.

14          And Southwest -- I think if you just give them  
15 one inch to prove to you that they're good. They're  
16 sincere people guiding us; they'll help you. All the  
17 volunteers -- not only them, but the staff -- if they ask,  
18 they ask you, Can I help you? Thank you. That's all we  
19 need.

20          I'm 72 [phonetic] years old and never got that  
21 before. Okay? Young people today don't have it. We've  
22 got to give it to them. And Primrose is a place and  
23 Southwest is a place for the kids to learn to educate  
24 themselves to speak with their grandmother or grandfather.

1 Okay? But you don't see [indiscernible] world is made to  
2 live in [indiscernible].

3 If you're a Christian, faith -- have faith in  
4 yourself, faith in your neighbors, and most especially in  
5 God. And trust somebody. Everybody's got to have  
6 somebody. You can't do it all by yourself. Like you can  
7 trust Southwest to prove to you that they can do it. And  
8 stand behind them. And God bless everybody. And we're  
9 going to vote for Primrose and Southwest in our own  
10 [indiscernible] soon. God bless everybody, and good  
11 night.

12 MR. HARLESS: Is there anyone else that would  
13 like to speak this evening?

14 (Pause.)

15 MR. HARLESS: Please come up. State your name  
16 for the record, please.

17 MR. JONES: I'm Mark Jones with Southwest  
18 Housing. I wanted to say that the other reason why this  
19 development impacts our community is that we plan on using  
20 minority contracts to do a great portion of the work here.

21 And no other developer in this city has made the kind of  
22 commitment our company has made in getting diversity  
23 involving other ethnic groups.

24 And we're very excited about being able to



1 bring this quality of development -- another quality  
2 development to the southern side of town. I look forward  
3 to doing other things. I sleep very good at night knowing  
4 that we're making a difference, more so than just housing,  
5 but impacting a community just as a way of life.

6 I often say that we're not in the developing  
7 business; we're in the people business because we're  
8 revitalizing lives as we transcend the old thinking and  
9 rely on people to get together. And I really think that  
10 the quality of life is changing, and it has a lot to do  
11 with the owners of Southwest Housing, Brian and Cheryl  
12 Potashnik. Thanks.

13 MR. ST. JOHN: My name is Mark St. John. I  
14 don't usually speak at these type of forums. But I want  
15 to speak on behalf of the staff and management that works  
16 for Southwest Housing.

17 I've been with them for a number of years. And  
18 the staff is handpicked staff, and they serve the  
19 community. They live in the community, they serve the  
20 community, and they enjoy what they do. We're really  
21 excited about this particular property. And, of course, I  
22 support it and all of our staff supports it, as well as  
23 the residents.

24 MR. HARLESS: Last chance. Would anybody else

1 like to speak?

2 MS. HAMILTON: I would like to add something --  
3 do you want me to come up here?

4 MR. HARLESS: Yes. We can't get it recorded  
5 unless you do speak into the microphone.

6 MS. HAMILTON: [indiscernible].

7 MR. HARLESS: And please state your name again.

8 MS. HAMILTON: Okay. Nita Hamilton, and I live  
9 at Primrose Parks of Rolling Hills. Lucy -- when she was  
10 up here, she said something about our pastor. I am their  
11 pastor.

12 And they came to me less than six weeks after I  
13 had moved in and said, Will you lead us? Will you do  
14 what -- and the doors have been opened up. And I thank  
15 God that people are concerned, not only in one area of  
16 your life, but in the other area of your life. And we  
17 all -- as someone said, getting older, and we need to be  
18 making preparation.

19 MR. HARLESS: Is there anyone else that would  
20 like to speak?

21 (Pause.)

22 MR. HARLESS: Come on down. And please state  
23 your name for the record.

24 MR. FULLYLOVE: My name is B.J. Fullylove. I

1 apologize for being late. But I live in the Oaks myself,  
2 been there nearly a year. And I've never been -- lived in  
3 a place where it was so clean and resonant [phonetic] You  
4 might see a piece of paper in the morning, but you won't  
5 see it that evening because they'll be through there  
6 taking care of everything. And it's a beautiful place.

7           So we just love it. I thought they wasn't  
8 going to build it because I never could see it. I lived  
9 up on Clearview Circle, and they had the big sign up  
10 talking about building it in 2000. I told my wife, When  
11 are they going to start?

12           A friend of mine had asked me had I been down  
13 there. I said, Down where? Said down where the  
14 apartments are. I said, They haven't even built them. He  
15 said, Yes, they are; they're down there.

16           So you can't see them from Hampton Road. You  
17 have come down off in there. And when you get down off in  
18 there, you won't want to leave. Everything is just so  
19 nice and beautiful. And our staff and -- and I want to  
20 say this, our residents are just like -- we're like  
21 family.

22           I drive through all the time and I blow -- they  
23 speak to me and I speak to them, and meet them at the  
24 mailbox. And everybody speaks and if there's anything

1 somebody can do for each other, they do it -- kind of like  
2 when we were growing up. Yes. I think you can go next  
3 door and get a cup of sugar if you want to.

4 But I just want to say that, if this facility  
5 is going to be anything, and it's going to have to get up  
6 and go, too, to be like Primrose. And I just welcome it;  
7 I'm for it 100 -- 200 percent.

8 MS. BARNETT: My name is Birdie Barnett again.  
9 I have a video in my home. This young man's name is  
10 Yanni, Y-A-N-N-I. He is from Greece. And he did a  
11 concert in his home town. And he said something at the  
12 ending of the concert. He said he had an opportunity to  
13 speak with one of the astronauts.

14 And in the course of conversation, he said that  
15 when they were orbiting the Earth and when they were  
16 flying over Europe that they couldn't see the lines and  
17 they couldn't tell one city or county or whatever from  
18 another because they couldn't see the lines.

19 The point he was making -- that we all have  
20 lines -- these imaginary lines that we draw. But -- they  
21 really don't exist, but we draw them anyway. I think if  
22 we would -- even in putting this project or whatever we're  
23 trying to do here -- is that if we would stop looking at  
24 lines that do not exist and try to see the similarities in

1 all of us, not only in the building of the projects and  
2 housings for people -- if we would stop looking for these  
3 imaginary lines that really do not exist and try to see  
4 the similarity of needs that we all have in order to live  
5 a good life and a fruitful life, I think it would be a  
6 whole lot better if we would quit drawing the lines.

7 MR. HARLESS: Anyone else?

8 (No response.)

9 MR. HARLESS: If not, then I would like to  
10 thank everyone for attending the hearing this evening.  
11 Your comments have been duly recorded. The meeting now  
12 stands adjourned, and I have 7:40 p.m. Thank you.

13 (Whereupon, at 7:40 p.m., the public hearing  
14 was concluded.)

C E R T I F I C A T E

1  
2  
3 MEETING OF: Texas Department of Housing and Community  
4 Affairs Public Hearing  
5 Hickory Trace Housing, L.P.

6 LOCATION: Dallas, Texas

7 DATE: September 12, 2002

8 I do hereby certify that the foregoing pages,  
9 numbers 1 through 27, inclusive, are the true, accurate,  
10 and complete transcript prepared from the verbal recording  
11 made by electronic recording by Peggy Brown before the  
12 Texas Department of Housing and Community Affairs.  
13  
14  
15  
16  
17

18 \_\_\_\_\_ 09/18/2002  
19 (Transcriber) (Date)

20  
21 On the Record Reporting, Inc.  
22 3307 Northland, Suite 315  
23 Austin, Texas 78731  
24  
25



# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

## HOUSING FINANCE DIVISION - MULTIFAMILY

### REQUEST FOR BOARD APPROVAL OF MULTIFAMILY MORTGAGE REVENUE BOND ISSUANCE

#### 2002 PRIVATE ACTIVITY MULTIFAMILY REVENUE BONDS

#### GREEN CREST APARTMENTS

**\$12,500,000 (\*) Tax Exempt – Series 2002**

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### TABLE OF EXHIBITS

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TAB 1	TDHCA Board Presentation
TAB 2	Sources & Uses of Funds Estimated Costs of Issuance
TAB 3	Department's Credit Underwriting Analysis
TAB 4	Rental Restrictions Explanation Results & Analysis
TAB 5	Location Map
TAB 6	TDHCA Compliance Report
TAB 7	Results of Public/TEFRA Hearings (September 16, 2002)

*(\*) Preliminary - subject to change*

**FINANCE COMMITTEE AND BOARD APPROVAL  
MEMORANDUM**

**October 10, 2002**

- PROJECT:** Green Crest Apartments, Houston, Harris County, Texas
- PROGRAM:** Texas Department of Housing & Community Affairs  
2002 Private-Activity Multifamily Housing Mortgage Revenue Bonds  
(Reservation received 7/15/2002)
- ACTION  
REQUESTED:** Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Act (the "Act"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein.
- PURPOSE:** The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Finlay Interests 34, Ltd., a Florida limited partnership (the "Borrower"), to finance the acquisition, construction, equipment and long-term financing of a new, 192 unit multifamily residential rental project located at the northwest corner of Green Crest Drive and Westpark Drive, Houston, Harris County, Texas 77082 (the "Project"). The Bonds will be tax-exempt by virtue of the Project's qualifying as a residential rental project.
- BOND AMOUNT:** \$12,500,000 Series 2002, (the "Bonds") (\*)
- (\*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Project and the amount for which Bond Counsel can deliver its Bond Opinion.
- ANTICIPATED  
CLOSING DATE:** The Department received a volume cap allocation for the Bonds on July 15, 2002 pursuant to the Texas Bond Review Board's 2002 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before November 12, 2002, the anticipated closing date is November 6, 2002.
- BORROWER:** The general partner of the Borrower is Finlay Interests GP 34, LLC, a Florida limited liability company, the sole member of which is Finlay GP Holdings, Ltd., a Florida limited partnership, the general partner of which is Finlay Holdings, Inc., a Florida corporation. The principal of the first general partner is Christopher C. Finlay, President.
- COMPLIANCE**
- HISTORY:** A recent Compliance Summary reveals that the principal of the general partner above has a total of three (3) properties not yet monitored or pending review by the Department. None of the properties have



received a compliance score.

**ISSUANCE TEAM & ADVISORS:**

Charter Municipal Mortgage Acceptance Company (“Bond Purchaser”)  
Wells Fargo Bank Texas, NA, (“Trustee”)  
Vinson & Elkins L.L.P. (“Bond Counsel”)  
Dain Rauscher, Inc. (“Financial Advisor”)  
McCall, Parkhurst & Horton, L.L.P. (Issuer Disclosure Counsel)  
Wachovia Bank, National Association (“Letter of Credit Provider”)

**BOND PURCHASER:**

The Bonds will be purchased by Charter Municipal Mortgage Acceptance Company. The purchaser and any subsequent purchaser will be required to sign the Department’s standard traveling investor letter.

**PROJECT DESCRIPTION:**

The Project is a 192-unit multifamily residential rental development to be constructed on approximately 10.12 acres of land located at the northwest corner of Green Crest Drive and Westpark Drive, Houston, Harris County, Texas 77082. The site density will be 18.97 dwelling units per acre. The Project will include a total of eight (8) three-story wood-framed buildings with a total of 214,272 net rentable square feet and an average unit size of 1,116 square feet. The project will include a clubhouse with offices, a community room, a community laundry room, a community pool and a playground.

<u>Units</u>	<u>Unit Type</u>	<u>Square Feet</u>
96	2-Bedrooms/2-Baths	1017
96	3-Bedrooms/2-Baths	1215
192		

**SET-ASIDE UNITS:**

For Bond covenant purposes, at least forty (40%) of the residential units in the development are both rent restricted and occupied by persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each project will be set aside on a priority basis for persons with special needs. *(The Borrower has elected to set aside 100% of the units for tax credit purposes.)*

**RENT CAPS:**

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for sixty percent (60%) of the area median income.

**TENANT SERVICES:**

Borrower will be required to provide a Tenant Services Plan based on the tenant profile upon lease-up that conforms to the Department’s program guidelines.

**DEPARTMENT ORIGINATOR:**

**FEES:**

\$1,000 Pre-Application Fee (Paid).  
\$10,000 Application Fee (Paid).

\$62,500 Issuance Fee (.50% of the bond amount paid at closing).

**DEPARTMENT  
ANNUAL FEES:**

\$12,500 Bond Administration (0.10% of first year bond amount)

\$4,800 Compliance (\$25/unit/year adjusted annually for CPI)

*(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Project cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)*

**ASSET OVERSIGHT  
FEE:**

\$4,800 to TSAHC or assigns (\$25/unit/year adjusted annually for CPI)

**TAX CREDITS:**

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to \$520,839 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of the limited partnership, typically 99%, to raise equity funds for the project. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately \$4,270,880 of equity for the transaction.

**BOND STRUCTURE:**

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser, and will mature over a term of 40 years. During the construction and lease-up period, the Bonds will pay as to interest only. The Bonds will be secured by a first lien on the Project.

During the Construction Phase, the Letter of Credit Provider will provide a Letter of Credit to the benefit of the Bond Purchaser to secure the Borrower's reimbursement obligations during the construction phase. The Borrower's reimbursement obligations to the Letter of Credit Provider will be secured by a 2nd lien mortgage on the property and certain related obligations to the Trustee on behalf of the Bond Purchaser. Upon satisfaction of certain Conversion Requirements, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase. The Bond Purchaser will return the Letter of Credit to the Letter of Credit Provider upon completion of construction.

The Bonds are mortgage revenue bonds and, as such, create no potential liability for the general revenue fund or any other state fund. The Act provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas. The only funds pledged by the

Department to the payment of the Bonds are the revenues from the financing carried out through the issuance of the Bonds.

**BOND INTEREST RATES:** The interest rate on the Bonds will be 7.00%.

**CREDIT  
ENHANCEMENT:** The bonds will be unrated with no credit enhancement.

**FORM OF BONDS:** The Bonds will be issued in book entry form and in denominations of \$100,000 or any amount in excess of \$100,000.

**MATURITY/SOURCES  
& METHODS OF  
REPAYMENT:**

The Bonds will bear interest at a fixed rate until maturity and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Capitalized Interest Account of the Construction Fund, earnings derived from amounts held on deposit in an investment agreement, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

**TERMS OF THE  
MORTGAGE LOAN:**

The Mortgage Loan is a non-recourse obligation of the Owner (which means, subject to certain exceptions, the Owner is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and interest upon conversion to the permanent phase. A Deed of Trust and related documents convey the Owner's interest in the project to secure the payment of the Mortgage Loan.

**REDEMPTION OF  
BONDS PRIOR TO  
MATURITY:**

The Bonds are subject to redemption under any of the following circumstances:

**Mandatory Redemption:**

- (a) In part, to the extent excess funds remain on deposit in the Loan Account of the Construction Fund after the Project's Completion Date; or
- (b) in part: (i) if the project has not achieved Stabilization within twenty-four (24) months after the earlier of (A) the date the Project achieves completion or (B) the Completion Date; or (ii) under certain circumstances, from amounts on deposit in the Earnout Account of the Construction Fund within twenty-four (24) months after the earlier of (A) the date the Project achieves completion or (B) the Completion Date; or

- (c) in whole or in part, if there is damage to or destruction or condemnation of the Project, to the extent that Insurance Proceeds or a Condemnation Award in connection with the Project are deposited in the Revenue Fund and are not to be used to repair or restore the Project; or
- (d) upon the determination of Taxability if the owner of a Bond presents his Bond or Bonds for redemption on any date selected by such owner specified in a written notice delivered to the Borrower and the Issuer at least thirty (30) days' prior to such date; or
- (e) in whole on any interest payment date on or after November 1, 2019, if the Owners of all of the Bonds elect redemption and provide a 180 days' prior written notice to the Issuer, Trustee and Borrower; or
- (f) in whole or in part following the occurrence and during the continuance of an Event of Default under the Facility Agreement, if the Owners of all the Bonds elect redemption by giving not less than thirty (30) days' prior written notice to the issuer, the Trustee and the Borrower, which notice shall specify the Interest Payment Date on which the Bonds are to be redeemed; or
- (g) in part, according to the dates and amounts indicated on the Mandatory Sinking Fund Schedule attached to the Trust Indenture.

**Optional Redemption:**

- (a) The Bonds are subject to redemption, in whole, at the option of the Borrower any time on or after November 27, 2019 from the proceeds of an optional prepayment of the Loan by the Borrower.

**FUNDS AND  
ACCOUNTS/FUNDS  
ADMINISTRATION:**

Under the Trust Indenture Wells Fargo Bank Texas, N.A. (the "Trustee") will serve as registrar and authenticating agent for the Bonds, trustee of certain of the funds created under the Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture funds are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will create the following Funds and Accounts:

1. Construction Fund – On the closing date, the proceeds of the Bonds shall be deposited in the Construction Fund which may consist of five (5) accounts as follows:

- (a) Loan Account – represents a portion of the proceeds of the sale of the Bonds that will be used to pay for Qualified Project Costs;
  - (b) Insurance and Condemnation Proceeds Account - represents Condemnation Award and Insurance Proceeds allocated to restore the Project pursuant to the Loan Documents;
  - (c) Capitalized Interest Account – represents a portion of the initial equity contribution of the Borrower and may include a portion of the Bonds which may be transferred to the Revenue Fund from this account in order to pay interest on the Bonds until the Completion Date of the Project;
  - (d) Costs of Issuance Account – represents a portion of the initial equity contribution of the Borrower and may include a portion of the Bonds from which the costs of issuance are disbursed; and
  - (e) Equity Account – represents the balance of the initial equity contribution of the Borrower.
2. Replacement Reserve Fund – Fund into which amounts are held in reserve to cover replacement costs and ongoing maintenance to the project.
  3. Tax and Insurance Fund – moneys in the Tax and Insurance Fund are applied to the payment of real estate taxes and insurance premiums.
  4. Revenue Fund – Revenues from the project are deposited to the Revenue Fund and disbursed to sub-accounts for payment to the various funds according to the order designated under the Indenture: (1) to the payment of Interest on the Bonds; (2) to the payment of the principal or redemption price, including premium, if any, on the Bonds; (3) to the payment of any required deposit in the Tax and Insurance Fund; (4) to the payment of any required deposit in the Replacement Reserve Fund; (5) to the payment of the fees of the Trustee, the Servicer, the Issuer and the Asset Oversight Agent, if any, due and owing under the Loan Documents and the Indenture; (6) to the payment of any other amounts then due and owing under the Loan Documents; and (7) the remaining balance to the Borrower.
  5. Rebate Fund – Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

Essentially, all of the bond proceeds will be deposited into the

Construction Fund and disbursed therefrom during the Construction Phase (not to exceed 12 months) to finance the construction of the Project. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

**DEPARTMENT  
ADVISORS:**

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in August 17, 2001. V&E has served in such capacity for all Department or Agency bond financings since 1980, when the firm was selected initially (also through an RFP process) to act as Agency bond counsel.
2. Bond Trustee Wells Fargo Bank Texas, N.A. formerly Norwest Bank N.A. was selected as bond trustee by the Department pursuant to a request for proposal process in June 1996.
3. Financial Advisor - Dain Rauscher, Inc., formerly Rauscher Pierce Refsnes, was selected by the Department as the Department's financial advisor through a request for proposals process in September 1991.
4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in 1998.

**ATTORNEY GENERAL  
REVIEW OF BONDS:**

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 02-049

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (GREEN CREST APARTMENTS) SERIES 2002; 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 and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); 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 and very 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 multi-family residential rental project 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 the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Green Crest Apartments) Series 2002 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank Texas, N.A. (the "Trustee"), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Finlay Interests 34, Ltd., a Florida limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental project described on Exhibit A attached hereto (the "Project") located within the State of Texas 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 October 17, 2001, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee 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 and construction of the Project 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 Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust and Security Agreement (with Power of Sale) (the "Deed of Trust") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's interest in the Loan, including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Borrower and Charter Municipal Mortgage Acceptance Company, a Delaware business trust (the "Purchaser"), will execute a Bond Purchase Agreement (the "Purchase Agreement"), with respect to the sale of the Bonds; 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 Project which will be filed of record in the real property records of Harris County; and

WHEREAS, the Board has determined that the Department, the Trustee and Wachovia Bank, National Association, a national banking association (the "Bank"), will enter into an Intercreditor Agreement (the "Intercreditor Agreement") that will outline the interests of the various parties with respect to the Indenture, Loan Agreement, Deed of Trust and Regulatory Agreement; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Purchase Agreement and the Intercreditor Agreement, all of which are attached to and comprise a part of this Resolution; 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 Section 1.13, to authorize the issuance of the Bonds, the execution and delivery of such documents 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 I

### 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, 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 each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Bonds from the date of issuance through and including the maturity date thereof or earlier redemption or acceleration shall be seven percent (7.0%) per annum, (ii) the aggregate principal amount of the Bonds shall be \$12,500,000; and (iii) the final maturity of the Bonds shall occur on November 1, 2042.

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 of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Indenture and to deliver the Indenture to the Trustee.



Section 1.4--Approval, Execution and Delivery of the Loan Agreement and Regulatory Agreement. That the form and substance of the Loan Agreement and the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Loan Agreement and the Regulatory Agreement and deliver the Loan Agreement and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.6--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.7--Approval, Execution and Delivery of the Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement to the Borrower and the Purchaser.

Section 1.8--Approval, Execution and Delivery of the Intercreditor Agreement. That the form and substance of the Intercreditor Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and deliver the Intercreditor Agreement to the Trustee and the Bank.

Section 1.9--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby 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 1.10--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-Assignments
- Exhibit F-Purchase Agreement
- Exhibit G-Intercreditor Agreement

Section 1.11--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., 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 of the Department named in this Resolution.

Section 1.12--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: Chairman and Vice Chairman of the Board, Executive Director of the Department, Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance, Director of Multifamily Finance of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.13--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Project's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or the Acting Executive Director; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Project.

## ARTICLE II

### 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 of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, 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 and the Assistant Secretary of the Board hereby are severally 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--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 Project in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the units of the Project shall not exceed the amounts attached as Exhibit F to the Loan Agreement and shall be annually redetermined by the Issuer as stated in Section 2.3(s) of the Loan Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

## ARTICLE III

### 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 Project and the information with respect to the proposed financing of the Project 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 Project 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 Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the Borrower is financially responsible,

(iv) that the financing of the Project is a public purpose and will provide a public benefit, and

(v) that the Project 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 Project in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and 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 has entered into a binding commitment to repay the loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, or will not enter into a contract for the Project 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 Project in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Project 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 Project 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 of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Project, 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 Project 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 Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage 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 Project 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.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Sections 35 and 39, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

#### ARTICLE IV

#### GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be 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 of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas 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 of Texas 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. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 10th day of October, 2002.

By: \_\_\_\_\_  
Chairman

Attest: \_\_\_\_\_  
Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: Finlay Interests 34, Ltd., a Florida limited partnership

Project: The Project is a 192-unit multifamily facility to be known as Green Crest Apartments and to be located at the northwest corner of the intersection of Green Crest Drive and Westpark Drive in Harris County, Texas. The Project will include a total of eight (8) three story residential apartment buildings with approximately 214,272 net rentable square feet and an approximate average unit size of 1,116 square feet. The unit mix will consist of:

96 two-bedroom/two-bath units  
96 three-bedroom/two-bath units

192 Total Units

Unit sizes will range from approximately 1,017 square feet to approximately 1,215 square feet.

The Project will include a clubhouse with offices, a community room, a library, a community recreation center, a laundry room, kitchen facilities, and public restrooms. On-site amenities will include a swimming pool, a children's play area, playground equipment, and a picnic area. All ground units will be wheelchair accessible with 5% of the units equipped for persons with mobility impairments and all individual units will have washer/dryer connections.

## Green Crest

### Estimated Sources & Uses of Funds

#### Sources of Funds

Bond Proceeds, Series 2002 Bonds (Tax-Exempt)	\$ 12,500,000
LIHTC Equity	4,179,000
Interest Income	95,126
Soft Financing	-
Deferred Developer's Fee	681,316
<b>Total Sources</b>	<b>\$ 17,455,442</b>

#### Uses of Funds

Deposit to Mortgage Loan Fund (Construction funds)	\$ 13,758,565
Capitalized Interest (Constr. & LOC Interest)	1,312,501
Marketing	25,000
Developer's Overhead, Fee and Note	1,699,154
Costs of Issuance	
Direct Bond Related	260,925
Bond Purchaser Costs	172,500
Other Transaction Costs	163,775
Real Estate Closing Costs	63,022
<b>Total Uses</b>	<b>\$ 17,455,442</b>

### Estimated Costs of Issuance of the Bonds

#### Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 62,500
TDHCA Application Fee	11,000
TDHCA Bond Compliance Fee (\$25 per unit)	4,800
TDHCA Bond Counsel and Direct Expenses (Note 1)	67,000
TDHCA Financial Advisor and Direct Expenses	30,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Borrower's Bond Counsel	62,000
Placement Agent	-
Trustee's Fees (Note 1)	7,500
Trustee's Counsel (Note 1)	5,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	1,250
Texas Bond Review Board Application Fee	500
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,125
TEFRA Hearing Publication Expenses	3,750
<b>Total Direct Bond Related</b>	<b>\$ 260,925</b>

#### Bond Purchase Costs

Loan Origination Fee (Charter Mac @1%)	125,000
Due Diligence Cost (Charter Mac)	12,500
Bond Counsel & Expenses (Charter Mac)	35,000
<b>Total</b>	<b>\$ 172,500</b>

## Green Crest

<b>Other Transaction Costs</b>	
Letter of Credit Origination Fee (Bank @ 1% of Issuance)	125,000
Letter of Credit Legal Fees (Bank)	15,000
Construction Servicing	-
Tax Credit Determination Fee (4% annual tax cr.)	20,895
Tax Credit Application Fee (\$15/u)	2,880
<b>Total</b>	<b>\$ 163,775</b>

<b>Real Estate Closing Costs</b>	
Title & Recording (Const.& Perm.)	25,000
Property Taxes	38,022
<b>Total Real Estate Costs</b>	<b>\$ 63,022</b>

**Estimated Total Costs of Issuance** \$ 660,222

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.



**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002

**PROGRAM:** 4% LIHTC  
MRB

**FILE NUMBER:** 02439  
2002-066

**DEVELOPMENT NAME**

Green Crest

**APPLICANT**

**Name:** Finlay Interests 34, Ltd. **Type:**  For Profit  Non-Profit  Municipal  Other  
**Address:** 4300 Marsh Landing Blvd., Suite 101 **City:** Jacksonville Beach **State:** FL  
**Zip:** 32250 **Contact:** Bob Seldomridge **Phone:** (904) 280-1000 **Fax:** (904) 280-9993

**PRINCIPALS of the APPLICANT**

**Name:** Finlay Interests GP 34, LLC **(%):** 0.01 **Title:** Managing General Partner  
**Name:** Related Capital Company **(%):** 99.99 **Title:** Limited Partner, Special LP  
**Name:** Finaly GP Holdings, Ltd. **(%):** n/a **Title:** 100% owner Managing GP  
**Name:** Finaly Holdings, Inc. **(%):** n/a **Title:** 100% owner Finlay GP Holdings  
**Name:** Christopher C Finlay **(%):** n/a **Title:** 100% owner Finlay Holdings

**GENERAL PARTNER**

**Name:** Finlay Interests GP 34, LLC **Type:**  For Profit  Non-Profit  Municipal  Other  
**Address:** 4300 Marsh Landing Blvd., Suite 101 **City:** Jacksonville Beach **State:** FL  
**Zip:** 32250 **Contact:** Bob Seldomridge **Phone:** (904) 280-1000 **Fax:** (904) 280-9993

**PROPERTY LOCATION**

**Location:** MW corner of Greencrest Drive & Westpark Drive  QCT  DDA  
**City:** Houston **County:** Harris **Zip:** 77082

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
① \$527,156	n/a	n/a	n/a
② \$12,500,000	7%	40 yrs	40 yrs

**Other Requested Terms:** ① Annual ten-year allocation of low-income housing tax credits  
② Tax-exempt mortgage revenue bonds

**Proposed Use of Funds:** New Construction

**SITE DESCRIPTION**

**Size:** 10.1201 acres 440,832 square feet **Zoning/ Permitted Uses:** n/a (Houston)  
**Flood Zone Designation:** Zone X **Status of Off-Sites:** Fully Improved

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 192    **# Rental Buildings:** 8    **# Common Area Bldgs:** 1    **# of Floors:** 3    **Age:** n/a yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
96	2	2	1,017
96	3	2	1,215

**Net Rentable SF:** 214,272    **Av Un SF:** 1,116    **Common Area SF:** 3,217    **Gross Bldng SF** 217,489

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a concrete slab on grade, 25% brick veneer/75% vinyl siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, cable, laminated counter tops, individual water heaters

**ON-SITE AMENITIES**

Furnished community room, management offices, laundry facilities, restrooms, business center, central mailroom, swimming pool, equipped children's play area, perimeter fencing

**Uncovered Parking:** 288 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**LONG TERM/PERMANENT FINANCING**

**Source:** Charter MAC    **Contact:** Rachel Diller

**Principal Amount:** \$12,180,000    **Interest Rate:** 7.0%

**Additional Information:** Letter of Credit during interim period; 24 month interim period The lender has since indicated a bond amount of \$12.5M with the difference subject to an earn-out provision

**Amortization:** 40 yrs    **Term:** 40 yrs    **Commitment:**  LOI     Firm     Conditional

**Annual Payment:** \$905,962    **Lien Priority:** 1<sup>st</sup>    **Commitment Date**    09/ 18/ 2002

**LIHTC SYNDICATION**

**Source:** Related Capital Company    **Contact:** Eric Truicksess

**Address:** 625 Madison Ave    **City:** New York

**State:** NY    **Zip:** 10022    **Phone:** (212) 521-6392    **Fax:** (212) 751-3550

**Net Proceeds:** \$4,179,000    **Net Syndication Rate** (per \$1.00 of 10-yr LIHTC) 82¢

**Commitment**     LOI     Firm     Conditional    **Date:**    09/ 17/ 2002

**Additional Information:** Based upon credits of \$509,694

**APPLICANT EQUITY**

**Amount:** \$1,453,481    **Source:** Deferred developer fee

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

**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land: 10.1172 acres</b>	\$330,530	<b>Assessment for the Year of:</b>	2002
<b>Tax Rate:</b>	3.27027	<b>Valuation by:</b>	Harris County Appraisal District

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest Money Contract (10.1201 acres)

**Contract Expiration Date:** 10/ 31/ 2002\*    **Anticipated Closing Date:** 11/ 08/ 2002

**Acquisition Cost:** \$ 1,102,079    **Other Terms/Conditions:** \$2.50 psf, \$1K earnest money

**Seller:** Co Reig, Ltd.    **Related to Development Team Member:** No

\* Closing must occur 120 days from bond reservation date

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Green Crest is a proposed new construction development of 192 units of affordable housing located in Houston. The development is comprised of eight residential buildings, each housing 12 two-bedroom units and 12 three-bedroom units. Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community building, mailboxes, and swimming pool located near the entrance to the site. The community building plan includes a mail center, laundry facility, maintenance room, public restrooms, fitness center, business center, club room, kitchenette, and management/leasing offices.

**Supportive Services:** The Applicant provided a sample supportive services agreement for programs to include personal growth opportunities, family skills development, education, fun and freedom activities, and neighborhood advancement. The provider will charge a one-time start-up fee of \$1K and a monthly fee equal to the number of units multiplied by \$8.83. In this case the monthly fee would equal \$20,344.32; however, the Applicant included \$16,588.80 per year in their operating expense estimate. The Underwriter's analysis will include only the contract supported \$20,344.32.

**Schedule:** The Applicant anticipates construction to begin in November of 2002, to be completed in November of 2003, to be placed in service in March of 2004, and to be substantially leased-up in January of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. As a Priority 2 private activity bond lottery development 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. The Applicant has also indicated that two of the units will be employee-occupied.

**Special Needs Set-Asides:** None of the units were identified in the application as specifically designated to be handicapped-accessible or equipped for tenants with hearing or visual impairments. Receipt review and acceptance of revised application and/r floor and building plans to reflect compliance with the LIHTC handicapped accessibility requirements is a condition of this report.

**Compliance Period Extension:** The intended length of the compliance period was not specified in the submitted application.

**MARKET HIGHLIGHTS**

The original application included a market feasibility study dated August 15, 2002 prepared by The Gerald A Teel Company. The original market analysis was based on a primary market area defined as a five-mile radius around the subject site, which included a large portion of parkland within the Barker Reservoir, resulting in a market analyst-derived capture rate conclusion of 40.4%.

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

The unacceptably high capture rate was brought to the Applicant's attention and a revised market study dated September 12, 2002, also prepared by The Gerald A Teel Company, was submitted. The revised market analysis is based on a primary market area defined by natural and man-made boundaries and included the following information:

**Definition of Primary Market:** "The primary market area for the subject is defined as an area bound by Buffalo Bayou on the north, Wilcrest Drive, Dairy-Ashford, and Dulles Avenue on the east, State Highway 6 and US-90A on the south, and FM-1464, FM-1093 and Barker Reservoir on the west." (p. 4) This defined market area is more in line with the area defined for a similar development proposed and allocated in 2002 and excludes the parkland within the Barker Reservoir.

**Total Local/Submarket Demand for Rental Units:**

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	56	2%	72	2%
Resident Turnover	2,567	94%	3,540	0%
Other Sources: 2 yrs pent-up demand	112	4%	N/A	N/A
<b>TOTAL ANNUAL DEMAND</b>	<b>2,735</b>	<b>100%</b>	<b>3,612</b>	<b>100%</b>

Ref: p. 56-57

**Capture Rate:** "Overall, the estimated qualified households demand is 2,735 units, which equates to a 20.5% capture rate for the subject's proposed 192 rent restricted units combined with the other 368 rent restricted [two- and three-bedroom] units under construction (168 West Oaks units and 200 two and three-bedroom units in Matthew Ridge), including probable rental turnover." (p. 57) Upon request, the analyst included Collingham Park, a development awarded tax credits in 2000, in their capture rate calculation. However, due to the developments location on the boundary of the primary market area, only 25% of the 250 units were included in the calculation. "...more than half of the Collingham Park [market area] is outside the defined market boundaries for the subject project...The Collingham Park project had an average absorption of almost 20 units per month. In addition, by the time the proposed subject project is completed and available for first occupancy, the Collingham Park project will have been at or above a stabilized occupancy for over a year. Given this scenario, we will include only 25% of the Collingham Park units in our capture rate analysis...[indicating] a revised capture rate of 24.2%."

Unfortunately, this approach to determining other unstabilized units in the market is inconsistent with the current concentration capturer rate policy. Based upon the market analysts demand, the capture rate would appear to be 31%. The Underwriter recalculated demand without the restriction on family size (2 to 6 family members) which was placed upon the development since there were no one-bedroom units planned for the development but there are in the competing unstabilized units. With the underwriter's greater demand calculation the 658 unstabilized units combined with the proposed 192 units reflects an acceptable 23.5% concentration capture rate. Alternatively if the market analyst's demand figure is used and the 270 unstabilized competing one-bedroom units are not considered the capture rate is also an acceptable 21%.

**Market Rent Comparables:** The market analyst surveyed 7 existing and proposed comparable apartment projects in the market area. (p. 24)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>2-Bedroom (60%)</b>	\$730	\$734	-\$4	\$800	-\$70
<b>3-Bedroom (60%)</b>	\$840	\$845	-\$5	\$925	-\$85

(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)

**Submarket Occupancy Rates:** The average occupancy rate for five of the seven comparable rental projects

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

is 93.6%. (p. 26) “Regarding occupancy levels, a range of 91% to 94% is considered likely at this time. This level is inclusive of concessions. Given that the restricted rental rates for the subject will be below market rated for the area. No concessions are considered necessary to meet a stabilized occupancy of say 93%.” (p. 27)

**Absorption Projections:** The average absorption rate for 27 developments in suburban Houston is 25 units per month. (p. 26)

**Known Planned Development:** “*Apartment Market TRAC* (as of April 2002) reports 706 additional units under construction in two projects; however, additional research indicates that 980 units are under construction in four projects including 168 units in a similar rent-restricted property [West Oak, 2001] as the subject by the same developer.” (p. 21) The analyst also mentions Matthew Ridge, a 240 unit rent-restricted development awarded credits in 2002, but fails to mention Collingham Park, a 250 unit rent-restricted awarded credits in 2000. In response to a request, the analyst submitted a letter with a revised capture rate calculation that includes Collingham Park.

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is located at the northwest corner of Westpark Drive and Green Crest Road just to the west of State Highway 6 and just south of Westheimer Road (FM-1093) in far west/southwest Houston.

**Population:** The estimated 2000 population of the primary market area was 268,846 and is expected to increase by 5.75% to approximately 284,296 by 2005. Within the primary market area there were estimated to be 99,420 households in 2000.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly residential with single family and multifamily housing. Adjacent land uses include:

- **North:** single family housing, Gray Ridge Drive
- **South:** intermediate public school
- **East:** undeveloped land
- **West:** undeveloped land, multifamily housing

**Site Access:** Access to the property is from the Green Crest Road or Westpark Drive. The area is linked to greater Houston via State Highway 6 and IH-10. Interstate Highway 10 is located approximately five miles to the north and extends east/west across Harris County.

**Public Transportation:** Although portions of the neighborhood are located outside the incorporated city limits of Houston, a large portion is within the City limits and therefore, public transportation is available. However, the proximity of linkages to public transportation from the proposed development is unknown.

**Shopping & Services:** A regional mall is located north of the subject and other substantial retail development can be found along the primary thoroughfares of SH-6, Westheimer, Bellaire and Beechnut. The area includes a medical complex within its east end. The Barker Reservoir provides a wilderness area that is partially finished with a park area.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated August 16, 2002 was prepared by SWCA Environmental Consultants and contained the following findings and recommendations:

“SWCA did not observe or identify any characteristics on the subject property or adjacent properties, which may be considered a recognized environmental condition. However, one CORRACTS, one UST, and four oil/gas well sites were identified within state and federal databases, which occur within one mile of the subject property. After further investigation, SWCA did not identify any evidence to suggest these sites are a recognized environmental condition. In addition, SWCA did not identify any area of the subject property that had positive indicators for all three US Army Corps of Engineers-required wetland criteria. SWCA does not recommend further investigation of the site as a result of this ESA.” (p. 1)

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

**OPERATING PROFORMA ANALYSIS**

**Income:** Due to the Applicant's use of slightly understated gross rent assumptions, their potential gross rent figure is \$10K less than the Underwriter's estimate. As a direct result, the Applicant's effective gross income estimate is also understated by \$9.5K, but still within 5% of the Underwriter's estimate.

**Expenses:** The Applicant's total operating expense estimate is \$102K, or 14.5%, higher than the Underwriter's estimate. In addition, several of the Applicant's line-item expense figures differ significantly as compared to the Underwriter's estimates. These include: general and administrative (\$30K lower), payroll (\$87K higher), repairs and maintenance (\$15K lower), utilities (\$34K lower), property insurance (\$43K higher), and property tax (\$23K higher).

**Conclusion:** Overall, the Applicant's net operating income estimate is not within 5% of the Underwriter's estimate; therefore, the Underwriter's proforma will be used to determine the development's capacity to service debt. The Underwriter's proforma results in an aggregate debt coverage ratio (DCR) and a bonds-only DCR that fall below the Department's minimum DCR guideline of 1.10. In order to achieve a bonds-only DCR of 1.10, the annual bond-related debt service should not exceed \$896,753. Any debt service above this amount should be subject to potential mandatory redemption. This will be discussed in more detail in the financing structure analysis section of this report.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Off-Site Costs:** The Applicant claimed off-site costs of \$87,386 for utilities, and provided a third party engineering cost certification to justify these costs.

**Site Work Cost:** The Applicant claimed site work costs of \$7,539 per unit, which exceeds the Department's maximum guideline of \$6,500 per unit, and provided a third party cost estimate accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis and therefore the Underwriter used the entire amount.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$441K or 5% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

**Interim Financing Fees:** The Underwriter reduced the Applicant's interim financing fees by \$95,126 rather than include the proposed GIC income as a source of funds.

**Conclusion:** The Applicant's total development cost figure is within 5% of the Underwriter's estimate. Therefore, the Applicant's adjusted estimate will be used to calculate eligible basis and to determine the development's total need for funding.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing: a bond-financed interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Bonds:** The bonds are tax-exempt private activity mortgage revenue bonds to be issued by the Department and placed privately with Charter MAC. As of the date of the underwriting analysis and according to the most current revised letter of interest, the amount of the bonds to be purchased will be \$12,180,000. The interest rate on the bonds shall be set at 7.0%. The rates reflect all-in rates, including loan servicing, but excluding annual trustee fees or other trust indenture expenses. Charter shall arrange for a letter of credit to be issued for the benefit of the trustee throughout and 15 days following the construction period of 24 months. The term and amortization period will be equal to 40 years. An even more current sources and uses statement from Charter MAC indicates that the full request of \$12,500,000 in bonds is still being considered with the difference in bond amounts anticipated to be required to be redeemed if the development does not meet performance standards as projected by the Applicant.. Receipt, review and acceptance of a permanent financing commitment for purchase of the full requested bond amount is a condition of this report.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The revised letter of interest shows net proceeds are anticipated to be \$4,179,000 based on a syndication factor of 82%. The funds would be disbursed in a five-phased pay-in schedule:

1. 20% upon admission to partnership;
2. 25% upon 50% completion of construction;

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

3. 35% upon 75% completion of construction;
4. 5% upon completion of construction; and
5. 15% upon satisfaction of rental achievement conditions.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$681,316 amount to 40% of the total fees.

**Financing Conclusions:** As stated above, the Applicant's adjusted total development cost was used to calculate eligible basis and a recommended tax credit allocation of \$523,902 annually for ten years. The recommended allocation is \$27K less than the revised requested amount due to the reduction in eligible basis by the proposed GIC income.

Based on the Underwriter's proforma, the annual bond-related debt service should not exceed \$896,753 in order for the development to achieve an initial bonds-only DCR of 1.10. Based on the proposed terms, the primary debt amount would be reduced to \$12,025,377. Should the bonds be ultimately resized to this level at conversion the resulting deferred developer fees would amount \$1,296,686. Deferred fees in this amount appear to be repayable from stabilized cash flow within ten years. Should the bonds not be reduced by the full amount predicted herein, the deferred developer fee will be reduced on a dollar for dollar basis.

**REVIEW of ARCHITECTURAL DESIGN**

The individual units offer livable floorplans with adequate storage. Each unit includes a washer/dryer closet and private balcony/patio. The elevations for the residential buildings show attractive three story structures with combination brick veneer and siding exteriors and a varied roofline. The common area building includes many tenant accessible areas as well as leasing/management offices. The exterior is similar in design to the residential buildings.

**IDENTITIES of INTEREST**

The Applicant, developer, general contractor, cost estimator, and property manager are related entities. These are common identities of interest for tax credit developments funded through the Department.

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

**Financial Highlights:**

- According to a representative of the Applicant, the Applicant, General Partner, Finlay GP Holdings and Finlay Holdings were recently created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The principal of Finlay Holdings, Christopher C Finlay, submitted an interim financial statement as of July 11, 2002.

**Background & Experience:**

- The Applicant, General Partner, Finlay GP Holdings and Finlay Holdings were recently created for the purpose of receiving assistance from TDHCA.
- Christopher C Finlay, the principal of the proposed ownership structure, indicates participation in 15 developments totaling 1,367 units throughout the country since 1993.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's estimated operating expenses are more than 5% outside of the Underwriter's verifiable range.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$523,902 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND ISSUANCE OF TAX-EXEMPT BONDS AS REQUESTED AT \$12,500,000, TO

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

BE FULLY AMORTIZED OVER 40 YEARS. THE INTEREST RATE OF THE BONDS WILL BE 7%.

**CONDITIONS**

1. Receipt review and acceptance of revised application and/r floor and building plans to reflect compliance with the LIHTC handicapped accessibility requirements
2. Receipt, review, and acceptance of an acceptable site inspection report.
3. Receipt, review, and acceptance of a permanent financing commitment for purchase of the full requested bond amount.
4. Potential reduction of bonds at conversion to \$12,025,377 due to potential mandatory redemption.
5. Should the terms of the debt or syndication change the development should be re-evaluated.

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Lisa Vecchiatti*

**Date:** September 30, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 30, 2002



**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Green Crest, Houston, LIHTC 02439/MRB 2002-066**

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 UCil	Wtr, Swr, Trsh
TC 60%	94	2	2	1,017	\$804	\$734	\$68,996	\$0.72	\$70.00	\$19.00
EO	2	2	2	1,017	804	0	0	0.00	70.00	19.00
TC 60%	96	3	2	1,215	930	845	81,120	0.70	85.00	37.00
<b>TOTAL:</b>	<b>192</b>			<b>1,116</b>	<b>\$867</b>	<b>\$782</b>	<b>\$150,116</b>	<b>\$0.70</b>	<b>\$77.50</b>	<b>\$28.00</b>

**INCOME**

Total Net Rentable Sq Ft: 214,272

**POTENTIAL GROSS RENT**

Secondary Income Per Unit Per Month: \$10.00  
 Other Support Income: (describe)

**POTENTIAL GROSS INCOME**

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

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative Management	3.76%	\$330	\$0.30
Payroll & Payroll Tax	5.00%	439	0.39
Repairs & Maintenance	9.92%	872	0.78
Utilities	4.34%	381	0.34
Water, Sewer, & Trash	2.70%	237	0.21
Property Insurance	1.99%	175	0.16
Property Tax	2.03%	179	0.16
Reserve for Replacements	3.27027%	818	0.73
Other: Security	2.28%	200	0.18
	0.21%	19	0.02

**TOTAL EXPENSES**

**NET OPERATING INC**

**DEBT SERVICE**

1st Lien Mortgage	55.24%	\$4,855	\$4.35
Trustee Fee	0.21%	\$18	\$0.02
TDHCA Admin. Fees	0.74%	\$65	\$0.06
Ast. Ovst., Comp. Fees & Sup. S	1.77%	\$156	\$0.14

**NET CASH FLOW**

**AGGREGATE DEBT COVERAGE RATIO**

**BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO**

**BONDS-ONLY DEBT COVERAGE RATIO**

**ALTERNATIVE BONDS-ONLY DEBT COVERAGE RATIO**

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldng)		6.41%	\$6,026	\$5.40
Off-Sites		0.48%	455	0.41
Sitework		8.02%	7,539	6.76
Direct Construction		47.59%	44,758	40.11
Contingency	3.82%	2.13%	2,000	1.79
General Req'ts	5.74%	3.19%	3,000	2.69
Contractor's G & A	1.91%	1.06%	1,000	0.90
Contractor's Profi	5.74%	3.19%	3,000	2.69
Indirect Construction		2.35%	2,209	1.98
Ineligible Costs		8.57%	8,056	7.22
Developer's G & A	3.47%	2.51%	2,360	2.11
Developer's Profit	9.54%	6.90%	6,490	5.82
Interim Financing		4.78%	4,496	4.03
Reserves		2.83%	2,665	2.39
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$94,055</b>	<b>\$84.28</b>

**Recap-Hard Construction Costs**

**SOURCES OF FUNDS**

1st Lien Mortgage	69.22%	\$65,104	\$58.34
LIHTC Syndication Proceeds	23.14%	\$21,766	\$19.50
Additional Financing	0.00%	\$0	\$0.00
Deferred Developer's Fee	3.77%	\$3,549	\$3.18
Additional (excess) Funds Required	3.87%	\$3,636	\$3.26
<b>TOTAL SOURCES</b>			

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
POTENTIAL GROSS RENT	\$1,801,392	\$1,791,120			
Secondary Income	23,040	23,040	\$10.00		
POTENTIAL GROSS INCOME	\$1,824,432	\$1,814,160			
Vacancy & Collection Loss	(136,832)	(136,068)	-7.50%		
EFFECTIVE GROSS INCOME	\$1,687,600	\$1,678,092			
EXPENSES	63,392	\$33,000	\$0.15	\$172	1.97%
NET OPERATING INC	\$986,838	\$1,079,116	\$5.04	\$5,620	64.31%
DEBT SERVICE	\$932,147	\$908,290	\$4.24	\$4,731	54.13%
NET CASH FLOW	\$8,747	\$136,238	\$0.64	\$710	8.12%
AGGREGATE DEBT COVERAGE RATIO	1.01	1.14			
BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO	1.05				
BONDS-ONLY DEBT COVERAGE RATIO	1.06				
ALTERNATIVE BONDS-ONLY DEBT COVERAGE RATIO	1.10				

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldng)	\$1,157,079	\$1,157,079	\$5.40	\$6,026	6.57%
Off-Sites	87,386	87,386	0.41	455	0.50%
Sitework	1,447,418	1,447,418	6.76	7,539	8.22%
Direct Construction	8,593,599	8,152,320	38.05	42,460	46.27%
Contingency	383,990	383,990	1.79	2,000	2.18%
General Req'ts	575,984	575,984	2.69	3,000	3.27%
Contractor's G & A	191,995	191,995	0.90	1,000	1.09%
Contractor's Profi	575,984	575,984	2.69	3,000	3.27%
Indirect Construction	424,172	424,172	1.98	2,209	2.41%
Ineligible Costs	1,546,786	1,546,786	7.22	8,056	8.78%
Developer's G & A	453,108	453,108	2.11	2,360	2.57%
Developer's Profit	1,246,046	1,246,046	5.82	6,490	7.07%
Interim Financing	863,259	863,259	4.03	4,496	4.90%
Reserves	511,677	511,677	2.39	2,665	2.90%
<b>TOTAL COST</b>	<b>\$18,058,483</b>	<b>\$17,617,204</b>	<b>\$82.22</b>	<b>\$91,756</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>\$11,768,970</b>	<b>\$11,327,691</b>	<b>\$52.87</b>	<b>\$58,998</b>	<b>64.30%</b>
<b>SOURCES OF FUNDS</b>					
1st Lien Mortgage	\$12,500,000	\$12,500,000	\$12,025,377		
LIHTC Syndication Proceeds	4,179,000	4,179,000	4,295,141		
Additional Financing	0	0	0		
Deferred Developer's Fee	681,316	681,316	1,296,686		
Additional (excess) Funds Required	698,167	256,888	0		
<b>TOTAL SOURCES</b>	<b>\$18,058,483</b>	<b>\$17,617,204</b>	<b>\$17,617,204</b>		

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Green Crest, Houston, LIHTC 02439/MRB 2002-066**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

**PAYMENT COMPUTATION**

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.79	\$8,740,102
<b>Adjustments</b>				
Exterior Wall Fini	2.75%		\$1.12	\$240,353
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(0.67)	(144,276)
Floor Cover			1.92	411,402
Porches/Balconies	\$29.24	30,041	4.10	878,399
Plumbing	\$615	576	1.65	354,240
Built-In Appliance	\$1,625	192	1.46	312,000
Exterior Stairs	\$1,400	64	0.42	89,600
Floor Insulation			0.00	0
Heating/Cooling			1.47	314,980
Garages/Carports			0.00	0
Comm &/or Aux Bldn	\$55.81	3,217	0.84	179,538
Other:			0.00	0
<b>SUBTOTAL</b>			<b>53.09</b>	<b>11,376,337</b>
Current Cost Multiplier	1.02		1.06	227,527
Local Multiplier	0.91		(4.78)	(1,023,870)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$49.38</b>	<b>\$10,579,993</b>
Plans, specs, survy, b	3.90%		(\$1.93)	(\$412,620)
Interim Construction I	3.38%		(1.67)	(357,075)
Contractor's OH & Prof	11.50%		(5.68)	(1,216,699)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$40.11</b>	<b>\$8,593,599</b>

<b>Primary</b>	\$12,500,000	Term	480
Int Rate	7.00%	DCR	1.06

<b>Secondary</b>	\$4,179,000	Term	
Int Rate		Subtotal DCR	1.04

<b>Additional</b>	\$0	Term	
Int Rate		Aggregate DCR	1.01

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$896,753
Trustee Fee	3,500
TDHCA Fees & Supportive Serv	42,444
<b>NET CASH FLOW</b>	<b>\$44,141</b>

<b>Primary</b>	\$12,025,377	Term	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>	\$4,179,000	Term	
Int Rate		Subtotal DCR	1.10

<b>Additional</b>	\$0	Term	
Int Rate		Aggregate DCR	1.05

**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	\$1,801,392	\$1,855,434	\$1,911,097	\$1,968,430	\$2,027,483	\$2,350,408	\$2,724,767	\$3,158,752	\$4,245,098
Secondary Income	23,040	23,731	24,443	25,176	25,932	30,062	34,850	40,401	54,295
Other Support Income: (de	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,824,432	1,879,165	1,935,540	1,993,606	2,053,414	2,380,470	2,759,617	3,199,153	4,299,394
Vacancy & Collection Los	(136,832)	(140,937)	(145,165)	(149,520)	(154,006)	(178,535)	(206,971)	(239,936)	(322,455)
Employee or Other Non-Ren	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,687,600</b>	<b>\$1,738,228</b>	<b>\$1,790,374</b>	<b>\$1,844,086</b>	<b>\$1,899,408</b>	<b>\$2,201,935</b>	<b>\$2,552,646</b>	<b>\$2,959,216</b>	<b>\$3,976,939</b>
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$63,392	\$65,928	\$68,565	\$71,308	\$74,160	\$90,227	\$109,775	\$133,558	\$197,698
Management	84,380	86,911	89,519	92,204	94,970	110,097	127,632	147,961	198,847
Payroll & Payroll Tax	167,424	174,121	181,086	188,329	195,862	238,297	289,924	352,737	522,137
Repairs & Maintenance	73,161	76,087	79,130	82,296	85,587	104,130	126,690	154,138	228,162
Utilities	45,533	47,354	49,248	51,218	53,267	64,807	78,848	95,931	142,001
Water, Sewer & Trash	33,615	34,960	36,358	37,813	39,325	47,845	58,211	70,822	104,835
Insurance	34,284	35,655	37,081	38,564	40,107	48,796	59,368	72,230	106,918
Property Tax	156,973	163,252	169,782	176,573	183,636	223,421	271,826	330,718	489,544
Reserve for Replacements	38,400	39,936	41,533	43,195	44,923	54,655	66,496	80,903	119,756
Other	3,600	3,744	3,894	4,050	4,211	5,124	6,234	7,585	11,227
<b>TOTAL EXPENSES</b>	<b>\$700,761</b>	<b>\$727,948</b>	<b>\$756,197</b>	<b>\$785,549</b>	<b>\$816,049</b>	<b>\$987,400</b>	<b>\$1,195,005</b>	<b>\$1,446,583</b>	<b>\$2,121,126</b>
<b>NET OPERATING INCOME</b>	<b>\$986,838</b>	<b>\$1,010,280</b>	<b>\$1,034,178</b>	<b>\$1,058,536</b>	<b>\$1,083,359</b>	<b>\$1,214,535</b>	<b>\$1,357,640</b>	<b>\$1,512,633</b>	<b>\$1,855,814</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees	12,500	11,969	11,908	11,842	11,772	11,339	10,724	9,853	6,866
Ast. Ovst., Comp. Fees	29,944	31,142	32,388	33,683	35,031	42,620	51,854	63,088	93,386
Cash Flow	44,141	66,915	89,629	112,757	136,302	260,323	394,809	539,439	855,308
<b>AGGREGATE DCR</b>	<b>1.05</b>	<b>1.07</b>	<b>1.09</b>	<b>1.12</b>	<b>1.14</b>	<b>1.27</b>	<b>1.41</b>	<b>1.55</b>	<b>1.85</b>

LIHTC Allocation Calculation - Green Crest, Houston, LIHTC 02439/MRB 2002-066

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$1,157,079	\$1,157,079		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,447,418	\$1,447,418	\$1,447,418	\$1,447,418
Off-site improvements	\$87,386	\$87,386		
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$8,152,320	\$8,593,599	\$8,152,320	\$8,593,599
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$191,995	\$191,995	\$191,995	\$191,995
Contractor profit	\$575,984	\$575,984	\$575,984	\$575,984
General requirements	\$575,984	\$575,984	\$575,984	\$575,984
<b>(5) Contingencies</b>	\$383,990	\$383,990	\$383,990	\$383,990
<b>(6) Eligible Indirect Fees</b>	\$424,172	\$424,172	\$424,172	\$424,172
<b>(7) Eligible Financing Fees</b>	\$863,259	\$863,259	\$863,259	\$863,259
<b>(8) All Ineligible Costs</b>	\$1,546,786	\$1,546,786		
<b>(9) Developer Fees</b>				
Developer overhead	\$453,108	\$453,108	\$453,108	\$453,108
Developer fee	\$1,246,046	\$1,246,046	\$1,246,046	\$1,246,046
<b>(10) Development Reserves</b>	\$511,677	\$511,677		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$17,617,204</b>	<b>\$18,058,483</b>	<b>\$14,314,276</b>	<b>\$14,755,555</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$523,902</b>	<b>\$540,053</b>
Syndication Proceeds		0.8198	\$4,295,141	\$4,427,552

**Rent Cap Explanation**  
Houston MSA

**AFFORDABILITY DEFINITION & COMMENTS**

An apartment unit is "**affordable**" if the total housing expense (rent and utilities) that the tenant pays is **equal to or less than 30%** of the tenant's household income (as determined by HUD).

**Rent Caps** are established at this **30%** "affordability" threshold based on local area median income, adjusted for family size. Therefore, rent caps will vary from property to property depending upon the local area median income where the specific property is located.

If existing rents in the local market area are lower than the rent caps calculated at the 30% threshold for the area, then by definition the market is "affordable". This situation will occur in some larger metropolitan areas with high median incomes. In other words, the rent caps will not provide for lower rents to the tenants because the rents are already affordable. This situation, however, does not ensure that individuals and families will have access to affordable rental units in the area. The set-aside requirements under the Department's bond programs ensure availability of units in these markets to lower income individuals and families.

**MAXIMUM INCOME & RENT CALCULATIONS (ADJUSTED FOR HOUSEHOLD SIZE) - 2002**

MSA/County: **Houston** Area Median Family Income (Annual): **\$59,600**

ANNUALLY				MONTHLY								
Maximum Allowable Household Income to Qualify for Set-Aside units under the Program Rules				Maximum Total Housing Expense Allowed based on Household Income (Includes Rent & Utilities)				Utility Allowance by Unit Type (provided by the local PHA)	Maximum Rent that Owner is Allowed to Charge on the Set-Aside Units (Rent Cap)			
# of Persons	At or Below			Unit Type	At or Below				At or Below			
	50%	60%	80%		50%	60%	80%		50%	60%	80%	
1	\$ 20,850	\$ 25,020	33,400	Efficiency	\$ 521	\$ 625	\$ 835	\$ 47	\$ 474	\$ 578	\$ 788	
2	23,850	28,620	38,150	1-Bedroom	558	670	894	69	489	601	825	
	<b>26,800</b>	<b>32,160</b>	<b>42,900</b>	<b>2-Bedroom</b>	<b>670</b>	<b>804</b>	<b>1,072</b>	<b>88</b>	<b>582</b>	<b>716</b>	<b>984</b>	
4	29,800	35,760	47,700	3-Bedroom	775	930	1,240	106	669	824	1,134	
5	32,200	38,640	51,500	4-Bedroom	863	1,036	1,382	137	726	899	1,245	
6	34,550	41,460	55,300	5-Bedroom	953	1,144	1,525	158	816	1,007	1,388	
7	36,950	44,340	59,100									
8	39,350	47,220	62,950									
<b>FIGURE 1</b>				<b>FIGURE 2</b>				<b>FIGURE 3</b>	<b>FIGURE 4</b>			

**Figure 1** outlines the maximum annual household incomes in the area, adjusted by the number of people in the family, to qualify for a unit under the set-aside grouping indicated above each column.

For example, a family of three earning \$30,000 per year would fall in the 60% set-aside group. A family of three earning \$25,000 would fall in the 50% set-aside group.

**Figure 2** shows the maximum total housing expense that a family can pay under the affordable definition (i.e. under 30% of their household income).

For example, a family of three in the 60% income bracket earning \$32,160 could not pay more than \$804 for rent and utilities under the affordable definition.

- 1) \$32,160 divided by 12 = **\$2,680** monthly income; then,
- 2) **\$2,680** monthly income times 30% = **\$804** maximum total housing expense.

**Figure 4** displays the resulting maximum rent that can be charged for each unit type, under the three set-aside brackets. This becomes the rent cap for the unit.

The rent cap is calculated by subtracting the utility allowance in **Figure 3** from the maximum total housing expense for each unit type found in **Figure 2**.

**Figure 3** shows the utility allowance by unit size, as determined by the local public housing authority. The example assumes all electric units.

## Green Crest Apartments

### RESULTS & ANALYSIS:

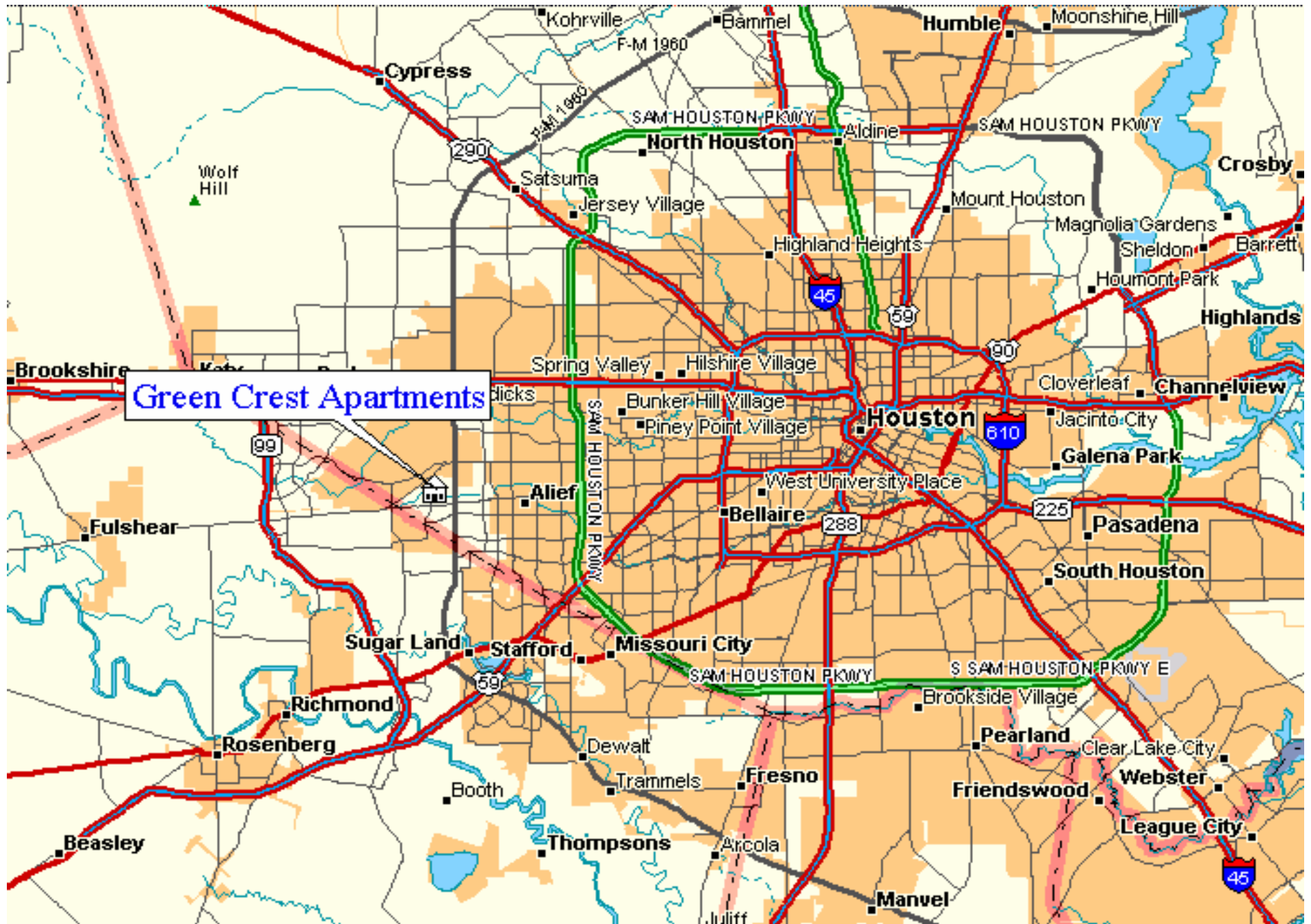
**Tenants** in the 60% AMFI bracket will **save \$57 to \$51** per month (leaving 2.1% to 1.6% more of their monthly income for food, child care and other living expenses).

This is a monthly savings off the market rents of **7.4% to 5.8%**.

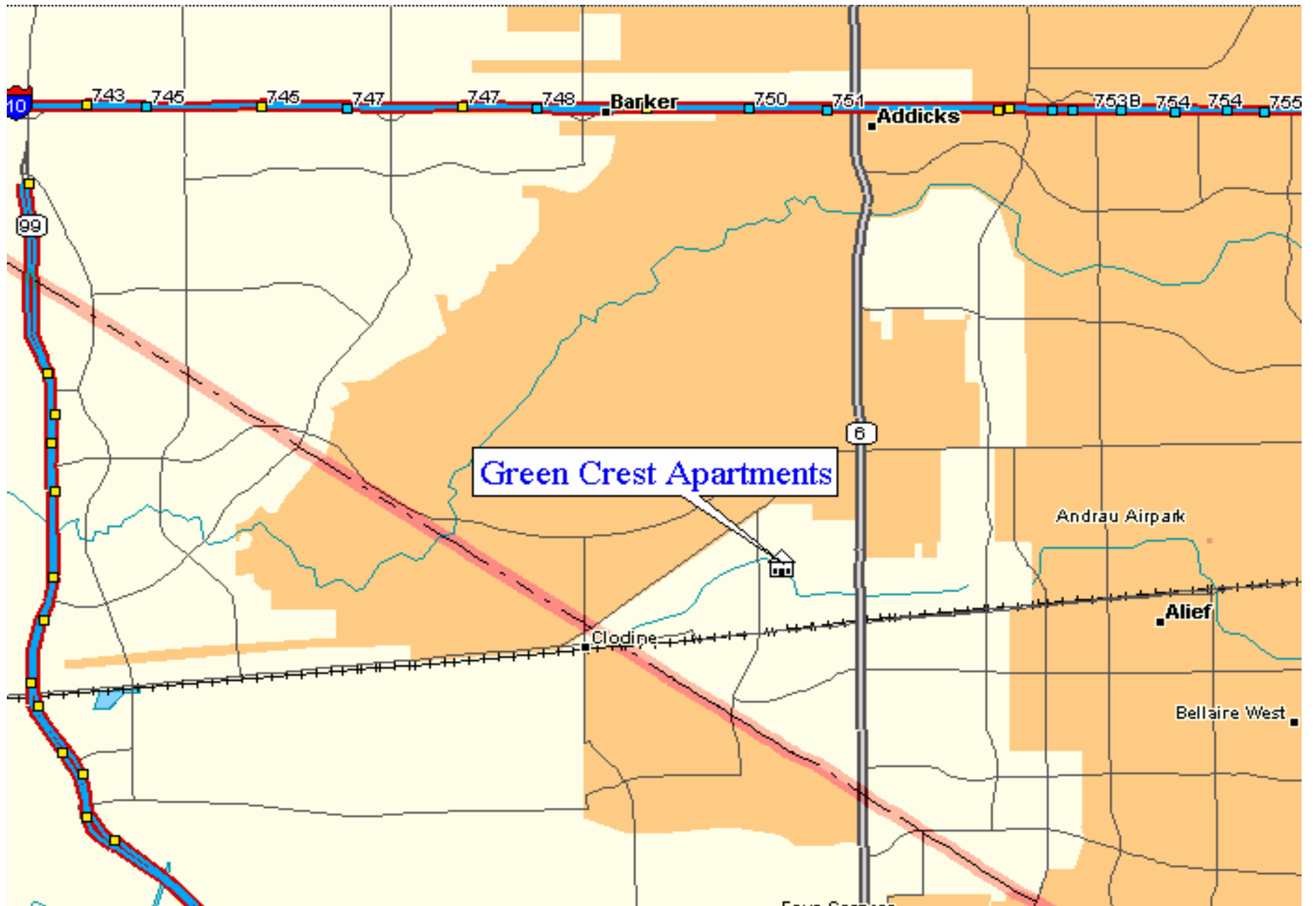
<b>PROJECT INFORMATION</b>				
<b>Unit Mix</b>				
Unit Description		2-Bedroom	3-Bedroom	
Square Footage		1,017	1,215	
Rents if Offered at Market Rates		\$773	\$875	
Rent per Square Foot		\$0.76	\$0.72	

<b>SAVINGS ANALYSIS FOR 60% AMFI GROUPING</b>				
Rent Cap for 50% AMFI Set-Aside		\$716	\$824	
<b>Monthly Savings for Tenant</b>		<b>\$57</b>	<b>\$51</b>	
Rent per square foot		\$0.70	\$0.68	
Maximum Monthly Income - 60% AMFI		\$2,680	\$3,100	
<b>Monthly Savings as % of Monthly Income</b>		<b>2.1%</b>	<b>1.6%</b>	
<b>% DISCOUNT OFF MONTHLY RENT</b>		<b>7.4%</b>	<b>5.8%</b>	

**Market information provided by:** The Gerald A. Teel Company, Inc., 974 Campbell, Suite 204, Houston, Texas 77024



Green Crest Apartments



# Developer Evaluation

## Compliance Status Summary

Project ID #: 02439

LIHTC 9%  LIHTC 4%

Project Name: Green Crest Apartments

HOME  HTF

Project City:

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 0 # not yet monitored or pending review 3

# of projects grouped by score 0-9: 0 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received Yes

Non-Compliance Reported No

Completed by Jo En Taylor Completed on 09/16/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments:

Completed by Lucy Trevino Completed on 09/16/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments:

Completed by Ralph Hendrickson Completed on 09/16/2002



**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer                      **Completed on** 09/17/2002

**Executive Director:** \_\_\_\_\_                      **Date Signed:** \_\_\_\_\_

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GREEN CREST APARTMENTS

PUBLIC HEARING

Kendall Branch Library  
14330 Memorial Drive  
Houston, Texas

September 16, 2002  
6:00 p.m.

BEFORE: WAYNE HARLESS,  
Multifamily Loan Officer  
Texas Department of Housing  
And Community Affairs

P R O C E E D I N G S

1  
2 MR. HARLESS: Good evening. My name is Wayne  
3 Harless. I would like to proceed with the public hearing.

4 Let the record show that it is 6:00 p.m., Monday,  
5 September 16, 2002, and we are here at the Kendall Branch  
6 Library at 14330 Memorial Drive, Houston, Texas.

7 I am here to conduct the public hearing on  
8 behalf of the Texas Department of Housing and Community  
9 Affairs with respect to an issue of tax exempt multifamily  
10 revenue bonds for a residential rental community.

11 This hearing is required by the Internal  
12 Revenue Code. The sole purpose of this hearing is to  
13 collect comments that will be provided to the highest  
14 elected official with jurisdiction over the issue, which,  
15 in this case, is the Attorney General.

16 No decisions regarding the project will be made  
17 at this hearing. There are no department board members  
18 present. The department's board will meet to consider the  
19 transaction on October 10, 2002, upon recommendation by  
20 the finance committee.

21 In addition to providing your comments at this  
22 hearing, the public is also invited to provide comment  
23 directly to the finance committee or the board at any of  
24 their meetings. Department staff will also accept written

1 comments from the public via facsimile at 512/475-3085 up  
2 to 5:00 p.m. on September 27, 2002.

3           The bonds will be issued as tax exempt  
4 multifamily revenue bonds in the aggregate principal  
5 amount not to exceed 12 million five and taxable bonds, if  
6 necessary, in an amount to be determined and issued in one  
7 or more series by the Texas Department of Housing and  
8 Community Affairs, the issuer.

9           The proceeds of the bonds will be loaned to  
10 Finlay Interest 34, Limited, or a related person or  
11 affiliate entity thereof, to finance a portion of the  
12 costs of acquiring, constructing, and equipping a  
13 multifamily rental housing community described as follows:

14           A 192-unit multifamily residential rental  
15 development to be constructed on approximately 10.12 acres  
16 of land, located on the northwest corner of the  
17 intersection of Green Crest Drive and Westpark Drive in  
18 Houston, Harris County, Texas 77082. The proposed  
19 multifamily rental housing community will be initially  
20 owned and operated by the borrower or a related person or  
21 affiliate thereof.

22           I would like to now open the floor for public  
23 comment.

24           Let the record show that there are no

1 attendees; therefore, the meeting is now adjourned. And  
2 the time is 6:04 p.m.

3

4 (Whereupon, at 6:04 p.m., the public hearing  
5 was concluded.)



# TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

## HOUSING FINANCE DIVISION - MULTIFAMILY

### REQUEST FOR BOARD APPROVAL OF MULTIFAMILY MORTGAGE REVENUE BOND ISSUANCE

#### 2002 PRIVATE ACTIVITY MULTIFAMILY REVENUE BONDS

#### IRONWOOD CROSSING APARTMENTS

**\$15,000,000 (\*) Tax Exempt – Series 2002A**

**\$1,970,000 (\*) Taxable – Series 2002B**

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### TABLE OF EXHIBITS

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TAB 1	TDHCA Board Presentation
TAB 2	Sources & Uses of Funds Estimated Costs of Issuance
TAB 3	Department's Credit Underwriting Analysis
TAB 4	Rental Restrictions Explanation Results & Analysis
TAB 5	Location Map
TAB 6	TDHCA Compliance Report
TAB 7	Results of Public/TEFRA Hearings (August 29, 2002)

*(\*) Preliminary - subject to change*

**FINANCE COMMITTEE AND BOARD APPROVAL  
MEMORANDUM**

**October 10, 2002**

**PROJECT:** Ironwood Crossing (f.k.a. Mark IV Apartments) Fort Worth, Tarrant County, Texas

**PROGRAM:** Texas Department of Housing and Community Affairs  
2002 Multifamily Housing Mortgage Revenue Bonds  
(Reservation received 07/19/2002)

**ACTION  
REQUESTED:**

Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Act (the "Act"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein.

**PURPOSE:**

The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to Ironwood Ranch Townhomes Limited Partnership, a Ohio limited partnership (the "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a new, 280-unit multifamily residential rental project located in the southwest quadrant of the intersection of Old Denton Road and Western Center Blvd, Fort Worth, Texas 76137 (the "Project"). A portion of the Bonds will be tax-exempt by virtue of the Project's qualifying as a residential rental project.

**BOND AMOUNT:**

\$15,000,000 Series 2002A, (the "Tax-Exempt Bonds")  
\$ 1,970,000 Series 2002B, (the "Taxable Bonds")  
\$16,970,000 Total (\*)

(\*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Project and the amount for which Bond Counsel can deliver its Bond Opinion.

**ANTICIPATED  
CLOSING DATE:**

The Department received a volume cap allocation for the Bonds on July 19, 2002 pursuant to the Texas Bond Review Board's 2002 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before November 16, 2002, the anticipated closing date is November 13, 2002.

**BORROWER:**

Ironwood Ranch Townhomes Limited Partnership, an Ohio limited partnership, the general partner of which is Brisben Texas, Inc., an Ohio corporation, the manager of which is Bill Brisben.

**COMPLIANCE  
HISTORY:**

A recent Compliance Summary reveals that the principal of the general partner above has a total of six (6) properties being monitored by the

Department. Two (2) of these properties have received a compliance score. All of the scores are below the material non-compliance threshold score of 30.

**ISSUANCE TEAM & ADVISORS:**

Charter Municipal Mortgage Acceptance Company (“Bond Purchaser”)  
 Wells Fargo Bank Texas, N.A., (“Trustee”)  
 Vinson & Elkins L.L.P. (“Bond Counsel”)  
 RBC Dain Rauscher Inc. (“Financial Advisor”)  
 McCall, Parkhurst & Horton, L.L.P. (Disclosure Counsel)

**BOND PURCHASER:**

The Bonds will be purchased by Charter Municipal Mortgage Acceptance Company. The purchaser and any subsequent purchaser will be required to sign the Department’s standard traveling investor letter.

**PROJECT DESCRIPTION:**

***Site:*** The proposed affordable housing community is a 280-unit multifamily residential rental development to be constructed on approximately 26.812 acres of land located in the southwest quadrant of the intersection of Old Denton Road and Western Center Blvd, Fort Worth, Texas 76137. The site is currently undeveloped as is much of the land immediately east, west and northwest of the site. Single-family homes exist southeast and southwest of the site. New single-family home development is occurring just south of the subject property. Access will be provided from Western Center Blvd, south to the property and from Mark IV Pkwy, northwest to the property. The proposed density is 10.44 dwelling units per acre. Food stores and neighborhood convenience stores are located approximately 2 miles northeast of the site.

***Buildings:*** The development will include a total of thirty-two (32) two-story, wood-framed apartment buildings containing approximately 328,745 net rentable square feet and having an average unit size of 1,174 square feet. The units will feature two full bathrooms, washer/dryer connections, cable television outlets, wall-to-wall carpeting and a full range of appliances including a refrigerator, disposal, dishwasher and range. All ground units will be wheelchair accessible.

Units	Unit Type	Square Feet	Proposed Net Rent
26	2-Bedrooms/2-Baths	1,000	\$712
26	2-Bedrooms/2-Baths	1,088	\$734
26	2-Bedrooms/2-Baths	1,118	\$743
62	2-Bedrooms/2-Baths	1,145	\$743
26	3-Bedrooms/2-Baths	1,196	\$808
24	3-Bedrooms/2-Baths	1,274	\$820
28	3-Bedrooms/2-Baths	1,146	\$860
<u>62</u>	3-Bedrooms/2-Baths	1,291	\$860
280			



**On-site Amenities:** There will be a large clubhouse that will have office and leasing space, kitchen facilities, laundry facilities, kid's room, computer room, a recreation room, a community room for supportive services with a television and fireplace. Adjacent to the clubhouse will be a large swimming pool. Other amenities will include a sport court, tot lot, a children's play area with playground equipment and a picnic area.

**SET-ASIDE UNITS:**

For Bond covenant purposes, at least forty (40%) of the residential units in the development are set aside for persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each project will be set aside on a priority basis for persons with special needs.

*(The Borrower has elected to set aside 100% of the units for tax credit purposes.)*

**RENT CAPS:**

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for sixty percent (60%) of the area median income.

**TENANT SERVICES:**

Borrower has provided a Tenant Services Program and Preliminary Budget with for a wide range of supportive services that would otherwise not be available for the tenants. The provision of these services will be included in the Regulatory and Land Use Restriction Agreement.

**DEPARTMENT  
ORIGINATION  
FEES:**

\$1,000 Pre-Application Fee (Paid).  
\$10,000 Application Fee (Paid).  
\$84,850 Issuance Fee (.50% of the bond amount paid at closing).

**DEPARTMENT  
ANNUAL FEES:**

\$16,970 Bond Administration (0.10% of first year bond amount)  
\$7,000 Compliance (\$25/unit/year adjusted annually for CPI)

*(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Project cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)*

**ASSET OVERSIGHT  
FEE:**

\$7,000 to TSAHC or assigns (\$25/unit/year adjusted annually for CPI)

**TAX CREDITS:**

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to approximately \$747,207 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of its limited partnership interests, typically 99%, to raise equity funds for the project. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately

\$6,125,872 of equity for the transaction.

**BOND STRUCTURE:**

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser, and will mature over a term of 40 years. During the construction and lease-up period, the Bonds will pay as to interest only. The Bonds will be secured by a first lien on the Project.

The Bonds are mortgage revenue bonds and, as such, create no potential liability for the general revenue fund or any other state fund. The Act provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas. The only funds pledged by the Department to the payment of the Bonds are the revenues from the project financed through the issuance of the Bonds.

**BOND INTEREST RATES:**

The interest rate on the Tax-Exempt Bonds will be 5.5% from the date of Issuance to June 30, 2004 and 7.0% thereafter. The interest rate on the Taxable Bonds will be 8.75%.

**CREDIT  
ENHANCEMENT:**

The Bonds will be unrated with no credit enhancement.

**FORM OF BONDS:**

The Bonds will be issued in book entry (typewritten or lithographical) form and in denominations of \$100,000 and any amount in excess of \$100,000.

**MATURITY/SOURCES  
& METHODS OF  
REPAYMENT:**

The Bonds will bear interest at a fixed rate until maturity, with an adjustment to the interest rate on the Tax-Exempt Bonds as set forth above, and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Capitalized Interest Account of the Construction Fund, earnings derived from amounts held on deposit in an investment agreement, if any, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

**TERMS OF THE  
MORTGAGE LOAN:**

The Mortgage Loan is a non-recourse obligation of the Borrower (which means, subject to certain exceptions, the Borrower is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and

interest upon conversion to the permanent phase. A Deed of Trust and related documents convey the Borrower's interest in the project to secure the payment of the Mortgage Loan.

**REDEMPTION OF  
BONDS PRIOR TO  
MATURITY:**

The Bonds may be subject to redemption under any of the following circumstances:

**Mandatory Redemption:**

- (a) (i) With respect to the Tax-Exempt Bonds, in whole or in part, to the extent excess funds remain on deposit in the Tax-Exempt Bond Proceeds Subaccount of the Loan Account of the Construction Fund after the Project's Completion Date; (ii) with respect to the Taxable Bonds, in whole or in part, to the extent excess funds remain on deposit in the Taxable Bond Proceeds Subaccount of the Loan Account of the Construction Fund after the one year anniversary of the Completion Date; and (iii) after receipt by the Trustee from the Majority Owner to redeem Bonds from amounts on deposit in the Earnout Account of the Construction Fund; or
- (b) with respect to the Tax-Exempt or Taxable Bonds, in part, if the project has not achieved Stabilization within forty-eight (48) months after the earlier of (A) the date the Project achieves completion or (B) the Completion Date; or
- (c) in whole or in part, if there is damage to or destruction or condemnation of the Project, to the extent that Insurance Proceeds or a Condemnation Award in connection with the Project are deposited in the Revenue Fund and are not to be used to repair or restore the Project, then such proceeds shall apply first to the redemption of the Tax-Exempt Bonds and second to the Taxable Bonds; or
- (d) upon the determination of Taxability if the owner of a Tax-Exempt Bond presents his Tax-Exempt Bond or Bonds for redemption on any date selected by such owner specified in a written notice delivered to the Borrower and the Issuer at least thirty (30) days prior to such date; or
- (e) with respect to the Tax-Exempt Bonds, in whole on any interest payment date on or after October 1, 2027, if the Owners of all of the Tax-Exempt Bonds elect redemption and provide a 180 day written notice to the Issuer, Trustee and Borrower; or
- (f) in part, according to the dates and amounts indicated for either the Tax-Exempt Bonds or the Taxable Bonds on the Mandatory Sinking Fund Schedule of Redemptions attached to the Trust Indenture.

**Optional Redemption:**

- (a) The Bonds are subject to redemption, in whole, at the option of the Borrower any time on or after October 1, 2027, from the proceeds of an optional prepayment of the Loan by the Borrower.

**FUNDS AND  
ACCOUNTS/FUNDS  
ADMINISTRATION:**

Under the Trust Indenture, the Trustee will serve as registrar and authenticating agent for the Bonds and as trustee of certain of the accounts created under the Trust Indenture (described below). The Trustee will also have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture accounts are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will create the following Funds and Accounts:

1. Construction Fund – On the closing date, the proceeds of the Bonds shall be deposited in the Construction Fund which may consist of five (5) accounts as follows:
  - (a) Loan Account – represents a portion of the proceeds of the sale of the Bonds that will be deposited into a Tax-Exempt Bond Proceeds Subaccount and a Taxable Bond Proceeds Subaccount to pay for Qualified Project Costs;
  - (b) Insurance and Condemnation Proceeds Account - represents Condemnation Award and Insurance Proceeds allocated to restore the Project pursuant to the Loan Documents;
  - (c) Capitalized Interest Account – represents a portion of the initial equity contribution of the Borrower and a portion of the Taxable Bonds which may be transferred to the Revenue Fund from this account in order to pay interest on the Bonds until the Completion Date of the Project;
  - (d) Costs of Issuance Account – represents a portion of the initial equity contribution of the Borrower and a portion of the Taxable Bonds from which the costs of issuance are disbursed;
  - (e) Earnout Account – represents a portion of the initial equity contribution of the Borrower, the disbursements from which are to be requested in writing by the Developer and approved by the Majority Owner of the Outstanding Bonds; and
  - (f) Equity Account – represents the balance of the initial equity contribution of the Borrower.

2. Replacement Reserve Fund – Amounts which are held in reserve to cover replacement costs and ongoing maintenance to the Project.
3. Tax and Insurance Fund – The Borrower must deposit certain moneys in the Tax and Insurance Fund to be applied to the payment of real estate taxes and insurance premiums.
4. Revenue Fund – Revenues from the Project are deposited to the Revenue Fund and disbursed to sub-accounts for payment to the various funds according to the order designated under the Trust Indenture: (1) to the payment of interest on the Bonds; (2) to the payment of the principal or redemption price, including premium, if any, on the Bonds; (3) to the payment of any required deposit in the Tax and Insurance Fund; (4) to the payment of any required deposit in the Replacement Reserve Fund; (5) to the payment of the fees of the Trustee, the Servicer, the Issuer and the Asset Oversight Agent, if any, due and owing under the Loan Documents and the Indenture; (6) to the payment of any other amounts then due and owing under the Loan Documents; and (7) the remaining balance to the Borrower.
5. Rebate Fund – Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Tax-Exempt Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

Essentially, all of the Bond proceeds will be deposited into the Construction Fund and disbursed therefrom during the Construction Phase to finance the construction of the Project. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower and a portion of the Taxable Bonds.

**DEPARTMENT  
ADVISORS:**

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in August 17, 2001. V&E has served in such capacity for all Department or Agency bond financings since 1980, when the firm was selected initially (also through an RFP process) to act as Agency bond counsel.
2. Bond Trustee - Wells Fargo Bank Texas, N.A. (formerly Norwest Bank, N.A.) was selected as bond trustee by the

Department pursuant to a request for proposals process in June 1996.

3. Financial Advisor – RBC Dain Rauscher Inc., formerly Rauscher Pierce Refsnes, was selected by the Department as the Department's financial advisor through a request for proposals process in September 1991.
4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in 1998.

**ATTORNEY GENERAL  
REVIEW OF BONDS:**

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 02-047

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (IRONWOOD CROSSING) SERIES 2002A AND TAXABLE MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (IRONWOOD CROSSING) SERIES 2002B; 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 and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the “Board”) from time to time); 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 and very 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 multi-family residential rental project 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 the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Ironwood Crossing) Series 2002A (the “Series A Bonds”) and Texas Department of Housing and Community Affairs Taxable Multifamily Housing Mortgage Revenue Bonds (Ironwood Crossing) Series 2002B (the “Series B Bonds” and together with the Series A Bonds, the “Bonds”), pursuant to and in accordance with the terms of a Trust Indenture (the “Indenture”) by and between the Department and Wells Fargo Bank Texas, N.A. (the “Trustee”), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Ironwood Ranch Townhomes Limited Partnership, an Ohio limited partnership (the “Borrower”), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental project described on Exhibit A attached hereto (the “Project”) located within

the State of Texas 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 October 17, 2001, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee 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 and construction of the Project 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 Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust and Security Agreement (with Power of Sale) (the "Deed of Trust") from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department's interest in the Loan, including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Borrower and Charter Municipal Mortgage Acceptance Company, a Delaware business trust (the "Purchaser"), will execute a Bond Purchase Agreement (the "Purchase Agreement"), with respect to the sale of the Bonds; 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 Project which will be filed of record in the real property records of Dallas County; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement and the Purchase Agreement, all of which are attached to and comprise a part of this Resolution; 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 Section 1.13, to authorize the issuance of the Bonds, the execution and delivery of such documents 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 I

### 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, 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 each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Series A Bonds shall be five and one-half percent (5.5%) per annum from and including the date of issuance thereof to and including June 30, 2004, and seven percent (7.0%) per annum thereafter until paid on the maturity date or earlier redemption or acceleration thereof and the interest rate on the Series B Bonds shall be eight and three-quarters percent (8.75%) per annum from and including the date of issuance thereof until paid on the maturity date or earlier redemption or acceleration thereof; (ii) the aggregate principal amount of the Series A Bonds shall be \$15,000,000 and of the Series B Bonds shall be \$1,970,000; and (iii) the final maturity of the Series A Bonds shall occur on November 1, 2042 and of the Series B Bonds shall occur on May 1, 2021.

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 of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement and Regulatory Agreement. That the form and substance of the Loan Agreement and the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Loan Agreement and the Regulatory Agreement and deliver the Loan Agreement and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.6--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.7--Approval, Execution and Delivery of the Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized

representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement to the Borrower and the Purchaser.

Section 1.8--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby 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 1.9--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 - Assignments
- Exhibit F - Purchase Agreement

Section 1.10--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., 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 of the Department named in this Resolution.

Section 1.11--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: Chairman or Vice Chairman of the Board, Executive Director of the Department, Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance, Director of Multifamily Finance of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.12--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Project's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or the Acting Executive Director; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Project.

## ARTICLE II

### 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 of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, 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 and the Assistant Secretary of the Board hereby are severally 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--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 Project in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the units of the Project shall not exceed the amounts attached as Exhibit H to the Regulatory Agreement and shall be annually redetermined by the Issuer as stated in Section 2.3(s) of the Loan Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

## ARTICLE III

### 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 Project and the information with respect to the proposed financing of the Project 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 Project 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 Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the Borrower is financially responsible,

(iv) that the financing of the Project is a public purpose and will provide a public benefit, and

(v) that the Project 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 Project in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and 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 has entered into a binding commitment to repay the loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, or will not enter into a contract for the Project 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 Project in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Project 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 Project 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 of Texas to obtain decent, safe, and sanitary

housing by financing the costs of the Project, 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 its 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 Project 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 Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage 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 Project 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.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Sections 35 and 39, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be 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 of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas 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 of Texas 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. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was

furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this \_\_\_\_ day of October, 2002.

By: \_\_\_\_\_  
Michael E. Jones, Chairman

Attest: \_\_\_\_\_  
Delores Groneck, Secretary

[SEAL]

## EXHIBIT A

### DESCRIPTION OF PROJECT

Owner: Ironwood Ranch Townhomes Limited Partnership, an Ohio limited partnership

Project: The Project is a 280-unit multifamily facility to be known as Ironwood Crossing and to be located in the 2900 Block of Western Center Boulevard in Fort Worth, Texas. The Project will include a total of 32 two-story residential apartment buildings with a total of approximately 328,745 net rentable square feet and an average unit size of approximately 1,100 square feet. The unit mix will consist of:

140 two-bedroom/two-bath units

140 three-bedroom/two-bath units

280 Total Units

Unit sizes will range from approximately 1,000 square feet to approximately 1,290 square feet.

Common areas will include a swimming pool, a children's play area, sport court and a community building with kitchen facilities, laundry facilities, kid's room, computer room, vending area, parlor with television and fireplace, fitness center and telephones. All ground units will be wheelchair accessible.

## IRONWOOD CROSSING APARTMENTS

### Estimated Sources & Uses of Funds

#### Sources of Funds

Bond Proceeds, Series 2002A Bonds (Tax-Exempt)	\$ 15,000,000
Bond Proceeds, Series 2002B Bonds (Taxable)	\$ 1,970,000
LIHTC Equity	6,120,973
Interest Income	180,234
Soft Financing	-
Deferred Developer's Fee	1,848,185
<b>Total Sources</b>	<b>\$ 25,119,392</b>

#### Uses of Funds

Deposit to Mortgage Loan Fund (Construction funds)	\$ 19,011,302
Capitalized Interest (Constr. Interest & Taxable Tail Interest)	2,024,135
Marketing	95,589
Developer's Overhead & Fee (Fee & Note)	2,968,894
Costs of Issuance	
Direct Bond Related	247,350
Bond Purchaser Costs	47,500
Other Transaction Costs	204,505
Real Estate Closing Costs	520,117
<b>Total Uses</b>	<b>\$ 25,119,392</b>

### Estimated Costs of Issuance of the Bonds

#### Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 84,850
TDHCA Application Fee	11,000
TDHCA Bond Compliance Fee (\$25 per unit)	7,000
TDHCA Bond Counsel and Direct Expenses (Note 1)	65,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Borrower's Bond Counsel	29,000
Placement Agent	-
Trustee's Fees (Note 1)	7,500
Trustee's Counsel (Note 1)	5,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	2,500
Texas Bond Review Board Application Fee	500
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,750
TEFRA Hearing Publication Expenses	3,750
<b>Total Direct Bond Related</b>	<b>\$ 247,350</b>

#### Bond Purchase Costs

Loan Origination Fee (Charter Mac @1% of Issuance)	-
Due Diligence Cost (Charter Mac)	12,500
Bond Counsel & Expenses (Charter Mac)	35,000
<b>Total</b>	<b>\$ 47,500</b>



## IRONWOOD CROSSING APARTMENTS

<b>Other Transaction Costs</b>	
Letter of Credit Origination Fee (0.75% of Issuance)	-
Letter of Credit Legal Fees	-
Construction Servicing (Charter Mac @ 1% of Issuance)	169,700
Tax Credit Determination Fee (4% annual tax cr.)	30,605
Tax Credit Application Fee (\$15/u)	4,200
<b>Total</b>	<u><u>\$ 204,505</u></u>

<b>Real Estate Closing Costs</b>	
Title & Recording (Const.& Perm.)	105,137
Property Taxes	414,980
<b>Total Real Estate Costs</b>	<u><u>\$ 520,117</u></u>

**Estimated Total Costs of Issuance** \$ 1,019,472

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002      **PROGRAM:** Multifamily Bond      **FILE NUMBER:** 2002-075  
4% LIHTC      02440

**DEVELOPMENT NAME**

Mark IV Apartments

**APPLICANT**

**Name:** Ironwood Ranch Townhomes Limited Partnership      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 7800 E. Kemper Road      **City:** Cincinnati      **State:** Ohio  
**Zip:** 45249    **Contact:** Don Paxton      **Phone:** (513) 489-1990    **Fax:** (513) 489-2780

**PRINCIPALS of the APPLICANT**

**Name:** Brisben Texas, Inc.      **(%):** .01      **Title:** Managing General Partner  
**Name:** Related Capital      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Brisben Advisors, Inc      **(%):** N/A      **Title:** Developer  
**Name:** William Brisben      **(%):** N/A      **Title:** Controlling shareholder of General Partner

**GENERAL PARTNER**

**Name:** Brisben Texas, Inc.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 7800 E. Kemper Road      **City:** Cincinnati      **State:** Ohio  
**Zip:** 45249    **Contact:** Don Paxton      **Phone:** (513) 489-1990    **Fax:** (513) 489-2780

**PROPERTY LOCATION**

**Location:** East of Old Denton Road and south of Western Center Boulevard       QCT     DDA  
**City:** Fort Worth      **County:** Tarrant      **Zip:** 76137

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1. \$16,970,000	7.27%	40 yrs	40 yrs
2. \$776,925	N/A	N/A	N/A

**Other Requested Terms:** 1. Tax-exempt & taxable private activity mortgage revenue bonds  
2. Annual ten-year allocation of low-income housing tax credits

**Proposed Use of Funds:** New construction

**SITE DESCRIPTION**

**Size:** 26.812 acres    1,167,931 square feet    **Zoning/ Permitted Uses:** C-Multifamily District  
**Flood Zone Designation:** Zone X      **Status of Off-Sites:** Partially improved

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 280    **# Rental Buildings:** 32    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** 0 yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
26	2	2	1,004
26	2	2	1,095
26	2	2	1,118
62	2	2	1,146
26	3	2	1,276
24	3	2	1,277
28	3	2	1,149
62	3	2	1,290

**Net Rentable SF:** 330,670    **Av Un SF:** 1,181    **Common Area SF:** 5,031    **Gross Bldg SF:** 335,701  
**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on concrete slab on grade, 68% brick veneer/32% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, laminated counter tops

**ON-SITE AMENITIES**

3,074-SF community building with activity room, management offices, fitness facilities, kitchen, restrooms, computer/business center, daycare facility, 1,336 s.f. model, swimming pool, equipped children's play area, sports courts. The property will also include a 621-SF maintenance and laundry building.

**Uncovered Parking:** 420 spaces    **Carpports:** 0 spaces    **Garages:** 0 spaces

**OTHER SOURCES of FUNDS**

**INTERIM CONSTRUCTION or GAP FINANCING**

**Source:** Charter Mortgage Acceptance Corporation    **Contact:** James Spound  
**Principal Amount:** \$16,970,000    **Interest Rates:** 7% for tax-exempt, 8.75% for taxable, Underwriter used blended rate of 7.11%  
**Additional Information:** \$15,000,000 is tax-exempt, \$1,970,000 is taxable tail, interest-only payments during construction period  
**Amortization:** N/A yrs    **Term:** 3 yrs    **Commitment:**     None     Firm     Conditional

**LONG TERM/PERMANENT FINANCING**

**Source:** Charter Mortgage Acceptance Corporation    **Contact:** James Spound  
**Principal Amount:** \$16,970,000    **Interest Rates:** 7% for tax-exempt, 8.75% for taxable, Underwriter used blended rate of 7.11%  
**Additional Information:** \$15,000,000 is tax-exempt, \$1,970,000 is taxable tail  
**Amortization:** 40 yrs    **Term:** 40 yrs    **Commitment:**     None     Firm     Conditional  
**Annual Payment:** \$1,313,105    **Lien Priority:** 1st    **Commitment Date:** 9/ 18/ 2002

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

**LIHTC SYNDICATION**

<b>Source:</b> <u>Related Capital Company</u>	<b>Contact:</b> <u>Justin Ginsberg</u>
<b>Address:</b> <u>625 Madison Avenue</u>	<b>City:</b> <u>New York</u>
<b>State:</b> <u>NY</u> <b>Zip:</b> <u>10022</u> <b>Phone:</b> (212) <u>421-5333</u> <b>Fax:</b> (212) <u>751-3550</u>	
<b>Net Proceeds:</b> <u>\$6,126,000</u>	<b>Net Syndication Rate</b> (per \$1.00 of 10-yr LIHTC) <u>82¢</u>
<b>Commitment</b> <input type="checkbox"/> None <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	<b>Date:</b> <u>9/ 10/ 2002</u>
<b>Additional Information:</b> _____	

**APPLICANT EQUITY**

<b>Amount:</b> <u>\$1,976,107</u>	<b>Source:</b> <u>Deferred developer fee</u>
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**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land:</b> <u>73.266acres</u>	<u>\$2,553,174</u>	<b>Assessment for the Year of:</b> <u>2002</u>
<b>Building:</b>	<u>N/A</u>	<b>Valuation by:</b> <u>Tarrant County Appraisal District</u>
<b>Prorata Assessed Value:</b> <u>26.812acres</u>	<u>\$95,225</u>	<b>Tax Rate:</b> <u>3.01</u>

**EVIDENCE of SITE or PROPERTY CONTROL**

<b>Type of Site Control:</b> <u>Earnest money contract</u>
<b>Contract Expiration Date:</b> <u>12/ 15/ 2002</u> <b>Anticipated Closing Date:</b> <u>12/ 15/ 2002</u>
<b>Acquisition Cost:</b> \$ <u>2,400,000</u> <b>Other Terms/Conditions:</b> <u>\$45,000 earnest money</u>
<b>Seller:</b> <u>TRBP Limited</u> <b>Related to Development Team Member:</b> <u>No</u>

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Mark IV Apartments is a proposed new construction development of 280 units of affordable housing located in northwest Fort Worth. The development is comprised of 32 residential buildings as follows:

- Seven Building Type I with two 2-bedroom units and six 3-bedroom units;
- Twelve Building Type II with six 2-bedroom units and four 3-bedroom units;
- One Building Type III with six 2-bedroom units and two 3-bedroom units; and
- Twelve Building Type IV with four 2-bedroom units and four 3-bedroom units.

Based on the site plan the apartment buildings are distributed evenly throughout the site, arranged in various groups separated by parking lots, with the community building, mailboxes, and swimming pool located near the entrance to the site. A 621-square foot maintenance building with laundry facilities will be located near the center of the site. The 3,074-square foot community building plan includes the management office, a community room, exercise room, kid's room, business center, kitchen, restrooms, and an attached 1,336 s.f. model of one of the units.

**Supportive Services:** The Applicant has contracted with National Realty Management, Inc. to provide the following supportive services to tenants: basic adult education, credit counseling, home buyer education, and computer facilities and counseling. These services will be provided at no cost to tenants. The contract requires the Applicant to pay annual compensation of \$17,000 (\$60.72 per unit).

**Schedule:** The Applicant anticipates construction to begin in January of 2003, to be completed in July of

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2004, and to be substantially leased-up in October of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. All of the units will be reserved for households earning 60% or less of AMGI.

**Special Needs Set-Asides:** Six units (2%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 15 years.

**MARKET HIGHLIGHTS**

A market feasibility study was prepared by The Danter Company on July 24, 2002 with an updated demand calculation dated September 11, 2002. The following findings are highlighted as follows:

**Definition of Market/Submarket:** The original market study indicated a market area that was separated by natural and manmade boundaries. (p. V-6) However an updated market area was defined using a seven-mile radius as the benchmark for the market area.

**Total Local/Submarket Demand for Rental Units:** The market analyst submitted an updated demand calculation including demographic information for five, seven-, and ten-mile radii. The Underwriter determined a market area based on the seven-mile radius that the market analyst provided. Based on this data, the analyst is predicting a total demand of 5,394 units. The Underwriter's estimate of 8,257 is based on a more comprehensive calculation by using a broader range of income-qualified tenants.

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
<b>Type of Demand</b>	<b>Market Analyst</b>		<b>Underwriter</b>	
	<b>Units of Demand</b>	<b>% of Total Demand</b>	<b>Units of Demand</b>	<b>% of Total Demand</b>
Household Growth	96	2%	228	3%
Resident Turnover	5,298	98%	8,029	97%
<b>TOTAL ANNUAL DEMAND</b>	<b>5,394</b>	<b>100%</b>	<b>8,257</b>	<b>100%</b>

Ref: Supplemental pages

**Capture Rate:** The analyst indicated a capture rate of 20.3% based on a seven mile radius. However, the analyst reached their conclusion based on only including 1,237 rent restricted units in the market area. The Underwriter estimated a capture rate of 20% based on a seven-mile radius and included 1,373 comparable unstabilized rent restricted and non-rent restricted units. Also, the Underwriter used a more comprehensive income band which resulted in the lower capture rate. According to the Underwriter, the capture rate of the property at a five-mile radius was 34.7% due to the inclusion of 1,039 competing affordable, but unstabilized units in the market area. Although this amount is above the 25% threshold for non-rural areas, after a discussion with the market analyst, the Underwriter believes that the seven-mile radius is adequate in determining the demand for the property.

**Market Rent Comparables:** The market analyst surveyed 31 comparable apartment projects totaling 6,799 units in the market area. (p. IV-8)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Market</b>	<b>Differential</b>
<b>2-Bedroom (60%)</b>	\$709-\$740	\$740	-\$31 to-\$0	\$775-\$820	-\$66-\$80
<b>3-Bedroom (60%)</b>	\$803-\$855	\$855	-\$52 to-\$0	\$1,000-1,050	-\$195-\$197

(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)

Ref: p. IV-32-IV-33

**Submarket Vacancy Rates:** The overall vacancy rate in the market area is 13.85%. The vacancy rate for market rate units is 14.2%, while the vacancy rate for subsidized units is 1.2% (p. VII-2)

**Absorption Projections:** "...absorption is expected to average 16.5 to 18.0 units per month, resulting in a 16.0 to 19.5 month absorption period..." (p. IV-46)

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CREDIT UNDERWRITING ANALYSIS**

**Known Planned Development:** “Residences of Diamond Hill is a proposed tax credit/market rate project in Fort Worth...The project will have 204 units, including 121 tax credit units.” (p. IV-13)  
The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is an irregularly-shaped parcel located in the northwest area of Fort Worth, approximately eight miles from the central business district. The site is situated on the north side of Sweetwood Drive.

**Population:** The estimated number of households in the primary market area in 2001 was 99,735 and is expected to increase by 10% to approximately 108,973 by 2006.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly vacant land and single-family homes. Adjacent land uses include:

- **North:** Vacant land
- **South:** Single-family subdivision
- **East:** Single-family subdivision
- **West:** Vacant land

**Site Access:** Access to the property is from the east or west along Industrial Boulevard and going north on Mark IV Parkway. The development is to have two main entries, one from Mark IV Parkway and the other from Station Way Drive. Access to Interstate Highway 35W is two miles east, which provides connections to all other major roads serving the Fort Worth area.

**Public Transportation:** Public transportation to the area is provided by the city bus system.

**Shopping & Services:** The site is within two miles of major grocery stores, pharmacies, shopping centers and banks. The fire department is 2.5 miles away and the police station is five miles. Harris Methodist Hospital is 10.3 miles. Gililand Elementary is 2.2 miles, Highland Middle is three miles and W.E. Boswell High School is 6.5 miles away.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated July 16, 2002 was prepared by the LawGibb Group and contained the following findings and recommendations:

**Findings:** There was no identification of any recognizable environmental conditions, thus no further assessment is required.

**Floodplain:** Located outside the 500-year flood plain.

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are slightly lower than the maximum rents allowed under LIHTC guidelines, reflecting the state of the applicant’s desire to maintain the affordability of the units and to price smaller units at slightly less than the larger units of the same type. The Applicant stated that tenants will pay water and sewer in this project and rents and expenses were calculated accordingly. The Applicant’s effective gross income is \$37K, or 1.5% less than the Underwriter’s estimate.

**Expenses:** The Applicant’s estimate of total operating expense is 6.3% lower than the Underwriter’s adjusted TDHCA database-derived estimate. The Applicant’s budget shows several line item estimates that deviate significantly when compared to the Underwriter’s database averages, particularly general and administrative (\$32K lower), repairs and maintenance (\$35.5K lower), utilities (\$24.3 lower), and property taxes (\$22.6 higher). The Applicant did not include \$14K in TDHCA asset oversight and compliance fees.

**Conclusion:** Although the Applicant’s estimated income and net operating income are consistent with the Underwriter’s expectations, the Applicant’s estimated total operating expense is not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s NOI will 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.

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

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The site cost of \$2,400,000 (\$2.05/SF or \$89,512/acre) is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Sitework Cost:** The Applicant's claimed sitework costs of \$1,799,000 or \$6,425 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's costs of \$11,957,936, or \$36.16 per square foot are 6.80% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated.

**Interim Financing Fees:** The Underwriter reduced the Applicant's eligible interim financing fees by \$195,228 to reflect an apparent overestimation of eligible construction loan interest, to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent adjustment to the Applicant's eligible basis.

**Fees:** The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines. This is because the Applicant used the total costs of sitework and direct construction in determining the fees, while the Underwriter based the fees only on eligible costs (the Applicant stated that \$276,000 of the sitework is considered ineligible). Consequently the Applicant's eligible fees in these areas have been reduced with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$251,756.

**Conclusion:** The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to be a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. As a result, an eligible basis of \$20,741,849 is used to determine a credit allocation of \$759,152 from this method.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing from three sources: a conventional interim to permanent loan based on tax-exempt and taxable private activity mortgage revenue bond proceeds, syndicated LIHTC equity, and deferred developer's fees.

**Bonds and Conventional Interim to Permanent Loan:** The bonds are tax-exempt private activity mortgage revenue bonds to be issued by the TDHCA and placed with Charter/MAC Municipal Mortgage. As of the date of the underwriting analysis, the aggregate face amount of the tax-exempt bonds is anticipated to be \$15,000,000 and \$1,970,000 for the taxable bonds, but shall not exceed 85% of the appraised value. The tax-exempt bonds will be amortized over 40 years at a fixed interest rate of 7%, while the taxable bonds shall have a fixed interest rate of 8.75% and be repayable in 13 years. The Underwriter used a blended interest rate of 7.11%. The bonds will be interest-only until the construction completion date, defined as not more than two months after completion under the construction contract.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,126,000 based on a syndication factor of 82%. The funds would be disbursed in a five-phased pay-in schedule:

1. 30% upon admission to the partnership;
2. 20% upon 50% completion of construction;
3. 20% upon 75% completion of construction;
4. 20% upon 100% completion of construction;
5. 10% upon attainment of rental achievement conditions.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$1,976,107 amount to 67% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted calculation of eligible basis, the LIHTC allocation should not exceed \$759,152 annually for ten years, resulting in syndication proceeds of approximately \$6,223,929. Based on the Underwriter's analysis the deferred developer would be approximately \$1,878,050, which represents 69% of the total eligible fee and is repayable through cash flow

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

in less than ten years.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are attractive, with varied rooflines. All units are of average size for market rate and LIHTC units, and have patios or balconies, small outdoor storage closets, and hookups for full-size appliances. Although 88 of the two-story units do not have a bedroom on the first floor, at least 20% of the units do, thus they meet the requirement of 20% as outlined in the QAP. (Sec. 49.7(e)(3)(E). Twenty-eight of the two-story units have the downstairs bathroom inaccessible without going into the bedroom located on the first floor.

**IDENTITIES of INTEREST**

The Developer, General Contractor, Property Manager, and Supportive Services provider are all related entities. These are common relationships for LIHTC-funded developments.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The principal of the General Partner, William Brisben, submitted an unaudited financial statement as of August 22, 2002 and is anticipated to be the guarantor of the development.
- Brisben Advisors, Inc., the developer, submitted an unaudited financial statement as of August 22, 2002 reporting total assets of \$250,076 and consisting of \$148 in cash, \$248,572 in receivables and \$1,356 in other assets. Liabilities totaled \$148,959, resulting in a net worth of \$101,117.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- William O. Brisben has participated in 83 multi-family housing projects since 1992.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses are more than 5% outside of the Underwriter's verifiable ranges.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$759,152 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
2. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

**Credit Underwriter:**

\_\_\_\_\_  
*Mark Fugina*

**Date:** September 30, 2002

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Jim Anderson*

**Date:** September 30, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 30, 2002



**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Mark IV Apartments, Fort Worth, MFB #2002-075/4% LIHTC #02440**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tot Pd Util	Trash Only
TC (60%)	26	2	2	1,004	\$828	\$740	\$19,240	\$0.74	\$88.00	\$10.00
TC (60%)	26	2	2	1,095	828	740	19,240	0.68	88.00	10.00
TC (60%)	26	2	2	1,118	828	740	19,240	0.66	88.00	10.00
TC (60%)	62	2	2	1,146	828	740	45,880	0.65	88.00	10.00
TC (60%)	26	3	2	1,276	956	855	22,230	0.67	101.00	10.00
TC (60%)	24	3	2	1,277	956	855	20,520	0.67	101.00	10.00
TC (60%)	28	3	2	1,149	956	855	23,940	0.74	101.00	10.00
TC (60%)	62	3	2	1,290	956	855	53,010	0.66	101.00	10.00
<b>TOTAL:</b>	<b>280</b>		<b>AVERAGE:</b>	<b>1,181</b>	<b>\$892</b>	<b>\$798</b>	<b>\$223,300</b>	<b>\$0.68</b>	<b>\$94.50</b>	<b>\$10.00</b>

<b>INCOME</b>				<b>TDHCA</b>	<b>APPLICANT</b>				
Total Net Rentable Sq Ft: <b>330,670</b>				<b>\$2,679,600</b>	<b>\$2,639,376</b>				
<b>POTENTIAL GROSS RENT</b>				<b>50,400</b>	<b>50,400</b>	<b>\$15.00</b>	<b>Per Unit Per Month</b>		
Secondary Income				<b>0</b>	<b>0</b>				
Other Support Income: (describe)				<b>\$2,730,000</b>	<b>\$2,689,776</b>				
<b>POTENTIAL GROSS INCOME</b>				<b>(204,750)</b>	<b>(201,732)</b>	<b>-7.50%</b>	<b>of Potential Gross Rent</b>		
Vacancy & Collection Loss % of Potential Gross Income: -7.50%				<b>0</b>	<b>0</b>				
Employee or Other Non-Rental Units or Concessions				<b>\$2,525,250</b>	<b>\$2,488,044</b>				
<b>EFFECTIVE GROSS INCOME</b>									

<b>EXPENSES</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>	<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative	3.15%	\$284	\$0.24	\$79,488	\$47,304	\$0.14	\$169	1.90%
Management	5.00%	451	0.38	126,263	124,402	0.38	444	5.00%
Payroll & Payroll Tax	9.34%	842	0.71	235,760	242,032	0.73	864	9.73%
Repairs & Maintenance	5.46%	492	0.42	137,854	102,340	0.31	366	4.11%
Utilities	2.38%	214	0.18	59,976	35,672	0.11	127	1.43%
Water, Sewer, & Trash	2.16%	195	0.17	54,592	53,508	0.16	191	2.15%
Property Insurance	2.10%	189	0.16	52,907	52,136	0.16	186	2.10%
Property Tax 3.01	10.01%	903	0.76	252,840	275,420	0.83	984	11.07%
Reserve for Replacements	2.22%	200	0.17	56,000	56,000	0.17	200	2.25%
Other: Security	0.05%	5	0.00	1,372	1,372	0.00	5	0.06%
<b>TOTAL EXPENSES</b>	<b>41.86%</b>	<b>\$3,775</b>	<b>\$3.20</b>	<b>\$1,057,051</b>	<b>\$990,186</b>	<b>\$2.99</b>	<b>\$3,536</b>	<b>39.80%</b>
<b>NET OPERATING INC</b>	<b>58.14%</b>	<b>\$5,244</b>	<b>\$4.44</b>	<b>\$1,468,199</b>	<b>\$1,497,858</b>	<b>\$4.53</b>	<b>\$5,349</b>	<b>60.20%</b>

<b>DEBT SERVICE</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>	<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
1st Lien Mortgage	50.78%	\$4,580	\$3.88	\$1,282,372	\$1,313,105	\$3.97	\$4,690	52.78%
Trustee Fee	0.14%	\$13	\$0.01	\$3,500	0	\$0.00	\$0	0.00%
TDHCA Admin. Fees	0.67%	\$61	\$0.05	16,970	0	\$0.00	\$0	0.00%
Asset ovst, spt svcs, & compl. fee	1.23%	\$111	\$0.09	31,000	17,000	\$0.05	\$61	0.68%
<b>NET CASH FLOW</b>	<b>5.32%</b>	<b>\$480</b>	<b>\$0.41</b>	<b>\$134,357</b>	<b>\$167,753</b>	<b>\$0.51</b>	<b>\$599</b>	<b>6.74%</b>

AGGREGATE DEBT COVERAGE RATIO	1.10	1.13
BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO	1.14	
BONDS-ONLY DEBT COVERAGE RATIO	1.14	

<b>CONSTRUCTION COST</b>				<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% of TOTAL</b>
Acquisition Cost (site or bldng)	9.16%	\$8,571	\$7.26	\$2,400,000	\$2,400,000	\$7.26	\$8,571	9.57%
Off-Sites	0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework	5.81%	5,439	4.61	1,523,000	1,523,000	4.61	5,439	6.07%
Direct Construction	48.98%	45,822	38.80	12,830,300	11,957,936	36.16	42,707	47.69%
Contingency	0.00%	0	0.00	0	0	0.00	0	0.00%
General Req'ts	5.75%	2,948	2.50	825,416	825,416	2.50	2,948	3.29%
Contractor's G & A	1.92%	983	0.83	275,139	275,139	0.83	983	1.10%
Contractor's Profi	5.75%	2,948	2.50	825,416	825,416	2.50	2,948	3.29%
Indirect Construction	4.93%	4,611	3.90	1,291,187	1,291,187	3.90	4,611	5.15%
Ineligible Costs	6.26%	5,856	4.96	1,639,734	1,639,734	4.96	5,856	6.54%
Developer's G & A	3.29%	2,229	1.89	624,198	739,304	2.24	2,640	2.95%
Developer's Profit	11.71%	7,921	6.71	2,217,911	2,217,911	6.71	7,921	8.85%
Interim Financing	5.26%	4,918	4.16	1,376,936	1,376,936	4.16	4,918	5.49%
Reserves	1.40%	1,307	1.11	365,824	0	0.00	0	0.00%
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$93,554</b>	<b>\$79.22</b>	<b>\$26,195,061</b>	<b>\$25,071,979</b>	<b>\$75.82</b>	<b>\$89,543</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>62.15%</b>	<b>\$58,140</b>	<b>\$49.23</b>	<b>\$16,279,271</b>	<b>\$15,406,907</b>	<b>\$46.59</b>	<b>\$55,025</b>	<b>61.45%</b>

<b>SOURCES OF FUNDS</b>				<b>RECOMMENDED</b>		
Tax-Exempt Bonds	57.26%	\$53,571	\$45.36	\$15,000,000	\$15,000,000	\$15,000,000
Taxable Bonds	7.52%	\$7,036	\$5.96	1,970,000	1,970,000	1,970,000
LIHTC Syndication Proceeds	23.39%	\$21,878	\$18.53	6,125,872	6,125,872	6,223,929
Deferred Developer's Fee	7.54%	\$7,058	\$5.98	1,976,107	1,976,107	1,878,050
Additional (excess) Funds Required	4.29%	\$4,011	\$3.40	1,123,082	0	0
<b>TOTAL SOURCES</b>				<b>\$26,195,061</b>	<b>\$25,071,979</b>	<b>\$25,071,979</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Mark IV Apartments, Fort Worth, MPB #2002-075/4% LIHTC #02440**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$41.11	\$13,592,596
<b>Adjustments</b>				
Exterior Wall Finl	3.10%		\$1.27	\$421,370
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(1.01)	(333,977)
Floor Cover			1.92	634,886
Porches/Balconies	\$26.03	17,060	1.34	444,072
Plumbing	\$615	1,140	2.12	701,100
Built-In Appliance	\$1,625	280	1.38	455,000
Stairs	\$825	165	0.41	136,125
Floor Insulation			0.00	0
Heating/Cooling			1.47	486,085
Maintenance/Laundr	\$48.58	621	0.09	30,165
Clubhouse/Model	\$53.70	4,410	0.72	236,830
Other:			0.00	0
<b>SUBTOTAL</b>			<b>50.82</b>	<b>16,804,254</b>
Current Cost Multiplier	1.02		1.02	336,085
Local Multiplier	0.92		(4.07)	(1,344,340)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$47.77</b>	<b>\$15,795,998</b>
Plans, specs, survy, b	3.90%		(\$1.86)	(\$616,044)
Interim Construction I	3.38%		(1.61)	(533,115)
Contractor's OH & Prof	11.50%		(5.49)	(1,816,540)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$38.80</b>	<b>\$12,830,300</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$16,970,000	Term	480
Int Rate	7.11%	DCR	1.14

<b>Secondary</b>		Term	
Int Rate		Subtotal DCR	1.14

<b>Additional</b>		Term	
Int Rate		Aggregate DCR	1.10

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$1,282,372
Trustee Fee	3,500
TDHCA Fees	47,970
<b>NET CASH FLOW</b>	<b>\$134,357</b>

<b>Primary</b>	\$16,970,000	Term	480
Int Rate	7.11%	DCR	1.14

<b>Debt plus Trustee Fees</b>		Term	
Int Rate		Subtotal DCR	1.14

<b>All-In Debt Costs</b>		Term	
Int Rate		Aggregate DCR	1.10

**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	\$2,679,600	\$2,759,988	\$2,842,788	\$2,928,071	\$3,015,913	\$3,496,270	\$4,053,135	\$4,698,695	\$6,314,653
Secondary Income	50,400	51,912	53,469	55,073	56,726	65,761	76,235	88,377	118,771
Other Support Income: (d)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,730,000	2,811,900	2,896,257	2,983,145	3,072,639	3,562,031	4,129,370	4,787,072	6,433,424
Vacancy & Collection Los	(204,750)	(210,893)	(217,219)	(223,736)	(230,448)	(267,152)	(309,703)	(359,030)	(482,507)
Employee or Other Non-Re	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,525,250	\$2,601,008	\$2,679,038	\$2,759,409	\$2,842,191	\$3,294,878	\$3,819,667	\$4,428,041	\$5,950,917
EXPENSES at 4.00%									
General & Administrative	\$79,488	\$82,667	\$85,974	\$89,413	\$92,989	\$113,136	\$137,647	\$167,469	\$247,895
Management	126,263	130,050	133,952	137,970	142,110	164,744	190,983	221,402	297,546
Payroll & Payroll Tax	235,760	245,190	254,998	265,198	275,806	335,560	408,260	496,711	735,253
Repairs & Maintenance	137,854	143,368	149,103	155,067	161,270	196,210	238,719	290,438	429,920
Utilities	59,976	62,375	64,870	67,465	70,163	85,365	103,859	126,360	187,044
Water, Sewer & Trash	54,592	56,775	59,046	61,408	63,864	77,701	94,535	115,016	170,252
Insurance	52,907	55,023	57,224	59,513	61,894	75,303	91,618	111,467	164,999
Property Tax	252,840	262,954	273,472	284,411	295,787	359,870	437,837	532,696	788,520
Reserve for Replacements	56,000	58,240	60,570	62,992	65,512	79,705	96,974	117,984	174,644
Other	1,372	1,427	1,484	1,543	1,605	1,953	2,376	2,891	4,279
TOTAL EXPENSES	\$1,057,051	\$1,098,071	\$1,140,693	\$1,184,981	\$1,231,001	\$1,489,547	\$1,802,808	\$2,182,434	\$3,200,352
NET OPERATING INCOME	\$1,468,199	\$1,502,937	\$1,538,345	\$1,574,428	\$1,611,190	\$1,805,332	\$2,016,859	\$2,245,607	\$2,750,565
DEBT SERVICE									
First Lien Financing	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees	16,970	16,892	16,809	16,720	16,624	16,026	15,175	13,962	9,765
Asset ovst, spt svcs, & co	31,000	32,240	33,530	34,871	36,266	44,123	53,682	65,312	96,678
Cash Flow	134,357	167,933	202,134	236,966	272,429	459,311	662,130	880,462	1,358,251
AGGREGATE DCR	1.10	1.13	1.15	1.18	1.20	1.34	1.49	1.64	1.98

LIHTC Allocation Calculation - Mark IV Apartments, Fort Worth, MFB #2002-075/4% LIH

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$2,400,000	\$2,400,000		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,523,000	\$1,523,000	\$1,523,000	\$1,523,000
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$11,957,936	\$12,830,300	\$11,957,936	\$12,830,300
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$275,139	\$275,139	\$269,619	\$275,139
Contractor profit	\$825,416	\$825,416	\$808,856	\$825,416
General requirements	\$825,416	\$825,416	\$808,856	\$825,416
<b>(5) Contingencies</b>				
<b>(6) Eligible Indirect Fees</b>				
	\$1,291,187	\$1,291,187	\$1,291,187	\$1,291,187
<b>(7) Eligible Financing Fees</b>				
	\$1,376,936	\$1,376,936	\$1,376,936	\$1,376,936
<b>(8) All Ineligible Costs</b>				
	\$1,639,734	\$1,639,734		
<b>(9) Developer Fees</b>				
			\$2,705,459	
Developer overhead	\$739,304	\$624,198		\$624,198
Developer fee	\$2,217,911	\$2,217,911		\$2,217,911
<b>(10) Development Reserves</b>				
		\$365,824		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$25,071,979</b>	<b>\$26,195,061</b>	<b>\$20,741,849</b>	<b>\$21,789,503</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$20,741,849	\$21,789,503
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			\$20,741,849	\$21,789,503
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$20,741,849	\$21,789,503
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$759,152	\$797,496

Syndication Proceeds 0.8199 \$6,223,929 \$6,538,294

**RENT CAP EXPLANATION**  
Fort Worth / Arlington MSA

**AFFORDABILITY DEFINITION & COMMENTS**

An apartment unit is "**affordable**" if the total housing expense (rent and utilities) that the tenant pays is **equal to or less than 30%** of the tenant's household income (as determined by HUD).

**Rent Caps** are established at this **30%** "affordability" threshold based on local area median income, adjusted for family size. Therefore, rent caps will vary from property to property depending upon the local area median income where the specific property is located.

If existing rents in the local market area are lower than the rent caps calculated at the 30% threshold for the area, then by definition the market is "affordable". This situation will occur in some larger metropolitan areas with high median incomes. In other words, the rent caps will not provide for lower rents to the tenants because the rents are already affordable. This situation, however, does not ensure that individuals and families will have access to affordable rental units in the area. The set-aside requirements under the Department's bond programs ensure availability of units in these markets to lower income individuals and families.

**MAXIMUM INCOME & RENT CALCULATIONS (ADJUSTED FOR HOUSEHOLD SIZE) - 2002**

MSA/County: **Fort Worth** Area Median Family Income (Annual): **\$60,300**

ANNUALLY				MONTHLY							
Maximum Allowable Household Income to Qualify for Set-Aside units under the Program Rules				Maximum Total Housing Expense Allowed based on Household Income (Includes Rent & Utilities)				Utility Allowance by Unit Type (provided by the local PHA)	Maximum Rent that Owner is Allowed to Charge on the Set-Aside Units (Rent Cap)		
# of Persons	At or Below			Unit Type	At or Below				At or Below		
	50%	60%	80%		50%	60%	80%		50%	60%	80%
1	\$ 21,450	\$ 25,740	\$ 34,350	Efficiency	\$ 536	\$ 643	\$ 858	\$ 61.00	\$ 475	\$ 582	\$ 797
2	24,500	29,400	39,250	1-Bedroom	574	689	920	71.00	503	618	849
	<b>27,600</b>	<b>33,120</b>	<b>\$ 44,150</b>	<b>2-Bedroom</b>	<b>690</b>	<b>828</b>	<b>1,103</b>	<b>85.00</b>	<b>605</b>	<b>743</b>	<b>1,018</b>
4	30,650	36,780	\$ 49,050	3-Bedroom	796	956	1,275	96.00	700	860	1,179
5	33,100	39,720	\$ 52,950	4-Bedroom	888	1,066	1,422	104.00	784	962	1,318
6	35,550	42,660	\$ 56,900	5-Bedroom	980	1,176	1,569	104.00	876	1,072	1,465
7	38,000	45,600	\$ 60,800								
8	40,450	48,540	\$ 64,750								
<b>FIGURE 1</b>				<b>FIGURE 2</b>				<b>FIGURE 3</b>	<b>FIGURE 4</b>		

**Figure 1** outlines the maximum annual household incomes in the area, adjusted by the number of people in the family, to qualify for a unit under the set-aside grouping indicated above each column.

For example, a family of three earning \$30,000 per year would fall in the 60% set-aside group. A family of three earning \$25,000 would fall in the 50% set-aside group.

**Figure 2** shows the maximum total housing expense that a family can pay under the affordable definition (i.e. under 30% of their household income).

For example, a family of three in the 60% income bracket earning \$33,120 could not pay more than \$828 for rent and utilities under the affordable definition.

- 1) \$33,120 divided by 12 = **\$2,760** monthly income; then,
- 2) **\$2,760** monthly income times 30% = **\$828** maximum total housing expense.

**Figure 4** displays the resulting maximum rent that can be charged for each unit type, under the three set-aside brackets. This becomes the rent cap for the unit.

The rent cap is calculated by subtracting the utility allowance in **Figure 3** from the maximum total housing expense for each unit type found in **Figure 2**.

**Figure 3** shows the utility allowance by unit size, as determined by the local public housing authority. The example assumes all electric units.

## Ironwood Crossing Apartments

### RESULTS & ANALYSIS:

**Tenants** in the 60% AMFI bracket will **save \$161 to \$170** per month (leaving 5.8% to 5.3% more of their monthly income for food, child care and other living expenses).

This is a monthly savings off the market rents of **17.8% to 16.5%**.

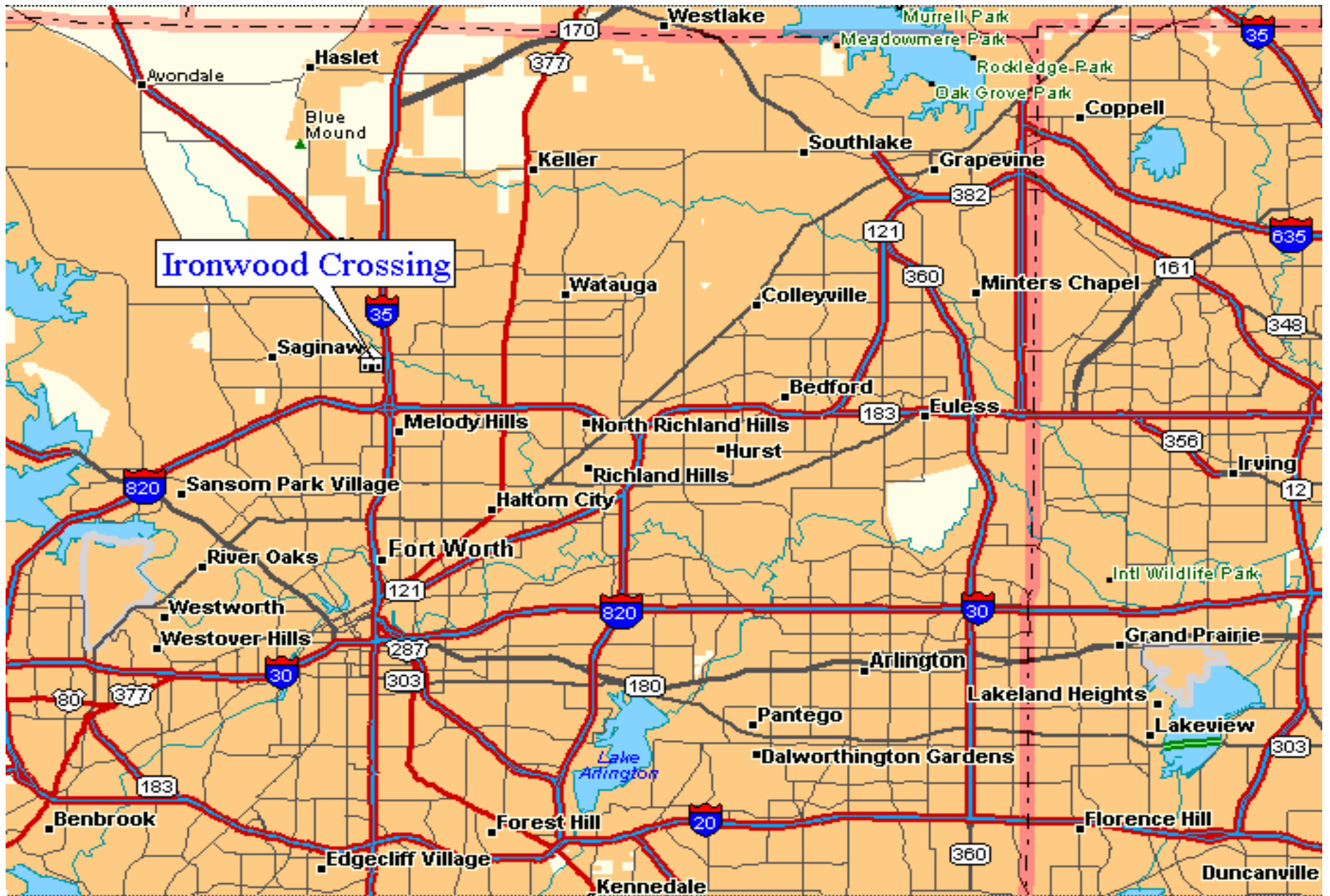
#### PROJECT INFORMATION

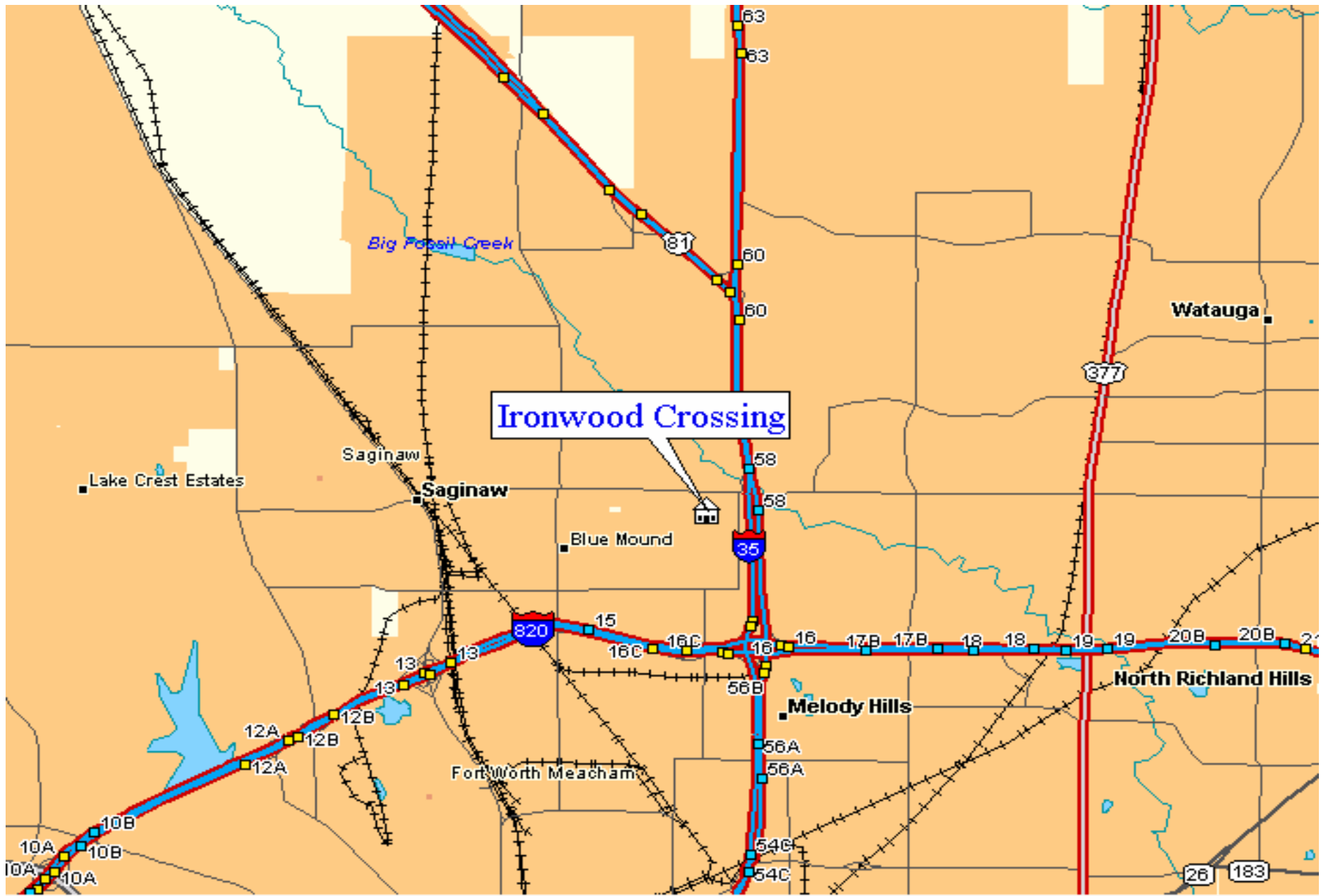
<b>Unit Mix</b>				
Unit Description	2-Bedroom	3-Bedroom		
Square Footage	1,102	1,241		
Rents if Offered at Market Rates	\$904	\$1,030		
Rent per Square Foot	\$0.82	\$0.83		

#### SAVINGS ANALYSIS FOR 60% AMFI GROUPING

Rent Cap for 60% AMFI Set-Aside	\$743	\$860		
<b>Monthly Savings for Tenant</b>	<b>\$161</b>	<b>\$170</b>		
Rent per Square Foot	\$0.67	\$0.69		
Maximum Monthly Income - 60% AMFI	\$2,760	\$3,188		
<b>Monthly Savings as % of Monthly Income</b>	<b>5.8%</b>	<b>5.3%</b>		
<b>% DISCOUNT OFF MONTHLY RENT</b>	<b>17.8%</b>	<b>16.5%</b>		

**Market information provided by:** Jerry C. Fletcher Associates, 1080 Nimitxview Drive, Suite 403, Cincinnati, Ohio, 45230





# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02440

LIHTC 9%  LIHTC 4%

**Project Name:** Ironwood Ranch Townhomes

HOME  HTF

**Project City:** Fort Worth

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 4 # not yet monitored or pending review 2

# of projects grouped by score 0-9: 4 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received Yes

Non-Compliance Reported No

**Completed by** Jo En Taylor **Completed on** 09/16/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments:

**Completed by** Lucy Trevino **Completed on** 09/16/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments:

**Completed by** Ralph Hendrickson **Completed on** 09/16/2002



**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_                      **Completed on** \_\_\_\_\_

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable                       monitoring review pending

reviewed; no unresolved issues                       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer                      **Completed on** 09/17/2002

**Executive Director:** \_\_\_\_\_                      **Date Signed:** \_\_\_\_\_

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE REFUNDING BONDS SERIES 2002

MARK II APARTMENTS

PUBLIC HEARING

Summerglen Branch  
Fort Worth Public Library  
4205 Basswood Road  
Fort Worth, Texas

Thursday,  
August 29, 2002  
6:00 p.m.

BEFORE:

MARLIN WAYNE HARLESS, Multifamily Loan Officer

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GAIL PETERSON	11
SHIRLEY SITZ	12
ANITA SMITH	12
JERRY LEPINE	13
JAMES AVERETT	13
JERRY PLOWMAN	14
LISA LEPINE-MEADOWS	14
BRUCE OLDAKER	16
JOHN MEADOWS	16
SHARON TADDONIO	17
TIM McDANIEL	18
DAN BOUDREAUX	18
ELISABETH NORTON	19
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P R O C E E D I N G S

1  
2 MR. HARLESS: In the interest of time we're  
3 going to start the meeting then, right now. Good evening.  
4 My name is Wayne Harless. I would like to proceed with  
5 the public hearing.

6 Let the record show that it is 8:03 p.m.,  
7 Thursday, August 29, 2002, and we are here at the  
8 Summerglenn Branch Public Library at 4205 Basswood  
9 Boulevard, Fort Worth, Texas.

10 I am here to conduct the public hearing on  
11 behalf of the Texas Department of Housing and Community  
12 Affairs, with respect to an issue of tax exempt  
13 multifamily revenue bonds for a residential rental  
14 community. This hearing is required by the Internal  
15 Revenue Code.

16 The sole purpose of this hearing is to collect  
17 public comment that will be provided to the highest  
18 elected official with jurisdiction over this issue, which  
19 in this case is the Attorney General of the State of  
20 Texas.

21 No decisions regarding the project will be made  
22 at this hearing. There are no department board members  
23 present. The department's board will meet to consider the  
24 transaction on October 10, 2002, upon recommendation by  
25 the Finance Committee.

1           In addition to providing your comments at this  
2 hearing, the public is also invited to provide comment  
3 directly to the Finance Committee or the board at any of  
4 their meetings. The department staff will also accept  
5 written comments from the public via facsimile at (512)  
6 475-3362, up to 5:00 p.m. on September 27, 2002.

7           The bonds will be issued as tax-exempt  
8 multifamily revenue bonds in the aggregate principle  
9 amount not to exceed \$15 million and taxable bonds, if  
10 necessary, in an amount to be determined, and issued in  
11 one or more series by the Texas Department of Housing and  
12 Community Affairs, the issuer.

13           The proceeds of the bonds will be loaned to  
14 Ironwood Ranch Townhomes Limited Partnership, or related  
15 person or entity thereof, to finance a portion of the cost  
16 of acquiring, constructing, and equipping a multifamily  
17 residential housing community described as follows: a  
18 280-unit multifamily residential rental development to be  
19 constructed on approximately 26.8 acres of land located on  
20 the south side of the 2900 block of Western Center  
21 Boulevard, Fort Worth, Texas 76137.

22           The proposed multifamily rental housing  
23 community will be initially owned and operated by the  
24 borrower, or related person or affiliate thereof.

25           I would now like to open the floor for public

1 comment. I realize that many of you have signed the  
2 sign-in sheet and checked yes or no, whether you would  
3 like to speak or not tonight. Many of you may have  
4 changed your mind. In the interest of time and  
5 expediency, instead of going from that list, I would just  
6 like to invite people -- because if I called out a name,  
7 it may take a while for you to get here, et cetera. So if  
8 you would like to speak, please just begin to come  
9 forward. We'll speak one at a time.

10           There are three, I'll call them, microphones  
11 right here. They don't amplify, but they speak into the  
12 recorder. And please come in an orderly fashion. I'll  
13 give you two minutes to speak, also in the interest of  
14 time. That is very usual, two minutes. When you go to  
15 the board in Austin, I think it's like two minutes or so  
16 there too. There is quite a group here, and it is getting  
17 late.

18           The first thing I'd like for you to do is to  
19 speak clearly. First, state your name. And if it's  
20 unusual, please spell it so that we can actually get the  
21 correct spelling of your name for the record.

22           Okay. Rather than starting off the list, I'll  
23 just let you start there, Larry.

24           MR. LARRY STEVENS: My name is Larry Stevens --  
25 that's S-T-E-V-E-N-S -- 2812 Calico Rock. I have a letter



1 submitting from State Representative Vicki Truitt in  
2 opposition to this housing project here. And rather than  
3 read it, I will just submit it and just take one point on  
4 here as I've got a whole list of points that I would like  
5 to make here.

6 One of the things the Fort Worth housing  
7 authority, in this area, had discussed in the last couple  
8 of days was a couple of parameters they look at for  
9 placing people in certain areas and not areas.

10 And in that, they were citing 24 CFR 9 and that  
11 was -- it's in the letter; I have to find it here -- but  
12 basically it was looking at putting people in a certain --  
13 or not placing people in a certain area that is minority  
14 or poverty. And I'm wondering how much that's concerned.

15 District 2, which this is in, represents well  
16 over 80 percent minority and according to the Fort Worth  
17 Housing Authority puts the area, certainly south of the  
18 freeway, as their consideration poverty-stricken by their  
19 definition.

20 And placing these 200 units here at 60 percent  
21 of median salary will within the next year, by definition,  
22 make this area to be poverty-stricken, which the federal  
23 regulations is trying to work not to achieve. That's one  
24 of their goals, one of the stated goals in that.

25 And even as things grow -- that's not even

1 considering people that in that, let's say, any of the  
2 neighborhoods that might be in that category, which Fort  
3 Worth is describing as 80 percent of median, which is  
4 \$48,000 a year, if people are making that or less. So  
5 that's one parameter in here.

6           And of course, a number of other things to hit  
7 real fast is there is no public transportation. There's  
8 no plans for public transportation in this area. We've  
9 been told that a number of people could very likely be in  
10 what's referred to as Section 8, which many people there  
11 will be without the means to get to the things that are  
12 needed -- as well as a number of issues that are unplanned  
13 right now, special education needs that for kids that will  
14 be coming in in this category also.

15           I'll concede the rest of my time at the moment  
16 and try to submit some things in writing. Thank you.

17           MR. HARLESS: Thank you. I'd like to invite  
18 those that might have to leave very soon to please come  
19 forward, and get in line, and speak.

20           Please go ahead.

21           MS. MORAN: My name is Kathy Moran, M-O-R-A-N,  
22 5929 Big Flat Drive, and I'm not on the sign-in list.  
23 Just from hearing your proposal, it sounds like something  
24 very similar in the '60s in the Polytechnic area of Fort  
25 Worth, the Great White Flight, where people moved out

1 because low-income people moved into the area. So they  
2 flew to different parts of Tarrant County and Dallas  
3 County.

4 My concern is this seems a lot like busing,  
5 where we're going to integrate different incomes and to  
6 possibly bring the level up, or balance the community with  
7 people who could be maybe influenced by a better  
8 community.

9 I did not have a background check done on  
10 myself when I bought a house over here in Fossil Creek.  
11 And I certainly don't know if my neighbors had a  
12 background check. But I just looked at the neighborhood  
13 and thought, This is an area that I feel safe in, and an  
14 area that I do not have to fear for my life or my family.

15 And this is just a concern. Not that I'm  
16 concerned about multifamily housing, because I was told  
17 that there would be an apartment complex. But I was not  
18 told that it would be low-income or Section 8 apartment  
19 housing complex.

20 And I guess that's my concern, because I  
21 certainly would have bought a \$100,000 house in another  
22 \$100,000 neighborhood that was very well established that  
23 didn't have apartments around it, period.

24 Thank you.

25 MR. HARLESS: Thank you. Next?

1 MS. ROBERTS: My name is Mary Roberts. I live  
2 at 6021 Deerfoot Trail in Fort Worth. I was on Section 8.  
3 It took getting rid of bad credit to get off of it. I  
4 had to find someone else to finance our home, that would  
5 take us and help us become better citizens, making more  
6 money, becoming someone in a higher bracket of income.

7 I'd also like to read something from here that  
8 is a concern, too. This complex will be located in Fort  
9 Worth City Council District 2, which consists of over 72  
10 percent Hispanic, totaling well over 80 percent  
11 minorities. The existing adjacent neighborhood, my  
12 neighborhood, Northbrook, has a very significant and  
13 growing minority population.

14 The 24 CFR Chapter 9, 941.202, referring to  
15 site and neighborhood standards, states that there should  
16 be "greater choice of housing opportunities and avoid  
17 undue concentration of assisted persons in areas  
18 containing a high proportion of low income." The location  
19 of this proposed low-income housing project is certainly  
20 on the edge of, if not within, what this federal standard  
21 appears to be discouraging.

22 Thank you. Please consider this.

23 MR. HARLESS: Thank you. Next?

24 MR. TANNER: My name is Ronnie D. Tanner, and I  
25 live at 8204 Ross Lake Drive, in the 76137 zip code. And

1 I just want to say that I want to go on record that I'm  
2 against the project, because the developers never tell you  
3 the truth in the front. And they never follow through  
4 after they build a project.

5 I grew up on the east side of Fort Worth. And  
6 if you want to see what happens to these type projects, I  
7 invite you to go over there any weekend and drive through  
8 the Wood Haven neighborhood, which is a neighborhood of  
9 \$300,000 and \$400,000 homes that are worth about \$100,000  
10 because of this exact type project.

11 That's all I have to say.

12 MR. HARLESS: Thank you. Next?

13 MS. PETERSON: My name is Gail Peterson. And I  
14 just want it to be on record of my great disappointment.  
15 It was a week ago yesterday that I closed on my home in  
16 the Fossil Creek area of Dee Harten as the builder. I  
17 bought in that area because I knew there were going to be  
18 apartments, but I would not have bought if I knew it was  
19 going to be Section 8 or affordable housing. I would have  
20 bought the same home in Keller.

21 I'm a single person. I put 20 percent down.  
22 And I'm very disappointed because I feel like property  
23 values are going to go down, and I have no choice but to  
24 stay there.

25 And not even to mention security -- my home is

1 going to back up to these apartments.

2 Thank you.

3 MR. HARLESS: Thank you. Next?

4 MS. SITZ: I'm Shirley Sitz, and I bought my  
5 house.

6 MR. HARLESS: Ma'am, could you spell your last  
7 name?

8 MS. SITZ: S-I-T-Z.

9 MR. HARLESS: Thank you.

10 MS. SITZ: I live at 4213 Periwinkle Drive. I  
11 had to work very hard. In the daytime, I taught school at  
12 the high school, at the public school. At night, I taught  
13 at the college. I paid my house off. Why should I have  
14 somebody who lives close to me who doesn't do the same  
15 thing? I don't think it's fair. I don't think it's the  
16 American way. I'm totally against this project.

17 MR. HARLESS: Thank you. Next please?

18 MS. SMITH: My name is Anita Smith. And when I  
19 moved here, I did live in an apartment. And at first it  
20 was a very good apartment, of middle-class people. They  
21 changed; they went to low-income people. Guess what  
22 happened? We got the crime. We got the vandalism.

23 That is when we moved out, for the safety of  
24 our two boys, who one of them almost died because he was  
25 stabbed in the apartment. Now, we moved to our

1 neighborhood. And guess what? Our neighbors talked to  
2 us. We knew the neighbors. We did not have to worry  
3 about our boys.

4 And I do not want this project coming in. I  
5 don't want to have to move. I like where I'm living. And  
6 I think everyone around here likes our home and we like  
7 our neighborhood. We don't want any more apartments or  
8 low multi-building.

9 Thank you.

10 MR. HARLESS: Thank you. Who's next?

11 MR. LEPINE: My name is Jerry Lepine,  
12 L-E-P-I-N-E, and I live on 4262 Lake Villas Drive in  
13 Fossil Creek. And I would like to be on record, as well,  
14 as being opposed to this.

15 I feel that not enough work has been done in  
16 the way of public transportation, accessible stores and  
17 schools, as well as being assured that proper security  
18 background checks will be done prior to folks moving into  
19 these apartments. Again, I just wanted to be on record to  
20 say that I was opposed to this project.

21 Thank you.

22 MR. HARLESS: Thank you, sir.

23 MR. AVERETT: My name is James Averett,  
24 A-V-E-R-E-T-T. I live at 5733 Searcy, S-E-A-R-C-Y, in The  
25 Crossing of Fossil Creek subdivision. I've been in my

1 home exactly four weeks to the day.

2           And my concern is two-fold. One is the safety  
3 of my family. And two is the protection of my investment.  
4 My wife and I were very simple-living people. We come to  
5 this neighborhood because it was a nice neighborhood. You  
6 know, we've got good neighbors already, made some good  
7 friends. And I'm concerned for the safety of my family.

8           I will go on record to be against this project.  
9 Thank you.

10           MR. HARLESS: Thank you. Next please?

11           MR. PLOWMAN: My name is Jerry Plowman. That's  
12 P-L-O-W-M-A-N. I'm in the Northbrook neighborhood. We've  
13 been here several years.

14           My main opposition is the presentation that was  
15 put on by the property management company. To me, it was  
16 very deceiving, very ambiguous, and my end result was I  
17 don't believe or trust anything that they said. Likewise,  
18 I don't know what we'd end up with. And that's why I'm  
19 against it, because I can't trust them.

20           And thank you.

21           MR. HARLESS: Okay. Next please?

22           MS. LEPINE-MEADOWS: My name is Lisa Lepine-  
23 Meadows. It's hyphenated. It's L-E-P as in Paul-I-N-E  
24 Meadows, M-E-A-D-O-W-S. My husband and I are in the  
25 process of purchasing and building our new home in



1 Saginaw. We are six weeks away from moving in.

2 We have invested every dime we have saved since  
3 we've been married, since we've been dating, to purchase  
4 the home, because we didn't want to live in apartments any  
5 more, for all the reasons that everyone describes.

6 And I'm sad to say that I almost don't feel  
7 like I want to move in my home anymore, because if my  
8 neighborhood is going to turn to trash in five years, then  
9 what was the point of saving all of my money to purchase a  
10 home. I can stay in Euless where I live now and buy a  
11 resale and live in a nice neighborhood.

12 But we moved to Saginaw because we wanted land,  
13 because we wanted a place to raise our family. We wanted  
14 somewhere where our dogs could run. We wanted to know our  
15 neighbors. We wanted to enjoy life.

16 And I don't think bringing in these sort of  
17 housing projects is going to help me enjoy my life any, if  
18 I have to worry about walking my dogs in the street by  
19 myself at night, and feeling that I'm going to get mugged  
20 or robbed. Or if we leave our cars out at night, instead  
21 of in the garage, if they're going to get broken into.

22 I'm sorry. I don't believe in integrating low-  
23 income with middle- to high-income families. And this is  
24 just not a good idea. Please put me on the record as  
25 being opposed.

1 MR. HARLESS: Thank you, ma'am. Next please?

2 MR. OLDAKER: My name is Bruce Oldaker,  
3 O-L-D-A-K-E-R. I reside at 5901 Ash Flat Drive in the  
4 Fossil Creek area, approximately one year. Very pleased  
5 when we moved into the neighborhood -- new purchase for me  
6 and my wife -- we worked very hard. We have two young  
7 girls that's a very big concern of ours.

8 We don't want people that we know is fixing to  
9 move into our neighborhood. I've got neighbors that have  
10 young children. I hear the horror stories. A lady lives  
11 three doors down that lived in Section 8, house broke  
12 into, children's been molested. We don't want to put up  
13 with it. We've worked too hard for what we've got.

14 We feel like you're robbing from the rich and  
15 giving to the poor. And it's not right. I want to go on  
16 the record that I'm opposed to this.

17 MR. HARLESS: Thank you, sir. Next?

18 MR. MEADOWS: My name is John Meadows. And I'm  
19 currently building a house in Saginaw, where this  
20 community it butt up against to. These residents will be  
21 going to my children's school.

22 I am in opposition of this, personally, because  
23 Mr. Kim, who is for the development company, could not  
24 give us any straight answers. He laughed at us and called  
25 us pretty much fools for buying in an area that, you know,

1 where they're going to have multifamily housing. That's  
2 just the way it is. Well, that's not the way it is. The  
3 community dictates what is going to happen here. And we  
4 are all in opposition to this. And this is my final  
5 answer.

6 MR. HARLESS: Thank you, sir. Next?

7 MS. TADDONIO: My name is Sharon Taddonio,  
8 T-A-D-D-O-N-I-O. I live at 5833 Blanchard Drive. I'm  
9 opposed to this proposition for the bond approval.

10 I'm opposed for several reasons, because the  
11 area right now does not provide for public transportation,  
12 no job opportunities in the immediate area. There's no  
13 educational or training facilities for these people to get  
14 back on their feet, these low-income families that may be  
15 moving to the area.

16 There's no convenient retail services, such as  
17 a close drug store, a close grocery store, a superstore  
18 such as Wal-Mart or Target, within a very close proximity.  
19 There's no support services, such as low-income child  
20 care services in the area, medical facilities. There's  
21 not a library within a walking distance.

22 These are two-, three-bedroom apartments.  
23 These will have many children in them that don't have  
24 access to a close library. I don't think it's fair to ask  
25 that we add these services when they're not needed

1 initially. Should we ask the taxpayers to add these  
2 services because this apartment complex will make this  
3 company money?

4 This is not the area to build this in. Thank  
5 you. I'm opposed to the project.

6 MR. HARLESS: Thank you.

7 MR. McDANIEL: My name is Tim McDaniel. I live  
8 in the adjacent community, the Dia Horton [phonetic] at  
9 2701 Bull Shoals Drive. I grew up in Fort Worth, across  
10 the highway from Wood Haven, and observed what happened to  
11 that neighborhood as well, and saw the property values  
12 plummet. So I am concerned a great deal about property  
13 values.

14 I'm also concerned about crime. And I would go  
15 on record as saying that I am against this project.

16 MR. HARLESS: Thank you. Next, please?

17 MR. BOUDREAUX: My name is Dan Boudreaux,  
18 B-O-U-D-R-E-A-U-X. And my wife and I relocated here from  
19 the New Orleans area to get away from this sort of thing  
20 that's fixing to happen now, to get a better education for  
21 our kids, safer environment. And I'm against it all the  
22 way. And if it does go through, then Fort Worth may lose  
23 another taxpayer. Thank you.

24 MR. HARLESS: Thank you. Next, please?

25 Especially any of you that need to leave, please come

1 forward.

2 (No response.)

3 MR. HARLESS: Would anyone else like to speak?

4 MS. NORTON: My name is Elisabeth Norton.

5 That's E-L-I-S-A-B-E-T-H N-O-R-T-O-N. I live at 8308

6 Merewood Trail in Forth Trail in Fort Worth.

7 And I have concerns about the adequacy of the  
8 background checks on the residents. I understand the Fair  
9 Housing Act. I understand the reasons why that's been put  
10 in place. But I also think that in fairness to all of the  
11 citizens, there needs to be an adequate background check.

12 And that to me would be more than just checking where  
13 someone says they lived in the past.

14 I think it ought to be a stricter background  
15 check that's going to go into state databases, and run  
16 Social Security numbers or some identifier like that  
17 that's going to generate a more accurate report, so they  
18 can make a more informed decision about who's going to be  
19 extended the opportunity to live in that community.

20 Thank you.

21 MR. HARLESS: Thank you, ma'am.

22 Next, please?

23 MR. CLICK: Thank you. My name is Don Click.  
24 I live at 8450 Trace Ridge Parkway, here in 76137. I'm a  
25 real estate broker, and I want to comment on the real

1 estate conditions in this area.

2 This zip code, being a fast-growing area for  
3 the last twelve months, has been among the three highest  
4 foreclosures of any zip codes in Fort Worth; that is HUD  
5 repos and VA repos. Furthermore, the apartment market is  
6 becoming saturated in this area.

7 And earlier in the week, we, of course, had the  
8 proposal of the Fort Worth Housing Association to come out  
9 to this area. And we have one bad complex with bad  
10 management that is poisoning the well for any other  
11 multifamily in the area.

12 No matter how good an organization it is, the  
13 people that operate the one near Park Vista and Basswood  
14 are not being properly supervised by the Section 8 people  
15 providing them funds, because they are not being held  
16 accountable for the crime on their property.

17 And that is making it difficult for anybody  
18 else to come in here, no matter how good, because with the  
19 Fort Worth housing and this bad Section 8 project in the  
20 area, it's a bad real estate cycle.

21 Existing complexes on Beach Street are having a  
22 deterioration in rents and occupancy, and it's just a bad  
23 time for more apartments in this area. Thank you.

24 MR. HARLESS: Thank you, sir. Next, please?

25 MS. TORRES: Can I say something?

1 MR. HARLESS: Please come forward. Please  
2 state your name for the record.

3 MS. TORRES: All right. My name is Amanda  
4 Torres. I live at 4612 Bay Tree Drive, Fort Worth, Texas,  
5 76137. Me and my boyfriend moved from Lubbock, Texas, to  
6 Fort Worth about a year ago.

7 And we lived on the south side. We lived near  
8 a Section 8 project house, and he got his car stolen the  
9 first month we had lived there. It was totally stripped.  
10 It was found on the other side of Dallas, totally  
11 stripped. The whole front end was off of it.

12 There was people that hung around outside near  
13 the Section 8 apartments. And they just watched his car,  
14 because he had his car fixed up real nice. And it was  
15 from them. And the police had confirmed that it was one  
16 of the people that lived over there.

17 And so we decided to like save up all our money  
18 that our job had -- you know, when we lived over there on  
19 the south side. And moved over here to the north side  
20 where my father lives. And this is like an excellent  
21 community. There's no problems, nothing.

22 I also work at Kindercare, down here on  
23 Basswood Boulevard. And those kids are excellent. They  
24 don't need this kind of stuff in the community. They  
25 don't need crime. They don't need drivebys, you know,

1 stuff like this.

2           And I think -- I'm just totally against it,  
3 because we lived on the south side. I was scared to live  
4 over there because there was so -- the crime was terrible  
5 over there. And we moved over here to the north side.  
6 And I don't think that this should happen over here on  
7 Western Center Boulevard. I don't want to see my school-  
8 age kids be in some sort of crime, some sort of danger  
9 because that are going to live there, you know, they're  
10 just not going to care.

11           And I like this community. There's a lot of  
12 people over here that are nice. On the south side, it  
13 wasn't so friendly because they were just -- they were  
14 mean. I mean, they would just sit outside and stare at  
15 you ugly. We never felt welcome over here. But as soon  
16 as I moved to the north side, I mean, we were just  
17 welcomed right away with open arms.

18           And for them to build a Section 8, just like  
19 how it was on the south side, that is just totally -- it's  
20 wrong. And I don't think it should happen. I'm sorry.  
21 I'm totally against it. Thank you.

22           MR. HARLESS: Thank you. Next, please?

23           MS. JEWETT: My name is Erin Jewett,  
24 J-E-W-E-T-T. I live at 4788 Wandberry Drive. That's in  
25 76137. I've lived there for 13 years. I've grown up in



1 this neighborhood.

2           And this neighborhood, I've seen crime in and  
3 out of it. And I don't think we need any more crime in  
4 this neighborhood than we already have. I mean, we've  
5 been trying so hard with Citizens on Patrol, and  
6 everything else that's been going on in Fort Worth, that  
7 everybody's been trying so hard to keep crime out.

8           And with Citizens on Patrol, we've kept a lot  
9 of crime out. But it's starting to get higher. And if we  
10 bring in Section 8 housing, it's just going to get worse  
11 and worse. And there's not enough people out there. We  
12 don't have enough officers out here to help people.  
13 There's, you know, there's not enough people that have  
14 eyes and ears for the neighborhood.

15           And to bring in more people that are going to  
16 cause crime and everything else is not worth it. I'm  
17 completely opposed to the Section 8 housing. Thank you.

18           MR. HARLESS: Thank you.

19           MR. KAPPAYIL: My name is Joseph Kappayil. And  
20 I just want -- I live in 5553 Monthaven Drive.

21           MR. HARLESS: Sir, excuse me, would you spell  
22 your last name?

23           MR. KAPPAYIL: Yes, K-A-P-P-A-Y-I-L.

24           MR. HARLESS: Thank you.

25           MR. KAPPAYIL: And I'm against this whole

1 proposal. This is my feeling right now. This affordable  
2 housing, unfortunately, encompasses Section 8 housing.  
3 And these kind of opportunities attract undesirable people  
4 which will adversely effect the value and the safety of  
5 this neighborhood. I'm against this proposal for  
6 primarily the safety of my family and the value of my  
7 investment.

8                   We have an affordable-housing complex nearby,  
9 which to date, August 29, 2002, so far has had 50 criminal  
10 documented cases with all varying degrees of offenses from  
11 burglary to sexual assault of a child. So the numbers  
12 should speak for themselves. We've only hit August, and  
13 they already have 50 documented, pretty nasty cases so far  
14 that this has happened right up the street.

15                   So that's getting too close to our  
16 neighborhood. So I'm completely opposed to this whole  
17 proposal, not so much for affordable housing, but the  
18 Section 8 part of the affordable housing that's going to  
19 affect a lot of people in this whole neighborhood.

20 Thanks.

21                   MR. HARLESS: Okay. Thank you. Next, please?

22                   MR. ERIC STEVENS: My name is Eric Stevens,  
23 S-T-E-V-E-N-S. I'm a resident of La Taga.

24                   I am here to talk about the high concentration  
25 of low-income housing communities within a small, 17-mile

1 area. Basically, we're going to have five communities  
2 that are going to be low-income housing. That's a high  
3 concentration.

4 Another one that I have to talk about is that  
5 we have a problem in our area. We have one of the first  
6 low-income based communities within this area. And we  
7 have a high concentration of crime. We have over 50  
8 cases. That's with the Apartment Vista townhomes.

9 And we are basically understaffed on the La  
10 Taga police department and we are understaffed on the Fort  
11 Worth police department to meet these needs.

12 We do not have public transportation for these  
13 people. And nothing is mentioned about public  
14 transportation tonight.

15 Crime, I'm submitting to you on these items,  
16 about the crime, we have several incidents last night and  
17 the night before. We had a young lady that was almost  
18 raped in the apartment complex. We had a child, a 13-  
19 year-old, who was raped the day before, that has not been  
20 reported yet.

21 Concentration of schools, as a school  
22 teacher -- I'll tell you this right now -- I do not see  
23 any preplanning for the amount of concentration of school  
24 kids going to already capped communities and capped school  
25 districts. We're almost at the end of our school tax on

1 the capping side.

2 And that should be it.

3 MR. HARLESS: Thank you, sir. Who's next?

4 MR. BANKS: My name is Pat Banks. I live at  
5 5729 Searcy Drive in 76131. I moved here from Illinois  
6 recently because of my job.

7 I've seen communities get overloaded with  
8 people, having to build schools which puts a burden on the  
9 tax base, and frankly I can't afford it. I can't afford  
10 any multifamily units going into my neighborhood, to raise  
11 my taxes more for schools, or public transportation, or  
12 whatever.

13 It's not the type of housing. It's the amount  
14 of housing. I just can't afford the taxes. So I'm  
15 against this.

16 MR. HARLESS: Okay. Thank you. Anybody else?

17 MR. YATES: My name is Joe Yates. I'm a  
18 resident at 7504 Deer Lodge Trail.

19 I'm opposed to this use of the land as well. I  
20 consider this a gross misuse of this particular portion of  
21 land. Its highest and best use in this area would be as a  
22 commercial facility. By approving this bond, I believe  
23 you would be facilitating a lower usage of the land, which  
24 as you've heard before from all of the previous speakers,  
25 we believe would have a chilling effect on the development

1 in this area, on the continued economic development here.

2 Thank you.

3 MR. HARLESS: Anyone else like to speak?

4 (No response.)

5 MR. HARLESS: Do you want to speak?

6 MR. LARRY STEVENS: Can we speak a second time?

7 MR. HARLESS: If someone wants to concede their  
8 time.

9 Anyone haven't spoken that would like to  
10 concede?

11 VOICE: I give mine.

12 MR. HARLESS: Okay. Did you want to speak now?

13 MR. LARRY STEVENS: Uh-huh.

14 MR. HARLESS: All right. Okay.

15 MR. LARRY STEVENS: Larry Stevens, 2812 Calico  
16 Rock in Forth Worth, 76131. Just talking in general, I've  
17 lived, my family have lived in this area now over probably  
18 19 years, 18 years, in Northbrook, moved two blocks to  
19 Fossil Creek -- concerned about the development in this  
20 area, the location of this particular affordable housing,  
21 low income, here.

22 We're looking at trying to work to develop this  
23 whole area into something nice, something that will be  
24 good for the city. The concern is in placing this right  
25 in the middle of these neighborhoods, in the middle of

1 this development, have a great potential of impact a  
2 number of contracts that are already in the works,  
3 developments and things that being sought.

4           Also, there's a very, very real concern,  
5 because of the positioning of this property, right next to  
6 land that's been dedicated for a park, of that becoming  
7 instead of something positive and something that many  
8 people fear, into something negative.

9           And that's been a track record all through the  
10 city for many, many years. When you put something of a  
11 lower income, of a lower expectation, next to a park, it  
12 becomes a hangout, not just for the people there, but for  
13 other people looking to prey upon people that would be  
14 there.

15           There are no other parks. There are no other  
16 public facilities in this entire area. This will become a  
17 focal point here. So we're concerned about that as well  
18 as the safety in the area.

19           So please do consider this. Please consider  
20 the wisdom in the placing of this, the growth, the health  
21 for the city, as well as the people that will be moving in  
22 here, because there aren't the resources -- particularly  
23 if the lower end of the economic spectrum does move in  
24 here, there aren't the resources. There aren't the jobs.  
25 There isn't the retail. There aren't the things to

1 accommodate people.

2 Please consider these things in your choice.

3 Thank you very much.

4 MR. HARLESS: Thank you.

5 MR. VOWELL: My name is Kim Vowell. I'm with  
6 the Brisben companies, headquartered in Cincinnati. We're  
7 the developer of this property called Iron Stone Crossing.  
8 And I would like to say that prior to the public portion  
9 and official portion of the meeting, I had an opportunity  
10 to present this development in a slide show to a very  
11 large crowd.

12 And the general theme seems to revolve around  
13 Section 8 and crime. And I just want to say, and put it  
14 on record, that first of all, this is not a Housing and  
15 Urban Development development. It's not a project-based  
16 Section 8 development.

17 This is a development that is looking at 60  
18 percent area median income as the driving force for  
19 workforce housing, opportunity to citizens of this area --  
20 people who are currently working, people who have cars,  
21 people who are upstanding citizens, people who have not  
22 been convicted of crime, people who have no crime  
23 intention.

24 They simply are trying to find a housing  
25 opportunity, an alternative to underhoused conditions.

1 Those people that come into our development are going to  
2 have an opportunity to live in a garden-style flat or a  
3 townhome at very reasonable rents. The program that  
4 allows this to happen is a very smart program, and it  
5 benefits a lot of people.

6 I would ask the board to thoroughly consider  
7 the comments that have been made and recognize them for  
8 what they are. Our development will have very stringent  
9 entry admission requirements, and we will weed out those  
10 people, should they get past those stringent requirements,  
11 through the eviction process.

12 People that are concerned about crime should  
13 recognize that we're dealing with people whose family  
14 incomes for a family of three is something over \$36,000.  
15 For a family of five, it's almost \$40,000. We're talking  
16 about a lot of mainstream people, the very people that, if  
17 these folks would just look in the mirror, they might see  
18 themselves.

19 Thank you very much.

20 VOICE: I'd like to give my time up.

21 MR. HARLESS: Certainly.

22 MR. LEPINE: My name is Jerry Lepine, 4262 Lake  
23 Villas Drive. Last name is L-E-P-I-N-E.

24 I'd just like to state a rebuttal to Kim -- I'm  
25 not sure what your last name is, sir.



1 MR. VOWELL: Vowell.

2 MR. LEPINE: Vowell, the company responsible  
3 for building this.

4 He's put it on a note of -- on a basis of  
5 feeling sorry for the people that live in the area that  
6 would need it. The issue is not that. The issue that we  
7 are very concerned about security. And, again, background  
8 checks would not be done to sufficient status, as well as  
9 any of the amenities that would be required for these  
10 folks.

11 So I think his presentation was based more on  
12 the fact that he's concerned about these people. He does  
13 not live in this area. He will not live in this area.  
14 And it's strictly to me and to several folks in this forum  
15 strictly a financial type of presentation that was  
16 presented to us tonight.

17 Thank you.

18 MR. HARLESS: Thank you. Anyone else?

19 Ma'am, I think you mentioned you'd wanted to  
20 say something, earlier.

21 MS. GOODSON: My name is D-E-S-S-I-E  
22 G-O-O-D-S-O-N. I live in Denton, Texas.

23 I don't live here for this housing where you  
24 want to put this housing sort. But I do live there, and I  
25 know what people are going through, even the elderly. And

1 there is a lot that is having to wait two and three years  
2 to find a place to live.

3           And these people have got it all now, but one  
4 day something's going to happen and you won't have it. I  
5 worked until I had my accident and I couldn't. Now I'm on  
6 Social Security and I'm 60 years old. I told you what I  
7 had.

8           Now nobody wants me in their neighborhood. No  
9 one wants me around them because I speak what I say and  
10 because I think what I say. It's my right.

11           And I came over to this meeting tonight because  
12 I wanted to speak to the Department of Housing in Austin,  
13 because I want something done better in Denton, Texas.

14           There is a Section 8 application we all have to  
15 go through. I even signed it. I filled it out, not once,  
16 but twice. But they do do a background check on you.

17           But with things that have happened to me in  
18 Denton have got to be straightened out so I can have a  
19 place to live, because right now, I don't. I'm on the  
20 street.

21           You people complain about the homeless. Then  
22 why don't you help them.

23           VOICE: Why do you keep looking at me?

24           MS. GOODSON: Because -- I'm not -- none of you  
25 people do. I look at everybody --

1 MR. HARLESS: All right. That's time.

2 MS. GOODSON: -- which I don't think you really  
3 understand what these people are trying to do for other  
4 people. Why don't you go home, sit down, and think about  
5 what these people are trying to do for them?

6 MR. HARLESS: Thank you, ma'am. Your time is  
7 up.

8 Anyone else like to speak?

9 (No response.)

10 MR. HARLESS: Anyone else?

11 (No response.)

12 MR. HARLESS: No one?

13 (No response.)

14 MR. HARLESS: Okay. I would like to thank  
15 everyone for attending this hearing this evening. Your  
16 comments have been duly recorded. The meeting is now  
17 adjourned and the time is 8:45.

18 (Whereupon, at 8:45 p.m., the meeting was  
19 adjourned.)

C E R T I F I C A T E

1

2

3 IN RE: Mark II Apartments

4 LOCATION: Fort Worth, Texas

5 DATE: August 29, 2002

6 I do hereby certify that the foregoing pages,  
7 numbers 1 through 35, inclusive, are the true, accurate,  
8 and complete transcript prepared from the verbal recording  
9 made by electronic recording by Barbara Wall before the  
10 Texas Department of Housing and Community Affairs.

09/09/02  
(Transcriber) (Date)

On the Record Reporting, Inc.  
3307 Northland, Suite 315  
Austin, Texas 78731



September 18, 2002

Mr. Robert Onion  
Texas Department of Housing and Community Affairs  
Multifamily Finance Division  
507 Sabine Street # 400  
Austin, Texas 78711

Re: Ironstone Ranch  
2900 Block of Western Center Boulevard, Fort Worth, Texas

Dear Mr. Onion:

The council district that I represent, located in the northeastern sector of Fort Worth, has a need for high-quality affordable housing that not only meets the needs of our moderate-income residents, but also is located in an area of the city that families find desirable. The property is very well located in terms of employment opportunity and will serve a growing need for families that want to be close to their workplace.

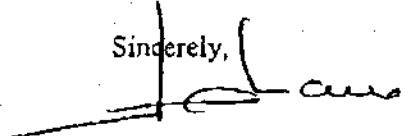
The architectural elements presented by the developer with its product, amenity package, rent structure and low density of less than 11 units per acre will positively impact adjacent neighborhoods and businesses.

This development was reviewed by the Fort Worth Housing Department, which determined that the development is in accordance with Fort Worth's adopted Consolidated Plan. The property was zoned for multi-family uses and is consistent with the housing goals and strategies of the City of Fort Worth.

I would encourage the Texas Department of Housing and Community Affairs and the Texas Bond Review Board to make an affirmative step toward the guarantee of affordable workforce housing in my District by approving the Ironstone Ranch project as proposed by The Brisben Companies.

Thank you in advance for helping bring new housing opportunities to my constituents.

Sincerely,



Jim Lane, Council Member  
City of Fort Worth, TX

HOUSE OF REPRESENTATIVES



VICKI TRUITT  
DISTRICT 98

CAPITOL OFFICE  
P.O. BOX 2910  
AUSTIN, TX 78768-2910  
(512) 463-0692  
FAX: (512) 477-5730  
E2.506 CAPITOL EXTENSION

DISTRICT OFFICE:  
1256 MAIN STREET, SUITE 248  
SOUTH LAKE, TX 76092-7624  
(817) 488-4098  
FAX: (817) 488-4099  
SOUTH LAKE TOWN SQUARE

RECEIVED

SEP 03 2002

Multifamily Finance Division

August 29, 2002

Michael E. Jones, Chair  
and Board Members  
Elizabeth Anderson  
Shadrick Bogany  
C. Kent Conine  
Vidal Gonzalez  
Norberto Salinas  
Texas Department of Housing and Community Affairs  
507 Sabine, Suite 400  
P.O. Box 13941  
Austin, TX 78711-3941

Dear Chairman Jones and Board Members:

On behalf of my constituents in Fort Worth, I am writing to share concerns regarding the 180 unit, low-income multifamily housing unit proposal to be located on the south side of the 2900 block of Western Center Boulevard in Fort Worth, Tarrant County, Texas 76137.

**First and foremost, if this proposal removes any portion of this property from the property tax rolls, I am firmly opposed to it.**

Further, my constituents claim that:

- They were not properly notified of the project, and were inadequately involved in the planning phase;
- A lack of public transportation, and a lack of job opportunities within walking distance will create a hardship for potential residents of the project;
- The lack of retail access (grocery stores, etc.) within walking distance will create a hardship for potential residents of the project;

- A lack of police protection will endanger residents;
- This complex will be located within Fort Worth City Council District 2, which already consists of 72% Hispanic population, and that according to the 24 Code Federal Registry Chapter IX 941.202, referring to *Site and Neighborhood Standards*, states that there should be "greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low income." And, currently, the largest population and neighborhood immediately adjacent to this proposed low-income multifamily complex, Northbrook, had average home appraisal values, just five years ago, of less than \$40,000. This neighborhood consists of young families, families with very modest incomes and retirees on fixed incomes. Given Fort Worth's definition of poverty (30% of a community with less than 80% of median income, \$48,000/year), many may already fit into this category; and,
- The Fort Worth Housing Authority said at a public hearing on August 27, 2002, at the United Methodist Church in the Park Glen neighborhood, that "apartments in Fort Worth are nearly over-saturated."

In conclusion, I urge the TDHC Board members and staff to carefully weigh the merit of this project in light of the concerns expressed herein.

Sincerely,



Vicki Truitt  
State Representative

copy: Mr. Robert Onion  
Director of Multifamily Finance

Aug. 29, 2002

**Ironwood Ranch Townhome  
280 Units, Low-Income Multi-Family Complex**

Larry Stevens  
2812 Calico Rock Dr.  
Fort Worth, TX 76131  
(817) 847-6376

**LACK OF COMMUNITY PLANNING**

There is a concern that a low-income multi-family complex can be forced into a neighborhood community, possibly to its detriment without any recourse; and that this process did not notify and involve the community in the planning phase.

**UNITS ARE ABOUT BUSINESS – NOT ABOUT PEOPLE**

There is a concern that just moving lower-income families into nicer areas does not address the real issues necessary to help lower-income families, but rather masks issues, making them more difficult to address, and has a largely negative impact on that community.

**NEGATIVE COMMUNITY IMPACT**

This particular proposal is an area that is in the middle of developing into something nice for the community and city. Deals are being sought, contracts are in the works, plats have been designed and home development is currently underway. Placing low-income housing right in the middle, especially at this time, may very well jeopardize this development, set a lower standard, and quite possibly cause nicer restaurants and businesses to locate elsewhere, chasing away jobs and growth.

**CHALLENGE TO COMMUNITY & FAMILY ENVIRONMENT**

This low-income multi-family complex is to be situated immediately next to parkland that is attempting to be developed. The vast majority of the surrounding neighbors have been working to secure a park for nearly 15 years. There have been some neighbors concerned that a park will only become a "hang out" and a trouble spot. This now makes that last possibly a much greater probability.

**TRANSPORTATION & EMPLOYEEMENT**

There is currently no public transportation. There are, however, two hard liquor stores, and a Topless Bar within walking distance – each of which pose additionally related problems. The only real jobs within walking distance are those currently employing school kids. Without a car, doctors and hospitals are NOT readily accessible.

**RETAIL**

There is no retail within walking distance- other than gas stations, convenience stores, there are no grocery, clothing or household stores.

**SECURITY**

Still, for a number of years, this complex will be out of the way for any police to monitor, and relatively easy for a criminal element to slip in and out of because of the maze of side roads and fields. It will be a few years before Mark IV Parkway is to cut through to Western Center, and even then it will still out of the way for police. A similar complex on Beach Street has had a constant police presence, with a Police Sub-Station located just up Beach Street.

**MINORITIES**

This complex will be located in Fort Worth City Council District 2 which consists of over 72% Hispanic, totaling well over 80% minorities. The existing adjacent neighborhood, Northbrook, has a very significant and growing minority population. The 24 C.F.R. Chapter IX 941.202, referring to *Site and Neighborhood Standards*, states that there should be "greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low income". The location of this proposed low-income housing project is certainly on the edge of, if not within what this Federal standard appears to discouraging.

**POVERTY**

Currently the largest population and neighborhood immediately adjacent to this proposed low-income multi-family complex, Northbrook, had average home appraisal values, just five years ago, of less than \$40,000. This neighborhood consists of young families, families with very modest incomes, and retirees with fixed incomes. Give Fort Worth City's definition of poverty (30% of a community with less than 80% of median income, \$48,000/year) many already fit into that category. With the addition of these 280 units, this may very well results in our area becoming a poverty-stricken area even with the future planned growth of the Crossing at Fossil Creek Neighborhood, as defined by the city of Fort Worth. (This is if just a little over 20% of Northbrook falls at or below \$48,000/year.) If these 280 units come in a year from now, it will make this a poverty-stricken area, even without considering family income in the surrounding neighborhoods. This certainly does not met current Federal guidelines by creating a situation that it states is to be avoided!

**APARTMENT OVERSATURATION**

The Fort Worth Housing Authority said at a public hearing (8/27/02) at the United Methodist Church in the Parkgenn neighborhood, "apartments in Fort Worth are nearly over saturated".



# 6728 Park Vista Cases

Prepared by: David Shortzer

Open Records Request Ref: # 02-176

Date	Offense Description	ADDRESS	APT	CASE STATUS
				P - Pending B - Open C - Closed
1/4/2002	Burglary of Habitation	6728 PARK VISTA BLVD #	2302	P
1/18/2002	Assault Cause Bodily Injury	6728 PARK VISTA BLVD	1702	P
1/23/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2506	P
1/23/2002	Assault Cause Bodily Injury	6728 PARK VISTA BLVD	2308	C
1/24/2002	DOC - Display/Discharge Weapon	6728 PARK VISTA BLVD	701	C
1/24/2002	Terroristic Threat	6728 PARK VISTA BLVD	1507	P
1/27/2002	Criminal Mischief >\$50.00	6728 PARK VISTA BLVD	1402	C
2/19/2002	Sexual Assault Child	6728 PARK VISTA BLVD	1004	C
2/24/2002	Burglary of Vehicle	6728 PARK VISTA BLVD	406	P
3/3/2002	Burglary of Habitation	6728 PARK VISTA BLVD	406	C
3/7/2002	Burglary of Habitation	6728 PARK VISTA BLVD	1702	P
3/9/2002	ASSAULT BY CONTACT	6728 PARK VISTA BLVD	1004	P
3/10/2002	INJ TO A CHILD BODILY INJ	6728 PARK VISTA BLVD	701	P
3/13/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2704	P
3/16/2002	Agg Assault w/Deadly Weapon	6728 PARK VISTA BLVD	2701	C
3/18/2002	Burglary of Habitation	6728 PARK VISTA BLVD	403	P
3/20/2002	Burglary of Vehicle	6728 PARK VISTA BLVD	1104	P
4/2/2002	Assault Cause Bodily Injury F.V.	6728 PARK VISTA BLVD	806	C
4/5/2002	Assault Cause Bodily Injury F.V.	6728 PARK VISTA BLVD	2007	C
4/20/2002	Burglary of Vehicle	6728 PARK VISTA BLVD	803	P
4/22/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2508	P
5/3/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	1301	P
5/3/2002	Criminal Mischief <\$50.00	6728 PARK VISTA BLVD	2501	P
5/3/2002	Burglary of Habitation	6728 PARK VISTA BLVD	701	P

TDHCA  
8/29/02  
F. WORTH

Date	Offense Description	ADDRESS	APT	CASE STATUS
				P - Pending O - Open C - Closed
5/8/2002	Poss Controlled Substance Grp 1	6728 PARK VISTA BLVD	1304	C
5/15/2002	Burglary of Habitation	6728 PARK VISTA BLVD	1002	P
6/5/2002	Theft <\$50	6728 PARK VISTA BLVD	601	P
6/5/2002	THEFT 50-500 EXCEPT VEH	6728 PARK VISTA BLVD	1506	O
6/15/2002	THEFT 50-500 EXCEPT VEH	6728 PARK VISTA BLVD	2203	P
6/17/2002	Burglary of Habitation	6728 PARK VISTA BLVD	906	C
6/18/2002	Aggravated Sexual Assault Child	6728 PARK VISTA BLVD	705	O
6/18/2002	Burglary Hab intend other Felony	6728 PARK VISTA BLVD	705	C
6/21/2002	Burglary of Habitation	6728 PARK VISTA BLVD	705	O
6/23/2002	Burglary of Habitation	6728 PARK VISTA BLVD	705	O
6/24/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2303	C
6/25/2002	THEFT 50-500 EXCEPT VEH	6728 PARK VISTA BLVD	504	P
7/10/2002	ASSAULT BY CONTACT - F V	6728 PARK VISTA BLVD	1501	O
7/13/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2101	P
7/13/2002	Burglary of Habitation	6728 PARK VISTA BLVD	3404	C
7/21/2002	Assault Cause Bodily Injury F.V.	6728 PARK VISTA BLVD		C
7/26/2002	Burglary of Habitation	6728 PARK VISTA BLVD	1001	O
7/29/2002	THEFT 50-500 EXCEPT VEH	6728 PARK VISTA BLVD	504	P
7/31/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	1105	P
8/1/2002	Assault Cause Bodily Injury F.V.	6728 PARK VISTA BLVD	1403	C
8/1/2002	Agg Assault w/Deadly Weapon	6728 PARK VISTA BLVD	2104	O
8/1/2002	Agg Assault/Serious Bodily Inj	6728 PARK VISTA BLVD	1201	O
8/2/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD	2006	P
8/5/2002	Assault Cause Bodily Injury F.V.	6728 PARK VISTA BLVD	501	C
8/9/2002	Criminal Mischief - Inconvience	6728 PARK VISTA BLVD	1305	O
8/10/2002	HARASSMENT	6728 PARK VISTA BLVD	203	P
8/10/2002	Criminal Mischief <\$50.00	6728 PARK VISTA BLVD	2702	O
8/17/2002	ASSAULT BY THREAT	6728 PARK VISTA BLVD	1803	O
8/18/2002	Criminal Mischief >=\$50<\$500	6728 PARK VISTA BLVD		P

<b>Date</b>	<b>Offense Description</b>	<b>ADDRESS</b>	<b>APT</b>	<b>CASE STATUS</b> P - Pending O - Open C - Closed
8/25/2002	Criminal Mischief <\$50.00	6728 PARK VISTA BLVD	2006	P
8/25/2002	Criminal Mischief >=\$500<\$1500	6728 PARK VISTA BLVD.	1804	O

August 30, 2002

Texas Department of Housing and Community Affairs

I would like to make a written comment in regard to the "Affordable Housing" being considered for private activity bonds. The actual location is 2900 Western Center Blvd. Fort Worth, TX.

I strongly oppose the building of these apartments due to the fact that "affordable" is geared toward lower income families. The acceptance of Section 8 vouchers will further reduce the quality of the community. Neighboring communities will also be punished by the reduced value of our properties. In addition, it is a proven fact that crime rates increase and the quality of education is reduced.

Thanks,  
Susan Thomsen  
5429 Champlain Drive  
Fort Worth, TX 76137

September 13, 2002

Mr. Robert Onion  
507 Sabine  
Austin, TX 78701

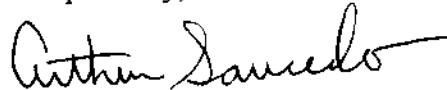
Dear Mr. Onion,

I am sending you this letter stating the reasons why the proposed subsidized housing project located at 2900 Western Center or immediate area would not be in the best interest of all parties involved.

1. There isn't any public transportation in this area.
2. The area does not offer any job opportunities other than restaurants, convenient, grocery, and a few retail stores.
3. The closest health care facilities are approximately 10 miles away.
4. This district is already considered a poverty area.
5. The ethnic make up of this area is mostly Hispanic; my point, minorities make up about 80% of this area.

I understand the concept of subsidized housing programs is to avoid a high concentration of low income and minority families to impact one location or district. If this project is approved it would be contrary to this concept; income and race balancing scheme adopted by the housing authorities would not be met.

Respectfully,



Arthur Saucedo

RECEIVED

SEP 18 2002

Multifamily Housing

**NICOLE M CORLEY**  
**2724 BULL SHOALS**  
**FORT WORTH TX 76131**  
**(817) 354-1977**  
**nicole.m.corley@lmco.com**

September 23, 2002

Mr. Robert Onion  
Texas Department of Housing and  
Community Affairs  
507 Sabine  
Austin, Texas 78701

RE: Multifamily Housing Revenue Bonds  
Mark IV Apartments (Ft. Worth, TX)/Series 2002

Dear Mr. Onion:

I am currently building a house that is expected to be completed in November of this year. My new neighborhood, The Crossing at Fossil Creek, is immediately south of the proposed low-income apartment development on the south side of Western Center Boulevard, west of Interstate 35W. I wish to convey my concerns to you and TDHCA.

First and foremost, please know that I do understand that Multifamily Housing Revenue Bonds are aimed at dispersing low-income families into mixed-income neighborhoods. However, if there is no support structure in place, projects such as Mark IV are doomed to fail. I ask that you consider the following:

The proposed location has no immediate/direct access to public transportation. Specifically, Fort Worth mass transit has no route along Western Center Boulevard or Mark IV Parkway. In fact, the closest bus line to the area is several miles away south of Loop 820. It is my understanding that the transit authority has no plans to expand service to the area.

The absence of public transportation lends to the problem of limited, or even no, access to both retail and social services, educational/training facilities, and jobs. For example, there are only 2 retail business west of Interstate 35W that are in walking distance of the proposed site . . . Waffle House and Joe's Crab Shack. Additionally, the closest grocery store is approximately 2 miles east of I-35W.

Also, consider the following:

- The closest community center, Diamond Hill, is roughly 5 miles from the proposed sight;
- The Social Security Administration that services the area is located in downtown Ft. Worth, which is a good 15 to 20 minute drive;
- The nearest public health center, Northwest, is approximately 8 miles away.

***In short, the isolated location of the proposed site hinders accessibility to vital services.***

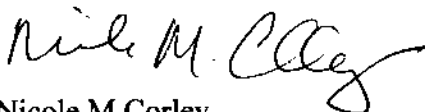
The Eagle Mountain-Saginaw Independent School District will also be adversely affected. It is my understanding that no plans are in place as to "how" the school district can or will accommodate the influx of children from the proposed multifamily complex.

In a time of downsizing and layoffs, job availability is also a concern. The current economy and its uncertain future, coupled with the problem of limited access and no public transportation service, is a recipe for failure and an invitation to crime.

I understand that there is a need to create more affordable housing. However, in a relatively new area that has limited educational resources, as well as employment opportunities, minimal retail outlets, limited social services, and no public transportation, ***I feel that the proposed site, Mark IV, is definitely not the optimal location for low income multifamily housing. It is my hope that TDHCA will consider the issues and challenges surrounding the proposed site and vote against Brisben's request for funding.***

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

Sincerely,



Nicole M Corley

CC: United States Congressman Joe Barton  
2264 Rayburn House Office Building  
Washington DC 20515

CC: United States Congresswoman Kay Granger  
435 Cannon House Office Building  
Washington DC 20515

N. Corley/Mark IV  
Page 3

CC: Texas State Senator Jane Nelson  
900 Parker Square, Ste 200  
Flower Mound TX 75028

CC: Texas State Representative Vicki Truitt  
1256 Main Street, Ste 248  
Southlake TX 76092



**GRETCHEN M STOELTJE**  
**2724 BULL SHOALS**  
**FORT WORTH TX 76131**  
**(817) 354-1977**  
**gmstoeltje@mail.com**

September 23, 2002

Mr. Robert Onion  
Texas Department of Housing and  
Community Affairs  
507 Sabine  
Austin, Texas 78701

RE: Multifamily Housing Revenue Bonds  
Mark IV Apartments (Ft. Worth, TX)/Series 2002

Dear Mr. Onion:

I am currently building a house that is expected to be completed in November of this year. My new neighborhood, The Crossing at Fossil Creek, is immediately south of the proposed low-income apartment development on the south side of Western Center Boulevard, west of Interstate 35W. I wish to convey my concerns to you and TDHCA.

First and foremost, please know that I do understand that Multifamily Housing Revenue Bonds are aimed at dispersing low-income families into mixed-income neighborhoods. However, if there is no support structure in place, projects such as Mark IV are doomed to fail. I ask that you consider the following:

The proposed location has no immediate/direct access to public transportation. Specifically, Fort Worth mass transit has no route along Western Center Boulevard or Mark IV Parkway. In fact, the closest bus line to the area is several miles away south of Loop 820. It is my understanding that the transit authority has no plans to expand service to the area.

The absence of public transportation leads to the problem of limited, or even no, access to both retail and social services, educational/training facilities, and jobs. For example, there are only 2 retail business west of Interstate 35W that are in walking distance of the proposed site . . . Waffle House and Joe's Crab Shack. Additionally, the closest grocery store is approximately 2 miles east of I-35W.

Also, consider the following:

- The closest community center, Diamond Hill, is roughly 5 miles from the proposed sight;
- The Social Security Administration that services the area is located in downtown Ft. Worth, which is a good 15 to 20 minute drive;
- The nearest public health center, Northwest, is approximately 8 miles away.

***In short, the isolated location of the proposed site hinders accessibility to vital services.***

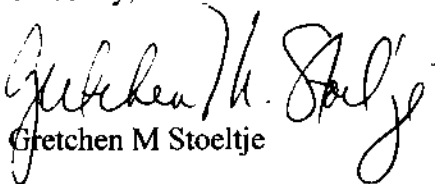
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In a time of downsizing and layoffs, job availability is also a concern. The current economy and its uncertain future, coupled with the problem of limited access and no public transportation service, is a recipe for failure and an invitation to crime.

I understand that there is a need to create more affordable housing. However, in a relatively new area that has limited educational resources, as well as employment opportunities, minimal retail outlets, limited social services, and no public transportation, ***I feel that the proposed site, Mark IV, is definitely not the optimal location for low income multifamily housing. It is my hope that TDHCA will consider the issues and challenges surrounding the proposed site and vote against Brisben's request for funding.***

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

Sincerely,

  
Gretchen M Stoeltje

CC: United States Congressman Joe Barton  
2264 Rayburn House Office Building  
Washington DC 20515

CC: United States Congresswoman Kay Granger  
435 Cannon House Office Building  
Washington DC 20515

G. Stoeltje/Mark IV  
Page 3

CC: Texas State Senator Jane Nelson  
900 Parker Square, Ste 200  
Flower Mound TX 75028

CC: Texas State Representative Vicki Truitt  
1256 Main Street, Ste 248  
Southlake TX 76092

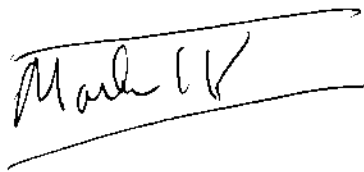
**Mr. & Mrs. John T. Stone**

2701 Flint Rock Drive  
Fort Worth, Texas 76131  
h: (682) 286-0711

July 17, 2002

TDHCA

ATTENTION: Robert Onion



Dear Mr. Onion:

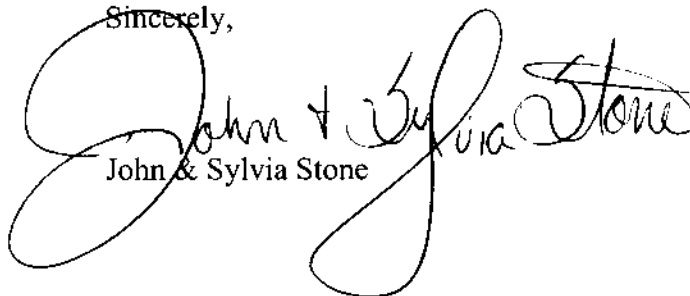
I am writing this letter in response to the proposed building site for "low income housing" located in **District 2 in North Fort Worth**.

On behalf of my wife and all who live in the DR Horton Subdivision, we are asking you please, do not allow this project to be built. We are all **OPPOSED** to any building project to be built. We are all opposed to any building project that would jeopardize our way of living, devalue our property and prevent other reputable businesses from moving in the area.

Please consider not only the above mentioned, but also the fact that there are no facilities to accommodate the tenants that would be living there. There is no public transportation, no jobs, no shopping centers, schools, or grocery stores close enough. It is a lose-lose situation.

Thank you in advance for your help in stopping this building project.

Sincerely,



John & Sylvia Stone

## **AGENDA ITEM NO. 4**

### **Amendment to the 2002 State of Texas Consolidated Plan -- One Year Action Plan**

---

At the August 8, 2002 Board meeting, Department staff received permission to open for public comment a proposed amendment to its 2002 State of Texas Consolidated Plan – One Year Action Plan (the Plan) for the HOME Investment Partnerships Program (HOME). The amendment proposed combining the annual HUD allocation for Program Year 2002 and 2003 totaling an approximate \$78,000,000. Applications for an allocation of funding for the Homebuyer Assistance, Owner-Occupied Housing Assistance, and Tenant Based Rental Assistance for both PY 2002 and 2003 would be available during a spring 2003 funding cycle.

A 32-day public comment period was held beginning on August 30<sup>th</sup>, 2002 and ending September 30, 2002. In addition, there were two public hearings held to solicit comments on the proposed amendment (Austin: September 10<sup>th</sup> and Dallas: September 13<sup>th</sup>).

While there were concerns expressed regarding the expenditure of and allocation timelines for HOME funds, overall public comment was supportive of the proposed biennial funding cycle. Staff proposes submitting the amendment to HUD for adoption.

**LOW INCOME HOUSING TAX CREDIT PROGRAM**

**BOARD ACTION REQUEST**

**October 10, 2002**

**Action Item**

Request review and possible approval of Four (4%) tax credit applications.

**Recommendation**

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notices with TDHCA as the issuer for tax exempt bond transactions known as:

1. Hickory Trace Apartments, Dallas
2. Green Crest Apartments, Houston
3. Mark IV Apartments, Fort Worth

Development Location:	Dallas	QCT:	Y	DDA:	N	TTC:	N
Development Owner:	Hickory Trace Housing, L.P.						
General Partner(s):	Hickory Trace Development, LLC, 100%, Contact: Brian Potashnik						
Construction Category:	New						
Set-Aside Category:	Tax Exempt Bond Bond Issuer: TDHCA						
Development Type:	Family						
<b>Annual Tax Credit Allocation Calculation</b>							
Applicant Request:	\$765,922	Eligible Basis Amt:	\$762,750	Equity/Gap Amt.:	\$908,704		
<b>Annual Tax Credit Allocation Recommendation: \$762,750</b>							
Total Tax Credit Allocation Over Ten Years: \$ 7,627,500							

<b>PROPERTY INFORMATION</b>							
<b>Unit and Building Information</b>							
Total Units:	180	LIHTC Units:	180	% of LIHTC Units:	100%		
Gross Square Footage:	221,300			Net Rentable Square Footage:	214,992		
Average Square Footage/Unit:	1194						
Number of Buildings:	32						
Currently Occupied:	N						
<b>Development Cost</b>							
Total Cost:	19,370,463			Total Cost/Net Rentable Sq. Ft.:	\$90.1		
<b>Income and Expenses</b>							
Effective Gross Income: <sup>1</sup>	1,655,410	Ttl. Expenses:	679,494	Net Operating Inc.:	975,916		
Estimated 1st Year DCR:	1.04						

<b>DEVELOPMENT TEAM</b>							
Consultant:	Not Utilized	Manager:	Southwest Housing Management				
Attorney:	True & Shackelford	Architect:	BGO Architects				
Accountant:	Reznick, Fedder & Silverman	Engineer:	Pond Robinson				
Market Analyst:	Butler Burgher	Lender:	Charter MAC				
Contractor:	Affordable Housing Construction	Syndicator:	Related Capital Company				

<b>PUBLIC COMMENT<sup>2</sup></b>	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. Royce West, District 23 - NC
# in Opposition: 0	Rep. Jesse Jones, District 110 - NC
	Mayor Laura Miller - NC
	Jerry Killingsworth, Director of Housing Development, City of Dallas; Consistent with the local Consolidated Plan.

**CONDITION(S) TO COMMITMENT**

- 40. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”
- 41. Receipt, review, and acceptance of documentation from the City of Dallas indicating that the proposed work is sufficient to complete the extension of Wheatland Road and/or a time frame in which the City has anticipated its completion of the extension.
- 42. Receipt, review, and acceptance of written zoning documentation from the City of Dallas confirming that the development as proposed and underwritten is a conforming land use.
- 43. Receipt, review and acceptance of a revised rent schedule and development proforma using consistent expense and debt service figures.
- 44. Should the terms of the proposed debt and syndication be altered, the recommendation should be re-evaluated.
- 45.
- 46.
- 47.
- 48.
- 49.
- 50.
- 51.
- 52.

**DEVELOPMENT’S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond.  Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Charles E. Nwaneri, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT’S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond  Housing Type

Other Comments including discretionary factors (if applicable). \_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director  
Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director’s Approval and description of discretionary factors (if applicable).**

Chairperson Signature: \_\_\_\_\_  
Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date



**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 27, 2002      **PROGRAM:** Multifamily Bonds      **FILE NUMBER:** 2002-057  
4% LIHTC      02438

**DEVELOPMENT NAME**

Hickory Trace

**APPLICANT**

**Name:** Hickory Trace Housing, L.P.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expwy., Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206    **Contact:** Brian Potashnik      **Phone:** (214) 891-1402    **Fax:** (214) 987-9294

**PRINCIPALS of the APPLICANT**

**Name:** Hickory Trace Development, LLC      **(%):** .01      **Title:** Managing General Partner  
**Name:** Related Capital Company      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Brian Potashnik      **(%):** n/a      **Title:** Owner of GP

**GENERAL PARTNER**

**Name:** Hickory Trace Development, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expwy., Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206    **Contact:** Brian Potashnik      **Phone:** (214) 891-1402    **Fax:** (214) 987-9294

**PROPERTY LOCATION**

**Location:** Wheatland and Old Hickory Rd.       **QCT**     **DDA**  
**City:** Dallas      **County:** Dallas      **Zip:** 75237

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
① \$765,922	n/a	n/a	n/a-
② \$11,920,000			

**Other Requested Terms:**      ① Annual ten-year allocation of low-income housing tax credit revised by applicant on 9/27/2002; ② tax-exempt bonds

**Proposed Use of Funds:**      New Construction      **Set-Aside:**     General     Rural     Non-Profit

**SITE DESCRIPTION**

**Size:**    15.62      acres      680,407      square feet      **Zoning/ Permitted Uses:**      RR-Regional Retail in process of rezoning to MF-2 (A)  
**Flood Zone Designation:**      Zone X      **Status of Off-Sites:**      Fully Improved

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
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**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 180    **# Rental Buildings:** 32    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** n/a yrs

Number	Bedrooms	Bathroom	Size in SF
20	3	2	1,156
116	3	2.5	1,165
44	4	2	1,309

**Net Rentable SF:** 215,856    **Av Un SF:** 1,199    **Common Area SF:** 5,444    **Gross Bldng SF:** 221,300

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab, 25% stone veneer/65% Stucco siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, ceiling fans, laminated counter tops

**ON-SITE AMENITIES**

5,444-SF community building with two activity rooms, management offices, laundry facilities, kitchen, restrooms, central mailroom, swimming pool, equipped children's play area, picnic area, perimeter fencing, limited access gate

**Uncovered Parking:** 180 spaces    **Carports:** n/a spaces    **Garages:** 180 spaces

**OTHER SOURCES of FUNDS**

**INTERIM TO PERMANENT FINANCING**

**Source:** Charter Mac    **Contact:** Marnie Miller

**Principal Amount:** \$11,920,000    **Interest Rate:** 7.0%

**Additional Information:** Debt service amount appears to be based upon prior debt amount,

**Amortization:** 40 yrs    **Term:** 15 yrs    **Commitment:**     None     Firm     Conditional

**Annual Payment:** \$915,193    **Lien Priority:** 1st    **Commitment Date:** 9/ 20/ 2002

**LIHTC SYNDICATION**

**Source:** Related Capital Company    **Contact:** Justin Ginsberg

**Address:** 625 Madison Avenue    **City:** New York

**State:** NY    **Zip:** 10022    **Phone:** (212) 421-5333    **Fax:** (212) 751-3550

**Net Proceeds:** \$6,043,000    **Net Syndication Rate (per \$1.00 of 10-yr LIHTC):** 82¢

**Commitment:**     None     Firm     Conditional    **Date:** 2/ 23/ 2002

**Additional Information:** Based upon credits of \$736,973

**APPLICANT EQUITY**

**Amount:** \$1,408,567    **Source:** Deferred developer fee

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

**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land:</b>	\$204,360	<b>Assessment for the Year of:</b>	2002
<b>Building:</b>	n/a	<b>Valuation by:</b>	Dallas County Appraisal District
<b>Total Assessed Value:</b>	\$204,360	<b>Tax Rate:</b>	2.73

**EVIDENCE of SITE or PROPERTY CONTROL**

<b>Type of Site Control:</b>	Unimproved Property Contract, Assignment and Amendment						
<b>Contract Expiration Date:</b>	10/	15/	2002	<b>Anticipated Closing Date:</b>	10/	15/	2002
<b>Acquisition Cost:</b>	\$ 1,050,000	<b>Other Terms/Conditions:</b>	\$10K earnest money \$75K non-refundable escrow plus \$25K non-refundable extension, & up to \$150K in closing costs for assignment from related party				
<b>Seller:</b>	PRS Realty II, Inc.			<b>Related to Development Team Member:</b>	No		

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Hickory Trace is a proposed new construction development of 180 units of affordable housing located in southern Dallas. The development is comprised of 32 residential buildings as follows:

- (4) Building Type A with two 3-bedroom/2-bath units and four 3-bedroom/2.5-bath units;
- (22) Building Type B with four 3-bedroom/2.5-bath units and two 4-bedroom/2-bath units;
- (6) Building Type C with two 3-bedroom/2-bath units and two 3-bedroom/2.5-bath units;

Based on the site plan the apartment buildings are distributed evenly throughout the site with the community building, mailboxes, and swimming pool located near the entrance to the site of the future Westmoreland Drive. The 5,444-square foot community building plan includes the management office, two activity rooms, kitchen, restrooms, laundry facilities, storage and maintenance rooms. It should be noted that the Applicant's rents schedule did not calculate the correct total net rentable square footage for the proposed project. Originally the project was to consist of 260 units including two-bedroom, three-bedroom and four-bedroom units. The Applicant later changed the unit mix and total number of units to consist of 180 townhome units including only three-bedroom and four-bedroom units. Based on the architectural drawings submitted, the Applicant was asked to provide a revised rent schedule indicating the correct square footage for each unit type. Although the Underwriter received confirmation that the new floor plans submitted were correct, a revised rent schedule showing the correct square footage for each unit was not received.

**Supportive Services:** The Applicant has contracted with Housing Services of Texas to provide the following supportive services to tenants: provide a wide range of services at HTA including after school program, adult education programs, health screenings and immunizations, family counseling/domestic crisis intervention, computer education, emergency assistance and relief, community outreach programs, vocational guidance, social/recreational activities, state workforce development and welfare program assistance. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services and to pay \$2,000 per month for these support services. Although a supportive services contract was submitted detailing the scope of services to be provided, an executed copy was not included in the application.

**Schedule:** The Applicant anticipates construction to begin in November of 2002, to be completed in April of 2004, to be placed in service and to be substantially leased-up in October of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 20% at 50% or less of area median gross income (AMGI) set-aside although as a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. 180 of the units (100% of the total) will

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be reserved for low-income tenants. All of the units will be reserved for households earning 50% or less of AMGI.

**Special Needs Set-Asides:** None of the units are specifically designated to be handicapped-accessible or equipped for tenants with hearing or visual impairments.

**Compliance Period Extension:** The Applicant did not indicate whether to extend the compliance period.

**MARKET HIGHLIGHTS**

A market feasibility study dated August 16, 2002 was prepared by Butler & Burgher, LLC and highlighted the following findings:

**Definition of Market/Submarket:** “For purposes of this market study, the neighborhood and primary market area is defined as the area within a 5-mile radius of the intersection of Wheatland Road and Old Hickory Trail in southern Dallas...The 5-mile radius was chosen as the primary market area and includes portions of the Cities of Dallas, Duncanville, DeSoto, Cedar Hill, and Lancaster and falls within the required population range.” (p. 57)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	110	2%	110	2%
Resident Turnover	6,741	98%	6,809	98%
<b>TOTAL ANNUAL DEMAND</b>	<b>6,851</b>	<b>100%</b>	<b>6,918</b>	<b>100%</b>

Ref: p. 72

**Capture Rate:** The market analyst originally calculated a capture rate of 13.37% based on the subject’s original proposal of 260 units for this project. However, changes to the unit mix now include only 180 units in the proposed project. Based on the new number of units the capture rate is now 12.2% based upon a revised estimate of 836 unstabilized comparable units divided by a total annual demand of 6,851. The market analyst included Madison Pointe (140 units), Clarkridge Villas (256 units), Wheatland Villas (260 units) and the subject (180 units) in the estimate of unstabilized units.

The Underwriter calculated a concentration capture rate of 11.9% based upon a revised supply of unstabilized comparable affordable units of 820 which include Madison Pointe (140 units), Clarkridge Villas (256 units), Timbercreek Apartments (100 units not included by the market analyst), The Villas of Lancaster (144 units not included by the market analyst) and the subject Hickory Trace (180 units) divided by a revised demand of 6,918. Wheatland Villas was not included by the Underwriter because it was withdrawn subsequent to the completion of the market study.

**Local Housing Authority Waiting List Information:** “The available inventory of public and subsidized housing is fully occupied and there is a waiting list including over 5,000 households for the Section 8 vouchers as well as low-income housing according to Michelle Ragon, Dallas Housing Authority.” (p. 67)

**Market Rent Comparables:** The market analyst surveyed 7 comparable apartment projects totaling 1,850 units in the market area. (p. 82)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>3-Bedroom (1156 sf) (50%)</b>	\$864	\$864	\$0	\$875	-\$11
<b>3-Bedroom (1165 sf) (50%)</b>	\$864	\$864	\$0	\$875	-\$11
<b>4-Bedroom (50%)</b>	\$963	\$963	\$0	\$1,040	-\$77

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

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**Submarket Vacancy Rates:** “M/PF reflects 93.8% overall occupancy for 8,711 units in 2<sup>nd</sup> Quarter 2002 in Duncanville, DeSoto, Cedar Hill, Lancaster submarket.” (p. 74)

**Absorption Projections:** “Overall absorption has slowed in D/FW for several reasons including an influx of new units entering the market, slower employment gains, and higher rental rates. However, pent-up demand does exist in the immediate market and the subject’s lease-up is anticipated to be relatively quick. An absorption rate of 20 units/ month is reasonable for the subject, as encumbered by LIHTC, resulting in just over a 12-month absorption period to obtain stabilization at 94.0%.” (p. 74)

**Known Planned Development:** “Although new development activity peaked in 1<sup>st</sup> Quarter 1999, the number of units under construction remains high. A total of 13,285 apartment units were under construction in the D/FW Area as of 2<sup>nd</sup> Quarter 2002.” The market analyst indicates that the most active submarkets in the coming year for new construction are located in northern Dallas. The subject site is located in the southern Dallas submarket.

**Effect on Existing Housing Stock:** “Demographics of the area indicate residents are unable to pay market rent for housing, thereby requiring tenants to relocate to areas offering available affordable housing and/or lower rents due to lower incomes;...The existing supply of affordable rental units is minimal in the defined 5-mile primary market area as compared to other areas within the city.” (p. 67)

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is a rectangular-shaped parcel located in the southern area of Dallas. The site is situated on the east side of the future Westmoreland Road just north of Kirnwood and south of Wheatland. The site appears to currently be landlocked except for a ten foot wide strip of property that runs from the back of the site along the southern boundary of the Greens of Hickory Trail Apartments to Old Hickory Trail.

**Population:** The estimated 2002 population of the primary market area was 193,060 and is expected to increase by 4.66% to approximately 202,066 by 2007. Within the primary market area there were estimated to be 67,716 households in 2002.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are mixed with vacant land, light industrial, older apartment complexes, and retail. Adjacent land uses include:

- **North:** vacant land/Wheatland Road/medical office buildings/extensive retail development
- **South:** vacant land
- **East:** Greens of Hickory Trail Apts./Old Hickory Trail/industrial development
- **West:** future Westmoreland Road/hospital/medical office buildings/multi-family and retirement development

**Site Access:** Access and entry to the property will be from the future extension of Westmoreland Road. The Applicant has included in the off-site budget \$538K in cost for Westmoreland Road development. “The neighborhood has good freeway access to the entire D/FW Metroplex via several major roadways: Interstate Highway 20, which bisects the neighborhood in an east/west direction; IH-35E that traverses the eastern border of the neighborhood in a north/south direction; US 67 which traverses the neighborhood, and then merges with IH-35E to the north, and Loop 12 in the northern portion of the neighborhood in an east/west direction encircles the City of Dallas.” (p. 57 of the market study)

**Public Transportation:** Public transportation to the area is provided by the Dallas Area Rapid Transit Authority (DART) though the closest bus stop currently is several blocks away from the site.

**Shopping & Services:** “Retail and commercial developments are located along major thoroughfares throughout the neighborhood. The general area of Camp Wisdom between Westmoreland and US 67 in the central portion of the neighborhood provides concentrated office and retail development, including Southwest Center, a regional mall.” (p. 58)

**Special Adverse Site Characteristics:** The market study indicated that the subject property is currently zoned RR- Regional Retail District and that the Applicant is currently requesting a zoning change to a new multi-family zoning ordinance. After a verbal inquiry the Applicant confirmed that a request to change the zoning of the property has been made and that the Planning and Zoning Department have unanimously voted for the change. The City Council is expected to vote and make final approval of the change in October.

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Receipt, review and acceptance of written documentation confirming that the development as proposed and underwritten is a conforming land use is a condition of this report.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated August 15, 2002 was prepared by Butler Burgher, Inc. and contained the following conclusions and recommendations:

“Based on existing conditions observed at the Subject and adjacent property on the day of inspection, there was no evidence of recognized environmental conditions, as defined in *ASTM 1527-00 Standard Practice for Environmental Site Assessments*.

In the professional opinion of Butler Burgher, an appropriate level of inquiry has been made into the previous ownership and uses of the property consistent with good commercial and customary practice in an effort to minimize liability, and no evidence or indication of recognized environmental conditions has been revealed. No further investigation/assessment is warranted at this time pertaining to the Phase I ESA. However, if more information is revealed in regards to the environmental conditions at the subject, Butler Burgher retains the right to update this Phase I ESA.” (p. 15)

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are the maximum rents allowed under LIHTC guidelines. The Applicant estimated secondary income at \$20/unit without providing additional documentation to show how that income could be achieved, therefore, the Underwriter utilized the maximum guideline of \$15/unit. Estimates of vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result, the Applicant’s effective gross income estimate is \$10K higher or within 1% of the Underwriter’s estimate.

**Expenses:** The Applicant’s total expense estimate of \$3,366 per unit is more than 5% below the Underwriter’s TDHCA database-derived estimate of \$3,775 per unit. The Applicant’s budget shows several line item estimates that deviate significantly when compared to the database averages, particularly general and administrative (\$13K lower), payroll (\$18K lower), utilities (\$9K lower), and property tax (\$29K lower). It should be noted that compliance fees and supportive service fees have been evaluated outside of normal operating expenses as an item fundable out of cash flow.

**Conclusion:** The Applicant’s estimated operating expense is inconsistent with the Underwriter’s expectations and the Applicant’s net operating income is not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s NOI will be used to evaluate debt service capacity. In the Underwriter’s income and expense estimates there is sufficient net operating income to service the proposed first lien permanent mortgage (bonds only) at a debt coverage ratio that is within the TDHCA underwriting guidelines of 1.10 to 1.25. When trustee fees, asset oversight fees, TDHCA issuer and compliance fees and supportive services fees are considered as secondary debt service items the debt coverage ratio reduces to 1.04 in the first year but rises above the minimum 1.10 by the fourth year.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The Applicant included \$150,000 in maximum potential closing costs associated with an assignment of the original contract by a related party which has inflated the stated \$1.2M acquisition price. The remainder \$1,050,000 contracted acquisition price is assumed to be reasonable since it is an arm’s-length transaction.

**Off-Site Costs:** The Applicant claimed off-site costs of \$538,056 for an access road and provided a third party certification through an engineer to justify \$498,200 of these costs. According to the engineer’s letter, “typically, projects of this type do not require significant offsite improvements. However, due to the lack of direct access to a public roadway and public utilities (water and wastewater), it is necessary to construct approximately 1,400 feet of twenty-five foot wide reinforced concrete roadway and appurtenances thereto in order to facilitate roadway and utility access to this site from Wheatland Road. The estimated cost associated with the offsite improvements is \$498,200, which equates to a cost of \$2767.78 per unit (based on 180 units).” It would not appear from the documentation provided, however, that this cost encompasses the entire anticipated cost of the extension of Wheatland Road. Moreover, no documentation from the City of Dallas was provided with regard to the acceptance of this work and/or an anticipated time frame in which the

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City will complete the work if the proposed work only applies to a portion of the cost of the extension. Receipt review and acceptance of documentation from the City of Dallas indicating that the proposed work is sufficient to complete the extension of Wheatland Road and/or a time frame in which the City has anticipated its completion of the extension is a condition of this report.

**Sitework Cost:** The Applicant's claimed sitework costs of \$6,145 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$252K or 3% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

**Fees:** The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit all exceed the maximums allowed by TDHCA guidelines. Additionally, contingency costs exceed 5% and developer fees exceed 15% of the Applicant's eligible basis. As a result, the eligible portion of these fees must be reduced by a total of \$23K.

**Conclusion:** The Underwriter based this analysis on the most current project cost schedule submitted by the Applicant, although there were several inconsistencies between this and the sources and uses information submitted. The Applicant's total development cost estimate, as revised and submitted, is within 5% of the Underwriter's verifiable estimate. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted above, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$16,030,886 is used to determine a credit allocation of \$762,750 from this method, or \$3,172 less than their revised request. 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 three types of financing from three sources: a bond-financed interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Bonds:** The Applicant has requested tax-exempt private activity bonds in the amount of \$11,920,000 to be issued by TDHCA. Charter Mac has proposed to purchase the bonds. The commitment letter indicates a 7.00% interest rate for the bonds and an overall maturity of 40 years.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,043,000 based on a syndication factor of 82%. While this syndication is based on a reservation of tax credits in the amount of \$736,973, the Applicant has actually requested \$769,824 in tax credits. The funds would be disbursed in a five-phased pay-in schedule:

1. 20% upon admission to the partnership;
2. 10% upon completion of 50% of construction;
3. 34% upon completion of 75% of construction;
4. 18% upon completion of construction;
5. 18% upon attainment of Rental Achievement.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$1,408,567 amount to 67% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$762,750 annually for ten years, resulting in syndication proceeds of approximately \$6,253,921. Based on the underwriting analysis and the \$150K reduction in identity of interest site acquisition costs, the Applicant's deferred developer fee will be reduced to \$1,196,542. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee may be available to fund those development cost overruns. During the first three years of operation it is possible that a portion of the Department's asset oversight, compliance and supportive services fees may be funded outside of the 1.10 debt coverage ratio. These fees and all of the deferred developer's fee appear to be repayable out of development cashflow within the first ten years of operation.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are simple with varied rooflines and stone accents. All units are larger than the

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average size for market rate and LIHTC units, and have covered patios. Each unit has a semi-private exterior entry that is shared with another unit. The units are in two-story, fourplex structures with stucco and stone exterior finish and pitched roofs.

**IDENTITIES of INTEREST**

The General Contractor and Property Manager are directly affiliated with the Applicant by common ownership. These are typical relationships in tax credit properties. The potential identity of interest in the assignment of the purchase contract as indicated above has been addressed by removing the \$150K assignment amount from the Underwriter's costs and since the Applicants total uses of funds will be utilized in this instance the \$150K amount has been reduced from the final sources of funds needed for this development.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The owner of the Applicant and General Partner, Brian Potashnik, submitted an unaudited financial statement as of July 11, 2002.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The managing member of the General Partner has completed sixteen affordable housing developments totaling 3,220 units since 1996.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Significant inconsistencies in the application could affect the financial feasibility of the project.

**RECOMMENDATION**

- RECOMMEND LIHTC ALLOCATION OF NOT MORE THAN \$762,750 PER YEAR FOR TEN YEARS AND TDHCA TAX-EXEMPT BOND ISSUANCE IN AN AMOUNT NOT MORE THAN \$11,920,000, TO BE AMORTIZED OVER 40 YEARS AT AN INTEREST RATE OF 7% CONDITIONED UPON THE FOLLOWING:

**CONDITIONS**

1. Receipt review and acceptance of documentation from the City of Dallas indicating that the proposed work is sufficient to complete the extension of Wheatland Road and/or a time frame in which the City has anticipated its completion of the extension
2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
3. Receipt, review and acceptance of written zoning documentation from the City of Dallas confirming that the development as proposed and underwritten is a conforming land use.
4. Receipt, review, and acceptance of a revised rent schedule and development proforma using consistent expense and debt service figures;
5. Should the terms of the proposed debt and syndication be altered, the recommendation should be re-evaluated.

**Associate Underwriter:**

*Raquel Morales*

**Date:** September 27, 2002



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

**Director of Credit Underwriting:** \_\_\_\_\_

*Tom Gouris*

**Date:** September 27, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Hickory Trace Apartments, Dallas, 2002-057**

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%	20	3	2	1,156	\$864	\$793	\$15,860	\$0.69	\$71.00	\$61.00
TC 50%	116	3	2.5	1,165	864	793	91,988	0.68	71.00	61.00
TC 50%	44	4	2	1,309	963	877	38,588	0.67	86.00	75.00
<b>TOTAL:</b>	<b>180</b>			<b>1,199</b>	<b>\$888</b>	<b>\$814</b>	<b>\$146,436</b>	<b>\$0.68</b>	<b>\$74.67</b>	<b>\$64.42</b>

**INCOME** Total Net Rentable Sq Ft: **215,856**

POTENTIAL GROSS RENT  
Secondary Income Per Unit Per Month: \$15.00

Other Support Income: (describe)

POTENTIAL GROSS INCOME

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

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES	% OF RGI	PER UNIT	PER SQ FT
General & Administrative	3.55%	\$326	\$0.27
Management	5.00%	460	0.38
Payroll & Payroll Tax	9.07%	834	0.70
Repairs & Maintenance	5.04%	464	0.39
Utilities	2.48%	228	0.19
Water, Sewer, & Trash	3.95%	363	0.30
Property Insurance	2.09%	192	0.16
Property Tax 2.73	7.74%	712	0.59
Reserve for Replacements	2.17%	200	0.17
Other:	0.00%	0	0.00
<b>TOTAL EXPENSES</b>	<b>41.09%</b>	<b>\$3,779</b>	<b>\$3.15</b>
<b>NET OPERATING INC</b>	<b>58.91%</b>	<b>\$5,417</b>	<b>\$4.52</b>

**DEBT SERVICE**

Charter Mac - tax-exempt bonds	53.70%	\$4,938	\$4.12
Trustee Fee	0.21%	\$19	\$0.02
TDHCA Admin. Fees	0.72%	\$66	\$0.06
Ast Ovst, Comp Fees, & Supp Serv	1.79%	\$165	\$0.14
<b>NET CASH FLOW</b>	<b>2.48%</b>	<b>\$228</b>	<b>\$0.19</b>

AGGREGATE DEBT COVERAGE RATIO

BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO

BONDS-ONLY DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldng)		5.26%	\$5,833	\$4.86
Off-Sites		2.50%	2,768	2.31
Sitework		5.54%	6,145	5.12
Direct Construction		48.97%	54,320	45.30
Contingency 4.85%		2.64%	2,933	2.45
General Req'ts 5.82%		3.17%	3,520	2.94
Contractor's G & A 1.94%		1.06%	1,173	0.98
Contractor's Profi 5.82%		3.17%	3,520	2.94
Indirect Construction		3.52%	3,906	3.26
Ineligible Costs		8.66%	9,604	8.01
Developer's G & A 1.66%		1.19%	1,319	1.10
Developer's Profit 13.00%		9.34%	10,357	8.64
Interim Financing		3.74%	4,153	3.46
Reserves		1.24%	1,376	1.15
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$110,926</b>	<b>\$92.50</b>
<b>Recap-Hard Construction Costs</b>		<b>64.56%</b>	<b>\$71,610</b>	<b>\$59.72</b>

**SOURCES OF FUNDS**

Charter Mac - tax-exempt bonds	59.70%	\$66,222	\$55.22
LIHTC Syndication Proceeds	30.27%	\$33,572	\$28.00
Additional Financing	0.00%	\$0	\$0.00
Deferred Developer's Fee	7.05%	\$7,825	\$6.53
Additional (excess) Funds Required	2.98%	\$3,306	\$2.76
<b>TOTAL SOURCES</b>			

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF RGI
POTENTIAL GROSS RENT	\$1,757,232	\$1,757,232			
Secondary Income	32,400	43,200	\$20.00		
Other Support Income: (describe)	0	0			
POTENTIAL GROSS INCOME	\$1,789,632	\$1,800,432			
Vacancy & Collection Loss	(134,222)	(135,036)	-7.50%		
Employee or Other Non-Rental Units or Concessions	0	0			
EFFECTIVE GROSS INCOME	\$1,655,410	\$1,665,396			
General & Administrative	\$58,712	\$45,360	\$0.21	\$252	2.72%
Management	82,770	83,317	0.39	463	5.00%
Payroll & Payroll Tax	150,120	132,250	0.61	735	7.94%
Repairs & Maintenance	83,508	79,030	0.37	439	4.75%
Utilities	41,126	32,400	0.15	180	1.95%
Water, Sewer, & Trash	65,403	67,500	0.31	375	4.05%
Property Insurance	34,537	31,050	0.14	173	1.86%
Property Tax 2.73	128,110	99,000	0.46	550	5.94%
Reserve for Replacements	36,000	36,000	0.17	200	2.16%
Other:	0	0	0.00	0	0.00%
<b>TOTAL EXPENSES</b>	<b>\$680,287</b>	<b>\$605,907</b>	<b>\$2.81</b>	<b>\$3,366</b>	<b>36.38%</b>
<b>NET OPERATING INC</b>	<b>\$975,123</b>	<b>\$1,059,489</b>	<b>\$4.91</b>	<b>\$5,886</b>	<b>63.62%</b>
Charter Mac - tax-exempt bonds	\$888,895	\$915,193	\$4.24	\$5,084	54.95%
Trustee Fee	\$3,500		\$0.00	\$0	0.00%
TDHCA Admin. Fees	11,920	12,810	\$0.06	\$71	0.77%
Ast Ovst, Comp Fees, & Supp Serv	29,700	41,200	\$0.19	\$229	2.47%
<b>NET CASH FLOW</b>	<b>\$41,107</b>	<b>\$90,286</b>	<b>\$0.42</b>	<b>\$502</b>	<b>5.42%</b>
AGGREGATE DEBT COVERAGE RATIO	1.04	1.09			
BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO	1.09				
BONDS-ONLY DEBT COVERAGE RATIO	1.10				

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldng)	\$1,050,000	\$1,200,000	\$5.56	\$6,667	6.15%
Off-Sites	498,200	538,056	2.49	2,989	2.76%
Sitework	1,106,079	1,106,079	5.12	6,145	5.67%
Direct Construction	9,777,560	9,389,216	43.50	52,162	48.10%
Contingency 4.85%	527,961	527,961	2.45	2,933	2.70%
General Req'ts 5.82%	633,553	633,553	2.94	3,520	3.25%
Contractor's G & A 1.94%	211,184	211,184	0.98	1,173	1.08%
Contractor's Profi 5.82%	633,553	633,553	2.94	3,520	3.25%
Indirect Construction	703,000	703,000	3.26	3,906	3.60%
Ineligible Costs	1,728,704	1,728,704	8.01	9,604	8.86%
Developer's G & A 1.66%	237,406	0	0.00	0	0.00%
Developer's Profit 13.00%	1,864,251	2,101,657	9.74	11,676	10.77%
Interim Financing	747,500	747,500	3.46	4,153	3.83%
Reserves	247,677	0	0.00	0	0.00%
<b>TOTAL COST</b>	<b>\$19,966,628</b>	<b>\$19,520,463</b>	<b>\$90.43</b>	<b>\$108,447</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>\$12,889,890</b>	<b>\$12,501,546</b>	<b>\$57.92</b>	<b>\$69,453</b>	<b>64.04%</b>

	TDHCA	APPLICANT	RECOMMENDED
Charter Mac - tax-exempt bonds	\$11,920,000	\$11,920,000	\$11,920,000
LIHTC Syndication Proceeds	6,043,000	6,043,000	6,253,921
Additional Financing	0	0	0
Deferred Developer's Fee	1,408,567	1,408,567	1,196,542
Additional (excess) Funds Required	595,061	148,896	0
<b>TOTAL SOURCES</b>	<b>\$19,966,628</b>	<b>\$19,520,463</b>	<b>\$19,370,463</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Hickory Trace Apartments, Dallas, 2002-057**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Townhouse Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$45.71	\$9,866,778
<b>Adjustments</b>				
Exterior Wall Fini	1.75%		\$0.80	\$172,669
9' Ceilings	3%		1.37	296,003
Roofing			0.00	0
Subfloor			(1.12)	(240,679)
Floor Cover			2.43	524,530
Porches/Balconies	\$12.77	15,388	0.91	196,505
Plumbing	\$700	412	1.34	288,400
Built-In Appliance	\$2,100	180	1.75	378,000
Fireplaces	\$0		0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.47	317,308
Garages/Carports	\$15.32	46,800	3.32	716,976
Comm &/or Aux Bldn	\$53.18	5,444	1.34	289,493
Other:			0.00	0
<b>SUBTOTAL</b>			<b>59.33</b>	<b>12,805,982</b>
Current Cost Multiplier	1.02		1.19	256,120
Local Multiplier	0.92		(4.75)	(1,024,479)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$55.77</b>	<b>\$12,037,623</b>
Plans, specs, survy, b	3.90%		(\$2.17)	(\$469,467)
Interim Construction I	3.38%		(1.88)	(406,270)
Contractor's OH & Prof	11.50%		(6.41)	(1,384,327)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$45.30</b>	<b>\$9,777,560</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$11,920,000	Amort	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>		Amort	
Int Rate		Subtotal DCR	1.08

<b>Additional</b>		Amort	
Int Rate		Aggregate DCR	1.04

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$888,895
Trustee Fee	3,500
TDHCA Fees	41,620
<b>NET CASH FLOW</b>	<b>\$41,107</b>

<b>Primary</b>	\$11,920,000	Amort	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>		Amort	0
Int Rate		Subtotal DCR	1.09

<b>Additional</b>		Amort	0
Int Rate		Aggregate DCR	1.04

**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	\$1,757,232	\$1,809,949	\$1,864,247	\$1,920,175	\$1,977,780	\$2,292,789	\$2,657,971	\$3,081,317	\$4,141,032
Secondary Income	32,400	33,372	34,373	35,404	36,466	42,275	49,008	56,814	76,353
Other Support Income: (de	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,789,632	1,843,321	1,898,621	1,955,579	2,014,247	2,335,064	2,706,979	3,138,131	4,217,385
Vacancy & Collection Los	(134,222)	(138,249)	(142,397)	(146,668)	(151,068)	(175,130)	(203,023)	(235,360)	(316,304)
Employee or Other Non-Ren	0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,655,410</b>	<b>\$1,705,072</b>	<b>\$1,756,224</b>	<b>\$1,808,911</b>	<b>\$1,863,178</b>	<b>\$2,159,934</b>	<b>\$2,503,956</b>	<b>\$2,902,771</b>	<b>\$3,901,081</b>
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$58,712	\$61,060	\$63,502	\$66,043	\$68,684	\$83,565	\$101,670	\$123,697	\$183,101
Management	82,770	85,254	87,811	90,446	93,159	107,997	125,198	145,139	195,054
Payroll & Payroll Tax	150,120	156,125	162,370	168,865	175,619	213,668	259,959	316,280	468,172
Repairs & Maintenance	83,508	86,848	90,322	93,935	97,692	118,858	144,609	175,939	260,432
Utilities	41,126	42,771	44,482	46,262	48,112	58,536	71,218	86,647	128,259
Water, Sewer & Trash	65,403	68,019	70,740	73,570	76,513	93,089	113,257	137,795	203,970
Insurance	34,537	35,918	37,355	38,849	40,403	49,157	59,807	72,764	107,709
Property Tax	128,110	133,235	138,564	144,107	149,871	182,341	221,846	269,909	399,531
Reserve for Replacements	36,000	37,440	38,938	40,495	42,115	51,239	62,340	75,847	112,271
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$680,287</b>	<b>\$706,671</b>	<b>\$734,085</b>	<b>\$762,570</b>	<b>\$792,169</b>	<b>\$958,449</b>	<b>\$1,159,903</b>	<b>\$1,404,016</b>	<b>\$2,058,500</b>
<b>NET OPERATING INCOME</b>	<b>\$975,123</b>	<b>\$998,401</b>	<b>\$1,022,139</b>	<b>\$1,046,340</b>	<b>\$1,071,009</b>	<b>\$1,201,485</b>	<b>\$1,344,053</b>	<b>\$1,498,755</b>	<b>\$1,842,581</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895	\$888,895
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees	11,920	11,864	11,803	11,739	11,669	11,239	10,630	9,766	6,806
Ast Ovst, Comp Fees, & Su	29,700	30,888	32,124	33,408	34,745	42,272	51,431	62,573	92,624
Cash Flow	41,107	63,254	85,817	108,798	132,200	255,578	389,596	534,020	850,756
AGGREGATE DCR	1.04	1.07	1.09	1.12	1.14	1.27	1.41	1.55	1.86
BONDS & TRUSTEE FEE-ONLY DC	1.09	1.12	1.15	1.17	1.20	1.35	1.51	1.68	2.06
BONDS-ONLY DCR	1.10	1.12	1.15	1.18	1.20	1.35	1.51	1.69	2.07

LIHTC Allocation Calculation - Hickory Trace Apartments, Dallas, 2002-057

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost		20		
Purchase of land	\$116	\$1,050,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,106,079	\$1,106,079	\$1,106,079	\$1,106,079
Off-site improvements	\$538,056	\$498,200		
(3) Construction Hard Costs				
New structures/rehabilitation ha	\$9,389,216	\$9,777,560	\$9,389,216	\$9,777,560
(4) Contractor Fees & General Requirements				
Contractor overhead	\$211,184	\$211,184	\$209,906	\$211,184
Contractor profit	\$633,553	\$633,553	\$629,718	\$633,553
General requirements	\$633,553	\$633,553	\$629,718	\$633,553
(5) Contingencies	\$527,961	\$527,961	\$524,765	\$527,961
(6) Eligible Indirect Fees	\$703,000	\$703,000	\$703,000	\$703,000
(7) Eligible Financing Fees	\$747,500	\$747,500	\$747,500	\$747,500
(8) All Ineligible Costs	\$1,728,704	\$1,728,704		
(9) Developer Fees			\$2,090,985	
Developer overhead		\$237,406		\$237,406
Developer fee	\$2,101,657	\$1,864,251		\$1,864,251
(10) Development Reserves		\$247,677		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$18,320,579</b>	<b>\$19,966,628</b>	<b>\$16,030,886</b>	<b>\$16,442,047</b>

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis				
E.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)				
<b>TOTAL ELIGIBLE BASIS</b>			\$16,030,886	\$16,442,047
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$20,840,152	\$21,374,661
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$20,840,152	\$21,374,661
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$762,750	\$782,313
Syndication Proceeds	0.8199		\$6,253,921	\$6,414,322



**LOW INCOME HOUSING TAX CREDIT PROGRAM**  
**2002 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**  
 Texas Department of Housing and Community Affairs

Development Name: **Green Crest Apartments**

TDHCA#: 02439

**DEVELOPMENT AND OWNER INFORMATION**

Development Location: Houston QCT: N DDA: N TTC: N  
 Development Owner: Finlay Interest 34, Ltd.  
 General Partner(s): Finlay Interests GP 34, LLC, 100% Contact: Bob Seldomridge  
 Construction Category: New  
 Set-Aside Category: Tax Exempt Bond Bond Issuer: TDHCA  
 Development Type: Family

**Annual Tax Credit Allocation Calculation**

Applicant Request: \$527,156 Eligible Basis Amt: \$523,902 Equity/Gap Amt.: \$682,096  
**Annual Tax Credit Allocation Recommendation: \$523,902**  
 Total Tax Credit Allocation Over Ten Years: \$ 5,239,020

**PROPERTY INFORMATION**

**Unit and Building Information**

Total Units: 192 LIHTC Units: 190\* % of LIHTC Units: 99%  
 Gross Square Footage: 217,489  
 Average Square Footage/Unit: 1116  
 Number of Buildings: 8  
 Currently Occupied: N

**Development Cost**

Total Cost: \$17,617,204 Total Cost/Net Rentable Sq. Ft.: \$82.22

**Income and Expenses**

Effective Gross Income:<sup>1</sup> \$1,687,600 Ttl. Expenses: \$700,761 Net Operating Inc.: \$986,839  
 Estimated 1st Year DCR: 1.05

**DEVELOPMENT TEAM**

Consultant: Not Utilized Manager: Finlay Management, Inc.  
 Attorney: Broad & Cassel Architect: Parker & Associates  
 Accountant: Novogradac & Company, LLP Engineer: To Be Determined  
 Market Analyst: Gerald Teel Company Lender: Charter MAC  
 Contractor: Finlay Construction, LLC Syndicator: Related Capital Company

**PUBLIC COMMENT<sup>2</sup>**

From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. J.E. Brown, District 17 - NC
# in Opposition: 0	Rep. Talmadge Heflin, District 149 - NC
	Mayor Lee P. Brown - NC
	Xavier Lemond, Chief Operating Officer, Harris County Development Department;
	Consistent with Harris County's Consolidated Plan.

\*This development has 2 Employee Occupied Units.  
 1. Gross Income less Vacancy  
 2. NC - No comment received, O - Opposition, S - Support

**CONDITION(S) TO COMMITMENT**

1. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”
2. Receipt, review, and acceptance of revised application and/or floor and building plans to reflect compliance with the LIHTC handicapped accessibility requirements.
3. Receipt, review, and acceptance of a permanent financing commitment for purchase of the full requested bond amount.
4. Potential reduction of bonds at conversion to \$12,025,377 due to potential mandatory redemption.
5. Should the terms of the debt or syndication change the development should be re-evaluated.

**DEVELOPMENT’S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond.    Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Charles E. Nwaneri, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT’S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond    Housing Type

Other Comments including discretionary factors (if applicable).\_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director  
Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director’s Approval and description of discretionary factors (if applicable).**

Chairperson Signature: \_\_\_\_\_  
Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002

**PROGRAM:** 4% LIHTC  
MRB

**FILE NUMBER:** 02439  
2002-066

**DEVELOPMENT NAME**

Green Crest

**APPLICANT**

**Name:** Finlay Interests 34, Ltd. **Type:**  For Profit  Non-Profit  Municipal  Other  
**Address:** 4300 Marsh Landing Blvd., Suite 101 **City:** Jacksonville Beach **State:** FL  
**Zip:** 32250 **Contact:** Bob Seldomridge **Phone:** (904) 280-1000 **Fax:** (904) 280-9993

**PRINCIPALS of the APPLICANT**

**Name:** Finlay Interests GP 34, LLC **(%):** 0.01 **Title:** Managing General Partner  
**Name:** Related Capital Company **(%):** 99.99 **Title:** Limited Partner, Special LP  
**Name:** Finaly GP Holdings, Ltd. **(%):** n/a **Title:** 100% owner Managing GP  
**Name:** Finaly Holdings, Inc. **(%):** n/a **Title:** 100% owner Finlay GP Holdings  
**Name:** Christopher C Finlay **(%):** n/a **Title:** 100% owner Finlay Holdings

**GENERAL PARTNER**

**Name:** Finlay Interests GP 34, LLC **Type:**  For Profit  Non-Profit  Municipal  Other  
**Address:** 4300 Marsh Landing Blvd., Suite 101 **City:** Jacksonville Beach **State:** FL  
**Zip:** 32250 **Contact:** Bob Seldomridge **Phone:** (904) 280-1000 **Fax:** (904) 280-9993

**PROPERTY LOCATION**

**Location:** MW corner of Greencrest Drive & Westpark Drive  QCT  DDA  
**City:** Houston **County:** Harris **Zip:** 77082

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
① \$527,156	n/a	n/a	n/a
② \$12,500,000	7%	40 yrs	40 yrs

**Other Requested Terms:** ① Annual ten-year allocation of low-income housing tax credits  
② Tax-exempt mortgage revenue bonds

**Proposed Use of Funds:** New Construction

**SITE DESCRIPTION**

**Size:** 10.1201 acres 440,832 square feet **Zoning/ Permitted Uses:** n/a (Houston)  
**Flood Zone Designation:** Zone X **Status of Off-Sites:** Fully Improved

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CREDIT UNDERWRITING ANALYSIS**

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 192    **# Rental Buildings:** 8    **# Common Area Bldgs:** 1    **# of Floors:** 3    **Age:** n/a yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
96	2	2	1,017
96	3	2	1,215

**Net Rentable SF:** 214,272    **Av Un SF:** 1,116    **Common Area SF:** 3,217    **Gross Bldng SF** 217,489

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a concrete slab on grade, 25% brick veneer/75% vinyl siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, cable, laminated counter tops, individual water heaters

**ON-SITE AMENITIES**

Furnished community room, management offices, laundry facilities, restrooms, business center, central mailroom, swimming pool, equipped children's play area, perimeter fencing

**Uncovered Parking:** 288 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**LONG TERM/PERMANENT FINANCING**

**Source:** Charter MAC    **Contact:** Rachel Diller

**Principal Amount:** \$12,180,000    **Interest Rate:** 7.0%

**Additional Information:** Letter of Credit during interim period; 24 month interim period The lender has since indicated a bond amount of \$12.5M with the difference subject to an earn-out provision

**Amortization:** 40 yrs    **Term:** 40 yrs    **Commitment:**  LOI     Firm     Conditional

**Annual Payment:** \$905,962    **Lien Priority:** 1<sup>st</sup>    **Commitment Date**    09/ 18/ 2002

**LIHTC SYNDICATION**

**Source:** Related Capital Company    **Contact:** Eric Truickness

**Address:** 625 Madison Ave    **City:** New York

**State:** NY    **Zip:** 10022    **Phone:** (212) 521-6392    **Fax:** (212) 751-3550

**Net Proceeds:** \$4,179,000    **Net Syndication Rate** (per \$1.00 of 10-yr LIHTC) 82¢

**Commitment**     LOI     Firm     Conditional    **Date:**    09/ 17/ 2002

**Additional Information:** Based upon credits of \$509,694

**APPLICANT EQUITY**

**Amount:** \$1,453,481    **Source:** Deferred developer fee



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**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land:</b> 10.1172 acres	\$330,530	<b>Assessment for the Year of:</b>	2002
<b>Tax Rate:</b>	3.27027	<b>Valuation by:</b>	Harris County Appraisal District

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest Money Contract (10.1201 acres)

**Contract Expiration Date:** 10/ 31/ 2002\*    **Anticipated Closing Date:** 11/ 08/ 2002

**Acquisition Cost:** \$ 1,102,079    **Other Terms/Conditions:** \$2.50 psf, \$1K earnest money

**Seller:** Co Reig, Ltd.    **Related to Development Team Member:** No

\* Closing must occur 120 days from bond reservation date

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Green Crest is a proposed new construction development of 192 units of affordable housing located in Houston. The development is comprised of eight residential buildings, each housing 12 two-bedroom units and 12 three-bedroom units. Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community building, mailboxes, and swimming pool located near the entrance to the site. The community building plan includes a mail center, laundry facility, maintenance room, public restrooms, fitness center, business center, club room, kitchenette, and management/leasing offices.

**Supportive Services:** The Applicant provided a sample supportive services agreement for programs to include personal growth opportunities, family skills development, education, fun and freedom activities, and neighborhood advancement. The provider will charge a one-time start-up fee of \$1K and a monthly fee equal to the number of units multiplied by \$8.83. In this case the monthly fee would equal \$20,344.32; however, the Applicant included \$16,588.80 per year in their operating expense estimate. The Underwriter's analysis will include only the contract supported \$20,344.32.

**Schedule:** The Applicant anticipates construction to begin in November of 2002, to be completed in November of 2003, to be placed in service in March of 2004, and to be substantially leased-up in January of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. As a Priority 2 private activity bond lottery development 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. The Applicant has also indicated that two of the units will be employee-occupied.

**Special Needs Set-Asides:** None of the units were identified in the application as specifically designated to be handicapped-accessible or equipped for tenants with hearing or visual impairments. Receipt review and acceptance of revised application and/r floor and building plans to reflect compliance with the LIHTC handicapped accessibility requirements is a condition of this report.

**Compliance Period Extension:** The intended length of the compliance period was not specified in the submitted application.

**MARKET HIGHLIGHTS**

The original application included a market feasibility study dated August 15, 2002 prepared by The Gerald A Teel Company. The original market analysis was based on a primary market area defined as a five-mile radius around the subject site, which included a large portion of parkland within the Barker Reservoir, resulting in a market analyst-derived capture rate conclusion of 40.4%.

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The unacceptably high capture rate was brought to the Applicant’s attention and a revised market study dated September 12, 2002, also prepared by The Gerald A Teel Company, was submitted. The revised market analysis is based on a primary market area defined by natural and man-made boundaries and included the following information:

**Definition of Primary Market:** “The primary market area for the subject is defined as an area bound by Buffalo Bayou on the north, Wilcrest Drive, Dairy-Ashford, and Dulles Avenue on the east, State Highway 6 and US-90A on the south, and FM-1464, FM-1093 and Barker Reservoir on the west.” (p. 4) This defined market area is more in line with the area defined for a similar development proposed and allocated in 2002 and excludes the parkland within the Barker Reservoir.

**Total Local/Submarket Demand for Rental Units:**

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	56	2%	72	2%
Resident Turnover	2,567	94%	3,540	0%
Other Sources: 2 yrs pent-up demand	112	4%	N/A	N/A
<b>TOTAL ANNUAL DEMAND</b>	<b>2,735</b>	<b>100%</b>	<b>3,612</b>	<b>100%</b>

Ref: p. 56-57

**Capture Rate:** “Overall, the estimated qualified households demand is 2,735 units, which equates to a 20.5% capture rate for the subject’s proposed 192 rent restricted units combined with the other 368 rent restricted [two- and three-bedroom] units under construction (168 West Oaks units and 200 two and three-bedroom units in Matthew Ridge), including probable rental turnover.” (p. 57) Upon request, the analyst included Collingham Park, a development awarded tax credits in 2000, in their capture rate calculation. However, due to the developments location on the boundary of the primary market area, only 25% of the 250 units were included in the calculation. “...more than half of the Collingham Park [market area] is outside the defined market boundaries for the subject project...The Collingham Park project had an average absorption of almost 20 units per month. In addition, by the time the proposed subject project is completed and available for first occupancy, the Collingham Park project will have been at or above a stabilized occupancy for over a year. Given this scenario, we will include only 25% of the Collingham Park units in our capture rate analysis...[indicating] a revised capture rate of 24.2%.”

Unfortunately, this approach to determining other unstabilized units in the market is inconsistent with the current concentration capturer rate policy. Based upon the market analysts demand, the capture rate would appear to be 31%. The Underwriter recalculated demand without the restriction on family size (2 to 6 family members) which was placed upon the development since there were no one-bedroom units planned for the development but there are in the competing unstabilized units. With the underwriter’s greater demand calculation the 658 unstabilized units combined with the proposed 192 units reflects an acceptable 23.5% concentration capture rate. Alternatively if the market analyst’s demand figure is used and the 270 unstabilized competing one-bedroom units are not considered the capture rate is also an acceptable 21%.

**Market Rent Comparables:** The market analyst surveyed 7 existing and proposed comparable apartment projects in the market area. (p. 24)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>2-Bedroom (60%)</b>	\$730	\$734	-\$4	\$800	-\$70
<b>3-Bedroom (60%)</b>	\$840	\$845	-\$5	\$925	-\$85

(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)

**Submarket Occupancy Rates:** The average occupancy rate for five of the seven comparable rental projects

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is 93.6%. (p. 26) “Regarding occupancy levels, a range of 91% to 94% is considered likely at this time. This level is inclusive of concessions. Given that the restricted rental rates for the subject will be below market rated for the area. No concessions are considered necessary to meet a stabilized occupancy of say 93%.” (p. 27)

**Absorption Projections:** The average absorption rate for 27 developments in suburban Houston is 25 units per month. (p. 26)

**Known Planned Development:** “*Apartment Market TRAC* (as of April 2002) reports 706 additional units under construction in two projects; however, additional research indicates that 980 units are under construction in four projects including 168 units in a similar rent-restricted property [West Oak, 2001] as the subject by the same developer.” (p. 21) The analyst also mentions Matthew Ridge, a 240 unit rent-restricted development awarded credits in 2002, but fails to mention Collingham Park, a 250 unit rent-restricted awarded credits in 2000. In response to a request, the analyst submitted a letter with a revised capture rate calculation that includes Collingham Park.

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is located at the northwest corner of Westpark Drive and Green Crest Road just to the west of State Highway 6 and just south of Westheimer Road (FM-1093) in far west/southwest Houston.

**Population:** The estimated 2000 population of the primary market area was 268,846 and is expected to increase by 5.75% to approximately 284,296 by 2005. Within the primary market area there were estimated to be 99,420 households in 2000.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly residential with single family and multifamily housing. Adjacent land uses include:

- **North:** single family housing, Gray Ridge Drive
- **South:** intermediate public school
- **East:** undeveloped land
- **West:** undeveloped land, multifamily housing

**Site Access:** Access to the property is from the Green Crest Road or Westpark Drive. The area is linked to greater Houston via State Highway 6 and IH-10. Interstate Highway 10 is located approximately five miles to the north and extends east/west across Harris County.

**Public Transportation:** Although portions of the neighborhood are located outside the incorporated city limits of Houston, a large portion is within the City limits and therefore, public transportation is available. However, the proximity of linkages to public transportation from the proposed development is unknown.

**Shopping & Services:** A regional mall is located north of the subject and other substantial retail development can be found along the primary thoroughfares of SH-6, Westheimer, Bellaire and Beechnut. The area includes a medical complex within its east end. The Barker Reservoir provides a wilderness area that is partially finished with a park area.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated August 16, 2002 was prepared by SWCA Environmental Consultants and contained the following findings and recommendations:

“SWCA did not observe or identify any characteristics on the subject property or adjacent properties, which may be considered a recognized environmental condition. However, one CORRACTS, one UST, and four oil/gas well sites were identified within state and federal databases, which occur within one mile of the subject property. After further investigation, SWCA did not identify any evidence to suggest these sites are a recognized environmental condition. In addition, SWCA did not identify any area of the subject property that had positive indicators for all three US Army Corps of Engineers-required wetland criteria. SWCA does not recommend further investigation of the site as a result of this ESA.” (p. 1)

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**OPERATING PROFORMA ANALYSIS**

**Income:** Due to the Applicant's use of slightly understated gross rent assumptions, their potential gross rent figure is \$10K less than the Underwriter's estimate. As a direct result, the Applicant's effective gross income estimate is also understated by \$9.5K, but still within 5% of the Underwriter's estimate.

**Expenses:** The Applicant's total operating expense estimate is \$102K, or 14.5%, higher than the Underwriter's estimate. In addition, several of the Applicant's line-item expense figures differ significantly as compared to the Underwriter's estimates. These include: general and administrative (\$30K lower), payroll (\$87K higher), repairs and maintenance (\$15K lower), utilities (\$34K lower), property insurance (\$43K higher), and property tax (\$23K higher).

**Conclusion:** Overall, the Applicant's net operating income estimate is not within 5% of the Underwriter's estimate; therefore, the Underwriter's proforma will be used to determine the development's capacity to service debt. The Underwriter's proforma results in an aggregate debt coverage ratio (DCR) and a bonds-only DCR that fall below the Department's minimum DCR guideline of 1.10. In order to achieve a bonds-only DCR of 1.10, the annual bond-related debt service should not exceed \$896,753. Any debt service above this amount should be subject to potential mandatory redemption. This will be discussed in more detail in the financing structure analysis section of this report.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Off-Site Costs:** The Applicant claimed off-site costs of \$87,386 for utilities, and provided a third party engineering cost certification to justify these costs.

**Site Work Cost:** The Applicant claimed site work costs of \$7,539 per unit, which exceeds the Department's maximum guideline of \$6,500 per unit, and provided a third party cost estimate accompanied by a letter from a certified public accountant stating which costs are includable in eligible basis and therefore the Underwriter used the entire amount.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$441K or 5% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

**Interim Financing Fees:** The Underwriter reduced the Applicant's interim financing fees by \$95,126 rather than include the proposed GIC income as a source of funds.

**Conclusion:** The Applicant's total development cost figure is within 5% of the Underwriter's estimate. Therefore, the Applicant's adjusted estimate will be used to calculate eligible basis and to determine the development's total need for funding.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing: a bond-financed interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Bonds:** The bonds are tax-exempt private activity mortgage revenue bonds to be issued by the Department and placed privately with Charter MAC. As of the date of the underwriting analysis and according to the most current revised letter of interest, the amount of the bonds to be purchased will be \$12,180,000. The interest rate on the bonds shall be set at 7.0%. The rates reflect all-in rates, including loan servicing, but excluding annual trustee fees or other trust indenture expenses. Charter shall arrange for a letter of credit to be issued for the benefit of the trustee throughout and 15 days following the construction period of 24 months. The term and amortization period will be equal to 40 years. An even more current sources and uses statement from Charter MAC indicates that the full request of \$12,500,000 in bonds is still being considered with the difference in bond amounts anticipated to be required to be redeemed if the development does not meet performance standards as projected by the Applicant.. Receipt, review and acceptance of a permanent financing commitment for purchase of the full requested bond amount is a condition of this report.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The revised letter of interest shows net proceeds are anticipated to be \$4,179,000 based on a syndication factor of 82%. The funds would be disbursed in a five-phased pay-in schedule:

1. 20% upon admission to partnership;
2. 25% upon 50% completion of construction;

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3. 35% upon 75% completion of construction;
4. 5% upon completion of construction; and
5. 15% upon satisfaction of rental achievement conditions.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$681,316 amount to 40% of the total fees.

**Financing Conclusions:** As stated above, the Applicant's adjusted total development cost was used to calculate eligible basis and a recommended tax credit allocation of \$523,902 annually for ten years. The recommended allocation is \$27K less than the revised requested amount due to the reduction in eligible basis by the proposed GIC income.

Based on the Underwriter's proforma, the annual bond-related debt service should not exceed \$896,753 in order for the development to achieve an initial bonds-only DCR of 1.10. Based on the proposed terms, the primary debt amount would be reduced to \$12,025,377. Should the bonds be ultimately resized to this level at conversion the resulting deferred developer fees would amount \$1,296,686. Deferred fees in this amount appear to be repayable from stabilized cash flow within ten years. Should the bonds not be reduced by the full amount predicted herein, the deferred developer fee will be reduced on a dollar for dollar basis.

**REVIEW of ARCHITECTURAL DESIGN**

The individual units offer livable floorplans with adequate storage. Each unit includes a washer/dryer closet and private balcony/patio. The elevations for the residential buildings show attractive three story structures with combination brick veneer and siding exteriors and a varied roofline. The common area building includes many tenant accessible areas as well as leasing/management offices. The exterior is similar in design to the residential buildings.

**IDENTITIES of INTEREST**

The Applicant, developer, general contractor, cost estimator, and property manager are related entities. These are common identities of interest for tax credit developments funded through the Department.

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

**Financial Highlights:**

- According to a representative of the Applicant, the Applicant, General Partner, Finlay GP Holdings and Finlay Holdings were recently created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The principal of Finlay Holdings, Christopher C Finlay, submitted an interim financial statement as of July 11, 2002.

**Background & Experience:**

- The Applicant, General Partner, Finlay GP Holdings and Finlay Holdings were recently created for the purpose of receiving assistance from TDHCA.
- Christopher C Finlay, the principal of the proposed ownership structure, indicates participation in 15 developments totaling 1,367 units throughout the country since 1993.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's estimated operating expenses are more than 5% outside of the Underwriter's verifiable range.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$523,902 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND ISSUANCE OF TAX-EXEMPT BONDS AS REQUESTED AT \$12,500,000, TO

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BE FULLY AMORTIZED OVER 40 YEARS. THE INTEREST RATE OF THE BONDS WILL BE 7%.

**CONDITIONS**

1. Receipt review and acceptance of revised application and/r floor and building plans to reflect compliance with the LIHTC handicapped accessibility requirements
2. Receipt, review, and acceptance of an acceptable site inspection report.
3. Receipt, review, and acceptance of a permanent financing commitment for purchase of the full requested bond amount.
4. Potential reduction of bonds at conversion to \$12,025,377 due to potential mandatory redemption.
5. Should the terms of the debt or syndication change the development should be re-evaluated.

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Lisa Vecchiatti*

**Date:** September 30, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Green Crest, Houston, LIHTC 02439/MRB 2002-066**

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 UCil	Wtr, Swr, Trsh
TC 60%	94	2	2	1,017	\$804	\$734	\$68,996	\$0.72	\$70.00	\$19.00
EO	2	2	2	1,017	804	0	0	0.00	70.00	19.00
TC 60%	96	3	2	1,215	930	845	81,120	0.70	85.00	37.00
<b>TOTAL:</b>	<b>192</b>		<b>AVERAGE:</b>	<b>1,116</b>	<b>\$867</b>	<b>\$782</b>	<b>\$150,116</b>	<b>\$0.70</b>	<b>\$77.50</b>	<b>\$28.00</b>

**INCOME**

Total Net Rentable Sq Ft: **214,272**

**POTENTIAL GROSS RENT**

Secondary Income Per Unit Per Month: **\$10.00**  
 Other Support Income: (describe)

**POTENTIAL GROSS INCOME**

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

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative Management	3.76%	\$330	\$0.30
Payroll & Payroll Tax	5.00%	439	0.39
Repairs & Maintenance	9.92%	872	0.78
Utilities	4.34%	381	0.34
Water, Sewer, & Trash	2.70%	237	0.21
Property Insurance	1.99%	175	0.16
Property Tax	2.03%	179	0.16
Reserve for Replacements	3.27027%	818	0.73
Other: Security	2.28%	200	0.18
	0.21%	19	0.02

**TOTAL EXPENSES**

**41.52%** **\$3,650** **\$3.27**

**NET OPERATING INC**

**58.48%** **\$5,140** **\$4.61**

**DEBT SERVICE**

1st Lien Mortgage	55.24%	\$4,855	\$4.35
Trustee Fee	0.21%	\$18	\$0.02
TDHCA Admin. Fees	0.74%	\$65	\$0.06
Ast. Ovst., Comp. Fees & Sup. S	1.77%	\$156	\$0.14

**NET CASH FLOW**

**0.52%** **\$46** **\$0.04**

**AGGREGATE DEBT COVERAGE RATIO**

**1.01**

**BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO**

**1.05**

**BONDS-ONLY DEBT COVERAGE RATIO**

**1.06**

**ALTERNATIVE BONDS-ONLY DEBT COVERAGE RATIO**

**1.10**

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldng)		6.41%	\$6,026	\$5.40
Off-Sites		0.48%	455	0.41
Sitework		8.02%	7,539	6.76
Direct Construction		47.59%	44,758	40.11
Contingency	3.82%	2.13%	2,000	1.79
General Req'ts	5.74%	3.19%	3,000	2.69
Contractor's G & i	1.91%	1.06%	1,000	0.90
Contractor's Prof:	5.74%	3.19%	3,000	2.69
Indirect Construction		2.35%	2,209	1.98
Ineligible Costs		8.57%	8,056	7.22
Developer's G & A	3.47%	2.51%	2,360	2.11
Developer's Profi!	9.54%	6.90%	6,490	5.82
Interim Financing		4.78%	4,496	4.03
Reserves		2.83%	2,665	2.39
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$94,055</b>	<b>\$84.28</b>

**Recap-Hard Construction Costs**

**SOURCES OF FUNDS**

1st Lien Mortgage	69.22%	\$65,104	\$58.34
LIHTC Syndication Proceeds	23.14%	\$21,766	\$19.50
Additional Financing	0.00%	\$0	\$0.00
Deferred Developer's Fee	3.77%	\$3,549	\$3.18
Additional (excess) Funds Required	3.87%	\$3,636	\$3.26
<b>TOTAL SOURCES</b>			

	TDHCA	APPLICANT			
	\$1,801,392	\$1,791,120			
	23,040	23,040	\$10.00	Per Unit Per Month	
	0	0			
	\$1,824,432	\$1,814,160			
	(136,832)	(136,068)	-7.50%	of Potential Gross Rent	
	0	0			
	\$1,687,600	\$1,678,092			
	63,392	\$33,000	\$0.15	\$172	1.97%
	84,380	83,905	0.39	437	5.00%
	167,424	80,000	0.37	417	4.77%
	73,161	57,933	0.27	302	3.45%
	45,533	12,000	0.06	63	0.72%
	33,615	33,000	0.15	172	1.97%
	34,284	77,138	0.36	402	4.60%
	156,973	180,000	0.84	938	10.73%
	38,400	38,400	0.18	200	2.29%
	3,600	3,600	0.02	19	0.21%
	\$700,761	\$598,976	\$2.80	\$3,120	35.69%
	\$986,838	\$1,079,116	\$5.04	\$5,620	64.31%
	\$932,147	\$908,290	\$4.24	\$4,731	54.13%
	\$3,500	0	\$0.00	\$0	0.00%
	12,500	0	\$0.00	\$0	0.00%
	29,944	34,588	\$0.16	\$180	2.06%
	\$8,747	\$136,238	\$0.64	\$710	8.12%
	1.01	1.14			
	1.05				
	1.06				
	1.10				

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$1,157,079	\$1,157,079	\$5.40	\$6,026	6.57%
	87,386	87,386	0.41	455	0.50%
	1,447,418	1,447,418	6.76	7,539	8.22%
	8,593,599	8,152,320	38.05	42,460	46.27%
	383,990	383,990	1.79	2,000	2.18%
	575,984	575,984	2.69	3,000	3.27%
	191,995	191,995	0.90	1,000	1.09%
	575,984	575,984	2.69	3,000	3.27%
	424,172	424,172	1.98	2,209	2.41%
	1,546,786	1,546,786	7.22	8,056	8.78%
	453,108	453,108	2.11	2,360	2.57%
	1,246,046	1,246,046	5.82	6,490	7.07%
	863,259	863,259	4.03	4,496	4.90%
	511,677	511,677	2.39	2,665	2.90%
	\$18,058,483	\$17,617,204	\$82.22	\$91,756	100.00%
	\$11,768,970	\$11,327,691	\$52.87	\$58,998	64.30%
	\$12,500,000	\$12,500,000	\$12,025,377		
	4,179,000	4,179,000	4,295,141		
	0	0	0		
	681,316	681,316	1,296,686		
	698,167	256,888	0		
	\$18,058,483	\$17,617,204	\$17,617,204		

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Green Crest, Houston, LIHTC 02439/MRB 2002-066**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

**PAYMENT COMPUTATION**

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.79	\$8,740,102
<b>Adjustments</b>				
Exterior Wall Fini	2.75%		\$1.12	\$240,353
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(0.67)	(144,276)
Floor Cover			1.92	411,402
Porches/Balconies	\$29.24	30,041	4.10	878,399
Plumbing	\$615	576	1.65	354,240
Built-In Appliance	\$1,625	192	1.46	312,000
Exterior Stairs	\$1,400	64	0.42	89,600
Floor Insulation			0.00	0
Heating/Cooling			1.47	314,980
Garages/Carports			0.00	0
Comm &/or Aux Bldn	\$55.81	3,217	0.84	179,538
Other:			0.00	0
<b>SUBTOTAL</b>			<b>53.09</b>	<b>11,376,337</b>
Current Cost Multiplier	1.02		1.06	227,527
Local Multiplier	0.91		(4.78)	(1,023,870)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$49.38</b>	<b>\$10,579,993</b>
Plans, specs, survy, b	3.90%		(\$1.93)	(\$412,620)
Interim Construction I	3.38%		(1.67)	(357,075)
Contractor's OH & Prof	11.50%		(5.68)	(1,216,699)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$40.11</b>	<b>\$8,593,599</b>

<b>Primary</b>	\$12,500,000	Term	480
Int Rate	7.00%	DCR	1.06

<b>Secondary</b>	\$4,179,000	Term	
Int Rate		Subtotal DCR	1.04

<b>Additional</b>	\$0	Term	
Int Rate		Aggregate DCR	1.01

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$896,753
Trustee Fee	3,500
TDHCA Fees & Supportive Serv	42,444
<b>NET CASH FLOW</b>	<b>\$44,141</b>

<b>Primary</b>	\$12,025,377	Term	480
Int Rate	7.00%	DCR	1.10

<b>Secondary</b>	\$4,179,000	Term	
Int Rate		Subtotal DCR	1.10

<b>Additional</b>	\$0	Term	
Int Rate		Aggregate DCR	1.05

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

	at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
<b>INCOME</b>										
POTENTIAL GROSS RENT		\$1,801,392	\$1,855,434	\$1,911,097	\$1,968,430	\$2,027,483	\$2,350,408	\$2,724,767	\$3,158,752	\$4,245,098
Secondary Income		23,040	23,731	24,443	25,176	25,932	30,062	34,850	40,401	54,295
Other Support Income: (d)		0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME		1,824,432	1,879,165	1,935,540	1,993,606	2,053,414	2,380,470	2,759,617	3,199,153	4,299,394
Vacancy & Collection Los		(136,832)	(140,937)	(145,165)	(149,520)	(154,006)	(178,535)	(206,971)	(239,936)	(322,455)
Employee or Other Non-Rent		0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>		<b>\$1,687,600</b>	<b>\$1,738,228</b>	<b>\$1,790,374</b>	<b>\$1,844,086</b>	<b>\$1,899,408</b>	<b>\$2,201,935</b>	<b>\$2,552,646</b>	<b>\$2,959,216</b>	<b>\$3,976,939</b>
<b>EXPENSES</b>	at 4.00%									
General & Administrative		\$63,392	\$65,928	\$68,565	\$71,308	\$74,160	\$90,227	\$109,775	\$133,558	\$197,698
Management		84,380	86,911	89,519	92,204	94,970	110,097	127,632	147,961	198,847
Payroll & Payroll Tax		167,424	174,121	181,086	188,329	195,862	238,297	289,924	352,737	522,137
Repairs & Maintenance		73,161	76,087	79,130	82,296	85,587	104,130	126,690	154,138	228,162
Utilities		45,533	47,354	49,248	51,218	53,267	64,807	78,848	95,931	142,001
Water, Sewer & Trash		33,615	34,960	36,358	37,813	39,325	47,845	58,211	70,822	104,835
Insurance		34,284	35,655	37,081	38,564	40,107	48,796	59,368	72,230	106,918
Property Tax		156,973	163,252	169,782	176,573	183,636	223,421	271,826	330,718	489,544
Reserve for Replacements		38,400	39,936	41,533	43,195	44,923	54,655	66,496	80,903	119,756
Other		3,600	3,744	3,894	4,050	4,211	5,124	6,234	7,585	11,227
<b>TOTAL EXPENSES</b>		<b>\$700,761</b>	<b>\$727,948</b>	<b>\$756,197</b>	<b>\$785,549</b>	<b>\$816,049</b>	<b>\$987,400</b>	<b>\$1,195,005</b>	<b>\$1,446,583</b>	<b>\$2,121,126</b>
<b>NET OPERATING INCOME</b>		<b>\$986,838</b>	<b>\$1,010,280</b>	<b>\$1,034,178</b>	<b>\$1,058,536</b>	<b>\$1,083,359</b>	<b>\$1,214,535</b>	<b>\$1,357,640</b>	<b>\$1,512,633</b>	<b>\$1,855,814</b>
<b>DEBT SERVICE</b>										
First Lien Financing		\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753	\$896,753
Trustee Fee		3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees		12,500	11,969	11,908	11,842	11,772	11,339	10,724	9,853	6,866
Ast. Ovst., Comp. Fees		29,944	31,142	32,388	33,683	35,031	42,620	51,854	63,088	93,386
Cash Flow		44,141	66,915	89,629	112,757	136,302	260,323	394,809	539,439	855,308
<b>AGGREGATE DCR</b>		<b>1.05</b>	<b>1.07</b>	<b>1.09</b>	<b>1.12</b>	<b>1.14</b>	<b>1.27</b>	<b>1.41</b>	<b>1.55</b>	<b>1.85</b>



LIHTC Allocation Calculation - Green Crest, Houston, LIHTC 02439/MRB 2002-066

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$1,157,079	\$1,157,079		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,447,418	\$1,447,418	\$1,447,418	\$1,447,418
Off-site improvements	\$87,386	\$87,386		
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$8,152,320	\$8,593,599	\$8,152,320	\$8,593,599
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$191,995	\$191,995	\$191,995	\$191,995
Contractor profit	\$575,984	\$575,984	\$575,984	\$575,984
General requirements	\$575,984	\$575,984	\$575,984	\$575,984
<b>(5) Contingencies</b>	\$383,990	\$383,990	\$383,990	\$383,990
<b>(6) Eligible Indirect Fees</b>	\$424,172	\$424,172	\$424,172	\$424,172
<b>(7) Eligible Financing Fees</b>	\$863,259	\$863,259	\$863,259	\$863,259
<b>(8) All Ineligible Costs</b>	\$1,546,786	\$1,546,786		
<b>(9) Developer Fees</b>				
Developer overhead	\$453,108	\$453,108	\$453,108	\$453,108
Developer fee	\$1,246,046	\$1,246,046	\$1,246,046	\$1,246,046
<b>(10) Development Reserves</b>	\$511,677	\$511,677		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$17,617,204</b>	<b>\$18,058,483</b>	<b>\$14,314,276</b>	<b>\$14,755,555</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$14,314,276</b>	<b>\$14,755,555</b>
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$523,902</b>	<b>\$540,053</b>
Syndication Proceeds	0.8198		\$4,295,141	\$4,427,552



**LOW INCOME HOUSING TAX CREDIT PROGRAM**  
**2002 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**  
 Texas Department of Housing and Community Affairs

Development Name: **Mark IV**

TDHCA#: 02440

<b>DEVELOPMENT AND OWNER INFORMATION</b>			
Development Location:	Fort Worth	QCT: N	DDA: N      TTC: N
Development Owner:	Ironwood Ranch Townhomes L.P.		
General Partner(s):	Brisben Texas, Inc., 100% Contact: Don Paxton		
Construction Category:	New		
Set-Aside Category:	Tax Exempt Bond      Bond Issuer: TDHCA		
Development Type:	Family		
<b>Annual Tax Credit Allocation Calculation</b>			
Applicant Request:	\$776,925	Eligible Basis Amt:	\$759,152      Equity/Gap Amt.: \$988,167
<b>Annual Tax Credit Allocation Recommendation:</b>		<b>\$759,152</b>	
Total Tax Credit Allocation Over Ten Years:		7,591,520	

<b>PROPERTY INFORMATION</b>			
<b>Unit and Building Information</b>			
Total Units:	280	LIHTC Units:	280      % of LIHTC Units: 100%
Gross Square Footage:	335,701		
Average Square Footage/Unit:	1181		
Number of Buildings:	32		
Currently Occupied:	N		
<b>Development Cost</b>			
Total Cost:	\$25,071,979	Total Cost/Net Rentable Sq. Ft.:	\$75.82
<b>Income and Expenses</b>			
Effective Gross Income: <sup>1</sup>	\$2,525,250	Ttl. Expenses:	\$2,057,051      Net Operating Inc.: \$468,199
Estimated 1st Year DCR:	1.10		

<b>DEVELOPMENT TEAM</b>			
Consultant:	Not Utilized	Manager:	National Realty Management
Attorney:	Chernesky, Heymann & Kress	Architect:	Kaufman meeks
Accountant:	Barnes, Dennig & Co., Ltd.	Engineer:	Dunaway and Associates
Market Analyst:	The Danter Company	Lender:	Charter MAC
Contractor:	Brisben Development, Inc.	Syndicator:	Related Capital Company

<b>PUBLIC COMMENT<sup>2</sup></b>	
From Citizens:	From Legislators or Local Officials:
# in Support: 1	Sen. Mike Moncrief, District 12 - NC
# in Opposition: 5	Rep. Vicki Truitt, District 98 - NC
	Mayor Kenneth Barr - NC
	Reid Rector, City of Fort Worth Asst. City Manager; Development is consistent with the City of Fort Worth Consolidated Plan.

1. Gross Income less Vacancy  
 2. NC - No comment received, O - Opposition, S - Support

**CONDITION(S) TO COMMITMENT**

1. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”
2. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

**DEVELOPMENT’S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond.  Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Charles E. Nwaneri, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT’S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond  Housing Type

Other Comments including discretionary factors (if applicable).\_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director

Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director’s Approval and description of discretionary factors (if applicable).**

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

Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002      **PROGRAM:** Multifamily Bond      **FILE NUMBER:** 2002-075  
4% LIHTC      02440

**DEVELOPMENT NAME**

Mark IV Apartments

**APPLICANT**

**Name:** Ironwood Ranch Townhomes Limited Partnership      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 7800 E. Kemper Road      **City:** Cincinnati      **State:** Ohio  
**Zip:** 45249    **Contact:** Don Paxton      **Phone:** (513) 489-1990    **Fax:** (513) 489-2780

**PRINCIPALS of the APPLICANT**

**Name:** Brisben Texas, Inc.      **(%):** .01      **Title:** Managing General Partner  
**Name:** Related Capital      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Brisben Advisors, Inc      **(%):** N/A      **Title:** Developer  
**Name:** William Brisben      **(%):** N/A      **Title:** Controlling shareholder of General Partner

**GENERAL PARTNER**

**Name:** Brisben Texas, Inc.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 7800 E. Kemper Road      **City:** Cincinnati      **State:** Ohio  
**Zip:** 45249    **Contact:** Don Paxton      **Phone:** (513) 489-1990    **Fax:** (513) 489-2780

**PROPERTY LOCATION**

**Location:** East of Old Denton Road and south of Western Center Boulevard       QCT     DDA  
**City:** Fort Worth      **County:** Tarrant      **Zip:** 76137

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1. \$16,970,000	7.27%	40 yrs	40 yrs
2. \$776,925	N/A	N/A	N/A

**Other Requested Terms:** 1. Tax-exempt & taxable private activity mortgage revenue bonds  
2. Annual ten-year allocation of low-income housing tax credits

**Proposed Use of Funds:** New construction

**SITE DESCRIPTION**

**Size:** 26.812 acres    1,167,931 square feet    **Zoning/ Permitted Uses:** C-Multifamily District  
**Flood Zone Designation:** Zone X      **Status of Off-Sites:** Partially improved

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 280    **# Rental Buildings:** 32    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** 0 yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
26	2	2	1,004
26	2	2	1,095
26	2	2	1,118
62	2	2	1,146
26	3	2	1,276
24	3	2	1,277
28	3	2	1,149
62	3	2	1,290

**Net Rentable SF:** 330,670    **Av Un SF:** 1,181    **Common Area SF:** 5,031    **Gross Bldg SF:** 335,701  
**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on concrete slab on grade, 68% brick veneer/32% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, laminated counter tops

**ON-SITE AMENITIES**

3,074-SF community building with activity room, management offices, fitness facilities, kitchen, restrooms, computer/business center, daycare facility, 1,336 s.f. model, swimming pool, equipped children's play area, sports courts. The property will also include a 621-SF maintenance and laundry building.

**Uncovered Parking:** 420 spaces    **Carpports:** 0 spaces    **Garages:** 0 spaces

**OTHER SOURCES of FUNDS**

**INTERIM CONSTRUCTION or GAP FINANCING**

**Source:** Charter Mortgage Acceptance Corporation    **Contact:** James Spound  
**Principal Amount:** \$16,970,000    **Interest Rates:** 7% for tax-exempt, 8.75% for taxable, Underwriter used blended rate of 7.11%  
**Additional Information:** \$15,000,000 is tax-exempt, \$1,970,000 is taxable tail, interest-only payments during construction period  
**Amortization:** N/A yrs    **Term:** 3 yrs    **Commitment:**     None     Firm     Conditional

**LONG TERM/PERMANENT FINANCING**

**Source:** Charter Mortgage Acceptance Corporation    **Contact:** James Spound  
**Principal Amount:** \$16,970,000    **Interest Rates:** 7% for tax-exempt, 8.75% for taxable, Underwriter used blended rate of 7.11%  
**Additional Information:** \$15,000,000 is tax-exempt, \$1,970,000 is taxable tail  
**Amortization:** 40 yrs    **Term:** 40 yrs    **Commitment:**     None     Firm     Conditional  
**Annual Payment:** \$1,313,105    **Lien Priority:** 1st    **Commitment Date:** 9/ 18/ 2002

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

**LIHTC SYNDICATION**

<b>Source:</b> <u>Related Capital Company</u>	<b>Contact:</b> <u>Justin Ginsberg</u>
<b>Address:</b> <u>625 Madison Avenue</u>	<b>City:</b> <u>New York</u>
<b>State:</b> <u>NY</u> <b>Zip:</b> <u>10022</u> <b>Phone:</b> (212) <u>421-5333</u> <b>Fax:</b> (212) <u>751-3550</u>	
<b>Net Proceeds:</b> <u>\$6,126,000</u>	<b>Net Syndication Rate</b> (per \$1.00 of 10-yr LIHTC) <u>82¢</u>
<b>Commitment</b> <input type="checkbox"/> None <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	<b>Date:</b> <u>9/ 10/ 2002</u>
<b>Additional Information:</b> _____	

**APPLICANT EQUITY**

<b>Amount:</b> <u>\$1,976,107</u>	<b>Source:</b> <u>Deferred developer fee</u>
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**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Land:</b> <u>73.266acres</u>	<u>\$2,553,174</u>	<b>Assessment for the Year of:</b> <u>2002</u>
<b>Building:</b>	<u>N/A</u>	<b>Valuation by:</b> <u>Tarrant County Appraisal District</u>
<b>Prorata Assessed Value:</b> <u>26.812acres</u>	<u>\$95,225</u>	<b>Tax Rate:</b> <u>3.01</u>

**EVIDENCE of SITE or PROPERTY CONTROL**

<b>Type of Site Control:</b> <u>Earnest money contract</u>
<b>Contract Expiration Date:</b> <u>12/ 15/ 2002</u> <b>Anticipated Closing Date:</b> <u>12/ 15/ 2002</u>
<b>Acquisition Cost:</b> \$ <u>2,400,000</u> <b>Other Terms/Conditions:</b> <u>\$45,000 earnest money</u>
<b>Seller:</b> <u>TRBP Limited</u> <b>Related to Development Team Member:</b> <u>No</u>

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Mark IV Apartments is a proposed new construction development of 280 units of affordable housing located in northwest Fort Worth. The development is comprised of 32 residential buildings as follows:

- Seven Building Type I with two 2-bedroom units and six 3-bedroom units;
- Twelve Building Type II with six 2-bedroom units and four 3-bedroom units;
- One Building Type III with six 2-bedroom units and two 3-bedroom units; and
- Twelve Building Type IV with four 2-bedroom units and four 3-bedroom units.

Based on the site plan the apartment buildings are distributed evenly throughout the site, arranged in various groups separated by parking lots, with the community building, mailboxes, and swimming pool located near the entrance to the site. A 621-square foot maintenance building with laundry facilities will be located near the center of the site. The 3,074-square foot community building plan includes the management office, a community room, exercise room, kid's room, business center, kitchen, restrooms, and an attached 1,336 s.f. model of one of the units.

**Supportive Services:** The Applicant has contracted with National Realty Management, Inc. to provide the following supportive services to tenants: basic adult education, credit counseling, home buyer education, and computer facilities and counseling. These services will be provided at no cost to tenants. The contract requires the Applicant to pay annual compensation of \$17,000 (\$60.72 per unit).

**Schedule:** The Applicant anticipates construction to begin in January of 2003, to be completed in July of

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

2004, and to be substantially leased-up in October of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. All of the units will be reserved for households earning 60% or less of AMGI.

**Special Needs Set-Asides:** Six units (2%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 15 years.

**MARKET HIGHLIGHTS**

A market feasibility study was prepared by The Danter Company on July 24, 2002 with an updated demand calculation dated September 11, 2002. The following findings are highlighted as follows:

**Definition of Market/Submarket:** The original market study indicated a market area that was separated by natural and manmade boundaries. (p. V-6) However an updated market area was defined using a seven-mile radius as the benchmark for the market area.

**Total Local/Submarket Demand for Rental Units:** The market analyst submitted an updated demand calculation including demographic information for five, seven-, and ten-mile radii. The Underwriter determined a market area based on the seven-mile radius that the market analyst provided. Based on this data, the analyst is predicting a total demand of 5,394 units. The Underwriter's estimate of 8,257 is based on a more comprehensive calculation by using a broader range of income-qualified tenants.

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
<b>Type of Demand</b>	<b>Market Analyst</b>		<b>Underwriter</b>	
	<b>Units of Demand</b>	<b>% of Total Demand</b>	<b>Units of Demand</b>	<b>% of Total Demand</b>
Household Growth	96	2%	228	3%
Resident Turnover	5,298	98%	8,029	97%
<b>TOTAL ANNUAL DEMAND</b>	<b>5,394</b>	<b>100%</b>	<b>8,257</b>	<b>100%</b>

Ref: Supplemental pages

**Capture Rate:** The analyst indicated a capture rate of 20.3% based on a seven mile radius. However, the analyst reached their conclusion based on only including 1,237 rent restricted units in the market area. The Underwriter estimated a capture rate of 20% based on a seven-mile radius and included 1,373 comparable unstabilized rent restricted and non-rent restricted units. Also, the Underwriter used a more comprehensive income band which resulted in the lower capture rate. According to the Underwriter, the capture rate of the property at a five-mile radius was 34.7% due to the inclusion of 1,039 competing affordable, but unstabilized units in the market area. Although this amount is above the 25% threshold for non-rural areas, after a discussion with the market analyst, the Underwriter believes that the seven-mile radius is adequate in determining the demand for the property.

**Market Rent Comparables:** The market analyst surveyed 31 comparable apartment projects totaling 6,799 units in the market area. (p. IV-8)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Market</b>	<b>Differential</b>
<b>2-Bedroom (60%)</b>	\$709-\$740	\$740	-\$31 to-\$0	\$775-\$820	-\$66-\$80
<b>3-Bedroom (60%)</b>	\$803-\$855	\$855	-\$52 to-\$0	\$1,000-1,050	-\$195-\$197

(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)

Ref: p. IV-32-IV-33

**Submarket Vacancy Rates:** The overall vacancy rate in the market area is 13.85%. The vacancy rate for market rate units is 14.2%, while the vacancy rate for subsidized units is 1.2% (p. VII-2)

**Absorption Projections:** "...absorption is expected to average 16.5 to 18.0 units per month, resulting in a 16.0 to 19.5 month absorption period..." (p. IV-46)

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

**Known Planned Development:** “Residences of Diamond Hill is a proposed tax credit/market rate project in Fort Worth...The project will have 204 units, including 121 tax credit units.” (p. IV-13)  
The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is an irregularly-shaped parcel located in the northwest area of Fort Worth, approximately eight miles from the central business district. The site is situated on the north side of Sweetwood Drive.

**Population:** The estimated number of households in the primary market area in 2001 was 99,735 and is expected to increase by 10% to approximately 108,973 by 2006.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly vacant land and single-family homes. Adjacent land uses include:

- **North:** Vacant land
- **South:** Single-family subdivision
- **East:** Single-family subdivision
- **West:** Vacant land

**Site Access:** Access to the property is from the east or west along Industrial Boulevard and going north on Mark IV Parkway. The development is to have two main entries, one from Mark IV Parkway and the other from Station Way Drive. Access to Interstate Highway 35W is two miles east, which provides connections to all other major roads serving the Fort Worth area.

**Public Transportation:** Public transportation to the area is provided by the city bus system.

**Shopping & Services:** The site is within two miles of major grocery stores, pharmacies, shopping centers and banks. The fire department is 2.5 miles away and the police station is five miles. Harris Methodist Hospital is 10.3 miles. Gililand Elementary is 2.2 miles, Highland Middle is three miles and W.E. Boswell High School is 6.5 miles away.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated July 16, 2002 was prepared by the LawGibb Group and contained the following findings and recommendations:

**Findings:** There was no identification of any recognizable environmental conditions, thus no further assessment is required.

**Floodplain:** Located outside the 500-year flood plain.

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are slightly lower than the maximum rents allowed under LIHTC guidelines, reflecting the state of the applicant’s desire to maintain the affordability of the units and to price smaller units at slightly less than the larger units of the same type. The Applicant stated that tenants will pay water and sewer in this project and rents and expenses were calculated accordingly. The Applicant’s effective gross income is \$37K, or 1.5% less than the Underwriter’s estimate.

**Expenses:** The Applicant’s estimate of total operating expense is 6.3% lower than the Underwriter’s adjusted TDHCA database-derived estimate. The Applicant’s budget shows several line item estimates that deviate significantly when compared to the Underwriter’s database averages, particularly general and administrative (\$32K lower), repairs and maintenance (\$35.5K lower), utilities (\$24.3 lower), and property taxes (\$22.6 higher). The Applicant did not include \$14K in TDHCA asset oversight and compliance fees.

**Conclusion:** Although the Applicant’s estimated income and net operating income are consistent with the Underwriter’s expectations, the Applicant’s estimated total operating expense is not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s NOI will 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.



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

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The site cost of \$2,400,000 (\$2.05/SF or \$89,512/acre) is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Sitework Cost:** The Applicant's claimed sitework costs of \$1,799,000 or \$6,425 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's costs of \$11,957,936, or \$36.16 per square foot are 6.80% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated.

**Interim Financing Fees:** The Underwriter reduced the Applicant's eligible interim financing fees by \$195,228 to reflect an apparent overestimation of eligible construction loan interest, to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent adjustment to the Applicant's eligible basis.

**Fees:** The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines. This is because the Applicant used the total costs of sitework and direct construction in determining the fees, while the Underwriter based the fees only on eligible costs (the Applicant stated that \$276,000 of the sitework is considered ineligible). Consequently the Applicant's eligible fees in these areas have been reduced with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$251,756.

**Conclusion:** The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to be a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. As a result, an eligible basis of \$20,741,849 is used to determine a credit allocation of \$759,152 from this method.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing from three sources: a conventional interim to permanent loan based on tax-exempt and taxable private activity mortgage revenue bond proceeds, syndicated LIHTC equity, and deferred developer's fees.

**Bonds and Conventional Interim to Permanent Loan:** The bonds are tax-exempt private activity mortgage revenue bonds to be issued by the TDHCA and placed with Charter/MAC Municipal Mortgage. As of the date of the underwriting analysis, the aggregate face amount of the tax-exempt bonds is anticipated to be \$15,000,000 and \$1,970,000 for the taxable bonds, but shall not exceed 85% of the appraised value. The tax-exempt bonds will be amortized over 40 years at a fixed interest rate of 7%, while the taxable bonds shall have a fixed interest rate of 8.75% and be repayable in 13 years. The Underwriter used a blended interest rate of 7.11%. The bonds will be interest-only until the construction completion date, defined as not more than two months after completion under the construction contract.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,126,000 based on a syndication factor of 82%. The funds would be disbursed in a five-phased pay-in schedule:

1. 30% upon admission to the partnership;
2. 20% upon 50% completion of construction;
3. 20% upon 75% completion of construction;
4. 20% upon 100% completion of construction;
5. 10% upon attainment of rental achievement conditions.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$1,976,107 amount to 67% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted calculation of eligible basis, the LIHTC allocation should not exceed \$759,152 annually for ten years, resulting in syndication proceeds of approximately \$6,223,929. Based on the Underwriter's analysis the deferred developer would be approximately \$1,878,050, which represents 69% of the total eligible fee and is repayable through cash flow

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

in less than ten years.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are attractive, with varied rooflines. All units are of average size for market rate and LIHTC units, and have patios or balconies, small outdoor storage closets, and hookups for full-size appliances. Although 88 of the two-story units do not have a bedroom on the first floor, at least 20% of the units do, thus they meet the requirement of 20% as outlined in the QAP. (Sec. 49.7(e)(3)(E). Twenty-eight of the two-story units have the downstairs bathroom inaccessible without going into the bedroom located on the first floor.

**IDENTITIES of INTEREST**

The Developer, General Contractor, Property Manager, and Supportive Services provider are all related entities. These are common relationships for LIHTC-funded developments.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The principal of the General Partner, William Brisben, submitted an unaudited financial statement as of August 22, 2002 and is anticipated to be the guarantor of the development.
- Brisben Advisors, Inc., the developer, submitted an unaudited financial statement as of August 22, 2002 reporting total assets of \$250,076 and consisting of \$148 in cash, \$248,572 in receivables and \$1,356 in other assets. Liabilities totaled \$148,959, resulting in a net worth of \$101,117.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- William O. Brisben has participated in 83 multi-family housing projects since 1992.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses are more than 5% outside of the Underwriter's verifiable ranges.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$759,152 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
2. Should the terms of the proposed debt or syndication be altered, the development should be re-evaluated.

**Credit Underwriter:**

\_\_\_\_\_  
*Mark Fugina*

**Date:** September 30, 2002

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Jim Anderson*

**Date:** September 30, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Mark IV Apartments, Fort Worth, MFB #2002-075/4% LIHTC #02440**

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Tot Pd Util	Trash Only
TC (60%)	26	2	2	1,004	\$828	\$740	\$19,240	\$0.74	\$88.00	\$10.00
TC (60%)	26	2	2	1,095	828	740	19,240	0.68	88.00	10.00
TC (60%)	26	2	2	1,118	828	740	19,240	0.66	88.00	10.00
TC (60%)	62	2	2	1,146	828	740	45,880	0.65	88.00	10.00
TC (60%)	26	3	2	1,276	956	855	22,230	0.67	101.00	10.00
TC (60%)	24	3	2	1,277	956	855	20,520	0.67	101.00	10.00
TC (60%)	28	3	2	1,149	956	855	23,940	0.74	101.00	10.00
TC (60%)	62	3	2	1,290	956	855	53,010	0.66	101.00	10.00
<b>TOTAL:</b>	<b>280</b>		<b>AVERAGE:</b>	<b>1,181</b>	<b>\$892</b>	<b>\$798</b>	<b>\$223,300</b>	<b>\$0.68</b>	<b>\$94.50</b>	<b>\$10.00</b>

<b>INCOME</b>				<b>TDHCA</b>	<b>APPLICANT</b>				
Total Net Rentable Sq Ft: <b>330,670</b>				<b>\$2,679,600</b>	<b>\$2,639,376</b>				
<b>POTENTIAL GROSS RENT</b>				<b>50,400</b>	<b>50,400</b>	<b>\$15.00</b>	<b>Per Unit Per Month</b>		
Secondary Income				<b>0</b>	<b>0</b>				
Other Support Income: (describe)				<b>\$2,730,000</b>	<b>\$2,689,776</b>				
<b>POTENTIAL GROSS INCOME</b>				<b>(204,750)</b>	<b>(201,732)</b>	<b>-7.50%</b>	<b>of Potential Gross Rent</b>		
Vacancy & Collection Loss % of Potential Gross Income: -7.50%				<b>0</b>	<b>0</b>				
Employee or Other Non-Rental Units or Concessions				<b>\$2,525,250</b>	<b>\$2,488,044</b>				
<b>EFFECTIVE GROSS INCOME</b>									

<b>EXPENSES</b>	<b>% OF EGI</b>	<b>PER UNIT</b>	<b>PER SQ FT</b>	<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative	3.15%	\$284	\$0.24	\$79,488	\$47,304	\$0.14	\$169	1.90%
Management	5.00%	451	0.38	126,263	124,402	0.38	444	5.00%
Payroll & Payroll Tax	9.34%	842	0.71	235,760	242,032	0.73	864	9.73%
Repairs & Maintenance	5.46%	492	0.42	137,854	102,340	0.31	366	4.11%
Utilities	2.38%	214	0.18	59,976	35,672	0.11	127	1.43%
Water, Sewer, & Trash	2.16%	195	0.17	54,592	53,508	0.16	191	2.15%
Property Insurance	2.10%	189	0.16	52,907	52,136	0.16	186	2.10%
Property Tax 3.01	10.01%	903	0.76	252,840	275,420	0.83	984	11.07%
Reserve for Replacements	2.22%	200	0.17	56,000	56,000	0.17	200	2.25%
Other: Security	0.05%	5	0.00	1,372	1,372	0.00	5	0.06%
<b>TOTAL EXPENSES</b>	<b>41.86%</b>	<b>\$3,775</b>	<b>\$3.20</b>	<b>\$1,057,051</b>	<b>\$990,186</b>	<b>\$2.99</b>	<b>\$3,536</b>	<b>39.80%</b>
<b>NET OPERATING INC</b>	<b>58.14%</b>	<b>\$5,244</b>	<b>\$4.44</b>	<b>\$1,468,199</b>	<b>\$1,497,858</b>	<b>\$4.53</b>	<b>\$5,349</b>	<b>60.20%</b>

<b>DEBT SERVICE</b>				<b>TDHCA</b>	<b>APPLICANT</b>			
1st Lien Mortgage	50.78%	\$4,580	\$3.88	\$1,282,372	\$1,313,105	\$3.97	\$4,690	52.78%
Trustee Fee	0.14%	\$13	\$0.01	\$3,500	0	\$0.00	\$0	0.00%
TDHCA Admin. Fees	0.67%	\$61	\$0.05	16,970	0	\$0.00	\$0	0.00%
Asset ovst, spt svcs, & compl. fee	1.23%	\$111	\$0.09	31,000	17,000	\$0.05	\$61	0.68%
<b>NET CASH FLOW</b>	<b>5.32%</b>	<b>\$480</b>	<b>\$0.41</b>	<b>\$134,357</b>	<b>\$167,753</b>	<b>\$0.51</b>	<b>\$599</b>	<b>6.74%</b>

AGGREGATE DEBT COVERAGE RATIO	1.10	1.13
BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO	1.14	
BONDS-ONLY DEBT COVERAGE RATIO	1.14	

<b>CONSTRUCTION COST</b>				<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% of TOTAL</b>
Acquisition Cost (site or bldng)	9.16%	\$8,571	\$7.26	\$2,400,000	\$2,400,000	\$7.26	\$8,571	9.57%
Off-Sites	0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework	5.81%	5,439	4.61	1,523,000	1,523,000	4.61	5,439	6.07%
Direct Construction	48.98%	45,822	38.80	12,830,300	11,957,936	36.16	42,707	47.69%
Contingency	0.00%	0	0.00	0	0	0.00	0	0.00%
General Req'ts	5.75%	2,948	2.50	825,416	825,416	2.50	2,948	3.29%
Contractor's G & I	1.92%	983	0.83	275,139	275,139	0.83	983	1.10%
Contractor's Prof:	5.75%	2,948	2.50	825,416	825,416	2.50	2,948	3.29%
Indirect Construction	4.93%	4,611	3.90	1,291,187	1,291,187	3.90	4,611	5.15%
Ineligible Costs	6.26%	5,856	4.96	1,639,734	1,639,734	4.96	5,856	6.54%
Developer's G & A	3.29%	2,229	1.89	624,198	739,304	2.24	2,640	2.95%
Developer's Profit	11.71%	7,921	6.71	2,217,911	2,217,911	6.71	7,921	8.85%
Interim Financing	5.26%	4,918	4.16	1,376,936	1,376,936	4.16	4,918	5.49%
Reserves	1.40%	1,307	1.11	365,824	0	0.00	0	0.00%
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$93,554</b>	<b>\$79.22</b>	<b>\$26,195,061</b>	<b>\$25,071,979</b>	<b>\$75.82</b>	<b>\$89,543</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>62.15%</b>	<b>\$58,140</b>	<b>\$49.23</b>	<b>\$16,279,271</b>	<b>\$15,406,907</b>	<b>\$46.59</b>	<b>\$55,025</b>	<b>61.45%</b>

<b>SOURCES OF FUNDS</b>				<b>RECOMMENDED</b>		
Tax-Exempt Bonds	57.26%	\$53,571	\$45.36	\$15,000,000	\$15,000,000	\$15,000,000
Taxable Bonds	7.52%	\$7,036	\$5.96	1,970,000	1,970,000	1,970,000
LIHTC Syndication Proceeds	23.39%	\$21,878	\$18.53	6,125,872	6,125,872	6,223,929
Deferred Developer's Fee	7.54%	\$7,058	\$5.98	1,976,107	1,976,107	1,878,050
Additional (excess) Funds Required	4.29%	\$4,011	\$3.40	1,123,082	0	0
<b>TOTAL SOURCES</b>				<b>\$26,195,061</b>	<b>\$25,071,979</b>	<b>\$25,071,979</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**

**Mark IV Apartments, Fort Worth, MPB #2002-075/4% LIHTC #02440**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$41.11	\$13,592,596
<b>Adjustments</b>				
Exterior Wall Finl	3.10%		\$1.27	\$421,370
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(1.01)	(333,977)
Floor Cover			1.92	634,886
Porches/Balconies	\$26.03	17,060	1.34	444,072
Plumbing	\$615	1,140	2.12	701,100
Built-In Appliance	\$1,625	280	1.38	455,000
Stairs	\$825	165	0.41	136,125
Floor Insulation			0.00	0
Heating/Cooling			1.47	486,085
Maintenance/Laundr	\$48.58	621	0.09	30,165
Clubhouse/Model	\$53.70	4,410	0.72	236,830
Other:			0.00	0
<b>SUBTOTAL</b>			<b>50.82</b>	<b>16,804,254</b>
Current Cost Multiplier	1.02		1.02	336,085
Local Multiplier	0.92		(4.07)	(1,344,340)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$47.77</b>	<b>\$15,795,998</b>
Plans, specs, survy, b	3.90%		(\$1.86)	(\$616,044)
Interim Construction I	3.38%		(1.61)	(533,115)
Contractor's OH & Prof	11.50%		(5.49)	(1,816,540)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$38.80</b>	<b>\$12,830,300</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$16,970,000	Term	480
Int Rate	7.11%	DCR	1.14

<b>Secondary</b>		Term	
Int Rate		Subtotal DCR	1.14

<b>Additional</b>		Term	
Int Rate		Aggregate DCR	1.10

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$1,282,372
Trustee Fee	3,500
TDHCA Fees	47,970
<b>NET CASH FLOW</b>	<b>\$134,357</b>

<b>Primary</b>	\$16,970,000	Term	480
Int Rate	7.11%	DCR	1.14

<b>Debt plus Trustee Fees</b>		Term	
Int Rate		Subtotal DCR	1.14

<b>All-In Debt Costs</b>		Term	
Int Rate		Aggregate DCR	1.10

**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	\$2,679,600	\$2,759,988	\$2,842,788	\$2,928,071	\$3,015,913	\$3,496,270	\$4,053,135	\$4,698,695	\$6,314,653
Secondary Income	50,400	51,912	53,469	55,073	56,726	65,761	76,235	88,377	118,771
Other Support Income: (d)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,730,000	2,811,900	2,896,257	2,983,145	3,072,639	3,562,031	4,129,370	4,787,072	6,433,424
Vacancy & Collection Los	(204,750)	(210,893)	(217,219)	(223,736)	(230,448)	(267,152)	(309,703)	(359,030)	(482,507)
Employee or Other Non-Re	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,525,250	\$2,601,008	\$2,679,038	\$2,759,409	\$2,842,191	\$3,294,878	\$3,819,667	\$4,428,041	\$5,950,917
EXPENSES at 4.00%									
General & Administrative	\$79,488	\$82,667	\$85,974	\$89,413	\$92,989	\$113,136	\$137,647	\$167,469	\$247,895
Management	126,263	130,050	133,952	137,970	142,110	164,744	190,983	221,402	297,546
Payroll & Payroll Tax	235,760	245,190	254,998	265,198	275,806	335,560	408,260	496,711	735,253
Repairs & Maintenance	137,854	143,368	149,103	155,067	161,270	196,210	238,719	290,438	429,920
Utilities	59,976	62,375	64,870	67,465	70,163	85,365	103,859	126,360	187,044
Water, Sewer & Trash	54,592	56,775	59,046	61,408	63,864	77,701	94,535	115,016	170,252
Insurance	52,907	55,023	57,224	59,513	61,894	75,303	91,618	111,467	164,999
Property Tax	252,840	262,954	273,472	284,411	295,787	359,870	437,837	532,696	788,520
Reserve for Replacements	56,000	58,240	60,570	62,992	65,512	79,705	96,974	117,984	174,644
Other	1,372	1,427	1,484	1,543	1,605	1,953	2,376	2,891	4,279
TOTAL EXPENSES	\$1,057,051	\$1,098,071	\$1,140,693	\$1,184,981	\$1,231,001	\$1,489,547	\$1,802,808	\$2,182,434	\$3,200,352
NET OPERATING INCOME	\$1,468,199	\$1,502,937	\$1,538,345	\$1,574,428	\$1,611,190	\$1,805,332	\$2,016,859	\$2,245,607	\$2,750,565
DEBT SERVICE									
First Lien Financing	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372	\$1,282,372
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees	16,970	16,892	16,809	16,720	16,624	16,026	15,175	13,962	9,765
Asset ovst, spt svcs, & co	31,000	32,240	33,530	34,871	36,266	44,123	53,682	65,312	96,678
Cash Flow	134,357	167,933	202,134	236,966	272,429	459,311	662,130	880,462	1,358,251
AGGREGATE DCR	1.10	1.13	1.15	1.18	1.20	1.34	1.49	1.64	1.98

LIHTC Allocation Calculation - Mark IV Apartments, Fort Worth, MFB #2002-075/4% LI

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$2,400,000	\$2,400,000		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,523,000	\$1,523,000	\$1,523,000	\$1,523,000
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$11,957,936	\$12,830,300	\$11,957,936	\$12,830,300
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$275,139	\$275,139	\$269,619	\$275,139
Contractor profit	\$825,416	\$825,416	\$808,856	\$825,416
General requirements	\$825,416	\$825,416	\$808,856	\$825,416
<b>(5) Contingencies</b>				
<b>(6) Eligible Indirect Fees</b>				
	\$1,291,187	\$1,291,187	\$1,291,187	\$1,291,187
<b>(7) Eligible Financing Fees</b>				
	\$1,376,936	\$1,376,936	\$1,376,936	\$1,376,936
<b>(8) All Ineligible Costs</b>				
	\$1,639,734	\$1,639,734		
<b>(9) Developer Fees</b>				
			\$2,705,459	
Developer overhead	\$739,304	\$624,198		\$624,198
Developer fee	\$2,217,911	\$2,217,911		\$2,217,911
<b>(10) Development Reserves</b>				
		\$365,824		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$25,071,979</b>	<b>\$26,195,061</b>	<b>\$20,741,849</b>	<b>\$21,789,503</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$20,741,849	\$21,789,503
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			\$20,741,849	\$21,789,503
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$20,741,849	\$21,789,503
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$759,152	\$797,496

Syndication Proceeds 0.8199 \$6,223,929 \$6,538,294

**LOW INCOME HOUSING TAX CREDIT PROGRAM**

**BOARD ACTION REQUEST**

**October 10, 2002**

**Action Item**

Request review and possible approval of Four (4%) tax credit applications.

**Recommendation**

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notices with other issuer for tax exempt bond transactions known as:

02-441     Hulen Bend Senior Community, Fort Worth  
              Tarrant County Housing Finance Corporation as Issuer



**LOW INCOME HOUSING TAX CREDIT PROGRAM**  
**2002 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**  
 Texas Department of Housing and Community Affairs

Development Name: **Hulen Bend Senior Community**

TDHCA#: 02441

<b>DEVELOPMENT AND OWNER INFORMATION</b>				
Development Location:	Fort Worth	QCT: N	DDA: N	TTC: N
Development Owner:	MAEDC-Hulen Bend Senior Community, L.P.			
General Partner(s):	MAEDC-Hulen Bend GP, LLC, 100%, Contact: Monique Allen			
Construction Category:	New			
Set-Aside Category:	Tax Exempt Bond	Bond Issuer: Tarrant County HFC		
Development Type:	Elderly			
<b>Annual Tax Credit Allocation Calculation</b>				
Applicant Request:	\$531,691	Eligible Basis Amt:	\$520,464	Equity/Gap Amt.: \$618,055
<b>Annual Tax Credit Allocation Recommendation: \$520,464</b>				
Total Tax Credit Allocation Over Ten Years: \$ 5,204,640				

<b>PROPERTY INFORMATION</b>				
<b>Unit and Building Information</b>				
Total Units:	237	LIHTC Units:	237	% of LIHTC Units: 100%
Gross Square Footage:	196,758	Net Rentable Square Footage: 189,258		
Average Square Footage/Unit:	799			
Number of Buildings:	1			
Currently Occupied:	N			
<b>Development Cost</b>				
Total Cost:	\$17,101,114	Total Cost/Net Rentable Sq. Ft.: \$90.36		
<b>Income and Expenses</b>				
Effective Gross Income: <sup>1</sup>	\$1,680,996	Ttl. Expenses:	\$649,896	Net Operating Inc.: \$1,031,100
Estimated 1st Year DCR:	1.10			

<b>DEVELOPMENT TEAM</b>			
Consultant:	Coats RoseYale Ryman & Lee	Manager:	Trammel Crow Residential
Attorney:	Coats RoseYale Ryman & Lee	Architect:	GTF Design Associates
Accountant:	Novogradac & Company, LLP	Engineer:	Bury & Partners
Market Analyst:	Prior & Associates	Lender:	Newman & Associates, Inc.
Contractor:	ICI Construction	Syndicator:	Wachovia Bank, N.A.

<b>PUBLIC COMMENT<sup>2</sup></b>	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. Mike Moncrief, District 12 - NC
# in Opposition: 0	Rep. Anna Mowery, District 97 - NC
	Mayor Kenneth Barr - NC
	Jerome C. Walker, City of Fort Worth, Housing Director; Consistent with the City of Fort Worth's local Consolidated Plan.

1. Gross Income less Vacancy  
 2. NC - No comment received, O - Opposition, S - Support

**CONDITION(S) TO COMMITMENT**

1. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”
2. Receipt, review, and acceptance of a noise study report confirming that noise levels associated with the railroad traffic do not exceed established standards.
3. Absent a property tax exemption or PILOT agreement, receipt, review, and acceptance of a permanent loan commitment to reflect a limit on the debt service for this project of not more than \$746,632, evidence of a confirmed source of soft financing of not less than \$1,368,200 or an equivalent reduction in total development costs, and a deferral of 100% of the eligible developer fee should be required.
4. Should the terms of the proposed debt or syndication be altered, the previous condition should be re-evaluated.

**DEVELOPMENT'S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond.    Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Charles E. Nwaneri, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond    Housing Type

Other Comments including discretionary factors (if applicable).\_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director  
Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director's Approval and description of discretionary factors (if applicable).**

Chairperson Signature: \_\_\_\_\_  
Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date



**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** Sept. 30, 2002    **PROGRAM:** 4% LIHTC    **FILE NUMBER:** 02441

**DEVELOPMENT NAME**

Hulen Bend Senior Community

**APPLICANT**

**Name:** MAEDC-Hulen Bend Senior Community, L.P.    **Type:**     For Profit     Non-Profit     Municipal     Other  
**Address:** 25 Highland Park Village, Suite 100    **City:** Dallas    **State:** TX  
**Zip:** 75205    **Contact:** Anthony Sisk    **Phone:** (214) 526-0424    **Fax:** (214) 526-0426

**PRINCIPALS of the APPLICANT**

<b>Name:</b> <u>MAEDC-Hulen Bend GP, LLC</u>	<b>(%):</b> <u>.01</u>	<b>Title:</b> <u>Managing General Partner</u>
<b>Name:</b> <u>Wachovia Bank N.A.</u>	<b>(%):</b> <u>99.99</u>	<b>Title:</b> <u>Initial Limited Partner</u>
<b>Name:</b> <u>Maple Avenue Economic Dev't. Corp. (MAEDC)</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Owner of General Partner</u>
<b>Name:</b> <u>Monique Allen</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>President of MAEDC</u>
<b>Name:</b> <u>Texas Affordable Communities</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Developer, guarantor</u>
<b>Name:</b> <u>Abby Development</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Co-Developer, guarantor</u>
<b>Name:</b> <u>Anthony Sisk</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Guarantor, owner of Developer</u>
<b>Name:</b> <u>Brian Clarke</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Guarantor, owner of Co-Developer</u>
<b>Name:</b> <u>Coats, Rose, Yale, Ryman, &amp; Lee, P.C.</u>	<b>(%):</b> <u>N/A</u>	<b>Title:</b> <u>Consultant</u>

**GENERAL PARTNER**

**Name:** MAEDC-Hulen Bend GP, LLC    **Type:**     For Profit     Non-Profit     Municipal     Other  
**Address:** 7017 Chipperton, Suite 100    **City:** Dallas    **State:** TX  
**Zip:** 75225    **Contact:** Monique Allen    **Phone:** (214) 361-9602    **Fax:** (214) 236-3701

**PROPERTY LOCATION**

**Location:** 6300 Granbury Cut-Off Road     QCT     DDA  
**City:** Fort Worth    **County:** Tarrant    **Zip:** 76132

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$531,691	N/A	N/A	N/A

**Other Requested Terms:** Annual ten-year allocation of low-income housing tax credits

**Proposed Use of Funds:** New construction

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

**SITE DESCRIPTION**

**Size:** 9.9 acres 431,244 square feet **Zoning/ Permitted Uses:** C, Medium Density Multifamily District

**Flood Zone Designation:** Zone X **Status of Off-Sites:** Partially Improved

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 237 **# Rental Buildings:** 1 **# Common Area Bldgs:** 0 **# of Floors:** 3 **Age:** 0 yrs **Vacant:** N/A at / /

Number	Bedrooms	Bathroom	Size in SF
125	2	1	750
106	2	1	843
6	2	2	1,025

**Net Rentable SF:** 189,258 **Av Un SF:** 799 **Common Area SF:** 7,500 **Gross Bldg SF:** 196,758

**Property Type:**  Multifamily  SFR Rental  Elderly  Mixed Income  Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a concrete slab on grade, 50% fiber cement siding/45% stucco/5% brick veneer exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, high-speed Internet access

**ON-SITE AMENITIES**

7,500-SF, two-story community center with activity rooms, management offices, fitness facilities, kitchen, restrooms, beauty salon, & central mailroom; swimming pool, equipped children's play area, perimeter fencing & limited access gate

**Uncovered Parking:** 235 spaces **Carpports:** 75 spaces **Garages:** 25 spaces

**OTHER SOURCES of FUNDS**

**INTERIM CONSTRUCTION or GAP FINANCING**

**Source:** Newman & Associates, Inc. **Contact:** Jerry Wright

**Principal Amount:** \$12,250,000 **Interest Rate:** 150 basis points over MMD 30-year Municipal Housing Bond Index, minimum of & underwritten at 6.95%

**Additional Information:** Loan based on tax-exempt bond proceeds

**Amortization:** N/A yrs **Term:** 2.5 yrs **Commitment:**  None  Firm  Conditional

**LONG TERM/PERMANENT FINANCING**

**Source:** Newman & Associates, Inc. **Contact:** Jerry Wright

**Principal Amount:** \$12,250,000 **Interest Rate:** 150 basis points over MMD 30-year Municipal Housing Bond Index, minimum of & underwritten at 6.95%

**Additional Information:** Loan based on tax-exempt bond proceeds

**Amortization:** 35 yrs **Term:** 30 yrs **Commitment:**  None  Firm  Conditional

**Annual Payment:** \$932,429 **Lien Priority:** 1st **Commitment Date:** 9/ 6/ 2002

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

**LIHTC SYNDICATION**

<b>Source:</b> Wachovia Bank N.A.	<b>Contact:</b> Timothy McCann
<b>Address:</b> 301 South College Street	<b>City:</b> Charlotte
<b>State:</b> NC	<b>Zip:</b> 28288
<b>Phone:</b> (704) 374-3468	<b>Fax:</b> (704) 383-9525
<b>Net Proceeds:</b> \$4,173,357	<b>Net Syndication Rate</b> (per \$1.00 of 10-yr LIHTC) 78.5¢
<b>Commitment</b> <input type="checkbox"/> None <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	<b>Date:</b> 9/ 5/ 2002
<b>Additional Information:</b> _____	

**APPLICANT EQUITY**

**Amount:** \$704,727      **Source:** Deferred developer fee

**VALUATION INFORMATION  
ASSESSED VALUE**

<b>Land:</b>	\$569,816	<b>Assessment for the Year of:</b>	2002
<b>Building:</b>	N/A	<b>Valuation by:</b>	Tarrant Appraisal District
<b>Total Assessed Value:</b>	\$569,816		

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest money contract

**Contract Expiration Date:** 12/ 15/ 2002      **Anticipated Closing Date:** 11/ 18/ 2002

**Acquisition Cost:** \$ 700,000      **Other Terms/Conditions:** \$45,000 earnest money

**Seller:** Centex Homes of California II, LLC      **Related to Development Team Member:** No

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Hulen Bend Senior Community is a proposed new construction development of 237 units of affordable elderly housing located in southwest Fort Worth. The development is comprised of one large three-story, "A"-shaped residential building with the community center in the center connecting wing, with 125 two-bedroom/one-bath, 750-square foot (SF) units, 106 two-bedroom/one-bath, 843-SF units, and six two-bedroom/two-bath, 1,025-SF units. There is some confusion over the classification of the units as two-bedroom units since the Architect described the 750-SF accessible units as two-bedroom units but the remaining units of the same size were described on the floor plans as one-bedroom units, with the second bedroom described as a study. The 1,025-SF unit listed as a two-bedroom unit also has a third bedroom/study.

Based on the site plan the apartment building occupies the majority of the site, with parking around the perimeter. Additional parking and a porte cochere will be located in front of the community center wing, and a swimming pool and visiting children's playground will be located in the enclosed courtyard. The 7,500-square foot community area, located on two floors, is planned to have the management offices, a 1,300-square foot community room, mailboxes, exercise room, kitchen, restrooms, business center, beauty salon, game room, multipurpose rooms, and a sitting rooms.

**Supportive Services:** The Applicant has contracted with the Maple Avenue Economic Development Corporation of Dallas (also the owner of the General Partner) to provide the following supportive services to

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

tenants: access to job training, job placement, adult educational opportunities, child care, tutoring services, and substance abuse programs. These services will be provided at no cost to tenants. The contract requires the Applicant to pay \$100 per year for these support services, plus \$40 per hour for special service tasks.

**Schedule:** The Applicant anticipates construction to begin in December of 2002, to be completed and placed in service in February of 2004, and to be substantially leased-up in June of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 1 private activity bond lottery development 100% of the units must have rents restricted to be affordable to households at or below 50% of AMGI. Although this allows for prospective tenants to be qualified at the 60% of AMGI or less income level, 100% of the units must have rents restricted to be affordable to households at or below 50% of AMGI.

**Special Needs Set-Asides:** None of the units are specifically designated to be handicapped-accessible or equipped for tenants with hearing or visual impairments.

**Compliance Period Extension:** The intended length of the compliance period was not specified in the submitted application.

**MARKET HIGHLIGHTS**

A market feasibility study dated August 21, 2002 was prepared by Ipser & Associates, Inc. and highlighted the following findings:

**Definition of Market/Submarket:** The city of Fort Worth (Exhibit N-1)

**Total Regional Market Demand for Rental Units:** "Population and household projections indicate the area is expected to increase in population over the coming ten years, but at a slightly lower numerical increase than experienced in the last decade. Growth of approximately 2.0% annually is projected for the next two years in Fort Worth to the year 2004." (p. 3-3)

**Total Local/Submarket Demand for Rental Units:** "Our demand analysis,...based solely on projected household growth and a very low replacement rate (units lost by demolition or catastrophic losses and substandard units), in effect considers the market in balance and looks only on future needs. The figures from this analysis method indicate a need for 4,902 rental units in Fort Worth over the two-year time frame from 2002 to 2004, including an estimated 698 rental unit need in the designated neighborhood area without accounting for income, age, or turnover [analyst's emphasis]. An alternate approach to a demand analysis (based on projected growth, existing and estimated elderly households, income limits, and turnover) indicates a figure of 991 income-qualified elderly renter households over the next year in Fort Worth" (p. 3-4)

**Capture Rate:** The analyst calculated a capture rate of 22.2% based on the estimated potential demand from 1,066 income-qualified elderly rental households. The analyst did not include the 104-unit (62 LIHTC units) Oak Timbers elderly development (9% LIHTC #01011) currently under construction in White Settlement, which is a small municipality of approximately 16,000 persons located approximately eight miles to the northwest of the subject and surrounded by Fort Worth: "Also note that the 104-unit elderly project under construction in White Settlement is not considered in the concentration analysis because it is outside the Fort Worth market. To include the 104 units as an unstabilized project would also mean enlarging the market area to include all or part of the remainder of Tarrant County." (p. 3-5) Although the Oak Timbers development will clearly draw from Fort Worth, it is technically not within the primary market area as defined by the market analyst.

**Local Housing Authority Waiting List Information:** "According to the Fort Worth Housing Authority, the Section 8 waiting list contains a total of 2,800 names, 190 of which are elderly applicants (6.9%) and 757 that are disabled persons (27%). Combined, elderly and disabled applicants account for 33.8% of all names on the Section 8 waiting list." (p. 2-22)

**Market Rent Comparables:** "The comparable market data used in this report consists of 14 independent living projects containing 2,002 units, including nine private market, conventional complexes (1,457 units), one HUD 221 community (162 units), and four HUD 202 rental-assisted elderly projects (383 units)...Additionally, I&A contacted 11 private market multifamily complexes with a total of 3,128 units, consisting of ten conventional projects (2,996 units) and one LIHTC property (162 units)." (p. 2-21)

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

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>		
Type of Demand	Units of Demand	% of Total Demand
Household Growth	4	<1%
Resident Turnover	1,062	>99%
<b>TOTAL ANNUAL DEMAND</b>	<b>1,066</b>	<b>100%</b>

Ref: Faxed update dated 9/25/02

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>2-BR (750 SF)</b>	\$597	\$597	\$0	\$675	-\$78
<b>2-BR (843 &amp; 1,025 SF)</b>	\$597	\$597	\$0	\$717	-\$120

Ref: p.

(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)

**Submarket Vacancy Rates:** “Physical occupancy among 14 independent living centers, including private market and rental-assisted locations, was 87.5%, while the leased occupancy rate was 87.6%. Bear in mind that these occupancy rates include Legacy Seniors Residence, which is in its first year of lease-up...omitting Legacy Seniors increases the overall occupancy rate to 90.8% and 90.9% leased...The 1,619 private market elderly units were 84.9% occupied, which includes Legacy Seniors (50.6% leased). Occupancy in the 383 rental-assisted units increases to 98.7% occupied and 99.2% leased minus one offline unit.” (p. 2-22)

**Absorption Projections:** “Average absorption for the subject is estimated at 10 to 12 units per month. It is expected that an 18- to 22-month lease-up period will be required to achieve 92.5% occupancy of the 237 units.” (p. 2-25)

**Known Planned Development:** “Also note that the 104-unit elderly project under construction in White Settlement is not considered in the concentration analysis because it is outside the Fort Worth market. To include the 104 units as an unstabilized project would also mean enlarging the market area to include all or part of the remainder of Tarrant County.” (p. 3-5)

**Effect on Existing Housing Stock:** “The addition of 237 elderly housing units to the market is not expected to have long-term impact on any existing multifamily units, private market or elderly.” (p. 3-3)

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** The site is a roughly rectangularly-shaped parcel located in the southwest area of Fort Worth, approximately nine miles from the central business district. The site is situated on the northeast corner of the intersection of Granbury Road and Granbury Cut-Off Road.

**Population:** The estimated 2000 elderly (55+) population of Fort Worth was 87,135 and is expected to increase by approximately 10% to 95,850 by 2005. Within the primary market area there were estimated to be 56,335 elderly households in 2002.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are mixed, with vacant land, commercial, and single-family and multifamily housing. Adjacent land uses include:

- **Northeast:** Apartment complex, with a neighborhood shopping center beyond
- **Southeast:** A railroad track, Granbury Road, with single-family residential beyond
- **Southwest:** Granbury Cot-Off Road with a city park and an elderly living complex
- **Northwest:** Multifamily residential

**Site Access:** Access to the property is from the southeast or northwest along Granbury Cut-Off Road. The development is to have one main and one secondary entry one from Granbury Cut-Off Road. Access to Interstate Highway 20 is two miles north and Interstate Highway 35W is six miles east, which provide

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

connections to all other major roads serving the Metroplex area.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** The site is within one-half mile of a major grocery/pharmacies, a neighborhood shopping center, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

**Special Adverse Site Characteristics:** An active railroad track runs adjacent to the site along the southeast boundary. The market study report states, "According to the dispatcher, one train per day with generally 15 to 45 cars uses this line on the run from Dublin into Fort Worth. This is not believed to be a hazard as indicated by the presence of other multifamily and single-family developments along the rail line, as well as commercial and industrial facilities." (p. 2-2) It is a condition of this report that the Applicant provide a noise study report confirming that noise levels associated with the railroad traffic do not exceed established standards.

**Site Inspection Findings:** A TDHCA staff member performed a site inspection on August 5, 2002 and found the location to be acceptable for the proposed development.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated August 19, 2002 was prepared by Butler Burgher, Inc. and contained the following findings: "In the professional opinion of Butler Burgher, an appropriate level of inquiry has been made into the previous ownership and uses of the property consistent with good commercial and customary practice in an effort to minimize liability, and no evidence or indication of recognized environmental conditions has been revealed. No further investigation/assessment is warranted at this time pertaining to the Phase I ESA." (p. 16)

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant's rent projections are the maximum rents allowed under LIHTC guidelines, and are achievable according to the market analyst. The Applicant used a tenant-paid utility allowance of \$93 per unit but furnished allowances from the Fort Worth Housing Authority which add up to \$88 using the information on which utilities will be paid by the tenants (the Applicant stated that tenants will pay water, and as the Fort Worth allowances combine water and sewer the Underwriter has included sewer among tenant-paid utilities). The Applicant included \$1,500 and \$1,296 per month from garage and carport rental, respectively, totaling \$11.60/unit, in addition to \$20/unit/month in other secondary income. The Applicant provided no documentation of the development's likelihood of capturing this income, therefore the Underwriter has used the maximum TDHCA secondary income guideline of \$15/unit, which results in the Applicant's secondary income estimate exceeding the Underwriter's by \$47.8K. The Applicant's vacancy and collection loss estimate is \$24.3 less than the Underwriter's due to the use of an unjustified 6% loss factor; the net result of the differences is that the Applicant's effective gross income estimate exceeds the Underwriter's by \$57.8K (3.6%).

**Expenses:** The Applicant has applied for a CHDO property tax exemption but has not yet received a determination from the taxing authority. The Applicant did provide a preliminary tax exemption from the Tarrant Appraisal District for another similarly structured property under development by the same developer and general partner which indicates that a tax exemption is likely if the property is developed as planned. The Underwriter has therefore analyzed the development both with and without the tax exemption. The Applicant's total expense estimate of \$2,742 per unit, excluding property taxes, is within 3% of an adjusted TDHCA database-derived estimate of \$2,678 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$20.1K lower), payroll (\$13.58K higher), repairs and maintenance (\$17.2K higher), utilities (\$12.3K lower), and water, sewer, and trash (\$20K higher). The Applicant stated that tenants will pay water in this development, and rents and expenses were calculated accordingly. The Applicant included only \$180/unit annually in reserves for replacement instead of the TDHCA (and permanent lender's) minimum requirement of \$200/unit, and \$15.19 for compliance fees instead of \$25. The Underwriter estimates that property taxes would be approximately \$168K, assuming an estimated per unit value of \$22K and resulting in an increase in operating expenses of \$709 per unit.

**Conclusion:** The Applicant's estimated income is consistent with the Underwriter's expectations, excluding

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CREDIT UNDERWRITING ANALYSIS**

property taxes, and total operating expenses and net operating income (NOI) are within 5% of the Underwriter's estimates. Therefore, the Applicant's NOI will 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. If the property tax exemption is not granted, however, the DCR is likely to decline to approximately 0.87, which would require a significant reduction in debt to approximately \$9,972,852 in order to reflect a 1.10 debt coverage ratio.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The site cost of \$700,000 (\$1.61/SF or \$70,000/acre) is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Sitework Cost:** The Applicant's claimed sitework costs of \$6,313 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's costs are more than 5% different than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated.

**Fees:** The Applicant's contractor's general and administrative fees exceed the 2% maximum allowed by LIHTC guidelines by approximately \$15K based on their own construction costs, and the Underwriter moved this amount to contractor's profit to preserve eligibility. The Applicant's combined developer fees exceed 15% of the Applicant's eligible basis by \$444,374, and therefore the eligible portion of the Applicant's developer fee must be reduced by an equal amount.

**Conclusion:** The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$14,220,336 is used to determine a credit allocation of \$520,464 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's/ Underwriter's costs to determine the recommended credit amount.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing from three sources: a conventional interim to permanent loan based on tax-exempt bond proceeds, syndicated LIHTC equity, and deferred developer's fees.

**Bonds and Conventional Interim to Permanent Loan:** The bonds are \$12,250,000 in tax-exempt private activity mortgage revenue bonds to be issued by the Tarrant County Housing Finance Corporation and placed privately through Newman and Associates, Inc. The bonds will be non-rated but credit enhanced by a letter of credit provided by Wachovia Bank. The bond proceeds will fund the interim to permanent loan, which will have an interim phase of 30 months and a permanent phase of 30 years. The loan will be amortized on a 35-year schedule at a fixed interest rate defined as a spread of 150 basis points over the MMD 30-year Municipal Housing Bond Index, with a minimum of 6.95%.

**LIHTC Syndication:** Wachovia Bank N.A. has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$4,173,357 based on a syndication factor of 78.5%. The funds would be disbursed in a four-phased pay-in schedule:

1. 63.6% upon admission to the partnership, advanced based on percentage of completion under a construction loan format;
2. 13.18% upon the latter of: receipt of final certificate of occupancy, completion of construction, or January 1, 2004;
3. 16.77% upon the latter of: final closing of the permanent mortgage loan; attainment of a DCR of 1.10 for 90 consecutive days, receipt of final cost certification, or release of Wachovia's letter of credit;
4. 6.45% upon receipt of IRS Forms 8609.

The commitment requires the obligations of the General Partner to be guaranteed by Brian Clarke, Abby Development, Anthony Sisk, and Texas Affordable Communities.

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**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$704,727 amount to 31% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted calculation of eligible basis, the LIHTC allocation should not exceed \$520,464 annually for ten years, resulting in syndication proceeds of approximately \$4,085,236. The Applicant's deferred developer fee will be increased to \$765,878, which represents approximately 33% of the eligible fee and should be repayable from cash flow within seven years. The Underwriter's analysis reflects that, without securing the property tax exemption, the debt service will likely be capped at \$746,632, which would result in a reduction in the bond amount to \$9,792,852. The resizing of the bond amount could occur prior to closing but is more likely going to occur as a mandatory redemption at conversion to permanent. Based on the Underwriter's analysis and absent the property tax exemption, the gap of funds would increase to \$3,223,026, which represents 174% of the eligible developer fee and would not be repayable in 15 years. For those reasons the project is infeasible without confirmation of a property tax exemption or payment in lieu of taxes (PILOT) agreement. Without such an exemption the debt service for this project should be limited to not more than \$746,632 as a condition of this report, a deferral of 100% of the eligible developer fee should be required, and a source of soft financing in the amount of at least \$1,368,200 or an equal reduction in total development costs would be required to develop the property as submitted.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are attractive, with varied rooflines and pitched roofs. All units are of average size for market rate and LIHTC units. The property is comprised of one large three-story building with covered breezeways for access to the rooms. Each room will have a covered patio or balcony with a storage closet. In both unit types, the second bedroom is designed with double doors, not the standard single door, allowing for the bedroom to be viewed as a study. The second bedroom in the 843-square foot unit and the third bedroom/study in the 1,025-square foot unit are less than 100 square feet in size and less than ten feet in one dimension. While the Department has no formal minimum bedroom size limits, the Underwriting Division has historically referenced a minimum bedroom size of 10' X 10'. The second bedrooms in the two smaller units have their own separate additional vanity area which connects to the shared bathroom.

**IDENTITIES of INTEREST**

None noted.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The Maple Avenue Economic Development Corporation, owner of the General Partner, submitted an unaudited financial statement as of December 31, 2001 reporting total assets of \$44.4K and consisting of (\$9.5K) in cash, \$24K in receivables, \$9.3K in furniture and fixtures, and \$20.6K in other assets. Liabilities totaled \$67.6K, resulting in net equity of (\$23.2K).
- The Developer, Texas Affordable Communities, submitted an unaudited financial statement as of August 1, 2002 reporting total assets of \$1.4M and consisting of \$32K in cash and \$1.1M in receivables. Liabilities totaled \$250K, resulting in net equity of \$1.16M.
- The Co-Developer, Abby Development, did not submit a financial statement and receipt, review, and acceptance of same is a condition of this report.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The Maple Avenue Economic Development Corporation listed participation as general partner of one other 261-unit LIHTC elderly housing development which is currently under construction, and seven conventional developments totaling 1,543 units since 1999.
- Texas Affordable Communities was formed in 2001 to develop multifamily elderly housing in the Dallas-Fort Worth area and currently has a 261-unit tax-exempt bond/4% LIHTC development under construction.



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- Abby Development was established in 2000 to develop multifamily elderly housing and reports the completion of two properties in Texas (sizes not provided).
- Anthony Sisk lists over 20 years of experience in real estate, property management, and investments, and five years in the development of multifamily elderly housing.
- Brian Clarke lists eight years of experience in elderly healthcare and two years in the development of elderly housing.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The failure of the Applicant to receive a property tax exemption for the property would render the development financially infeasible.
- A significant environmental/locational risk exists regarding the adjacent railroad track.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$520,464 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance of a noise study report confirming that noise levels associated with the railroad traffic do not exceed established standards.
2. Absent a property tax exemption or PILOT agreement, receipt, review, and acceptance of a permanent loan commitment to reflect a limit on the debt service for this project of not more than \$746,632, evidence of a confirmed source of soft financing of not less than \$1,368,200 or an equivalent reduction in total development costs, and a deferral of 100% of the eligible developer fee should be required.
3. Should the terms of the proposed debt or syndication be altered, the previous condition should be re-evaluated.

Credit Underwriting Supervisor: \_\_\_\_\_

*Jim Anderson*

Date: September 30, 2002

Director of Credit Underwriting: \_\_\_\_\_

*Tom Gouris*

Date: September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Hulen Bend Senior Community, 4% LIHTC #02441**

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	Trash Only
TC (50%)	125	2	1	750	\$690	\$602	\$75,250	\$0.80	\$88.00	\$10.00
TC (50%)	106	2	1	843	690	602	63,812	0.71	88.00	10.00
TC (50%)	6	2	1	1,025	690	602	3,612	0.59	88.00	10.00
<b>TOTAL:</b>	<b>237</b>			<b>799</b>	<b>\$690</b>	<b>\$602</b>	<b>\$142,674</b>	<b>\$0.75</b>	<b>\$88.00</b>	<b>\$10.00</b>

<b>INCOME</b>				<b>TDHCA</b>	<b>APPLICANT</b>				
Total Net Rentable Sq Ft: <u>189,258</u>									
<b>POTENTIAL GROSS RENT</b>				<b>\$1,712,088</b>	<b>\$1,697,868</b>				
Secondary Income	Per Unit Per Month:	\$15.00		42,660	90,432	\$31.80	Per Unit Per Month		
Other Support Income:				0	0				
<b>POTENTIAL GROSS INCOME</b>				<b>\$1,754,748</b>	<b>\$1,788,300</b>				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(131,606)	(107,304)	-6.00%	of Potential Gross Rent		
Employee or Other Non-Rental Units or Concessions				0	0				
<b>EFFECTIVE GROSS INCOME</b>				<b>\$1,623,142</b>	<b>\$1,680,996</b>				
<b>EXPENSES</b>				<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF EGI</b>
General & Administrative	4.71%	\$323	\$0.40	\$76,505	\$56,400	\$0.30	\$238	3.36%	
Management	5.00%	342	0.43	81,157	73,794	0.39	311	4.39%	
Payroll & Payroll Tax	12.09%	828	1.04	196,178	210,000	1.11	886	12.49%	
Repairs & Maintenance	6.36%	436	0.55	103,278	120,000	0.63	506	7.14%	
Utilities	3.22%	221	0.28	52,273	40,000	0.21	169	2.38%	
Water, Sewer, & Trash	2.46%	169	0.21	39,987	60,000	0.32	253	3.57%	
Property Insurance	2.33%	160	0.20	37,852	47,042	0.25	198	2.80%	
Property Tax	3.206265	0	0.00	0	0	0.00	0	0.00%	
Reserve for Replacements	2.92%	200	0.25	47,400	42,660	0.23	180	2.54%	
Other:	0.00%	0	0.00	0	0	0.00	0	0.00%	
<b>TOTAL EXPENSES</b>	<b>39.10%</b>	<b>\$2,678</b>	<b>\$3.35</b>	<b>\$634,630</b>	<b>\$649,896</b>	<b>\$3.43</b>	<b>\$2,742</b>	<b>38.66%</b>	
<b>NET OPERATING INC</b>	<b>60.90%</b>	<b>\$4,171</b>	<b>\$5.22</b>	<b>\$988,512</b>	<b>\$1,031,100</b>	<b>\$5.45</b>	<b>\$4,351</b>	<b>61.34%</b>	
<b>DEBT SERVICE</b>				<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF TOTAL</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF TOTAL</b>
First Lien Mortgage	57.54%	\$3,941	\$4.93	\$933,971	\$932,429	\$4.93	\$3,934	55.47%	
Compliance fees, spt svcs	0.37%	\$25	\$0.03	6,025	3,600	\$0.02	\$15	0.21%	
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%	
<b>NET CASH FLOW</b>	<b>2.99%</b>	<b>\$205</b>	<b>\$0.26</b>	<b>\$48,516</b>	<b>\$95,071</b>	<b>\$0.50</b>	<b>\$401</b>	<b>5.66%</b>	
<b>AGGREGATE DEBT COVERAGE RATIO</b>				<b>1.05</b>	<b>1.10</b>				
<b>ALTERNATIVE DEBT COVERAGE RATIO</b>					<b>1.10</b>				
<b>CONSTRUCTION COST</b>				<b>TDHCA</b>	<b>APPLICANT</b>	<b>PER SQ FT</b>	<b>PER UNIT</b>	<b>% OF TOTAL</b>	
Acquisition Cost (site or bldg)	4.00%	\$3,026	\$3.79	\$717,102	\$717,102	\$3.79	\$3,026	4.19%	
Off-Sites	0.00%	0	0.00	0	0	0.00	0	0.00%	
Sitework	8.35%	6,313	7.91	1,496,244	1,496,244	7.91	6,313	8.75%	
Direct Construction	49.68%	37,560	47.03	8,901,625	7,805,737	41.24	32,936	45.64%	
Contingency	3.70%	2,155	2.03	385,063	385,063	2.03	1,625	2.25%	
General Req'ts	5.37%	3,125	2.95	558,119	558,119	2.95	2,355	3.26%	
Contractor's G & A	1.78%	781	0.98	185,000	185,000	0.98	781	1.08%	
Contractor's Profi	3.99%	1,751	2.19	415,000	415,000	2.19	1,751	2.43%	
Indirect Construction	4.62%	3,491	4.37	827,429	827,429	4.37	3,491	4.84%	
Ineligible Costs	5.56%	4,204	5.26	996,246	996,246	5.26	4,204	5.83%	
Developer's G & A	2.00%	1,136	1.42	269,228	363,159	1.92	1,532	2.12%	
Developer's Profit	13.00%	7,384	9.25	1,749,982	1,936,041	10.23	8,169	11.32%	
Interim Financing	3.87%	2,924	3.66	692,918	692,918	3.66	2,924	4.05%	
Reserves	4.04%	3,051	3.82	723,034	723,056	3.82	3,051	4.23%	
<b>TOTAL COST</b>	<b>100.00%</b>	<b>\$75,599</b>	<b>\$94.67</b>	<b>\$17,916,990</b>	<b>\$17,101,114</b>	<b>\$90.36</b>	<b>\$72,157</b>	<b>100.00%</b>	
<b>Recap-Hard Construction Costs</b>	<b>66.65%</b>	<b>\$50,384</b>	<b>\$63.09</b>	<b>\$11,941,051</b>	<b>\$10,845,163</b>	<b>\$57.30</b>	<b>\$45,760</b>	<b>63.42%</b>	
<b>SOURCES OF FUNDS</b>				<b>TDHCA</b>	<b>APPLICANT</b>	<b>RECOMMENDED</b>	<b>ALT. W/O EXEMPTION</b>		
First Lien Mortgage	68.37%	\$51,688	\$64.73	\$12,250,000	\$12,250,000	\$12,250,000	\$9,792,852		
Additional Financing	0.00%	\$0	\$0.00	0	0	0	0		
LIHTC Syndication Proceeds	23.15%	\$17,499	\$21.91	4,147,193	4,147,193	4,085,236	4,085,236		
Deferred Developer Fees	3.93%	\$2,974	\$3.72	704,727	704,727	765,878	3,223,026		
Additional (excess) Funds Requir	4.55%	\$3,439	\$4.31	815,070	(806)	(0)	(0)		
<b>TOTAL SOURCES</b>				<b>\$17,916,990</b>	<b>\$17,101,114</b>	<b>\$17,101,114</b>	<b>\$17,101,114</b>		

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Hulen Bend Senior Community, 4% LIHTC #02441**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.21	\$7,610,064
<b>Adjustments</b>				
Exterior Wall Fini	3.10%		\$1.25	\$235,912
Elderly	5.00%		2.01	380,503
Roofing			0.00	0
Subfloor			(0.67)	(127,434)
Floor Cover			1.92	363,375
Porches/Balconies/	\$24.93	65,235	8.59	1,626,268
Plumbing	\$615	243	0.79	149,445
Built-In Appliance	\$1,625	237	2.03	385,125
Garages	\$14.50	5,000	0.38	72,500
Floor Insulation			0.00	0
Heating/Cooling			1.47	278,209
Carports	\$7.83	15,000	0.62	117,450
Comm &/or Aux Bldg	\$40.21	7,500	1.59	301,575
Other: Elevators	\$53,150	5	1.40	265,750
<b>SUBTOTAL</b>			<b>61.60</b>	<b>11,658,743</b>
Current Cost Multiplie	1.02		1.23	233,175
Local Multiplier	0.92		(4.93)	(932,699)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$57.91</b>	<b>\$10,959,218</b>
Plans, specs, survy, h	3.90%		(\$2.26)	(\$427,410)
Interim Construction I	3.38%		(1.95)	(369,874)
Contractor's OH & Prof	11.50%		(6.66)	(1,260,310)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$47.03</b>	<b>\$8,901,625</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$12,250,000	Amort	420
Int Rate	6.95%	DCR	1.06
<b>Secondary</b>	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.05
<b>Additional</b>	\$4,147,193	Amort	
Int Rate		Aggregate DCR	1.05

**RECOMMENDED FINANCING STRUCTURE:**

	W/ Expt. (App's NOI)	Alt. W/O Expt. (U/Wr's NOI)
Primary Debt Service	\$933,971	\$746,632
Secondary Debt Service	6,025	6,025
Additional Debt Service	0	0
<b>NET CASH FLOW</b>	<b>\$91,104</b>	<b>\$68,681</b>

<b>Primary</b>	\$12,250,000	Amort	420
Int Rate	6.95%	DCR	1.10
<b>Secondary</b>	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10

<b>Alternative w/o Exem</b>	\$9,792,852	Amort	420
Int Rate	6.95%	Aggregate DCR	1.10

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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,697,868	\$1,748,804	\$1,801,268	\$1,855,306	\$1,910,965	\$2,215,333	\$2,568,178	\$2,977,222	\$4,001,137
Secondary Income	90,432	93,145	95,939	98,817	101,782	117,993	136,787	158,573	213,109
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,788,300	1,841,949	1,897,207	1,954,124	2,012,747	2,333,326	2,704,964	3,135,795	4,214,246
Vacancy & Collection Los	(107,304)	(138,146)	(142,291)	(146,559)	(150,956)	(174,999)	(202,872)	(235,185)	(316,068)
Employee or Other Non-Re	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,680,996	\$1,703,803	\$1,754,917	\$1,807,564	\$1,861,791	\$2,158,326	\$2,502,092	\$2,900,610	\$3,898,178
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$56,400	\$58,656	\$61,002	\$63,442	\$65,980	\$80,275	\$97,667	\$118,826	\$175,892
Management	73,794	85,190	87,746	90,378	93,090	107,916	125,105	145,031	194,909
Payroll & Payroll Tax	210,000	218,400	227,136	236,221	245,670	298,895	363,652	442,438	654,917
Repairs & Maintenance	120,000	124,800	129,792	134,984	140,383	170,797	207,801	252,822	374,238
Utilities	40,000	41,600	43,264	44,995	46,794	56,932	69,267	84,274	124,746
Water, Sewer & Trash	60,000	62,400	64,896	67,492	70,192	85,399	103,901	126,411	187,119
Insurance	47,042	48,924	50,881	52,916	55,032	66,955	81,462	99,110	146,708
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	42,660	44,366	46,141	47,987	49,906	60,718	73,873	89,878	133,042
Other	3,600	3,744	3,894	4,050	4,211	5,124	6,234	7,585	11,227
TOTAL EXPENSES	\$649,896	\$688,080	\$714,752	\$742,464	\$771,259	\$933,013	\$1,128,961	\$1,366,375	\$2,002,797
NET OPERATING INCOME	\$1,031,100	\$1,015,723	\$1,040,165	\$1,065,100	\$1,090,532	\$1,225,313	\$1,373,131	\$1,534,235	\$1,895,380
<b>DEBT SERVICE</b>									
First Lien Financing	\$933,971	\$933,971	\$933,971	\$933,971	\$933,971	\$933,971	\$933,971	\$933,971	\$933,971
Second Lien	6,025	6,025	6,025	6,025	6,025	6,025	6,025	6,025	6,025
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$91,104	\$75,726	\$100,169	\$125,104	\$150,536	\$285,317	\$433,135	\$594,239	\$955,384
DEBT COVERAGE RATIO	1.10	1.08	1.11	1.13	1.16	1.30	1.46	1.63	2.02

**LIHTC Allocation Calculation - Hulen Bend Senior Community, 4% LIHTC #02**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$717,102	\$717,102		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$1,496,244	\$1,496,244	\$1,496,244	\$1,496,244
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$7,805,737	\$8,901,625	\$7,805,737	\$8,901,625
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$185,000	\$185,000	\$185,000	\$185,000
Contractor profit	\$415,000	\$415,000	\$415,000	\$415,000
General requirements	\$558,119	\$558,119	\$558,119	\$558,119
<b>(5) Contingencies</b>	\$385,063	\$385,063	\$385,063	\$385,063
<b>(6) Eligible Indirect Fees</b>	\$827,429	\$827,429	\$827,429	\$827,429
<b>(7) Eligible Financing Fees</b>	\$692,918	\$692,918	\$692,918	\$692,918
<b>(8) All Ineligible Costs</b>	\$996,246	\$996,246		
<b>(9) Developer Fees</b>			\$1,854,826	
Developer overhead	\$363,159	\$269,228		\$269,228
Developer fee	\$1,936,041	\$1,749,982		\$1,749,982
<b>(10) Development Reserves</b>	\$723,056	\$723,034		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$17,101,114</b>	<b>\$17,916,990</b>	<b>\$14,220,336</b>	<b>\$15,480,608</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$14,220,336	\$15,480,608
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			\$14,220,336	\$15,480,608
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$14,220,336	\$15,480,608
Applicable Percentage			3.66%	3.66%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$520,464	\$566,590
<b>Syndication Proceeds</b>		<b>0.7849</b>	<b>\$4,085,236</b>	<b>\$4,447,289</b>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MEMORANDUM

TO: TDHCA Board of Directors  
Ruth Cedillo, Deputy Executive Director  
David Burrell, Director of Housing Programs  
Executive Award and Review Advisory Committee

FROM: Charles Nwaneri, Co-Manager, Low Income Housing Tax Credit

THROUGH: Edwina Carrington, Executive Director

Date: October 1, 2002

**SUBJECT: Request for Increases in Tax Credit Allocations for Tax-exempt Bond Transactions**

**Requested Action**

TDHCA Board approval of development owners requests for increases in tax credit allocations for the three (3) tax-exempt bond transactions known as the Country Lane Seniors Community in McKinney, (TDHCA #99-04T); Stone Brook Seniors Community, in San Marcos (TDHCA #99-13T); and Pleasant Valley Villas in Austin (TDHCA #02413). The developer of Country Lane Seniors Community and Stone Brook Seniors Community has experienced cost overruns beyond his original development budgets. The owner of these developments has submitted documentation which demonstrates that the increases in costs were beyond his control, were not foreseeable at the time of application, or were not preventable during construction. The documentation submitted was used to re-underwrite the applications and to support the owner's requests for additional tax credits.

The Pleasant Valley Villas development is located in a Qualified Census Tract (QCT) which qualifies it to receive an additional 30% increase in eligible basis.

**Recommendation**

It is recommended that the Board approve increases in the tax credit allocations to the following developments:

1. **Country Lane Seniors Community**, McKinney. The owner is requesting \$659,501 in tax credits at the Cost Certification stage. The original Board approved tax credits were \$615,459. Increases in development costs resulted from increased real estate taxes, construction delays and requirements imposed by the City of McKinney because of potential health and safety issues. The City imposed their requirements in order to prevent water from entering the apartments; to provide an adequate fire sprinkler system and doors, and to meet the housing and mobility needs of senior citizens. Cost overruns incurred during construction included real estate taxes of \$119,323, construction loan interest of \$45,018, interior furnishing of \$212,006, change orders of \$510,056, impact and building permit fees of \$80,830, other costs attributable to changes required by the City of McKinney of \$185,000, changes in architectural plans, designs and supervision of \$129,221, and additional engineering and survey costs of \$34,616 for a total increase of \$1,316,070 in development costs. **Based on TDHCA's underwriting re-evaluation, an additional \$44,042 in tax credits is recommended for Country Lane Seniors Community.**
  
2. **Stone Brook Seniors Community**, San Marcos. The owner is requesting \$732,913 in tax credits at the Cost Certification stage. The original Board approved credits were \$704,948. The increases in development costs resulted from increases in real estate taxes, construction delays and requirements imposed by the City of San Marcos because of potential health and safety issues. The City imposed their requirements in order to prevent water from entering the apartments; to provide an adequate fire sprinkler and firewall system and adequate utility infrastructure for water, wastewater and fire water lines; and to meet the housing and mobility needs of senior citizens. Cost overruns incurred during construction included real estate taxes of \$89,018, construction loan interest of \$64,649, interior furnishing of \$160,812, change orders of \$303,758, and additional credit enhancement costs of \$122,473 for a total increase of \$740,710 in development costs. **Based on TDHCA's underwriting re-evaluation, an additional \$27,965 in tax credits is recommended for Stone Brook Seniors Community.**
  
3. **Pleasant Valley Villas**, Austin. The owner is requesting \$1,137,274 in tax credits. On August 8, 2002, the Board approved credits in the amount of \$874,826 for this development. The development is located in a Qualified Census Tract (QCT) but, at the time of application the owner did not request the additional 30% in tax credits because he could not provide confirmation or certification of the tract being located in a QCT. If the developer had requested the additional 30% in eligible basis when the application was submitted, our underwriting recommendation would have been \$1,137,274. Subsequent to the completion of the original underwriting report, the applicant submitted letters from the City of Austin and an accounting firm confirming that the development is

located in a QCT. Based on TDHCA's underwriting re-evaluation, an additional \$262,448 in tax credits is recommended for Pleasant Valley Villas.

### **Justification**

Section 50.7(h)(7) of the 2001 Qualified Allocation Plan (QAP) states:

***“The Determination Notice issued by the Department and any subsequent IRS Form(s) 8609 will reflect the amount of tax credits for which the Project is determined to be eligible in accordance with this paragraph, and the amount of tax credits reflected in the IRS Form 8609 may be greater or less than the amount set forth in the Determination Notice, based upon the Department's and the bond issuer's determination as of each building's placement in service”.***

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS**  
**MULTI FAMILY CREDIT UNDERWRITING ANALYSIS ADDENDUM**

**DATE:** September 30, 2002    **PROGRAM:** 4% LIHTC    **FILE NUMBER:** 99-04T

**DEVELOPMENT NAME**

Country Lane Seniors Community

**APPLICANT**

**Name:** Two Country Lane, Ltd.    **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 1005 Shady River Court North    **City:** Benbrook    **State:** TX  
**Zip:** 76126    **Contact:** Kenneth H. Mitchell    **Phone:** (817) 249-6886    **Fax:** (817) 249-1010

**PRINCIPALS of the APPLICANT**

**Name:** McKinney Country Lane, Inc.    **(%):** 0.1    **Title:** Managing General Partner  
**Name:** SunAmerica Housing Fund 678    **(%):** 99.9    **Title:** Limited Partner  
**Name:** Kenneth Mitchell    **(%):** N/A    **Title:** Owner of General Partner

**GENERAL PARTNER**

**Name:** McKinney Country Lane, Inc.    **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 1005 Shady River Court North    **City:** Benbrook    **State:** TX  
**Zip:** 76126    **Contact:** Kenneth Mitchell    **Phone:** (817) 249-6886    **Fax:** (817) 249-1010

**PROPERTY LOCATION**

**Location:** On East Side of Highway 5, north of FM 1378 and south of Spur 299     QCT     DDA  
**City:** McKinney    **County:** Collin    **Zip:** 75069

**REQUEST**

	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1.	\$615,459	N/A	N/A	N/A
2.	\$44,042	N/A	N/A	N/A

**Financing Explanation:**

- Original 4% LIHTC allocation available with issuance of volume cap mortgage revenue bonds
- Current request for additional 4% LIHTCs

**ADDENDUM**

**Background:** Country Lane Seniors Community was allocated \$615,459 in 4% LIHTCs in April of 1999, based on the Applicant's estimated eligible costs of \$14,776,215. The recommended allocation was \$12,102 higher than the Applicant's requested amount of \$603,357 due to the use of the higher underwriting applicable percentage of 3.56% instead of the Applicant's rate of 3.49%. Construction commenced in September of 1999 and was completed in December of 2000.

**Current Request:** The Applicant submitted cost certification documentation in November of 2001 which included an auditor's certification of \$15,923,047 in eligible costs, an increase of \$1,146,832 or 7.76%. The Applicant is requesting \$44,042 in additional 4% LIHTCs be allocated pursuant to this cost increase, and submitted extensive documentation which outlined the following major factors behind the cost increases:

- The product type was new for the developer, which resulted in increased architectural services and



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

numerous construction change orders, notably when roofing was added over open breezeways to prevent water from entering the apartments. Water damage repair costs were also incurred.

- The City of McKinney imposed a number of significant changes on the design: substitution of cast iron fire sprinkler piping for the original plastic pipes; requirement to sprinkle the attics, porte cochere, and floor trusses; addition of a standpipe system; installation of elevator sump pumps; and replacement of interior doors with 20-minute fire resistant doors.
- City impact and building permit fees exceeded the budgeted amount by \$80,830.
- The development's opening was also delayed by approximately three months due to a delay in construction of a sewer line by the city. The Applicant ended up constructing the line using city funds, but incurred costs for sewage pumping trucks.
- The construction and opening delays also resulted in increases in real estate taxes and construction loan interest.

**Analysis:** The Underwriter recosted the development using the current Marshall & Swift Residential Cost Handbook and determined that both the Applicant's direct construction and total development costs are within 5% of the Underwriter's estimates, and are therefore regarded as reasonable as submitted. Based on the Applicant's documented eligible basis and elected applicable percentage of 3.64%, the Applicant's requested additional allocation of \$44,042 is justified and recommended.

The Underwriter did not re-evaluate the development's expenses or operating position as new information was not provided and these were not included in the scope of this analysis.

**Satisfaction of Conditions:** The original allocation was made subject to the following condition: "Receipt, review, and acceptance of a Section 404 permit as recommended by the Phase I Environmental Site Inspection if the intermittent streams or adjoining stock pond are modified when the property is developed." The Applicant submitted a Section 404 permit dated June 24, 2002 from the Fort Worth District of the U.S. Army Corps of Engineers evidencing that the project was duly authorized and permitted. Therefore, this condition is satisfied.

**RECOMMENDATION**

- RECOMMEND THE TOTAL LIHTC ALLOCATION BE INCREASED BY \$44,042 SUCH THAT THE TOTAL LIHTC ALLOCATION DOES NOT EXCEED \$659,501

Supervisor of Credit Underwriting: \_\_\_\_\_  
*Jim Anderson*

Date: September 30, 2002

Director of Credit Underwriting \_\_\_\_\_  
*Tom Gouris*

Date: September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis ADDENDUM**

**Country Lane Seniors Community, 4% LIHTC #99-04T**

Type of Unit	Number	Bedrooms	Other	No. of Baths	Size in SF	Net Rent per Unit	Rent per Month	Rent per SF	Tnt Pd Util	Wtr, Swr, Trash
TC (60%)	81	1		1	765	\$573	\$46,413	\$0.75	\$81.00	\$29.00
MR	9	1		1	765	\$640	5,760	0.84	81.00	29.00
TC (60%)	126	2		1	1,039	\$690	86,940	0.66	96.00	35.00
MR	14	2		1	1,039	\$785	10,990	0.76	96.00	35.00
<b>TOTAL:</b>	<b>230</b>			<b>AVERAGE:</b>	<b>932</b>	<b>\$653</b>	<b>\$150,103</b>	<b>\$0.70</b>	<b>\$90.13</b>	<b>\$32.65</b>

**INCOME & EXPENSE**

					TDHCA	APPLICANT			
POTENTIAL GROSS RENT					\$1,801,236	\$1,773,480			
Secondary Income	Per Unit Per Month:	\$10.00			27,600	35,880	\$13.00	Per Unit Per Month	
POTENTIAL GROSS INCOME					\$1,828,836	\$1,808,952			
Vacancy & Collection Loss	% of Potential Gross Rent:	7.50%			137,163	90,444	5.00%	of Potential Gross Rent	
Rental Concessions									
Employee or Other Non-Rental Units						0			
EFFECTIVE GROSS INCOME					\$1,691,673	\$1,718,508			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT				PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.55%	\$261	\$0.28		\$60,093	\$85,830	\$0.40	\$373	4.99%
Management	5.00%	368	0.39		84,584	88,674	0.41	386	5.16%
Payroll & Payroll Tax	8.70%	640	0.69		147,156	133,340	0.62	580	7.76%
Repairs & Maintenance	6.17%	454	0.49		104,388	59,040	0.28	257	3.44%
Utilities	3.09%	228	0.24		52,357	68,250	0.32	297	3.97%
Water, Sewer & Trash	4.20%	309	0.33		70,994	68,000	0.32	296	3.96%
Insurance	2.18%	161	0.17		36,923	35,000	0.16	152	2.04%
Property Tax	2.408	8.63%	635	0.68	145,955	164,400	0.77	715	9.57%
Reserve for Replacements	2.72%	200	0.21		46,000	34,500	0.16	150	2.01%
Other Expenses:	0.00%	0	0.00		0	0	0.00	0	0.00%
<b>TOTAL EXPENSES</b>	<b>44.24%</b>	<b>\$3,254</b>	<b>\$3.49</b>		<b>\$748,449</b>	<b>\$737,034</b>	<b>\$3.44</b>	<b>\$3,204</b>	<b>42.89%</b>
<b>NET OPERATING INC</b>	<b>55.76%</b>	<b>\$4,101</b>	<b>\$4.40</b>		<b>\$943,224</b>	<b>\$981,474</b>	<b>\$4.58</b>	<b>\$4,267</b>	<b>57.11%</b>
Tax Exempt MRBs	47.61%	\$3,502	\$3.76		\$805,358	\$805,358	\$3.76	\$3,502	46.86%
Tax Exempt MRBs	2.36%	\$174	\$0.19		39,918	39,918	\$0.19	\$174	2.32%
Additional Financing	0.00%	\$0	\$0.00		0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>5.79%</b>	<b>\$426</b>	<b>\$0.46</b>		<b>\$97,948</b>	<b>\$136,198</b>	<b>\$0.64</b>	<b>\$592</b>	<b>7.93%</b>
AGGREGATE DEBT COVERAGE RATIO					1.12	1.16			
ALTERNATIVE DEBT COVERAGE RATIO					1.12				

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA Recosting	Original Application	Cost Certification	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or b		2.42%	\$1,955	\$2.10	\$449,726	\$449,726	\$876,181	\$2.10	\$1,955	2.65%
Off-Sites		2.23%	1,795	1.93	412,762	412,762	0	1.93	1,795	2.43%
Sitework		6.47%	5,217	5.60	1,200,000	1,200,000	0	5.60	5,217	7.07%
Direct Construction		53.78%	43,379	46.55	9,977,151	8,394,020	12,337,163	39.17	36,496	49.47%
Contingency	2.68%	1.62%	1,304	1.40	300,000	300,000	0	1.40	1,304	1.77%
General Requirer	5.15%	3.10%	2,503	2.69	575,641	575,641	0	2.69	2,503	3.39%
Contractor's G & A	1.72%	1.03%	834	0.90	191,880	191,880	0	0.90	834	1.13%
Contractor's Profit	5.15%	3.10%	2,503	2.69	575,641	575,641	0	2.69	2,503	3.39%
Indirect Construction		1.94%	1,561	1.68	359,005	359,005	344,452	1.68	1,561	2.12%
Ineligible Expenses		6.84%	5,515	5.92	1,268,532	1,268,532	552,200	5.92	5,515	7.48%
Developer's G & A	2.63%	2.05%	1,655	1.78	380,646	380,646	0	1.78	1,655	2.24%
Developer's Profit	10.53%	8.21%	6,620	7.10	1,522,582	1,522,582	1,903,228	7.10	6,620	8.97%
Interim Financing		6.88%	5,551	5.96	1,276,800	1,276,800	1,338,204	5.96	5,551	7.53%
Reserves		0.32%	261	0.28	60,000	60,000	357,468	0.28	261	0.35%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$80,654</b>	<b>\$86.56</b>	<b>\$18,550,366</b>	<b>\$16,967,235</b>	<b>\$17,708,896</b>	<b>\$79.17</b>	<b>\$73,771</b>	<b>100.00%</b>

**SOURCES OF FUNDS**

				TDHCA	APPLICANT	RECOMMENDED
Tax Exempt MRBs	58.76%	\$47,391	\$50.86	\$10,900,000	\$10,900,000	\$10,900,000
Tax Exempt MRBs	2.70%	\$2,174	\$2.33	500,000	500,000	500,000
LIHTC Syndication Proceeds	24.37%	\$19,655	\$21.09	4,520,654	4,520,654	4,941,309
Deferred Developer's Fee	5.64%	\$4,550	\$4.88	1,046,581	1,046,581	1,367,587
Equity Shortfall (excess)	8.53%	\$6,883	\$7.39	1,583,131	0	(0)
<b>TOTAL SOURCES</b>				<b>\$18,550,366</b>	<b>\$16,967,235</b>	<b>\$17,708,896</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Country Lane Seniors Community, 4% LIHTC #99-04T**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.61	\$8,704,075
<b>Adjustments</b>				
Frame	4.50%		\$1.83	\$391,683
Elderly	5%		2.03	435,204
Roofing			0.00	0
Subfloor			(0.67)	(144,302)
Floor Cover			1.92	411,475
Plaster Interior			0.00	0
Plumbing	\$615	280	0.80	172,200
Built-In Appliances	\$1,625	230	1.74	373,750
Fireplaces			0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.47	315,036
Community Areas	\$40.61	11,532	2.19	468,365
Balconies & Breezes	\$24.96	39,645	4.62	989,539
Elevators	\$42,000	5	0.98	210,000
<b>SUBTOTAL</b>			<b>57.52</b>	<b>12,327,026</b>
Current Cost Multiplier	1.02		58.67	12,573,567
Local Multiplier	0.92		(4.60)	(986,162)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$54.07</b>	<b>\$11,587,405</b>
Plans, specs, survy, b	3.50%		(\$1.42)	(\$304,643)
Interim Construction I	7.00%		(2.84)	(609,285)
Contractor's OH & Prof.	8.00%		(3.25)	(696,326)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$46.55</b>	<b>\$9,977,151</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$10,900,000	Term	360
Int Rate	6.25%	DCR	1.17

<b>Secondary</b>	\$500,000	Term	360
Int Rate	7.00%	Subtotal DCR	1.12

<b>Additional</b>		Term	
Int Rate		Aggregate DCR	1.12

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$805,358
Secondary Debt Service	39,918
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$97,948</b>

<b>Primary</b>	\$10,900,000	Term	360
Int Rate	6.25%	DCR	1.17

<b>Secondary</b>	\$500,000	Term	360
Int Rate	7.00%	Subtotal DCR	1.12

<b>Additional</b>		Term	
Int Rate		Aggregate DCR	1.12

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20
POTENTIAL GROSS RENT	\$1,801,236	\$1,855,273	\$1,910,931	\$1,968,259	\$2,027,307	\$2,350,204	\$2,724,530	\$3,158,477
Secondary Income	27,600	28,428	29,281	30,159	31,064	36,012	41,747	48,397
<b>POTENTIAL GROSS INCOME</b>	<b>1,828,836</b>	<b>\$1,883,701</b>	<b>\$1,940,212</b>	<b>\$1,998,418</b>	<b>\$2,058,371</b>	<b>\$2,386,216</b>	<b>\$2,766,278</b>	<b>\$3,206,874</b>
Vacancy & Collection Loss	137,163	141,278	145,516	149,881	154,378	178,966	207,471	240,516
Rental Concessions	0	0	0	0	0	0	0	0
Employee/Other Non-Rental Un	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>	<b>\$1,691,673</b>	<b>\$1,742,423</b>	<b>\$1,794,696</b>	<b>\$1,848,537</b>	<b>\$1,903,993</b>	<b>\$2,207,250</b>	<b>\$2,558,807</b>	<b>\$2,966,359</b>
<b>EXPENSES</b>								
General & Administrative	\$60,093	\$62,497	\$64,997	\$67,597	\$70,301	\$85,532	\$104,062	\$126,608
Management	84,584	87,121	89,735	92,427	95,200	110,362	127,940	148,318
Payroll & Payroll Tax	147,156	153,042	159,164	165,530	172,152	209,449	254,826	310,035
Repairs & Maintenance	104,388	108,563	112,906	117,422	122,119	148,576	180,766	219,929
Utilities	52,357	54,451	56,629	58,894	61,250	74,520	90,665	110,307
Water, Sewer & Trash	70,994	73,834	76,787	79,859	83,053	101,047	122,939	149,573
Insurance	36,923	38,400	39,936	41,534	43,195	52,553	63,939	77,792
Property Tax	145,955	151,793	157,865	164,179	170,747	207,739	252,747	307,505
Reserve for Replacements	46,000	47,840	49,754	51,744	53,813	65,472	79,657	96,915
Other	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>\$748,449</b>	<b>\$777,541</b>	<b>\$807,772</b>	<b>\$839,185</b>	<b>\$871,828</b>	<b>\$1,055,250</b>	<b>\$1,277,541</b>	<b>\$1,546,982</b>
<b>NET OPERATING INCOME</b>	<b>\$943,224</b>	<b>\$964,882</b>	<b>\$986,924</b>	<b>\$1,009,352</b>	<b>\$1,032,165</b>	<b>\$1,152,000</b>	<b>\$1,281,266</b>	<b>\$1,419,376</b>
<b>DEBT SERVICE</b>								
First Lien Financing	\$805,358	\$805,358	\$805,358	\$805,358	\$805,358	\$805,358	\$805,358	\$805,358
Second Lien	39,918	39,918	39,918	39,918	39,918	39,918	39,918	39,918
Other Financing	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$97,948</b>	<b>\$119,606</b>	<b>\$141,648</b>	<b>\$164,076</b>	<b>\$186,888</b>	<b>\$306,723</b>	<b>\$435,990</b>	<b>\$574,100</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.12</b>	<b>1.14</b>	<b>1.17</b>	<b>1.19</b>	<b>1.22</b>	<b>1.36</b>	<b>1.52</b>	<b>1.68</b>

**LIHTC Allocation Calculation - Country Lane Seniors Community, 4% LIHTC #99-04T**

CATEGORY	APPLICANT'S AMOUNT	TDHCA AMOUNT	APPLICANT'S ORIGINAL ELIGIBLE BASIS	TDHCA RECASTING ELIGIBLE BASIS	APPLICANT'S COST CERT ELIGIBLE BASIS
<b>(1) Purchase of Land &amp; Buildings</b>	\$449,726	\$449,726			
<b>(2) Rehabilitation/New Construction Cost</b>					
On-Site work	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	
Off-Site improvements	\$412,762	\$412,762			
<b>(3) Construction Hard Costs</b>					
New structures	\$8,394,020	\$9,977,151	\$8,394,020	\$9,977,151	\$12,337,163
Rehabilitation hard costs					
<b>(4) Contractor Fees &amp; General Req't's</b>					
Contractor overhead	\$191,880	\$191,880	\$191,880	\$191,880	
Contractor profit	\$575,641	\$575,641	\$575,641	\$575,641	
General requirements	\$575,641	\$575,641	\$575,641	\$575,641	
<b>(5) Contingencies</b>	\$300,000	\$300,000	\$300,000	\$300,000	
<b>(6) Eligible Indirect Fees</b>	\$359,005	\$359,005	\$359,005	\$359,005	\$344,452
<b>(7) Eligible Financing Fees</b>	\$1,276,800	\$1,276,800	\$1,276,800	\$1,276,800	\$1,338,204
<b>(8) All Ineligible Costs</b>	\$1,268,532	\$1,268,532			
<b>(9) Developer Fees</b>					
Developer overhead	\$380,646	\$380,646	\$380,646	\$380,646	
Developer fee	\$1,522,582	\$1,522,582	\$1,522,582	\$1,522,582	\$1,903,228
<b>(10) Development Reserves</b>	\$60,000	\$60,000			
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$16,967,235</b>	<b>\$18,550,366</b>	<b>\$14,776,215</b>	<b>\$16,359,346</b>	<b>\$15,923,047</b>

<b>Deduct from Basis:</b>					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
<b>TOTAL ELIGIBLE BASIS</b>			\$14,776,215	\$16,359,346	\$15,923,047
High Cost Area Adjustment			130%	130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$19,209,080	\$21,267,149	\$20,699,961
Applicable Fraction			90%	90%	90%
<b>TOTAL QUALIFIED BASIS</b>			\$17,288,172	\$19,140,434	\$18,629,965
Applicable Percentage			3.56%	3.56%	3.54%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$615,459	\$681,399	\$659,501
Syndication Proceeds		0.7500	\$4,611,326	\$5,105,385	\$4,941,309

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS**  
**MULTI FAMILY CREDIT UNDERWRITING ANALYSIS ADDENDUM**

**DATE:** September 30, 2002      **PROGRAM:** 4% LIHTC      **FILE NUMBER:** 99-13T

**DEVELOPMENT NAME**

Stone Brook Seniors Community

**APPLICANT**

**Name:** One Stone Brook, Ltd.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 1005 Shady River Court North      **City:** Benbrook      **State:** TX  
**Zip:** 76126    **Contact:** Kenneth H. Mitchell      **Phone:** (817) 249-6886    **Fax:** (817) 249-1010

**PRINCIPALS of the APPLICANT**

**Name:** San Marcos Stone Brook, Inc.      **(%):** .01      **Title:** Managing General Partner  
**Name:** SunAmerica Housing Fund 801      **(%):** 99.9      **Title:** Initial Limited Partner  
**Name:** Kenneth H. Mitchell      **(%):** N/A      **Title:** President & 100% owner of G.P.

**GENERAL PARTNER**

**Name:** San Marcos Stone Brook, Inc.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 1005 Shady River Court North      **City:** Benbrook      **State:** TX  
**Zip:** 76126    **Contact:** Kenneth H. Mitchell      **Phone:** (817) 249-6886    **Fax:** (817) 249-1010

**PROPERTY LOCATION**

**Location:** South Stagecoach Road at Wonder World Drive       QCT     DDA  
**City:** San Marcos      **County:** Hays      **Zip:** 78666

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1. \$704,948	N/A	N/A	N/A
2. \$27,965	N/A	N/A	N/A
<b>Other Requested Terms:</b>	1. Original 4% LIHTC allocation available with issuance of volume cap mortgage revenue bonds 2. Current request for additional 4% LIHTCs		
<b>Proposed Use of Funds:</b>	<u>New construction</u>	<b>Set-Aside:</b> <input checked="" type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit	

**ADDENDUM**

**Background:** Stone Brook Seniors Community was allocated \$704,948 in 4% LIHTCs in November of 1999, based on the Applicant's requested amount. Construction commenced in February of 2000 and was completed in June of 2001.

**Current Request:** The Applicant submitted cost certification documentation in November of 2001 which included an auditor's certification of \$15,488,439 in eligible costs, an increase of \$467,165 or 3.1%. The Applicant is requesting \$27,965 in additional 4% LIHTCs be allocated pursuant to this cost increase, and

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

submitted extensive documentation which outlined the following major factors behind the cost increases:

- The product type was somewhat new for the developer (a similar property, Country Lane Senior Community, had been started several months prior by the same developer), which resulted in increased architectural services and numerous construction change orders, notably when roofing was added over open breezeways to prevent water from entering the apartments.
- The City of San Marcos imposed a number of significant changes on the design: extension of the fire sprinkler piping throughout the attic and breezeways, installation of four-hour firewalls and the modification of structural components therefore, and the construction of additional utilities infrastructure (water, wastewater, and fire water lines).
- The development's opening was also delayed by approximately two months by the additional fire sprinkler redesign and another two months due to the required replacement of defectively textured sheetrock by the contractor.
- The construction and opening delays also resulted in increases in real estate taxes and construction loan interest.

**Analysis:** The Underwriter recosted the development using the current Marshall & Swift Residential Cost Handbook and determined that both the Applicant's direct construction and total development costs are less than the Underwriter's estimates, and are therefore regarded as reasonable as submitted. Based on the Applicant's documented eligible basis and elected applicable percentage of 3.64%, the Applicant's requested additional allocation of \$27,965 is justified and recommended.

The Underwriter did not re-evaluate the development's expenses or operating position as new information was not provided and these were not included in the scope of this analysis.

**RECOMMENDATION**

- RECOMMEND THE TOTAL LIHTC ALLOCATION BE INCREASED BY \$27,965 SUCH THAT THE TOTAL LIHTC ALLOCATION DOES NOT EXCEED \$732,913

Supervisor of Credit Underwriting: \_\_\_\_\_

*Jim Anderson*

Date: September 30, 2002

Director of Credit Underwriting: \_\_\_\_\_

*Tom Gouris*

Date: September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Stone Brook Seniors Community, 4% LIHTC #99-13T ADDENDUM**

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 (60%)	60	1	1	765	\$623	\$571	\$34,275	\$0.75	\$51.75	\$58.01
TC (60%)	122	2	1	1,022	748	679	82,790	0.66	69.39	77.49
TC (60%)	24	2	2	1,115	748	679	16,287	0.61	69.39	77.49
<b>TOTAL:</b>	<b>206</b>		<b>AVERAGE:</b>	<b>958</b>	<b>\$712</b>	<b>\$647</b>	<b>\$133,352</b>	<b>\$0.68</b>	<b>\$64.25</b>	<b>\$71.82</b>

**INCOME & EXPENSE**

				TDHCA	APPLICANT			
POTENTIAL GROSS RENT				\$1,600,225	\$1,598,256			
Secondary Income	Per Unit Per Month:	\$10.00		24,720	37,080	\$15.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				\$1,624,945	\$1,635,336			
Vacancy & Collection Loss	% of Potential Gross Rent:	5.00%		81,247	81,768	5.00%	of Potential Gross Rent	
Rental Concessions				0	0			
Employee or Other Non-Rental Units				0	0			
EFFECTIVE GROSS INCOME				\$1,543,697	\$1,553,568			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.98%	\$299	\$0.31	\$61,504	\$47,122	\$0.24	\$229	3.03%
Management	5.00%	375	0.39	77,185	77,678	0.39	377	5.00%
Payroll & Payroll Tax	9.08%	681	0.71	140,215	141,864	0.72	689	9.13%
Repairs & Maintenance	6.34%	475	0.50	97,874	50,660	0.26	246	3.26%
Utilities	2.62%	197	0.21	40,502	66,618	0.34	323	4.29%
Water, Sewer & Trash	4.45%	333	0.35	68,642	66,374	0.34	322	4.27%
Insurance	2.18%	163	0.17	33,610	34,163	0.17	166	2.20%
Property Tax	2.2524	8.64%	0.68	133,438	160,526	0.81	779	10.33%
Reserve for Replacements	2.67%	200	0.21	41,200	41,200	0.21	200	2.65%
Resident Programs & Security	1.68%	126	0.13	26,000	26,000	0.13	126	1.67%
<b>TOTAL EXPENSES</b>	<b>46.65%</b>	<b>\$3,496</b>	<b>\$3.65</b>	<b>\$720,169</b>	<b>\$712,205</b>	<b>\$3.61</b>	<b>\$3,457</b>	<b>45.84%</b>
<b>NET OPERATING INC</b>	<b>53.35%</b>	<b>\$3,998</b>	<b>\$4.17</b>	<b>\$823,529</b>	<b>\$841,363</b>	<b>\$4.26</b>	<b>\$4,084</b>	<b>54.16%</b>
Tax Exempt MRBs	41.24%	\$3,090	\$3.23	\$636,631	\$636,631	\$3.23	\$3,090	40.98%
Taxable MRBs	6.62%	\$496	\$0.52	102,170	102,170	\$0.52	\$496	6.58%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>5.49%</b>	<b>\$411</b>	<b>\$0.43</b>	<b>\$84,728</b>	<b>\$102,562</b>	<b>\$0.52</b>	<b>\$498</b>	<b>6.60%</b>
AGGREGATE DEBT COVERAGE RATIO				1.11	1.14			
ALTERNATIVE DEBT COVERAGE RATIO				1.11				

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA Recosting	Original Application	Cost Certification	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		4.65%	\$4,018	\$4.19	\$827,640	\$827,640	\$836,621	\$4.19	\$4,018	4.75%
Off-Sites		0.00%	0	0.00	0	0	0	0.00	0	0.00%
Sitework		6.36%	5,488	5.73	1,130,474	1,130,474	0	5.73	5,488	6.49%
Direct Construction		49.83%	43,018	44.90	8,861,648	8,472,804	11,568,595	42.93	41,130	48.67%
Contingency	3.25%	1.83%	1,578	1.65	325,000	325,000	0	1.65	1,578	1.87%
General Req'ts	5.85%	3.29%	2,838	2.96	584,695	584,695	0	2.96	2,838	3.36%
Contractor's G & A	1.95%	1.10%	946	0.99	194,898	194,898	0	0.99	946	1.12%
Contractor's Profi	5.85%	3.29%	2,838	2.96	584,695	584,695	0	2.96	2,838	3.36%
Indirect Construction		3.17%	2,732	2.85	562,881	562,881	251,283	2.85	2,732	3.23%
Ineligible Expenses		8.22%	7,093	7.40	1,461,151	1,473,880	369,475	7.47	7,155	8.47%
Developer's G & A	2.91%	2.20%	1,902	1.99	391,859	391,859	0	1.99	1,902	2.25%
Developer's Profit	11.65%	8.81%	7,609	7.94	1,567,437	1,567,437	1,959,296	7.94	7,609	9.00%
Interim Financing		6.78%	5,857	6.11	1,206,531	1,206,531	1,709,265	6.11	5,857	6.93%
Reserves		0.48%	413	0.43	85,000	85,000	150,000	0.43	413	0.49%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$86,330</b>	<b>\$90.12</b>	<b>\$17,783,909</b>	<b>\$17,407,794</b>	<b>\$16,844,535</b>	<b>\$88.21</b>	<b>\$84,504</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>		<b>65.69%</b>	<b>\$56,706</b>	<b>\$59.19</b>	<b>\$11,681,410</b>	<b>\$11,292,566</b>	<b>\$11,568,595</b>			

**SOURCES OF FUNDS**

						RECOMMENDED
Tax Exempt MRBs	46.95%	\$40,534	\$42.31	\$8,350,000	\$8,350,000	\$8,350,000
Taxable MRBs	6.75%	\$5,825	\$6.08	1,200,000	1,200,000	1,150,000
Syndication Proceeds	29.70%	\$25,640	\$26.76	5,281,823	5,281,823	5,485,859
GIC Earnings	3.30%	\$2,847	\$2.97	586,527	586,527	586,527
Deferred Developer's Fee	11.19%	\$9,657	\$10.08	1,989,444	1,989,444	1,272,149
Equity Shortfall (excess)	2.11%	\$1,826	\$1.91	376,115	0	0
<b>TOTAL SOURCES</b>				<b>\$17,783,909</b>	<b>\$17,407,794</b>	<b>\$16,844,535</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Stone Brook Seniors Community, 4% LIHTC #99-13T ADDENDUM**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.83	\$8,057,954
<b>Adjustments</b>				
Frame	3.45%		\$1.41	\$277,999
Elderly	5%		2.04	402,898
Roofing			0.00	0
Subfloor			(0.67)	(132,878)
Floor Cover			1.92	378,900
Plaster Interior			0.00	0
Plumbing	\$615	316	0.98	194,340
Built-In Appliances	\$1,625	206	1.70	334,750
Balconies & Breez	\$24.96	42,931	5.43	1,071,558
Stairways	\$1,400	12	0.09	16,800
Heating/Cooling			1.32	260,494
Garages/Carports			0.00	0
Comm &/or Aux bldng	\$53.59	10,433	2.83	559,060
Elevators:	\$42,000	5	1.06	210,000
SUBTOTAL			58.94	11,631,876
Current Cost Multiplier	1.02		60.12	11,864,513
Local Multiplier	0.87		(7.66)	(1,512,144)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$52.46</b>	<b>\$10,352,369</b>
Plans, specs, survy, b	3.50%		(\$1.43)	(\$282,028)
Interim Construction In	7.00%		(2.86)	(564,057)
Contractor's OH & Prof	8.00%		(3.27)	(644,636)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$44.90</b>	<b>\$8,861,648</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$8,350,000	Term	360
Int Rate	6.55%	DCR	1.29
<b>Secondary</b>	\$1,200,000	Term	360
Int Rate	7.65%	Subtotal DCR	1.11
<b>Additional</b>		Term	0
Int Rate	0.00%	Aggregate DCR	1.11

**ALTERNATIVE FINANCING STRUCTURE:**

Primary Debt Service	\$636,631
Secondary Debt Service	102,170
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$84,728</b>

<b>Primary</b>	\$8,350,000	Term	360
Int Rate	6.55%	DCR	1.29
<b>Secondary</b>	\$1,200,000	Term	360
Int Rate	7.65%	Subtotal DCR	1.11
<b>Additional</b>	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.11

**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	\$1,600,225	\$1,648,231	\$1,697,678	\$1,748,609	\$1,801,067	\$2,087,930	\$2,420,483	\$2,806,004	\$3,771,034
Secondary Income	24,720	25,462	26,225	27,012	27,823	32,254	37,391	43,347	58,254
POTENTIAL GROSS INCOME	1,624,945	\$1,673,693	\$1,723,904	\$1,775,621	\$1,828,890	\$2,120,184	\$2,457,875	\$2,849,350	\$3,829,289
Vacancy & Collection Los	81,247	83,685	86,195	88,781	91,444	106,009	122,894	142,468	191,464
Rental Concessions	0	0	0	0	0	0	0	0	0
Employee/Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,543,697	\$1,590,008	\$1,637,709	\$1,686,840	\$1,737,445	\$2,014,175	\$2,334,981	\$2,706,883	\$3,637,824
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$61,504	\$63,964	\$66,523	\$69,184	\$71,951	\$87,539	\$106,505	\$129,580	\$191,810
Management	77,185	79,500	81,885	84,342	86,872	100,709	116,749	135,344	181,891
Payroll & Payroll Tax	140,215	145,824	151,657	157,723	164,032	199,570	242,807	295,412	437,282
Repairs & Maintenance	97,874	101,789	105,860	110,095	114,498	139,305	169,485	206,205	305,234
Utilities	40,502	42,122	43,807	45,559	47,382	57,647	70,136	85,332	126,312
Water, Sewer & Trash	68,642	71,388	74,243	77,213	80,301	97,699	118,866	144,618	214,071
Insurance	33,610	34,954	36,352	37,806	39,318	47,837	58,201	70,810	104,816
Property Tax	133,438	138,775	144,326	150,099	156,103	189,923	231,071	281,133	416,145
Reserve for Replacements	41,200	42,848	44,562	46,344	48,198	58,640	71,345	86,802	128,488
Other	26,000	27,040	28,122	29,246	30,416	37,006	45,024	54,778	81,085
TOTAL EXPENSES	\$720,169	\$748,204	\$777,337	\$807,612	\$839,073	\$1,015,875	\$1,230,189	\$1,490,014	\$2,187,134
NET OPERATING INCOME	\$823,529	\$841,805	\$860,372	\$879,228	\$898,373	\$998,300	\$1,104,792	\$1,216,868	\$1,450,690
<b>DEBT SERVICE</b>									
First Lien Financing	\$636,631	\$636,631	\$636,631	\$636,631	\$636,631	\$636,631	\$636,631	\$636,631	\$636,631
Second Lien	102,170	102,170	102,170	102,170	102,170	102,170	102,170	102,170	102,170
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$84,728	\$103,004	\$121,571	\$140,428	\$159,572	\$259,499	\$365,991	\$478,068	\$711,890
DEBT COVERAGE RATIO	1.11	1.14	1.16	1.19	1.22	1.35	1.50	1.65	1.96



**LIHTC Allocation Calculation - Stone Brook Seniors Community, 4% LIHTC #99-13T ADDEND**

CATEGORY	APPLICANT'S AMOUNT	TDHCA AMOUNT	APPLICANT'S ORIGINAL ELIGIBLE BASIS	TDHCA RECASTING ELIGIBLE BASIS	APPLICANT'S COST CERT ELIGIBLE BASIS
<b>(1) Purchase of Land &amp; Buildings</b>	\$827,640	\$827,640			
<b>(2) Rehabilitation/New Construction Cost</b>					
On-Site work	\$1,130,474	\$1,130,474	\$1,130,474	\$1,130,474	
Off-Site improvements					
<b>(3) Construction Hard Costs</b>					
New structures	\$8,472,804	\$8,861,648	\$8,472,804	\$8,861,648	\$11,568,595
Rehabilitation hard costs					
<b>(4) Contractor Fees &amp; General Requirements</b>					
Contractor overhead	\$194,898	\$194,898	\$192,066	\$194,898	
Contractor profit	\$584,695	\$584,695	\$576,197	\$584,695	
General requirements	\$584,695	\$584,695	\$576,197	\$584,695	
<b>(5) Contingencies</b>	\$325,000	\$325,000	\$325,000	\$325,000	
<b>(6) Eligible Indirect Fees</b>	\$562,881	\$562,881	\$562,881	\$562,881	\$251,283
<b>(7) Eligible Financing Fees</b>	\$1,206,531	\$1,206,531	\$1,206,531	\$1,206,531	\$1,709,265
<b>(8) All Ineligible Costs</b>	\$1,473,880	\$1,461,151			
<b>(9) Developer Fees</b>			\$1,956,322		
Developer overhead	\$391,859	\$391,859		\$391,859	
Developer fee	\$1,567,437	\$1,567,437		\$1,567,437	\$1,959,296
<b>(10) Development Reserves</b>	\$85,000	\$85,000			
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$17,407,794</b>	<b>\$17,783,909</b>	<b>\$14,998,471</b>	<b>\$15,410,118</b>	<b>\$15,488,439</b>

<b>Deduct from Basis:</b>					
Discrepancy					
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)					
<b>TOTAL ELIGIBLE BASIS</b>			\$14,998,471	\$15,410,118	\$15,488,439
High Cost Area Adjustment			130%	130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$19,498,013	\$20,033,153	\$20,134,971
Applicable Fraction			100%	100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$19,498,013	\$20,033,153	\$20,134,971
Applicable Percentage			3.61%	3.63%	3.64%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$703,878	\$727,203	\$732,913

Syndication Proceeds	0.7493	\$5,273,808	\$5,448,572	\$5,485,859
Current Applicable Perce	3.63%			
<b>Recalculated Credits</b>		<b>707,778</b>		
<b>Requested Credits</b>		<b>704,948</b>		
<b>Recommended Credits</b>		<b>704,948</b>		
<b>Syndication Proceeds</b>		<b>5,281,823</b>		

AGENDA ITEM NO. 5(d)

October 10, 2002

**Action Item**

Request extension of deadline to close construction loan.

**Required Action**

Approve a request for a third extension associated with a 2001 commitment.

**Background**

Pertinent facts about the development requesting extension of the deadline to close the construction loan are summarized below. The request was accompanied by a mandatory \$2,500 extension request fee. Staff has reviewed the information and recommends granting the extension pursuant to Section 50.11(h) of the 2001 QAP.

**LIHTC Development No. 01152, Parkway Senior Apartments**

**Summary of 1st Request:** Large increases in the utility allowances in Pasadena were reduced before the extension was requested but not before causing a delay in the closing because the increases reduced the amount of the construction loan that could be obtained.

**Summary of 2nd Request:** This request resulted from HUD's requirement that all equity be paid at the initial closing. Arranging the equity pay-in from the syndicator resulted in considerable delay. Applicant submitted a letter from Davis Penn Mortgage Co. as evidence that HUD made a firm commitment and locked the interest rate.

**Summary of Current (3rd) Request:** To meet a goal for "202 grants" before the end of HUD's fiscal year on September 30, HUD stopped processing other types of financing. Applicant was informed by HUD that closing probably would not be possible until the end of October instead of the beginning of the month as originally anticipated.

Applicant:	Parkway Senior Apartments, L.P.
General Partner:	Spirit Builders, Inc.
Principals/Interested Parties:	Lacy Gilbert, Mike Gilbert
City/County:	Pasadena / Harris
Set-Aside:	General/Elderly
Type of Project:	New Construction
Units:	91 LIHTC and 31 market rate units
Allocation:	\$493,226
Allocation Cost per LIHTC Unit:	\$5,420
Extension Request Fee Paid:	\$2,500
Type of Extension Request:	Extension of deadline to close construction loan
Current Deadline:	October 12, 2002
New Deadline Requested:	October 28, 2002
Prior Extensions on Project:	Carryover was extended from 10/13/01 to 11/12/01. On 6/13/02 Construction loan closing was extended from 6/14 to 9/12. On 8/29/02 Construction loan closing was extended from 9/12 to 10/12.
Staff Recommendation:	Grant extension as requested.

**LIHTC Development No. 01069, Northstar Apartments**

Summary of Request: HUD requires deposit of \$1,522,015 by the investor as a condition of closing the construction loan. By agreement with HUD the investor will deliver a letter of credit. Completing the arrangements for the letter of credit can take place in time to close on October 7 but not earlier. HUD has agreed to these arrangements.

Applicant:	Raymondville Northstar Apartments, L.P.
General Partner:	Northstar Housing, LLC
Principals/Interested Parties:	Alfredo Huerta
City/County:	Raymondville/Willacy
Set-Aside:	Rural/Family
Type of Project:	New Construction
Units:	61 LIHTC and 11 market rate units
Allocation:	\$437,266
Allocation Cost per LIHTC Unit:	\$7,168
Extension Request Fee Paid:	\$2,500
Type of Extension Request:	Extension of deadline to close construction loan
Current Deadline:	10/1/02
New Deadline Requested:	10/15/02
Prior Extensions on Project:	Extended carryover from 10/12/01 to 11/12/01 Extended closing construction loan from 6/15/01 to 10/1/01
Reason for Extension Request:	See above.
Staff Recommendation:	Grant extension as requested.

**LIHTC Development No. 01007, The Grand Texan Seniors Community**

Summary: The 2001 application was terminated because of a compliance finding. The application was later reinstated and received an allocation from the waiting list. Because of allocations to other developments in the subject area after the termination, the unit count of the reinstated development was reduced. Due to the amount of time taken to evaluate the reduced proposal, staff requested a waiver of the \$2,500 extension fee on the applicant's behalf for closing the construction loan. The owner now requests an extension to commence construction because of delays in obtaining approvals from the City of McKinney for architectural plans.

Applicant:	Grand Texan, Ltd.
General Partner:	McKinney Grand Texan, Inc.
Principals/Interested Parties:	Ken Mitchell
City/County:	McKinney/Collin
Set-Aside:	General/Elderly
Type of Project:	New Construction
Units:	54 LIHTC and 46 market rate units
Allocation:	\$357,087 (Recommended)
Allocation Cost per LIHTC Unit:	\$6,613
Extension Request Fee Paid:	Request waiver of fee
Type of Extension Request:	Extension of commencement of substantial construction.
Current Deadline:	11/8/02
New Deadline Requested:	2/3/03
Prior Extensions on Project:	Extended construction loan closing from 6/14/02 to 7/15/02
Reason for Extension Request, etc.:	See above.
Staff Recommendation:	Grant extension as requested and waive extension request fee

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MEMORANDUM

TO: TDHCA Board Members
CC: Ruth Cedillo, Deputy Executive Director
David Burrell, Director of Housing Programs
FROM: Brooke Boston, LIHTC Co-Manager
THROUGH: Edwina Carrington, Executive Director
SUBJECT: Recommendation for Commitment of Credits for Applicants on the 2002 Waiting List
DATE: October 2, 2002

In the past month, several 2002 credit awardees have returned their credits. In addition, national pool credits were received by the Program. The list of those developments and credit amounts follows:

Table with 5 columns: Development #, Development Name, Region, Set Aside, Credit Amount. Rows include Windmill Pointe, Briarwood Apts., La Mirage Villas, Green Manor, Bayou Bend, Willowchase Apts., Cedar Cove Apts., RURAL SUBTOTAL, Ray's Pointe, National Pool Credits Received, and TOTAL.

In accordance with the Waiting List approved by the Board in August 2002, staff is now requesting approval to issue commitment notices to several developments. The original proposal approved by the Board indicated that if the credits returned would cause any set-aside requirement to be violated, staff must recommend using the credits to meet that set-aside.

It should be noted that the first development on the Rural Waiting List was only to receive credits if the awarded development in Aransas Pass, Aransas Pass Retirement Center (#02011) returned its credits, which did not occur.

Based on the method approved by the Board, staff is recommending the following developments for the issuance of Commitment Notices in the following amounts as determined by Underwriting:

<b>Development #</b>	<b>Development Name</b>	<b>Region</b>	<b>Set Aside</b>	<b>Credit Amount</b>
02131	Meadows of Oakhaven	8A	Rural	\$407,934
02040	Residences on Stillhouse Rd.	4	Rural	\$356,659
02012	Highland Oaks	7	Rural	\$536,984
<b>RURAL SUBTOTAL</b>				<b>\$1,301,577</b>
02070	Woodview Apts.	2	General	\$219,938
02135	Lakeridge Apartments	4	General	\$762,112*
<b>TOTAL</b>				<b>\$2,283,627</b>

\*Staff recommends that the Board authorize the Department to provide the next credits that are returned that do not cause a set-aside to be underserved, to #02135, Lakeridge Apartments, to fill the remaining \$216,077 in credits needed to complete the development at the \$978,189 credit amount recommended by Underwriting.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 29, 2002      **PROGRAM:** 9% LIHTC      **FILE NUMBER:** 02135

**DEVELOPMENT NAME**

Lakeridge Apartments

**APPLICANT**

**Name:** Lakeridge Apartments, Ltd.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** P.O. Box 153055      **City:** Lufkin      **State:** TX  
**Zip:** 75915    **Contact:** Jerry Moore      **Phone:** (936) 699-2960    **Fax:** (936) 699-2962

**PRINCIPALS of the APPLICANT**

**Name:** Shannock Development, LLC      **(%):** 0.005      **Title:** Managing General Partner  
**Name:** SunAmerica Affordable Housing Partners, Inc.      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Pineywoods Home Team Affordable Housing      **(%):** 0.005      **Title:** Co-General Partner  
**Name:** Jerry D. Moore      **(%):** N/A      **Title:** 100% Owner of Shannock

**GENERAL PARTNER**

**Name:** Shannock Development, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** P.O. Box 153055      **City:** Lufkin      **State:** TX  
**Zip:** 75915    **Contact:** Jerry Moore      **Phone:** (936) 699-2960    **Fax:** (936) 699-2962

**CO-GENERAL PARTNER**

**Name:** Pineywoods Home Team Affordable Housing      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** P.O. Box 190      **City:** Lufkin      **State:** TX  
**Zip:** 75901    **Contact:** Doug Dowler      **Phone:** (936) 637-7607    **Fax:** (936) 637-7631

**PROPERTY LOCATION**

**Location:** 3708 South Lake Drive       QCT     DDA  
**City:** Texarkana      **County:** Bowie      **Zip:** 75501

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$1,047,148	N/A	N/A	N/A
<b>Other Requested Terms:</b> <u>Annual ten-year allocation of low-income housing tax credits</u>			
<b>Proposed Use of Funds:</b> <u>New construction</u> <b>Set-Aside:</b> <input checked="" type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit			

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

SITE DESCRIPTION			
<b>Size:</b> <u>27</u> acres	<u>1,176,120</u> square feet	<b>Zoning/ Permitted Uses:</b> <u>Multi-Family-2</u>	
<b>Flood Zone Designation:</b> <u>Zone X</u>		<b>Status of Off-Sites:</b> <u>Partially improved</u>	

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 112    **# Rental Buildings:** 14    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** 0 yrs

Number	Bedrooms	Bathroom	Size in SF
28	1	1	810
28	2	2	1,096
4	3	2	1,335
52	3	2	1,449

**Net Rentable SF:** 134,056    **Av Un SF:** 1,197    **Common Area SF:** 9,115    **Gross Bldg SF** 143,171

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab on grade, 15% brick veneer/85% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, and cable

**ON-SITE AMENITIES**

11,437 SF community center building/daycare center with activity room, management offices, laundry facilities, kitchen, restrooms, computer/business center, daycare facility, swimming pool, equipped children's play area, basketball court, perimeter fencing with limited access gate and picnic area

**Uncovered Parking:** 335 spaces    **Carports:** 0 spaces    **Garages:** 0 spaces

**OTHER SOURCES of FUNDS**

**INTERIM CONSTRUCTION or GAP FINANCING**

**Source:** SunAmerica Affordable Housing Partners, Inc.    **Contact:** Michael L. Fowler

**Principal Amount:** \$2,275,000    **Interest Rate:** Greater of 8% or 15-yr. interpolated U.S. Treasury + 275 basis points

**Additional Information:** Interest-only payments

**Amortization:** N/A yrs    **Term:** 2 yrs    **Commitment:**     None     Firm     Conditional



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

**LONG TERM/PERMANENT FINANCING**

**Source:** SunAmerica Affordable Housing Partners, Inc. **Contact:** Michael L. Fowler  
**Principal Amount:** \$2,275,000 **Interest Rate:** Greater of 8% or 15-yr. interpolated U.S. Treasury + 275 basis points  
**Additional Information:** \_\_\_\_\_  
**Amortization:** 30 yrs **Term:** 18 yrs **Commitment:**  None  Firm  Conditional  
**Annual Payment:** \$200,318 **Lien Priority:** 1st **Commitment Date** 2/ 27/ 2002

**LIHTC SYNDICATION**

**Source:** SunAmerica Affordable Housing Partners, Inc. **Contact:** Michael L. Fowler  
**Address:** 1 SunAmerica Center **City:** Century City  
**State:** CA **Zip:** 90067 **Phone:** (310) 772-6000 **Fax:** (310) 772-6179  
**Net Proceeds:** \$8,010,682 **Net Syndication Rate (per \$1.00 of 10-yr LIHTC)** 76.5¢  
**Commitment**  None  Firm  Conditional **Date:** 2/ 27/ 2002  
**Additional Information:** Commitment letter reflects proceeds of \$8,010,682 based on credits of \$10,471,480

**APPLICANT EQUITY**

**Amount:** \$266,357 **Source:** Deferred developer fee

**VALUATION INFORMATION**

**ASSESSED VALUE**

**Land:** \$541,400 **Assessment for the Year of:** 2001  
**Valuation by:** Bowie County Appraisal District

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest money contract  
**Contract Expiration Date:** 7/ 31/ 2002 **Anticipated Closing Date:** 7/ 31/ 2002  
**Acquisition Cost:** \$ 472,500 **Other Terms/Conditions:** \$3,000 earnest money  
**Seller:** Harold Daniel **Related to Development Team Member:** No

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Lakeridge Apartments is a proposed new construction development of 112 units of affordable housing located in southwest Texarkana. The development is comprised of 14 residential buildings as follows:

- One Building Type I with two one-bedroom units, two two-bedroom units, and four three- bedroom units;
- Five Building Type II with two one-bedroom units, two two-bedroom units, and four three-bedroom units;
- Eight Building Type III with two one-bedroom units, two two-bedroom units, and four three- bedroom units;

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

Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community building, basketball court, and swimming pool located near the entrance to the site. The 9,115-square foot community building/daycare center plan includes the management office, a community room, computer/business center, kitchen, restrooms, and six child care rooms.

**Supportive Services:** The Applicant has contracted with Buckner Children and Family Services, Inc. to provide quality day care, after school tutoring, and life skill training for up to 125 children up to age 12 years old who reside at the development. Additionally, Buckner Children and Family Services will provide life skills training classes to the tenants on a regular basis. These services will be provided at no cost to tenants except for the co-pay required by the Texas Workforce Development Board as CCMS. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services.

**Schedule:** The Applicant anticipates construction to begin in December of 2002, to be completed in February of 2004, and to be substantially leased-up in May of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although all of the units will be reserved for low-income tenants. Two of the units (2%) will be reserved for households earning 30% or less of AMGI, two of the units (2%) will be reserved for households earning 40% or less of AMGI, twelve units (10%) will be reserved for households earning 50% or less of AMGI, and ninety-six of the units (86%) will be reserved for households earning 60% or less of AMGI.

**Special Needs Set-Asides:** Eight units (7%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 25 years.

**MARKET HIGHLIGHTS**

A market feasibility study dated March 25, 2002 was prepared by Mark C. Temple, Real Estate Economist, Market Analyst and highlighted the following findings:

**Definition of Market/Submarket:** “The primary or defined market area for the Lakeridge Apartments is considered Bowie County.” (p. I-1)

**Total Regional Market Demand for Rental Units:** “The primary source for potential resident demand for the subject project will be derived from new household growth and turnover in existing older units. Very positive employment, population, and household increases will continue to impact rental housing demand through the 2000’s. In addition, the continued upward trend in market rents and with vacancy rates in the immediate market area at approximately 6.3% will facilitate demand for the subject project.” (p. ES-9)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>		
Type of Demand	Units of Demand	% of Total Demand
Household Growth	31	1%
Resident Turnover	2,491	99%
<b>TOTAL ANNUAL DEMAND</b>	<b>2,522</b>	<b>100%</b>

Ref: p. ES-8

**Capture Rate:** “Upon calculating the income qualification factor to the annual demand figure of 7,761 units, it is then projected there is a total rental demand of 2,522 Low Income Housing Tax Credit rental units within the subject market area. Based upon the income qualification banding methodology, the 112 Low Income Housing Tax Credit units of the apartment project represent a 4.5% capture rate.” (p. ES-8)

**Local Housing Authority Waiting List Information:** “Verification with the Housing Authority of Texarkana indicates there is a lengthy waiting list for family units. However, an actual total number of persons was not disclosed by the Housing Authority of Texarkana.” (p. IV-5)

**Market Rent Comparables:** The market analyst surveyed six comparable apartment projects totaling 1,196 units in the market area.

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

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Market</b>	<b>Differential</b>
<b>1-Bedroom (30%)</b>	\$182	\$182	\$0	\$431	-\$249
<b>1-Bedroom (40%)</b>	\$259	\$259	\$0	\$431	-\$172
<b>1-Bedroom (50%)</b>	\$335	\$335	\$0	\$431	-\$96
<b>1-Bedroom (60%)</b>	\$412	\$412	\$0	\$431	-\$19
<b>2-Bedroom (30%)</b>	\$221	\$221	\$0	\$570	-\$349
<b>2-Bedroom (50%)</b>	\$403	\$403	\$0	\$570	-\$167
<b>2-Bedroom (60%)</b>	\$495	\$495	\$0	\$570	-\$75
<b>3-Bedroom (60%)</b>	\$565	\$565	\$0	\$719	-\$154
<b>3-Bedroom (40%)</b>	\$296	\$353	-\$57	\$719	-\$423
<b>3-Bedroom (50%)</b>	\$459	\$459	\$0	\$719	-\$260
<b>3-Bedroom (60%)</b>	\$565	\$565	\$0	\$719	-\$154

(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)

**Submarket Vacancy Rates:** “With a vacancy rate in the market area reported to be approximately 6.3%, market rents should continue to rise.” (p. ES-4)

**Absorption Projections:** “According to the Texarkana Chamber of Commerce and Claritas/National Planning Data Corporation present absorption trends of apartment projects located in the Texarkana Market Area range from 10 to 15 units per month. Based upon current positive multi-family indicators and present absorption levels of 10 to 15 per month, it is estimated that a 95+% occupancy level can be achieved in a 7- to 11-month time frame.” (p. ES-2)

**Known Planned Development:** None noted.

The Underwriter found the market study to be acceptable.

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Texarkana is located in the far northeastern part of the state. The city is located in both Bowie County, Texas and Miller County, Arkansas. Texarkana, Texas and Texarkana, Arkansas, are referred to as the State Line Cities because the cities’ main thoroughfare, State Line Avenue, is on the Arkansas-Texas border. Texarkana, Texas encompasses 21 square miles and Texarkana, Arkansas, contains 16.5 square miles. Dallas, Texas is 175 miles to the southwest and Little Rock, Arkansas, is 150 miles to the northeast. The site is a rectangularly-shaped parcel located in the southwest area of the city. The site is situated on the north side of South Lake Drive.

**Population:** The estimated 2001 population of Bowie County was 89,891 and is expected to increase by 3% to approximately 92,645 by 2006. Within the primary market area there were estimated to be 38,017 households in 2001.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly mixed, with vacant land, older single- and multifamily residential, and commercial. Adjacent land uses include:

- **North:** vacant land and older single-family residential
- **South:** South Lake Road (State Highway 92) with commercial, vacant land, and multifamily residential beyond
- **East:** vacant land and older single-family residential
- **West:** Jarvis Parkway (U.S. Highway 59) with commercial and vacant land

**Site Access:** Access to the property is from the east or west along South Lake Drive. The development is to have one main entry from the south off of South Lake Drive. Interstate Highway 30, which bisects the City of Texarkana in an east-west direction, is located approximately 4.2 miles north of the apartment site.

**Public Transportation:** Public transportation is not available in the City of Texarkana.

**Shopping & Services:** Specific uses within the immediate neighborhood include the Falvey Industrial Park,

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

Wal-Mart Supercenter, Texarkana College, Central Mall, Spring Lake Park, Blakenship Plaza, Town West Center, and the West Ridge Apartments.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated February 27, 2002 was prepared by Aquaterra Assessments and contained the following findings and recommendations:

**Findings:**

- “There are currently four single-family residential structures on the subject property.” (p. 1)
- “Asbestos fibers were discovered in the exterior siding material sample obtained at the East house. No asbestos was detected in any of the samples...obtained in any of the remaining houses. Because the exterior siding materials are intact, and because all materials are well-maintained, there is a low potential for contamination from asbestos-containing building materials [ACBMs].” (p. 2)
- “Amounts of lead in paint greater than the U.S. EPA level of concern (0.5% lead by weight) were identified in one interior and two exterior samples of the 23 interior and exterior samples obtained at the subject property. The paints identified as lead-based paints (LBP) were in fair to poor condition.” (p. 2)

**Recommendations:** “AquaTerra understands that all current improvements are to be demolished to make way for a multi-family development under the...LIHTC Program. If demolition or renovation is to occur that will or might disturb the identified ACBMs and LBP:

- Aquaterra recommends that an asbestos abatement contractor licensed by the Texas Department of Health remove all of the identified ACBMs prior to demolition or renovation according to federal, state, and local regulations.
- “Aquaterra recommends that a lead abatement contractor licensed by the Texas Department of Health and U.S. EPA remove or encapsulate all of the identified LBP prior to demolition or renovation according to federal, state, and local regulations.” (p. 3)

**OPERATING PROFORMA ANALYSIS**

**Income:** The 2002 rent limits were used by the Applicant in setting the rents. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines.

**Expenses:** The Applicant’s estimate of total operating expense is 2% higher than the Underwriter’s TDHCA database-derived estimate, an acceptable deviation. The Applicant’s budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly: payroll (\$22.4K lower), repairs and maintenance (\$48.1K higher), property tax (\$11K lower)

**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 \$472,500 (\$3.64/SF) is assumed to be reasonable since the acquisition is an arm’s-length transaction.

**Sitework Cost:** The Applicant’s claimed sitework costs of \$5,373 per unit are considered reasonable compared to historical sitework costs for multifamily projects. The Applicant included an additional \$75K for demolition costs which were included as ineligible costs.

**Direct Construction Cost:** The Applicant’s costs are more than 5% higher than the Underwriter’s Marshall & Swift Residential Cost Handbook-derived estimate after all of the Applicant’s additional justifications were considered. This would suggest that the Applicant’s direct construction costs are overstated.

**Ineligible Costs:** The Applicant incorrectly included \$2,500 in marketing costs as eligible, the Underwriter moved this fee to ineligible costs, resulting in an equivalent reduction in the Applicant’s eligible basis. The Applicant also included \$12,500 in daycare consultant fees which the Underwriter moved to ineligible costs as developer fees are already in excess of the 15% maximum guideline.

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

**Fees:** The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines based on their own construction costs, and the contingency allowance is over the 5% guideline for new construction developments. Consequently the Applicant's eligible costs in these areas have been reduced with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$121,511.

**Conclusion:** Due to the Applicant's significantly higher direct construction costs compared to the Underwriter's estimate and the overstated developer's and contractor's fees, the Applicant's total development cost is more than 5% higher than the Underwriter's estimate. Therefore, the Underwriter's cost estimate is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$8,953,978 is used to determine a credit allocation of \$982,430 annually.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing from two sources: a conventional interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Conventional Interim to Permanent Loan:** There is a commitment for interim to permanent financing through SunAmerica Affordable Housing Partners, Inc. in the amount of \$2,275,000 during both the interim period and at conversion to permanent. The commitment letter did not specify the term for the construction portion, but the application stated it would be two years. The permanent loan will have a term of 18 years and an amortization schedule of 30 years, at a fixed interest rate set at the greater of 275 basis points over the 15-year interpolated U.S. Treasury rate at the time of rate lock or 8%.

**LIHTC Syndication:** SunAmerica Affordable Housing Partners, Inc. has also offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$8,010,682 based on a syndication factor of 76.5%. The percentages and amounts of disbursement were not disclosed in the syndication agreement.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$266,357 amount to 20% of the total fees.

**Financing Conclusions:** Since the Applicant's total development costs were approximately 8.1% higher than the Underwriter's estimate, the Underwriter's development costs were used to determine eligible basis. The applicable percentage rate was adjusted in order to reflect the current underwriting rate of 8.44%. These adjustments decreased the recommended tax credit allocation to \$982,430 per year, resulting in syndication proceeds of approximately \$7,514,841. However, this is \$32,443 more than the gap requirement based on the Underwriter's analysis. Therefore, the maximum potential tax credit allocation for this project should be reduced to not more than \$978,189 or \$68,595 less than requested. Based on the Underwriter's analysis, it is anticipated there will not be a need to defer a portion of the developer fee. In the event of a cost overrun, the entire developer fee should be available for deferral.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are attractive, with varied rooflines and brick accents. All units are of average size for market rate and LIHTC units, and have covered entrance porches with small outdoor storage closets. Each unit has a semi-private exterior entry. The units are in one and two-story townhouse structures with mixed brick and vinyl siding exterior finish and gabled roofs.

**IDENTITIES of INTEREST**

The Applicant, General Contractor, Cost Estimator, and Property Manager are related entities. These are common identities of interest for LIHTC-funded developments.

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

**Financial Highlights:**

- The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- The Managing General Partner, Shannock Development, LLC, submitted an annual financial report dated December 31, 2001 reporting total assets of \$1.4M, comprised of cash, receivables, and other assets.

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

Total liabilities equaled \$7K, resulting in a net worth of \$1.4M.

- Pineywoods HOME Team Affordable Housing, Inc., the Co-General Partner, submitted an annual financial report dated December 31, 2001 reporting total assets of \$2.4M, comprised of cash, receivables, lot inventory and undeveloped land, costs in excess of billings on uncompleted contracts, a completed home for sale, and construction in progress. Total liabilities equaled \$2.5M, for negative net assets of (\$93,739). This would suggest that the General Contractor or another development partner may be required to guarantee the construction phase of this development.

**Background & Experience:**

- The Applicant is a new entity formed for the purpose of developing the project.
- The General Partner, Shannock Development, LLC has completed one LIHTC/affordable housing development totaling 142 units since 1999.
- The Co-General Partner, Pineywoods HOME Team Affordable Housing, Inc. has participated as the administrator for two affordable housing developments and as the developer for two 20-unit developments.
- The General Contractor, Jerry Moore, has completed five LIHTC/affordable housing developments totaling 382 units since 1989.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's development costs differ from the Underwriter's verifiable estimate by more than 5%.
- Significant environmental risks exist regarding existing structures that are to be removed.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$978,189 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
2. Receipt, review, and acceptance of documentation indicating that the Applicant has complied with all of the Phase I ESA recommendations.

**Underwriter:**

\_\_\_\_\_  
*Carl Hoover*

**Date:** September 29, 2002

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Jim Anderson*

**Date:** September 29, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 29, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Lakeridge Apartments, Texarkana, LIHTC #02135**

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, Trst
LIHTC (30%)	1	1	1	810	\$228	\$182	\$182	\$0.22	\$46	\$29
LIHTC (40%)	1	1	1	810	305	259	259	0.32	46	29
LIHTC (50%)	4	1	1	810	381	335	1,340	0.41	46	29
LIHTC (60%)	22	1	1	810	458	412	9,064	0.51	46	29
LIHTC (30%)	1	2	2	1,096	275	221	221	0.20	54	38
LIHTC (50%)	4	2	2	1,096	457	403	1,612	0.37	54	38
LIHTC (60%)	23	2	2	1,096	549	495	11,385	0.45	54	38
LIHTC (60%)	4	3	2	1,335	635	565	2,260	0.42	70	44
LIHTC (40%)	1	3	2	1,449	423	353	353	0.24	70	44
LIHTC (50%)	4	3	2	1,449	529	459	1,836	0.32	70	44
LIHTC (60%)	47	3	2	1,449	635	565	26,555	0.39	70	44
<b>TOTAL:</b>	<b>112</b>		<b>AVERAGE:</b>	<b>1,197</b>	<b>\$552</b>	<b>\$492</b>	<b>\$55,067</b>	<b>\$0.41</b>	<b>\$60.00</b>	<b>\$38.75</b>

**INCOME**

Total Net Rentable Sq Ft **134,056**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: (describe)

POTENTIAL GROSS INCOME

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

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

**EXPENSES**

% OF EGI PER UNIT PER SQ FT

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	5.40%	\$304	\$0.25
Management	5.00%	281	0.23
Payroll & Payroll Tax	14.81%	833	0.70
Repairs & Maintenance	7.87%	442	0.37
Utilities	3.26%	184	0.15
Water, Sewer, & Trash	8.27%	465	0.39
Property Insurance	3.41%	192	0.16
Property Tax	2.17	543	0.45
Reserve for Replacements	3.56%	200	0.17
Other Expenses: Supportive	1.09%	61	0.05
<b>TOTAL EXPENSES</b>	<b>62.30%</b>	<b>\$3,504</b>	<b>\$2.93</b>
<b>NET OPERATING INC</b>	<b>37.70%</b>	<b>\$2,120</b>	<b>\$1.77</b>

**DEBT SERVICE**

	% OF EGI	PER UNIT	PER SQ FT
SunAmerica	31.80%	\$1,789	\$1.49
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
<b>NET CASH FLOW</b>	<b>5.90%</b>	<b>\$332</b>	<b>\$0.28</b>

AGGREGATE DEBT COVERAGE RATIO

ALTERNATIVE DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bld)	5.00%	5.00%	\$4,353	\$3.64
Off-Sites		0.00%	0	0.00
Sitework		6.17%	5,373	4.49
Direct Construction		56.48%	49,201	41.11
Contingency	5.00%	3.13%	2,729	2.28
General Req'ts	6.00%	3.76%	3,274	2.74
Contractor's G & A	2.00%	1.25%	1,091	0.91
Contractor's Profi	6.00%	3.76%	3,274	2.74
Indirect Construction		3.25%	2,835	2.37
Ineligible Costs		1.98%	1,728	1.44
Developer's G & A	2.00%	1.60%	1,390	1.16
Developer's Profit	13.00%	10.37%	9,037	7.55
Interim Financing		2.00%	1,740	1.45
Reserves		1.25%	1,093	0.91
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$87,120</b>	<b>\$72.79</b>

**Recap-Hard Construction Costs**

**SOURCES OF FUNDS**

	% of TOTAL	PER UNIT	PER SQ FT
SunAmerica	23.32%	\$20,313	\$16.97
Additional Financing	0.00%	\$0	\$0.00
LIHTC Syndication Proceeds	82.10%	\$71,524	\$59.76
Deferred Developer Fees	2.73%	\$2,378	\$1.99
Additional (excess) Funds Req	-8.14%	(\$7,095)	(\$5.93)
<b>TOTAL SOURCES</b>			

	TDHCA	APPLICANT		
POTENTIAL GROSS RENT	\$660,804	\$660,120		
Secondary Income	20,160	20,160	\$15.00	Per Unit Per Month
Other Support Income: (describe)	0	0		
POTENTIAL GROSS INCOME	\$680,964	\$680,280		
Vacancy & Collection Loss	(51,072)	(51,024)	-7.50%	of Potential Gross Rent
Employee or Other Non-Rental Units or Concessions	0	0		
EFFECTIVE GROSS INCOME	\$629,892	\$629,256		
General & Administrative	\$33,999	\$30,240	\$0.23	\$270
Management	31,495	31,462	0.23	281
Payroll & Payroll Tax	93,296	70,938	0.53	633
Repairs & Maintenance	49,554	97,708	0.73	872
Utilities	20,563	15,700	0.12	140
Water, Sewer, & Trash	52,080	51,128	0.38	457
Property Insurance	21,449	25,501	0.19	228
Property Tax	60,760	49,732	0.37	444
Reserve for Replacements	22,400	22,400	0.17	200
Other Expenses: Supportive	6,840	6,840	0.05	61
<b>TOTAL EXPENSES</b>	<b>\$392,436</b>	<b>\$401,649</b>	<b>\$3.00</b>	<b>\$3,586</b>
<b>NET OPERATING INC</b>	<b>\$237,456</b>	<b>\$227,607</b>	<b>\$1.70</b>	<b>\$2,032</b>
SunAmerica	\$200,318	\$200,318	\$1.49	\$1,789
Additional Financing	0	0	\$0.00	\$0
Additional Financing	0	0	\$0.00	\$0
<b>NET CASH FLOW</b>	<b>\$37,138</b>	<b>\$27,289</b>	<b>\$0.20</b>	<b>\$244</b>
AGGREGATE DEBT COVERAGE RATIO	1.19	1.14		
ALTERNATIVE DEBT COVERAGE RATIO		1.14		

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bld)	\$487,500	\$487,500	\$3.64	\$4,353	4.62%
Off-Sites	0	0	0.00	0	0.00%
Sitework	601,800	601,800	4.49	5,373	5.70%
Direct Construction	5,510,505	6,004,709	44.79	53,613	56.91%
Contingency	305,615	334,025	2.49	2,982	3.17%
General Req'ts	366,738	400,831	2.99	3,579	3.80%
Contractor's G & A	122,246	133,610	1.00	1,193	1.27%
Contractor's Profi	366,738	400,831	2.99	3,579	3.80%
Indirect Construction	317,500	317,500	2.37	2,835	3.01%
Ineligible Costs	193,521	193,521	1.44	1,728	1.83%
Developer's G & A	155,721	272,077	2.03	2,429	2.58%
Developer's Profit	1,012,189	1,088,310	8.12	9,717	10.31%
Interim Financing	194,925	194,925	1.45	1,740	1.85%
Reserves	122,400	122,400	0.91	1,093	1.16%
<b>TOTAL COST</b>	<b>\$9,757,399</b>	<b>\$10,552,039</b>	<b>\$78.71</b>	<b>\$94,215</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>\$7,273,642</b>	<b>\$7,875,806</b>	<b>\$58.75</b>	<b>\$70,320</b>	<b>74.64%</b>
<b>SOURCES OF FUNDS</b>					
SunAmerica	\$2,275,000	\$2,275,000	\$2,275,000		
Additional Financing	0	0	0		
LIHTC Syndication Proceeds	8,010,682	8,010,682	7,482,399		
Deferred Developer Fees	266,357	266,357	0		
Additional (excess) Funds Req	(794,640)	0	0		
<b>TOTAL SOURCES</b>	<b>\$9,757,399</b>	<b>\$10,552,039</b>	<b>\$9,757,399</b>		

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Lakeridge Apartments, Texarkana, LIHTC #02135**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook  
 Average Quality Townhouse Residence Basis

**PAYMENT COMPUTATION**

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$45.65	\$6,119,141
<b>Adjustments</b>				
Exterior Wall Finish	1.90%		\$0.87	\$116,264
9' Ceilings	3.00%		1.37	183,574
Roofing			0.00	0
Subfloor			(1.49)	(199,297)
Floor Cover			2.43	325,756
Porches/Balconies	\$17.20	10,080	1.29	173,376
Plumbing	\$700	(56)	(0.29)	(39,200)
Built-In Appliances	\$2,100	112	1.75	235,200
Stairs/Fireplaces			0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.88	252,025
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$50.02	9,115	3.40	455,910
Other:			0.00	0
<b>SUBTOTAL</b>			<b>56.86</b>	<b>7,622,749</b>
Current Cost Multiplier	1.02		1.14	152,455
Local Multiplier	0.87		(7.39)	(990,957)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$50.61</b>	<b>\$6,784,247</b>
Plans, specs, survy, b.	3.90%		(\$1.97)	(\$264,586)
Interim Construction In	3.38%		(1.71)	(228,968)
Contractor's OH & Prof	11.50%		(5.82)	(780,188)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$41.11</b>	<b>\$5,510,505</b>

<b>Primary</b>	\$2,275,000	Term	360
Int Rate	8.00%	DCR	1.19
<b>Secondary</b>	\$0	Term	
Int Rate	0.00%	Subtotal DCR	1.19
<b>Additional</b>	\$8,010,682	Term	
Int Rate		Aggregate DCR	1.19

**RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)**

Primary Debt Service	\$200,318
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$37,138</b>

<b>Primary</b>	\$2,275,000	Term	360
Int Rate	8.00%	DCR	1.14
<b>Secondary</b>	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.14
<b>Additional</b>	\$8,010,682	Term	0
Int Rate	0.00%	Aggregate DCR	1.14

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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$660,120	\$679,924	\$700,321	\$721,331	\$742,971	\$861,307	\$998,491	\$1,157,524	\$1,555,616
Secondary Income	20,160	20,765	21,388	22,029	22,690	26,304	30,494	35,351	47,508
Other Support Income: (d)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	680,280	700,688	721,709	743,360	765,661	887,611	1,028,985	1,192,875	1,603,124
Vacancy & Collection Los	(51,024)	(52,552)	(54,128)	(55,752)	(57,425)	(66,571)	(77,174)	(89,466)	(120,234)
Employee or Other Non-Re	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$629,256	\$648,137	\$667,581	\$687,608	\$708,237	\$821,040	\$951,811	\$1,103,409	\$1,482,890
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$30,240	\$31,450	\$32,708	\$34,016	\$35,377	\$43,041	\$52,366	\$63,711	\$94,308
Management	31,462	32,407	33,379	34,380	35,412	41,052	47,591	55,170	74,145
Payroll & Payroll Tax	70,938	73,776	76,727	79,796	82,987	100,967	122,842	149,456	221,231
Repairs & Maintenance	97,708	101,616	105,681	109,908	114,305	139,069	169,199	205,856	304,717
Utilities	15,700	16,328	16,981	17,660	18,367	22,346	27,187	33,078	48,963
Water, Sewer & Trash	51,128	53,173	55,300	57,512	59,813	72,771	88,537	107,719	159,450
Insurance	25,501	26,521	27,582	28,685	29,833	36,296	44,159	53,727	79,529
Property Tax	49,732	51,721	53,790	55,941	58,179	70,784	86,119	104,777	155,096
Reserve for Replacements	22,400	23,296	24,228	25,197	26,205	31,882	38,790	47,193	69,858
Other	6,840	7,114	7,398	7,694	8,002	9,735	11,845	14,411	21,332
<b>TOTAL EXPENSES</b>	<b>\$401,649</b>	<b>\$417,401</b>	<b>\$433,773</b>	<b>\$450,790</b>	<b>\$468,478</b>	<b>\$567,943</b>	<b>\$688,634</b>	<b>\$835,098</b>	<b>\$1,228,628</b>
<b>NET OPERATING INCOME</b>	<b>\$227,607</b>	<b>\$230,736</b>	<b>\$233,808</b>	<b>\$236,818</b>	<b>\$239,759</b>	<b>\$253,097</b>	<b>\$263,177</b>	<b>\$268,312</b>	<b>\$254,262</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$200,318	\$200,318	\$200,318	\$200,318	\$200,318	\$200,318	\$200,318	\$200,318	\$200,318
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$27,290</b>	<b>\$30,418</b>	<b>\$33,490</b>	<b>\$36,500</b>	<b>\$39,441</b>	<b>\$52,779</b>	<b>\$62,859</b>	<b>\$67,994</b>	<b>\$53,945</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.14</b>	<b>1.15</b>	<b>1.17</b>	<b>1.18</b>	<b>1.20</b>	<b>1.26</b>	<b>1.31</b>	<b>1.34</b>	<b>1.27</b>



**LIHTC Allocation Calculation - Lakeridge Apartments, Texarkana, LIHTC #0**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$487,500	\$487,500		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$601,800	\$601,800	\$601,800	\$601,800
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation hard costs	\$6,004,709	\$5,510,505	\$6,004,709	\$5,510,505
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$133,610	\$122,246	\$132,130	\$122,246
Contractor profit	\$400,831	\$366,738	\$396,391	\$366,738
General requirements	\$400,831	\$366,738	\$396,391	\$366,738
<b>(5) Contingencies</b>	\$334,025	\$305,615	\$330,325	\$305,615
<b>(6) Eligible Indirect Fees</b>	\$317,500	\$317,500	\$317,500	\$317,500
<b>(7) Eligible Financing Fees</b>	\$194,925	\$194,925	\$194,925	\$194,925
<b>(8) All Ineligible Costs</b>	\$193,521	\$193,521		
<b>(9) Developer Fees</b>			\$1,256,126	
Developer overhead	\$272,077	\$155,721		\$155,721
Developer fee	\$1,088,310	\$1,012,189		\$1,012,189
<b>(10) Development Reserves</b>	\$122,400	\$122,400		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$10,552,039</b>	<b>\$9,757,399</b>	<b>\$9,630,296</b>	<b>\$8,953,978</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$9,630,296	\$8,953,978
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$12,519,385	\$11,640,171
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$12,519,385	\$11,640,171
Applicable Percentage			8.44%	8.44%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$1,056,636	\$982,430

Syndication Proceeds	0.7649	\$8,082,458	\$7,514,841
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<b>Actual Gap of Need</b>	<b>\$7,482,399</b>
<b>Recommended Credit Amount</b>	<b>\$978,189</b>

# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02135 LIHTC 9%  LIHTC 4%   
**Project Name:** Lakeridge Apartments HOME  HTF   
**Project City:** Texarkana BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 2 # not yet monitored or pending review 4

# of projects grouped by score 0-9: 1 10-19: 0 20-29: 1

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received N/A

Non-Compliance Reported \_\_\_\_\_

**Completed by** Jo En Taylor **Completed on** 05/08/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments: 12-31-01 single audit due 6-30-2002

**Completed by** Lucy Trevino **Completed on** 05/23/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments: 539113 Pending review

**Completed by** Ralph Hendrickson **Completed on** 05/17/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** EEF      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** E. Weilbaecher      **Completed on** 06/06/2002

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer      **Completed on** 09/23/2002

**Executive Director:** \_\_\_\_\_      **Date Signed:** \_\_\_\_\_

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002    **PROGRAM:** 9% LIHTC    **FILE NUMBER:** 02131

**DEVELOPMENT NAME**

Meadows of Oakhaven

**APPLICANT**

**Name:** Pleasanton Apartment Venture, LP    **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 100 Methodist Encampment Road    **City:** Kerrville    **State:** TX  
**Zip:** 78028    **Contact:** Michael T Gilbert    **Phone:** (830) 895-4548    **Fax:** (830) 896-9553

**PRINCIPALS of the APPLICANT**

**Name:** Pleasanton Apartments GP Corporation    **(%):** 0.01    **Title:** Managing General Partner  
**Name:** Texas Housing Finance Corporation    **(%):** 99.99    **Title:** Limited Partner  
**Name:** Spirit Builders, Inc.    **(%):** n/a    **Title:** 100% owner of GP  
**Name:** Lacy M Gilbert    **(%):** n/a    **Title:** 100% owner of Spirit Builders  
**Name:** Michael T Gilbert    **(%):** n/a    **Title:** VP of Spirit Builders

**GENERAL PARTNER**

**Name:** Pleasanton Apartments GP Corporation    **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 100 Methodist Encampment Road    **City:** Kerrville    **State:** TX  
**Zip:** 78028    **Contact:** Michael T Gilbert    **Phone:** (830) 895-4548    **Fax:** (830) 896-9553

**PROPERTY LOCATION**

**Location:** 700 Oakhaven Road     QCT     DDA  
**City:** Pleasanton    **County:** Atascosa    **Zip:** 78154

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$410,214	n/a	n/a	n/a
<b>Other Requested Terms:</b> <u>Annual ten-year allocation of low-income housing tax credits</u>			
<b>Proposed Use of Funds:</b> <u>New Construction</u> <b>Set-Aside:</b> <input type="checkbox"/> General <input checked="" type="checkbox"/> Rural <input type="checkbox"/> Non-Profit			

**SITE DESCRIPTION**

**Size:** 7.8 acres    339,768 square feet    **Zoning/ Permitted Uses:** n/a (Pleasanton)  
**Flood Zone Designation:** Zone C    **Status of Off-Sites:** Raw Land

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 76    **# Rental Buildings:** 5    **# Common Area Bldgs:** 2    **# of Floors:** 2    **Age:** n/a yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
8	1	1	750
40	2	2	988
28	3	2	1,150

**Net Rentable SF:** 77,720    **Av Un SF:** 1,023    **Common Area SF:** 3,680    **Gross Bldng SF** 81,400

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab on grade, 10% stone veneer/25% Hardiplank siding/65% stucco exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, high speed internet access, cable, ceiling fans, laminated counter tops, individual water heaters

**ON-SITE AMENITIES**

Furnished community room, management offices, fitness & laundry facilities, kitchen, restrooms, computer/business center, central mailroom, swimming pool, equipped children's play area, sports courts, perimeter fencing with limited access gate

**Uncovered Parking:** 170 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**INTERIM to PERMANENT FINANCING**

**Source:** Collateral Mortgage Capital, LLC    **Contact:** Kenneth Fambro

**Principal Amount:** \$2,048,016    **Interest Rate:** 7.25% as of date of LOI

**Additional Information:** HUD Section 221-Insured; 0.5% annual fee

**Amortization:** 35 yrs    **Term:** 40 yrs    **Commitment:**  LOI     Firm     Conditional

**Annual Payment:** \$167,447    **Lien Priority:** 1<sup>st</sup>    **Commitment Date** 02/ 14/ 2002

**LIHTC SYNDICATION**

**Source:** Texas Housing Finance Corporation    **Contact:** George Schmidt

**Address:** 1145 W 5<sup>th</sup> Street    **City:** Austin

**State:** TX    **Zip:** 78703    **Phone:** (512) 469-9059    **Fax:** (512) 469-9864

**Net Proceeds:** \$3,092,990    **Net Syndication Rate** (per \$1.00 of 10-yr LIHTC) 78¢

**Commitment**     LOI     Firm     Conditional    **Date:** 02/ 20/ 2002

**Additional Information:** Also provided Bridge Loan commitment dated March 1, 2002



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

LLC and highlighted the following findings:

**Definition of Primary Market:** “For this analysis, we defined the Primary Market Area as Atascosa County.” (p. 29)

**Total Primary Market Demand for Rental Units:**

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>		
Type of Demand	Units of Demand	% of Total Demand
Household Growth (Employment)	21	3.9%
Resident Turnover	512	96.1%
<b>TOTAL ANNUAL DEMAND</b>	<b>533</b>	<b>100%</b>

Ref: p. 40

**Capture Rate:** Based on a total of 533 units of demand and total proposed LIHTC units of 72 (excluding the four market rate units), the analyst calculated a capture rate of 13.5%. There are no other proposed or unstabilized comparable units in the area. (p. 40)

**Market Rent Comparables:** The market analyst surveyed 16 apartment projects totaling 1,878 units in the market area.

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market*	Differential
<b>1-Bedroom (50%)</b>	\$313	\$313	\$0	\$520	-\$207
<b>1-Bedroom (60%)</b>	\$381	\$381	\$0	\$520	-\$139
<b>2-Bedroom (50%)</b>	\$375	\$374	+\$1	\$657	-\$282
<b>2-Bedroom (60%)</b>	\$456	\$455	+\$1	\$657	-\$201
<b>2-Bedroom (MR)</b>	\$675	n/a	n/a	\$657	+\$18
<b>3-Bedroom (60%)</b>	\$525	\$524	+\$1	\$720	-\$195

(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)

\* This column reflects the highest rental rates reported for the units surveyed by the analyst.

**Primary Market Vacancy Rates:** “The current occupancy of the market area is 91.3%, this is the result of 9 vacant units out of 104 total units that make up the entire market.” (p. 75)

**Absorption Projections:** “We estimate that the development would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction.” (p. 73)

**Known Planned Development:** “Currently no other projects are under construction in the area.” (p. 75)

**Effect on Existing Housing Stock:** “The increase in the number of rental units is not significant in size to affect this market occupancy.” (p. 23)

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Pleasanton is located in south Texas, approximately 35 miles south of San Antonio in Atascosa County. The site is an irregularly-shaped parcel located in the western area of the City, on Oakhaven Road.

**Population:** The estimated 2001 population of the Primary Market Area was 39,274 and is expected to increase to approximately 43,042 by 2006. Within the primary market area there were estimated to be 12,909 households in 2001.

**Adjacent Land Uses:**

- **North:** light commercial
- **South:** vacant land
- **East:** Oakhaven Road, residential
- **West:** residential

**Site Access:** Access via both State Highway 97 and US Highway 281. From Highway 281, one can connect

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

to San Antonio and Austin to the north and to Corpus Christi and the Texas Valley to the south.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** The local high school is 1.2 miles from the site, the junior high is 1.2 miles, the intermediate school is 1.3 miles and the elementary school is 1.4 miles. Several institutions of higher learning are located north, in the City of San Antonio. The site is within two miles of retail including a major grocery and discount store. Recreational areas are within three miles.

**Site Inspection Findings:** TDHCA staff performed a site inspection on April 11, 2002 and found the location to be acceptable for the proposed development.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated February 2002 was prepared by HIS Geotech, Inc. and contained the following findings and recommendations:

“This assessment has revealed no potential recognized environmental conditions in connection with the subject property, that may require remediation.”

“Two barns and feed silos, along with scrap metal appliances occupy portions of the east side of the tract.”

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant has proposed a rental rate of \$675 per month for the four market rate units. Neither the market analyst’s market rent conclusions for the proposed development or the rental range within the defined market area for comparable developments support this estimate. Therefore, the underwriting analysis assumes a rental rate of only \$657, the highest rental rate in the market area for a comparable unit. Despite this difference and rounding errors, the Applicant’s effective gross income estimate is within 5% of the Underwriter’s estimate.

**Expenses:** The Applicant’s total operating expense estimate is \$16K, or 7%, less than the Underwriter’s estimate. In addition, several of the Applicant’s line-item expenses differ significantly as compared to the Underwriter’s estimates. These include: general and administrative (\$15K lower), payroll (\$15K lower) and property tax (\$8K higher).

**Conclusion:** Overall, the Applicant’s net operating income figure is \$17K, or 10%, higher than the Underwriter’s estimate. Because this difference is greater than 5%, the Underwriter’s proforma will be used to determine the development’s capacity to service debt. Based on the proposed loan amount and terms, the development would not reach the breakeven point (1.00) with a debt coverage ratio (DCR) of 0.99. Furthermore, in order to reach the Department’s minimum DCR guideline of 1.10, the total annual debt service cannot exceed \$153,444. This will be discussed in more detail in the Financing Structure Analysis section of this report.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The acquisition price is assumed to be reasonable since the acquisition is an arm’s-length transaction. However, it should be noted that the submitted site control document had an expiration date of September 15, 2002. Receipt, review and acceptance of documentation that the Applicant or its affiliate has maintained site control is a condition of this report.

**Sitework Cost:** According to the submitted Phase I ESA, “Two barns and feed silos, along with scrap metal appliances occupy portions of the east side of the tract.” However, the cost schedule does not include costs for demolition. Receipt, review and acceptance of an explanation for this discrepancy is a condition of this report. Ignoring possible additional demolition costs, the Applicant’s claimed sitework costs of \$6,500 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant’s direct construction cost estimate is \$16K, or 1%, higher than the Underwriter’s Marshall & Swift *Residential Cost Handbook*-derived estimate. The Applicant included \$51K in personal property as a direct construction cost. These furnishing costs are typically not part of the construct contract and, therefore, should not be eligible for a contractor fee. As a result, the Underwriter moved these costs to eligible indirect costs.

**Fees:** As a result of the inclusion of furnishing cost in direct construction cost the Applicant’s contractor’s and developer’s fees for general requirements, general and administrative expenses, and profit are all slightly over the maximums allowed by TDHCA guidelines by a total of \$8,259 requiring an equal reduction in



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eligible basis.

**Conclusion:** The Applicant's total development cost figure is comparable to the Underwriter's estimate and will be used, as adjusted, to determine eligible basis and total funding need. The Applicant's original cost breakdown contained a calculation error in the total and this amount was corrected upon the Underwriter's request.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing: a conventional interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.

**Conventional Interim to Permanent Loan:** There is a commitment for interim to permanent financing through Collateral Mortgage Capital, LLC in the amount of \$2,048,016. The mortgage loan will be insured by the US Department of Housing and Urban Development under Section 221 of the National Housing Act. The maximum loan term will be 40 years with an amortization schedule based on 35 years. The length of the construction period was not specified in the letter of interest. The interest rate will be based on market conditions in the secondary market for Loan Securities at the time of rate lock (exclusive of a 0.5% annual FHA mortgage insurance premium. The Underwriter has utilized an all-in rate calculated as the lender estimated interest rate of 7.25% plus the FHA mortgage insurance premium of 0.5%, or a total of 7.75%.

**LIHTC Syndication:** Texas Housing Finance Corporation (THFC) has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$3,092,990 based on a syndication factor of 78%. The funds would be disbursed in a six-phased pay-in schedule:

1. 35% at closing;
2. 25% during construction;
3. 25% at construction completion;
4. 10% at stabilization;
5. 3% at receipt of Forms 8609; and
6. 2% at receipt of K-1.

THFC has also offered to provide a bridge loan for an undisclosed amount conditioned upon the partnerships receipt of an LIHTC allocation and acceptance of an offer from THFC to purchase a limited partner interest.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$220,405 amount to 33% of the total fees.

**Financing Conclusions:** As stated above, the Applicant's eligible basis estimate of \$5,101,854 was used to determine an annual tax credit allocation of up to \$407,934. The recommended allocation is \$2,280 less than their corrected request due to the Applicant's use of an applicable percentage rate of 8.45% rather than the underwriting rate of 8.44% and the adjustments to contractor fees discussed above. Also as stated above, the development's annual debt service should not exceed \$153,444 in order to reach the Department's minimum DCR guideline of 1.10 in the first year of stabilized operation. Based on the proposed financing structure, the debt amount would be reduced to \$1,847,367 resulting in a need for a total of \$332,480 in deferred developer fees. Deferred fees in this amount do not appear to be repayable within 10 years of stabilized operation, but may be repayable within 15 years.

**REVIEW of ARCHITECTURAL DESIGN**

The submitted elevations indicate a typical exterior appearance for new construction LIHTC developments. The proposed floorplans offer adequate storage space, washer/dryer closets, and private porches/balconies. It should be noted that the floorplans also include additional walls, doorways and sinks not necessarily needed to provide for functional and attractive units. The clubhouse includes many tenant-accessible areas as well as leasing/management offices. The exterior is similar in design to the residential buildings.

**IDENTITIES of INTEREST**

The Applicant, developer, general contractor and cost estimator are related entities. These are common identities of interest for LIHTC-funded developments.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving

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

assistance from TDHCA and therefore have no material financial statements.

- Spirit Builders, Inc., 100% owner of the General Partner, submitted compiles financial statements as of December 31, 2001 reporting total assets of \$1.3M consisting of cash, construction in progress, receivables, property, plant and equipment, earnest money deposits and predevelopment costs. Liabilities totaled \$1.4K, resulting in a stockholder's equity of -\$77K.
- The principal of Spirit Builders, Lacy M Gilbert, also submitted personal financial statement.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- Spirit Builders, Inc., 100% owner of the General Partner, reports participation in three LIHTC developments totaling 272 units since 1996.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's estimated operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$407,934 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review and acceptance of documentation that the Applicant or its affiliate has maintained site control.
2. Receipt, review, and acceptance of an explanation for the omission of demolition costs in the proposed cost schedule despite the existence of structures on the property.
3. Receipt, review and acceptance of financing commitment(s) resulting in total annual debt service for the development of no more than \$153,444.
4. Upon satisfaction of Conditions #2 and #3, and any changes in debt or syndication terms, this development should be re-evaluated with the result of a possible adjustment in recommended tax credits.

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Lisa Vecchiatti*

**Date:** September 30, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** September 30, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Meadows of Oakhaven, Pleasanton, LIHTC 02131**

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, Trash
TC 50%	4	1	1	750	\$338	\$313	\$1,250	\$0.42	\$25.44	\$29.00
TC 60%	4	1	1	750	406	381	1,522	0.51	25.44	29.00
TC 50%	4	2	2	988	406	374	1,498	0.38	31.54	36.00
TC 60%	32	2	2	988	487	455	14,575	0.46	31.54	36.00
MR	4	2	2	988		\$657	2,628	0.66	31.54	36.00
TC 60%	28	3	2	1,150	563	524	14,675	0.46	\$38.88	\$46.00
<b>TOTAL:</b>	<b>76</b>			<b>1,023</b>	<b>\$473</b>	<b>\$476</b>	<b>\$36,148</b>	<b>\$0.47</b>	<b>\$33.60</b>	<b>\$38.95</b>

**INCOME** Total Net Rentable Sq Ft: **77,720**

	TDHCA	APPLICANT		
<b>POTENTIAL GROSS RENT</b>	<b>\$433,781</b>	<b>\$435,216</b>		
Secondary Income	13,680	13,680	\$15.00	Per Unit Per Month
Other Support Income: (describe)	0	0		
<b>POTENTIAL GROSS INCOME</b>	<b>\$447,461</b>	<b>\$448,896</b>		
Vacancy & Collection Loss	(33,560)	(33,672)	-7.50%	of Potential Gross Rent
Employee or Other Non-Rental Units or Concessions	0	0		
<b>EFFECTIVE GROSS INCOME</b>	<b>\$413,901</b>	<b>\$415,224</b>		

EXPENSES	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	6.10%	\$332	\$0.32	\$25,249	\$9,800	\$0.13	\$129	2.36%
Management	5.00%	272	0.27	20,695	20,761	0.27	273	5.00%
Payroll & Payroll Tax	14.74%	803	0.79	61,028	46,000	0.59	605	11.08%
Repairs & Maintenance	7.43%	405	0.40	30,755	28,255	0.36	372	6.80%
Utilities	1.89%	103	0.10	7,815	11,522	0.15	152	2.77%
Water, Sewer, & Trash	3.76%	205	0.20	15,550	15,580	0.20	205	3.75%
Property Insurance	3.00%	164	0.16	12,435	14,767	0.19	194	3.56%
Property Tax 2.5861	13.06%	711	0.70	54,049	62,049	0.80	816	14.94%
Reserve for Replacements	3.67%	200	0.20	15,200	18,102	0.23	238	4.36%
Other Expenses:	0.57%	31	0.03	2,340	2,340	0.03	31	0.56%
<b>TOTAL EXPENSES</b>	<b>59.22%</b>	<b>\$3,225</b>	<b>\$3.15</b>	<b>\$245,117</b>	<b>\$229,176</b>	<b>\$2.95</b>	<b>\$3,015</b>	<b>55.19%</b>
<b>NET OPERATING INC</b>	<b>40.78%</b>	<b>\$2,221</b>	<b>\$2.17</b>	<b>\$168,785</b>	<b>\$186,048</b>	<b>\$2.39</b>	<b>\$2,448</b>	<b>44.81%</b>

DEBT SERVICE				TDHCA	APPLICANT			
First Lien Mortgage	41.10%	\$2,238	\$2.19	\$170,110	\$167,447	\$2.15	\$2,203	40.33%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
<b>NET CASH FLOW</b>	<b>-0.32%</b>	<b>(\$17)</b>	<b>(\$0.02)</b>	<b>(\$1,326)</b>	<b>\$18,601</b>	<b>\$0.24</b>	<b>\$245</b>	<b>4.48%</b>

AGGREGATE DEBT COVERAGE RATIO	0.99	1.11
ALTERNATIVE DEBT COVERAGE RATIO	1.10	

CONSTRUCTION COST	Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		0.83%	0.83%	\$592	\$0.58	\$45,000	\$45,000	\$0.58	\$592	0.84%
Off-Sites		0.00%	0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		9.16%	9.16%	6,500	6.36	494,000	494,000	6.36	6,500	9.21%
Direct Construction		55.63%	55.63%	39,487	38.61	3,001,001	2,965,744	38.16	39,023	55.32%
Contingency	0.00%	0.00%	0.00%	0	0.00	0	0	0.00	0	0.00%
General Req'ts	6.00%	3.89%	3.89%	2,759	2.70	209,700	210,662	2.71	2,772	3.93%
Contractor's G & A	2.00%	1.30%	1.30%	920	0.90	69,900	70,221	0.90	924	1.31%
Contractor's Profi	6.00%	3.89%	3.89%	2,759	2.70	209,700	210,662	2.71	2,772	3.93%
Indirect Construction		4.10%	4.10%	2,910	2.85	221,176	221,176	2.85	2,910	4.13%
Ineligible Costs		1.37%	1.37%	975	0.95	74,090	74,090	0.95	975	1.38%
Developer's G & A	8.93%	7.41%	7.41%	5,262	5.15	399,922	399,922	5.15	5,262	7.46%
Developer's Profit	5.96%	4.94%	4.94%	3,508	3.43	266,615	266,615	3.43	3,508	4.97%
Interim Financing		5.03%	5.03%	3,567	3.49	271,111	271,111	3.49	3,567	5.06%
Reserves		2.45%	2.45%	1,740	1.70	132,208	132,208	1.70	1,740	2.47%
<b>TOTAL COST</b>		<b>100.00%</b>	<b>100.00%</b>	<b>\$70,979</b>	<b>\$69.41</b>	<b>\$5,394,423</b>	<b>\$5,361,411</b>	<b>\$68.98</b>	<b>\$70,545</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>		<b>73.86%</b>	<b>73.86%</b>	<b>\$52,425</b>	<b>\$51.26</b>	<b>\$3,984,301</b>	<b>\$3,951,289</b>	<b>\$50.84</b>	<b>\$51,991</b>	<b>73.70%</b>

SOURCES OF FUNDS				TDHCA	APPLICANT	RECOMMENDED
First Lien Mortgage	37.97%	\$26,948	\$26.35	\$2,048,016	\$2,048,016	\$1,847,367
Additional Financing	0.00%	\$0	\$0.00	0	0	0
LIHTC Syndication Proceeds	57.34%	\$40,697	\$39.80	3,092,991	3,092,991	3,181,563
Deferred Developer Fees	4.09%	\$2,900	\$2.84	220,405	220,405	332,480
Additional (excess) Funds Requi	0.61%	\$434	\$0.42	33,011	(1)	0
<b>TOTAL SOURCES</b>				<b>\$5,394,423</b>	<b>\$5,361,411</b>	<b>\$5,361,411</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Meadows of Oakhaven, Pleasanton, LIHTC 02131**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$41.73	\$3,243,312
<b>Adjustments</b>				
Exterior Wall Fini.	1.05%		\$0.44	\$34,055
9' Ceilings	3.00%		1.25	97,299
Roofing			0.00	0
Subfloor			(1.15)	(89,711)
Floor Cover			1.92	149,222
Porches/Balconies	\$29.24	6984	2.63	204,212
Plumbing	\$615	308	2.44	189,420
Built-In Appliances	\$1,625	76	1.59	123,500
Exterior Stairs	\$1,400	18	0.32	25,200
Floor Insulation			0.00	0
Heating/Cooling			1.47	114,248
Garages/Carports			0.00	0
Comm &/or Aux Bldg	\$55.81	3,680	2.64	205,377
Other:			0.00	0
<b>SUBTOTAL</b>			<b>55.28</b>	<b>4,296,135</b>
Current Cost Multiplier	1.02		1.11	85,923
Local Multiplier	0.84		(8.84)	(687,382)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$47.54</b>	<b>\$3,694,676</b>
Plans, specs, survy, b.	3.90%		(\$1.85)	(\$144,092)
Interim Construction I.	3.38%		(1.60)	(124,695)
Contractor's OH & Prof.	11.50%		(5.47)	(424,888)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$38.61</b>	<b>\$3,001,001</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$2,048,016	Amort	420
Int Rate	7.75%	DCR	0.99

<b>Secondary</b>	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	0.99

<b>Additional</b>	\$3,092,991	Amort	
Int Rate		Aggregate DCR	0.99

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$153,444
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$15,340</b>

<b>Primary</b>	\$1,847,367	Amort	420
Int Rate	7.75%	DCR	1.10

<b>Secondary</b>	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10

<b>Additional</b>	\$3,092,991	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

**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	\$433,781	\$446,794	\$460,198	\$474,004	\$488,224	\$565,986	\$656,132	\$760,637	\$1,022,233
Secondary Income	13,680	14,090	14,513	14,949	15,397	17,849	20,692	23,988	32,238
Other Support Income: (de	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	447,461	460,885	474,711	488,952	503,621	583,835	676,825	784,625	1,054,471
Vacancy & Collection Los	(33,560)	(34,566)	(35,603)	(36,671)	(37,772)	(43,788)	(50,762)	(58,847)	(79,085)
Employee or Other Non-Ren	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$413,901	\$426,318	\$439,108	\$452,281	\$465,849	\$540,047	\$626,063	\$725,778	\$975,385
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$25,249	\$26,259	\$27,310	\$28,402	\$29,538	\$35,938	\$43,724	\$53,197	\$78,744
Management	20,695	21,316	21,955	22,614	23,292	27,002	31,303	36,289	48,769
Payroll & Payroll Tax	61,028	63,469	66,008	68,648	71,394	86,862	105,681	128,577	190,325
Repairs & Maintenance	30,755	31,985	33,265	34,595	35,979	43,774	53,258	64,796	95,915
Utilities	7,815	8,127	8,452	8,790	9,142	11,122	13,532	16,464	24,371
Water, Sewer & Trash	15,550	16,172	16,819	17,491	18,191	22,132	26,927	32,761	48,494
Insurance	12,435	12,933	13,450	13,988	14,547	17,699	21,534	26,199	38,781
Property Tax	54,049	56,211	58,460	60,798	63,230	76,929	93,596	113,874	168,562
Reserve for Replacements	15,200	15,808	16,440	17,098	17,782	21,634	26,321	32,024	47,404
Other	2,340	2,434	2,531	2,632	2,737	3,331	4,052	4,930	7,298
TOTAL EXPENSES	\$245,117	\$254,714	\$264,690	\$275,058	\$285,834	\$346,424	\$419,929	\$509,111	\$748,662
<b>NET OPERATING INCOME</b>	<b>\$168,785</b>	<b>\$171,604</b>	<b>\$174,418</b>	<b>\$177,223</b>	<b>\$180,016</b>	<b>\$193,623</b>	<b>\$206,134</b>	<b>\$216,667</b>	<b>\$226,723</b>
<b>DEBT SERVICE</b>									
First Lien Financing	\$153,444	\$153,444	\$153,444	\$153,444	\$153,444	\$153,444	\$153,444	\$153,444	\$153,444
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>	<b>\$15,340</b>	<b>\$18,160</b>	<b>\$20,974</b>	<b>\$23,779</b>	<b>\$26,571</b>	<b>\$40,179</b>	<b>\$52,690</b>	<b>\$63,223</b>	<b>\$73,279</b>
<b>DEBT COVERAGE RATIO</b>	<b>1.10</b>	<b>1.12</b>	<b>1.14</b>	<b>1.15</b>	<b>1.17</b>	<b>1.26</b>	<b>1.34</b>	<b>1.41</b>	<b>1.48</b>

**LIHTC Allocation Calculation - Meadows of Oakhaven, Pleasanton, LIHTC 02**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$45,000	\$45,000		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$494,000	\$494,000	\$494,000	\$494,000
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$2,965,744	\$3,001,001	\$2,965,744	\$3,001,001
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$70,221	\$69,900	\$69,195	\$69,900
Contractor profit	\$210,662	\$209,700	\$207,585	\$209,700
General requirements	\$210,662	\$209,700	\$207,585	\$209,700
<b>(5) Contingencies</b>				
<b>(6) Eligible Indirect Fees</b>				
	\$221,176	\$221,176	\$221,176	\$221,176
<b>(7) Eligible Financing Fees</b>				
	\$271,111	\$271,111	\$271,111	\$271,111
<b>(8) All Ineligible Costs</b>				
	\$74,090	\$74,090		
<b>(9) Developer Fees</b>				
			\$665,459	
Developer overhead	\$399,922	\$399,922		\$399,922
Developer fee	\$266,615	\$266,615		\$266,615
<b>(10) Development Reserves</b>				
	\$132,208	\$132,208		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$5,361,411</b>	<b>\$5,394,423</b>	<b>\$5,101,854</b>	<b>\$5,143,125</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$5,101,854	\$5,143,125
High Cost Area Adjustment			100%	100%
<b>TOTAL ADJUSTED BASIS</b>			\$5,101,854	\$5,143,125
Applicable Fraction			94.74%	94.737%
<b>TOTAL QUALIFIED BASIS</b>			\$4,833,336	\$4,872,434
Applicable Percentage			8.44%	8.44%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$407,934	\$411,233
<b>Syndication Proceeds</b>		<b>0.7799</b>	<b>\$3,181,563</b>	<b>\$3,207,300</b>

# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02131

LIHTC 9%  LIHTC 4%

**Project Name:** Meadows of Oakhaven

HOME  HTF

**Project City:** Pleasanton

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 1 # not yet monitored or pending review 2

# of projects grouped by score 0-9: 1 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received N/A

Non-Compliance Reported \_\_\_\_\_

**Completed by** Jo En Taylor **Completed on** 05/22/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments: For-Profit

**Completed by** Lucy Trevino **Completed on** 05/30/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments: 536266 - Pending

**Completed by** Ralph Hendrickson **Completed on** 05/30/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** EEF      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** E. Weilbaecher      **Completed on** 06/06/2002

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer      **Completed on** 09/23/2002

**Executive Director:** \_\_\_\_\_      **Date Signed:** \_\_\_\_\_

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** May 17, 2002      **PROGRAM:** 9% LIHTC      **FILE NUMBER:** 02040  
 Housing Trust Fund      2-02-017

**DEVELOPMENT NAME**

Residences on Stillhouse Road

**APPLICANT**

**Name:** Housing Associates of Paris, Ltd.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 17103 Preston Road, Suite 190      **City:** Dallas      **State:** TX  
**Zip:** 75248    **Contact:** Dan Allgeier      **Phone:** (972) 991-8606    **Fax:** (972) 991-8766

**PRINCIPALS of the APPLICANT**

**Name:** Texas Housing Associates, Inc. (THAI)      **(%):** .005      **Title:** Managing General Partner  
**Name:** Housing Associates, Inc. (HAI)      **(%):** .005      **Title:** Co-General Partner  
**Name:** Midland Equity Corporation      **(%):** 99.99      **Title:** Initial Limited Partner  
**Name:** Dan Allgeier      **(%):** N/A      **Title:** 100% owner of HAI  
**Name:** Laura Musemeche      **(%):** N/A      **Title:** 51% owner of THAI  
**Name:** Mark Musemeche      **(%):** N/A      **Title:** 49% owner of THAI

**MANAGING GENERAL PARTNER**

**Name:** Texas Housing Associates, Inc.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 2727 Allen Parkway, Suite 1815      **City:** Houston      **State:** TX  
**Zip:** 77019    **Contact:** Mark Musemeche      **Phone:** (713) 522-4141    **Fax:** (713) 522-9775

**CO-GENERAL PARTNER**

**Name:** Housing Associates, Inc.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 17103 Preston Road, Suite 190      **City:** Dallas      **State:** TX  
**Zip:** 75248    **Contact:** Dan Allgeier      **Phone:** (972) 991-8606    **Fax:** (972) 991-8766

**PROPERTY LOCATION**

**Location:** 2600 Stillhouse Road       **QCT**     **DDA**  
**City:** Paris ETJ      **County:** Lamar      **Zip:** 75460

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1. \$360,233	N/A	N/A	N/A
2. \$70,000	1%	30 yrs	30 yrs
3. \$30,000	N/A	N/A	N/A

**Other Requested Terms:**    1. Annual ten-year allocation of low-income housing tax credits  
 2. Housing Trust Fund loan  
 3. State Energy Conservation Office (SECO) grant

**Proposed Use of Funds:** New construction      **Set-Aside:**     Elderly (LIHTC)     Rural (LIHTC)     Hsg Dev't (HTF)



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

SITE DESCRIPTION			
<b>Size:</b>	<u>11.9</u> acres	<u>518,364</u> square feet	<b>Zoning/ Permitted Uses:</b> <u>None (in county)</u>
<b>Flood Zone Designation:</b>	<u>Zone X</u>	<b>Status of Off-Sites:</b>	<u>Partially Improved</u>

DESCRIPTION of IMPROVEMENTS			
<b>Total Units:</b>	<u>76</u>	<b># Rental Buildings:</b>	<u>19</u>
<b># Common Area Bldgs:</b>	<u>1</u>	<b># of Floors:</b>	<u>1</u>
<b>Age:</b>	<u>0</u> yrs	<b>Vacant:</b>	<u>N/A</u> at / /

Number	Bedrooms	Bathroom	Size in SF
68	1	1	650
8	2	1	900

**Net Rentable SF:** 51,400    **Av Un SF:** 676    **Common Area SF:** 1,950    **Gross Bldng SF** 53,350

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

CONSTRUCTION SPECIFICATIONS
<b>STRUCTURAL MATERIALS</b>
Wood frame on a post-tensioned concrete slab on grade, 75% brick veneer/25% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing
<b>APPLIANCES AND INTERIOR FEATURES</b>
Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, cable TV, high-speed internet access
<b>ON-SITE AMENITIES</b>
1,950-SF community building with activity rooms, management offices, laundry facilities, kitchen, restrooms, perimeter fencing
<b>Uncovered Parking:</b> <u>152</u> spaces <b>Carports:</b> <u>0</u> spaces <b>Garages:</b> <u>0</u> spaces

OTHER SOURCES of FUNDS	
<b>INTERIM CONSTRUCTION or GAP FINANCING</b>	
<b>Source:</b> <u>Midland Mortgage Investment Corporation</u>	<b>Contact:</b> <u>Dan Flick</u>
<b>Principal Amount:</b> <u>\$1,500,000</u>	<b>Interest Rate:</b> <u>Wall Street Journal prime rate + 1%, variable, minimum 6%</u>
<b>Additional Information:</b> _____	
<b>Amortization:</b> <u>N/A</u> yrs	<b>Term:</b> <u>2</u> yrs <b>Commitment:</b> <input type="checkbox"/> None <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional
<b>LONG TERM/PERMANENT FINANCING</b>	
<b>Source:</b> <u>Midland Mortgage Investment Corporation</u>	<b>Contact:</b> <u>Dan Flick</u>
<b>Principal Amount:</b> <u>\$1,049,427</u>	<b>Interest Rate:</b> <u>40 basis points over unspecified index, 6.75% minimum, 9.25% maximum</u>
<b>Additional Information:</b> _____	
<b>Amortization:</b> <u>30</u> yrs	<b>Term:</b> <u>15</u> yrs <b>Commitment:</b> <input type="checkbox"/> None <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional
<b>Annual Payment:</b> <u>\$92,400</u>	<b>Lien Priority:</b> <u>1st</u> <b>Commitment Date</b> <u>2/ 13/ 2002</u>

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

**LIHTC SYNDICATION**

<b>Source:</b>	<u>Midland Equity Corporation</u>	<b>Contact:</b>	<u>Chris Diaz</u>
<b>Address:</b>	<u>33 N. Garden Avenue, Suite 1200</u>	<b>City:</b>	<u>Clearwater</u>
<b>State:</b>	<u>FL</u>	<b>Zip:</b>	<u>33755</u>
		<b>Phone:</b>	<u>(727) 461-4801</u>
		<b>Fax:</b>	<u>(727) 443-6067</u>
<b>Net Proceeds:</b>	<u>\$2,737,513</u>	<b>Net Syndication Rate (per \$1.00 of 10-yr LIHTC)</b>	<u>76¢</u>
<b>Commitment</b>	<input type="checkbox"/> None	<input type="checkbox"/> Firm	<input checked="" type="checkbox"/> Conditional
		<b>Date:</b>	<u>2/ 14/ 2002</u>
<b>Additional Information:</b>	<u></u>		

**APPLICANT EQUITY**

<b>Amount:</b>	<u>\$5,656</u>	<b>Source:</b>	<u>Deferred developer fee</u>
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**VALUATION INFORMATION**

**ASSESSED VALUE**

<b>Assessed Mkt. Value Land:</b>	<u>\$167,120 (293.2 Acres)</u>	<b>Assessment for the Year of:</b>	<u>2001</u>
<b>Assessed Ag Value:</b>	<u>\$28,730 (293.2 Acres)</u>	<b>Valuation by:</b>	<u>Lamar County Appraisal District</u>
<b>Prorata Assessed Mkt Value:</b>	<u>\$6,783 (11.9Acres)</u>	<b>Tax Rate:</b>	<u>\$1.9261/ \$100 (County and ISD only)</u>

**EVIDENCE of SITE or PROPERTY CONTROL**

<b>Type of Site Control:</b>	<u>Earnest money contract</u>		
<b>Contract Expiration Date:</b>	<u>8/ 31/ 2002</u>	<b>Anticipated Closing Date:</b>	<u>8/ 31/ 2002</u>
<b>Acquisition Cost:</b>	<u>\$ 101,150</u>	<b>Other Terms/Conditions:</b>	<u>\$500 earnest money</u>
<b>Seller:</b>	<u>Haynes, Haynes, &amp; Jones</u>	<b>Related to Development Team Member:</b>	<u>No</u>

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Residences on Stillhouse Road is a proposed new construction development of 76 units of mixed-income elderly housing located adjacent to the northern city limit in the city's extraterritorial jurisdiction zone. The development is comprised of 19 one-story fourplex residential buildings as follows:

- Fifteen Building Type A with four one-bedroom units
- Four Building Type B with two one-bedroom units and two two-bedroom units

Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community building located near the entrance to the site. The 1,950-square foot community building plan includes the management offices, two community rooms, a kitchen, restrooms, and laundry facilities.

**Supportive Services:** The Applicant has contracted with the Senior Citizens Council of Paris and Lamar County, DBA Kaufman Street Senior Citizens Center, to provide the following supportive services to tenants: meals, educational programs, unspecified social services, medical screening services, and prescription drug assistance. These services will be provided at no cost to tenants. The contract requires the Applicant to provide and maintain facilities in the community building for provision of the services, and to pay water, sewer, and trash services. The Applicant has budgeted \$6,000/year for these expenses. The services provider is to pay for electricity, gas, furnishings, equipment, supplies, transportation, insurance, staffing, and other daily operating costs.

**Schedule:** The Applicant anticipates construction to begin in January of 2003, to be completed in January of

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

2004, and to be placed in service and substantially leased-up in May of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 72 of the units (94%% of the total) will be reserved for low-income elderly tenants. One of the units (1%) will be reserved for households earning 30% or less of AMGI, eight units (10%) will be reserved for households earning 40% or less of AMGI, 22 units (28%) will be reserved for households earning 50% or less of AMGI, 41 units (53%) will be reserved for households earning 60% or less of AMGI, and the remaining four units will be offered at market rents.

**Special Needs Set-Asides:** There are no plans to reserve units exclusively for special needs tenants, but all units will be constructed to be easily modifiable to accommodate persons with disabilities.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 25 years.

**MARKET HIGHLIGHTS**

A market feasibility study dated February 25, 2002 was prepared by Ipser & Associates, Inc. and highlighted the following findings:

**Definition of Market/Submarket:** Lamar County (p. 2-5)

**Total Local/Submarket Demand for Rental Units:** "Population and household [growth] projections indicate that Paris and Lamar County are expected to continue growing at slow but steady rates." (p. 3-3)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	2	1%	5	3%
Resident Turnover	129	92%	155	97%
Other Sources	9	6%	n/a	n/a
<b>TOTAL ANNUAL DEMAND</b>	<b>140</b>	<b>100%</b>	<b>160</b>	<b>100%</b>

Ref: Exhibit N-1

**Capture Rate:** "The proposed project's 72 LIHTC units (excluding four market rate units) represent a 51.4% capture of the estimated 140 income-qualified households for LIHTC units...The subject's four market rate units represent a 2.3% capture of [the] 173 [income-qualified] households." (p. 3-4) This is one of two elderly developments in Paris that made application for 9% credits in 2002. The Paris Retirement Village is a proposed 76 unit development to be located about three miles south of the subject. Combined, the two developments will contain 152 elderly units, 140 of which will be LIHTC rent restricted units. If only the tax credit units are considered the market analyst's concentration capture rate could be recalculated at 100% which is the maximum possible for a rural community based on the TDHCA guidelines. The market analyst suggests a larger overlapping range for the demand for the market rate units which will result in a much lower capture rate.. The Underwriter used the market analyst's data to independently derive a slightly higher total demand and a resultant overall capture rate of 95%.

**Local Housing Authority Waiting List Information:** "The Paris Housing Authority has 60 names on the public housing waiting list, of which 10% are elderly/disabled persons,...and the existing Section 8 Program contains 250 names on the waiting list, 25 of which are elderly or disabled." (p. 2-20)

**Market Rent Comparables:** "I&A surveyed three elderly/retirement complexes [totaling 182 units] in Paris, all of which are independent living centers...I&A surveyed 13 other multifamily apartment complexes. These multifamily locations consist of 11 conventional, private market complexes [totaling 599 units] and two rental-assisted locations [totaling 378 units]." (p. 2-18)

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

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Market*</b>	<b>Differential</b>
<b>1-Bedroom (30%)</b>	\$185	\$185	\$0	\$490	-\$305
<b>1-Bedroom (40%)</b>	\$261	\$262	-\$1	\$490	-\$229
<b>1-Bedroom (50%)</b>	\$337	\$338	-\$1	\$490	-\$153
<b>1-Bedroom (60%)</b>	\$413	\$414	-\$1	\$490	-\$77
<b>1-Bedroom (MR)</b>	\$466	N/A	N/A	\$490	-\$24
<b>2-Bedroom (40%)</b>	\$298	\$298	\$0	\$592	-\$294
<b>2-Bedroom (50%)</b>	\$389	\$389	\$0	\$592	-\$203
<b>2-Bedroom (60%)</b>	\$480	\$480	\$0	\$592	-\$112
<b>2-Bedroom (MR)</b>	\$537	N/A	N/A	\$592	-\$55

Ref: p. 2-22, Ex. I-7

(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 the adjusted rent per square foot times the square footage of the proposed units. These rents are higher than the highest rents found in the market currently. The highest priced one-bedroom unit in the market currently is actually only \$460 and the most expensive two-bedroom/ one-bath unit is a tax credit unit at \$480. The rents proposed as market rents reflect significant adjustments to the average rent per foot. Based on these rents not being achieved currently they are considered to be somewhat suspect by the Underwriter.

**Submarket Vacancy Rates:** “Among the 13 private market and rental-assisted locations surveyed, physical occupancy was 85.7%, while the economic or leased occupancy rate was 86.4%...after excluding off-line units, occupancy increases to 86.5% and 87.2% leased. Among the 11 private market locations, occupancy was 93.7% and 94.8%, which increases to 93.8% and 95% leased after omitting one off-line unit. Rental-assisted projects reported an overall occupancy rate of 73%, increasing to 74.6% minus eight off-line units.” (p. 2-20) The Underwriter calculated the average occupancy rate at the three elderly projects to be 98%.

**Absorption Projections:** “Average absorption for the subject is estimated at 12 to 15 units per month. It is expected that a five-month lease-up period will be required to achieve 92.5% occupancy of the 76 units.” (p. 2-23)

**Known Planned Development:** No information provided. While the market analyst was also engaged by the competing 2002 tax credit applicant in Paris, he did not discuss this proposed development in his report. Also, Main Street Townhomes (LIHTC #01121) was awarded funds in 2001 for 76 family units.

**Effect on Existing Housing Stock:** “The construction of the proposed project may have some initial impact on the market, as some elderly residents of existing multifamily units may relocate to the new project.” (p. 2-12) “The addition of 76 units for householders aged 55 and over is not expected to have any significant long-term impact on the existing rental market. Elderly tenants, who currently rent in the conventional apartments, are expected to relocate to the new affordable housing, and any vacancies created should be readily filled.” (p. 3-3)

In both the market analyst’s calculation and the Underwriter’s estimate, a substantial amount of the demand, over 90%, comes from turnover from existing housing in the area. The same market analyst conducted the studies for both developments that are being proposed in Paris and has been asked by the Underwriter to re-evaluate the Department’s concentration capture rate and effect on the existing supply and on each other if both developments are approved for funding. According to the market analyst there are a total of 1,158 multifamily housing units in Paris 181 of which are exclusively for the elderly and 231 of the remaining units house elderly residents. The current total number of vacant units in the market is 142 which equates to an overall 87.7% occupancy rate. The addition of the proposed 152 units could reduce the overall occupancy rate to 85% if no growth or elimination of substandard units is considered. It is also worth noting that since 1990 building permits for only 305 multi-family units have been issued with an average of 28 per year and no year with more than 34 units being permitted (Exhibit I-1). The 76 unit family development receiving tax credit funds will, itself, provide over two years of multifamily supply growth compare tot the City’s ten year history. Since that development is a family development it is a different type than the proposed developments

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and therefore is not considered in the concentration capture calculation. It would appear from the Underwriter's demand that allocating tax credits to both proposed developments would be within the Department's concentration capture rate policy, but it also would be an aggressive increase in the number of units in this market and may have unfavorable lingering consequences for the existing multi-family developments in Paris.

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Paris is located in northeast Texas, approximately 90 miles northeast of Dallas in Lamar County. The site is an irregularly-shaped parcel located in the city's ETJ adjacent to the northern city limit, approximately three miles from the central business district. The site is set back 300 feet southeast of Stillhouse Road.

**Population:** The estimated 2000 elderly population of Lamar County was 12,504, and was forecast to increase by 5% to approximately 13,196 by 2005. Within the primary market area there were estimated to be 5,279 households having members age 65 and older in 2000.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly vacant land, along with residential and other uses. Adjacent land uses include:

- **North:** Vacant pastureland
- **South:** Vacant pastureland with cultivated field beyond
- **East:** Vacant pastureland
- **West:** Vacant pastureland fronting Stillhouse Road, with a combined elementary school, middle school, and high school campus beyond. Adjoining the campus to the southwest is a hospital and medical offices, with four multifamily residential developments beyond.

**Site Access:** Access to the property is from the northeast or southwest from Stillhouse Road. The development is to have one main entry from the west via a to-be-constructed access road off of Stillhouse Road. Access to U.S. Highway 82 is one-half mile south, which is a loop around the city and provides connections to all other major roads serving the Paris area.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** The site is within three miles of two major grocery/pharmacies and a variety of other retail establishments and restaurants. A major hospital is located across Stillhouse Road and churches, two senior centers, city facilities, and other health care facilities are located within a short driving distance from the site.

**Site Inspection Findings:** TDHCA staff performed a site inspection on April 2, 2002 and found the location to be acceptable for the proposed development.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated February 21, 2002 was prepared by Raba-Kistner Consultants, Inc. and contained the following findings and recommendations:

**Findings:** "Based on the information reviewed, there was no evidence that the site or adjacent properties are currently under environmental regulatory review or enforcement action. R-K's site reconnaissance and interview sources revealed no recognized environmental conditions involving the site." (p. 12)

**Recommendations:** Based on the information as presented herein, no further environmental assessment of the site is considered warranted at this time." (p. 13)

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant's rent projections are the maximum rents allowed under LIHTC guidelines, and are achievable according to the market analyst. The market analyst also suggested that the proposed market rents are achievable in the market by making adjustments to the square footage rent of a selected number of comparables. The adjusted market rents that were concluded by the market analyst are \$43 and \$67 more than the highest rents currently being achieved in the market and therefore are considered to be speculative. The Applicant used somewhat lower market rents but chose rents that were still \$6 and \$57 higher than the highest rent in the market currently. The Underwriter utilized the current market maximums as the market rents in lieu of the market rents proposed. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines.

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**Expenses:** The Applicant's total expense estimate of \$2,850 per unit is within 1% of an adjusted TDHCA database-derived estimate for comparably-sized projects. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$4.3K lower), payroll (\$7.7K lower), repairs and maintenance (\$6.8K higher), utilities (\$2K lower), water, sewer, and trash (\$4.7K higher), and insurance (\$3.3K higher). The Applicant's management fee estimate amounts to 4% of effective gross income which is lower than customary, but the Applicant provided acceptable substantiation for this estimate and the Underwriter's estimate was adjusted accordingly.

**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 \$101,150 (\$0.20/SF or \$8,500/acre) is regarded as reasonable by the market analyst in comparison to recent comparable land sales, and the acquisition is an arm's-length transaction.

**Off-Site Costs:** The Applicant claimed off-site costs of \$30K for 2,300 linear feet of sanitary sewer and provided sufficient certification to justify these costs.

**Sitework Cost:** The Applicant's claimed sitework costs of \$5,557 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's costs are \$327K (15%) lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated, although some economies may be expected by the use of a related general contractor. As justification of this estimate the Applicant provided construction cost data on six of the General Contractor's other affordable elderly developments in Texas either recently completed or under construction which reportedly have similar construction costs, but the mean per unit cost of these projects is within 1% of the Underwriter's estimate for the subject development.

**Fees:** The Applicant's developer's and contractor's fees slightly exceed the maximums allowed by LIHTC guidelines based on their own construction costs by a total of \$10,465. Consequently the Applicant's eligible fees in these areas have been reduced with the overage effectively moved to ineligible costs.

**Conclusion:** The Underwriter regards total costs to be understated by \$327K or 7.8%. This percentage exceeds the acceptable 5% margin of tolerance, and therefore the Underwriter's cost estimate is used to size the total sources of funds needed for the development. The Department's underwriting guidelines require that in such a situation the lesser Applicant's requested credit amount, as adjusted for the current applicable percentage, is used to establish the eligible basis method of determining the credit amount. In this case the Applicant's eligible basis was also reduced for the slight overstatement of eligible fees as discussed above. As a result an eligible basis of \$3,441,451 is used to determine a credit allocation of \$356,659 from this method. The resulting syndication proceeds will be used to compare to the gap of need using the Underwriter's costs to determine the recommended credit amount.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with five types of financing from four sources: a conventional interim to permanent loan, a Housing Trust Fund loan, a State Energy Conservation Office (SECO) grant, syndicated LIHTC equity, and deferred developer's fees.

**Conventional Interim to Permanent Loan:** There is a commitment for interim to permanent financing through Midland Mortgage Investment Corporation in the amount of \$1,500,000 during the interim period and \$1,049,427 at conversion to permanent. The commitment letter indicated a term of 24 months for the construction portion and 15 years for the permanent, with a 30-year amortization schedule. The variable interest rate during the interim period is to be 1% above the Wall Street Journal prime rate, with a minimum of 6%, and is estimated by the lender at 6%. The permanent loan interest rate will be fixed at 40 basis points above an unspecified index to be selected at rate lock by the lender, with a minimum of 6.75%, a maximum

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of 9.25%, and a collar spread of 125 basis points, and is estimated and underwritten at 8%.

**LIHTC Syndication:** Midland Equity Corporation has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$2,737,513 based on a syndication factor of 76%. The funds would be disbursed in a three-phased pay-in schedule:

1. 35% upon the later of: admission to the partnership, closing of the construction loan, or land acquisition;
2. 35% within 30 days of the later of: completion of construction or receipt of cost certification;
3. 30% within 30 days of the later of: closing of the permanent mortgage loan, receipt of IRS Forms 8609, 90% physical occupancy for three consecutive months, or attainment of a 1.15 DCR for 90 days.

**Housing Trust Fund (HTF) Loan:** The Applicant has requested a loan of \$70,000 from the HTF to subsidize the development's 30% AMI units. The Applicant requested an interest rate of 1% and the Underwriter used this rate in this analysis. The HTF application appears to meet the program's threshold requirements but as of the date of this report, it is unknown if its score will be high enough to recommend it for funding.

**SECO Grant:** The Applicant has requested a grant of \$30,000 in SECO funds to apply toward energy efficiency features. Likewise it is unknown as of the date of this underwriting if these funds will be recommended for allocation to this development.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$5,656 amount to 1% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$356,659 annually for ten years, resulting in syndication proceeds of approximately \$2,710,340. The Applicant's HTF and SECO requests are in compliance with programmatic threshold requirements and may score high enough to be funded, and these funds are required for the feasibility of the development. While sufficient additional developer and contractor fees exist for deferral to substitute for these sources they would not be repayable out of cash flow in 15 years even at zero percent interest. If HTF program staff elects to award the funds in the amounts requested, the proposed rates and terms are within the Department guidelines and thus the HTF loan should bear an interest rate of 1% and have a term and amortization schedule of 30 years. With the HTF and SECO funds, based on the Underwriter's greater development cost estimate, the Applicant's deferred developer fee will be increased to \$360,322, which represents approximately 80% of the total fee and which should be repayable just prior to year 15. Alternatively, without the HTF and SECO funds 100% of the developer fee would require deferral along with \$11,437 (4%) of the contractor fees, which would likely not be repayable until after year 15. Thus, without the HTF and SECO funds the development is not feasible as the un-repayable nature of the developer fees would make them ineligible. This would, therefore, reduce the credit allocation which would in return require additional deferred developer fees that again would be un-repayable and cause the cycle to occur again and again until no developer fee is left to defer but a significant gap of unfunded costs remains.

Under either alternative required deferral of developer fee would exceed 50% and therefore the application's extremely low-income points would be forfeited and the score reduced.

**REVIEW of ARCHITECTURAL DESIGN**

The units are in one-story fourplex structures with mixed brick veneer and cement siding exterior finish and hipped and gabled roofs. Each unit has a semi-private exterior entry that is shared with another unit. All units are of average size for market rate and LIHTC units, and have covered patios with outdoor storage closets and inside utility closets with hookups for full-size appliances.

**IDENTITIES of INTEREST**

The Developer is owned by the General Partners. Dan Allgeier owns both the Co-General Partner (Housing Associates, Inc.) and the General Contractor. The Property Manager shares office space with and pays rent to Housing Associates, Inc. The Architect is owned by the principals of the Managing General Partner (Texas Housing Associates, Inc.). These are common relationships for LIHTC-funded developments.

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

**Financial Highlights:**

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

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- The Managing General Partner, Texas Housing Associates, Inc., submitted an unaudited financial statement as of February 20, 2002 reporting total assets of \$2.2M and consisting of \$34K in cash, \$898K in receivables, \$1.29M in real property, and \$15K in fixtures. Liabilities totaled \$31K, resulting in a net worth of \$2.17M.
- Housing Associates, Inc., the Co-General Partner, submitted an unaudited financial statement as of February 13, 2002 reporting total assets of \$2.87M and consisting of \$223K in cash, \$882K in receivables, \$674K in real property, \$1.5K in machinery, equipment, and fixtures, and \$1.09M in partnership interests. Liabilities totaled \$83.5K, resulting in a net worth of \$2.79M.

**Background & Experience:**

- The Applicant is a new entity formed for the purpose of developing the project.
- Laura and Mark Musemeche, the principals of the Managing General Partner, listed participation as general partner on five previous LIHTC housing developments totaling 530 units since 1997.
- The Co-General Partner, Housing Associates, Inc., has participated as general partner or developer on five previous LIHTC housing developments totaling 506 units since 1996.
- The Developer, Kingsway Development Group LLC has developed one previous LIHTC housing developments of 76 units.
- Dan Allgeier, principal of the Co-General Partner and General Contractor, listed participation as general partner on seven previous affordable housing developments totaling 262 units since 1996.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's development costs differ from the Underwriter's verifiable estimate by more than 5%.
- Significant inconsistencies in the application could affect the financial feasibility of the project.
- The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).
- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$356,659 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HTF AWARD NOT TO EXCEED \$70,000, STRUCTURED AS A SECOND LIEN, LOAN AT 1% INTEREST, AMORTIZED OVER 30 YEARS AFTER A NORMAL AND CUSTOMARY CONSTRUCTION PERIOD AND APPROVAL OF \$30,000 GRANT OF STATE ENERGY CONSERVATION OFFICE FUNDS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Review and reduction of the application points for deep income targeting due to the Underwriter's anticipated deferred developer fee exceeding 50%; and
2. Should the interest rate, term, or loan amount regarding the proposed permanent first lien change, a re-evaluation of the status of the HTF loan and the recommended credit amount should be conducted.

**ALTERNATIVE**



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SHOULD THE HTF AND SECO FUNDS NOT BE APPROVED, THE TAX CREDIT ALLOCATION SHOULD NOT BE MADE DUE TO THE FOLLOWING:

- The deferred developer fee will exceed an amount that can reasonably be expected to be repaid in 15 years and this would unwind the tax credit allocation by inextricably reducing the eligible developer fee to zero, and without a source of fees to defer to fund the significant remaining gap the development would be infeasible.

**Credit Underwriting Supervisor:**

\_\_\_\_\_  
*Jim Anderson*

**Date:** May 17, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** May 17, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Residence on Stillhouse Road, 9% LIHTC #02040**

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, Trash
TC (30%)	1	1	1	650	\$227	\$185	\$185	\$0.28	\$42.50	\$39.97
TC (40%)	7	1	1	650	304	\$262	1,831	0.40	42.50	39.97
TC (50%)	21	1	1	650	380	\$338	7,088	0.52	42.50	39.97
TC (60%)	36	1	1	650	456	\$414	14,886	0.64	42.50	39.97
MR	3	1	1	650		460	1,380	0.71	42.50	39.97
TC (40%)	1	2	1	900	365	298	298	0.33	66.94	53.59
TC (50%)	1	2	1	900	456	389	389	0.43	66.94	53.59
TC (60%)	5	2	1	900	547	480	2,400	0.53	66.94	53.59
MR	1	2	1	900		480	480	0.53	66.94	53.59
<b>TOTAL:</b>	<b>76</b>		<b>AVERAGE:</b>	<b>676</b>	<b>\$399</b>	<b>\$381</b>	<b>\$28,936</b>	<b>\$0.56</b>	<b>\$45.07</b>	<b>\$41.40</b>

**INCOME** Total Net Rentable Sq Ft **51,400**

POTENTIAL GROSS RENT  
 Secondary Income Per Unit Per Month: \$10.00  
 Other Support Income: (describe)

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

EFFECTIVE GROSS INCOME

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	6.49%	\$282	\$0.42
Management	4.00%	173	0.26
Payroll & Payroll Tax	16.06%	697	1.03
Repairs & Maintenance	7.60%	330	0.49
Utilities	3.18%	138	0.20
Water, Sewer, & Trash	11.46%	497	0.73
Property Insurance	3.04%	132	0.19
Property Tax 1.9261	6.66%	289	0.43
Reserve for Replacements	4.61%	200	0.30
Other Expenses:	2.17%	94	0.14

TOTAL EXPENSES **65.27%** **\$2,831** **\$4.19**

NET OPERATING INC **34.73%** **\$1,506** **\$2.23**

**DEBT SERVICE**

	%	PER UNIT	PER SQ FT
First Lien Mortgage	28.03%	\$1,216	\$1.80
LIHTC Syndication Proceeds	0.00%	\$0	\$0.00
Housing Trust Fund Loan	0.82%	\$36	\$0.05
NET CASH FLOW	5.88%	\$255	\$0.38

AGGREGATE DEBT COVERAGE RATIO

ALTERNATIVE DEBT COVERAGE RATIO

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bl)		2.40%	\$1,331	\$1.97
Off-Sites		0.71%	395	0.58
Sitework		10.01%	5,557	8.22
Direct Construction		51.34%	28,510	42.16
Contingency 4.10%		2.51%	1,396	2.06
General Require 5.39%		3.31%	1,837	2.72
Contractor's G 1.80%		1.10%	612	0.91
Contractor's Pr 5.39%		3.31%	1,837	2.72
Indirect Construction		4.41%	2,447	3.62
Ineligible Expenses		5.53%	3,073	4.54
Developer's G & A 2.70%		2.13%	1,184	1.75
Developer's Profit 10.82%		8.54%	4,740	7.01
Interim Financing		2.90%	1,609	2.38
Reserves		1.80%	1,000	1.48
TOTAL COST		100.00%	\$55,527	\$82.10
Recap-Hard Construction Costs		71.58%	\$39,749	\$58.77

**SOURCES OF FUNDS**

	%	PER UNIT	PER SQ FT
First Lien Mortgage	24.87%	\$13,808	\$20.42
LIHTC Syndication Proceeds	64.87%	\$36,020	\$53.26
Housing Trust Fund Loan	1.66%	\$921	\$1.36
SECO Grant			
Deferred Dev. & Contr. Fees	0.13%	\$74	\$0.11
Additional (excess) Funds Req	7.76%	\$4,309	\$6.37
TOTAL SOURCES			

	TDHCA	APPLICANT		
	\$347,226	\$347,748		
	9,120	9,120	\$10.00	Per Unit Per Month
	0	0		
	\$356,346	\$356,868		
	(26,726)	(26,760)	-7.50%	of Potential Gross Rent
	0	0		
	\$329,620	\$330,108		
			PER SQ FT	PER UNIT
	\$21,401	\$17,120	\$0.33	\$225
	13,185	13,204	0.26	174
	52,942	45,213	0.88	595
	25,051	31,860	0.62	419
	10,482	8,400	0.16	111
	37,760	35,317	0.69	465
	10,008	13,296	0.26	175
	21,958	29,814	0.58	392
	15,200	15,200	0.30	200
	7,140	7,140	0.14	94
	\$215,127	\$216,565	\$4.21	\$2,850
	\$114,494	\$113,543	\$2.21	\$1,494
	\$92,404	\$92,400	\$1.80	\$1,216
	0	0	\$0.00	\$0
	2,702	3,875	\$0.08	\$51
	\$19,388	\$17,268	\$0.34	\$227
	1.20	1.18		
	1.20			

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$101,150	\$101,150	\$1.97	\$1,331	2.60%
	30,000	30,000	0.58	395	0.77%
	422,300	422,300	8.22	5,557	10.85%
	2,166,793	1,839,300	35.78	24,201	47.25%
	106,093	106,093	2.06	1,396	2.73%
	139,596	139,596	2.72	1,837	3.59%
	46,532	46,532	0.91	612	1.20%
	139,596	139,596	2.72	1,837	3.59%
	186,000	186,000	3.62	2,447	4.78%
	233,530	233,530	4.54	3,073	6.00%
	90,000	90,000	1.75	1,184	2.31%
	360,250	360,250	7.01	4,740	9.25%
	122,249	122,249	2.38	1,609	3.14%
	76,000	76,000	1.48	1,000	1.95%
	\$4,220,089	\$3,892,596	\$75.73	\$51,218	100.00%
	\$3,020,910	\$2,693,417	\$52.40	\$35,440	69.19%

	ALT 1 (W/HTF)			ALT 2 W/O HTF	
	\$1,049,427	\$1,049,427	\$1,049,427	\$1,049,427	
	2,737,513	2,737,513	2,710,340	2,710,340	
	70,000	70,000	70,000	0	
	30,000	30,000	30,000	0	
	5,656	5,656	360,322	460,322	
	327,493	0	\$0	\$0	
	\$4,220,089	\$3,892,596	\$4,220,089	\$4,220,089	

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook

Average Quality Multiple Residence Basis

**PAYMENT COMPUTATION**

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$44.51	\$2,287,711
<b>Adjustments</b>				
Exterior Wall Fini	6.25%		\$2.78	\$142,982
Elderly	5.00%		2.23	114,386
Roofing			0.00	0
Subfloor			(1.96)	(100,744)
Floor Cover			1.82	93,548
Porches/Balconies	\$16.23	5,316	1.68	86,279
Plumbing	\$585	0	0.00	0
Built-In Appliance	\$1,550	76	2.29	117,800
Stairs/Fireplaces			0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.41	72,474
Garages/Carports		0	0.00	0
Comm &/or Aux Bldg	\$60.02	1,950	2.28	117,041
Other:			0.00	0
<b>SUBTOTAL</b>			<b>57.03</b>	<b>2,931,476</b>
Current Cost Multiplier	1.04		2.28	117,259
Local Multiplier	0.87		(7.41)	(381,092)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$51.90</b>	<b>\$2,667,643</b>
Plans, specs, survy, b	3.90%		(\$2.02)	(\$104,038)
Interim Construction I	3.38%		(1.75)	(90,033)
Contractor's OH & Prof	11.50%		(5.97)	(306,779)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$42.16</b>	<b>\$2,166,793</b>

<b>Primary</b>	\$1,049,427	Term	360
Int Rate	8.00%	DCR	1.24

<b>Secondary</b>		Term	
Int Rate	0.00%	Subtotal DCR	1.24

<b>Additional</b>	\$70,000	Term	360
Int Rate	1.00%	Aggregate DCR	1.20

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$92,404
Secondary Debt Service	0
Additional Debt Service	2,702
<b>NET CASH FLOW</b>	<b>\$19,388</b>

<b>Primary</b>	\$1,049,427	Term	360
Int Rate	8.00%	DCR	1.24

<b>Secondary</b>	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.24

<b>Additional</b>	\$70,000	Term	360
Int Rate	1.00%	Aggregate DCR	1.20

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

INCOME	a/	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT			\$347,226	\$357,643	\$368,372	\$379,423	\$390,806	\$453,051	\$525,210	\$608,863	\$818,261
Secondary Income			9,120	9,394	9,675	9,966	10,265	11,900	13,795	15,992	21,492
Other Support Income: (d)			0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME			356,346	367,036	378,047	389,389	401,071	464,951	539,005	624,855	839,753
Vacancy & Collection Los			(26,726)	(27,528)	(28,354)	(29,204)	(30,080)	(34,871)	(40,425)	(46,864)	(62,981)
Employee or Other Non-Re			0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME			\$329,620	\$339,509	\$349,694	\$360,185	\$370,990	\$430,079	\$498,580	\$577,991	\$776,771
EXPENSES	at	4.00%									
General & Administrative			\$21,401	\$22,257	\$23,147	\$24,073	\$25,036	\$30,460	\$37,060	\$45,089	\$66,742
Management			13,185	13,580	13,988	14,407	14,840	17,203	19,943	23,120	31,071
Payroll & Payroll Tax			52,942	55,060	57,262	59,553	61,935	75,353	91,678	111,541	165,108
Repairs & Maintenance			25,051	26,053	27,096	28,179	29,307	35,656	43,381	52,780	78,127
Utilities			10,482	10,901	11,337	11,791	12,263	14,919	18,152	22,084	32,690
Water, Sewer & Trash			37,760	39,271	40,841	42,475	44,174	53,744	65,388	79,555	117,761
Insurance			10,008	10,408	10,824	11,257	11,707	14,244	17,330	21,084	31,210
Property Tax			21,958	22,836	23,749	24,699	25,687	31,252	38,023	46,261	68,478
Reserve for Replacements			15,200	15,808	16,440	17,098	17,782	21,634	26,321	32,024	47,404
Other			7,140	7,426	7,723	8,032	8,353	10,162	12,364	15,043	22,267
TOTAL EXPENSES			\$215,127	\$223,600	\$232,408	\$241,564	\$251,083	\$304,629	\$369,641	\$448,580	\$660,857
NET OPERATING INCOME			\$114,494	\$115,909	\$117,286	\$118,620	\$119,907	\$125,450	\$128,939	\$129,410	\$115,914
DEBT SERVICE											
First Lien Financing			\$92,404	\$92,404	\$92,404	\$92,404	\$92,404	\$92,404	\$92,404	\$92,404	\$92,404
Second Lien			0	0	0	0	0	0	0	0	0
Other Financing			2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702	2,702
NET CASH FLOW			\$19,388	\$20,803	\$22,180	\$23,515	\$24,802	\$30,345	\$33,833	\$34,305	\$20,809
DEBT COVERAGE RATIO			1.20	1.22	1.23	1.25	1.26	1.32	1.36	1.36	1.22

**LIHTC Allocation Calculation - Residence on Stillhouse Road, 9% LIHTC #C**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$101,150	\$101,150		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$422,300	\$422,300	\$422,300	\$422,300
Off-site improvements	\$30,000	\$30,000		
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$1,839,300	\$2,166,793	\$1,839,300	\$2,166,793
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$46,532	\$46,532	\$45,232	\$46,532
Contractor profit	\$139,596	\$139,596	\$135,696	\$139,596
General requirements	\$139,596	\$139,596	\$135,696	\$139,596
<b>(5) Contingencies</b>				
	\$106,093	\$106,093	\$106,093	\$106,093
<b>(6) Eligible Indirect Fees</b>				
	\$186,000	\$186,000	\$186,000	\$186,000
<b>(7) Eligible Financing Fees</b>				
	\$122,249	\$122,249	\$122,249	\$122,249
<b>(8) All Ineligible Costs</b>				
	\$233,530	\$233,530		
<b>(9) Developer Fees</b>				
			\$448,885	
Developer overhead	\$90,000	\$90,000		\$90,000
Developer fee	\$360,250	\$360,250		\$360,250
<b>(10) Development Reserves</b>				
	\$76,000	\$76,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$3,892,596</b>	<b>\$4,220,089</b>	<b>\$3,441,451</b>	<b>\$3,779,409</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$3,441,451</b>	<b>\$3,779,409</b>
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$4,473,886</b>	<b>\$4,913,232</b>
Applicable Fraction			94.46%	94.46%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$4,225,820</b>	<b>\$4,640,806</b>
Applicable Percentage			8.44%	8.44%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$356,659</b>	<b>\$391,684</b>

Syndication Proceeds	0.7599	\$2,710,340	\$2,976,502
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# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02040/2-02-017      LIHTC 9%     LIHTC 4%   
**Project Name:** Residence on Stillhouse Road      HOME       HTF   
**Project City:** Paris      BOND       SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 2      # not yet monitored or pending review 3

# of projects grouped by score    0-9: 2    10-19: 0    20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received Yes

Non-Compliance Reported No

**Completed by** Jennifer Joyce      **Completed on** 05/07/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable     no outstanding issues     outstanding issues

Comments:

**Completed by** Lucy Trevino      **Completed on** 05/23/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Ralph Hendrickson      **Completed on** 05/17/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** EEF      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Chudson      **Completed on** 06/06/2002

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Executive Director:** \_\_\_\_\_      **Date Signed:** \_\_\_\_\_

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

DATE: June 5, 2002      PROGRAM: 9% LIHTC      FILE NUMBER: 02070

**DEVELOPMENT NAME**

Woodview Apartments

**APPLICANT**

**Name:** W.V. Housing, Ltd.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 414 Hays Street, Suite 406      **City:** Dripping Springs      **State:** TX  
**Zip:** 78620    **Contact:** John O. Boyd      **Phone:** (512) 858-2674    **Fax:** (512) 858-2387

**PRINCIPALS of the APPLICANT**

**Name:** W.V. Housing I, LLC      (%): .01      **Title:** Managing General Partner  
**Name:** MuniMae Midland, LLC      (%): 99.99      **Title:** Initial Limited Partner  
**Name:** Tx Inter-Faith Housing Corporation      (%): na/      **Title:** Not for Profit Co-GP

**GENERAL PARTNER**

**Name:** W.V. Housing I, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 414 Hays Street, Suite 406      **City:** Dripping Springs      **State:** TX  
**Zip:** 78620    **Contact:** John O. Boyd      **Phone:** (512) 858-2674    **Fax:** (512) 858-2387

**PROPERTY LOCATION**

**Location:** 1607 32<sup>nd</sup> Street       **QCT**     **DDA**  
**City:** Wichita Falls      **County:** Wichita      **Zip:** 76302

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$822,833	N/A	N/A	N/A
<b>Other Requested Terms:</b> <u>Annual ten-year allocation of low-income housing tax credits</u>			
<b>Proposed Use of Funds:</b> <u>New construction</u> <b>Set-Aside:</b> <input checked="" type="checkbox"/> General <input type="checkbox"/> Rural <input type="checkbox"/> Non-Profit			

**SITE DESCRIPTION**

**Size:** 6.535 acres    284,665 square feet    **Zoning/ Permitted Uses:** LI & SF-2  
**Flood Zone Designation:** Zone X      **Status of Off-Sites:** Fully Improved

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 104    **# Rental Buildings:** 7    **# Common Area Bldgs:** 1    **# of Floors:** 2    **Age:** n/a yrs    **Vacant:** \_\_\_\_\_ at / /

Number	Bedrooms	Bathroom	Size in SF
72	2	2	963
32	3	2	1,147

**Net Rentable SF:** 106,040    **Av Un SF:** 1,020    **Common Area SF:** 2,898    **Gross Bldng SF:** 108,938

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab on grade, 80% stucco/20% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, cable, high speed internet access

**ON-SITE AMENITIES**

2,898-SF community building with activity center, management offices, fitness & laundry facilities, kitchen, restrooms, computer/business center, central mailroom, swimming pool, equipped children's play area, sports courts, perimeter fencing with limited access gate

**Uncovered Parking:** 211 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**INTERIM CONSTRUCTION or GAP FINANCING**

**Source:** Midland Mortgage Investment Corporation    **Contact:** John Mullaney

**Principal Amount:** \$2,400,000    **Interest Rate:** 6%

**Additional Information:** \_\_\_\_\_

**Amortization:** N/A yrs    **Term:** \_\_\_\_\_ yrs    **Commitment:**     None     Firm     Conditional

**LONG TERM/PERMANENT FINANCING**

**Source:** Midland Mortgage Investment Corporation    **Contact:** John Mullaney

**Principal Amount:** \$2,017,000    **Interest Rate:** 8%

**Additional Information:** \_\_\_\_\_

**Amortization:** 30 yrs    **Term:** 15 yrs    **Commitment:**     None     Firm     Conditional

**Annual Payment:** \$177,600    **Lien Priority:** 1st    **Commitment Date:** 02/ 21/ 2002



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

**LONG TERM/PERMANENT FINANCING**

**Source:** Nortex Housing Finance Corporation **Contact:** Dave Clark  
**Principal Amount:** \$15,000 **Interest Rate:** n/a  
**Additional Information:** Proposed grant for annual payment totaling \$15,000  
**Amortization:** n/a yrs **Term:** n/a yrs **Commitment:**  None  Firm  Conditional  
**Annual Payment:** n/a **Lien Priority:** n/a **Commitment Date** / /

**LIHTC SYNDICATION**

**Source:** Midland Equity Corporation **Contact:** Chris Diaz  
**Address:** 33 North Garden Avenue, Suite 1200 **City:** Clearwater  
**State:** FL **Zip:** 33755 **Phone:** (727) 461-4801 **Fax:** (727) 443-6067  
**Net Proceeds:** \$6,499,731 **Net Syndication Rate** (per \$1.00 of 10-yr LIHTC) 79¢  
**Commitment**  None  Firm  Conditional **Date:** 02/ 26/ 2002  
**Additional Information:** \_\_\_\_\_

**APPLICANT EQUITY**

**Amount:** \$306,802 **Source:** Deferred developer fee

**VALUATION INFORMATION**

**ASSESSED VALUE**

**Land:** \$335,772 **Assessment for the Year of:** 2001  
**Building:** n/a **Valuation by:** Wichita County Appraisal District  
**Total Assessed Value:** \$335,772 **Tax Rate:** 2.43114

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest money contract  
**Contract Expiration Date:** 11/ 01/ 2002 **Anticipated Closing Date:** 11/ 01/ 2002  
**Acquisition Cost:** \$ 346,630 **Other Terms/Conditions:** \_\_\_\_\_  
**Seller:** Ronnie Ford etux Sallie Ford/Robert Lee Johnson etux Janis Gayle Johnson **Related to Development Team Member:** No

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Woodview Apartments is a proposed new construction development of 98 affordable housing units and 6 market rate units located in Wichita Falls, Texas. The development is comprised of 7 residential buildings as follows:

- (4) Building Type I with eight 2-bedroom units and eight 3- bedroom units;
- (2) Building Type II with sixteen 2- bedroom units;
- (1) Building Type III with eight 2- bedroom units;

Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community

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

building, mailboxes, and swimming pool located near the entrance to the site. The 2,898-square foot community building plan includes the management office, activity center, classroom, business center, fitness center, kitchen, restrooms, and laundry facilities.

**Supportive Services:** The Applicant has contracted with Texas Inter-Faith Management Corporation to provide the following supportive services to tenants: personal growth opportunities program, family skills development program, education program, fun and freedom activities program, neighborhood advancement program, and information and referral services for other local service providers. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services, to pay a one-time startup fee of \$1,000 plus \$8.98/unit per month for these support services. The Applicant has reflected this expense amount in their operating budget.

**Schedule:** The Applicant anticipates construction to begin in January of 2003, to be completed in January of 2004, and to be substantially leased-up in March of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 98 of the units will be reserved for low income tenants and the remaining 6 units will be set at market rents. 1 of the units (1%) will be reserved for households earning 30% or less of AMGI, 30 units (29%) will be reserved for households earning 40% or less of AMGI, 40 units (38%) will be reserved for households earning 50% or less of AMGI, 27 units (26%) will be reserved for households earning 60% or less of AMGI and the remaining 6 units (6%) will be offered at market rents.

**Special Needs Set-Asides:** Eleven units (10.6%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 25 years.

**MARKET HIGHLIGHTS**

A market feasibility study dated March 27, 2002 was prepared by National Realty Consultants and highlighted the following findings:

**Definition of Market/Submarket:** “The apartment projects within the city of Wichita Falls are scattered throughout the city and it is our opinion that the market area from which the subject property draws is probably within a five mile radius.” (p. 38)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
<b>Type of Demand</b>	<b>Market Analyst</b>		<b>Underwriter</b>	
	<b>Units of Demand</b>	<b>% of Total Demand</b>	<b>Units of Demand</b>	<b>% of Total Demand</b>
Household Growth	N/A	N/A	-3	0%
Turnover Demand	N/A	N/A	1,835	100%
Qualified Renter Households	2,895	100%	N/A	N/A
<b>TOTAL ANNUAL DEMAND</b>	<b>2,895</b>	<b>100%</b>	<b>1,832</b>	<b>100%</b>

Ref: p. 39-41

**Capture Rate:** The Market Analyst calculated a capture rate of 8.22% based on the entire potential income eligible renter household figure. This calculation is more akin to a penetration rate as demand should have been adjusted by an estimated turnover percentage to be consistent with the Department’s methodology. The Underwriter calculated a concentration capture rate of 12% based upon the information supplied by the market analyst and a recalculated demand estimate. The Underwriter also included 112 unites approved last year for Parkstone Crossroads as comparable family units that have not yet stabilized.

**Market Rent Comparables:** The market analyst surveyed 6 comparable apartment projects totaling 1,253 units in the market area. (p. 42-49)

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

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
<b>Unit Type (% AMI)</b>	<b>Proposed</b>	<b>Program Max</b>	<b>Differential</b>	<b>Market</b>	<b>Differential</b>
<b>2-Bedroom (30%)</b>	\$212	\$212	\$0	\$695	-\$483
<b>2-Bedroom (40%)</b>	\$304	\$304	\$0	\$695	-\$391
<b>2-Bedroom (50%)</b>	\$396	\$396	\$0	\$695	-\$299
<b>2-Bedroom (60%)</b>	\$488	\$488	\$0	\$695	-\$207
<b>2-Bedroom (MR)</b>	\$625	N/A	N/A	\$695	-\$70
<b>3-Bedroom (40%)</b>	\$340	\$340	\$0	\$770	-\$430
<b>3-Bedroom (50%)</b>	\$446	\$446	\$0	\$770	-\$324
<b>3-Bedroom (60%)</b>	\$553	\$553	\$0	\$770	-\$217
<b>3-Bedroom (MR)</b>	\$700	N/A	N/A	\$770	-\$70

(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)

**Submarket Vacancy Rates:** “Existing high occupancy rates in the subject’s submarket area are at levels that indicate a need for additional housing. A projection of occupancy rates for the time the proposed subject units go into service in approximately 12 to 18 months is expected to be in the low to mid 90% range in all projects.” (p. 55)

**Absorption Projections:** “In evaluating the absorption rates in the proposed project’s market area, several factors affecting rental housing demand must be considered.

- The continued increase in Wichita Falls MSA employment, as evidenced by recent and planned expansion, will continue to maintain a positive demand level for rental housing.
- A LIHTC project in south Wichita Falls (approximately 2 miles south of the subject) absorbed 180 units within 360 days of completion of the improvements.
- Existing high occupancy rates in the subject’s submarket area are at levels that indicate a need for additional housing. A projection of occupancy rates at the time the proposed subject units go into service in approximately 12 to 18 months is expected to be in the low to mid 90% range in all projects.
- The subject project will be located in an area of commercial and residential development.
- There is a general reduction in available affordable units for low income families. Increasing rents throughout the area are pricing many low-income families out of the market for safe, decent housing. In order to find affordable housing, these families are being forced to move into substandard and unsafe housing. According to the leasing agents of several of the respective comparable rental projects, a small percentage of the units surveyed participate in affordable housing programs.
- It should be noted that few apartment projects have been constructed in the immediate subject area in recent years. Current projections indicate that in the near future there will be a further shortage of units, especially for quality low income housing, resulting in a continued upward movement of rents.
- Occupancy projections for properties in the area will likely be at the low to mid 90% level. As noted, our survey indicated that current occupancies for Class C and lower properties are in the low to high 90’s. The subject property will be a Class B property and should be able to achieve occupancy rates at least matching the occupancy rates of the comparable properties.
- The maximum allowable rent under the LIHTC program is lower than the current market rental rates for Class C properties. The subject units should benefit by offering superior units for these rental rates.
- The current supply of quality housing is inadequate as evidenced by the high number of people on the waiting list for Section 8 housing.” (p. 55-56)

**Known Planned Development:** “Other than the subject property, there is expected to be no new conventional construction in the immediate future.” (p. 29) The Analyst did not take into account Parkstone Crossing, a 112 unit family development approved last year nor Parkstone Seniors, an elderly development approved in 2000.

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

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Wichita Falls is located in north Texas, approximately 136 miles northwest of Dallas in Wichita County. The site is an irregularly-shaped parcel located in the central area of Wichita Falls, approximately 2 miles from the central business district. The site is situated on the south side of 32<sup>nd</sup> Street.

**Population:** The estimated 2000 population of the primary market area was 78,447 and is expected to decrease by -0.9% to approximately 77,772 by 2005. Within the primary market area there were estimated to be 31,217 households in 2000.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are mixed with single family residential developments, general retail and office/warehouse establishments. Adjacent land uses include:

- **North:** single family homes
- **South:** office warehouse
- **East:** office warehouses, general retail
- **West:** golf course, park

**Site Access:** Access to the property is from the east or west along 32<sup>nd</sup> Street. The development is to have one main entry, from the east or west from 32<sup>nd</sup> Street. Access to Interstate Highway 82 is within a short distance from the subject property, which provides connections to all other major roads serving the Wichita Falls area.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** "Retail and Wholesale trade is also very important to the local economy. There are 17 shopping centers in Wichita Falls, which service a 17-county area in North Texas and Southern Oklahoma...United Regional Health Care System is the largest regional hospital with 400 beds. Kell West Regional Hospital is the region's newest medical facility. Other area medical service providers include North Texas State Hospital, HealthSouth Rehabilitation Hospital of Wichita Falls, Red River Hospital, and HIS Specialty Hospital." (p. 21-22 of market study)

**Special Adverse Site Characteristics:** The subject site is currently zoned SF-2. The Applicant submitted a letter dated December 31, 2001 from the City of Wichita Falls confirming receipt of a rezoning application and indicating that the requested zoning is from SF-2 to multifamily compatible zoning. Receipt of documentation from the City of Wichita Falls confirming that the site has been rezoned and that the proposed development is a conforming use is a condition of this report.

**Site Inspection Findings:** The site has not been inspected by a TDHCA staff member, and receipt, review, and acceptance of an acceptable site inspection report is a condition of this report.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated February 21, 2002 was prepared by LAW Engineering and Environmental Services, Inc., and contained the following findings and recommendations:

**Findings:** "We observed various types and amounts of debris on the subject property. Debris on the northern portion of the site included paper, a dog carrier, tires, lawn furniture, two empty 55-gallon drums, clothing, and several dirt piles. We did not note evidence of landfill activities, although it appears that the soils on the property have been disturbed based on the irregular terrain on both the north and south portions of the site. We noted mainly construction wastes on the southern portion of the site including pipe, metal wire, corrugated metal, lumber, sand, and concrete. Two drums containing an unknown material were noted on the site adjacent to an unmarked business that is to the east of the site and extends onto the subject property. A portion of the subject property is shown to be a potential wetland area on the National Wetland Inventory map reviewed. Standing water was in the area at the time of our site reconnaissance. Two adjacent businesses were listed as leaking petroleum storage tank (LPST) sites. These sites, Car Beautiful and Norriss Brothers Lumber, are located adjacent to and cross gradient from the subject property. Ground water was impacted at the Car Beautiful site and the assessment is not complete at the Norriss Brothers site. A third LPST site, Gilmore's Body, Frame and Alignment, is located nearby and in an upgradient position of the subject property. Regulatory information indicated that a major or minor aquifer had been impacted by releases at the site and that monitoring is in progress." (p. 21-22)

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**Recommendations:** “This assessment has not revealed evidence of recognized environmental conditions in connection with the subject property other than those mentioned above. Because the listed LPST facilities are adjacent to or in the near proximity of the subject property and assessment conducted on at least one has indicated an impact to the ground water, we recommend a review of the agency files to determine if past releases may have impacted the subject property. Additional review of the potential for wetlands on the subject site should also be addressed.” (p. 22)

The Applicant submitted a cover letter with the Phase I ESA indicating the following: “The enclosed LAW Engineering ESA dated February 21, 2002 has identified an on-site concern related to trash and debris which will be thoroughly investigated and properly disposed of during the normal course of the construction/site work phase.

The National Wetland Inventory Map was utilized by the consultant to identify potential wetland areas within the site along with evidence of standing water. Our discussions with real estate brokers and owner’s representatives, subsequent to these findings, indicate that the local City of Wichita Falls officials have not identified wetlands in this portion of the city. However, the Developer is in the process of continuing additional research with these and other local sources, including the current landowners, the City engineers and the US Army Corps of Engineers, in order to supply the LAW consultant with contacts for additional interviews and the availability of wetland maps which are specific to the local area. Dependant upon this investigation, the Developer may elect to retain the consultant for further wetlands determination. The area indicated by the consultant includes a very small portion of the site, and even the potential for mitigation of this small area is not felt to be a major hindrance on development to the site’s highest and best use.

The local area real estate professionals, when questioned by the developer subsequent to the LAW findings, indicate that several of the LPST’s in the area, possibly including that mentioned in the ESA, have been completely remediated and are being monitored. The developer is in the process of attempting to determine more specific information and identify individuals that may be able to provide factual data to the consultant as part of the ongoing investigation into this issue. The Developer plans to assimilate this data for review by the consultant so that the concern can be alleviated, or alternatively to determine corrective actions and procedures to allow for development of the site.” Receipt, review and acceptance of confirmation from the ESA inspector or another qualified ESA inspector that all of the issues addressed in the Phase I ESA have been satisfactorily mitigated is a condition of this report.

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are the maximum rents allowed under LIHTC guidelines for 98 of the units, while the remaining 6 units are set at market rents. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result, the Applicant’s estimated effective gross income is within 5% of the Underwriter’s estimate.

**Expenses:** The Applicant indicated that the tenant would be responsible for all electric utilities at this complex, but not for water, sewer and trash. The Applicant provided a letter from TXU Energy which provides estimated consumption data from a similar project in the area. Since the Underwriter was not able to obtain utility allowance information from the Wichita Falls Housing Authority, the amounts estimated by the Applicant and TXU were used by the Underwriter. In addition, the Underwriter estimated the monthly average for water, sewer and trash to be between \$20-\$25, as this information was also not available from the Housing Authority. The Underwriter compared the Applicant’s expense estimates with a similar property located in Wichita Falls. Based upon this comparable property’s operating costs, it appears to be running at a higher cost per unit than the Underwriter has estimated for Woodview Apartments. The Applicant’s budget shows several line item estimates that deviate significantly when compared to the Underwriter’s estimate, particularly management (\$3K lower), payroll (\$34K lower), repairs and maintenance (\$4K lower), utilities (\$5K lower), water, sewer, and trash (\$11K lower), insurance (\$6K lower) and property tax (\$19K higher).

**Conclusion:** The Applicant’s total estimated operating expense is inconsistent with the Underwriter’s expectations and the Applicant’s net operating income is not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s NOI will be used to evaluate debt service capacity. Due primarily to the difference in operating costs the Underwriter’s estimated debt coverage ratio (DCR) of 0.92 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this project should be limited

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**CREDIT UNDERWRITING ANALYSIS**

to \$148,542 by a reduction of the loan amount and a reduction in the interest rate.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The Applicant submitted an Unimproved Property Contract wherein Cal Asset Management, Inc. is purchasing the land, which is being sold in two different tracts. The first contract is between Cal Asset Mgmt. Inc. and Ronnie Ford et ux Sallie Ford for property located at 1605, 1607 & 1609 32<sup>nd</sup> Street, Wichita Falls. This contract reflects a purchase price of \$12,000. The second Unimproved Property Contract is between Cal Asset Mgmt, Inc. and Robert Lee Johnson et ux Janis Gayle Johnson for property located at 3400 Old Jacksboro Hwy, Wichita Falls. This second contract originally indicated a purchase price of \$300,000; however, an amendment to the second contract reflects a change in the purchase price to \$334,630. Altogether, the site acquisition cost for the subject property is \$346,630. An Assignment of Contract was also submitted wherein the purchaser of the property, CAL Asset Management, Inc. transferred and assigned the contract to the Applicant, W.V. Housing, Ltd. The property sale appears to be an arm's length transaction.

**Sitework Cost:** The Applicant's claimed sitework costs of \$5,902 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's costs are more than 6% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are overstated.

**Interim Financing Fees:** The Underwriter reduced the Applicant's eligible interim financing fees by \$24K to reflect an apparent overestimation of eligible construction loan interest, to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent adjustment to the Applicant's eligible basis estimate.

**Fees:** The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by \$149K with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$210K.

**Conclusion:** Due to the Applicant's higher direct construction and the subsequently overstated developer's and contractor's fees compared to the Underwriter's estimate, the Applicant's total development cost is more than 5% higher than the Underwriter's costs and is considered to be overstated. Therefore, the Underwriter's cost estimate is used to calculate eligible basis and determine an annual LIHTC allocation of \$774,967. This is \$47,866 less than initially requested.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with five types of financing from four sources: a permanent loan, construction financing, a private grant, syndicated LIHTC equity and deferred developer's fees.

**Permanent Loan:** There is a commitment for permanent financing through MuniMae Midland, LLC in the amount of \$2,017,000. The commitment letter indicated a repayment term of 15 years and an amortization term of 30 years. The interest rate will be 8.00%.

**Construction Financing:** The Applicant intends to use MuniMae Midland, LLC for an interim construction loan of \$2,400,000. The commitment letter indicated a term of 2 years with a construction loan interest rate of 6.00%.

**Private Grant:** The Applicant submitted a letter from NORTEX Housing Finance Corporation dated May 28, 2002 indicating that the Corporation's Board has voted in favor of a \$15,000 grant for the Woodview Apartment project. The letter also indicates that this award will be conditional upon the project receiving tax credit this year from the TDHCA. The terms of this contract between NORTEX Housing Finance Corporation and Woodview, Ltd. is in the final stages and can be completed by no later than June 14, 2002.

**LIHTC Syndication:** Midland Equity Corporation has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,499,731 based on a syndication factor of 79%. The funds would be disbursed in a three-phased pay-in schedule:

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

1. 42.5% or \$2,762,552 at the later of: (i) admission of the Investment Partnership to the Operating Partnership; or (ii) closing of the construction loan and Project land acquisition;
2. 42.5% or \$2,762,552 within thirty (30) days of the later of: (i) completion of the Project; or (ii) receipt by the Investment Partnership of the cost and credit certification from the independent accountants;
3. 15% or \$974,627 within thirty (30) days of the later of: (i) closing of the permanent loan; or (ii) receipt of the Form 8609; or (iii) 90% physical occupancy for three (3) consecutive calendar months; or (iv) 1.15 Debt Service Coverage for ninety (90) days.

**Deferred Developer's Fees:** The Applicant initially estimated deferred development fees of \$306,802 or 25% of proposed developer fees. Based on the Underwriter's proforma and calculation of eligible basis, the Applicant's deferred developer fees of \$332,896 would equal to 34% of total fees. This is \$26,094 more than the Applicant originally anticipated and now represents 34% of eligible developer fees based on the Underwriter's lower costs. The Underwriter estimates the Applicant would be able to marginally repay the deferred developer fee within 15 years, and therefore, this development can be recommended but only if the Underwriter's lower projected development costs can be achieved.

**Financing Conclusions:** Based on the Underwriter's proforma and adjusted estimate of eligible basis, this development can not be recommended due to the deferred developer fee not being repayable in 15 years unless a fixed price contract is obtained reflecting the Underwriter's lower total cost. Alternatively, additional grant funds would be required for any costs over this level. If this condition is met an LIHTC allocation of no more than \$774,967 annually for ten years can be recommended. This would result in total syndication proceeds of approximately \$6,121,626 and result in a deferred developer fee of \$332,896 or just \$31K less than what can reasonably be anticipated to be repaid in 15 years at zero percent interest out of residual cash flow. Should an alternative development cost or financial structure come to pass for this transaction the conclusions and recommendations herein should be re-evaluated.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are simple. All units are of average size for market rate and LIHTC units, and have covered patios or balconies. Each unit has a semi-private exterior entry that is off an interior breezeway that is shared with other units. The units are in two-story fourplex structures with mixed stucco/Hardiplank siding exterior finish and hipped roofs.

**IDENTITIES of INTEREST**

Realtex Development Corporation, which has an ownership interest in the project as a member of the Managing GP, will also be the Developer of the Property. The principal of Realtex Development Corporation, Rick J. Deyoe, is also the managing member of the Managing GP. The Not for Profit GP is also the supportive service producer. These are typical relationships.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The owner of the managing member of the GP, Realtex Development Corporation, submitted an unaudited financial statement as of February 25, 2002, reporting total assets of \$4.5M and consisting of \$113K in cash, \$3K in receivables, \$45K in real property and \$953K in other long term assets. Liabilities totaled \$332K, resulting in a net worth of \$4.1M.
- The Not for Profit GP, to be formed by the Texas Inter-Faith Housing Corporation and the Texas Inter-Faith Management Corporation, submitted a combined, unaudited financial statement as of February 21, 2002, reporting total assets of \$5.7M and consisting of \$372K in cash, \$101K in accounts receivables, \$2M in Fidelity account and \$5.1M in fixed assets. Liabilities totaled \$1.9M, resulting in a net worth of \$3.9M.
- The principal of the Managing GP, Rick Deyoe, submitted an unaudited financial statement as of February 25, 2002.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.

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

- The managing member of the Managing GP, Rick Deyoe, has completed 11 LIHTC housing developments totaling 2,330 units since 1998.
- The non-managing member of the Managing GP, Realtex Development Corporation, has completed 3 LIHTC housing developments totaling 430 units since 2001.
- The Co-GP, Texas Inter-Faith Housing Corporation, has completed 5 LIHTC housing developments totaling 804 units since 1995.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses are more than 5% outside of the Underwriter's verifiable range.
- The Applicant's development costs differ from the Underwriter's verifiable estimate by more than 5%.
- Significant inconsistencies in the application could affect the financial feasibility of the project.
- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**RECOMMENDATION**

RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$774,967  
ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS:

**CONDITIONS**

1. Receipt, review and acceptance of documentation from the City of Wichita Falls confirming that the site has been rezoned and that the proposed development is a conforming use;
2. Receipt, review, and acceptance of a satisfactory TDHCA site inspection report;
3. Receipt, review and acceptance of documentation from the ESA inspector or another qualified ESA inspector that all of the issues addressed in the Phase I ESA have been satisfactorily mitigated.
4. Receipt, review and acceptance of a fixed price contract for construction costs that are not more than the Underwriter's estimated costs of \$5,617,633 including all sitework, hard construction costs and contractors' fees and contingency.
5. Should the rates, terms or amounts of the loan or syndication change, a re-evaluation by the Underwriter would be warranted and a revised recommendation and conditions may be warranted.

**Associate Underwriter:**

\_\_\_\_\_  
*Raquel Morales*

**Date:** June 5, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** June 5, 2002



**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Woodview Apartments, Wichita Falls, LIHTC #02070**

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, Trsl
TC 30%	1	2	2	963	\$276	\$212	\$212	\$0.22	\$64.00	\$20.00
TC 40%	20	2	2	963	368	304	\$6,080	\$0.32	64.00	20.00
TC 50%	28	2	2	963	460	396	\$11,088	\$0.41	64.00	20.00
TC 60%	19	2	2	963	552	488	9,272	0.51	64.00	20.00
MR	4	2	2	963	689	625	2,500	0.65	64.00	20.00
TC 40%	10	3	2	1,147	425	340	3,400	0.30	85.00	25.00
TC 50%	12	3	2	1,147	531	446	5,352	0.39	85.00	25.00
TC 60%	8	3	2	1,147	638	553	4,424	0.48	85.00	25.00
MR	2	3	2	1,147	785	700	1,400	0.61	85.00	25.00
<b>TOTAL:</b>	<b>104</b>		<b>AVERAGE:</b>	<b>1,020</b>	<b>\$491</b>	<b>\$420</b>	<b>\$43,728</b>	<b>\$0.41</b>	<b>\$70.46</b>	<b>\$21.54</b>

INCOME				TDHCA		APPLICANT			
Total Net Rentable Sq Ft: 106,040				\$524,736	\$524,736				
<b>POTENTIAL GROSS RENT</b>				12,480	12,480	\$10.00	Per Unit Per Month		
Secondary Income	Per Unit Per Month:	\$10.00		0	0				
Other Support Income: (describe)				\$537,216	\$537,216				
<b>POTENTIAL GROSS INCOME</b>				(40,291)	(40,104)	-7.47%	of Potential Gross Rent		
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		0	0				
Employee or Other Non-Rental Units or Concessions				\$496,925	\$497,112				
<b>EFFECTIVE GROSS INCOME</b>				\$32,913	\$35,122	\$0.33	\$338	7.07%	
<b>EXPENSES</b>				24,846	21,387	0.20	206	4.30%	
General & Administrative	% OF EGI	PER UNIT	PER SQ FT	86,632	53,000	0.50	510	10.66%	
Management	5.00%	239	0.23	38,077	34,122	0.32	328	6.86%	
Payroll & Payroll Tax	17.43%	833	0.82	12,504	7,670	0.07	74	1.54%	
Repairs & Maintenance	7.66%	366	0.36	26,880	15,399	0.15	148	3.10%	
Utilities	2.52%	120	0.12	16,733	11,000	0.10	106	2.21%	
Water, Sewer, & Trash	5.41%	258	0.25	62,043	80,600	0.76	775	16.21%	
Property Insurance	3.37%	161	0.16	20,800	20,000	0.19	192	4.02%	
Property Tax 2.43114	12.49%	597	0.59	12,076	12,076	0.11	116	2.43%	
Reserve for Replacements	4.19%	200	0.20						
Other Expenses: Supp Svcs & Comp	2.43%	116	0.11						
<b>TOTAL EXPENSES</b>				\$333,504	\$290,376	\$2.74	\$2,792	58.41%	
<b>NET OPERATING INC</b>				\$163,421	\$206,736	\$1.95	\$1,988	41.59%	
<b>DEBT SERVICE</b>				\$177,600	\$177,600	\$1.67	\$1,708	35.73%	
MuniMae Midland	35.74%	\$1,708	\$1.67	0	0	\$0.00	\$0	0.00%	
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%	
Additional Financing	0.00%	\$0	\$0.00						
<b>NET CASH FLOW</b>				(\$14,180)	\$29,136	\$0.27	\$280	5.86%	
<b>AGGREGATE DEBT COVERAGE RATIO</b>				0.92	1.16				
<b>ALTERNATIVE DEBT COVERAGE RATIO</b>				1.10					

CONSTRUCTION COST					TDHCA		APPLICANT				
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	\$355,630	\$355,630	\$3.35	\$3,420	4.02%		
Acquisition Cost (site or bldg)		4.36%	\$3,420	\$3.35	0	0	0.00	0	0.00%		
Off-Sites		0.00%	0	0.00	613,849	613,849	5.79	5,902	6.94%		
Sitework		7.53%	5,902	5.79	4,179,630	4,426,403	41.74	42,562	50.08%		
Direct Construction		51.24%	40,189	39.42	153,067	153,067	1.44	1,472	1.73%		
Contingency	3.19%	1.88%	1,472	1.44	287,609	306,134	2.89	2,944	3.46%		
General Requireme	6.00%	3.53%	2,765	2.71	95,870	242,049	2.28	2,327	2.74%		
Contractor's G &	2.00%	1.18%	922	0.90	287,609	306,134	2.89	2,944	3.46%		
Contractor's Prof	6.00%	3.53%	2,765	2.71	513,800	513,800	4.85	4,940	5.81%		
Indirect Construction		6.30%	4,940	4.85	219,535	219,535	2.07	2,111	2.48%		
Ineligible Costs		2.69%	2,111	2.07	130,395	307,653	2.90	2,958	3.48%		
Developer's G & A	2.00%	1.60%	1,254	1.23	847,565	922,960	8.70	8,875	10.44%		
Developer's Profit	13.00%	10.39%	8,150	7.99	388,300	388,300	3.66	3,734	4.39%		
Interim Financing		4.76%	3,734	3.66	83,650	83,650	0.79	804	0.95%		
Reserves		1.03%	804	0.79	\$8,156,509	\$8,839,164	\$83.36	\$84,992	100.00%		
<b>TOTAL COST</b>				\$78,428	\$76.92	\$5,617,633	\$6,047,636	\$57.03	\$58,150	68.42%	
<b>Recap-Hard Construction Costs</b>				\$54,016	\$52.98						
<b>SOURCES OF FUNDS</b>											
RECOMMENDED											
MuniMae Midland	24.73%	\$19,394	\$19.02	\$2,017,000	\$2,017,000	\$1,686,986					
Midland Equity Corp.	79.69%	\$62,497	\$61.30	6,499,731	6,499,731	6,121,626					
Nortex HFC Grant	0.18%	\$144	\$0.14	15,000	15,000	15,000					
Deferred Developer Fees	3.76%	\$2,950	\$2.89	306,802	306,802	332,896					
Additional (excess) Funds Require	-8.36%	(\$6,558)	(\$6.43)	(682,024)	631	0					
<b>TOTAL SOURCES</b>				\$8,156,509	\$8,839,164	\$8,156,509					

**Maximum Def. Dev Fee  
\$364,125**

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Woodview Apartments, Wichita Falls, LIHTC #02070**

**DIRECT CONSTRUCTION COST ESTIMATE**  
 Residential Cost Handbook  
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$40.10	\$4,252,637
<b>Adjustments</b>				
Exterior Wall Finish	6.60%		\$2.65	\$280,674
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(0.98)	(103,919)
Floor Cover			1.82	192,993
Porches/Balconies	\$28.10	7742	2.05	217,550
Plumbing	\$585	312	1.72	182,520
Built-In Appliances	\$1,550	104	1.52	161,200
Stairs/Fireplaces	\$1,350	26	0.33	35,100
Floor Insulation			0.00	0
Heating/Cooling			1.41	149,516
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$56.86	2,898	1.55	164,786
Other:			0.00	0
<b>SUBTOTAL</b>			<b>52.18</b>	<b>5,533,058</b>
Current Cost Multiplier	1.04		2.09	221,322
Local Multiplier	0.89		(5.74)	(608,636)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$48.53</b>	<b>\$5,145,744</b>
Plans, specs, survy, bld	3.90%		(\$1.89)	(\$200,684)
Interim Construction Inte	3.38%		(1.64)	(173,669)
Contractor's OH & Profit	11.50%		(5.58)	(591,761)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$39.42</b>	<b>\$4,179,630</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$2,017,000	Term	360
Int Rate	8.00%	DCR	0.92

<b>Secondary</b>		Term	
Int Rate	0.00%	Subtotal DCR	0.92

<b>Additional</b>		Term	
Int Rate		Aggregate DCR	0.92

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$148,542
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$14,879</b>

<b>Primary</b>	\$1,686,986	Term	360
Int Rate	8.00%	DCR	1.10

<b>Secondary</b>	\$0	Term	0
Int Rate	0.00%	Subtotal DCR	1.10

<b>Additional</b>	\$0	Term	0
Int Rate	0.00%	Aggregate DCR	1.10

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

	at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
<b>POTENTIAL GROSS RENT</b>		\$524,736	\$540,478	\$556,692	\$573,393	\$590,595	\$684,661	\$793,710	\$920,128	\$1,236,575
Secondary Income		12,480	12,854	13,240	13,637	14,046	16,284	18,877	21,884	29,410
Other Support Income: (desc)		0	0	0	0	0	0	0	0	0
<b>POTENTIAL GROSS INCOME</b>		<b>537,216</b>	<b>553,332</b>	<b>569,932</b>	<b>587,030</b>	<b>604,641</b>	<b>700,945</b>	<b>812,587</b>	<b>942,012</b>	<b>1,265,985</b>
Vacancy & Collection Loss		(40,291)	(41,500)	(42,745)	(44,027)	(45,348)	(52,571)	(60,944)	(70,651)	(94,949)
Employee or Other Non-Renta		0	0	0	0	0	0	0	0	0
<b>EFFECTIVE GROSS INCOME</b>		<b>\$496,925</b>	<b>\$511,833</b>	<b>\$527,188</b>	<b>\$543,003</b>	<b>\$559,293</b>	<b>\$648,374</b>	<b>\$751,643</b>	<b>\$871,361</b>	<b>\$1,171,036</b>
<b>EXPENSES at 4.00%</b>										
General & Administrative		\$32,913	\$34,229	\$35,599	\$37,023	\$38,503	\$46,845	\$56,994	\$69,342	\$102,644
Management		24,846	25,592	26,359	27,150	27,965	32,419	37,582	43,568	58,552
Payroll & Payroll Tax		86,632	90,097	93,701	97,449	101,347	123,304	150,019	182,521	270,175
Repairs & Maintenance		38,077	39,600	41,184	42,831	44,545	54,195	65,937	80,223	118,749
Utilities		12,504	13,004	13,524	14,065	14,628	17,797	21,652	26,343	38,995
Water, Sewer & Trash		26,880	27,955	29,073	30,236	31,446	38,259	46,547	56,632	83,829
Insurance		16,733	17,403	18,099	18,823	19,576	23,817	28,977	35,255	52,186
Property Tax		62,043	64,524	67,105	69,790	72,581	88,306	107,438	130,715	193,490
Reserve for Replacements		20,800	21,632	22,497	23,397	24,333	29,605	36,019	43,822	64,868
Other		12,076	12,559	13,061	13,584	14,127	17,188	20,912	25,442	37,661
<b>TOTAL EXPENSES</b>		<b>\$333,504</b>	<b>\$346,596</b>	<b>\$360,204</b>	<b>\$374,348</b>	<b>\$389,051</b>	<b>\$471,735</b>	<b>\$572,078</b>	<b>\$693,863</b>	<b>\$1,021,148</b>
<b>NET OPERATING INCOME</b>		<b>\$163,421</b>	<b>\$165,237</b>	<b>\$166,984</b>	<b>\$168,655</b>	<b>\$170,243</b>	<b>\$176,639</b>	<b>\$179,566</b>	<b>\$177,497</b>	<b>\$149,888</b>
<b>DEBT SERVICE</b>										
First Lien Financing		\$148,542	\$148,542	\$148,542	\$148,542	\$148,542	\$148,542	\$148,542	\$148,542	\$148,542
Second Lien		0	0	0	0	0	0	0	0	0
Other Financing		0	0	0	0	0	0	0	0	0
<b>NET CASH FLOW</b>		<b>\$14,879</b>	<b>\$16,695</b>	<b>\$18,442</b>	<b>\$20,113</b>	<b>\$21,701</b>	<b>\$28,097</b>	<b>\$31,024</b>	<b>\$28,955</b>	<b>\$1,346</b>
<b>DEBT COVERAGE RATIO</b>		<b>1.10</b>	<b>1.11</b>	<b>1.12</b>	<b>1.14</b>	<b>1.15</b>	<b>1.19</b>	<b>1.21</b>	<b>1.19</b>	<b>1.01</b>

**LIHTC Allocation Calculation - Woodview Apartments, Wichita Falls, LIHTC**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$355,630	\$355,630		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$613,849	\$613,849	\$613,849	\$613,849
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$4,426,403	\$4,179,630	\$4,426,403	\$4,179,630
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$242,049	\$95,870	\$100,805	\$95,870
Contractor profit	\$306,134	\$287,609	\$302,415	\$287,609
General requirements	\$306,134	\$287,609	\$302,415	\$287,609
<b>(5) Contingencies</b>				
	\$153,067	\$153,067	\$153,067	\$153,067
<b>(6) Eligible Indirect Fees</b>				
	\$513,800	\$513,800	\$513,800	\$513,800
<b>(7) Eligible Financing Fees</b>				
	\$388,300	\$388,300	\$388,300	\$388,300
<b>(8) All Ineligible Costs</b>				
	\$219,535	\$219,535		
<b>(9) Developer Fees</b>				
			\$1,020,158	
Developer overhead	\$307,653	\$130,395		\$130,395
Developer fee	\$922,960	\$847,565		\$847,565
<b>(10) Development Reserves</b>				
	\$83,650	\$83,650		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$8,839,164</b>	<b>\$8,156,509</b>	<b>\$7,821,212</b>	<b>\$7,497,694</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			<b>\$7,821,212</b>	<b>\$7,497,694</b>
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			<b>\$10,167,576</b>	<b>\$9,747,002</b>
Applicable Fraction			94.20%	94.20%
<b>TOTAL QUALIFIED BASIS</b>			<b>\$9,578,271</b>	<b>\$9,182,073</b>
Applicable Percentage			8.44%	8.44%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			<b>\$808,406</b>	<b>\$774,967</b>

Syndication Proceeds	0.7899	\$6,385,769	\$6,121,626
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**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

**DATE:** September 30, 2002    **PROGRAM:** 9% LIHTC    **FILE NUMBER:** 02012

**DEVELOPMENT NAME**

Highland Oaks Apartments

**APPLICANT**

**Name:** Marble Falls Highland Oaks Apartments, L.P.    **Type:**    For Profit    Non-Profit    Municipal    Other  
**Address:** 2951 Fall Creek Road    **City:** Kerville    **State:** Texas  
**Zip:** 78028    **Contact:** Leslie Clark    **Phone:** (830) 257-5323    **Fax:** (830) 257-3168

**PRINCIPALS of the APPLICANT**

**Name:** Marble Falls Highland Oaks Developer, LLC    **(%):** .01    **Title:** Managing General Partner  
**Name:** Boston Capital    **(%):** 99.99    **Title:** Limited Partner  
**Name:** Jean MacDonald Co.    **(%):** n/a    **Title:** Manager of G.P.  
**Name:** Jean W. MacDonald    **(%):** n/a    **Title:** Owner of Jean MacDonald Co.  
**Name:** G. Granger MacDonald    **(%):** n/a    **Title:** Member of Dev. Team

**GENERAL PARTNER**

**Name:** Marble Falls Highland Oaks Developer, LLC    **Type:**    For Profit    Non-Profit    Municipal    Other  
**Address:** 2951 Fall Creek Road    **City:** Kerville    **State:** Texas  
**Zip:** 78028    **Contact:** Leslie Clark    **Phone:** (830) 257-5323    **Fax:** (830) 257-3168

**PROPERTY LOCATION**

**Location:** Mustang Drive (2<sup>nd</sup> Lot on right) and FM 1431     QCT     DDA  
**City:** Marble Falls    **County:** Burnet    **Zip:** 78654

**REQUEST**

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
\$555,515	n/a	n/a	n/a
<b>Other Requested Terms:</b> <u>Annual ten-year allocation of low-income housing tax credits</u>			
<b>Proposed Use of Funds:</b> <u>New Construction</u> <b>Set-Aside:</b> <input checked="" type="checkbox"/> Elderly <input checked="" type="checkbox"/> Rural <input type="checkbox"/> Non-Profit			

**SITE DESCRIPTION**

**Size:** 5.75 acres    250,470 square feet    **Zoning/ Permitted Uses:** R-3/ 18 units per acre  
**Flood Zone Designation:** Zone X    **Status of Off-Sites:** Raw Land

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

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 76    **# Rental Buildings:** 19    **# Common Area Bldgs:** 2    **# of Floors:** 1    **Age:** 0 yrs    **Vacant:** n/a at / /

Number	Bedrooms	Bathroom	Size in SF
36	1	1	826
40	2	1.5	1,079

**Net Rentable SF:** 72,896    **Av Un SF:** 959    **Common Area SF:** 2,289    **Gross Bldg SF:** 75,185

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a concrete slab on grade, 65% stone veneer/ 35% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated/marble counter tops, individual water heaters

**ON-SITE AMENITIES**

1,905 SF community building with activity room, management offices, exercise room, kitchen, restrooms, central mailroom, swimming pool, picnic area. There is also a 384 SF laundry building located at the center of the site.

**Uncovered Parking:** 168 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**INTERIM TO PERMANENT FINANCING**

**Source:** Boston Capital    **Contact:** William Fazzano

**Principal Amount:** \$1,151,176    **Interest Rate:** Us Treasury + 250 basis points , Underwritten at 7.75%

**Additional Information:** 24 month interim period

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

**Annual Payment:** \$100,728    **Lien Priority:** 1st    **Commitment Date**    2/ 12/ 2002

**LIHTC SYNDICATION**

**Source:** Boston Capital    **Contact:** Thomas Dixon

**Address:** One Boston Place    **City:** Boston

**State:** MA    **Zip:** 02108    **Phone:** (617) 624-8900    **Fax:** (617) 624-8999

**Net Proceeds:** \$4,277,464    **Net Syndication Rate (per \$1.00 of 10-yr LIHTC)** 77¢

**Commitment**     None     Firm     Conditional    **Date:**    02/ 12/ 2002

**Additional Information:** \_\_\_\_\_

**APPLICANT EQUITY**

**Amount:** \$112,391    **Source:** Deferred developer fee

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

**VALUATION INFORMATION**

**APPRAISED VALUE**

**Land Only:** \$220,000 **Date of Valuation:** 2/ 12/ 2002  
**Appraiser:** David E. Jones, MSA **City:** Austin **Phone:** (800) 251-2532

**ASSESSED VALUE**

**Land: 16.60 acres** \$166,000 **Assessment for the Year of:** 2001  
**Building:** 0 **Valuation by:** Burnet County Appraisal District  
**Prorated Value: 5.75 acres** \$57,500 **Tax Rate:** 2.3999

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest Money Contract  
**Contract Expiration Date:** 9/ 30/ 2002 **Anticipated Closing Date:** 9/ 30/ 2002  
**Acquisition Cost:** \$ 220,000 **Other Terms/Conditions:** \_\_\_\_\_  
**Seller:** G. Granger MacDonald, Trustee **Related to Development Team Member:** Yes

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Highland Oaks Apartments is a proposed new construction development of 76 units of affordable housing located in northwest Marble Falls. The development is comprised of 19 residential buildings as follows:

- (9) Building Type/Style A with 4 one-bedroom units;
- (10) Building Type/Style B with 4 two- bedroom units.

Based on the site plan the apartment buildings are distributed evenly throughout the site with the community building, mailboxes, and swimming pool located near the entrance to the site. A 384 -square foot laundry building is located near the center of the site. The 1,905 -square foot community building plan includes the management office, a community room, exercise room, kitchen and restrooms.

**Supportive Services:** The Applicant has contracted with Texas Interfaith to provide the following supportive services to tenants: personal growth opportunities, family skills development, education programs, fun activities and neighborhood advancement programs. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services, to pay a one-time startup fee of \$1,000, plus \$10.39 per unit per month, or \$8,976.96 per year for these support services.

**Schedule:** The Applicant anticipates construction to begin in September of 2002, to be completed in June of 2003, to be placed in service in December of 2003, and to be substantially leased-up in December 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. All of the units will be reserved for low-income, elderly tenants. One unit (1%) will be reserved for households earning 40% or less of AMGI, one unit (1%) will be reserved for households earning 50% or less of AMGI and 74 units (98%) will be reserved for households earning 60% or less of AMGI.

**Special Needs Set-Asides:** Eight units (10%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant has elected to extend the compliance period an additional 25 years.

**MARKET HIGHLIGHTS**

A market feasibility study dated February 6, 2002 was prepared by Mark C. Temple and highlighted the

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following findings:

**Definition of Market:** The primary market area is defined as Burnet County. (p. I-1)

**Total Market Demand for Rental Units:** “Between 2002 and 2006, it is projected there will be a total demand of 1,112 senior household units in Marble Falls.” (p. IV-1)

<b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b>				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	44	9	36	9
Resident Turnover	441	91%	355	91%
<b>TOTAL ANNUAL DEMAND</b>	<b>485</b>	<b>100%</b>	<b>391</b>	<b>100%</b>

Ref: p. IV-4

**Capture Rate:** The market analyst estimated a capture rate of 15.7%. (p. IV-4) The Underwriter calculated a concentration capture rate of 19.5% based upon a revised demand of 391 units. In either case, the concentration capture rate is below the 100% threshold for rural areas.

**Local Housing Authority Waiting List Information:** “The Marble Falls Housing Authority currently has a waiting list of approximately 15 seniors” (p. IV-5)

**Market Rent Comparables:** The market analyst surveyed six comparable apartment projects totaling 155 units in the market area. (p. III-2)

<b>RENT ANALYSIS (net tenant-paid rents)</b>					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
<b>1-Bedroom (40%)</b>	\$224	\$239	-\$15	\$535	-\$311
<b>1-Bedroom (50%)</b>	\$297	\$316	-\$19	\$535	-\$238
<b>1-Bedroom (60%)</b>	\$370	\$392	-\$22	\$535	-\$165
<b>2-Bedroom (60%)</b>	\$445	\$472	-\$27	\$629	-\$184

(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)

**Submarket Vacancy Rates:** 100% (p. III-2)

**Absorption Projections:** “Based upon current positive multifamily indicators and present absorption levels of 10 to 15 units per month, it is estimated that a 95+ percent occupancy level can be achieved in a 5 to 7 month time frame.” (p. IV-6)

**Other Known Developments:** While the market analysts did not identify any comparable developments there are two affordable family developments consisting of 90 units total in nearby Burnet that are in some stage of development. The second development was allocated 9% tax credits earlier this year. Since they are family units they are not considered as part of the supply of existing unstabilized units and do not affect the concentration capture rate.

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

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Marble Falls is located in the central part of the state, approximately 40 miles northwest of Austin in Burnet County. The site is a trapezoidally-shaped parcel located in the northeast area of Marble Falls, approximately one mile from the central business district. The site is situated on the east side of Mustang Drive.

**Population:** The estimated 2001 population of Burnet County was 34,988 and is expected to increase by 12% to approximately 39,170 by 2006. Within the primary market area there were estimated to be 13,966 households in 2001.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are predominantly vacant land and light industrial. Adjacent land uses include:

- **North:** Undeveloped Land
- **South:** Dependable Body Shop of Marble Falls

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- **East:** Undeveloped Land
- **West:** Undeveloped Land

**Site Access:** Access to the property is from the north and south along Mustang Drive. The development has two main entries, both from Mustang Drive. Access to Highway 1431 is 0.25 miles south, which provides connections to all other major roads serving the Marble Falls area.

**Public Transportation:** The availability of public transportation is unknown.

**Shopping & Services:** The site is within 1.4 miles of an HEB grocery store and Wal-Mart Super Center. Seton Highland Lakes Medical Center is 12 miles away. City parks are also located near the site. Schools and churches are located within a short driving distance from the site.

**Site Inspection Findings:** TDHCA staff performed a site inspection on April 18, 2002 and found the location to be acceptable for the proposed development.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated February 1, 2002 was prepared by TriCo Inspecting Service, Inc. and contained the following findings and recommendations:

**Findings:** Based on the findings of the report, no further environmental investigation is needed.

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant's rent projections are slightly lower than the maximum rents allowed under LIHTC guidelines. This may be because the Applicant used 2001 maximum rents, while the Underwriter used the current 2002 maximum rents. The market study justified the 2002 maximum rents. Both the Underwriter and Applicant used \$10 per unit for secondary income and a vacancy loss of 7.5%. As a result, there was an overall difference of 6% in effective gross income.

**Expenses:** The Applicant's estimate of total operating expense is 1% lower than the Underwriter's TDHCA database-derived estimate, an acceptable deviation. However, the Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages. In particular, utilities being \$8K lower, water, sewer and trash being \$4K lower, and general and administrative being \$3K lower than the Underwriter's estimates. Property insurance and repairs and maintenance were both \$7K higher than the Underwriter's estimate.

**Conclusion:** The Applicant's estimated income and net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will 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. However, the Underwriter's estimated debt coverage ratio of 1.34 exceeds the program maximum standard of 1.25. This suggests that the project could support additional debt service of \$5,938 annually. This results in an additional potential \$89,564 in serviceable debt and would reduce the need for other funds.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The Applicant indicated that there is an identity of interest between the Applicant and the seller of the land. The Applicant provided an appraisal by David E. Jones, MSA dated February 22, 2002 with a value of \$220,000. However, the Applicant provided holding costs of \$476,830 for the purchase of 16.6 acres, 5.75 of those are dedicated to the development. Based on a proration, the Underwriter determined a holding cost amount of \$165,167. No other documentation of holding costs or improvements to the site was provided that would justify the purchase price. Therefore, the Underwriter used the holding costs as the appropriate transfer price to ensure that a windfall profit or excess developer fee is not provided to the developer as a result of the potential TDHCA funding for the project.

**Sitework Cost:** The Applicant's claimed sitework costs of \$6,243 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$101K, or 3%, lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

**Interim Financing Fees:** The Underwriter reduced the Applicant's eligible interim financing fees by \$100,784 to reflect an apparent overestimation of eligible construction loan interest, to bring the eligible



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CREDIT UNDERWRITING ANALYSIS**

interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate. In addition, the applicant included an unspecified \$35,000 in other costs which appear to represent soft contingency. The Department does have an eligible soft cost contingency allowance because all of the soft costs are dependent upon the Applicant's estimates. Therefore this amount was removed to ineligible indirect costs.

**Fees:** The Applicant's fees for contractor's general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, the Applicant's developer fees exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$27,117.

**Conclusion:** The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate the eligible basis and determine the LIHTC allocation. As a result, an eligible basis of \$4,894,129 is used to determine a credit allocation of \$536,984 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 three types of financing from three sources: a conventional interim to permanent loan, syndicated LIHTC equity and deferred developer's fees.

**Conventional Interim to Permanent Loan:** There is a commitment for interim to permanent financing through Boston Capital in the amount of \$1,151,176 during the interim period and \$1,151,176 at conversion to permanent. The commitment letter indicated a term of 24 months for the construction portion and 18 years for the permanent amortized over 30 years at a fixed interest rate of 7.75%.

**LIHTC Syndication:** Boston Capital has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$4,277,464 based on a syndication factor of 77%. The funds would be disbursed in a five-phased pay-in schedule:

1. 30% upon admission to the partnership;
2. 30% upon 50% completion of construction;
3. 20% upon 100% completion of construction;
4. 18% upon attainment of rental achievements;
5. 2% upon receipt of tax returns for year of rental achievement.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$112,391 amount to 17% of the total fees.

**Financing Conclusions:** Based on the Applicant's adjusted estimate of eligible basis, the LIHTC allocation should not exceed \$536,984 annually for ten years, resulting in syndication proceeds of approximately \$4,134,362. As a result of the Applicant's understated operating income discussed earlier, the development has the potential to provide additional net operating income and can sustain a larger debt than what the Applicant projected. Based upon the Underwriter's analysis the development can support an additional \$89,564 in first lien debt and still provide a 1.25 debt coverage ratio and should be required to encumber itself with as much additional debt or an equal amount of minimum deferred developer fee as a condition of this report. In addition 455K in sources of funds was deducted to ensure the excess proposed transfer price is funded out of additional deferred developer fee if it is to be realized. Based on this underwriting analysis, the Applicant's deferred developer fee exclusive of the sales price excess would be reduced to \$111,096. This amount represents 17% of the total developer fee and is repayable in four years of operation according to the Underwriter's proforma. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee may be available to fund those development cost overruns.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are simple with varied rooflines. All units are of average size for market rate and LIHTC units, and have covered patios with outside storage and hookups for full-size appliances. Each unit has a semi-private exterior entry in a walk-up, one story, four-plex style structure with mixed stone accent, hardiboard exterior finish and pitched roofs.

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

**IDENTITIES of INTEREST**

The Developer was not identified, however the general contractor and cost estimator are related to the Applicant. These are common relationships for LIHTC-funded developments. The buyer and seller of the property are related. The Applicant has not provided enough information to mitigate all concerns with regard to the sales price of the subject property and therefore the final use of funds was reduced by \$55K to address potential lingering concerns of a windfall sales price.

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

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The principal of the General Partner, Jean W MacDonald, submitted unaudited financial statements as of January 15, 2002 and is anticipated to be the Guarantor of the development. G. Granger MacDonald also submitted unaudited financial statements as of January 15, 2002 although he is not listed as a Guarantor.
- G. G. MacDonald, Inc., the General Contractor, submitted an unaudited financial statement as of January 15, 2002 reporting total assets of \$2,532,929 and liabilities of \$2,223,078, resulting in a net worth of \$309,851

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The Guarantor and General Contractor have completed nine housing developments totaling 74 units since 1997.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's estimated income is more than 5% outside of the Underwriter's verifiable ranges.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.25) if the maximum tax credit rents can be achieved in this market.
- The seller of the property has an identity of interest with the Applicant.
- The significant financing structure changes being proposed have not been reviewed and accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$536,984 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

**CONDITIONS**

1. Receipt, review, and acceptance of a revised permanent loan commitment or initial deferred developer fee note reflecting an increase in the debt by \$89,546;
2. Should the terms of the proposed debt or syndication be altered, this development and recommendations and conditions should be re-evaluated.

<b>Credit Underwriter:</b>	_____	<b>Date:</b> <u>September 30, 2002</u>
	<i>Mark Fugina</i>	
<b>Credit Underwriting Supervisor:</b>	_____	<b>Date:</b> <u>September 30, 2002</u>
	<i>Lisa Vecchiatti</i>	
<b>Director of Credit Underwriting:</b>	_____	<b>Date:</b> <u>September 30, 2002</u>
	<i>Tom Gouris</i>	

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Highland Oaks Apartments, Marble Falls, LIHTC # 02012**

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, Trsf
TC40%	1	1	1	826	\$306	\$239	\$239	\$0.29	\$67.00	\$50.00
TC50%	1	1	1	826	383	316	316	0.38	67.00	50.00
TC60%	34	1	1	826	459	392	13,328	0.47	67.00	50.00
TC60%	40	2	1.5	1,079	552	472	18,880	0.44	80.00	53.00
<b>TOTAL:</b>	<b>76</b>		<b>AVERAGE:</b>	<b>959</b>	<b>\$505</b>	<b>\$431</b>	<b>\$32,763</b>	<b>\$0.45</b>	<b>\$73.84</b>	<b>\$51.58</b>

**INCOME**

Total Net Rentable Sq Ft **72,896**

**POTENTIAL GROSS RENT**

Secondary Income Per Unit Per Month: \$10.00  
 Other Support Income: (describe)

**POTENTIAL GROSS INCOME**

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

**EFFECTIVE GROSS INCOME**

**EXPENSES**

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	5.80%	\$284	\$0.30
Management	5.00%	245	0.26
Payroll & Payroll Tax	10.82%	530	0.55
Repairs & Maintenance	8.06%	395	0.41
Utilities	4.62%	226	0.24
Water, Sewer, & Trash	8.10%	397	0.41
Property Insurance	3.92%	192	0.20
Property Tax 2.3999	10.78%	528	0.55
Reserve for Replacements	4.08%	200	0.21
Compliance, Supportive Serv.	3.06%	150	0.16

**TOTAL EXPENSES**

**NET OPERATING INC**

**DEBT SERVICE**

First Lien Mortgage 26.60% \$1,302 \$1.36  
 Additional Financing 0.00% \$0 \$0.00  
 Additional Financing 0.00% \$0 \$0.00  
**NET CASH FLOW** 9.16% \$448 \$0.47

**AGGREGATE DEBT COVERAGE RATIO**

**ALTERNATIVE DEBT COVERAGE RATIO**

**CONSTRUCTION COST**

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bld)		2.96%	\$2,173	\$2.27
Off-Sites		0.00%	0	0.00
Sitework		8.51%	6,243	6.51
Direct Construction		52.62%	38,600	40.24
Contingency 4.40%		2.69%	1,974	2.06
General Req'ts 5.82%		3.56%	2,611	2.72
Contractor's G & A 1.94%		1.19%	870	0.91
Contractor's Profi 5.82%		3.56%	2,611	2.72
Indirect Construction		3.04%	2,230	2.33
Ineligible Costs		5.38%	3,945	4.11
Developer's G & A 2.00%		1.56%	1,147	1.20
Developer's Profit 13.00%		10.16%	7,452	7.77
Interim Financing		2.98%	2,187	2.28
Reserves		1.79%	1,316	1.37
<b>TOTAL COST</b>		<b>100.00%</b>	<b>\$73,359</b>	<b>\$76.48</b>

**Recap-Hard Construction Costs**

**SOURCES OF FUNDS**

First Lien Mortgage 20.65% \$15,147 \$15.79  
 Additional Financing 0.00% \$0 \$0.00  
 LIHTC Syndication Proceeds 76.72% \$56,282 \$58.68  
 Deferred Developer Fees 2.02% \$1,479 \$1.54  
 Additional (excess) Funds Requ 0.61% \$450 \$0.47  
**TOTAL SOURCES**

	TDHCA	APPLICANT		
<b>POTENTIAL GROSS RENT</b>	<b>\$393,156</b>	<b>\$370,812</b>		
Secondary Income	9,120	9,120	\$10.00	Per Unit Per Month
Other Support Income: (describe)	0			
<b>POTENTIAL GROSS INCOME</b>	<b>\$402,276</b>	<b>\$379,932</b>		
Vacancy & Collection Loss	(30,171)	(28,500)	-7.50%	of Potential Gross Rent
Employee or Other Non-Rental Units or Concessions	0			
<b>EFFECTIVE GROSS INCOME</b>	<b>\$372,105</b>	<b>\$351,432</b>		
<b>EXPENSES</b>			<b>PER SQ FT</b>	<b>PER UNIT</b>
General & Administrative	\$21,568	\$18,492	\$0.25	\$243
Management	18,605	17,572	0.24	231
Payroll & Payroll Tax	40,280	39,300	0.54	517
Repairs & Maintenance	30,002	37,340	0.51	491
Utilities	17,173	9,000	0.12	118
Water, Sewer, & Trash	30,158	26,450	0.36	348
Property Insurance	14,579	21,870	0.30	288
Property Tax 2.3999	40,126	39,000	0.54	513
Reserve for Replacements	15,200	15,200	0.21	200
Compliance, Supportive Serv.	11,376	11,376	0.16	150
<b>TOTAL EXPENSES</b>	<b>\$239,067</b>	<b>\$235,600</b>	<b>\$3.23</b>	<b>\$3,100</b>
<b>NET OPERATING INC</b>	<b>\$133,038</b>	<b>\$115,832</b>	<b>\$1.59</b>	<b>\$1,524</b>
<b>DEBT SERVICE</b>				
First Lien Mortgage	\$98,966	\$100,728	\$1.38	\$1,325
Additional Financing	0		\$0.00	\$0
Additional Financing	0		\$0.00	\$0
<b>NET CASH FLOW</b>	<b>\$34,072</b>	<b>\$15,104</b>	<b>\$0.21</b>	<b>\$199</b>
<b>AGGREGATE DEBT COVERAGE RATIO</b>	<b>1.34</b>	<b>1.15</b>		
<b>ALTERNATIVE DEBT COVERAGE RATIO</b>	<b>1.25</b>			

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bld)	\$165,167	\$220,000	\$3.02	\$2,895	3.97%
Off-Sites	0		0.00	0	0.00%
Sitework	474,500	474,500	6.51	6,243	8.56%
Direct Construction	2,933,587	2,832,560	38.86	37,271	51.12%
Contingency 4.40%	150,000	150,000	2.06	1,974	2.71%
General Req'ts 5.82%	198,424	198,424	2.72	2,611	3.58%
Contractor's G & A 1.94%	66,141	66,141	0.91	870	1.19%
Contractor's Profi 5.82%	198,424	198,424	2.72	2,611	3.58%
Indirect Construction	169,500	169,500	2.33	2,230	3.06%
Ineligible Costs	299,784	299,784	4.11	3,945	5.41%
Developer's G & A 2.00%	87,136	88,731	1.22	1,168	1.60%
Developer's Profit 13.00%	566,383	576,751	7.91	7,589	10.41%
Interim Financing	166,216	166,216	2.28	2,187	3.00%
Reserves	100,000	100,000	1.37	1,316	1.80%
<b>TOTAL COST</b>	<b>\$5,575,262</b>	<b>\$5,541,031</b>	<b>\$76.01</b>	<b>\$72,908</b>	<b>100.00%</b>
<b>Recap-Hard Construction Costs</b>	<b>\$4,021,076</b>	<b>\$3,920,049</b>	<b>\$53.78</b>	<b>\$51,580</b>	<b>70.75%</b>

	TDHCA	APPLICANT	RECOMMENDED
First Lien Mortgage	\$1,151,176	\$1,151,176	\$1,240,740
Additional Financing	0		0
LIHTC Syndication Proceeds	4,277,464	4,277,464	4,134,362
Deferred Developer Fees	112,391	112,391	111,096
Additional (excess) Funds Requ	34,231	0	0
<b>TOTAL SOURCES</b>	<b>\$5,575,262</b>	<b>\$5,541,031</b>	<b>\$5,486,198</b>

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**

**Highland Oaks Apartments, Marble Falls, LIHTC # 02012**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$42.93	\$3,129,138
<b>Adjustments</b>				
Exterior Wall Finis	5.55%		\$2.38	\$173,667
Elderly	5.00%		2.15	156,457
Roofing			0.00	0
Subfloor			(2.02)	(147,250)
Floor Cover			1.92	139,960
Porches	\$14.81	13,048	2.65	193,245
Plumbing	\$615	80	0.67	49,200
Built-In Appliances	\$1,625	76	1.69	123,500
Stairs/Fireplaces			0.00	0
Floor Insulation			0.00	0
Heating/Cooling			1.47	107,157
Garages/Carports		0	0.00	0
Clubhouse	\$60.02	1,905	1.57	114,340
Laundry Building	\$48.58	384	0.26	18,653
<b>SUBTOTAL</b>			<b>55.67</b>	<b>4,058,067</b>
Current Cost Multiplier	1.02		1.11	81,161
Local Multiplier	0.87		(7.24)	(527,549)
<b>TOTAL DIRECT CONSTRUCTION COSTS</b>			<b>\$49.55</b>	<b>\$3,611,680</b>
Plans, specs, survy, bl	3.90%		(\$1.93)	(\$140,856)
Interim Construction In	3.38%		(1.67)	(121,894)
Contractor's OH & Profi	11.50%		(5.70)	(415,343)
<b>NET DIRECT CONSTRUCTION COSTS</b>			<b>\$40.24</b>	<b>\$2,933,587</b>

**PAYMENT COMPUTATION**

<b>Primary</b>	\$1,151,176	Amort	360
Int Rate	7.75%	DCR	1.34

<b>Secondary</b>	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.34

<b>Additional</b>	\$4,277,464	Amort	
Int Rate		Aggregate DCR	1.34

**RECOMMENDED FINANCING STRUCTURE:**

Primary Debt Service	\$106,666
Secondary Debt Service	0
Additional Debt Service	0
<b>NET CASH FLOW</b>	<b>\$26,372</b>

<b>Primary</b>	\$1,240,740	Amort	360
Int Rate	7.75%	DCR	1.25

<b>Secondary</b>	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.25

<b>Additional</b>	\$4,277,464	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

**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	\$393,156	\$404,951	\$417,099	\$429,612	\$442,501	\$512,979	\$594,684	\$689,401	\$926,498
Secondary Income	9,120	9,394	9,675	9,966	10,265	11,900	13,795	15,992	21,492
Other Support Income: (de	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	402,276	414,344	426,775	439,578	452,766	524,879	608,479	705,393	947,990
Vacancy & Collection Loss	(30,171)	(31,076)	(32,008)	(32,968)	(33,957)	(39,366)	(45,636)	(52,905)	(71,099)
Employee or Other Non-Ren	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$372,105	\$383,268	\$394,767	\$406,610	\$418,808	\$485,513	\$562,843	\$652,489	\$876,891
<b>EXPENSES at 4.00%</b>									
General & Administrative	\$21,568	\$22,431	\$23,328	\$24,261	\$25,232	\$30,698	\$37,349	\$45,441	\$67,264
Management	18,605	19,163	19,738	20,330	20,940	24,276	28,142	32,624	43,845
Payroll & Payroll Tax	40,280	41,891	43,567	45,310	47,122	57,331	69,752	84,864	125,619
Repairs & Maintenance	30,002	31,202	32,450	33,748	35,098	42,702	51,953	63,209	93,565
Utilities	17,173	17,860	18,574	19,317	20,090	24,442	29,738	36,180	53,556
Water, Sewer & Trash	30,158	31,364	32,618	33,923	35,280	42,924	52,223	63,538	94,051
Insurance	14,579	15,162	15,769	16,400	17,056	20,751	25,246	30,716	45,467
Property Tax	40,126	41,731	43,401	45,137	46,942	57,112	69,486	84,540	125,140
Reserve for Replacements	15,200	15,808	16,440	17,098	17,782	21,634	26,321	32,024	47,404
Other	11,376	11,831	12,304	12,796	13,308	16,192	19,700	23,968	35,478
TOTAL EXPENSES	\$239,067	\$248,444	\$258,190	\$268,320	\$278,850	\$338,062	\$409,911	\$497,104	\$731,388
NET OPERATING INCOME	\$133,038	\$134,825	\$136,577	\$138,289	\$139,958	\$147,451	\$152,932	\$155,385	\$145,502
<b>DEBT SERVICE</b>									
First Lien Financing	\$106,666	\$106,666	\$106,666	\$106,666	\$106,666	\$106,666	\$106,666	\$106,666	\$106,666
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	\$26,372	\$28,159	\$29,911	\$31,624	\$33,293	\$40,786	\$46,266	\$48,719	\$38,837
DEBT COVERAGE RATIO	1.25	1.26	1.28	1.30	1.31	1.38	1.43	1.46	1.36

LIHTC Allocation Calculation - Highland Oaks Apartments, Marble Falls, LIHTC # 0201

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
<b>(1) Acquisition Cost</b>				
Purchase of land	\$220,000	\$165,167		
Purchase of buildings				
<b>(2) Rehabilitation/New Construction Cost</b>				
On-site work	\$474,500	\$474,500	\$474,500	\$474,500
Off-site improvements				
<b>(3) Construction Hard Costs</b>				
New structures/rehabilitation ha	\$2,832,560	\$2,933,587	\$2,832,560	\$2,933,587
<b>(4) Contractor Fees &amp; General Requirements</b>				
Contractor overhead	\$66,141	\$66,141	\$66,141	\$66,141
Contractor profit	\$198,424	\$198,424	\$198,424	\$198,424
General requirements	\$198,424	\$198,424	\$198,424	\$198,424
<b>(5) Contingencies</b>	\$150,000	\$150,000	\$150,000	\$150,000
<b>(6) Eligible Indirect Fees</b>	\$169,500	\$169,500	\$169,500	\$169,500
<b>(7) Eligible Financing Fees</b>	\$166,216	\$166,216	\$166,216	\$166,216
<b>(8) All Ineligible Costs</b>	\$299,784	\$299,784		
<b>(9) Developer Fees</b>			\$638,365	
Developer overhead	\$88,731	\$87,136		\$87,136
Developer fee	\$576,751	\$566,383		\$566,383
<b>(10) Development Reserves</b>	\$100,000	\$100,000		
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$5,541,031</b>	<b>\$5,575,262</b>	<b>\$4,894,129</b>	<b>\$5,010,311</b>

<b>Deduct from Basis:</b>				
All grant proceeds used to finance costs in eligible basis				
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing				
Non-qualified portion of higher quality units [42(d)(3)]				
Historic Credits (on residential portion only)				
<b>TOTAL ELIGIBLE BASIS</b>			\$4,894,129	\$5,010,311
High Cost Area Adjustment			130%	130%
<b>TOTAL ADJUSTED BASIS</b>			\$6,362,368	\$6,513,404
Applicable Fraction			100%	100%
<b>TOTAL QUALIFIED BASIS</b>			\$6,362,368	\$6,513,404
Applicable Percentage			8.44%	8.44%
<b>TOTAL AMOUNT OF TAX CREDITS</b>			\$536,984	\$549,731

Syndication Proceeds                      0.7699                      \$4,134,362                      \$4,232,508

# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02012

LIHTC 9%  LIHTC 4%

**Project Name:** Highland Oaks Apartments

HOME  HTF

**Project City:** Marble Falls

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 0 # not yet monitored or pending review 1

# of projects grouped by score 0-9: 0 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received N/A

Non-Compliance Reported \_\_\_\_\_

**Completed by** Jo En Taylor **Completed on** 09/18/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments:

**Completed by** Lucy Trevino **Completed on** 09/23/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments:

**Completed by** Ralph Hendrickson **Completed on** 09/20/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** EEF      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Emily Weilbaecher      **Completed on** 09/23/2002

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer      **Completed on** 09/23/2002

**Executive Director:** \_\_\_\_\_      **Date Signed:** \_\_\_\_\_

**Revised Legislative Appropriations Request**

Staff requests approval of the Revised Legislative Appropriations Request



**LEGISLATIVE APPROPRIATIONS REQUEST  
FOR FISCAL YEARS 2004 AND 2005**

*Submitted to the*  
**Governor's Office of Budget and Planning**  
*and the*  
**Legislative Budget Board**  
*by the*

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>Board Member</b>	<b>Term Expiration</b>	<b>Hometown</b>
<i>Michael E. Jones, Chair</i>	<i>January 31, 2003</i>	<i>Tyler, Texas</i>
<i>C. Kent Conine</i>	<i>January 31, 2003</i>	<i>Frisco, Texas</i>
<i>Elizabeth Anderson</i>	<i>January 31, 2007</i>	<i>Dallas, Texas</i>
<i>Shadrick Bogany</i>	<i>January 31, 2005</i>	<i>Houston, Texas</i>
<i>Vidal Gonzalez</i>	<i>January 31, 2005</i>	<i>Del Rio, Texas</i>
<i>Norberto Salinas</i>	<i>January 31, 2005</i>	<i>Mission, Texas</i>

**Revised Submission  
September 24, 2002**

Submitted by: \_\_\_\_\_  
*Edwina P. Carrington, Executive Director*

**Texas Department of Housing and Community Affairs  
Legislative Appropriations Request FY-2004 and FY-2005**

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**ADMINISTRATOR'S STATEMENT**

## ADMINISTRATOR'S STATEMENT

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002

TIME: 11:08:05AM

PAGE: 1 of 4

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

### ADMINISTRATOR'S STATEMENT

#### Background

The Texas Department of Housing and Community Affairs ("the Department"), created by the 72nd Legislature on September 1, 1991, administers approximately which address the housing and community needs of extremely low, very low, low and moderate income Texans. These programs provide providers in order to fulfill the Department's mission of "helping Texans achieve an improved quality of life through the development of better communities." The following three (3) divisions within the agency administer these programs: Housing Programs, Housing Finance, and Community Affairs. A fourth division – the Division of Manufactured its own governing board but is still "administratively attached" to the Department. Additionally, the Department has other divisions that focus on monitoring and compliance, legal counsel, research and planning, communications and gove

The Department has a seven (7) member governing board which is appointed by the Governor and confirmed by the Senate. The members are: Michael E. Jones, c term expires 01-31-03); C. Kent Conine (Frisco, term expires 01-31-03); Shadrick Bogany (Houston, term expires 01-31-05); Vidal Gonzalez (Del Rio, term expires 01-31-05); Norberto Salinas (Mission, term expires 01-31-05); Elizabeth Anderson (Dallas, term expires 01-31-07) The seventh position is vacant.

#### Purposes

Chapter 2306 of the Texas Government Code states the purposes of the Department to be: assist local governments in providing essential public services for their: overcoming financial, social, and environmental problems; to provide for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income; and, to contribute to the preservation, development, and redevelopment of neighborhoods at government-assisted housing occupied by individuals and families of very low and extremely low income.

Pursuant to these purposes, the Department's Housing Programs and Housing Finance Divisions make funds available on a statewide basis to address affordable h Community Affairs Division administers statewide programs that support the delivery of community services and provide energy-related assistance to every county. Regulation of the manufactured housing industry is also statewide and is administered by the Manufactured Housing division, an independent entity within TDHCA. The Office of Coloni coordinates the Department's efforts toward serving people in colonias along the Texas-Mexico border. These initiatives also focus on infrastructure, affordable housing, and technical assistance. The Housing Resource Center (the Center) serves as an information clearinghouse on affordable housing and community services issues. In addition, the Center serves as the research arm for the Department, focusing on needs assessments. The Center also ensures that homebuyer education is available throughout the state through the Texas Statewide Homebuyer Education Program (TSHEP).

The Department distributes program funds to local conduit providers that include units of local government, nonprofit organizations, community-based organizations, private sector organizations, real estate developers, and local lending institutions. The Department also selects local affordable housing and homeless service providers through compe processes that measure community need and administrative capacity, insuring that priority populations are served in a fair and non-discr: administers its poverty programs through a network of local nonprofits, local government, and community action age administration of its programs, the Department defines policy direction, promotes the leveraging of federal, state and local resources, and assures the stability and continuity of service delivery.

#### Funding Sources

The overwhelming majority of programs administered by the Department rely on federal resources. The Department administered approximately \$73 million from Housing and Urban Development ("HUD") in fiscal year 2001 through the HOME Investment Partnerships Program ("HOME"), Section 8 Program. The Department also administered the \$80 million CDBG allocation which was transferred to the Office of Rural Community Affairs on December 1, 2001, created b HB7 of the 77th Legislature. The Department still provides some administrative services through an Interagency Agreement. Utilizing authority granted to the State by the Internal Revenue Service (IRS), the Department issued \$32 million in federal tax credits to be used for the development of multifamily affordable housing. The IRS also granted bond issuance

## ADMINISTRATOR'S STATEMENT

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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authority of approximately \$200 million to be used for below market interest rate loans for moderate, low, and very low-income first-time homebuyers and for affordable multifamily housing. Additionally, the Department administered approximately \$44 million from the U.S. Department of Health and Human Services ("HHS") through the Community Development Block Grant Program ("CSBG") and the Low Income Housing Energy Assistance Program. The Department also received funding in the Energy.

State appropriations to the Department for the Housing Trust Fund (HTF) remained static in the 2002-2003 biennium. The Legislature appropriated \$12.6 million for the HTF over the biennium. Of this, \$2 million is in oil-overcharge funds to be used for energy efficiency measures associated with affordable housing. The Department has earmarked up to \$2.3 million of HTF appropriations for 2002 to help meet funding requirements for the Texas Bootstrap Loan Program. (See Appropriations Rider 24 and Subchapter FF Texas Government Code). The Department received approximately \$18 million in new state appropriations through the System Benefit Fund and \$1 million in oil overcharge funds for energy efficiency programs in the 2002-2003 biennium. The Department also receives funding for energy efficiency program through contracts with investor-owned utility companies that have not entered into de-regulation.

### Legislative Initiatives

The 77th Legislature directed the Department to undertake a significant amount of new initiatives and pilot programs associated with affordable housing. The Department's "Sunset Bill", dramatically altered the way the Department conducts its business. Key elements included: movement of the Community Development Block Grant program to the Office of Rural Community Affairs (ORCA); movement of 14 FTEs to ORCA in addition to CDBG staff that was involved in the process for all award decisions, including creation of an Executive Award and Review Advisory Committee; addition of compliance monitoring functions during project construction phase; additional public hearing requirements for programs; establishment of a program to preserve "at-risk" developments; creation of a separate board to govern the Housing division while the division stays "administratively attached" to the Department; requirement for the Department to obtain certifications of compliance with anti-discrimination laws by applicants for all housing-related programs; establishment of a regional planning process and directed the Department to hire regional development coordinators for each state service region (this would create 11 new FTE positions not funded through the Appropriations Bill); directed the HOME program to expend at least 5% of its funding in non-participating jurisdiction areas; reformed the Low Income Housing Tax Credit program with a significant amount of new funding; created a single-family mortgage loan product for homebuyers who might use higher-priced lending products; enhanced amount of information available to the public; and, established a regional allocation method for multi-family housing; and new colonia initiatives. (See discussion of colonia-related exceptional item request.)

Other legislation that directly impacted the Department's work load and budget included: SB 198 (applying contract-for-deed homebuyer protections statewide); HB 7 (created Office of Rural Community Affairs and transferred Community Development Block Grant program and Local Government Services from TDHCA to ORCA); HB 1392 (related to the transportation of and certain ad valorem tax liens on manufactured homes); HB 1392 (related to applications for ad valorem tax exemptions for certain community housing development organizations); HB 1811 (directed HOME program to allocate 95% of its funding to areas considered non-participating jurisdictions); HB 1869 (related to the acquisition of manufactured homes through financing or other means and to persons associated with those acquisitions); HB 1902 (re-created System Benefit Fund as a dedicated account and established priorities for expenditures); HB 3088 (created and re-created funds and accounts in state treasury for System Benefit Fund), HB 3383 (related to development organizations); HB 3450 (Sunset Bill for Interagency Council for the Homeless); HB 3552 (related to the regulation of manufactured housing); HB 3623 (related to transfer of ce

### Citizen Participation

Effective service delivery would not be possible without a strong citizen participation process. Dialogue and communication with program consumers at the local level through program information workshops, public hearings, technical training sessions, and town hall-type meetings allows the Department to work towards its mission. The Department implemented Sunset recommendations regarding the consolidation of public hearings. Specifically, the Department now has 11 agency-wide public hearings in one Per Uniform State Service Region. These hearings give the public the opportunity to meet staff face to face, learn about the Department's programs, and give input regarding the direction of agency programs. In addition, the Department helped to coordinate housing and community service focus groups at each of the 24 Regional Planning Commissions. The collaborative efforts between the Department, consumers, and organizations have resulted in a participatory and inclusive approach to defining strategies and meeting the diverse

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collaborative efforts between the Department, consumers, and organizations have resulted in a participatory and inclusive approach to defining strategies and meeting the diverse housing and community needs of Texans.

In conclusion, the Department assesses the housing and community needs of its consumers on a continual basis. The main challenge is to leverage limited resources to achieve the greatest public purpose. Policy consensus is reached through an extensive citizen participation process. The respective state or federal governing body then approves the policies. While the Department does not have enough resources to address all of the need across the State, it does work to improve the efficiency of service delivery, thus serving customers without increased funding levels. The Texas Department of Housing and Community Affairs serves the greatest number of consumers in need through program planning and efficiency. This focus is in direct correlation with the State's priority goal of promoting

### Exceptional Items

The Department, along with the Office of the Secretary of State, the Texas Water Development Board and the Office of Rural Community Affairs, is one of a few state agencies focused on the problems of colonias along the Texas-Mexico border. Recent research estimates that there are as many as 700,000 Texans living in sub-standard housing in these areas; many of them have no water or wastewater connections to their homes. Since 1996, the Department's Office of Colonia Initiatives (OCI) has dedicated itself to resolving as many of these issues as possible, funds permitting. However, this office and its four field offices (El Paso, Eagle Pass, Laredo and Edinburg) have never received a dedicated source of funding from the Texas Legislature. Consequently, the Department utilized a large portion of the funding from the state's only dedicated housing fund – the Housing Trust Fund – and other Department resources, to support the OCI. Therefore, the Department is requesting \$15 million in dedicated funding for the OCI and one additional FTE.

Funding for this exceptional item will provide housing for extremely low and very low income individuals and families, helping the Department to reach its Rider 13-mandated goal of reaching families with contracts-for-deeds in the 0-30% and 0-60% Area Median Family Income ranges. The funding will also facilitate the construction of 200 single-family units through the Texas Bootstrap Program and assist 200 households through the Contract-for-Deed Conversion Loan Program. OCI will also utilize this funding to build capacity in many non-profit organizations which assist these residents along the border. The funding will also enable the Department to fulfill an unfunded mandate from SB 322, which requires the Department to develop a colonia model subdivision loan program. Furthermore, a dedicated source of funding for OCI would free up at least \$6 million over the biennium from the Housing Trust Fund, the state's only source of housing funds and a more flexible tool that provides TDHCA flexibility in attacking the state's housing crisis. Finally, the Department would create performance measures for OCI and provide state and local planners with valuable data on

Subchapter CC, Texas Government Code, directs the Department to administer the Emergency Nutrition Assistance Program, requesting \$6 million over the 2004-2005 biennium to facilitate the administration and enactment of this important program, which is the only state emergency relief program, aimed at helping those near or at the poverty level. This funding will assist the Department in helping approximately 50,000 individuals and families, primarily in rural areas of the state. Previous to the 2000-2001 biennium, this program received a minimum of \$3 million in Oil Overcharge funds each year and allowed local governments to assist approximately 60,000 low income individuals each year through energy-related services such as utility assistance. Although no new oil overcharge funds were available in FY 2000, the Department used Unexpended Balance (UB) authority and assisted 22,273 persons through ENTERP with \$853,767 (\$356,348 in general revenue and \$497,419 in unexpended oil overcharge). In FY 2001, the Department used \$472,998 (\$355,211 in GR and \$117,787 unexpended oil overcharge) to assist 12,482 persons. The Department received \$712,696 in FY 2002 to carry out the duties of this program. ENTERP was originally funded with

emergency food purchases in addition to emergency gas vouchers, for example.

The Department is requesting \$250,000 and one FTE to fulfill its monitoring of the Section 8 Tenant Occupancy requirement per federal and state legislation. Section 2306.257 of the Texas Government Code require the Department to further its fair housing objectives. This position would be responsible for monitoring and oversight of Section 8 tenant occupancy in TDHCA-funded properties and would coordinate corrective action, ensure successful implementation of newly adopted rules including the updating of manuals and contract template and training of industry and modification of training tools and tracking systems. Funding for this item will enable TDHCA to specifically monitor Section 8 tenant occupancy in Low Income Housing Tax Credit program properties and report violations. This funding would also allow for the hiring of testers who will visit a statistically significant sample of

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Income Housing Tax Credit program properties and report violations. This funding would also allow for the hiring of testers who will visit a statistically significant sample of developments each year. Testers are the most effective strategy to ensure compliance with Section 8 tenant admittance requirements. The funding will also enhance the Department's Fair Housing efforts under all program areas. The Department will utilize non-GR funding in the form of appropriated receipts to support this request. More specifically, the Department plans to increase its Low Income Housing Tax Credit program compliance fees to fund this request.

Coupled alongside the Section 8 Tenant Occupancy Monitor request is the Department's request for \$63,000 for a Fair Housing Officer. The position would coordinate technical assistance to owners and managers of projects, and help the Department to coordinate activities with the Texas Commission on Human Rights and advocacy groups. In order to comply with SB 322, the Department utilized an FTE designed for another area of responsibility in the Department's Compliance division. The funding of this ] TDHCA to utilize the FTE in the area impacted by the transfer of this FTE. Consequently, the Department would be able take a more aggressive approach toward ensuring fair housing practices in multifamily and single family units. As with the Section 8 Occupancy monitoring requirement request, the Department plans to utilize appropriated receipts in the form of increased LIHTC compliance fees to fund this request.

The Manufactured Housing Division is requesting as an exceptional item the authority to hire 30 additional FTEs in order to meet anticipated new federal requirer manufactured housing installations be inspected. The United States Congress (106th) passed the Manufactured Housing Improvement Act of 2000, S.1452, which adds installation standards. The implementation of the installation program is scheduled for 2005. While HUD has not completed development of the installation program, HUD has indicated it may require all installations be inspected. Currently, the Texas Manufactured Housing Standards Act requires that at least 25% of the manufactured homes installed be inspected. The Federal program will establish a yet-to-be-determined fee to reimburse the states for these inspections. The Division anticipates defraying the cost of additional FTEs by receipt of Federal funds for inspecting installations and from General Revenue funds obtained from In Plant Inspection Agency (IPIA) fees received should the Division receive the exclusive IPIA rights from the Texas Legislature.

The exceptional item addressing maximizing the use of federal funds is based on the Departments estimate of \$1,400,000 per year in earned federal funds generated from indirect cost collections from federal grants. These collections are meant to fund indirect support for administering the federal programs. To equitably fund central administration the Department requests interchanging \$200,000 per year of the biennium from appropriated receipts to earned federal funds. The Department is requesting total biennial appropriation authority (including the exceptional item)of \$2,288,029. We estimate generating \$2,974,000, thereby leaving an unappropriated balance of \$685,000. Please see the Estimated Revenue Schedule for further details.

The Manufactured Housing Division is requesting \$1,000,000 to pay consumer claims, which currently is appropriated to the Division in Rider 10 for \$50,000. The appropriati \$50,000, since the last biennium, has not been sufficient to meet the payment of consumer claims. The requested (\$1,000,000) will minimize the strain on current direct strategies and budget/funding sources. The increase is requested in accordance with the Manufactured Housing Standards Act (the "Act"). Section 13A(a) of the Act which states that account will be established in the general revenue fund designated as the manufactured homeowners' recovery fund and the director shall administer the fund. Section 13A(j) of the Act states that one million dollars will be reserved in the fund for payment of consumer claims.

Finally, in order to establish a more competitive salary and salary range for the Executive Director position at TDHCA, the Department is requesting to move this exempt position from a Group 4 to a Group 5 exempt classification with a salary range of \$90,060 to \$139,140. Increases in salary will be based on the TDHCA Governing Board's approval to grant these salary increases. This request is based on a comparison of the current TDHCA Executive Director's salary to comparable state agencies, to salaries and groups of the agencies within the Business and Economic Development Group of Texas State Agencies, and from the salary survey of the National Council of State Housing Agencies Survey.

## **SUMMARY OF REQUEST**



**II.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<b>1</b> Increase Availability of Safe/Decent/Affordable Housing					
<b>1</b> <i>Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg</i>					
<b>1</b> HOUSING TRUST FUND	6,556,568	6,562,260	6,556,568	5,218,656	5,210,175
<b>2</b> HOME PROGRAM	1,147,559	40,818,946	78,635,710	40,759,730	40,759,710
<b>3</b> SECTION 8 RENTAL ASSISTANCE	9,100,284	8,040,935	9,480,000	9,841,136	9,812,078
<b>4</b> FEDERAL TAX CREDITS	874,648	1,109,099	1,370,409	1,687,697	1,711,873
<b>5</b> MRB PROGRAM - SINGLE FAMILY	1,569,909	1,594,013	1,658,863	1,666,037	1,675,503
<b>6</b> MRB PROGRAM-MULTIFAMILY	218,786	294,325	340,321	341,484	344,298
<b>TOTAL, GOAL 1</b>	<b>\$19,467,754</b>	<b>\$58,419,578</b>	<b>\$98,041,871</b>	<b>\$59,514,740</b>	<b>\$59,513,637</b>
<b>2</b> To Improve the Living Conditions and Lives of Border Residents in TX					
<b>1</b> <i>Fund Project Which Creates/Retains Jobs &amp; Housing Assistance/Planning</i>					
<b>2</b> COLONIA SERVICE CENTERS	520,940	626,917	664,499	722,182	689,173
<b>TOTAL, GOAL 2</b>	<b>\$520,940</b>	<b>\$626,917</b>	<b>\$664,499</b>	<b>\$722,182</b>	<b>\$689,173</b>
<b>3</b> Improve Living Conditins for Poor/Homeless & Reduce Enery Costs for VLI					
<b>1</b> <i>Ease Hardships for 16% of Homeless &amp; Very Low Income Persons Each Year</i>					
<b>1</b> POVERTY-RELATED FUNDS	33,333,931	35,912,176	36,168,408	36,176,389	36,178,408
<b>2</b> <i>Reduce Cost of Home Energy for 6% of Very Low Income Households</i>					
<b>1</b> ENERGY ASSISTANCE PROGRAMS	60,531,843	49,455,367	55,626,801	54,081,701	54,002,356
<b>TOTAL, GOAL 3</b>	<b>\$93,865,774</b>	<b>\$85,367,543</b>	<b>\$91,795,209</b>	<b>\$90,258,090</b>	<b>\$90,180,764</b>

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<b>4</b> Ensure Compliance with Program Mandates					
<b>1</b> <i>Monitor Housing Properties and Loan/Grant Recipients</i>					
<b>1</b> REVIEW PROPERTY DOCUMENTS	1,716,524	2,129,337	2,149,882	2,434,649	2,386,686
<b>2</b> REVIEW FINANCIAL DOCUMENTS	800,960	351,014	427,784	476,749	442,094
<b>TOTAL, GOAL 4</b>	<b>\$2,517,484</b>	<b>\$2,480,351</b>	<b>\$2,577,666</b>	<b>\$2,911,398</b>	<b>\$2,828,780</b>
<b>5</b> Regulate Manufactured Housing Industry					
<b>1</b> <i>Operate a Regulatory System Ensure Responsive Titling/Licensing/Other</i>					
<b>1</b> TITLING AND LICENSING	930,316	990,310	948,767	1,557,171	1,564,451
<b>2</b> INSTALLATION INSPECTIONS	1,615,824	1,691,365	1,897,535	1,746,510	1,755,776
<b>3</b> ENFORCEMENT	1,937,714	2,257,149	2,347,536	1,795,361	1,804,817
<b>TOTAL, GOAL 5</b>	<b>\$4,483,854</b>	<b>\$4,938,824</b>	<b>\$5,193,838</b>	<b>\$5,099,042</b>	<b>\$5,125,044</b>
<b>6</b> Indirect Administrative and Support Costs					
<b>1</b> <i>Indirect Administrative and Support Costs</i>					
<b>1</b> CENTRAL ADMINISTRATION	4,149,884	4,286,005	5,121,882	5,349,036	5,356,717
<b>2</b> INFORMATION RESOURCE TECHNOLOGIES	1,301,877	1,493,131	1,386,858	1,423,612	1,438,200
<b>3</b> OPERATING/SUPPORT	536,079	576,341	605,537	615,960	622,396
<b>TOTAL, GOAL 6</b>	<b>\$5,987,840</b>	<b>\$6,355,477</b>	<b>\$7,114,277</b>	<b>\$7,388,608</b>	<b>\$7,417,313</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$165,894,060</b>	<b>\$165,754,711</b>

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>400,000</b>	<b>400,000</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$166,294,060</b>	<b>\$166,154,711</b>
METHOD OF FINANCING:					
<b>1</b> General Revenue Fund					
	\$10,030,476	\$9,311,976	\$9,767,298	\$9,526,837	\$9,552,437
<b>127</b> Community Affairs Federal Fund No. 127					
	\$92,555,835	\$126,475,745	\$168,050,955	\$130,663,355	\$130,608,676
<b>666</b> Appropriated Receipts					
	\$21,514,549	\$12,747,820	\$14,211,619	\$14,319,452	\$14,190,051
<b>777</b> Interagency Contracts					
	\$1,973,900	\$1,579,641	\$1,597,967	\$82,967	\$82,967
<b>852</b> System Benefit Fund					
	\$0	\$7,178,000	\$10,767,000	\$10,767,000	\$10,767,000
<b>888</b> Earned Federal Funds					
	\$768,886	\$895,508	\$992,521	\$934,449	\$953,580
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$166,294,060</b>	<b>\$166,154,711</b>

\*Rider appropriations for the historical years are included in the strategy amounts.

**II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
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<b>METHOD OF FINANCING</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<b><u>GENERAL REVENUE</u></b>					
<b>1</b> General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table	10,026,821	9,652,003	9,763,474	9,126,837	9,152,437
<i>RIDER APPROPRIATION</i>					
Rider #16 Housing Trust Fund Interest Earnings and Loan Repayments	250,000	0	0	0	0
Rider #15 Housing Trust Fund Interest Earnings and Loan Repayments	0	250,000	250,000	350,000	350,000
Rider 10 - Manufactured Homeowner Consumer Claims	0	50,000	50,000	50,000	50,000
Rider #11 - Manufactured Homeowner Consumer Claims	50,000	0	0	0	0
<i>TRANSFERS</i>					
Art IX, Sec 9-11.06, Appropriations for Salary Increase	105,000	0	0	0	0
Art IX, Sec 6.44, TCDHH - Funding Regional Specialists Projects	0	-1,334	-1,334	0	0
Art IX, Sec 10.12, Appropriation for Salary Increase	0	115,000	115,000	0	0
Art IX, Sec 10.36 and SB 311, Cost Savings - Reverse Auctions	0	-470	-470	0	0
Art IX, Sec 10.23 and Contongency HB 2976, SORM	0	34,199	34,199	0	0
Art IX, Sec 10.95 and HB 7, ORCA (Strategy LGS 2.1.1.)	-289,850	-310,274	-309,566	0	0
Art IX, Sec 10.95 and HB 7, ORCA (Strategy Cent Admin 6.1.1.)	0	-132,143	0	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations	-111,495	-345,005	-134,005	0	0
<b>TOTAL, General Revenue Fund</b>	<b>\$10,030,476</b>	<b>\$9,311,976</b>	<b>\$9,767,298</b>	<b>\$9,526,837</b>	<b>\$9,552,437</b>

**II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

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<b>METHOD OF FINANCING</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<b>888</b> Earned Federal Funds					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation from MOF Table	1,366,823	1,569,021	1,495,908	934,449	953,580
<i>TRANSFERS</i>					
Art IX, Sec 10.12, Appropriation for Salary Increase	0	45,000	45,000	0	0
Art IX, Sec 10.23 and Contingency HB 2976, SORM	0	15,826	15,826	0	0
Art IX, Sec 10.95 and HB 7, Office of Rural Community Affairs	-483,075	-514,996	-514,996	0	0
Art IX, Sec 9-11.06, Salary Increase	38,149	0	0	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriation	-153,011	-219,343	-49,217	0	0
<b>TOTAL, Earned Federal Funds</b>	<b>\$768,886</b>	<b>\$895,508</b>	<b>\$992,521</b>	<b>\$934,449</b>	<b>\$953,580</b>
<b>8036</b> General Revenue (System Benefit Fund)					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table	0	7,178,000	10,767,000	0	0
<i>SUPPLMNTL, SPECIAL APPRO.</i>					
HB3088, Section 19(a), Creates the SBF as a Trust Fund	0	-7,178,000	-10,767,000	0	0
<b>TOTAL, General Revenue (System Benefit Fund)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>8039</b> GR Match for Community Development Block Grants					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriation from the MOF Table	1,099,630	1,154,455	1,180,838	0	0

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<b>METHOD OF FINANCING</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>
<i>TRANSFERS</i>					
Art IX, Sec 6.44, TCDHH - Funding Regional Specialists Projects	0	-4,927	-4,927	0	0
Art IX, Sec 10.95 and HB 7, Office of Rural Community Affairs	-1,047,703	-1,149,528	-1,175,911	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriation	-51,927	0	0	0	0
<b>TOTAL, GR Match for Community Development Block Grants</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$10,799,362</b>	<b>\$10,207,484</b>	<b>\$10,759,819</b>	<b>\$10,461,286</b>	<b>\$10,506,017</b>

**FEDERAL FUNDS**

**127** Community Affairs Federal Fund No. 127

*REGULAR APPROPRIATIONS*

Regular Appropriation from MOF Table

175,602,845	185,125,588	185,124,754	130,663,355	130,608,676
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*TRANSFERS*

Art IX, Sec 9-11.06, Appropriation for Salary Increase

119,868	0	0	0	0
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Art IX, Sec 6.44, TCDHH - Funding Regional Specialists Projects

0	-12,696	-12,696	0	0
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Art IX, Sec 10.12, Appropriation for Salary Increase

0	120,000	120,000	0	0
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Art IX, Sec 10-95 and HB 7, Office of Rural Community Affairs

-83,066,971	-83,545,724	-83,544,375	0	0
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Art IX, Sec 10.23 and Contingency HB 2976, SORM

0	34,561	34,561	0	0
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*BASE ADJUSTMENT*

Revised Federal Receipts

-99,907	24,754,016	66,328,711	0	0
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**II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **11:17:42AM**

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

METHOD OF FINANCING	Exp 2001	Est 2002	Bud 2003	Req 2004	Req 2005
<b>TOTAL, Community Affairs Federal Fund No. 127</b>	<b>\$92,555,835</b>	<b>\$126,475,745</b>	<b>\$168,050,955</b>	<b>\$130,663,355</b>	<b>\$130,608,676</b>
<b>TOTAL, ALL FEDERAL FUNDS</b>	<b>\$92,555,835</b>	<b>\$126,475,745</b>	<b>\$168,050,955</b>	<b>\$130,663,355</b>	<b>\$130,608,676</b>

**OTHER FUNDS**

<b>666</b> Appropriated Receipts					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from the MOF Table	11,752,815	13,251,062	12,475,376	14,319,452	14,190,051
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 9-8.01, Acceptance of Gifts of Money - Investor Owned Util	10,768,000	0	0	0	0
Art IX, Sec 8.01, Acceptance of Gifts of Money - Investor Owned Util	0	1,000,000	1,500,000	0	0
<i>TRANSFERS</i>					
Art IX, Sec 9-11.06, Appropriation for Salary Increase	152,182	0	0	0	0
Art IX, Sec 6.44, Funding Regional Specialists Projects	0	-865	-865	0	0
Art IX, Sec 10.12, Appropriation for Salary Increase	0	330,000	330,000	0	0
Art IX, Sec 10.23 and Contingency HB 2976, SORM	0	189,905	189,905	0	0
<i>LAPSED APPROPRIATIONS</i>					
Lapse Appropriation	-1,158,448	-2,022,282	-282,797	0	0
<b>TOTAL, Appropriated Receipts</b>	<b>\$21,514,549</b>	<b>\$12,747,820</b>	<b>\$14,211,619</b>	<b>\$14,319,452</b>	<b>\$14,190,051</b>

**777** Interagency Contracts  
*REGULAR APPROPRIATIONS*

**II.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**

TIME: **11:17:42AM**

Agency code: <b>332</b>		Agency name: <b>DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>Req 2004</b>	<b>Req 2005</b>	
Regular Appropriations from MOF Table	1,500,000	1,500,000	1,500,000	82,967	82,967	
<i>RIDER APPROPRIATION</i>						
Art I-27, Rider #9 Oil Overcharge Settlement, Weatherization	360,791	0	0	0	0	
Art I-27, Rider #9 Oil Overcharge Settlement, Housing Trust Fund	113,109	0	0	0	0	
<i>TRANSFERS</i>						
Art IX, Sec 10.95 and HB 7, ORCA (Strategy OCI, 2.1.2.)	0	79,641	97,967	0	0	
<b>TOTAL, Interagency Contracts</b>	<b>\$1,973,900</b>	<b>\$1,579,641</b>	<b>\$1,597,967</b>	<b>\$82,967</b>	<b>\$82,967</b>	
<b>852</b> System Benefit Fund						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriation from the MOF Table	0	0	0	10,767,000	10,767,000	
<i>SUPPLMNTL, SPECIAL APPRO.</i>						
HB 3088, Section 19(a), Creates the SBF as a Trust Fund	0	7,178,000	10,767,000	0	0	
<b>TOTAL, System Benefit Fund</b>	<b>\$0</b>	<b>\$7,178,000</b>	<b>\$10,767,000</b>	<b>\$10,767,000</b>	<b>\$10,767,000</b>	
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$23,488,449</b>	<b>\$21,505,461</b>	<b>\$26,576,586</b>	<b>\$25,169,419</b>	<b>\$25,040,018</b>	
<b>GRAND TOTAL</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$166,294,060</b>	<b>\$166,154,711</b>	
<b>FULL-TIME-EQUIVALENT POSITIONS</b>	<b>307.8</b>	<b>307.5</b>	<b>323.0</b>	<b>323.0</b>	<b>323.0</b>	



**II.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **11:20:40AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>OBJECT OF EXPENSE</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>BL 2004</b>	<b>BL 2005</b>
1001 SALARIES AND WAGES	\$12,615,612	\$13,877,475	\$15,078,493	\$15,078,494	\$15,078,494
1002 OTHER PERSONNEL COSTS	\$169,551	\$262,715	\$207,357	\$207,357	\$207,357
2001 PROFESSIONAL FEES AND SERVICES	\$1,494,421	\$1,334,991	\$2,098,554	\$2,530,275	\$2,400,553
2002 FUELS AND LUBRICANTS	\$59	\$302	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$138,786	\$208,168	\$363,097	\$440,149	\$431,494
2004 UTILITIES	\$74,908	\$65,882	\$140,899	\$213,514	\$218,514
2005 TRAVEL	\$750,207	\$725,360	\$954,325	\$992,585	\$998,085
2006 RENT - BUILDING	\$1,687,254	\$1,864,066	\$1,947,618	\$2,033,433	\$2,072,926
2007 RENT - MACHINE AND OTHER	\$156,070	\$127,647	\$158,002	\$155,502	\$162,502
2009 OTHER OPERATING EXPENSE	\$2,383,810	\$2,459,472	\$2,771,450	\$2,587,481	\$2,573,276
3001 CLIENT SERVICES	\$8,326,423	\$7,263,725	\$8,567,976	\$8,877,976	\$8,877,976
4000 GRANTS	\$98,664,938	\$129,126,537	\$172,768,821	\$132,082,089	\$132,143,532
5000 CAPITAL EXPENDITURES	\$381,607	\$872,350	\$330,768	\$695,205	\$590,002
<b>OOE Total (Excluding Riders)</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$165,894,060</b>	<b>\$165,754,711</b>
<b>OOE Total (Riders)</b>				<b>\$400,000</b>	<b>\$400,000</b>
<b>Grand Total</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$166,294,060</b>	<b>\$166,154,711</b>

**II.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/26/2002

Time: 11:10:17AM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Goal/ Objective / OUTCOME	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
1 Increase Availability of Safe/Decent/Affordable Housing					
1 <i>Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg</i>					
<b>KEY 1 Percent Households/Individuals Needing Affordable Housing</b>	1.20%	1.54%	1.00%	0.93%	0.95%
<b>KEY 2 Percent Very Low Income Households Receiving Housing Assistance</b>	1.00%	1.34%	0.70%	0.82%	0.83%
<b>KEY 3 Percent Low Income Households Receiving Housing Assistance</b>	2.02%	2.48%	1.70%	1.46%	1.49%
<b>KEY 4 Percent Households of Moderate Income Receiving Housing Assistance</b>	0.18%	0.13%	0.50%	0.17%	0.17%
<b>5 Percent of Multi-family Rental Units Benefiting VL/MI Households</b>	75.00%	100.00%	75.00%	75.00%	75.00%
3 Improve Living Conditns for Poor/Homeless & Reduce Enery Costs for VLI					
1 <i>Ease Hardships for 16% of Homeless &amp; Very Low Income Persons Each Year</i>					
<b>KEY 1 % in Poverty That Received Homeless and Poverty-related Assistance</b>	19.02%	14.60%	13.30%	13.30%	13.30%
<b>2 Percent of Emergency Shelters Assisted</b>	7.88%	8.10%	5.50%	5.50%	5.50%
<b>3 Percent of Persons Achieving Incomes Above Poverty Level</b>	0.50%	0.05%	0.02%	0.02%	0.02%
2 <i>Reduce Cost of Home Energy for 6% of Very Low Income Households</i>					
<b>KEY 1 Percent of Very Low Income Households Receiving Energy Assistance</b>	11.30%	5.44%	4.15%	6.00%	6.00%
4 Ensure Compliance with Program Mandates					
1 <i>Monitor Housing Properties and Loan/Grant Recipients</i>					
<b>KEY 1 Percent of Properties Monitored</b>	100.00%	100.00%	100.00%	100.00%	100.00%
<b>KEY 2 Percent of Sub-recipients Monitored</b>	100.00%	100.00%	100.00%	100.00%	100.00%
<b>3 Percent of Properties in Compliance</b>	95.00%	85.00%	85.00%	90.00%	90.00%

**II.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

78th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/26/2002

Time: 11:10:53AM

Agency code: 332

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

Goal/ Objective / <b>OUTCOME</b>	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
5 Regulate Manufactured Housing Industry					
1 <i>Operate a Regulatory System Ensure Responsive Titling/Licensing/Other</i>					
<b>1 Percent of Applications Processed within Established Time Frames</b>	100.00%	100.00%	95.00%	97.00%	97.00%
<b>KEY 2 Percent of Consumer Complaint Inspections Conducted within 30 Days</b>	98.80%	100.00%	95.00%	98.00%	98.00%
<b>3 Percent of Complaints Resulting in Disciplinary Action</b>	14.40%	15.90%	22.00%	20.00%	20.00%
<b>4 Percent of Documented Complaints Resolved within Six Months</b>	69.30%	62.80%	72.00%	70.00%	70.00%
<b>5 Recidivism Rate for Those Receiving Disciplinary Action</b>	0.00%	0.00%	5.00%	5.00%	5.00%

**II.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME : 11:18:11AM

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

Priority	Item	2004			2005			Biennium	
		GR and GR/Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	ENTERP	\$ 3,000,000	\$ 3,000,000		\$ 3,000,000	\$ 3,000,000		\$ 6,000,000	\$ 6,000,000
2	Office of Colonia Initiatives	\$ 7,500,000	\$ 7,538,600	1.0	\$ 7,500,000	\$ 7,538,600	1.0	\$ 15,000,000	\$ 15,077,200
3	Section 8/Fair Housing		\$ 161,252	1.0		\$ 163,094	1.0		\$ 324,346
4	Installation Inspections FTE's	\$ 565,698	\$ 942,830	30.0	\$ 556,506	\$ 927,510	30.0	\$ 1,122,204	\$ 1,870,340
5	Manufactured Housing Consumer C	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000	\$ 1,000,000		\$ 2,000,000	\$ 2,000,000
6	Maximize Earned Federal Funds	\$ 200,000	\$ 0		\$ 200,000	\$ 0		\$ 400,000	\$ 0
<b>Total, Exceptional Items Request</b>		<b>\$ 12,265,698</b>	<b>\$ 12,642,682</b>	<b>32.0</b>	<b>\$ 12,256,506</b>	<b>\$ 12,629,204</b>	<b>32.0</b>	<b>\$ 24,522,204</b>	<b>\$ 25,271,886</b>

**Method of Financing**

General Revenue	\$ 12,265,698	\$ 12,265,698		\$ 12,256,506	\$ 12,256,506		\$ 24,522,204	\$ 24,522,204
General Revenue - Dedicated								
Federal Funds		377,132			371,004			748,136
Other Funds		-148			1,694			1,546
	<b>\$ 12,265,698</b>	<b>\$ 12,642,682</b>		<b>\$ 12,256,506</b>	<b>\$ 12,629,204</b>		<b>\$ 24,522,204</b>	<b>\$ 25,271,886</b>

**Full Time Equivalent Positions**

**32.0**

**32.0**

**II.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/26/2002

TIME : 11:11:46AM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

<b>Goal/Objective/STRATEGY</b>	<b>Base 2004</b>	<b>Base 2005</b>	<b>Exceptional 2004</b>	<b>Exceptional 2005</b>	<b>Total Request 2004</b>	<b>Total Request 2005</b>
<b>1 Increase Availability of Safe/Decent/Affordable Housing</b>						
<b>1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg</b>						
<b>1 HOUSING TRUST FUND</b>	\$ 5,218,656	\$ 5,210,175	\$ 6,750,000	\$ 6,750,000	\$ 11,968,656	\$ 11,960,175
<b>2 HOME PROGRAM</b>	40,759,730	40,759,710	0	0	40,759,730	40,759,710
<b>3 SECTION 8 RENTAL ASSISTANCE</b>	9,841,136	9,812,078	0	0	9,841,136	9,812,078
<b>4 FEDERAL TAX CREDITS</b>	1,687,697	1,711,873	0	0	1,687,697	1,711,873
<b>5 MRB PROGRAM - SINGLE FAMILY</b>	1,666,037	1,675,503	0	0	1,666,037	1,675,503
<b>6 MRB PROGRAM-MULTIFAMILY</b>	341,484	344,298	0	0	341,484	344,298
<b>TOTAL, GOAL 1</b>	<b>\$ 59,514,740</b>	<b>\$ 59,513,637</b>	<b>\$ 6,750,000</b>	<b>\$ 6,750,000</b>	<b>\$ 66,264,740</b>	<b>\$ 66,263,637</b>
<b>2 To Improve the Living Conditions and Lives of Border Residents in TX</b>						
<b>1 Fund Project Which Creates/Retains Jobs &amp; Housing Assistance/Planning</b>						
<b>2 COLONIA SERVICE CENTERS</b>	722,182	689,173	788,600	788,600	1,510,782	1,477,773
<b>TOTAL, GOAL 2</b>	<b>\$ 722,182</b>	<b>\$ 689,173</b>	<b>\$ 788,600</b>	<b>\$ 788,600</b>	<b>\$ 1,510,782</b>	<b>\$ 1,477,773</b>
<b>3 Improve Livng Conditns for Poor/Homeless &amp; Reduce Enery Costs for VLI</b>						
<b>1 Ease Hardships for 16% of Homeless &amp; Very Low Income Persons Each Year</b>						
<b>1 POVERTY-RELATED FUNDS</b>	36,176,389	36,178,408	3,000,000	3,000,000	39,176,389	39,178,408
<b>2 Reduce Cost of Home Energy for 6% of Very Low Income Households</b>						
<b>1 ENERGY ASSISTANCE PROGRAMS</b>	54,081,701	54,002,356	0	0	54,081,701	54,002,356
<b>TOTAL, GOAL 3</b>	<b>\$ 90,258,090</b>	<b>\$ 90,180,764</b>	<b>\$ 3,000,000</b>	<b>\$ 3,000,000</b>	<b>\$ 93,258,090</b>	<b>\$ 93,180,764</b>
<b>4 Ensure Compliance with Program Mandates</b>						
<b>1 Monitor Housing Properties and Loan/Grant Recipients</b>						
<b>1 REVIEW PROPERTY DOCUMENTS</b>	2,434,649	2,386,686	161,252	163,094	2,595,901	2,549,780
<b>2 REVIEW FINANCIAL DOCUMENTS</b>	476,749	442,094	0	0	476,749	442,094
<b>TOTAL, GOAL 4</b>	<b>\$ 2,911,398</b>	<b>\$ 2,828,780</b>	<b>\$ 161,252</b>	<b>\$ 163,094</b>	<b>\$ 3,072,650</b>	<b>\$ 2,991,874</b>

**II.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/26/2002

TIME : 11:12:18AM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

<b>Goal/Objective/STRATEGY</b>	<b>Base 2004</b>	<b>Base 2005</b>	<b>Exceptional 2004</b>	<b>Exceptional 2005</b>	<b>Total Request 2004</b>	<b>Total Request 2005</b>
<b>5 Regulate Manufactured Housing Industry</b>						
<b>1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other</b>						
<b>1 TITLING AND LICENSING</b>	\$ 1,557,171	\$ 1,564,451	\$ 0	\$ 0	\$ 1,557,171	\$ 1,564,451
<b>2 INSTALLATION INSPECTIONS</b>	1,746,510	1,755,776	1,342,830	1,327,510	3,089,340	3,083,286
<b>3 ENFORCEMENT</b>	1,795,361	1,804,817	600,000	600,000	2,395,361	2,404,817
<b>TOTAL, GOAL 5</b>	<b>\$ 5,099,042</b>	<b>\$ 5,125,044</b>	<b>\$ 1,942,830</b>	<b>\$ 1,927,510</b>	<b>\$ 7,041,872</b>	<b>\$ 7,052,554</b>
<b>6 Indirect Administrative and Support Costs</b>						
<b>1 Indirect Administrative and Support Costs</b>						
<b>1 CENTRAL ADMINISTRATION</b>	5,349,036	5,356,717	0	0	5,349,036	5,356,717
<b>2 INFORMATION RESOURCE TECHNOLOGIES</b>	1,423,612	1,438,200	0	0	1,423,612	1,438,200
<b>3 OPERATING/SUPPORT</b>	615,960	622,396	0	0	615,960	622,396
<b>TOTAL, GOAL 6</b>	<b>\$ 7,388,608</b>	<b>\$ 7,417,313</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,388,608</b>	<b>\$ 7,417,313</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$ 165,894,060</b>	<b>\$ 165,754,711</b>	<b>\$ 12,642,682</b>	<b>\$ 12,629,204</b>	<b>\$ 178,536,742</b>	<b>\$ 178,383,915</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$ 166,294,060</b>	<b>\$ 166,154,711</b>	<b>\$ 12,642,682</b>	<b>\$ 12,629,204</b>	<b>\$ 178,936,742</b>	<b>\$ 178,783,915</b>

**II.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/26/2002

TIME : 11:12:18AM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

<b>Goal/Objective/STRATEGY</b>	<b>Base 2004</b>	<b>Base 2005</b>	<b>Exceptional 2004</b>	<b>Exceptional 2005</b>	<b>Total Request 2004</b>	<b>Total Request 2005</b>
<b>General Revenue Funds:</b>						
1 GENERAL REVENUE FUND	\$ 9,126,837	\$ 9,152,437	\$ 12,065,698	\$ 12,056,506	\$ 21,192,535	\$ 21,208,943
888 EARNED FEDERAL FUNDS	934,449	953,580	200,000	200,000	1,134,449	1,153,580
	<b>\$ 10,061,286</b>	<b>\$ 10,106,017</b>	<b>\$ 12,265,698</b>	<b>\$ 12,256,506</b>	<b>\$ 22,326,984</b>	<b>\$ 22,362,523</b>
<b>Federal Funds:</b>						
127 COMMUNITY AFFAIRS FED FD	130,663,355	130,608,676	377,132	371,004	131,040,487	130,979,680
	<b>\$ 130,663,355</b>	<b>\$ 130,608,676</b>	<b>\$ 377,132</b>	<b>\$ 371,004</b>	<b>\$ 131,040,487</b>	<b>\$ 130,979,680</b>
<b>Other Funds:</b>						
666 APPROPRIATED RECEIPTS	14,319,452	14,190,051	-148	1,694	14,319,304	14,191,745
777 INTERAGENCY CONTRACTS	82,967	82,967	0	0	82,967	82,967
852 SYSTEM BENEFIT FUND	10,767,000	10,767,000	0	0	10,767,000	10,767,000
	<b>\$ 25,169,419</b>	<b>\$ 25,040,018</b>	<b>\$ -148</b>	<b>\$ 1,694</b>	<b>\$ 25,169,271</b>	<b>\$ 25,041,712</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$ 165,894,060</b>	<b>\$ 165,754,711</b>	<b>\$ 12,642,682</b>	<b>\$ 12,629,204</b>	<b>\$ 178,536,742</b>	<b>\$ 178,383,915</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>323.0</b>	<b>323.0</b>	<b>32.0</b>	<b>32.0</b>	<b>355.0</b>	<b>355.0</b>

**II.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

Date : **9/26/2002**  
Time: **11:19:26AM**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Agency code: <b>332</b>		Agency name: <b>DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</b>				Total Request 2004	Total Request 2005
Goal/ Objective / <b>OUTCOME</b>	BL 2004	BL 2005	Excp 2004	Excp 2005			
1	Increase Availability of Safe/Decent/Affordable Housing						
1	1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg						
<b>KEY</b>	<b>1 Percent Households/Individuals Needing Affordable Housing</b>						
	0.93%	0.95 %	0.95 %	0.97%	0.95%	0.97%	
<b>KEY</b>	<b>2 Percent Very Low Income Households Receiving Housing Assistance</b>						
	0.82%	0.83 %	0.85 %	0.86%	0.85%	0.86%	
<b>KEY</b>	<b>3 Percent Low Income Households Receiving Housing Assistance</b>						
	1.46%	1.49 %	%	%	1.46%	1.49%	
<b>KEY</b>	<b>4 Percent Households of Moderate Income Receiving Housing Assistance</b>						
	0.17%	0.17 %	%	%	0.17%	0.17%	
	<b>5 Percent of Multi-family Rental Units Benefiting VL/MI Households</b>						
	75.00%	75.00 %	%	%	75.00%	75.00%	
3	Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI						
1	1 Ease Hardships for 16% of Homeless & Very Low Income Persons Each Year						
<b>KEY</b>	<b>1 % in Poverty That Received Homeless and Poverty-related Assistance</b>						
	13.30%	13.30 %	14.90 %	14.90%	14.90%	14.90%	
	<b>2 Percent of Emergency Shelters Assisted</b>						
	5.50%	5.50 %	%	%	5.50%	5.50%	
	<b>3 Percent of Persons Achieving Incomes Above Poverty Level</b>						
	0.02%	0.02 %	%	%	0.02%	0.02%	
2	2 Reduce Cost of Home Energy for 6% of Very Low Income Households						
<b>KEY</b>	<b>1 Percent of Very Low Income Households Receiving Energy Assistance</b>						
	6.00%	6.00 %	%	%	6.00%	6.00%	
4	Ensure Compliance with Program Mandates						
1	1 Monitor Housing Properties and Loan/Grant Recipients						
<b>KEY</b>	<b>1 Percent of Properties Monitored</b>						
	100.00%	100.00 %	%	%	100.00%	100.00%	
<b>KEY</b>	<b>2 Percent of Sub-recipients Monitored</b>						
	100.00%	100.00 %	%	%	100.00%	100.00%	



**II.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

Date : **9/26/2002**  
 Time: **11:20:02AM**

78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Agency code: <b>332</b>		Agency name: <b>DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</b>				Total	Total
Goal/ Objective / <b>OUTCOME</b>	BL 2004	BL 2005	Excp 2004	Excp 2005	Request 2004	Request 2005	
<b>3 Percent of Properties in Compliance</b>	90.00%	90.00 %	%	%	90.00%	90.00%	
5 Regulate Manufactured Housing Industry							
1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other							
<b>1 Percent of Applications Processed within Established Time Frames</b>	97.00%	97.00 %	%	%	97.00%	97.00%	
<b>KEY 2 Percent of Consumer Complaint Inspections Conducted within 30 Days</b>	98.00%	98.00 %	%	%	98.00%	98.00%	
<b>3 Percent of Complaints Resulting in Disciplinary Action</b>	20.00%	20.00 %	%	%	20.00%	20.00%	
<b>4 Percent of Documented Complaints Resolved within Six Months</b>	70.00%	70.00 %	%	%	70.00%	70.00%	
<b>5 Recidivism Rate for Those Receiving Disciplinary Action</b>	5.00%	5.00 %	%	%	5.00%	5.00%	

**PRIORITY ALLOCATION TABLE**

**III.A. PRIORITY ALLOCATION TABLE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **2:21:32PM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>2002-03 Biennial Funding</b>	
Total: \$	363,576,050
GR / GR-Dedicated: \$	20,967,303

Strategy/Strategy Option/Rider	BL 2004 Funds		BL 2005 Funds		Cumulative % of 2002-03 GR / GR-Dedicated Funds
	Total	GR and GR-Dedicated	Total	GR and GR-Dedicated	
Strategy: <b>1 - 1 - 1</b> HOUSING TRUST FUND	\$ 5,218,656	\$ 5,218,656	\$ 5,210,175	\$ 5,210,175	49.74%
Strategy: <b>3 - 1 - 1</b> POVERTY-RELATED FUNDS	36,176,389	376,889	36,178,408	384,855	53.37%
Strategy: <b>5 - 1 - 1</b> TITLING AND LICENSING	1,557,171	740,270	1,564,451	739,934	60.43%
Strategy: <b>5 - 1 - 3</b> ENFORCEMENT	1,795,361	866,916	1,804,817	867,069	68.70%
Strategy: <b>5 - 1 - 2</b> INSTALLATION INSPECTIONS	1,746,510	851,968	1,755,776	852,150	76.83%
Strategy: <b>1 - 1 - 2</b> HOME PROGRAM	40,759,730	0	40,759,710	0	76.83%
Strategy: <b>1 - 1 - 5</b> MRB PROGRAM - SINGLE FAMILY	1,666,037	0	1,675,503	0	76.83%
Strategy: <b>1 - 1 - 6</b> MRB PROGRAM-MULTIFAMILY	341,484	0	344,298	0	76.83%
Strategy: <b>1 - 1 - 4</b> FEDERAL TAX CREDITS	1,687,697	0	1,711,873	0	76.83%
Strategy: <b>2 - 1 - 2</b> COLONIA SERVICE CENTERS	722,182	99,630	689,173	99,630	77.78%
Strategy: <b>3 - 2 - 1</b> ENERGY ASSISTANCE PROGRAMS	54,081,701	0	54,002,356	0	77.78%
Strategy: <b>1 - 1 - 3</b> SECTION 8 RENTAL ASSISTANCE	9,841,136	0	9,812,078	0	77.78%
Strategy: <b>4 - 1 - 1</b> REVIEW PROPERTY DOCUMENTS	2,434,649	0	2,386,686	0	77.78%
Strategy: <b>4 - 1 - 2</b> REVIEW FINANCIAL DOCUMENTS	476,749	0	442,094	0	77.78%
Rider: <b>10 - 1</b> Manufactured Consumer Claims	30,000	30,000	30,000	30,000	78.07%
Rider: <b>10 - 2</b> Manufactured Consumer Claims	20,000	20,000	20,000	20,000	78.26%

**III.A. PRIORITY ALLOCATION TABLE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **2:22:08PM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>2002-03 Biennial Funding</b>	
Total: \$	363,576,050
GR / GR-Dedicated: \$	20,967,303

Strategy/Strategy Option/Rider	BL 2004 Funds		BL 2005 Funds		Cumulative % of 2002-03 GR / GR-Dedicated Funds
	Total	GR and GR-Dedicated	Total	GR and GR-Dedicated	
Rider: <b>15 - 1</b> Interest Earnings/ Loan Repayments	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	81.59%
Strategy: <b>6 - 1 - 1</b> CENTRAL ADMINISTRATION	5,349,036	1,264,024	5,356,717	1,271,703	93.69%
Strategy: <b>6 - 1 - 2</b> INFORMATION RESOURCE TECHNOLOGIES	1,423,612	452,861	1,438,200	476,035	98.12%
Strategy: <b>6 - 1 - 3</b> OPERATING/SUPPORT	615,960	190,072	622,396	204,466	100.00%
<b>TOTAL</b>	<b>\$ 166,294,060</b>	<b>\$ 10,461,286</b>	<b>\$ 166,154,711</b>	<b>\$ 10,506,017</b>	

# **STRATEGY REQUEST**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:12:49AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 1 Provide Loans & Grants through HTF for Very Low/Low Income Households Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# VLI/LI Househlds That Received Loans/Grants through Housg Trust Fund	1,860.00	1,670.00	1,390.00	1,390.00	1,390.00
<b>Efficiency Measures:</b>						
1	Average Grant and/or Loan Amount Per Household	3,774.00	5,327.00	6,980.00	6,980.00	6,980.00
<b>Explanatory/Input Measures:</b>						
1	Rate of Default on Housing Trust Fund Loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
2	Number of Housing Trust Fund Loans or Grants Awarded	40.00	54.00	20.00	20.00	20.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$220,188	\$226,081	\$293,163	\$293,163	\$293,163
1002	OTHER PERSONNEL COSTS	\$4,110	\$2,091	\$1,680	\$1,680	\$1,680
2001	PROFESSIONAL FEES AND SERVICES	\$4,316	\$20	\$216	\$1,625	\$3,449
2003	CONSUMABLE SUPPLIES	\$3,396	\$2,296	\$5,732	\$5,821	\$5,821
2004	UTILITIES	\$867	\$541	\$1,150	\$1,150	\$1,150
2005	TRAVEL	\$9,701	\$6,820	\$12,799	\$12,799	\$12,799
2006	RENT - BUILDING	\$27,908	\$30,005	\$33,090	\$33,695	\$34,361
2007	RENT - MACHINE AND OTHER	\$2,325	\$2,333	\$2,371	\$2,371	\$2,371
2009	OTHER OPERATING EXPENSE	\$16,347	\$20,910	\$40,670	\$42,052	\$42,408
4000	GRANTS	\$6,264,282	\$6,265,309	\$6,159,002	\$4,819,002	\$4,809,002
5000	CAPITAL EXPENDITURES	\$3,128	\$5,854	\$6,695	\$5,298	\$3,971
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,556,568</b>	<b>\$6,562,260</b>	<b>\$6,556,568</b>	<b>\$5,218,656</b>	<b>\$5,210,175</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$5,556,568	\$5,562,260	\$5,556,568	\$5,218,656	\$5,210,175

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:15AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 1 Provide Loans & Grants through HTF for Very Low/Low Income Households Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$5,556,568</b>	<b>\$5,562,260</b>	<b>\$5,556,568</b>	<b>\$5,218,656</b>	<b>\$5,210,175</b>
<b>Method of Financing:</b>						
	777 INTERAGENCY CONTRACTS	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Rider Appropriations:</b>						
1 GENERAL REVENUE FUND						
	15 1 Appropriation:Housing Trust Fund Interest Earnings and Loan Repayments				\$350,000	\$350,000
<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>					<b>\$350,000</b>	<b>\$350,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,568,656</b>	<b>\$5,560,175</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,556,568</b>	<b>\$6,562,260</b>	<b>\$6,556,568</b>	<b>\$5,218,656</b>	<b>\$5,210,175</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>5.2</b>	<b>4.4</b>	<b>6.2</b>	<b>6.2</b>	<b>6.2</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Housing Trust Fund was created by the 72nd Legislature, Section 2306.201 et seq., Texas Government Code. Pursuant to Section 2306, Texas Government Code, funding consists of appropriations or transfers made to the fund, unencumbered fund balances, and public or private gifts or grants. Loans and grant are provided to local units of government, public housing authorities, community housing development organizations, nonprofit organizations, for profit entities, income eligible persons and families, and persons with special needs. Funds are made available to finance, acquire, rehabilitate and develop decent, safe and sanitary housing, and to provide capacity building and predevelopment opportuni nonprofit and community housing development organizations. While eligible applicants must be low income, the Department's intention is to provide at least 50% of funds to rural areas, 15% of funds for extremely low income households and 20% of funds for very low income households. This strategy supports the Department's Goal 1, to increase and preserve the availability of safe, decent and affordable housing for very low, low and moderate income persons and families. This strategy supports the state's Priority Goal to rec dependence on public assistance through an efficient and effectiv

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:15AM

Agency code: **332**      Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL:	1	Increase Availability of Safe/Decent/Affordable Housing	Statewide Goal/Benchmark:	6	7
OBJECTIVE:	1	Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg	Service Categories:		
STRATEGY:	1	Provide Loans & Grants through HTF for Very Low/Low Income Households	Service:	15	Income: A.1      Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The Housing Trust Fund strategy relies primarily on general revenue appropriations. This strategy may also receive funding from interest on the Capital Tr Department's Housing Finance Division's unencumbered fund balances exceeding 2% of the Department's bonded indebtedness, which is rated earnings and loan repayments received from loans made through the Housing Trust Fund. The restrictive use of Oil Overcharge Funds do not allow the inclusion of these funds development funds and can only be used for energy efficiency measures. Based on past Housing Trust Fund cycles, funds are divided with the expectation that two-third produced will be multi-family rehabilitation and one-third will represent acquisition or construction of new multifamily/single family housing units. A nine-to-one leverage factor has been figured into the final numbers.

The performance of 2001 exceeded targets due to an additional one million dollars in excess bond fees which allowed additional households to be served. The average grant or loan amount has increased due to more extremely low income housing produced which costs more than very low and low income units. The number of loans and grant 2005 is expected to decrease due to an anticipated decrease in funding from non-General Revenue funding.



**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:16AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 2 Provide Housing through HOME Investment Program Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# Very Low/Low Income Househlds Benefitng HOME Invstmnt Prgm Lns/Grnts	4.00	2,080.00	2,106.00	2,300.00	2,300.00
<b>Efficiency Measures:</b>						
1	Average Amount of Subsidy Provided Per Household by the HOME Program	18,423.00	21,365.00	21,365.00	17,000.00	17,000.00
<b>Explanatory/Input Measures:</b>						
1	Rate of Default on HOME Investment Program	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
2	Number of HOME Investment Program Loans or Grants Awarded	80.00	80.00	75.00	100.00	100.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$640,195	\$980,279	\$996,181	\$996,181	\$996,181
1002	OTHER PERSONNEL COSTS	\$6,712	\$13,999	\$11,280	\$11,280	\$11,280
2001	PROFESSIONAL FEES AND SERVICES	\$18,176	\$34,940	\$81,505	\$94,421	\$102,083
2002	FUELS AND LUBRICANTS	\$1	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$7,410	\$11,574	\$26,326	\$22,299	\$22,299
2004	UTILITIES	\$2,015	\$926	\$1,800	\$1,800	\$1,800
2005	TRAVEL	\$60,150	\$52,588	\$66,000	\$66,000	\$66,000
2006	RENT - BUILDING	\$101,231	\$111,264	\$141,277	\$143,819	\$146,614
2007	RENT - MACHINE AND OTHER	\$9,060	\$10,375	\$9,957	\$9,957	\$9,957
2009	OTHER OPERATING EXPENSE	\$84,562	\$110,607	\$121,118	\$139,040	\$140,534
4000	GRANTS	\$200,000	\$39,456,628	\$77,166,494	\$39,259,281	\$39,245,683
5000	CAPITAL EXPENDITURES	\$18,047	\$35,766	\$13,772	\$15,652	\$17,279
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,147,559</b>	<b>\$40,818,946</b>	<b>\$78,635,710</b>	<b>\$40,759,730</b>	<b>\$40,759,710</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:17AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 2 Provide Housing through HOME Investment Program Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Method of Financing:</b>						
	127 COMMUNITY AFFAIRS FED FD					
	14.239.000 HOME Investment Partnersh	\$1,147,559	\$40,818,946	\$78,635,710	\$40,759,730	\$40,759,710
CFDA Subtotal, Fund	127	\$1,147,559	\$40,818,946	\$78,635,710	\$40,759,730	\$40,759,710
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$1,147,559</b>	<b>\$40,818,946</b>	<b>\$78,635,710</b>	<b>\$40,759,730</b>	<b>\$40,759,710</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$40,759,730</b>	<b>\$40,759,710</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,147,559</b>	<b>\$40,818,946</b>	<b>\$78,635,710</b>	<b>\$40,759,730</b>	<b>\$40,759,710</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>15.3</b>	<b>18.0</b>	<b>22.5</b>	<b>22.5</b>	<b>22.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The HOME Investment Partnerships Program was created under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C., Section 12704 et. seq.). The purpose of the program is to expand the supply of decent and affordable housing for extremely low, very low and low income households. A minimum of 15% of the annual allocations must be reserved for Community Housing Development Organizations (CHDOs) for housing to be developed, sponsored or owned by the CHDO. The regulations cover a wide range of activities such as owner-occupied housing rehabilitation and reconstruction, homebuyer downpayment and closing costs assistance, rental project assistance, tenant-based rental assistance, contract for deed conversion and interim construction financing assistance. Additionally, the Rental Housing Preservation Program may combine HOME funds with other programs operated by the Department such as the Low Income Tax Credit Program. The strategy supports the Department's overall vision to increase and preserve the availability of safe, decent and affordable housing for extremely low, very low and low income persons and households. The strategy also supports the state's priority goal to reduce dependence on public assistance through an efficient and effective system that promotes the health, responsibility and self-sufficiency of individuals and families.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:18AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 2 Provide Housing through HOME Investment Program Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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A total of four households were reported to the LBB during the 2001 fiscal year. Due to new selection criteria and appeals by the public of that criteria, staff reserved a longer than expected application review time to ensure a thorough and equitable treatment of all applicants against the selection criteria. Board approval of projects serving 1714 households occurred after fiscal year end. Results were recorded in FY 2002.

During the 2002 HOME funding cycle, the Department anticipates combining the annual HUD allocation for Program Year 2002 and 2003 totaling an approximate report these units to the LBB during the 2003 fiscal year. The performance measures do not reflect the combination of the allocation since the One-Year Action Plan has not yet been approved.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:19AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 3 Federal Rental Assistance through Section 8 Certificates and Vouchers Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# VLI Households Receiving Section 8 Certificates and Vouchers	2,276.00	2,218.00	2,200.00	2,071.00	2,071.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Household Served Under Section 8	78.17	63.00	63.00	76.00	76.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$269,898	\$319,352	\$346,378	\$346,378	\$346,378
1002	OTHER PERSONNEL COSTS	\$9,128	\$6,300	\$6,960	\$6,960	\$6,960
2001	PROFESSIONAL FEES AND SERVICES	\$49,791	\$21,562	\$9,388	\$57,044	\$32,207
2002	FUELS AND LUBRICANTS	\$1	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$3,352	\$2,813	\$12,468	\$9,128	\$9,128
2004	UTILITIES	\$86	\$26	\$400	\$0	\$0
2005	TRAVEL	\$13,194	\$13,108	\$21,000	\$27,000	\$27,000
2006	RENT - BUILDING	\$45,015	\$52,725	\$63,761	\$58,851	\$60,049
2007	RENT - MACHINE AND OTHER	\$5,812	\$3,701	\$4,267	\$4,267	\$4,267
2009	OTHER OPERATING EXPENSE	\$39,727	\$41,523	\$52,337	\$59,524	\$60,165
3001	CLIENT SERVICES	\$8,276,984	\$7,206,025	\$8,567,976	\$8,877,976	\$8,877,976
4000	GRANTS	\$379,829	\$360,468	\$380,000	\$380,000	\$380,000
5000	CAPITAL EXPENDITURES	\$7,467	\$13,332	\$15,065	\$14,008	\$7,948
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,100,284</b>	<b>\$8,040,935</b>	<b>\$9,480,000</b>	<b>\$9,841,136</b>	<b>\$9,812,078</b>
<b>Method of Financing:</b>						
127	COMMUNITY AFFAIRS FED FD					
14.871.000	SECTION 8 HOUSING CHOICE VOUCHERS	\$9,100,284	\$8,040,935	\$9,480,000	\$9,841,136	\$9,812,078
CFDA Subtotal, Fund	127	\$9,100,284	\$8,040,935	\$9,480,000	\$9,841,136	\$9,812,078

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:19AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 3 Federal Rental Assistance through Section 8 Certificates and Vouchers Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$9,100,284</b>	<b>\$8,040,935</b>	<b>\$9,480,000</b>	<b>\$9,841,136</b>	<b>\$9,812,078</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$9,841,136</b>	<b>\$9,812,078</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$9,100,284</b>	<b>\$8,040,935</b>	<b>\$9,480,000</b>	<b>\$9,841,136</b>	<b>\$9,812,078</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>6.4</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Funds for the Section 8 Housing Choice Voucher Program are received from HUD, 42 U.S.C. Sec. 1437f. The Section 8 housing program assists ext households with rent supplements for private sector rental housing. Generally, the program serves small rural communities in approximately 38 counties. This program generally serves communities that do not have a public housing authority to administer a Section 8 program. This strategy supports the Department's Goal 1, to increase and preserve the availability of safe, decent and affordable housing for very low and low income persons and families. This strategy supports Priority Goal 3, to reduce dependence on public assistance through a system that promotes the health, responsibility, and self-sufficiency of individuals and families.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Under current rules, HUD posts notice in the Federal Register through a "Notice of Fund Availability" (NOFA) as funds are available. TDHCA submits an application and, if awarded, receives additional funding. TDHCA contracts with local operators to administer the program and to lease available units. HUD pays administrative fees for each housing unit leased.

The reduction in households served in 2004 and 2005 is due, in part, to an allocation transfer of vouchers to a local housing authority; funds for client services will increase as a result of per unit rent increases and utility increases that will occur in the upcoming biennium.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:20AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 4 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Very Low and Low Income Units Set Aside	10,763.00	14,471.00	6,100.00	6,200.00	6,300.00
<b>Efficiency Measures:</b>						
1	Projected Average Cost Per Unit Developed	6,316.00	5,600.00	5,800.00	6,000.00	6,000.00
<b>Explanatory/Input Measures:</b>						
1	Number of Federal Tax Credit Allocations Made by TDHCA	71.00	60.00	65.00	70.00	70.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$520,291	\$584,358	\$561,776	\$561,776	\$561,776
1002	OTHER PERSONNEL COSTS	\$7,614	\$5,241	\$5,520	\$5,520	\$5,520
2001	PROFESSIONAL FEES AND SERVICES	\$110,513	\$257,131	\$426,190	\$708,818	\$736,535
2002	FUELS AND LUBRICANTS	\$1	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$9,833	\$12,943	\$29,317	\$19,652	\$19,652
2004	UTILITIES	\$1,010	\$471	\$9,050	\$4,850	\$4,850
2005	TRAVEL	\$28,411	\$17,671	\$47,142	\$50,102	\$50,102
2006	RENT - BUILDING	\$100,631	\$100,921	\$113,186	\$117,623	\$119,754
2007	RENT - MACHINE AND OTHER	\$7,989	\$7,637	\$7,586	\$7,586	\$7,586
2009	OTHER OPERATING EXPENSE	\$76,465	\$90,982	\$156,195	\$185,551	\$186,690
5000	CAPITAL EXPENDITURES	\$11,890	\$31,744	\$14,447	\$26,219	\$19,408
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$874,648</b>	<b>\$1,109,099</b>	<b>\$1,370,409</b>	<b>\$1,687,697</b>	<b>\$1,711,873</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$874,648	\$1,109,099	\$1,370,409	\$1,687,697	\$1,711,873
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$874,648</b>	<b>\$1,109,099</b>	<b>\$1,370,409</b>	<b>\$1,687,697</b>	<b>\$1,711,873</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:21AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 4 Provide Federal Tax Credits to Develop Rental Housing for VLI and LI Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,687,697</b>	<b>\$1,711,873</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$874,648</b>	<b>\$1,109,099</b>	<b>\$1,370,409</b>	<b>\$1,687,697</b>	<b>\$1,711,873</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>12.4</b>	<b>13.0</b>	<b>11.5</b>	<b>11.5</b>	<b>11.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The LIHTC program provides financial incentives to nonprofits and for profit developers of multifamily housing for low income, senior citizens, persons with disabilities and homeless persons. A developer must set aside at least 20 percent of a project's units for low income tenants. Owners and investors in qualifying low income rental units use the credit as a dollar-for-dollar reduction of federal income tax liability. Since the programs inception in 1987, over 100,000 units have been produced to provide affordable housing for low income Texans. At least ten percent of the State's housing credit ceiling for each year is set-aside for qualified nonprofit projects, fifteen percent of credit ceiling is set-aside for rural projects and fifteen percent is set-aside for at-risk developments and 15% for elderly. Many of the projects offer supportive services such as childcare facilities, health care and immunization services, computer training facilities, job training, parenting classes, and adult education. This strategy supports the Department's Goal 1, to increase and preserve the availability of safe, decent and affordable housing for very low, low and moderate income persons and families. This strategy supports the state's priority goal to reduce dependence on public assistance through an efficient and effective system that promotes health, responsibility and self-sufficiency of individuals and families.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The state's allocation of tax credits are determined based upon its population and an allocated per capita amount that is determined by Congress. The 2002 allocation is \$1.75 times state

High performance in 2001 was primarily due to the Tax Credit Lottery System for tax exempt bond projects. The targeted projections for 2004 and 2005 does not include units applications that the Department may receive reservation through the lottery process as administered by the Texas Bond Review Board. In addition to the number received through the lottery process being an unknown factor, the projected performance based on the lottery process is also not included since the longevity and continuity of the lottery process is unknown for future years.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:22AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 5 Federal Mortgage Loans, through the MRB Prog Below Conventional Rate Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# VL/L Income Households That Received Loans through the MRB Program	1,571.00	1,560.00	1,260.00	1,300.00	1,400.00
2	# of MI Households That Received Loans through the MRB Program	210.00	158.00	200.00	200.00	200.00
<b>Efficiency Measures:</b>						
1	Average Amount Provided Per First-time Homebuyer Loan	72,810.00	74,513.00	72,000.00	75,000.00	75,000.00
<b>Explanatory/Input Measures:</b>						
1	Number of Lenders Participating in the First-time Homebuyer Program	58.00	40.00	60.00	45.00	45.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,053,539	\$890,681	\$1,027,617	\$1,027,617	\$1,027,617
1002	OTHER PERSONNEL COSTS	\$9,640	\$24,815	\$11,280	\$11,280	\$11,280
2001	PROFESSIONAL FEES AND SERVICES	\$6,901	\$474	\$92,025	\$97,096	\$103,662
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$7,692	\$8,926	\$22,036	\$22,357	\$22,357
2004	UTILITIES	\$4,637	\$4,486	\$4,300	\$4,300	\$4,300
2005	TRAVEL	\$28,475	\$26,002	\$40,157	\$40,157	\$40,157
2006	RENT - BUILDING	\$128,733	\$119,894	\$134,823	\$137,001	\$139,396
2007	RENT - MACHINE AND OTHER	\$10,075	\$8,480	\$8,535	\$8,535	\$8,535
2009	OTHER OPERATING EXPENSE	\$282,620	\$200,352	\$292,547	\$297,522	\$298,802
4000	GRANTS	\$0	\$232	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$37,595	\$309,671	\$25,543	\$20,172	\$19,397
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,569,909</b>	<b>\$1,594,013</b>	<b>\$1,658,863</b>	<b>\$1,666,037</b>	<b>\$1,675,503</b>

**Method of Financing:**



**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:23AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 5 Federal Mortgage Loans, through the MRB Prog Below Conventional Rate Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
666	APPROPRIATED RECEIPTS	\$1,569,909	\$1,594,013	\$1,658,863	\$1,666,037	\$1,675,503
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,569,909</b>	<b>\$1,594,013</b>	<b>\$1,658,863</b>	<b>\$1,666,037</b>	<b>\$1,675,503</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,666,037</b>	<b>\$1,675,503</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,569,909</b>	<b>\$1,594,013</b>	<b>\$1,658,863</b>	<b>\$1,666,037</b>	<b>\$1,675,503</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>25.1</b>	<b>18.6</b>	<b>19.8</b>	<b>19.8</b>	<b>19.8</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Pursuant to Tx. Govt. Code, Chapter 2306, and other state laws, the Department is charged with the duty to finance sanitary, decent, and safe dwelling accommodations for persons and families of low, very low income, and moderate income by issuing its mortgage revenue bonds (MRBS). Home ownership programs not only include but also the Down Payment Assistance Loan Program, and other special loan programs. This strategy supports the Department's Goal 1, to increase and preserve the availability of safe, decent and affordable housing for very low, low and moderate income persons and families. This strategy supports Priority Goal 3, to reduce dependence on public assistance through an efficient and effective system that promotes health, responsibility and self-sufficiency of individuals and families. Additionally, this strategy supports Priority Goal 08, to ensure that Texas consumers are effectively and efficiently served by high quality professionals and businesses setting clear standards, maintaining compliance, and seeking solutions.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External Factors

Fluctuations in: 1) Economic factors, such as market interest rates and consumer demand for home ownership; 2) Legislative changes, revisions and restrictions in regulations, b) State Private Activity Bond ceiling cap and Bond Review Board allocation limitation, and c) Community bank performance with regards to the Community Reinvestment Act.

Internal Factors

1) Unanticipated departmental policy and program changes or additions; and 2) Changes in staffing levels.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:23AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 6 Federal Mortgage Loans through the MRB Program for Multifamily Units Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# Multifamily Rental Units As a Result of MRB Program	1,957.00	1,796.00	1,100.00	1,100.00	1,100.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Multifamily Rental Units Constructed	81,075.00	77,443.00	70,000.00	80,000.00	80,000.00
2	Average Cost Per Preserved Unit	49,560.00	30,000.00	45,000.00	45,000.00	45,000.00
<b>Explanatory/Input Measures:</b>						
1	Rate of Default on Multifamily Housing Development Loans	0.00	2.00	0.00	0.00	0.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$160,709	\$223,967	\$233,866	\$233,866	\$233,866
1002	OTHER PERSONNEL COSTS	\$6,742	\$440	\$480	\$480	\$480
2001	PROFESSIONAL FEES AND SERVICES	\$84	\$7,297	\$25,172	\$26,299	\$27,758
2003	CONSUMABLE SUPPLIES	\$2,418	\$1,711	\$5,986	\$6,057	\$6,057
2004	UTILITIES	\$259	\$60	\$2,000	\$2,000	\$2,000
2005	TRAVEL	\$4,184	\$4,950	\$12,050	\$12,050	\$12,050
2006	RENT - BUILDING	\$22,445	\$23,460	\$25,672	\$26,156	\$26,688
2007	RENT - MACHINE AND OTHER	\$2,000	\$2,258	\$1,897	\$1,897	\$1,897
2009	OTHER OPERATING EXPENSE	\$12,153	\$23,479	\$28,435	\$29,541	\$29,825
5000	CAPITAL EXPENDITURES	\$7,792	\$6,703	\$4,763	\$3,138	\$3,677
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$218,786</b>	<b>\$294,325</b>	<b>\$340,321</b>	<b>\$341,484</b>	<b>\$344,298</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$218,786	\$294,325	\$340,321	\$341,484	\$344,298
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$218,786</b>	<b>\$294,325</b>	<b>\$340,321</b>	<b>\$341,484</b>	<b>\$344,298</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:24AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:  
 STRATEGY: 6 Federal Mortgage Loans through the MRB Program for Multifamily Units Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$341,484</b>	<b>\$344,298</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$218,786</b>	<b>\$294,325</b>	<b>\$340,321</b>	<b>\$341,484</b>	<b>\$344,298</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

TDHCA, through its Housing Finance Division, offers tax-exempt and taxable multifamily bond programs which provide below market interest rates to developers and acquirers of apartment communities. In return for interest savings on the loans, and as a primary condition of the program, all housing sponsors must agree to set aside a certain percentage (which may vary) of a property's units for rental to persons of low and very low income and to families of moderate income. Additional set asides are mandated for persons with special needs. Tenant programs, such as day care, youth programs and job training, are also required of the developer. This supports the Department's Goal 1, to increase and preserve the availability of safe, decent, and affordable housing for very low, low and moderate income persons and families. The strategy also supports the state's priority goal to reduce dependence on public assistance through an efficient and effective system that promotes the health, responsibility and self-sufficiency of the community.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External Factors:

1. Number of applications received from owners/developers who wish to finance a property through the Department
2. Market rates of multifamily housing bonds and willingness of investors to purchase Department bonds
3. State Private Activity Bond ceiling limitations
4. Bond Review Board approval process and allocation of Private Activity Bond Ceiling cap
5. Legislative changes, revisions and restrictions including changes in appropriations
6. Internal Revenue Code restrictions

Internal Factors:

1. Changes in Department policy
2. Changes in staff levels or funding

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
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DATE: 9/26/2002  
 TIME: 11:13:25AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 2 To Improve the Living Conditions and Lives of Border Residents in TX Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Fund Project Which Creates/Retains Jobs & Housing Assistance/Planning Service Categories:  
 STRATEGY: 2 To Provide Technical Assistance to Colonias through Field Offices Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	# On-site Technical Assistance Visits Conducted by Field Offices	514.00	747.00	410.00	450.00	450.00
2	Number of Colonia Residents Receiving Assistance	1,415.00	1,922.00	1,700.00	1,700.00	1,700.00
3	# of Entities and/or Individuals Receiving Informational Resources	1,869.00	1,941.00	1,200.00	1,700.00	1,700.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$379,817	\$408,919	\$424,072	\$424,072	\$424,072
1002	OTHER PERSONNEL COSTS	\$7,405	\$2,981	\$3,360	\$3,360	\$3,360
2001	PROFESSIONAL FEES AND SERVICES	\$6,606	\$22,446	\$20,259	\$45,069	\$19,138
2002	FUELS AND LUBRICANTS	\$0	\$129	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$3,147	\$2,895	\$5,979	\$6,086	\$6,086
2004	UTILITIES	\$13,405	\$14,832	\$13,000	\$13,800	\$13,800
2005	TRAVEL	\$34,308	\$37,329	\$53,000	\$53,000	\$53,000
2006	RENT - BUILDING	\$36,827	\$50,788	\$66,107	\$62,649	\$63,448
2007	RENT - MACHINE AND OTHER	\$3,121	\$1,842	\$2,845	\$7,345	\$7,345
2009	OTHER OPERATING EXPENSE	\$30,880	\$65,164	\$66,871	\$92,129	\$92,555
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$5,424	\$19,592	\$9,006	\$14,672	\$6,369
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$520,940</b>	<b>\$626,917</b>	<b>\$664,499</b>	<b>\$722,182</b>	<b>\$689,173</b>

**Method of Financing:**

1	GENERAL REVENUE FUND	\$85,316	\$86,458	\$99,630	\$99,630	\$99,630
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$85,316</b>	<b>\$86,458</b>	<b>\$99,630</b>	<b>\$99,630</b>	<b>\$99,630</b>

**Method of Financing:**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:26AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 2 To Improve the Living Conditions and Lives of Border Residents in TX Statewide Goal/Benchmark: 6 7  
 OBJECTIVE: 1 Fund Project Which Creates/Retains Jobs & Housing Assistance/Planning Service Categories:  
 STRATEGY: 2 To Provide Technical Assistance to Colonias through Field Offices Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
127	COMMUNITY AFFAIRS FED FD					
14.228.000	Community Development Blo	\$97,942	\$34,150	\$0	\$0	\$0
14.239.000	HOME Investment Partnersh	\$55,677	\$37,129	\$41,484	\$41,484	\$41,484
CFDA Subtotal, Fund 127		\$153,619	\$71,279	\$41,484	\$41,484	\$41,484
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$153,619</b>	<b>\$71,279</b>	<b>\$41,484</b>	<b>\$41,484</b>	<b>\$41,484</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$282,005	\$389,539	\$425,418	\$498,101	\$465,092
777	INTERAGENCY CONTRACTS	\$0	\$79,641	\$97,967	\$82,967	\$82,967
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$282,005</b>	<b>\$469,180</b>	<b>\$523,385</b>	<b>\$581,068</b>	<b>\$548,059</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$722,182</b>	<b>\$689,173</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$520,940</b>	<b>\$626,917</b>	<b>\$664,499</b>	<b>\$722,182</b>	<b>\$689,173</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.1</b>	<b>9.0</b>	<b>9.5</b>	<b>9.5</b>	<b>9.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This strategy describes activities by the Office of Colonia Initiatives (OCI), which maintains four field offices (Edinburg, Eagle Pass, El Paso, and Laredo). The OCI was established by the Department to administer and coordinate efforts for the enhancement of living conditions for colonias along the Texas-Mexico border in the State of Texas. OCI is responsible for the implementation of legislation passed pertaining to the colonias and border area. The OCI is required to establish and maintain at least five colonia self-help centers in the colonias to offer concentrated assistance and attention - supports 02-02-01. In addition, the Department - OCI staff oversees and concentrates their attention on Rider 13 Contract For Deed Conversion Initiative (requires the Department to assist colonia residents with financing to convert their contracts for deeds to a traditional mortgage). The Department - OCI also administers the Texas Bootstrap Loan Program. The Department - OCI staff will continue to meet its housing counterparts from Mexico to further discuss the future development of affordable housing and the improvement of infrastructure along our mutual borders.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:27AM

Agency code: **332**      Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL:            2    To Improve the Living Conditions and Lives of Border Residents in TX      Statewide Goal/Benchmark:    6      7  
 OBJECTIVE:    1    Fund Project Which Creates/Retains Jobs & Housing Assistance/Planning      Service Categories:  
 STRATEGY:    2    To Provide Technical Assistance to Colonias through Field Offices      Service: 15    Income: A.1    Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Due to the ever growing population along the Texas/Mexico border region, assistance to colonias is much needed and OCI will continue to assist communities to become more effective through direct technical assistance from the Department's border field offices.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:27AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI

Statewide Goal/Benchmark: 3 0

OBJECTIVE: 1

Service Categories:

STRATEGY: 1

Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Persons Assisted through Homeless and Poverty-related Funds	570,960.00	420,000.00	400,000.00	400,000.00	400,000.00
2	Number of Persons Assisted That Achieve Incomes Above Poverty Level	1,504.00	650.00	650.00	650.00	650.00
3	Number of Shelters Assisted	72.00	60.00	50.00	60.00	60.00
<b>Efficiency Measures:</b>						
1	Average Agency Administrative Cost Per Person Assisted	2.34	3.20	3.68	3.68	3.68
<b>Explanatory/Input Measures:</b>						
1	Number of Emergency Shelters	860.00	913.00	913.00	923.00	933.00
2	Number of Persons in Poverty	3,000,515.00	3,000,515.00	3,000,515.00	3,000,515.00	3,000,515.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$566,085	\$629,000	\$695,004	\$695,004	\$695,004
1002	OTHER PERSONNEL COSTS	\$8,616	\$10,407	\$12,960	\$12,960	\$12,960
2001	PROFESSIONAL FEES AND SERVICES	\$22,194	\$18,420	\$55,599	\$20,163	\$26,073
2002	FUELS AND LUBRICANTS	\$1	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$5,958	\$6,455	\$22,893	\$23,182	\$23,182
2004	UTILITIES	\$92	\$1,303	\$1,542	\$1,542	\$1,542
2005	TRAVEL	\$48,893	\$48,258	\$56,348	\$56,348	\$56,348
2006	RENT - BUILDING	\$105,320	\$114,355	\$125,121	\$127,081	\$129,238
2007	RENT - MACHINE AND OTHER	\$7,811	\$7,058	\$7,681	\$7,681	\$7,681
2009	OTHER OPERATING EXPENSE	\$69,613	\$50,189	\$91,566	\$96,043	\$97,196
3001	CLIENT SERVICES	\$10,000	\$20,000	\$0	\$0	\$0
4000	GRANTS	\$32,471,480	\$34,982,610	\$35,081,453	\$35,118,570	\$35,115,187
5000	CAPITAL EXPENDITURES	\$17,868	\$24,121	\$18,241	\$17,815	\$13,997

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:28AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI

Statewide Goal/Benchmark: 3 0

OBJECTIVE: 1

Service Categories:

STRATEGY: 1

Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$33,333,931</b>	<b>\$35,912,176</b>	<b>\$36,168,408</b>	<b>\$36,176,389</b>	<b>\$36,178,408</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$376,000	\$376,000	\$376,889	\$376,889	\$384,855
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$376,000</b>	<b>\$376,000</b>	<b>\$376,889</b>	<b>\$376,889</b>	<b>\$384,855</b>
<b>Method of Financing:</b>						
127	COMMUNITY AFFAIRS FED FD					
14.231.000	Emergency Shelter Grants	\$4,326,000	\$4,495,000	\$4,600,000	\$4,600,000	\$4,600,000
93.569.000	Community Services Block	\$28,248,822	\$30,781,176	\$30,926,519	\$30,934,500	\$30,928,553
93.571.000	Community Services Block	\$270,000	\$260,000	\$265,000	\$265,000	\$265,000
CFDA Subtotal, Fund	127	\$32,844,822	\$35,536,176	\$35,791,519	\$35,799,500	\$35,793,553
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$32,844,822</b>	<b>\$35,536,176</b>	<b>\$35,791,519</b>	<b>\$35,799,500</b>	<b>\$35,793,553</b>
<b>Method of Financing:</b>						
777	INTERAGENCY CONTRACTS	\$113,109	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$113,109</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$36,176,389</b>	<b>\$36,178,408</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$33,333,931</b>	<b>\$35,912,176</b>	<b>\$36,168,408</b>	<b>\$36,176,389</b>	<b>\$36,178,408</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>13.5</b>	<b>15.5</b>	<b>16.2</b>	<b>16.2</b>	<b>16.2</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						



**III.B. STRATEGY REQUEST**  
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 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:29AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI Statewide Goal/Benchmark: 3 0  
 OBJECTIVE: 1 Service Categories:  
 STRATEGY: 1 Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Texas Government Code Section 2306.092, 2306.094 and 2306.097 directs the agency to administer programs created under the Office of Economic Opportunity federal acts creating economic opportunity. Programs operated by the Department include: Community Services Block Grant Act (CSBG) 42 U.S.C. 9901 et. seq. and Texas Governr Code Sections 2306.092(11) and 2306.097(b); Community Food and Nutrition Program (CFNP), 42 U.S.C. 9901a; Emergency Shelter Grants Program (ESGP) 42 U.S.C. Sec. Emergency Nutrition and Temporary Emergency Relief Program (ENTERP), Texas Government Code Section 2306, Subchapter CC.

There are no court orders or mandates affecting these programs. These programs serve extremely low, low- and very low-income persons and this population is an integral part of all agency strategies. This strategy outlines the Department's efforts to provide needy citizens with poverty-related assistance for emergency and permanent shelters, utilities, nutrition, clothing, medical, coordination with other service providers, renovation of emergency shelters, the prevention of homelessness, and the transition of persons out of poverty. This strategy supports the Department Goal 3, to improve living conditions for the

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The majority of funds supporting this strategy are contingent on the amount of federal and state funds appropriated. A decrease in funding could result in curtailing the amount of available emergency assistance and the extent of self-sufficiency efforts at the state and local levels. The goal of the programs is to provide a more comprehensive level of services to the client which the Department estimates will result in fewer clients served in 2004 and 2005 due to an expected higher client cost.

The Department experienced a drastic reduction in the funding level of the ENTERP program, and continued funding for this program is uncertain. Changes in this program will affect strategy implementation.

Internally, the Department will continue to dedicate staff resources to training contractors on providing effective programs to assist persons in becoming self-sufficient and providing incentives to those agencies that are successful.

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:30AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI Statewide Goal/Benchmark: 3 0  
 OBJECTIVE: 2 Reduce Cost of Home Energy for 6% of Very Low Income Households Service Categories:  
 STRATEGY: 1 Administer the State Energy Assistance Programs Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Households Receiving Energy Assistance	134,713.00	61,705.00	47,241.00	69,736.00	69,736.00
2	Number of Dwelling Units Weatherized by the Department	5,424.00	5,781.00	5,319.00	3,734.00	3,734.00
3	Number of Units Weatherized with System Benefit Funds (SBF)	0.00	1,949.00	3,145.00	3,145.00	3,145.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Household Served	10.05	27.09	28.57	19.16	19.16
2	Average Cost Per Home Weatherized	1,581.49	1,796.00	2,212.00	2,645.00	2,724.00
<b>Explanatory/Input Measures:</b>						
1	Number of Very Low Income Households Eligible for Energy Assistance	1,239,816.00	1,239,816.00	1,239,816.00	1,239,816.00	1,239,816.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$700,027	\$768,468	\$843,716	\$843,716	\$843,716
1002	OTHER PERSONNEL COSTS	\$5,918	\$12,816	\$12,480	\$12,480	\$12,480
2001	PROFESSIONAL FEES AND SERVICES	\$26,786	\$39,952	\$295,311	\$214,607	\$41,466
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$8,612	\$86,081	\$21,984	\$22,318	\$22,318
2004	UTILITIES	\$440	\$393	\$10,042	\$42	\$42
2005	TRAVEL	\$75,655	\$76,804	\$87,558	\$87,558	\$87,558
2006	RENT - BUILDING	\$116,432	\$107,714	\$125,806	\$126,082	\$132,585
2007	RENT - MACHINE AND OTHER	\$16,029	\$8,981	\$16,913	\$9,913	\$16,913
2009	OTHER OPERATING EXPENSE	\$163,981	\$218,725	\$212,083	\$246,178	\$235,516
3001	CLIENT SERVICES	\$39,439	\$37,700	\$0	\$0	\$0
4000	GRANTS	\$59,349,347	\$48,060,352	\$53,981,872	\$52,505,236	\$52,593,660
5000	CAPITAL EXPENDITURES	\$29,175	\$37,381	\$19,036	\$13,571	\$16,102

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:31AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI Statewide Goal/Benchmark: 3 0  
 OBJECTIVE: 2 Reduce Cost of Home Energy for 6% of Very Low Income Households Service Categories:  
 STRATEGY: 1 Administer the State Energy Assistance Programs Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$60,531,843</b>	<b>\$49,455,367</b>	<b>\$55,626,801</b>	<b>\$54,081,701</b>	<b>\$54,002,356</b>
<b>Method of Financing:</b>						
127 COMMUNITY AFFAIRS FED FD						
81.042.000	Weatherization Assistance	\$5,796,628	\$3,367,600	\$5,445,000	\$5,445,000	\$5,445,000
93.568.000	Low-Income Home Energy As	\$42,461,424	\$37,409,767	\$37,414,801	\$37,414,801	\$37,429,801
CFDA Subtotal, Fund	127	\$48,258,052	\$40,777,367	\$42,859,801	\$42,859,801	\$42,874,801
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$48,258,052</b>	<b>\$40,777,367</b>	<b>\$42,859,801</b>	<b>\$42,859,801</b>	<b>\$42,874,801</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$11,413,000	\$1,000,000	\$1,500,000	\$454,900	\$360,555
777	INTERAGENCY CONTRACTS	\$860,791	\$500,000	\$500,000	\$0	\$0
852	SYSTEM BENEFIT FUND	\$0	\$7,178,000	\$10,767,000	\$10,767,000	\$10,767,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$12,273,791</b>	<b>\$8,678,000</b>	<b>\$12,767,000</b>	<b>\$11,221,900</b>	<b>\$11,127,555</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$54,081,701</b>	<b>\$54,002,356</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$60,531,843</b>	<b>\$49,455,367</b>	<b>\$55,626,801</b>	<b>\$54,081,701</b>	<b>\$54,002,356</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>16.7</b>	<b>16.5</b>	<b>18.8</b>	<b>18.8</b>	<b>18.8</b>

STRATEGY DESCRIPTION AND JUSTIFICATION:

**III.B. STRATEGY REQUEST**  
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 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
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Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI Statewide Goal/Benchmark: 3 0  
 OBJECTIVE: 2 Reduce Cost of Home Energy for 6% of Very Low Income Households Service Categories:  
 STRATEGY: 1 Administer the State Energy Assistance Programs Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Pursuant to Texas Government Code, Chapter 2306, TDHCA was created to assist local governments in providing essential public services for their residents in overcoming financial, social, and environmental problems. Section 2306.097 creates within the Department's Community Affairs Division an office, to be operated in conjunction with the Community Services Block Grant, to be known as the Energy Assistance Program for low income people.

41 USC Sec. 8621 et. seq. authorizes the Secretary of Health and Human Services to make grants to states to assist eligible households to meet the costs of home energy. The Texas Legislature granted TDHCA the authority to administer the Low-Income Home Energy Assistance Program grant effective September 1, 1992. TDHCA administers the Comprehensive Energy Assistance Program with support from the Low Income Home Energy Assistance Program grant.

42 USC Sec. 6861 et. seq. authorizes the U.S. Department of Energy through grants to states to implement a weatherization assistance program to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential energy expenditures, and improve their health and safety, especially low-income persons who are particularly vulnerable such as the elderly, persons with disabilities, and children. The TDHCA-Energy Assistance Section administers the Weatherization Assistance Program.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Most of the funds supporting this strategy are federal funds with the availability contingent on yearly congressional action. Performance is based upon the amount of federal and state funds appropriated. It is projected that Congress will maintain level funding for the Weatherization Assistance Program for Low-Income Persons and the Low-Inc Assistance Program grant for 2004 and 2005.

The DOE adjusted average unit cost limit per home during program year 2002 is \$2,568. The units to be weatherized were projected based on the \$2,568 allowable cost per unit. Any increase in per unit cost will have the effect of reducing the number of units that can be weatherized.

The Department received funding through the System Benefit Fund for the first time in 2002. The energy efficiency programs funded by the System Benefit Fund have been included in this biennium.

Traditionally the Department has received funding through Oil Overcharge, however, due to the limited remaining Oil Overcharge funds available to accrue anticipate additional funds and did not include those funds for this biennium.

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:32AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 4 Ensure Compliance with Program Mandates Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Monitor Housing Properties and Loan/Grant Recipients Service Categories:  
 STRATEGY: 1 Review Housing Property Affordability Documents Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of On-site Reviews	656.00	597.00	628.00	648.00	629.00
2	Number of Desk Reviews	2,785.00	2,600.00	2,600.00	2,700.00	2,900.00
3	Number of Owners Receiving Training	732.00	600.00	600.00	600.00	600.00
<b>Efficiency Measures:</b>						
1	Average Cost/On-site Review	1,342.00	1,658.00	1,576.00	1,416.00	1,488.00
2	Average Cost Per Desk Review	316.00	325.00	331.00	340.00	323.00
<b>Explanatory/Input Measures:</b>						
1	# of Multi/Single Family Rental Properties	1,689.00	1,810.00	1,907.00	1,773.00	1,675.00
2	Number of Units Administered	132,300.00	141,750.00	148,838.00	179,955.00	188,956.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$598,196	\$973,947	\$1,036,051	\$1,036,051	\$1,036,051
1002	OTHER PERSONNEL COSTS	\$7,240	\$21,981	\$17,997	\$17,997	\$17,997
2001	PROFESSIONAL FEES AND SERVICES	\$760,609	\$621,305	\$580,250	\$592,179	\$602,759
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$14,973	\$12,000	\$33,996	\$47,757	\$47,757
2004	UTILITIES	\$1,007	\$886	\$1,500	\$2,000	\$2,000
2005	TRAVEL	\$64,807	\$98,415	\$74,000	\$86,655	\$86,655
2006	RENT - BUILDING	\$131,592	\$182,214	\$200,120	\$219,630	\$223,491
2007	RENT - MACHINE AND OTHER	\$10,925	\$12,870	\$13,750	\$13,750	\$13,750
2009	OTHER OPERATING EXPENSE	\$109,668	\$158,077	\$158,339	\$168,752	\$170,817
4000	GRANTS	\$0	\$385	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$17,505	\$47,257	\$33,879	\$249,878	\$185,409
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,716,524</b>	<b>\$2,129,337</b>	<b>\$2,149,882</b>	<b>\$2,434,649</b>	<b>\$2,386,686</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:33AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 4 Ensure Compliance with Program Mandates Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Monitor Housing Properties and Loan/Grant Recipients Service Categories:  
 STRATEGY: 1 Review Housing Property Affordability Documents Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Method of Financing:</b>						
	666 APPROPRIATED RECEIPTS	\$1,716,524	\$2,129,337	\$2,149,882	\$2,434,649	\$2,386,686
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,716,524</b>	<b>\$2,129,337</b>	<b>\$2,149,882</b>	<b>\$2,434,649</b>	<b>\$2,386,686</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$2,434,649</b>	<b>\$2,386,686</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,716,524</b>	<b>\$2,129,337</b>	<b>\$2,149,882</b>	<b>\$2,434,649</b>	<b>\$2,386,686</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>14.3</b>	<b>15.7</b>	<b>21.6</b>	<b>21.6</b>	<b>21.6</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Compliance Division monitors housing program compliance with federal and state regulatory mandates. Multi and single-family rental properties are monitored for compliance with set-aside and all other program requirements, including rent and income limits. The on-site monitoring visit and the desk review are the mechanisms used for in-depth investigation and overall assessment, respectively. The work includes reviews of owner reports, property compliance reports, tenant files, and other program records. Training

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External:

The Department of the Treasury through the Internal Revenue Service modified the monitoring requirements for the LIHTC program. Beginning in January 2001 to expand the scope and frequency of onsite visits, modify annual certifications, and report annual monitoring activity to the IRS. More specifically, the regulations now require the first onsite to be conducted within a specific timeframe and then once every three years, rather than once every five years. When conducting these onsite visits, TDHCA must also inspect a defined number of units (rather than a sample) using UPCS or local code. The new UPCS inspection procedure is more detailed and requires higher skill levels than the standard (HQS). These new duties imposed by IRS, combined with processes and standards mandated by the 77th Texas Legislature, have increased the workload of the program. Projects reaching the end of the affordability period will be shifted from the onsite program to the responsibilities and activities relating to property disposition/preservation. These activities include analysis of market studies, inspection reports, appraisals and other data from syndicators, lenders, and potential buyers. Finally, property management industry has a high turnover of staff which must be trained.

Internal: Extra duties have doubled time spent on-site, impacting the number of staff/travel costs needed. TDHCA must either outsource components of monitoring or hire staff to match the growth. The disposition/ preservation program will also require new resources.

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:34AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 4 Ensure Compliance with Program Mandates Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Monitor Housing Properties and Loan/Grant Recipients Service Categories:  
 STRATEGY: 2 Review Financial Documents of Loan/Grant Recipients Service: 15 Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of On-site Financial Reviews	747.00	417.00	644.00	256.00	256.00
2	Number of Single Audit Reviews	364.00	332.00	250.00	250.00	250.00
<b>Explanatory/Input Measures:</b>						
1	Number of Sub-recipients Funded	1,047.00	505.00	1,900.00	505.00	505.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$678,961	\$336,317	\$392,784	\$392,784	\$392,784
1002	OTHER PERSONNEL COSTS	\$16,404	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$6,968	\$0	\$17,241	\$17,241
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$9,655	\$0
2005	TRAVEL	\$57,358	\$7,729	\$35,000	\$30,345	\$30,345
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$25,000	\$0
5000	CAPITAL EXPENDITURES	\$48,237	\$0	\$0	\$1,724	\$1,724
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$800,960</b>	<b>\$351,014</b>	<b>\$427,784</b>	<b>\$476,749</b>	<b>\$442,094</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$65,296	\$0	\$70,298	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$65,296</b>	<b>\$0</b>	<b>\$70,298</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
127	COMMUNITY AFFAIRS FED FD					
14.228.000	Community Development Blo	\$270,480	\$0	\$0	\$0	\$0
14.239.000	HOME Investment Partnersh	\$340,136	\$201,827	\$198,806	\$264,401	\$259,090
93.568.000	Low-Income Home Energy As	\$104,383	\$87,947	\$85,199	\$115,014	\$97,601
93.569.000	Community Services Block	\$20,665	\$61,240	\$73,481	\$97,334	\$85,403
CFDA Subtotal, Fund	127	\$735,664	\$351,014	\$357,486	\$476,749	\$442,094

**III.B. STRATEGY REQUEST**  
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 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:35AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL:	4	Ensure Compliance with Program Mandates	Statewide Goal/Benchmark:	8	0
OBJECTIVE:	1	Monitor Housing Properties and Loan/Grant Recipients	Service Categories:		
STRATEGY:	2	Review Financial Documents of Loan/Grant Recipients	Service:	15	Income: A.1 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$735,664</b>	<b>\$351,014</b>	<b>\$357,486</b>	<b>\$476,749</b>	<b>\$442,094</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$476,749</b>	<b>\$442,094</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$800,960</b>	<b>\$351,014</b>	<b>\$427,784</b>	<b>\$476,749</b>	<b>\$442,094</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>16.2</b>	<b>12.3</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Compliance Division, as well as agency programs, reviews financial documents of subrecipients receiving federal pass-through funds through the Department. Subrecipients are monitored to ensure that federal funds are expended in accordance with federal and state mandates. Financial documents and systems are analyzed to assess financial accountability and fis

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

- External:
1. Number of subrecipients receiving federal funds
  2. Amount of federal funding expended by each subrecipient
  3. Changes in federal and state mandates
- Internal:
1. Changes in Department policy
  2. Allocation of resources, including FTE and travel funding

The number of financial reviews represents the onsite financial reviews performed by the: HOME program, CSBG, Weatherization and Trust and Compliance division. In FY 2001, the number of financial reviews included activity from the Community Development Block Grant. Although the Office of R Affairs began operations as an agency in December 2001, the performance of the CDBG program continued to be reported in the perfort quarter of 2002. The reduction of reviews in 2004 and 2005 represents the exclusion of the CDBG program. Changes in the Community Services Block Grant program requiring an onsite review from annually to a minimum of once every three years has also reduced the number of required reviews.



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DATE: 9/26/2002  
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Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 1  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 1 Provide Titling and Licensing Services in a Timely Manner Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Manufactured Housing Titles Issued	113,424.00	107,730.00	120,000.00	110,000.00	110,000.00
2	Number of Licenses Issued	5,766.00	5,684.00	6,100.00	5,500.00	5,500.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Manufactured Housing Title Issued	15.63	9.05	15.00	20.00	20.00
<b>Explanatory/Input Measures:</b>						
1	Number of Manufactured Homes Titled in Texas	672,441.00	722,153.00	850,000.00	760,000.00	790,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$427,436	\$488,309	\$693,992	\$1,075,688	\$1,075,688
1002	OTHER PERSONNEL COSTS	\$5,879	\$7,120	\$14,592	\$22,618	\$22,618
2001	PROFESSIONAL FEES AND SERVICES	\$3,639	\$12,610	\$6,800	\$46,190	\$46,190
2003	CONSUMABLE SUPPLIES	\$6,595	\$3,435	\$12,765	\$35,359	\$35,669
2004	UTILITIES	\$2,952	\$2,318	\$14,717	\$49,600	\$51,150
2005	TRAVEL	\$388	\$0	\$56,800	\$95,325	\$97,030
2006	RENT - BUILDING	\$47,741	\$41,415	\$66,392	\$116,717	\$118,145
2007	RENT - MACHINE AND OTHER	\$3,864	\$5,552	\$7,600	\$11,780	\$11,780
2009	OTHER OPERATING EXPENSE	\$416,551	\$406,461	\$56,663	\$94,807	\$96,373
4000	GRANTS	\$0	\$88	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$15,271	\$23,002	\$18,446	\$9,087	\$9,808
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$930,316</b>	<b>\$990,310</b>	<b>\$948,767</b>	<b>\$1,557,171</b>	<b>\$1,564,451</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$692,068	\$604,853	\$469,262	\$740,270	\$739,934
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$692,068</b>	<b>\$604,853</b>	<b>\$469,262</b>	<b>\$740,270</b>	<b>\$739,934</b>

**Method of Financing:**

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:36AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 1  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 1 Provide Titling and Licensing Services in a Timely Manner Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
127	COMMUNITY AFFAIRS FED FD					
14.000.002	HUD DU100K90016710	\$42,134	\$180,135	\$163,228	\$270,252	\$270,138
CFDA Subtotal, Fund	127	\$42,134	\$180,135	\$163,228	\$270,252	\$270,138
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$42,134</b>	<b>\$180,135</b>	<b>\$163,228</b>	<b>\$270,252</b>	<b>\$270,138</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$196,114	\$205,322	\$316,277	\$546,649	\$554,379
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$196,114</b>	<b>\$205,322</b>	<b>\$316,277</b>	<b>\$546,649</b>	<b>\$554,379</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,557,171</b>	<b>\$1,564,451</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$930,316</b>	<b>\$990,310</b>	<b>\$948,767</b>	<b>\$1,557,171</b>	<b>\$1,564,451</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>10.2</b>	<b>14.0</b>	<b>30.6</b>	<b>30.7</b>	<b>30.7</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Pursuant to the Texas Manufactured Housing Standards Act, and Chapter 2306 of the Texas Government Code, Subchapter Y, the Department is to provide titling and licensing services and assure protection for the general public and protect consumers from illegal operations, fraud, and unsafe practices. Functional activities include titling and customer service, policy and planning, and quality assurance activities in Austin and 8 or more field offices throughout the state. The division does not share this strategy with other divisions in the Department. This strategy supports the Department's Goal 5, to protect the public by regulating the manufactured housing industry in accordance with state and federal laws. This strategy supports the state's priority goal to ensure that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The Titling and Licensing workload is directly related to the number of manufactured homes sold and titled. The Division has no control over the workload. State law requires the Department to perform this workload as it arises. The Division's ability to respond in a timely manner is continually challenged since the licensing revenue is appropriated during the next biennium as general revenue. Internal factors include changes in Division policy and allocation of resources, e.g. FTE and travel funding that may impact the Department response to timely titling and licensing services.

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DATE: 9/26/2002  
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Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 2 Conduct Inspections of Manufactured Homes in a Timely Manner Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Routine Installation Inspections Conducted	16,639.00	14,646.00	15,000.00	15,000.00	15,000.00
2	Number of Non-routine Inspections Conducted	2,414.00	2,278.00	2,359.00	2,000.00	2,100.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Routine Inspection	94.36	114.49	150.00	150.00	150.00
<b>Explanatory/Input Measures:</b>						
1	Number of Installation Reports Received	37,245.00	29,105.00	35,000.00	30,000.00	35,000.00
2	Number of Installation Inspections with Deviations	2,110.00	1,935.00	1,900.00	1,900.00	1,900.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,070,711	\$1,168,139	\$1,387,984	\$1,179,787	\$1,179,787
1002	OTHER PERSONNEL COSTS	\$18,012	\$32,606	\$29,184	\$24,806	\$24,806
2001	PROFESSIONAL FEES AND SERVICES	\$115,427	\$49,914	\$13,600	\$50,660	\$50,660
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$6,734	\$4,794	\$25,531	\$47,760	\$48,100
2004	UTILITIES	\$450	\$169	\$29,434	\$54,400	\$56,100
2005	TRAVEL	\$131,084	\$159,547	\$113,600	\$104,550	\$106,420
2006	RENT - BUILDING	\$104,746	\$101,059	\$132,783	\$131,256	\$132,822
2007	RENT - MACHINE AND OTHER	\$13,835	\$5,406	\$15,200	\$12,920	\$12,920
2009	OTHER OPERATING EXPENSE	\$136,980	\$115,022	\$113,328	\$125,866	\$128,212
4000	GRANTS	\$0	\$205	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$17,843	\$54,504	\$36,891	\$14,505	\$15,949
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,615,824</b>	<b>\$1,691,365</b>	<b>\$1,897,535</b>	<b>\$1,746,510</b>	<b>\$1,755,776</b>

**Method of Financing:**

1	GENERAL REVENUE FUND	\$945,312	\$889,337	\$938,525	\$851,968	\$852,150
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**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
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Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 2 Conduct Inspections of Manufactured Homes in a Timely Manner Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$945,312</b>	<b>\$889,337</b>	<b>\$938,525</b>	<b>\$851,968</b>	<b>\$852,150</b>
<b>Method of Financing:</b>						
	127 COMMUNITY AFFAIRS FED FD					
	14.000.002 HUD DU100K90016710	\$127,630	\$283,668	\$326,455	\$303,112	\$303,175
CFDA Subtotal, Fund	127	\$127,630	\$283,668	\$326,455	\$303,112	\$303,175
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$127,630</b>	<b>\$283,668</b>	<b>\$326,455</b>	<b>\$303,112</b>	<b>\$303,175</b>
<b>Method of Financing:</b>						
	666 APPROPRIATED RECEIPTS	\$542,882	\$518,360	\$632,555	\$591,430	\$600,451
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$542,882</b>	<b>\$518,360</b>	<b>\$632,555</b>	<b>\$591,430</b>	<b>\$600,451</b>
<b>Rider Appropriations:</b>						
	1 GENERAL REVENUE FUND					
	10 2 Appropriation: Manufactured Homeowner Consumer Claims				\$20,000	\$20,000
<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>					<b>\$20,000</b>	<b>\$20,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,766,510</b>	<b>\$1,775,776</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,615,824</b>	<b>\$1,691,365</b>	<b>\$1,897,535</b>	<b>\$1,746,510</b>	<b>\$1,755,776</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>25.5</b>	<b>32.4</b>	<b>27.1</b>	<b>26.7</b>	<b>26.7</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

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DATE: 9/26/2002  
 TIME: 11:13:39AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 0  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 2 Conduct Inspections of Manufactured Homes in a Timely Manner Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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Pursuant to the Texas Manufactured Housing Standards Act and Chapter 2306 of the Texas Government Code, Subchapter Y, the Department is to conduct inspections of manufactured homes in a timely manner to ensure proper installation and make warranty determinations. Functional activities include: inspections, issuance of warranty orders to license holders and consumer complaints. This division does not share this strategy with other divisions in the Department. This strategy supports the Department's Goal 5, to protect the public by regulating the manufactured housing industry in accordance with state and federal laws. This strategy supports the state's priority goal to ensure that Texas consumers are effectively and efficiently served by high quality

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External: The installation inspection workload is directly related to the number of manufactured homes installed. The Division has no control over the workload. State law requires at least 25% of the homes installed to be inspected on a sample basis and that priority be placed on multi-section homes and homes installed in Wind Zone II. State law requires the Department to perform this workload as it arises. The Division's ability to respond in a timely manner is continually challenged since the installation fee revenue is appropriated during the next biennium as general revenue.

Internal: Changes in Division policy and allocation of resources including FTE and travel funding may

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DATE: 9/26/2002  
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Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 7  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 3 Process Consumer Complaints/Conduct Investigations/Take Admin Actions Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Output Measures:</b>						
1	Number of Complaints Resolved	1,870.00	2,121.00	2,000.00	1,900.00	1,800.00
<b>Efficiency Measures:</b>						
1	Average Cost Per Complaint Resolved	920.87	1,077.01	1,000.00	1,200.00	1,200.00
2	Average Time for Complaint Resolution	200.00	247.80	220.00	200.00	200.00
<b>Explanatory/Input Measures:</b>						
1	Number of Jurisdictional Complaints Received	1,938.00	1,609.00	1,900.00	1,600.00	1,700.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,381,050	\$1,527,274	\$1,387,984	\$1,214,486	\$1,214,486
1002	OTHER PERSONNEL COSTS	\$14,996	\$31,867	\$29,184	\$25,536	\$25,536
2001	PROFESSIONAL FEES AND SERVICES	\$3,646	\$6,925	\$13,600	\$52,150	\$52,150
2002	FUELS AND LUBRICANTS	\$2	\$173	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$15,390	\$9,936	\$25,531	\$48,580	\$48,930
2004	UTILITIES	\$40,287	\$31,919	\$29,434	\$56,000	\$57,750
2005	TRAVEL	\$114,496	\$105,494	\$113,600	\$107,625	\$109,550
2006	RENT - BUILDING	\$175,113	\$201,041	\$132,783	\$134,906	\$136,518
2007	RENT - MACHINE AND OTHER	\$23,905	\$16,962	\$15,200	\$13,300	\$13,300
2009	OTHER OPERATING EXPENSE	\$146,127	\$250,568	\$563,329	\$128,142	\$130,517
4000	GRANTS	\$0	\$260	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$22,702	\$74,730	\$36,891	\$14,636	\$16,080
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,937,714</b>	<b>\$2,257,149</b>	<b>\$2,347,536</b>	<b>\$1,795,361</b>	<b>\$1,804,817</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$1,149,805	\$859,545	\$1,186,366	\$866,916	\$867,069
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,149,805</b>	<b>\$859,545</b>	<b>\$1,186,366</b>	<b>\$866,916</b>	<b>\$867,069</b>

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:40AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 7  
 OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:  
 STRATEGY: 3 Process Consumer Complaints/Conduct Investigations/Take Admin Actions Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Method of Financing:</b>						
127	COMMUNITY AFFAIRS FED FD					
14.000.002	HUD DU100K90016710	\$146,071	\$416,225	\$395,272	\$311,591	\$311,643
CFDA Subtotal, Fund	127	\$146,071	\$416,225	\$395,272	\$311,591	\$311,643
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$146,071</b>	<b>\$416,225</b>	<b>\$395,272</b>	<b>\$311,591</b>	<b>\$311,643</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$641,838	\$981,379	\$765,898	\$616,854	\$626,105
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$641,838</b>	<b>\$981,379</b>	<b>\$765,898</b>	<b>\$616,854</b>	<b>\$626,105</b>
<b>Rider Appropriations:</b>						
1	GENERAL REVENUE FUND					
10	1 Appropriation: Manufactured Homeowner Consumer Claims				\$30,000	\$30,000
<b>TOTAL, RIDER &amp; UNEXPENDED BALANCES APPROP</b>					<b>\$30,000</b>	<b>\$30,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,825,361</b>	<b>\$1,834,817</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,937,714</b>	<b>\$2,257,149</b>	<b>\$2,347,536</b>	<b>\$1,795,361</b>	<b>\$1,804,817</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>32.9</b>	<b>41.1</b>	<b>29.8</b>	<b>30.1</b>	<b>30.1</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Pursuant to the Texas Manufactured Housing Standards Act and Chapter 2306, of the Texas Government Code, Subchapter Y, the Depa complaints, conduct investigations and take administrative actions to protect the general public. Functional activities include consumer complaint intake, dispute resolut investigations, conducting hearings and taking administrative and other actions. The division does not share this strategy with other divisions in the Department. This strategy supports the Department's Goal 5, to protect the public by regulating the manufactured housing industry in accordance with state and federal laws. This strategy supports the state's priority goal to ensure that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:41AM

Agency code: **332**      Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL:	5	Regulate Manufactured Housing Industry	Statewide Goal/Benchmark:	8	7
OBJECTIVE:	1	Operate a Regulatory System Ensure Responsive Titling/Licensing/Other	Service Categories:		
STRATEGY:	3	Process Consumer Complaints/Conduct Investigations/Take Admin Actions	Service:	17	Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

External: The Consumer Complaint and Administrative Action workload is directly related to the number of consumers who complain about their ho  
 license holders and the number of people who violate the manufactured housing laws. The division has no control over the workload. State law requires the Department to perform this  
 workload as it arises. The Division's ability to respond in a timely manner is continually challenged since the fee revenues and administrative monetary penalties to the Division are  
 appropriated during the next biennium as general revenue.

Internal: Changes in Division policy and allocation of resources including FTE and travel funding may impact the Department's response to timely process consumer complaints and  
 administrative actions.



**III.B. STRATEGY REQUEST**  
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DATE: 9/26/2002  
 TIME: 11:13:42AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 6 Indirect Administrative and Support Costs Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administrative and Support Costs Service Categories:  
 STRATEGY: 1 Central Administration Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$2,598,169	\$2,807,225	\$3,278,002	\$3,278,002	\$3,278,002
1002	OTHER PERSONNEL COSTS	\$27,448	\$50,675	\$37,440	\$37,440	\$37,440
2001	PROFESSIONAL FEES AND SERVICES	\$285,901	\$211,535	\$475,589	\$495,493	\$517,383
2002	FUELS AND LUBRICANTS	\$5	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$24,237	\$20,841	\$80,086	\$81,155	\$81,155
2004	UTILITIES	\$5,382	\$5,033	\$15,690	\$15,690	\$15,690
2005	TRAVEL	\$71,793	\$65,398	\$147,321	\$147,321	\$147,321
2006	RENT - BUILDING	\$377,847	\$433,734	\$400,578	\$408,338	\$416,328
2007	RENT - MACHINE AND OTHER	\$32,301	\$28,072	\$30,449	\$30,449	\$30,449
2009	OTHER OPERATING EXPENSE	\$649,794	\$546,550	\$605,945	\$619,528	\$623,798
5000	CAPITAL EXPENDITURES	\$77,007	\$116,942	\$50,782	\$235,620	\$209,151
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,149,884</b>	<b>\$4,286,005</b>	<b>\$5,121,882</b>	<b>\$5,349,036</b>	<b>\$5,356,717</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$356,135	\$210,763	\$421,750	\$329,575	\$318,123
888	EARNED FEDERAL FUNDS	\$768,886	\$895,508	\$992,521	\$934,449	\$953,580
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$1,125,021</b>	<b>\$1,106,271</b>	<b>\$1,414,271</b>	<b>\$1,264,024</b>	<b>\$1,271,703</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$3,024,863	\$3,179,734	\$3,707,611	\$4,085,012	\$4,085,014
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$3,024,863</b>	<b>\$3,179,734</b>	<b>\$3,707,611</b>	<b>\$4,085,012</b>	<b>\$4,085,014</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:43AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 6 Indirect Administrative and Support Costs Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administrative and Support Costs Service Categories:  
 STRATEGY: 1 Central Administration Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,349,036</b>	<b>\$5,356,717</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$4,149,884</b>	<b>\$4,286,005</b>	<b>\$5,121,882</b>	<b>\$5,349,036</b>	<b>\$5,356,717</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>69.1</b>	<b>57.0</b>	<b>60.0</b>	<b>60.0</b>	<b>60.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This strategy provides for Central Administration services to be provided to the entire Department. Central Administration includes the following: Executive Office, Board, Legal, Internal Audit, Governmental Relations and Communications, Strategic Planning/Housing Resource Center, Human Resources, and Financial Housing Division.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:43AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 6 Indirect Administrative and Support Costs Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administrative and Support Costs Service Categories:  
 STRATEGY: 2 Information Resource Technologies Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$945,759	\$1,129,204	\$1,049,716	\$1,049,716	\$1,049,716
1002	OTHER PERSONNEL COSTS	\$9,227	\$17,616	\$7,200	\$7,200	\$7,200
2001	PROFESSIONAL FEES AND SERVICES	\$70,305	\$19,795	\$819	\$6,172	\$13,103
2002	FUELS AND LUBRICANTS	\$1	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$15,077	\$18,038	\$19,932	\$20,270	\$20,270
2004	UTILITIES	\$1,341	\$849	\$3,000	\$2,500	\$2,500
2005	TRAVEL	\$5,551	\$5,151	\$14,200	\$12,000	\$12,000
2006	RENT - BUILDING	\$103,294	\$122,825	\$121,940	\$124,240	\$126,769
2007	RENT - MACHINE AND OTHER	\$1,231	\$1,378	\$9,009	\$9,009	\$9,009
2009	OTHER OPERATING EXPENSE	\$114,642	\$119,377	\$141,073	\$164,091	\$165,443
5000	CAPITAL EXPENDITURES	\$35,449	\$58,898	\$19,969	\$28,414	\$32,190
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,301,877</b>	<b>\$1,493,131</b>	<b>\$1,386,858</b>	<b>\$1,423,612</b>	<b>\$1,438,200</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$549,224	\$470,835	\$449,770	\$452,861	\$476,035
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$549,224</b>	<b>\$470,835</b>	<b>\$449,770</b>	<b>\$452,861</b>	<b>\$476,035</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$752,653	\$1,022,296	\$937,088	\$970,751	\$962,165
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$752,653</b>	<b>\$1,022,296</b>	<b>\$937,088</b>	<b>\$970,751</b>	<b>\$962,165</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,423,612</b>	<b>\$1,438,200</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,301,877</b>	<b>\$1,493,131</b>	<b>\$1,386,858</b>	<b>\$1,423,612</b>	<b>\$1,438,200</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>22.5</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>	<b>19.0</b>

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:44AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 6 Indirect Administrative and Support Costs Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administrative and Support Costs Service Categories:  
 STRATEGY: 2 Information Resource Technologies Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This strategy provides Information Resource Technology services to the entire Department.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**III.B. STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 11:13:45AM

Agency code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 6 Indirect Administrative and Support Costs Statewide Goal/Benchmark: 7 0  
 OBJECTIVE: 1 Indirect Administrative and Support Costs Service Categories:  
 STRATEGY: 3 Operating/Support Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$404,581	\$415,955	\$430,207	\$430,207	\$430,207
1002	OTHER PERSONNEL COSTS	\$4,460	\$21,760	\$5,760	\$5,760	\$5,760
2001	PROFESSIONAL FEES AND SERVICES	\$9,527	\$3,697	\$2,231	\$5,048	\$8,696
2002	FUELS AND LUBRICANTS	\$39	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$3,962	\$3,430	\$12,535	\$12,713	\$12,713
2004	UTILITIES	\$678	\$1,670	\$3,840	\$3,840	\$3,840
2005	TRAVEL	\$1,759	\$96	\$3,750	\$3,750	\$3,750
2006	RENT - BUILDING	\$62,379	\$70,652	\$64,179	\$65,389	\$66,720
2007	RENT - MACHINE AND OTHER	\$5,787	\$4,742	\$4,742	\$4,742	\$4,742
2009	OTHER OPERATING EXPENSE	\$33,700	\$41,486	\$70,951	\$73,715	\$74,425
5000	CAPITAL EXPENDITURES	\$9,207	\$12,853	\$7,342	\$10,796	\$11,543
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$536,079</b>	<b>\$576,341</b>	<b>\$605,537</b>	<b>\$615,960</b>	<b>\$622,396</b>
<b>Method of Financing:</b>						
1	GENERAL REVENUE FUND	\$254,752	\$251,925	\$198,240	\$190,072	\$204,466
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$254,752</b>	<b>\$251,925</b>	<b>\$198,240</b>	<b>\$190,072</b>	<b>\$204,466</b>
<b>Method of Financing:</b>						
666	APPROPRIATED RECEIPTS	\$281,327	\$324,416	\$407,297	\$425,888	\$417,930
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$281,327</b>	<b>\$324,416</b>	<b>\$407,297</b>	<b>\$425,888</b>	<b>\$417,930</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$615,960</b>	<b>\$622,396</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$536,079</b>	<b>\$576,341</b>	<b>\$605,537</b>	<b>\$615,960</b>	<b>\$622,396</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>9.6</b>	<b>8.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

**III.B. STRATEGY REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 11:13:46AM

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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Operating and Support Services are comprised of the Purchasing and Facilities/Support sections.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**III.B. STRATEGY REQUEST**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 11:13:46AM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$165,894,060</b>	<b>\$165,754,711</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$166,294,060</b>	<b>\$166,154,711</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$126,843,646</b>	<b>\$158,188,690</b>	<b>\$205,387,360</b>	<b>\$165,894,060</b>	<b>\$165,754,711</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>307.8</b>	<b>307.5</b>	<b>323.0</b>	<b>323.0</b>	<b>323.0</b>

**RIDER APPROPRIATIONS**

*AND*

**UNEXPENDED BALANCES REQUEST**



**III.D. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 11:23:06AM

Agency code: 332      Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RIDER	STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
10	1 Manufactured Consumer Claims 5-1-3 ENFORCEMENT					
<b>OBJECT OF EXPENSE:</b>						
2009	OTHER OPERATING EXPENSE	\$ 50,000	\$ 50,000	\$ 50,000	\$ 30,000	\$ 30,000
<b>Total, Object of Expense</b>		<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>
<b>METHOD OF FINANCING:</b>						
1	GENERAL REVENUE FUND	\$ 50,000	\$ 50,000	\$ 50,000	\$ 30,000	\$ 30,000
<b>Total, Method of Financing</b>		<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>

**Description/Justification for continuation of existing riders or proposed new rider**

Appropriation: Manufactured Homeowner Consumer Clai  
Department of Housing and Community Affairs is appropriated an amount, not to exceed \$1,000,000 per year for the biennium, required housing consumer claims according to the Manufactured Housing Standards Act, from title transaction fees in General Revenue Fund during the 2004-05 biennium.

**III.D. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 11:23:52AM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RIDER	STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
10 2	Manufactured Consumer Claims 5-1-2 INSTALLATION INSPECTIONS					
<b>OBJECT OF EXPENSE:</b>						
2009	OTHER OPERATING EXPENSE	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000
<b>Total, Object of Expense</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>METHOD OF FINANCING:</b>						
1	GENERAL REVENUE FUND	\$ 0	\$ 0	\$ 0	\$ 20,000	\$ 20,000
<b>Total, Method of Financing</b>		<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>

**Description/Justification for continuation of existing riders or proposed new rider**

Appropriation: Manufactured Homeowner Consumer Clai  
Department of Housing and Community Affairs is appropriated an amount, not to exceed \$1,000,000 per year for the biennium, required housing consumer claims according to the Manufactured Housing Standards Act, from title transaction fees in General Revenue Fund during the 2004-05 biennium.

**III.D. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 11:23:52AM

Agency code: 332      Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

RIDER	STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
15	1 Interest Earnings/ Loan Repayments 1-1-1 HOUSING TRUST FUND					
<b>OBJECT OF EXPENSE:</b>						
4000	GRANTS	\$ 250,000	\$ 250,000	\$ 250,000	\$ 350,000	\$ 350,000
<b>Total, Object of Expense</b>		<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>
<b>METHOD OF FINANCING:</b>						
1	GENERAL REVENUE FUND	\$ 250,000	\$ 250,000	\$ 250,000	\$ 350,000	\$ 350,000
<b>Total, Method of Financing</b>		<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 250,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>

**Description/Justification for continuation of existing riders or proposed new rider**

In addition to the appropriations above, interest earnings and loan repayments received from loans made through the Housing Trust Fund, estimated to be \$250,000 each year, are hereby appropriated out of the General Revenue Fund for Strategy A.1.1., Housing Trust Fund, to be used for the same purpose.

**III.D. RIDER APPROPRIATIONS AND UNEXPENDED BALANCES REQUEST**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002

TIME: 11:23:52AM

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Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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<b>RIDER</b>	<b>STRATEGY</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>BL 2004</b>	<b>BL 2005</b>
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**SUMMARY:**

<b>OBJECT OF EXPENSE TOTAL</b>		\$ 300,000	\$ 300,000	\$ 300,000	\$ 400,000	\$ 400,000
<b>METHOD OF FINANCING TOTAL</b>		\$ 300,000	\$ 300,000	\$ 300,000	\$ 400,000	\$ 400,000

**RIDER REVISIONS AND ADDITIONS REQUEST**

### Rider Revisions and Additions Request

Agency Code:	Agency Name:	Prepared By:	Date:	Request Level:
332	Tx Dept of Housing and Community Affairs	David Aldrich	9/1/02	Base

Current Rider Number	Page Number in 2002-03 GAA)	Proposed Rider Language																								
1	VII-13-14	<p><b>Capital Budget.</b> None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for “Lease Payments to the Master Lease Purchase Program” or for items with an “(MLPP)” notation shall be expended only for the purpose of making lease-purchase payments to Government Code 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under “Acquisition of Information Resource Technologies” may be used to lease information resources hardware and/or software versus the purchase of information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 20%; text-align: right;">2002</th> <th style="width: 20%; text-align: right;">2003</th> </tr> </thead> <tbody> <tr> <td><del>a. Acquisition of Information Resource Technologies</del></td> <td></td> <td></td> </tr> <tr> <td><del>(1) Normal Growth/Integrate Systems</del></td> <td style="text-align: right;"><del>\$730,158</del></td> <td style="text-align: right;"><del>\$555,764</del></td> </tr> <tr> <td><del>(2) Compliance Monitoring Tracking System/Centralized Database</del></td> <td style="text-align: right;"><del>399,000</del></td> <td style="text-align: right;"><del>99,000</del></td> </tr> <tr> <td><del>(3) Loan Production and Servicing Software</del></td> <td style="text-align: right;"><del>305,000</del></td> <td style="text-align: right;"><del>0</del></td> </tr> <tr> <td><del>(4) Peoplesoft Accounting System</del></td> <td style="text-align: right;"><del>180,000</del></td> <td style="text-align: right;"><del>60,000</del></td> </tr> <tr> <td><del>Total Acquisition of Information Resource Technologies</del></td> <td style="text-align: right;"><del>\$1,614,158</del></td> <td style="text-align: right;"><del>\$714,764</del></td> </tr> <tr> <td><del>TOTAL Capital Budget</del></td> <td style="text-align: right;"><del>\$1,614,158</del></td> <td style="text-align: right;"><del>\$714,764</del></td> </tr> </tbody> </table>		2002	2003	<del>a. Acquisition of Information Resource Technologies</del>			<del>(1) Normal Growth/Integrate Systems</del>	<del>\$730,158</del>	<del>\$555,764</del>	<del>(2) Compliance Monitoring Tracking System/Centralized Database</del>	<del>399,000</del>	<del>99,000</del>	<del>(3) Loan Production and Servicing Software</del>	<del>305,000</del>	<del>0</del>	<del>(4) Peoplesoft Accounting System</del>	<del>180,000</del>	<del>60,000</del>	<del>Total Acquisition of Information Resource Technologies</del>	<del>\$1,614,158</del>	<del>\$714,764</del>	<del>TOTAL Capital Budget</del>	<del>\$1,614,158</del>	<del>\$714,764</del>
	2002	2003																								
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Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number in 2002-03 GAA Capital Budget Cont'd.	Proposed Rider Language		
1	VII-13-14	Method of Financing (Capital Budget):	-2002	2003
		General Revenue Fund	\$285,046	\$150,399
		<del>Community Affairs Federal Fund No. 127</del>	<del>424,921</del>	<del>409,669</del>
		<del>Appropriated Receipts</del>	<del>4,159,718</del>	<del>415,393</del>
		<del>Earned Federal Funds</del>	<del>44,473</del>	<del>39,303</del>
		Total Method of Financing:	\$1,614,158	\$714,764
		<u>a. Acquisition of Information Resource</u>	<u>2004</u>	<u>2005</u>
		<u>Technologies</u>		
		<u>(1) Normal Growth/Integrate Systems</u>	<u>\$260,000</u>	<u>\$240,000</u>
		<u>(2) Peoplesoft Accounting System</u>	<u>175,000</u>	<u>150,000</u>
		<u>(3) Disaster Recovery</u>	<u>15,000</u>	<u>15,000</u>
		<u>(4) Enhancements Compliance</u>	<u>150,000</u>	<u>150,000</u>
		<u>(5) Central Database</u>	<u>175,000</u>	<u>175,000</u>
		<u>(6) Manufactured Housing Database</u>	<u>125,000</u>	<u>125,000</u>
		<u>(7) UPCS Property Inspections</u>	<u>70,000</u>	<u>10,000</u>
<u>(8) WAP Software Development Project</u>	<u>180,000</u>			
<u>TOTAL Capital Budget</u>	<u>\$1,150,000</u>	<u>\$865,000</u>		

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language	
1	VII-13-14	<u>Method of Financing (Capital Budget):</u>  <u>General Revenue Fund</u> <u>Community Affairs Federal Fund No. 127</u> <u>Appropriated Receipts</u> <u>Earned Federal Funds</u> <u>Total Method of Financing:</u>	<u>2004</u> <u>2005</u>  \$238,567                      \$239,233 \$287,461                      \$121,360 \$532,280                      \$424,461 \$91,692                      \$79,946 \$1,150,000                      \$865,000
2	VII-14	<b>Reporting Requirements.</b> Within 90 days following the conclusion of a contract issued by the Texas Department of Housing and Community Affairs or, at the option of the contracting party, within 90 days following the conclusion of the contracting party's fiscal year during which a contract was in force, the contracting party shall provide to the Executive Director a full accounting of state funds expended under the terms of the contract. This requirement shall be a part of any contract entered into by the department and contracting entities. Failure of a contracting party to provide full accounting of state funds expended under the terms of any contract under the conditions stated above shall be sufficient reason to terminate that contract and for the department to deny any future contracts to that contracting party.	



**Rider Revisions and Additions Request  
(continued)**

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language												
3	VII-14	<p><b>Housing Assistance.</b> The housing finance <del>divisions</del> <del>division's</del> shall adopt an annual goal to apply no less than \$30,000,000 of the <del>divisions'</del> <del>division's</del> total housing funds toward housing assistance for individuals and families <u>earning less than 30 percent of median</u> <del>in which the annual</del> family income. <del>does not exceed the following amounts based on the number of persons in the family:</del></p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Number of Persons in the family</th> <th style="text-align: right; border-bottom: 1px solid black;">Maximum annual income</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">1 person</td> <td style="text-align: right; border-bottom: 1px solid black;">\$13,000</td> </tr> <tr> <td style="border-bottom: 1px solid black;">2 persons</td> <td style="text-align: right; border-bottom: 1px solid black;">\$16,000</td> </tr> <tr> <td style="border-bottom: 1px solid black;">3 persons</td> <td style="text-align: right; border-bottom: 1px solid black;">\$17,500</td> </tr> <tr> <td style="border-bottom: 1px solid black;">4 persons</td> <td style="text-align: right; border-bottom: 1px solid black;">\$19,000</td> </tr> <tr> <td style="border-bottom: 1px solid black;">5 persons</td> <td style="text-align: right; border-bottom: 1px solid black;">\$21,000</td> </tr> </tbody> </table> <p><del>For each additional person, add \$1,500.</del> No less than 20 percent of the <del>divisions'</del> <del>division's</del> total housing funds shall be spent for individuals and families earning between 31 percent and 60 percent of median family income. In those counties where the median family income is lower than the state average median family income, the department shall use the average state median income in interpreting this rider. The department shall provide a quarterly report to the Legislative Budget Board documenting its expenditures in each income category.</p> <p><i>Explanation: The revision reverts to the language adopted by the 76<sup>th</sup> Legislature to ensure that TDHCA meets the requirements of the rider and subjects housing finance divisions housing funds to the goal requirement, not only those funds of the "housing finance division", to reflect changes made during the Departments reorganization. Contracts are awarded and performances measured based on projections using median income scales. Actual income figures are not known until a year or two after the funds have been distributed and will not be representative of a specific funding cycle or fiscal year, but rather will only mark the year in which a contract is completed. Reporting on the basis of projections is also consistent with the way in which performance measures are reported.</i></p>	Number of Persons in the family	Maximum annual income	1 person	\$13,000	2 persons	\$16,000	3 persons	\$17,500	4 persons	\$19,000	5 persons	\$21,000
Number of Persons in the family	Maximum annual income													
1 person	\$13,000													
2 persons	\$16,000													
3 persons	\$17,500													
4 persons	\$19,000													
5 persons	\$21,000													

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
4	VII-14	<p><del><b>Coordination with Texas Water Development Board.</b> The Texas Department of Housing and Community Affairs (TDHCA) and the Texas Water Development Board (TWDB) shall continue to coordinate funds as outlined in a Memorandum of Understanding (MOU) so as to assure that none of the funds appropriated above are expended in a manner that aids the proliferation of colonias or are otherwise used in a manner inconsistent with the intent of the Economically Distressed Areas Program (EDAP) operated by the Texas Water Development Board (TWDB); and maximize delivery of the funds and minimize administrative delay in their expenditure. The MOU shall be amended, if necessary, prior to the distribution of the Colonia Fund in fiscal years 2002 and 2003. In distributing funds out of the Colonia Fund, the TDHCA shall provide top funding priority to those projects that are in EDAP funded areas and which assist colonia residents who cannot afford the cost of service lines, hook ups, and plumbing improvements associated with being connected to an EDAP system. None of the funds appropriated above for Strategy B.2.1, Development Projects Grants, may be expended in EDAP-eligible counties that have not adopted, or are not enforcing, the Model Subdivision Rules established pursuant to 16.343 of the Water Code. No later than September 15, 2002, the TDHCA and the TWDB shall submit a joint report to the Legislative Budget Board that describes and analyzes the effectiveness of projects funded as a result of coordinated Colonia Fund/EDAP efforts including an estimate of the amount each agency has saved by reduced duplication of efforts.</del></p> <p><i>Explanation: Responsibility of the Office of Rural Community Affairs</i></p>
5	VII-15	<p><b>Reimbursement of Advisory Committee Members.</b> Pursuant to VTCS, Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to the following advisory committees:</p> <p style="padding-left: 40px;">Texas Weatherization Policy Advisory Council State Interagency Council for the Homeless Consolidated Plan/State Low Income Housing Plan Committee</p>

**Rider Revisions and Additions Request  
(continued)**

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
5	VII-15	<p style="text-align: center;"><del>State Community Development Review Committee</del>  <del>Colonia Residents Advisory Committee</del>  <del>Colonia Advisory Committee</del>  <u>Disability Advisory Committee</u></p> <p><i>Explanation: The Texas Interagency Council for the Homeless has been renamed and exempted from Chapter 2110 pursuant to §2306.782(b); the State Community Development Review Committee is now the responsibility of ORCA; and the renamed Colonia Initiatives Advisory Committee is now appointed by the Governor to advise ORCA and the Texas Water Development Board. The Consolidated Plan/State Low Income Housing Plan Committee is no longer needed given TDHCA's regional allocation of funds. A disability advisory committee has been added to assist TDHCA with accessibility and other issues affecting persons with disabilities.</i></p>
6	VII-15	<p><b>Local Site Visits.</b> From monies appropriated above, when the Texas Department of Housing and Community Affairs receives a letter from the mayor or county judge of an affected city or county opposing an application for a federal tax incentive to develop rental housing, a site visit by an employee of the Texas Department of Housing and Community Affairs with the mayor or county judge or their designated representative shall take place within 30 days following notification. The site visit must occur before the incentive can be approved. The Texas Department of Housing and Community Affairs is authorized to obtain reimbursement from the applicant for a federal tax incentive for necessary travel and expenses at a rate not to exceed the federally authorized rate.</p>
7	VII-15	<p><b>Low/Moderate Income Housing Construction.</b> Out of the funds appropriated above, not less than \$500,000 each year of the biennium shall be expended on low/moderate income housing construction in enterprise zone areas.</p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
8	VII-15	<p><b>Low Income Assistance: Scoring Criteria.</b> It is the intent of the Legislature that the department add to its contract award scoring criteria for the construction, acquisition, or rehabilitation of single and multi-family housing, and for the operation of multi-family housing, a system that gives increased points for comprehensive services to low-income citizens, such as case management, home-buyer assistance, and family budgeting. The department is also encouraged to develop a sliding scale fee schedule for the low-income tax credit program and the 501c(3) bond program to encourage increased participation by non-profit entities such as community development housing organizations.</p>
9	VII-16	<p><b>Limitation on Expenditure.</b> Under Strategy A.1.4, Federal Tax Credits, no funds shall be used for processing or approving applications for allocations unless the department adopts or amends administrative rules containing the following:</p> <ul style="list-style-type: none"> <li>a. All representations made by an applicant for an allocation are enforceable by the department, including enforcement by administrative penalties for failure to perform as stated in the representations and enforcement by inclusion in deed restrictions to which the department is a party.</li> <li>b. The department <del>shall</del> <u>will require inspections of</u> all construction for quality during the construction process while defects can reasonable by corrected.</li> <li>c. A general contractor hired by an applicant or an applicant, if the applicant serves as general contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.</li> <li>d. The department shall give notice of a proposed project to the state representative and senator representing the area where a project would be located. The state representative or senator may hold a community meeting at which the department shall provide appropriate representation.</li> <li>e. The department shall allocate credits among as many different entities as practicable without diminishing the quality of the housing that is built.</li> </ul> <p><i>Explanation: Allows the Department to accept third party inspections.</i></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
10	VII-16	<p><b>Appropriation:</b> Manufactured Homeowner Consumer Claims. In addition to appropriations in Goal E, Manufactured Housing, <u>the Manufactured Housing Division of the Department of Housing and Community Affairs</u> is appropriated an amount, not to exceed \$50,000 per year for the biennium, required for the purpose of paying manufactured housing consumer claims according to <u>the Manufactured Housing Standards Act VTCS, Article 5224f</u>, from title transaction fees involving manufactured housing collected and deposited in the General Revenue Fund during the <del>2002-03</del> <u>2004-05</u> biennium.</p> <p><i>Explanation: Inserted “the Manufactured Housing Division of” to match with the Sunset Bill. The reference to the Act was revised because it will be transferred from Vernon’s Texas Civil Statutes to the Occupational Code in September 2003.</i></p>
11	VII-16	<p><b>Appropriations Limited to Revenue Collections.</b> It is the intent of the Legislature that fees, fines, and other miscellaneous revenues as authorized and generated by the agency cover, at a minimum, the cost of the appropriations made above for the strategy items in Goal E, Manufactured Housing, the cost of the appropriations required for manufactured housing consumer claims payments according to the <u>Manufactured Housing Standards Act VTCS, Article 5224f</u>, as well as the "other direct and indirect costs" for Goal E, Manufactured Housing, are estimated to be \$921,641 for fiscal year <del>2002</del> <u>2004</u> and \$958,563 for fiscal year <del>2003</del> <u>2005</u>. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Legislative Budget Board may direct that the Comptroller of Public Accounts reduce the appropriation authority provided above to be within the amount of revenue expected to be available.</p> <p><i>Explanation: The reference to the Act was revised because it will be transferred from Vernon’s Texas Civil Statutes to the Occupational Code in September 2003.</i></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
13	VII-16-17	<p><b>Conversions of Executory Contracts.</b> Out of the funds appropriated above, the department shall spend not less than \$4,000,000 for the biennium for the sole purpose of contracts for deed conversions for families that reside in a colonia and earn 60 percent or less of the applicable area median family income. It is the intent of the Legislature that the department complete at least <u>200</u> <del>400</del> contract for deed conversions by August 31, <u>2005</u> <del>2003</del>.</p> <p><i>Explanation: The conversions of contracts for deed to warranty deeds is costing approximately \$20,000 for each conversion, thereby allowing only 200 conversions to be completed, rather than 400.</i></p>
14	VII-17	<p><del><b>Administrative Allocation:</b> Councils of Governments. From the federal administrative monies made available to the department under the Community Development Block Grant Program, an amount equal to 19 percent of such monies shall be allocated to councils of government to continue staff support to the 24 Regional Review Committees of local elected officials appointed by the Governor.</del></p> <p><i>Explanation: Responsibility of the Office of Rural Community Affairs</i></p>
15	VII-17	<p><b>Appropriation:</b> Housing Trust Fund Interest Earnings and Loan Repayments. Interest earnings and loan repayments received from loans made through the Housing Trust Fund program from amounts appropriated out of the General Revenue Fund for Strategy A.1.1., Housing Trust Fund, estimated to be <u>\$350,000</u> each year, are hereby appropriated to the Housing Trust Fund established under §2306.201, Government Code, to be used for the same purpose.</p> <p><i>Explanation: Estimated increased receipt of loan repayment funds.</i></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
16	VII-17	<p><b><u>Appropriations: Unexpended Balances.</u></b> <del>Grants and Contracts.</del> Any unexpended general revenue balances remaining in Strategy A.1.1, Housing Trust Fund, as of August 31, <del>2003</del> 2004, are appropriated to the same strategy as of September 1, <del>2003</del> 2004. <del>Any funds from grants or contracts executed before September 1, 2002, or from prior fiscal years from Strategy A.1.1, Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs that are not expended for the same purpose as of August 31, 2002, are appropriated to Strategy A.1.1., Housing Trust Fund, as of September 1, 2002, for the same purposes. Beginning September 1, 2002, any funds from grants or contracts executed before September 1, 2003, or from prior fiscal years from Strategy A.1.1., Housing Trust Fund, subsequently returned to the Department of Housing and Community Affairs are appropriated to Strategy A.1.1., Housing Trust Fund, for the same purposes.</del></p> <p><i>Explanation: The deleted language is not necessary since Rider 15 governs HTF loan repayments and recaptured HTF general revenue from deobligated grants is required to be used for the same purpose pursuant to Sections 6.34, Grants, and 6.05, Interpretation of Legislative Intent, of the General Appropriations Act.</i></p>
17	VII-17	<p><b><u>Sunset Contingency.</u></b> <del>Funds appropriated above for fiscal year 2003 for the Texas Interagency Council for the Homeless and the Texas State Affordable Housing Corporation are made contingent on the continuation of the Texas Department of Housing and Community Affairs by the Legislature. In the event that the agency is not continued, the funds appropriated for the fiscal year 2002 or as much thereof as may be necessary are to be used to provide for the phase out of agency operations.</del></p> <p><i>Explanation: Not applicable, TDHCA continued for two years.</i></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
18	VII-17	<p><del><b>Colonia Advisory Committee.</b> Of the amounts appropriated above to the Department of Housing and Community Affairs in Strategy B.2.2. Colonia Service Centers, the amount of \$6,000 in fiscal year 2002 and the amount of \$6,000 in fiscal year 2003 is intended for the purpose of establishing a Colonia Advisory Committee to advise the Board on the needs of colonia residents and the effectiveness of the department's policies. The committee shall consist of one colonia resident, one representative of a nonprofit organization that serves colonia residents, one local government representative, one private interest person in banking or land development, and one public member. All members would be appointed by the board and, with the exception of the public member, must reside within 150 miles of the Texas Mexico border.</del></p> <p><i>Explanation: Responsibility of the Office of Rural Community Affairs</i></p>
19	VII-17	<p><del><b>Colonia Annual Assessment.</b> Of the amounts appropriated above to the Department of Housing and Community Affairs in Strategy B.2.2. Colonia Service Centers, the amount of \$10,000 in fiscal year 2002 and the amount of \$10,000 in fiscal year 2003 is intended for the purpose of developing an annual assessment of colonia resident needs and a biennial action plan to address the needs. The department shall collect information on the demand for contract for deed conversion, self-help housing, consumer education, and other colonia resident services in counties within 150 miles of the Texas-Mexico border. The Department Office of Colonia Initiatives should prepare a biennial action plan by January 1 of each fiscal year to list shall include the assessment of colonias needs in its annual state low income housing plan and report listing policy goals for its colonia programs, the strategies to meet the goals, and the expected outcomes.</del></p> <p><i>Explanation: Assessment is duplicative of the State Low Income Housing Plan and Report required pursuant to §2306.072 et seq. Additionally, payment for the assessment from CDBG funds is deleted since the CDBG funds were transferred to the Office of Rural Community Affairs.</i></p>



Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
20	VII-18	<p><b>Contingent Revenue.</b> Of the amounts appropriated above to the Texas Department of Housing and Community Affairs in Strategy C.2.1 Energy Assistance Programs, the amounts of <del>\$7,178,000</del> <u>\$10,767,000</u> to include administrative expenses in fiscal year <del>2004</del> <u>2002</u> and \$10,767,000 to include <u>administrative expenses</u> in fiscal year <del>2005</del> <u>2003</u> in General Revenue (System Benefit Fund) are contingent on the Public Utility Commission's assessing a rate sufficient to generate the estimated needs of the System Benefit Fund. The Public Utility Commission, upon generation of necessary actions for the assessment, shall furnish copies of the Public Utility Commission's order and other information supporting the estimated revenues to be generated for the <del>2004-2005</del> <u>2002-2003</u> biennium to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purpose.</p> <p><i>Explanation: Initial funding for 2002 reflected a pro rated funding amount because deregulation began January 1, 2002. Funding has been adjusted to reflect a full years funding for each year of the biennium. Clarification has been added related to administrative expenses.</i></p>
21	VII-18	<p><del><b>Ex Parte Contacts.</b> The Texas Department of Housing and Community Affairs shall draft and implement formal rules by January 1, 2002, which prohibit members of the board from having any ex parte contacts with any individual or company who has applied to the department for assistance, except as specifically authorized by statute or rule.</del></p> <p><i>Explanation: Requirement is now established by statute at §2306.1113, Government Code.</i></p>
24	VII-18	<p><b>Bond Refinancing.</b> The department shall transfer any funds acquired through refinancing of bonds to the Housing Trust Fund. The first \$3 million each fiscal year in savings from the refinancing of any bonds shall be used to fund mortgage loans under the Bootstrap Self-Help Housing Loan Program.</p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
25	VII-18	<p><b>Colonia Set-Aside Program Allocation.</b> <del>The Texas Department of Housing and Community Affairs shall continue the Community Development Block Grant (CDBG) Colonia Set Aside Program by allocating not less than 10 percent of the yearly allocation of CDBG funds for eligible activities to assist in providing for the housing, planning, and infrastructure needs in colonias. From this 10 percent yearly allocation, \$2,000,000 shall be reserved to provide financial assistance to units of general local government located in economically distressed areas as defined by §17.921, Water Code, to pay for residential service lines, hookups, and plumbing improvements associated with being connected to a water supply or sewer service system, any part of which is financed under the economically distressed areas program established under Subchapter J, Chapter 16, Water Code, and Subchapter K, Chapter 17, Water Code. The department by rule shall approve or disapprove a timely application before construction of the water supply or sewer is completed in order to eliminate delay in connection once construction is completed. The department shall coordinate the application process with the Texas Water Development Board to avoid duplication of effort and the necessity for applicants to submit dual applications.</del></p> <p><del>In addition, The the Office of Rural Community Affairs department shall allocate 2.5 percent of the yearly allocation of Community Development Block Grant (CDBG) monies to support the operation of the Colonia Self-Help Centers Owner-Builder Housing Programs and shall transfer such funds to the department on September 1 of each year of the biennium. In operating the Self-Help Owner-Builder Housing Program, the department shall provide \$2.5 million each year from any source available to the department except CDBG funds to fund the administration and operations of the Self-Help Owner Builder Housing Centers.</del></p> <p><i>Explanation: The first paragraph relates solely to the responsibilities of ORCA. The second paragraph has been revised to make corrections and to reflect the requirements of §2.15 of Chapter 1367, Acts of the 77<sup>th</sup> Legislature, Regular Session.</i></p>

Current Rider Number	Page Number for 2002-03 in GAA	Proposed Rider Language
26	VII-18-19	<p><del><b>Sunset Contingency.</b> Funds appropriated above for fiscal year 2003 for the Texas Department of Housing and Community Affairs are made contingent on the continuation of the Texas Department of Housing and Community Affairs by the Legislature. In the event the agency is necessary are to be used to provide for the phaseout of agency operations and the transfer of agency programs to other agencies. Any funds and full time equivalent positions from the Texas Department of Housing and Community Affairs are hereby appropriated to the following receiving agencies for the biennium beginning September 1, 2001:</del></p> <p><del>Goal A— Affordable Housing</del></p> <ul style="list-style-type: none"> <li><del>— Strategy A.1.1, Housing Trust Fund— Office of Rural and Community Affairs*</del></li> <li><del>— Strategy A.1.2, HOME Program— Office of Rural and Community Affairs*</del></li> <li><del>— Strategy A.1.3, Section 8 Rental Assistance— Health and Human Services Commission</del></li> <li><del>— Strategy A.1.4, Federal Tax Credits— Bond Review Board</del></li> <li><del>— Strategy A.1.5, MRB Program, Single Family— Bond Review Board</del></li> <li><del>— Strategy A.1.6, MRB Program, Multifamily— Bond Review Board</del></li> </ul> <p><del>Goal B— Community Development</del></p> <ul style="list-style-type: none"> <li><del>— All Strategies— Office of Rural and Community Affairs*</del></li> </ul> <p><del>Goal C— Poor and Homeless Programs</del></p> <ul style="list-style-type: none"> <li><del>— All Strategies— Office of Rural and Community Affairs*</del></li> </ul> <p><del>Goal D— Ensure Compliance</del></p> <ul style="list-style-type: none"> <li><del>— All Strategies— Bond Review Board</del></li> </ul> <p><del>Goal E— Manufactured Housing</del></p> <ul style="list-style-type: none"> <li><del>— All Strategies— Department of Licensing and Regulation</del></li> </ul> <p><del>Indirect administration and support costs shall be appropriately allocated and transferred with their corresponding strategies. The department shall notify the Legislative Budget Board and the Governor 30 days prior to the transfers. The notification shall identify funding amounts (including method of finance), affected strategies, riders, and capital budget authority. On the effective date of this Act, all powers, duties, obligations, rights, contracts, records, employees, property, and unspent and unobligated appropriations and other funds of the Texas Department of Housing and Community Affairs that are used by that agency on the effective date of this Act are transferred to</del></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
26	Page VII-18-19	<p><del>the designated agencies as listed above. All rules, policies, procedures, and decisions that affect the agency programs are continued in effect until superseded by a rule of other appropriate action by the designated agency listed above. Any action or proceeding before the Texas Department of Housing and Community Affairs relating to its programs is to be transferred without change in status to the designated agency, and the designated agency assumes, without change in status, the position of the Texas Department of Housing and Community Affairs in any action or proceeding relating to the programs to which the Texas Department Housing and Community Affairs is a party.</del></p> <p><del>*Transfers to the Office of Rural and Community Affairs is contingent on the enactment of House Bill 7 or similar legislation. In the event House Bill 7 or similar legislation is not enacted. The transfer shall be made to the Office of the Governor.</del></p> <p><i>Explanation: Legislature enacted laws on this subject matter.</i></p>
701	Article 1	<p><b><u>Contract Workforce.</u></b> Notwithstanding any other provision of this Act, the Texas Department of Housing and Community Affairs is authorized to outsource any of its authorized functions or duties without affecting its “Number of Full-Time Equivalent Positions (FTEs)” figure as long as the Department has sufficient federal funds or appropriated receipts to pay for such contract workers.</p> <p><i>Explanation: Rather than request additional general revenue, the Department requests authority to exceed its FTE cap by outsourcing some of its existing and new duties. No general revenue is required to pay for the contracts.</i></p>

Rider Revisions and Additions Request  
(continued)

Current Rider Number	Page Number in 2002-03 GAA	Proposed Rider Language
702	Article 1	<p><b><u>Appropriation; Fees.</u></b> All fees that the Texas Department of Housing and Community Affairs is authorized to collect are hereby appropriated for the purposes named in statute for the biennium beginning September 1, 2003.</p> <p><i><u>Explanation: Rather than request additional revenue, the Department requests authority to retain fees collected, in addition to the amounts appropriated, to enable it to perform additional responsibilities. Statutory authority to charge and collect fees is located at §§2306.147 (relating to fees for the operation of the housing finance division); 2306.176 (fees related to loans); 2306.228 (loan fees); 2306.266 (relating to fees paid to the housing finance division by housing sponsors for examinations, inspections, supervision, and auditing); and 2306.6716 (relating to low-income housing tax credit compliance fees).</u></i></p>

**EXCEPTIONAL ITEMS REQUEST**

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **11:14:22AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	<b>Item Name:</b>		
	<b>Item Priority:</b> 1		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	03-01-01		
<b>OBJECTS OF EXPENSE:</b>			
4000	GRANTS	3,000,000	3,000,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>METHOD OF FINANCING:</b>			
1	GENERAL REVENUE FUND	3,000,000	3,000,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$3,000,000</b>	<b>\$3,000,000</b>

**DESCRIPTION / JUSTIFICATION:**

Subchapter CC, Texas Government Code, directs the Department to administer the Emergency Nutrition requesting \$6 million over the 2004-2005 biennium to facilitate the administration and enactment of this important program, which is the only state emergency relief program aimed at helping low, very low and extremely low income persons. This funding will assist the Department in helping approximately 50,000 individuals and families, primarily in rural areas of the state. Previous to the 2000-2001 biennium, this program received a minimum of \$3 million in Oil Overcharge funds each year and allowed local governments to assist approxi 60,000 low income individuals each year through energy-related services such as utility assistance. Although no new oil overcharge funds were available in FY 2000, the Department was granted Unexpended Balance (UB) authority and assisted 22,273 persons through ENTERP with \$853,767 (\$356,348 in general revenue and \$497,419 funds). In FY 2001, the Department obligated \$472,998 (\$355,211 in GR and \$117,787 unexpended oil overcharge) to assist 12,482 persons. The Department will receive approxima \$752,889 in FY 2002 and FY 2003 to carry out the duties of this program. ENTERP was originally funded with general revenue and such funds will operational; for example, providing emergency housing and food in addition to emergency gas or electricity vouchers.

If ENTERP is no longer funded, or is funded at the same level of General Revenue funding as in FY 2002-2003 (\$712,696) there will no longer be an effective state-funded program to provide assistance to the neediest of Texans.

**EXTERNAL/INTERNAL FACTORS:**

External/Internal Factors: lack of adequate funding to provide emergency services for all Texas counties. Increases in the poverty population, although poverty figures are not yet available from the 2000 U.S. Census, the poverty population in Texas increased by 47.4% between 1980 and 1990. Recent weather-related energy crises, escalating energy costs, and the recent down-turn of economy have caused increased demand for emergency services and places additional demand on Department resources.

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **11:14:57AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	<b>Item Name:</b> Office of Colonia Initiatives		
	<b>Item Priority:</b> 2		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-01		
	02-01-02		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	33,600	33,600
2005	TRAVEL	5,000	5,000
4000	GRANTS	7,500,000	7,500,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$7,538,600</b>	<b>\$7,538,600</b>
<b>METHOD OF FINANCING:</b>			
1	GENERAL REVENUE FUND	7,500,000	7,500,000
666	APPROPRIATED RECEIPTS	38,600	38,600
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$7,538,600</b>	<b>\$7,538,600</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.00	1.00

**DESCRIPTION / JUSTIFICATION:**

Funding for this activity would significantly enhance Strategies 01-01-01 "Provide State Housing Loans and Grants through the Housing Trust Fund( Technical Assistance to Colonia Areas Through 4 Service Centers". Restrictions on federal funding sources severely limit the TDHCA's ability to implement prog colonias in the Texas-Mexico border area. The use of general revenue through the HTF will provide funding flexibility needed to serve this population and extremely low and very low income households as mandated under Rider 3. Funding will be used as follows:

The Texas Bootstrap Loan Program: \$3 million for each year of the biennium in support of constructing approximately 100 single-family units. This self-help housing p mandated under Chapter 2306, Subchapter FF, Tex. Gov. Code.

The Contract for Deed Conversion Loan Program: \$2 million each year of the biennium fo contract-for-deed holders benefits of homeownership and is mandated under Sec. 2306.255, Tex. Gov. Code and Rider 13 of TDHCA's appropriation.

Land Acquisition and Development Loan Program:\$1,750,000 each year of biennium. Funding will allow for implementation of the Colonia Model Subdivi Chapter 2306, Subchapter GG, Tex. Gov. Code to provide nonprofits a loan fund for acquisition and development of land to support the residential lots.



**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
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DATE: **9/26/2002**  
TIME: **11:14:57AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
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	Capacity Building and Education Programs.\$750,000 each year of the biennium. Funding will be used to increase capacity of nonprofits serving Tx.-Mex. border affordable housing.		
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The requested FTE would provide additional staffing to the Office of Colonia Initiatives to assist in administration of these programs and be funded through appropriated receipts associated with the Single Family Mortgage Revenue Bond Program.

**EXTERNAL/INTERNAL FACTORS:**

External Factors: The number of colonia residents needing access to safe, decent and affordable housing. The lack of safe, decent and affordable housing in the Texas-Mexico border region. The high level of poverty in the Texas-Mexico border region. The lack of resources within the region to meet affordable housing needs. The need for capacity building for nonprofits serving the border area.

Internal Factors: Limited resources with which to meet various affordable housing needs within the state. Federal restrictions on existing TDHCA resources that limit T ability to implement programs. Limited staffing.

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Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	<b>Item Name:</b> Section 8/Fair Housing		
	<b>Item Priority:</b> 3		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	04-01-01 Review Housing Property Affordability Documents		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	53,790	55,404
2001	PROFESSIONAL FEES AND SERVICES	60,000	60,000
2005	TRAVEL	30,000	30,000
2009	OTHER OPERATING EXPENSE	17,462	17,690
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$161,252</b>	<b>\$163,094</b>
<b>METHOD OF FINANCING:</b>			
666	APPROPRIATED RECEIPTS	161,252	163,094
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$161,252</b>	<b>\$163,094</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.00	1.00

**DESCRIPTION / JUSTIFICATION:**

The funding and staffing requested would significantly enhance strategy 04-01-01 (Review Housing Property Affordability Documents) monitoring and enforcement of Section 8 tenant occupancy and other fair housing requirements as follows:

- Section 8 Tenant Occupancy Monitoring: Funding will hire a ½ FTE to provide oversight of Section 8 tenant occupancy in accordance with federal and state prohibitions discriminating on the basis of Section 8 tenancy in TDHCA-funded properties, coordinate corrective action, ensure successful implementation of newly adopted rules (including the updating of manuals and contract templates), and training of industry and modification of training tools and tracking systems. Funding will also be used to contract with and pay travel-related costs of testers who will visit a statistically significant sample of developments each year. Testers are the most effective strategy to ensure Sec. 8 compliance.
- Fair Housing Monitor. In accordance with the requirements of Sec. 2306.269, Tex. Gov't. Code, funding will hire a ½ FTE to coordinate training and technical assistance to owners and managers of multifamily projects regarding fair housing requirements, report alleged violations/complaints to the Texas Commission on Human Rights (TCHR) for enforcement and help coordinate TDHCA activities with the TCHR and advocacy groups. TDHCA has utilized a compliance broader monitoring requirements. This request will enable TDHCA to re-capture the FTE and take a more aggressive approach toward ensuring fair housing practices in and single family units.

This request is consistent with §2306.6728, §2306.269, and §2306.257 Tex. Gov. Code which is to increase Section 8/fair housing requirements for TDHCA-final TDHCA's responsibility with respect to the monitoring and enforcement of these.

**EXTERNAL/INTERNAL FACTORS:**

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
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TIME: **11:14:57AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	Many housing sponsors lack education and training regarding Section 8 tenant occupancy and other fair housing requirements.		

The Department currently lacks staffing and budgetary authority needed adequate oversight of TDHCA-financed properties compliance with Section TDHCA Board has adopted a Section 8 admittance policy that will significantly increase monitoring duties related to Section 8 occupants. Manuals distributed, training conducted. Monitoring tools must be modified and tracking systems established.

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
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DATE: **9/26/2002**  
 TIME: **11:14:58AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

CODE	DESCRIPTION	Excp 2004	Excp 2005
	<b>Item Name:</b> Increase FTE's for Installation Inspections		
	<b>Item Priority:</b> 4		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	05-01-02 Conduct Inspections of Manufactured Homes in a Timely Manner		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	653,760	653,760
2005	TRAVEL	269,070	273,750
5000	CAPITAL EXPENDITURES	20,000	0
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$942,830</b>	<b>\$927,510</b>
 <b>METHOD OF FINANCING:</b>			
1	GENERAL REVENUE FUND	565,698	556,506
127	COMMUNITY AFFAIRS FED FD		
14.000.002	HUD DU100K90016710	377,132	371,004
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$942,830</b>	<b>\$927,510</b>
	<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	30.00	30.00

**DESCRIPTION / JUSTIFICATION:**

The United States Congress (106th) passed the Manufactured Housing Improvement Act of 2000, S.1452, which adds enforcement of installation standards. The implementation program is scheduled for 2005. The U.S. Department of Housing and Urban Development (HUD) has not completed development; however, they have indicated they may require all installations be inspected. Currently, the Texas Manufactured Housing Standards Act establishes a requirement to inspect at least 25% of the manufactured homes installed. Thirty additional FTEs (Inspector I Positions) will be needed to comply with the new requirements from HUD. The Federal program will establish a fee to reimburse the states for conducting installation inspections; however, the fee has not been determined. Currently IPIA (In Plant Inspection Agency) inspections are conducted by third-party inspection agencies, however, the Department anticipates receiving the exclusive IPIA rights back during the next legislative session. Manufacturers will pay a fee per each unit inspected; as well as cover the per diem and travel costs. The Department will cover the cost of additional FTEs by receipt of Federal funds for inspecting installations and from General Revenue funds obtained from IPIA fees received.

**EXTERNAL/INTERNAL FACTORS:**

External: The Federal program will establish a fee to reimburse the states for conducting installation inspections; however, the fee has not been determined. Currently IPIA (In Plant Inspection Agency) inspections are conducted by third-party inspection agencies, however, the Department anticipates receiving the exclusive IPIA rights back during the next legislative session. Manufacturers will pay a fee per each unit inspected; as well as cover the per diem and travel costs. The Department will cover the cost of additional FTEs by receipt of Federal funds for inspecting installations and from General Revenue funds obtained from IPIA fees received.

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
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DATE: **9/26/2002**  
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Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	<b>Item Name:</b> Manufactured Housing Consumer Claims		
	<b>Item Priority:</b> 5		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	05-01-02 Conduct Inspections of Manufactured Homes in a Timely Manner		
	05-01-03		
 <b>OBJECTS OF EXPENSE:</b>			
2009	OTHER OPERATING EXPENSE	1,000,000	1,000,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
 <b>METHOD OF FINANCING:</b>			
1	GENERAL REVENUE FUND	1,000,000	1,000,000
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

**DESCRIPTION / JUSTIFICATION:**

The Manufactured Housing Division requests \$1,000,000 as an exceptional item in order to pay the consumer claims, which is currently appropriated to the Division in Rider 10 up to \$50,000. This appropriation, since the last biennium, has not been sufficient to meet the payment of the consumer claims. Also, such incremental request (\$1,000,000) will lessen the tremendous strain on our current direct strategies and budget/funding sources. We request an increase in accordance with the Manufactured Housing Section 13A(a) of the Act states that a special account is established in the general revenue fund designated as the manufactured homeowners' recovery fund and that the director shall administer the fund. Section 13A(j) of the Act states that one million dollars will be reserved in the fund for payment of consumer claims.

**EXTERNAL/INTERNAL FACTORS:**

External: The Installation Inspection workload is directly related to the number of manufactured homes installed. Also, the Consumer Complaint and Administrative Action workload is directly related to the number of consumers who complain about their homes or services received from license holders and the number of housing laws. The Division has no control over the workload. State law requires the Department to perform this workload as it arises. The Division's ability to respond in a timely manner is continually challenged since the fee revenues and administrative monetary penalties to the Department are appropriated during the next biennium.  
 Internal: Changes in Department policy and allocation of resources including FTE and travel funding may impact the Department's response to timely conduct and process consumer complaints and administrative actions.

**IV.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
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Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
	<b>Item Name:</b> Maximize use of Earned Federal Funds		
	<b>Item Priority:</b> 6		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	06-01-01 Central Administration		
<b>METHOD OF FINANCING:</b>			
666	APPROPRIATED RECEIPTS	-200,000	-200,000
888	EARNED FEDERAL FUNDS	200,000	200,000

**DESCRIPTION / JUSTIFICATION:**

The Department estimates \$1,400,000 per year in earned federal funds generated from indirect cost collections from federal grants. These collections are meant to fund indirect support for administering the federal programs. To equitably fund central administration the Department requests interchanging \$200,000 per year of the biennium from appropriated receipts to earned federal funds. The Department is requesting total biennial appropriation authority (including the exceptional item) of \$2,288,029 we estimate generating \$2,974,000 this leaves an unappropriated balance of \$685,000. Please see the Estimated Revenue Schedule for further details.

**EXTERNAL/INTERNAL FACTORS:**

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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DATE: **9/26/2002**  
TIME: **11:22:01AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

	Excp 2004	Excp 2005
<b>Item Name:</b>	Emergency Nutrition and Temporary Emergency Relief Program(E)	
<b>Allocation to Strategy:</b>	3-1-1 Administer Poverty-related Federal Funds through a Network of A	
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>		
<b>1</b> % in Poverty That Received Homeless and Poverty-related Assistance	14.90%	14.90%
<b>OUTPUT MEASURES:</b>		
<b>1</b> Number of Persons Assisted through Homeless and Poverty-related Fun	50,000.00	50,000.00
<b>OBJECTS OF EXPENSE:</b>		
4000 GRANTS	3,000,000	3,000,000
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	3,000,000	3,000,000
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
TIME: **11:22:34AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

	Excp 2004	Excp 2005
<b>Item Name:</b>	Office of Colonia Initiatives	
<b>Allocation to Strategy:</b>	1-1-1 Provide Loans & Grants through HTF for Very Low/Low Income H	
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>		
<b>1</b> Percent Households/Individuals Needing Affordable Housing	0.02%	0.02%
<b>2</b> Percent Very Low Income Households Receiving Housing Assistance	0.03%	0.03%
<b>OUTPUT MEASURES:</b>		
<b>1</b> # VLI/LI Househlds That Received Loans/Grants through Housg Trust Fu	300.00	300.00
<b>EFFICIENCY MEASURES:</b>		
<b>1</b> Average Grant and/or Loan Amount Per Household	22,500.00	22,500.00
<b>EXPLANATORY/INPUT MEASURES:</b>		
<b>2</b> Number of Housing Trust Fund Loans or Grants Awarded	300.00	300.00
<b>OBJECTS OF EXPENSE:</b>		
4000 GRANTS	6,750,000	6,750,000
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$6,750,000</b>	<b>\$6,750,000</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	6,750,000	6,750,000
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$6,750,000</b>	<b>\$6,750,000</b>



**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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TIME: **11:22:35AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

	Excp 2004	Excp 2005
<b>Item Name:</b>	Office of Colonia Initiatives	
<b>Allocation to Strategy:</b>	2-1-2 To Provide Technical Assistance to Colonias through Field Offic	
<b>OUTPUT MEASURES:</b>		
<b>2</b> Number of Colonia Residents Receiving Assistance	300.00	300.00
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	33,600	33,600
2005 TRAVEL	5,000	5,000
4000 GRANTS	750,000	750,000
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$788,600</b>	<b>\$788,600</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	750,000	750,000
666 APPROPRIATED RECEIPTS	38,600	38,600
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$788,600</b>	<b>\$788,600</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	1.0	1.0

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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DATE: **9/26/2002**  
TIME: **11:22:35AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

		Excp 2004	Excp 2005
<b>Item Name:</b>	Section 8/Fair Housing		
<b>Allocation to Strategy:</b>	4-1-1 Review Housing Property Affordability Documents		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	53,790	55,404
2001	PROFESSIONAL FEES AND SERVICES	60,000	60,000
2005	TRAVEL	30,000	30,000
2009	OTHER OPERATING EXPENSE	17,462	17,690
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$161,252</b>	<b>\$163,094</b>
<b>METHOD OF FINANCING:</b>			
666	APPROPRIATED RECEIPTS	161,252	163,094
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$161,252</b>	<b>\$163,094</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		1.0	1.0

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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TIME: **11:22:35AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

	Excp 2004	Excp 2005
<b>Item Name:</b>	Increase FTE's for Installation Inspections	
<b>Allocation to Strategy:</b>	5-1-2 Conduct Inspections of Manufactured Homes in a Timely Manner	
<b>OUTPUT MEASURES:</b>		
<u>1</u> Number of Routine Installation Inspections Conducted	10,000.00	15,000.00
<b>EFFICIENCY MEASURES:</b>		
<u>1</u> Average Cost Per Routine Inspection	76.00	67.00
<b>EXPLANATORY/INPUT MEASURES:</b>		
<u>2</u> Number of Installation Inspections with Deviations	1,300.00	1,950.00
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	653,760	653,760
2005 TRAVEL	269,070	273,750
5000 CAPITAL EXPENDITURES	20,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$942,830</b>	<b>\$927,510</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	565,698	556,506
127 COMMUNITY AFFAIRS FED FD		
14.000.002 HUD DU100K90016710	377,132	371,004
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$942,830</b>	<b>\$927,510</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	30.0	30.0

IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

DATE: 9/26/2002

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Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Excp 2004

Excp 2005

**Item Name:** Manufactured Housing Consumer Claims

**Allocation to Strategy:** 5-1-2 Conduct Inspections of Manufactured Homes in a Timely Manner

**OBJECTS OF EXPENSE:**

2009 OTHER OPERATING EXPENSE

400,000

400,000

**TOTAL, OBJECT OF EXPENSE**

**\$400,000**

**\$400,000**

**METHOD OF FINANCING:**

1 GENERAL REVENUE FUND

400,000

400,000

**TOTAL, METHOD OF FINANCING**

**\$400,000**

**\$400,000**

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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TIME: **11:22:36AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

	Excp 2004	Excp 2005
<b>Item Name:</b>	Manufactured Housing Consumer Claims	
<b>Allocation to Strategy:</b>	5-1-3 Process Consumer Complaints/Conduct Investigations/Take Admi	
<b>OBJECTS OF EXPENSE:</b>		
2009 OTHER OPERATING EXPENSE	600,000	600,000
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	600,000	600,000
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$600,000</b>	<b>\$600,000</b>

**IV.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE**

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DATE: **9/26/2002**  
TIME: **11:22:36AM**

Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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	Excp 2004	Excp 2005
<b>Item Name:</b>	Maximize use of Earned Federal Funds	
<b>Allocation to Strategy:</b>	6-1-1 Central Administration	
<b>METHOD OF FINANCING:</b>		
666 APPROPRIATED RECEIPTS	-200,000	-200,000
888 EARNED FEDERAL FUNDS	200,000	200,000
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$0</b>	<b>\$0</b>

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**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:15:45AM**

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Agency Code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOAL: 1 Increase Availability of Safe/Decent/Affordable Housing Statewide Goal/Benchmark: 6 - 7

OBJECTIVE: 1 Make Loans/Grants/Incentives Avail Fund/Develop/Create/Preserve Housg Service Categories:

STRATEGY: 1 Provide Loans & Grants through HTF for Very Low/Low Income Households Service: 15 Income: A.1 Age: B.3

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<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
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**STRATEGY IMPACT ON OUTCOME MEASURES:**

1 Percent Households/Individuals Needing Affordable Housing	0.95 %	0.97 %
2 Percent Very Low Income Households Receiving Housing Assistance	0.85 %	0.86 %

**OUTPUT MEASURES:**

1 # VLI/LI Househlds That Received Loans/Grants through Housg Trus	300.00	300.00
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**EFFICIENCY MEASURES:**

1 Average Grant and/or Loan Amount Per Household	22,500.00	22,500.00
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**EXPLANATORY/INPUT MEASURES:**

2 Number of Housing Trust Fund Loans or Grants Awarded	300.00	300.00
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**OBJECTS OF EXPENSE:**

4000 GRANTS	6,750,000	6,750,000
<b>Total, Objects of Expense</b>	<b>6,750,000</b>	<b>6,750,000</b>

**METHOD OF FINANCING:**

1 GENERAL REVENUE FUND	6,750,000	6,750,000
<b>Total, Method of Finance</b>	<b>6,750,000</b>	<b>6,750,000</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Office of Colonia Initiatives

**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:26AM**

Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 2 To Improve the Living Conditions and Lives of Border Residents in TX Statewide Goal/Benchmark: 6 - 7  
 OBJECTIVE: 1 Fund Project Which Creates/Retains Jobs & Housing Assistance/Planning Service Categories:  
 STRATEGY: 2 To Provide Technical Assistance to Colonias through Field Offices Service: 15 Income: A.1 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
<b>OUTPUT MEASURES:</b>		
2 Number of Colonia Residents Receiving Assistance	300.00	300.00
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	33,600	33,600
2005 TRAVEL	5,000	5,000
4000 GRANTS	750,000	750,000
<b>Total, Objects of Expense</b>	<b>\$788,600</b>	<b>\$788,600</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	750,000	750,000
666 APPROPRIATED RECEIPTS	38,600	38,600
<b>Total, Method of Finance</b>	<b>\$788,600</b>	<b>\$788,600</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	1.0	1.0

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Office of Colonia Initiatives



**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:26AM**

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Agency Code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOAL: 3 Improve Livng Conditns for Poor/Homeless & Reduce Enery Costs for VLI Statewide Goal/Benchmark: 3 - 0  
 OBJECTIVE: 1 Service Categories:  
 STRATEGY: 1 Service: 15 Income: A.1 Age: B.3

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<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
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**STRATEGY IMPACT ON OUTCOME MEASURES:**

1 % in Poverty That Received Homeless and Poverty-related Assistanc	14.90 %	14.90 %
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**OUTPUT MEASURES:**

1 Number of Persons Assisted through Homeless and Poverty-related F	50,000.00	50,000.00
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**OBJECTS OF EXPENSE:**

4000 GRANTS	3,000,000	3,000,000
<b>Total, Objects of Expense</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>

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**METHOD OF FINANCING:**

1 GENERAL REVENUE FUND	3,000,000	3,000,000
<b>Total, Method of Finance</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>

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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Emergency Nutrition and Temporary Emergency Relief Program(ENTERP)

**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:26AM**

Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 4 Ensure Compliance with Program Mandates Statewide Goal/Benchmark: 8 - 0  
 OBJECTIVE: 1 Monitor Housing Properties and Loan/Grant Recipients Service Categories:  
 STRATEGY: 1 Review Housing Property Affordability Documents Service: 15 Income: A.1 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	53,790	55,404
1002 OTHER PERSONNEL COSTS	60,000	60,000
2005 TRAVEL	30,000	30,000
2009 OTHER OPERATING EXPENSE	17,462	17,690
<b>Total, Objects of Expense</b>	<b>\$161,252</b>	<b>\$163,094</b>
<b>METHOD OF FINANCING:</b>		
666 APPROPRIATED RECEIPTS	161,252	163,094
<b>Total, Method of Finance</b>	<b>\$161,252</b>	<b>\$163,094</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>	1.0	1.0
<b>EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:</b>		
Section 8/Fair Housing		

**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:27AM**

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Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 - 0

OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:

STRATEGY: 2 Conduct Inspections of Manufactured Homes in a Timely Manner Service: 17 Income: A.2 Age: B.3

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<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
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**OUTPUT MEASURES:**

1 Number of Routine Installation Inspections Conducted	10,000.00	15,000.00
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**EFFICIENCY MEASURES:**

1 Average Cost Per Routine Inspection	76.00	67.00
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**EXPLANATORY/INPUT MEASURES:**

2 Number of Installation Inspections with Deviations	1,300.00	1,950.00
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	653,760	653,760
2005 TRAVEL	269,070	273,750
2009 OTHER OPERATING EXPENSE	400,000	400,000
5000 CAPITAL EXPENDITURES	20,000	0

<b>Total, Objects of Expense</b>	<b>\$1,342,830</b>	<b>\$1,327,510</b>
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**METHOD OF FINANCING:**

1 GENERAL REVENUE FUND	965,698	956,506
127 COMMUNITY AFFAIRS FED FD		
14.000.002 HUD DU100K90016710	377,132	371,004

<b>Total, Method of Finance</b>	<b>\$1,342,830</b>	<b>\$1,327,510</b>
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**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	30.0	30.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Increase FTE's for Installation Inspections  
 Manufactured Housing Consumer Claims

**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:27AM**

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Agency Code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOAL: 5 Regulate Manufactured Housing Industry Statewide Goal/Benchmark: 8 - 7

OBJECTIVE: 1 Operate a Regulatory System Ensure Responsive Titling/Licensing/Other Service Categories:

STRATEGY: 3 Process Consumer Complaints/Conduct Investigations/Take Admin Actions Service: 17 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2004</b>	<b>Excp 2005</b>
<b>OBJECTS OF EXPENSE:</b>		
2009 OTHER OPERATING EXPENSE	600,000	600,000
<b>Total, Objects of Expense</b>	<b>\$600,000</b>	<b>\$600,000</b>
<b>METHOD OF FINANCING:</b>		
1 GENERAL REVENUE FUND	600,000	600,000
<b>Total, Method of Finance</b>	<b>\$600,000</b>	<b>\$600,000</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Manufactured Housing Consumer Claims

**IV.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 78th Regular Session, Agency Submission, Version 1  
**Automated Budget and Evaluation System of Texas (ABEST)**

**DATE: 9/26/2002**  
**TIME: 11:16:28AM**

Agency Code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOAL: 6 Indirect Administrative and Support Costs  
 OBJECTIVE: 1 Indirect Administrative and Support Costs  
 STRATEGY: 1 Central Administration

Statewide Goal/Benchmark: 7 - 0  
 Service Categories:  
 Service: 09      Income: A.2      Age: B.3

CODE DESCRIPTION	Excp 2004	Excp 2005
<b>METHOD OF FINANCING:</b>		
666 APPROPRIATED RECEIPTS	(200,000)	(200,000)
888 EARNED FEDERAL FUNDS	200,000	200,000
<b>Total, Method of Finance</b>	<b>\$0</b>	<b>\$0</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Maximize use of Earned Federal Funds

**CAPITAL BUDGET SCHEDULES**

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

**5005 Acquisition of Information Resource Technologies**

*1/1 Normal Growth/Intergrate Systems*

**OBJECTS OF EXPENSE**

Capital

2009 OTHER OPERATING EXPENSE		\$556,416	\$323,769	\$0	\$0
5000 CAPITAL EXPENDITURES		\$0	\$0	\$260,000	\$240,000
Capital Subtotal OOE, Project	1	\$556,416	\$323,769	\$260,000	\$240,000
<u>Informational</u>					
2003 CONSUMABLE SUPPLIES		\$18,999	\$20,002	\$25,001	\$25,001
2009 OTHER OPERATING EXPENSE		\$130,880	\$163,239	\$219,999	\$239,999
Informational Subtotal OOE, Project	1	\$149,879	\$183,241	\$245,000	\$265,000
Subtotal OOE, Project	1	<b>\$706,295</b>	<b>\$507,010</b>	<b>\$505,000</b>	<b>\$505,000</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$69,159	\$52,987	\$41,644	\$43,034
CA 127 COMMUNITY AFFAIRS FED FD		\$115,158	\$56,412	\$53,132	\$72,329
CA 666 APPROPRIATED RECEIPTS		\$345,790	\$202,043	\$152,764	\$113,908
CA 888 EARNED FEDERAL FUNDS		\$26,309	\$12,327	\$12,460	\$10,729
Capital Subtotal TOF, Project	1	\$556,416	\$323,769	\$260,000	\$240,000
<u>Informational</u>					
CA 1 GENERAL REVENUE FUND		\$14,492	\$29,988	\$40,643	\$47,979
CA 127 COMMUNITY AFFAIRS FED FD		\$7,297	\$31,927	\$56,674	\$61,300
CA 666 APPROPRIATED RECEIPTS		\$109,926	\$114,350	\$136,418	\$144,197
CA 888 EARNED FEDERAL FUNDS		\$18,164	\$6,976	\$11,265	\$11,524
Informational Subtotal TOF, Project	1	\$149,879	\$183,241	\$245,000	\$265,000
Subtotal TOF, Project	1	<b>\$706,295</b>	<b>\$507,010</b>	<b>\$505,000</b>	<b>\$505,000</b>

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

*2/2 Peoplesoft Accounting System*

**OBJECTS OF EXPENSE**

Capital

2009 OTHER OPERATING EXPENSE	\$168,000	\$60,000	\$175,000	\$150,000
Capital Subtotal OOE, Project 2	\$168,000	\$60,000	\$175,000	\$150,000
Subtotal OOE, Project 2	<b>\$168,000</b>	<b>\$60,000</b>	<b>\$175,000</b>	<b>\$150,000</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND	\$168,000	\$40,000	\$100,000	\$90,000
CA 888 EARNED FEDERAL FUNDS	\$0	\$20,000	\$75,000	\$60,000
Capital Subtotal TOF, Project 2	\$168,000	\$60,000	\$175,000	\$150,000
Subtotal TOF, Project 2	<b>\$168,000</b>	<b>\$60,000</b>	<b>\$175,000</b>	<b>\$150,000</b>

*3/3 Disaster Recovery*

**OBJECTS OF EXPENSE**

Capital

2009 OTHER OPERATING EXPENSE	\$0	\$0	\$15,000	\$15,000
Capital Subtotal OOE, Project 3	\$0	\$0	\$15,000	\$15,000
Subtotal OOE, Project 3	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND	\$0	\$0	\$15,000	\$15,000
Capital Subtotal TOF, Project 3	\$0	\$0	\$15,000	\$15,000
Subtotal TOF, Project 3	<b>\$0</b>	<b>\$0</b>	<b>\$15,000</b>	<b>\$15,000</b>

*4/4 Enhancements to Compliance System*

**OBJECTS OF EXPENSE**



V.A. CAPITAL BUDGET PROJECT SCHEDULE  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME : 1:09:14PM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$150,000	\$150,000
Capital Subtotal OOE, Project	4	\$0	\$0	\$150,000	\$150,000
Subtotal OOE, Project	4	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$150,000</b>

**TYPE OF FINANCING**

Capital

CA 666 APPROPRIATED RECEIPTS		\$0	\$0	\$150,000	\$150,000
Capital Subtotal TOF, Project	4	\$0	\$0	\$150,000	\$150,000
Subtotal TOF, Project	4	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>	<b>\$150,000</b>

*5/5 Central Database Project*

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$150,000	\$149,999
5000 CAPITAL EXPENDITURES		\$0	\$0	\$25,000	\$25,001
Capital Subtotal OOE, Project	5	\$0	\$0	\$175,000	\$175,000
Subtotal OOE, Project	5	<b>\$0</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$175,000</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$6,923	\$16,199
CA 127 COMMUNITY AFFAIRS FED FD		\$0	\$0	\$54,329	\$49,031
CA 666 APPROPRIATED RECEIPTS		\$0	\$0	\$109,516	\$100,553
CA 888 EARNED FEDERAL FUNDS		\$0	\$0	\$4,232	\$9,217
Capital Subtotal TOF, Project	5	\$0	\$0	\$175,000	\$175,000
Subtotal TOF, Project	5	<b>\$0</b>	<b>\$0</b>	<b>\$175,000</b>	<b>\$175,000</b>

*6/6 Manufactured Housing Database*

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$125,000	\$125,000
Capital Subtotal OOE, Project	6	\$0	\$0	\$125,000	\$125,000
Subtotal OOE, Project	6	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$125,000</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$75,000	\$75,000
CA 666 APPROPRIATED RECEIPTS		\$0	\$0	\$50,000	\$50,000
Capital Subtotal TOF, Project	6	\$0	\$0	\$125,000	\$125,000
Subtotal TOF, Project	6	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$125,000</b>

*7/7 Uniform Physical Conditions Standards  
 (UPCS) Property Inspections*

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$20,000	\$0
5000 CAPITAL EXPENDITURES		\$0	\$0	\$50,000	\$10,000
Capital Subtotal OOE, Project	7	\$0	\$0	\$70,000	\$10,000
Subtotal OOE, Project	7	<b>\$0</b>	<b>\$0</b>	<b>\$70,000</b>	<b>\$10,000</b>

**TYPE OF FINANCING**

Capital

CA 666 APPROPRIATED RECEIPTS		\$0	\$0	\$70,000	\$10,000
Capital Subtotal TOF, Project	7	\$0	\$0	\$70,000	\$10,000
Subtotal TOF, Project	7	<b>\$0</b>	<b>\$0</b>	<b>\$70,000</b>	<b>\$10,000</b>

*8/8 Weatherization Assistance Program (WAP)  
 Software Development Project*

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$0	\$0	\$180,000	\$0
Capital Subtotal OOE, Project	8	\$0	\$0	\$180,000	\$0
Subtotal OOE, Project	8	<b>\$0</b>	<b>\$0</b>	<b>\$180,000</b>	<b>\$0</b>

**TYPE OF FINANCING**

Capital

CA 127 COMMUNITY AFFAIRS FED FD		\$0	\$0	\$180,000	\$0
Capital Subtotal TOF, Project	8	\$0	\$0	\$180,000	\$0
Subtotal TOF, Project	8	<b>\$0</b>	<b>\$0</b>	<b>\$180,000</b>	<b>\$0</b>

*9/9 Compliance Monitoring Tracking  
 System/Centralized Database*

**OBJECTS OF EXPENSE**

Capital

2001 PROFESSIONAL FEES AND SERVICES		\$343,753	\$99,000	\$0	\$0
5000 CAPITAL EXPENDITURES		\$47,257	\$0	\$0	\$0
Capital Subtotal OOE, Project	9	\$391,010	\$99,000	\$0	\$0

Informational

2009 OTHER OPERATING EXPENSE		\$7,990	\$0	\$0	\$0
Informational Subtotal OOE, Project	9	\$7,990	\$0	\$0	\$0
Subtotal OOE, Project	9	<b>\$399,000</b>	<b>\$99,000</b>	<b>\$0</b>	<b>\$0</b>

**TYPE OF FINANCING**

Capital

CA 1 GENERAL REVENUE FUND		\$0	\$0	\$0	\$0
CA 127 COMMUNITY AFFAIRS FED FD		\$0	\$0	\$0	\$0
CA 666 APPROPRIATED RECEIPTS		\$391,010	\$99,000	\$0	\$0

V.A. CAPITAL BUDGET PROJECT SCHEDULE  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME : 1:09:15PM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

CA 888	EARNED FEDERAL FUNDS	\$0	\$0	\$0	\$0
Capital Subtotal TOF, Project	9	\$391,010	\$99,000	\$0	\$0
<u>Informational</u>					
CA 1	GENERAL REVENUE FUND	\$0	\$0	\$0	\$0
CA 127	COMMUNITY AFFAIRS FED FD	\$0	\$0	\$0	\$0
CA 666	APPROPRIATED RECEIPTS	\$7,990	\$0	\$0	\$0
CA 888	EARNED FEDERAL FUNDS	\$0	\$0	\$0	\$0
Informational Subtotal TOF, Project	9	\$7,990	\$0	\$0	\$0
Subtotal TOF, Project	9	<b>\$399,000</b>	<b>\$99,000</b>	<b>\$0</b>	<b>\$0</b>

10/10 Loan Production and Servicing Software

OBJECTS OF EXPENSE

Capital

5000	CAPITAL EXPENDITURES	\$304,865	\$0	\$0	\$0
Capital Subtotal OOE, Project	10	\$304,865	\$0	\$0	\$0
<u>Informational</u>					
2009	OTHER OPERATING EXPENSE	\$135	\$0	\$0	\$0
Informational Subtotal OOE, Project	10	\$135	\$0	\$0	\$0
Subtotal OOE, Project	10	<b>\$305,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

TYPE OF FINANCING

Capital

CA 1	GENERAL REVENUE FUND	\$304,865	\$0	\$0	\$0
Capital Subtotal TOF, Project	10	\$304,865	\$0	\$0	\$0
<u>Informational</u>					
CA 666	APPROPRIATED RECEIPTS	\$135	\$0	\$0	\$0
Informational Subtotal TOF, Project	10	\$135	\$0	\$0	\$0

V.A. CAPITAL BUDGET PROJECT SCHEDULE  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME : 1:09:15PM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

Subtotal TOF, Project	10	<b>\$305,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Capital Subtotal, Category	5005	\$1,420,291	\$482,769	\$1,150,000	\$865,000
Informational Subtotal, Category	5005	\$158,004	\$183,241	\$245,000	\$265,000
<b>Total, Category</b>	<b>5005</b>	<b>\$1,578,295</b>	<b>\$666,010</b>	<b>\$1,395,000</b>	<b>\$1,130,000</b>
<b>AGENCY TOTAL -CAPITAL</b>		<b>\$1,420,291</b>	<b>\$482,769</b>	<b>\$1,150,000</b>	<b>\$865,000</b>
<b>AGENCY TOTAL -INFORMATIONAL</b>		<b>\$158,004</b>	<b>\$183,241</b>	<b>\$245,000</b>	<b>\$265,000</b>
<b>AGENCY TOTAL</b>		<b>\$1,578,295</b>	<b>\$666,010</b>	<b>\$1,395,000</b>	<b>\$1,130,000</b>
<b>METHOD OF FINANCING:</b>					
<u>Capital</u>					
1 GENERAL REVENUE FUND		\$542,024	\$92,987	\$238,567	\$239,233
127 COMMUNITY AFFAIRS FED FD		\$115,158	\$56,412	\$287,461	\$121,360
666 APPROPRIATED RECEIPTS		\$736,800	\$301,043	\$532,280	\$424,461
888 EARNED FEDERAL FUNDS		\$26,309	\$32,327	\$91,692	\$79,946
Total, Method of Financing-Capital		\$1,420,291	\$482,769	\$1,150,000	\$865,000
<u>Informational</u>					
1 GENERAL REVENUE FUND		\$14,492	\$29,988	\$40,643	\$47,979
127 COMMUNITY AFFAIRS FED FD		\$7,297	\$31,927	\$56,674	\$61,300
666 APPROPRIATED RECEIPTS		\$118,051	\$114,350	\$136,418	\$144,197
888 EARNED FEDERAL FUNDS		\$18,164	\$6,976	\$11,265	\$11,524
Total, Method of Financing-Informational		\$158,004	\$183,241	\$245,000	\$265,000
<b>Total, Method of Financing</b>		<b>\$1,578,295</b>	<b>\$666,010</b>	<b>\$1,395,000</b>	<b>\$1,130,000</b>

V.A. CAPITAL BUDGET PROJECT SCHEDULE  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME : 1:09:16PM

Agency code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

*Project Sequence/Project Id/ Name*

OOE / TOF / MOF CODE

Est 2002

Bud 2003

BL 2004

BL 2005

TYPE OF FINANCING:

Capital

CA CURRENT APPROPRIATIONS

\$1,420,291

\$482,769

\$1,150,000

\$865,000

Total, Type of Financing-Capital

\$1,420,291

\$482,769

\$1,150,000

\$865,000

Informational

CA CURRENT APPROPRIATIONS

\$158,004

\$183,241

\$245,000

\$265,000

Total, Type of Financing-Informational

\$158,004

\$183,241

\$245,000

\$265,000

**Total, Type of Financing**

**\$1,578,295**

**\$666,010**

**\$1,395,000**

**\$1,130,000**

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 1:09:44PM

Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **1** Project Name: **NORMAL GROWTH/INTEGRATE SYSTE**

**PROJECT DESCRIPTION**

**General Information**

The Normal Growth/Integrated Systems project funds software, supplies, and hardware and software maintenance for TDHCA. The Normal Growth/Integrated Systems project is an ongoing process of providing the IT-related products necessary to support the business of TDHCA. Normal Growth/Integrated Systems consists of essential IT-related products, including PC, server, and database software, and maintenance. The justification for Normal Growth/Integrated Systems is that without the essential products supplied through this project, TDHCA's IT operations would not be able to support the business requirements of the agency.

**Number of Units / Average Unit Cost** 505,000  
**Estimated Completion Date** 8/31/2005  
**Additional Capital Expenditure Amounts Required**

	<b>2006</b>	<b>2007</b>
	540,000	540,000

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** Ongoing  
**Estimated/Actual Project Cost** \$ 1,010,000  
**Length of Financing/ Lease Period** N/A

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total over project life</b>
0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Austin, TX

**Beneficiaries:** Direct beneficiaries: TDHCA employees.  
 Indirect beneficiaries: TDHCA customers and other agency employees who access TDHCA data and services.

**Frequency of Use and External Factors Affecting Use:**

Daily use.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 1:09:44PM

Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **2** Project Name: **5- Peoplesoft Accounting System**

**PROJECT DESCRIPTION**

**General Information**

PeopleSoft Financials for Public Sector is TDHCA's accounting system. In FY 2004-2005, TDHCA will upgrade from our current version of the PeopleSoft application (v7.02). Another important component of this project is the installation of STAT. This software tool will centralize all source code, including database objects, into one common tool which will enable TDHCA to much more effectively track changes to the system. ISD plans to have a test area for PeopleSoft 8.4 setup in CY 2003 which will serve as a proving ground for our future deployment efforts. We anticipate that STAT will be installed and operational in early FY 2004. If the PeopleSoft project were not funded, we would need to increase our PeopleSoft staff from 1 to 3 FTEs beginning in FY 2004 because of the implementation of 8.4 and the resulting increase use in PeopleSoft.

<b>Number of Units / Average Unit Cost</b>	162,500		
<b>Estimated Completion Date</b>	8/31/2005		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2006</b>	<b>2007</b>
		170,000	170,000
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	8 years		
<b>Estimated/Actual Project Cost</b>	\$ 325,000		
<b>Length of Financing/ Lease Period</b>	N/A		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Austin, TX  
**Beneficiaries:** TDHCA employees.

**Frequency of Use and External Factors Affecting Use:**

Daily use.



**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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DATE: 9/26/2002  
TIME: 1:09:44PM

Agency Code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMU  
Category Number: 5005 Category Name: ACQUISITN INFO RES TECH.  
Project number: 3 Project Name: Disaster Recovery

**PROJECT DESCRIPTION**

**General Information**

The purpose of the Disaster Recovery Project is to increase the ability of TDHCA's Information Systems Division to restore mission critical network services in the event of a disaster which causes the loss of some or all software and hardware. As described in TDHCA's current Disaster Recovery Plan, ISD performs nightly backups of data stored on all servers and sends full backups off-site once a week. If server hardware, software, or data were destroyed or made unusable in a disaster, the agency would rely on the offsite backups to bring servers to an operational level. Currently, the agency would have to wait for replacement server hardware to be purchased and shipped from a vendor in order to restore data if a situation existed where all appropriate server hardware had been made unusable. In this project, TDHCA proposes the purchase of a hardware-oriented disaster recovery service to establish a guaranteed turnaround time for replacement equipment and to complement our existing off-site backup services. Additionally, a guaranteed off-site location will be part of the plan. The vendor selected to perform

<b>Number of Units / Average Unit Cost</b>	15,000		
<b>Estimated Completion Date</b>	8/31/2005		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2006</b>	<b>2007</b>
		17,000	17,000
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	8 years		
<b>Estimated/Actual Project Cost</b>	\$ 30,000		
<b>Length of Financing/ Lease Period</b>	N/A		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	2004	2005	2006	2007	Total over project life
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**

**Project Location:** Austin, TX

**Beneficiaries:** Direct beneficiaries: TDHCA employees.  
Indirect beneficiaries: TDHCA customers and other agency employees who access TDHCA data and services.

**Frequency of Use and External Factors Affecting Use:**

Disaster recovery procedures followed daily.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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DATE: 9/26/2002  
TIME: 1:09:44PM

Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **4** Project Name: **Enhancements to Compliance System**

**PROJECT DESCRIPTION**

**General Information**

Further development and enhancements will be required for the multifamily rental Compliance Monitoring and Tracking System (CMTS) after deployment and use during the SFY 2002-2003 biennium. Modifications will be necessary to link the System to 1) HUD's national system, 2) USDA Rural Development (RD) System, 3) USDA RD, Low Income Housing Tax Credits (LIHTC) and other property software, and 4) FDIC (Resolution Trust Corporation) Affordable Housing Disposition program's system for data migration to the Compliance System. Continued CMTS modifications will also be needed to refine the System as new program and new regulatory requirements develop, allow online submission of owner reports, and provide compliance training through web-based video format and online compliance procedures and guidelines. Technical support assistance to properties reporting through the web-based property reporting component of the Compliance System will also be necessary to ensure successful implementation of property reporting.

**Number of Units / Average Unit Cost** 150,000  
**Estimated Completion Date** 8/31/05  
**Additional Capital Expenditure Amounts Required**

	<b>2006</b>	<b>2007</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** 7 years  
**Estimated/Actual Project Cost** \$ 300,000  
**Length of Financing/ Lease Period** N/A

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

2004	2005	2006	2007	Total over project life
0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

**Explanation:**  
**Project Location:** Austin, TX  
**Beneficiaries:** TDHCA employees and property owners who report through the web-based property reporting component of CMTS. CMTS will interface with HUD, USDA Rural Development/LIHTC program, and FDIC systems.  
**Frequency of Use and External Factors Affecting Use:**  
 Daily use.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **5** Project Name: **Central Database Project**

**PROJECT DESCRIPTION**

**General Information**

The Central Database Project will continue through the FY 2004-2005 biennium. The Central Database Project will move all TDHCA program information to one central repository to allow all agency program areas applications to use the same data source. The Central Database is planned to facilitate central planning, monitoring, evaluating, and reporting of program information and facilitate job performance of those employees who need data from multiple program areas to perform their jobs duties. This project is being developed using a single operating system (UNIX), one reliable hardware platform (Sun), one relational database management system (Oracle), and a standardized graphical user interface programmed in Java. This on-going project began in September 2000 when the computer hardware platform and the necessary network infrastructure was designed. During FY 2004, the project plan calls for the continued conversion of data from legacy systems, software application development of the Section 8 and Office of Colonia Initiatives (OCI) modules, and interfacing with the loan servicing application (MITAS). During FY 2005, we plan on moving towards a data warehouse that will enable us to include enhanced reporting, integration of some mapping functionality, and some multi-dimensional data management capabilities. We also plan on development of an interface to HUD's IDIS system.

<b>Number of Units / Average Unit Cost</b>	175,000		
<b>Estimated Completion Date</b>	8/31/05		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2006</b>	<b>2007</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	7 years		
<b>Estimated/Actual Project Cost</b>	\$ 350,000		
<b>Length of Financing/ Lease Period</b>	N/A		

<b><u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u></b>					<b>Total over project life</b>
<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>		
0	0	0	0		0

<b><u>REVENUE GENERATION / COST SAVINGS</u></b>		
<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>

**Explanation:**

**Project Location:** Austin, TX

**Beneficiaries:** Direct beneficiaries: TDHCA employees.  
Indirect beneficiaries: TDHCA customers and other agency employees who access TDHCA data and services.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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**Frequency of Use and External Factors Affecting Use:**

Daily use.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **6** Project Name: **Manufactured Housing Database**

**PROJECT DESCRIPTION**

**General Information**

Manufactured Housing (MH) currently has four main business areas, 1) Titling, 2) Installation and Tracking, 3) Consumer Complaints, and 4) Licensing. In addition to these areas of business, TDHCA's Information Systems Division maintains the CASA Server, a specialized reporting application in association with the U.S. Department of Housing and Urban Development (HUD). The MH Database project will consolidate all MH databases into one common data warehouse. The project will require a conversion of all business areas into Oracle. The database will be constructed separately from TDHCA's Central Database Project because the 77th Legislature mandated that MH's activities function separately from TDHCA and because the nature of MH's activities, as a regulatory agency, are inherently different from other TDHCA activities. Efficiency is a compelling reason for this project, as MH currently utilizes four databases making many processes difficult and redundant. Confusion over title research often occurs when one section is doing work on a title while another section is doing something else with the same data. Accurate calculation of performance measures currently requires manual processes. Large volumes of data will be better managed via an automated process. Performance measures, like many other MH processes, are difficult to report accurately, calling for a need for the system.

**Number of Units / Average Unit Cost** 125,000  
**Estimated Completion Date** 8/31/2005  
**Additional Capital Expenditure Amounts Required**

	<b>2006</b>	<b>2007</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** 7 years  
**Estimated/Actual Project Cost** \$ 250,000  
**Length of Financing/ Lease Period** N/A

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>

**Explanation:**

**Project Location:** Austin, TX

**Beneficiaries:** Direct beneficiaries: Manufactured Housing Division employees.  
 Indirect beneficiaries: Manufacture Housing Division customers and other agency employees who access MH data and services.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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**Frequency of Use and External Factors Affecting Use:**

Daily use.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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Agency Code: **332** Agency name: **DEPARTMENT OF HOUSING AND COMMU**  
 Category Number: **5005** Category Name: **ACQUISITN INFO RES TECH.**  
 Project number: **7** Project Name: **UPCS Property Inspections**

**PROJECT DESCRIPTION**

**General Information**

Compliance monitoring regulations for LIHTC, issued by the Department of Treasury in conjunction with HUD, specify a specific type of physical property inspection. The inspection protocol adopted for use by HUD for its programs is being implemented through the use of a handheld device, corresponding software, and supporting Microsoft Pocket PC operating system. A similar type of physical inspection will be implemented by TDHCA's Compliance Division for onsite physical inspections of approximately 2100 multifamily properties in the compliance monitoring portfolio. The software to be utilized will be designed to be consistent with the HUD prototype and IRS Section 42 regulations. HUD's software requires the use of a color Compaq Pocket PC, as would any similar software developed by TDHCA for Uniform Physical Conditions Standards (UPCS) inspections. PC-based software applications already are in existence that may be appropriate with modifications for TDHCA physical inspections of multifamily properties. The request is for the acquisition or development of the software and a software development effort for conversion and migration of data to the Central Database, and 20 Pocket PCs for the compliance monitoring staff of the Compliance Division. The property owner, compliance staff, and property residents benefit through implementation of advanced physical inspection tools which significantly improve operations and service. Using the software and PDAs, the inspection report and analysis will be more readily available to the owner upon completion of the onsite physical inspection. The owner will thus have more time within the prescribed corrective action period to correct any problems and ensure compliance. The owner will also benefit from the consistent application of inspection standards by compliance staff.

**Number of Units / Average Unit Cost** 40,000  
**Estimated Completion Date** 8/31/2005  
**Additional Capital Expenditure Amounts Required**

	<b>2006</b>	<b>2007</b>
	0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** 6 years  
**Estimated/Actual Project Cost** \$ 80,000  
**Length of Financing/ Lease Period** N/A

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<b><u>REVENUE COST FLAG</u></b>	<b><u>MOF CODE</u></b>	<b><u>AVERAGE AMOUNT</u></b>

**Explanation:**

**Project Location:** Austin, TX, with activities across Texas.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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**Beneficiaries:** Compliance staff and project  
service. Project conforms with HUD standards.

**Frequency of Use and External Factors Affecting Use:**

Daily use.



**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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DATE: 9/26/2002  
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Agency Code:	<b>332</b>	Agency name:	<b>DEPARTMENT OF HOUSING AND COMMU</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>8</b>	Project Name:	<b>WAP Software Development Project</b>

**PROJECT DESCRIPTION**

**General Information**

The Weatherization Assistance Program (WAP) Evaluation is a software development project to allow for accurate measurement of energy savings associated with WAP measures, especially cooling measures, based on research performed in FY 2003 by Oak Ridge National Laboratory (ORNL). In SFY 2003, ORNL will analyze existing energy consumption data and develop and test two types of aggregate models that may prove to be suitable alternatives to the standard Princeton Scorekeeping Method (PRISM). These model types are: 1) Aggregate weather-normalization models, which will use the basic PRISM approach to weather-normalization, but which will eliminate the high linear model failure rates of standard PRISM by performing weather adjustments only on larger groups of households; and 2) longitudinal multivariate regression models, which will adjust for yearly variations in weather (this is an essential step in any effort to measure program impacts) and also will incorporate a number of other important independent variables. Some additional independent variables that may be incorporated into the longitudinal model structures may include the dwelling characteristics (as reported in EASY Audit files) and occupant characteristics (such as the number and ages of household members). EASY Audit is a software application used by TDHCA to record energy audit data. In SFY 2004, TDHCA will begin the WAP Software Development Project by contracting with CRN Applications, a vendor that will develop and test software that will incorporate the design and implementation of the above model types #1 and #2. Weather related crises in recent years associated with heat-waves and sharp increases in energy costs underscore the need to ensure that low income citizens benefit from energy efficient cooling and heating systems that allow them to maintain their homes in healthy temperatures. Towards that end, TDHCA has the responsibility to provide effective measures to households served by WAP.

<b>Number of Units / Average Unit Cost</b>	180,000		
<b>Estimated Completion Date</b>	8/31/2004		
<b>Additional Capital Expenditure Amounts Required</b>		<b>2006</b>	<b>2007</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	8 years		
<b>Estimated/Actual Project Cost</b>	\$ 180,000		
<b>Length of Financing/ Lease Period</b>	N/A		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	2004	2005	2006	2007	Total over project life
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
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**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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DATE: **9/26/2002**

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**Explanation:**

**Project Location:** Austin, TX, with activities across Texas.

**Beneficiaries:** TDHCA Community Affairs Division employees, WAP program subgrantees, and WAP program customers.

**Frequency of Use and External Factors Affecting Use:**

Daily use.

**V.B. CAPITAL BUDGET SCHEDULE A, Part II - Project Information**

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V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)  
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 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 1:13:24PM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005	
<b>5005 Acquisition of Information Resource Technologies</b>						
1/1	<i>NORMAL GROWTH/INTEGRATE SYSTEMS</i>					
Capital	6-1-1	CENTRAL ADMINISTRATION	118,789	69,121	\$57,870	\$52,686
Capital	6-1-2	INFORMATION RESOURCE TECHNOLOGIES	37,623	21,892	12,543	15,143
Capital	6-1-3	OPERATING/SUPPORT	19,804	11,524	10,328	10,465
Capital	1-1-1	HOUSING TRUST FUND	9,902	5,762	5,064	3,432
Capital	1-1-2	HOME PROGRAM	41,584	24,197	14,669	15,016
Capital	1-1-3	SECTION 8 RENTAL ASSISTANCE	17,821	10,370	8,715	6,978
Capital	1-1-4	FEDERAL TAX CREDITS	31,684	18,436	20,605	17,683
Capital	1-1-5	MRB PROGRAM - SINGLE FAMILY	35,645	20,741	19,330	17,457
Capital	1-1-6	MRB PROGRAM-MULTIFAMILY	7,922	4,609	2,951	3,246
Capital	2-1-2	COLONIA SERVICE CENTERS	11,882	6,914	9,677	5,722
Capital	3-1-1	POVERTY-RELATED FUNDS	32,081	18,668	17,057	12,251
Capital	3-2-1	ENERGY ASSISTANCE PROGRAMS	37,225	21,661	12,691	14,076
Capital	5-1-1	TITLING AND LICENSING	19,406	11,292	9,087	9,808
Capital	5-1-2	INSTALLATION INSPECTIONS	31,050	18,068	14,505	15,949
Capital	5-1-3	ENFORCEMENT	46,576	27,101	14,636	16,080
Capital	4-1-1	REVIEW PROPERTY DOCUMENTS	57,422	33,413	28,548	22,284
Capital	4-1-2	REVIEW FINANCIAL DOCUMENTS	0	0	1,724	1,724
Informational	6-1-1	CENTRAL ADMINISTRATION	31,998	39,120	52,305	56,581
Informational	6-1-2	INFORMATION RESOURCE TECHNOLOGIES	10,135	12,391	16,566	17,918

V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)  
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Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005
Informational 6-1-3	OPERATING/SUPPORT	5,334	6,522	\$8,720	\$9,430
Informational 1-1-1	HOUSING TRUST FUND	2,667	3,261	4,360	4,716
Informational 1-1-2	HOME PROGRAM	11,201	13,695	18,310	19,804
Informational 1-1-3	SECTION 8 RENTAL ASSISTANCE	4,801	5,869	7,847	8,488
Informational 1-1-4	FEDERAL TAX CREDITS	8,535	10,434	13,951	15,090
Informational 1-1-5	MRB PROGRAM - SINGLE FAMILY	9,601	11,738	15,695	16,975
Informational 1-1-6	MRB PROGRAM-MULTIFAMILY	2,133	2,609	3,488	3,772
Informational 2-1-2	COLONIA SERVICE CENTERS	3,201	3,913	5,232	5,658
Informational 3-1-1	POVERTY-RELATED FUNDS	8,641	10,565	14,126	15,279
Informational 3-2-1	ENERGY ASSISTANCE PROGRAMS	10,027	12,259	16,391	17,729
Informational 5-1-1	TITLING AND LICENSING	5,228	6,391	8,545	9,243
Informational 5-1-2	INSTALLATION INSPECTIONS	8,364	10,226	13,672	18,484
Informational 5-1-3	ENFORCEMENT	12,545	15,338	20,508	18,484
Informational 4-1-1	REVIEW PROPERTY DOCUMENTS	15,468	18,910	25,284	27,349
TOTAL, PROJECT		\$706,295	\$507,010	\$505,000	\$505,000
2/2	5- Peoplesoft Accounting System				
Capital 6-1-1	CENTRAL ADMINISTRATION	168,000	60,000	175,000	150,000
TOTAL, PROJECT		\$168,000	\$60,000	\$175,000	\$150,000

3/3 Disaster Recovery

V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)  
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Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code/Name

*Project Sequence/Project Id/Name*

	Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005
Capital	6-1-2	INFORMATION RESOURCE TECHNOLOGIES	0	0	\$15,000	\$15,000
		TOTAL, PROJECT	\$0	\$0	\$15,000	\$15,000
<i>4/4 Enhancements to Compliance System</i>						
Capital	4-1-1	REVIEW PROPERTY DOCUMENTS	0	0	150,000	150,000
		TOTAL, PROJECT	\$0	\$0	\$150,000	\$150,000
<i>5/5 Central Database Project</i>						
Capital	6-1-1	CENTRAL ADMINISTRATION	0	0	19,655	45,258
Capital	6-1-2	INFORMATION RESOURCE TECHNOLOGIES	0	0	889	14,332
Capital	6-1-3	OPERATING/SUPPORT	0	0	468	7,543
Capital	1-1-1	HOUSING TRUST FUND	0	0	1,638	3,772
Capital	1-1-2	HOME PROGRAM	0	0	6,879	15,841
Capital	1-1-3	SECTION 8 RENTAL ASSISTANCE	0	0	38,662	6,789
Capital	1-1-4	FEDERAL TAX CREDITS	0	0	40,957	12,069
Capital	1-1-5	MRB PROGRAM - SINGLE FAMILY	0	0	5,896	13,577
Capital	1-1-6	MRB PROGRAM-MULTIFAMILY	0	0	1,310	3,017
Capital	2-1-2	COLONIA SERVICE CENTERS	0	0	37,680	4,526
Capital	3-1-1	POVERTY-RELATED FUNDS	0	0	5,307	12,220
Capital	3-2-1	ENERGY ASSISTANCE PROGRAMS	0	0	6,159	14,181
Capital	4-1-1	REVIEW PROPERTY DOCUMENTS	0	0	9,500	21,875

V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)  
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 TIME: 1:14:14PM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005
TOTAL, PROJECT		\$0	\$0	\$175,000	\$175,000
6/6	<i>Manufactured Housing Database</i>				
Capital	5-1-1 TITLING AND LICENSING	0	0	\$38,750	\$38,750
Capital	5-1-2 INSTALLATION INSPECTIONS	0	0	42,500	42,500
Capital	5-1-3 ENFORCEMENT	0	0	43,750	43,750
TOTAL, PROJECT		\$0	\$0	\$125,000	\$125,000
7/7	<i>UPCS Property Inspections</i>				
Capital	4-1-1 REVIEW PROPERTY DOCUMENTS	0	0	70,000	10,000
TOTAL, PROJECT		\$0	\$0	\$70,000	\$10,000
8/8	<i>WAP Software Development Project</i>				
Capital	3-2-1 ENERGY ASSISTANCE PROGRAMS	0	0	180,000	0
TOTAL, PROJECT		\$0	\$0	\$180,000	\$0
9/9	<i>COMPLIANCE MONITORING TRACKING SYS</i>				
Capital	4-1-1 REVIEW PROPERTY DOCUMENTS	391,010	99,000	0	0
Informational	4-1-1 REVIEW PROPERTY DOCUMENTS	7,990	0	0	0
TOTAL, PROJECT		\$399,000	\$99,000	\$0	\$0

V.C. CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT (BASELINE)  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 1:14:14PM

Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2002	Bud 2003	BL 2004	BL 2005
10/10	LOAN PRODUCTION AND SERVICING SOFTW				
Capital	1-1-5 MRB PROGRAM - SINGLE FAMILY	304,865	0	\$0	\$0
Informational	1-1-5 MRB PROGRAM - SINGLE FAMILY	135	0	0	0
	TOTAL, PROJECT	\$305,000	\$0	\$0	\$0
	TOTAL CAPITAL, ALL PROJECTS	\$1,420,291	\$482,769	\$1,150,000	\$865,000
	TOTAL INFORMATIONAL, ALL PROJECTS	\$158,004	\$183,241	\$245,000	\$265,000
	TOTAL, ALL PROJECTS	\$1,578,295	\$666,010	\$1,395,000	\$1,130,000



Agency code: 332 Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Category Code / Category Name

Project Number / Name

OOE / TOF / MOF CODE

Excp 2004

Excp 2005

5005 Acquisition of Information Resource Technologies

1 NORMAL GROWTH/INTEGRATE SYSTEMS

**Objects of Expense**

5000 CAPITAL EXPENDITURES

20,000

0

Subtotal OOE, Project 1

**20,000**

**0**

**Type of Financing**

CA 666 APPROPRIATED RECEIPTS

20,000

0

Subtotal TOF, Project 1

**20,000**

**0**

Subtotal Category 5005

**20,000**

**0**

AGENCY TOTAL

**20,000**

**0**

**METHOD OF FINANCING:**

666 APPROPRIATED RECEIPTS

20,000

0

Total, Method of Financing

**20,000**

**0**

**TYPE OF FINANCING:**

CA CURRENT APPROPRIATIONS

20,000

0

Total, Type of Financing

**20,000**

**0**

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

78th Regular Session, Agency Submission, Version 1

TIME: 1:12:24PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 1

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Normal Growth/Intergrate Systems

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2003 CONSUMABLE SUPPLIES	\$25,000	\$25,000	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$220,000	\$240,000	\$0	\$0
5000 CAPITAL EXPENDITURES	\$260,000	\$240,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$505,000</b>	<b>\$505,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$82,287	\$91,013	\$0	\$0
127 COMMUNITY AFFAIRS FED FD				
14.239.000 HOME Investment Partnersh	\$32,979	\$34,820	\$0	\$0
14.871.000 SECTION 8 HOUSING CHOICE VOUCHERS	\$16,562	\$15,466	\$0	\$0
81.042.000 Weatherization Assistance	\$5,816	\$6,706	\$0	\$0
93.568.000 Low-Income Home Energy As	\$23,266	\$26,823	\$0	\$0
93.569.000 Community Services Block	\$31,183	\$27,530	\$0	\$0
<b>TOTAL, COMMUNITY AFFAIRS FED FD</b>	<b>\$109,806</b>	<b>\$111,345</b>	<b>\$0</b>	<b>\$0</b>
666 APPROPRIATED RECEIPTS	\$289,182	\$280,389	\$0	\$0
888 EARNED FEDERAL FUNDS	\$23,725	\$22,253	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$505,000</b>	<b>\$505,000</b>	<b>\$0</b>	<b>\$0</b>

FULL TIME EQUIVALENT POSITIONS: 8.0 8.0 8.0 8.0

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

The Supplies budget is used for back-up tapes and office supplies.

The Software and Hardware Maintenance budgets are used for support and upgrades on the software and hardware that supports the aut

In FYs 2004 and 2005, the software budget will be used for Windows 2000 and Exc

PC, servers, and other hardware:

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Project Number: 1

Project name: Normal Growth/Intergrate Systems

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
------------------	------	------	------	------

Fiscal Year 2004

\$80,400 will be expended on PCs, laptops, printers, monitors, and other hardware.

\$144,100 will be expended on server hardware upgrades.

Fiscal Year 2005

\$39,700 will be expended on PCs, laptops, printers, monitors, and other hardware.

\$164,800 will be expended on server hardware upgrades.

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 2

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Peoplesoft Accounting System

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$175,000	\$150,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$175,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$100,000	\$90,000	\$0	\$0
888 EARNED FEDERAL FUNDS	\$75,000	\$60,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$175,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	3.0	3.0	3.0	3.0

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$65,000 for STAT, a source code and versioning application for PeopleSoft. \$105,000 in contract consultant services for the implementation of PeopleSoft Financials Version 8.04 and for daily support of the system.

Fiscal Year 2005

\$150,000 in contract consultant :

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 3

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Disaster Recovery

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2009 OTHER OPERATING EXPENSE	\$15,000	\$15,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$15,000	\$15,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$15,000 will be expended to secure services with a vendor who will provide replacement hardware at costs in the event of a disaster.

Fiscal Year 2005

\$15,000 will be expended to secure services from a vendor who will provide replacement hardware at cost in the event of a disaster.

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 4

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Enhancements to Compliance System

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$150,000	\$150,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
666 APPROPRIATED RECEIPTS	\$150,000	\$150,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	0.4	0.8	0.5	0.5

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$150,000 to outsource enhancements to the Compliance System including development of the LIHTC Year 15 program, the links to FDIC and RD systems as well as property continued technical assistance or support to reporting properties

Fiscal Year 2005

\$150,000 to outsource enhancements to the Compliance System including the link to the HUD system and continued

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 5

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Central Database Project

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$150,000	\$150,000	\$0	\$0
5000 CAPITAL EXPENDITURES	\$25,000	\$25,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$6,923	\$16,199	\$0	\$0
127 COMMUNITY AFFAIRS FED FD				
14.239.000 HOME Investment Partnersh	\$6,879	\$15,841	\$0	\$0
14.871.000 SECTION 8 HOUSING CHOICE VOUCHERS	\$35,984	\$6,789	\$0	\$0
93.568.000 Low-Income Home Energy As	\$6,159	\$14,181	\$0	\$0
93.569.000 Community Services Block	\$5,307	\$12,220	\$0	\$0
<b>TOTAL, COMMUNITY AFFAIRS FED FD</b>	<b>\$54,329</b>	<b>\$49,031</b>	<b>\$0</b>	<b>\$0</b>
666 APPROPRIATED RECEIPTS	\$109,516	\$100,553	\$0	\$0
888 EARNED FEDERAL FUNDS	\$4,232	\$9,217	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$0</b>

FULL TIME EQUIVALENT POSITIONS: 6.0 6.0 6.0 6.0

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$150,000 for JAVA programmers to assist in enhancements of the overall system. \$25,000 for additional server hardware.

Fiscal Year 2005

\$150,000 for JAVA programmers to assist in enhancements of the overall system. \$25,000 for additional server hardware.

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 6

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Manufactured Housing Database

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$125,000	\$125,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$75,000	\$75,000	\$0	\$0
666 APPROPRIATED RECEIPTS	\$50,000	\$50,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$125,000</b>	<b>\$125,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	3.0	3.0	3.0	3.0

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$125,000 is for consultant business analyst and programming services.

Fiscal Year 2005

\$125,000 is for consultant business analyst and programming services.



V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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TIME: 1:13:03PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 7

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name:

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$20,000	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$50,000	\$10,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$70,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
666 APPROPRIATED RECEIPTS	\$70,000	\$10,000	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$70,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	0.2	0.2	0.2	0.2

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Fiscal Year 2004

\$20,000 will be expended towards the purchase of the PDAs.

\$30,000 for UPCS application property inspection software.

\$20,000 for modification to the software and interface with the central database

Fiscal Year 2005

\$10,000 for additional maintenance and software upgrades.

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 8

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name:

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$180,000	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
127 COMMUNITY AFFAIRS FED FD				
81.042.000 Weatherization Assistance	\$60,000	\$0	\$0	\$0
93.568.000 Low-Income Home Energy As	\$120,000	\$0	\$0	\$0
<b>TOTAL, COMMUNITY AFFAIRS FED FD</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	0.4	0.0	0.0	0.0

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

Funding for the project will come from the Department of Energy (DOE) Weatherization Assistance Program, LIHEAP, and IOU Administration.

Fiscal Year 2004

\$180,000 for a contract with CRN Applications, a working partner of the Department of Energy (DOE), for software development services.

V.D. CAPITAL BUDGET SCHEDULE B - OPERATING AND MAINTENANCE EXPENSES

DATE: 9/26/2002

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Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332  
Project Number: 9

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Project name: Compliance Monitoring Tracking System/Centralized Database

Operating Expenses Estimates (For Information Only)

CODE DESCRIPTION	2004	2005	2006	2007
<b>OBJECTS OF EXPENSE:</b>				
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>METHOD OF FINANCING:</b>				
1 GENERAL REVENUE FUND	\$0	\$0	\$0	\$0
666 APPROPRIATED RECEIPTS	\$0	\$0	\$0	\$0
888 EARNED FEDERAL FUNDS	\$0	\$0	\$0	\$0
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

OPERATING COSTS DESCRIPTION AND JUSTIFICATION:

**CAPITAL BUDGET ALLOCATION TO STRATEGIES BY PROJECT - EXCEPTIONAL**

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Agency code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**Category Code/Name**

**Project Number/Name**

Goal/Obj/Str	Strategy Name	Excp 2004	Excp 2005
5005 Acquisition of Information Resource Technologies			
1	NORMAL GROWTH/INTEGRATE SYSTEMS		
5 1 2	INSTALLATION INSPECTIONS	20,000	0
	TOTAL, PROJECT	20,000	0
	<b>TOTAL, ALL PROJECTS</b>	<b>20,000</b>	<b>0</b>

**SUPPORTING SCHEDULES**

**HISTORICALLY UNDERUTILIZED BUSINESS (HUB)**

**SUPPORTING SCHEDULE**

Agency Code: 332 Agency: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2000 - 2001 HUB Expenditure Information

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2000		Total Expenditures FY 2000	Adjusted HUB Expenditures FY 2001		Total Expenditures FY 2001
		HUB %	HUB \$		HUB %	HUB \$	
Heavy Construction	6.6%	0.0%	\$0	\$0	0.0%	\$0	\$0
Building Construction	25.1%	0.0%	\$0	\$0	0.0%	\$0	\$0
Special Trade Construction	47.0%	0.0%	\$0	\$0	0.0%	\$0	\$0
Professional Services	18.1%	65.9%	\$146,936	\$223,090	57.2%	\$154,054	\$269,302
Other Services	33.0%	46.2%	\$968,572	\$2,094,459	52.7%	\$1,202,053	\$2,282,171
Commodities	11.5%	79.8%	\$335,211	\$420,027	38.9%	\$246,345	\$632,927
<b>Total Expenditures</b>		<b>53.0%</b>	<b>\$1,450,719</b>	<b>\$2,737,576</b>	<b>50.3%</b>	<b>\$1,602,452</b>	<b>\$3,184,400</b>

B. Assessment of Fiscal Year 2000 - 2001 Efforts to Meet HUB Procurement Goals

**Attainment:**

The agency attained three of three, or 100% of the applicable statewide HUB procurement goals in FY 2000.  
 The agency attained three of three, or 100%, of the applicable statewide HUB procurement goals in FY 2001

**Applicability:**

The "Heavy Construction" and "Building Construction" categories are not applicable to agency operations in expenditures related to Special Trade Construction.

**Factors Affecting Attainment:**

All percentages were met by TDHCA for fiscal year 2000 and 2001.

**"Good-Faith" Efforts:**

Fiscal Year 2000 & 2001 percentage goals dramatically increased due to the Good Faith Efforts of TDHCA through education of staff on procurement policy rules and procedures through phone conversations, assisting HUB's with the HUB certification Program, coordination with local entities, local and federal entities, and elected officials; coordination and matching of key agency staff with HUB vendors products and services and briefing Executive staff members on HUB activities. TDHCA has established and exceeded HUB procurement goals.

**FEDERAL FUNDS SUPPORTING SCHEDULE**



V.I.C. FEDERAL FUNDS SUPPORTING SCHEDULE  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
 TIME: 1:17:36PM

Agency code: 332		Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS				
CFDA NUMBER/ STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005	
<b>14.000.002</b> HUD DU100K90016710						
5 - 1 - 1 TITLING AND LICENSING	42,134	180,135	163,228	270,252	270,138	
5 - 1 - 2 INSTALLATION INSPECTIONS	127,630	283,668	326,455	303,112	303,175	
5 - 1 - 3 ENFORCEMENT	146,071	416,225	395,272	311,591	311,643	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$315,835</b>	<b>\$880,028</b>	<b>\$884,955</b>	<b>\$884,955</b>	<b>\$884,956</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	70,000	190,000	190,000	190,000	190,000	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$385,835</b>	<b>\$1,070,028</b>	<b>\$1,074,955</b>	<b>\$1,074,955</b>	<b>\$1,074,956</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>14.228.000</b> Community Development Blo						
2 - 1 - 2 COLONIA SERVICE CENTERS	97,942	34,150	0	0	0	
4 - 1 - 2 REVIEW FINANCIAL DOCUMENTS	270,480	0	0	0	0	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$368,422</b>	<b>\$34,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$368,422</b>	<b>\$34,150</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>14.231.000</b> Emergency Shelter Grants						
3 - 1 - 1 POVERTY-RELATED FUNDS	4,326,000	4,495,000	4,600,000	4,600,000	4,600,000	

**VI.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **1:18:02PM**

Agency code: <b>332</b>		Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS				
CFDA NUMBER/ STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$4,326,000</b>	<b>\$4,495,000</b>	<b>\$4,600,000</b>	<b>\$4,600,000</b>	<b>\$4,600,000</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	23,184	25,862	28,000	28,000	28,000	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$4,349,184</b>	<b>\$4,520,862</b>	<b>\$4,628,000</b>	<b>\$4,628,000</b>	<b>\$4,628,000</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>14.239.000</b> HOME Investment Partnersh						
1 - 1 - 2 HOME PROGRAM	1,147,559	40,818,946	78,635,710	40,759,730	40,759,710	
2 - 1 - 2 COLONIA SERVICE CENTERS	55,677	37,129	41,484	41,484	41,484	
4 - 1 - 2 REVIEW FINANCIAL DOCUMENTS	340,136	201,827	198,806	264,401	259,090	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,543,372</b>	<b>\$41,057,902</b>	<b>\$78,876,000</b>	<b>\$41,065,615</b>	<b>\$41,060,284</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	273,180	280,000	280,000	280,000	280,000	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,816,552</b>	<b>\$41,337,902</b>	<b>\$79,156,000</b>	<b>\$41,345,615</b>	<b>\$41,340,284</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>14.871.000</b> SECTION 8 HOUSING CHOICE VOUCHERS						
1 - 1 - 3 SECTION 8 RENTAL ASSISTANCE	9,100,284	8,040,935	9,480,000	9,841,136	9,812,078	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$9,100,284</b>	<b>\$8,040,935</b>	<b>\$9,480,000</b>	<b>\$9,841,136</b>	<b>\$9,812,078</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	65,873	69,132	71,000	71,000	71,000	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$9,166,157</b>	<b>\$8,110,067</b>	<b>\$9,551,000</b>	<b>\$9,912,136</b>	<b>\$9,883,078</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>81.042.000</b> Weatherization Assistance						

**VI.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **1:18:03PM**

Agency code: <b>332</b>	Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS					
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>BL 2004</b>	<b>BL 2005</b>
3 - 2 - 1 ENERGY ASSISTANCE PROGRAMS		5,796,628	3,367,600	5,445,000	5,445,000	5,445,000
<b>TOTAL, ALL STRATEGIES</b>		<b>\$5,796,628</b>	<b>\$3,367,600</b>	<b>\$5,445,000</b>	<b>\$5,445,000</b>	<b>\$5,445,000</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		52,896	54,129	56,000	56,000	56,000
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$5,849,524</b>	<b>\$3,421,729</b>	<b>\$5,501,000</b>	<b>\$5,501,000</b>	<b>\$5,501,000</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>93.568.000</b> Low-Income Home Energy As						
3 - 2 - 1 ENERGY ASSISTANCE PROGRAMS		42,461,424	37,409,767	37,414,801	37,414,801	37,429,801
4 - 1 - 2 REVIEW FINANCIAL DOCUMENTS		104,383	87,947	85,199	115,014	97,601
<b>TOTAL, ALL STRATEGIES</b>		<b>\$42,565,807</b>	<b>\$37,497,714</b>	<b>\$37,500,000</b>	<b>\$37,529,815</b>	<b>\$37,527,402</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		142,186	146,234	152,000	152,000	152,000
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$42,707,993</b>	<b>\$37,643,948</b>	<b>\$37,652,000</b>	<b>\$37,681,815</b>	<b>\$37,679,402</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>93.569.000</b> Community Services Block						
3 - 1 - 1 POVERTY-RELATED FUNDS		28,248,822	30,781,176	30,926,519	30,934,500	30,928,553
4 - 1 - 2 REVIEW FINANCIAL DOCUMENTS		20,665	61,240	73,481	97,334	85,403
<b>TOTAL, ALL STRATEGIES</b>		<b>\$28,269,487</b>	<b>\$30,842,416</b>	<b>\$31,000,000</b>	<b>\$31,031,834</b>	<b>\$31,013,956</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		133,562	136,847	139,000	139,000	139,000
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$28,403,049</b>	<b>\$30,979,263</b>	<b>\$31,139,000</b>	<b>\$31,170,834</b>	<b>\$31,152,956</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**VI.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **1:18:03PM**

Agency code: <b>332</b>	Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS					
<b>CFDA NUMBER/ STRATEGY</b>		<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>BL 2004</b>	<b>BL 2005</b>
<b>93.571.000</b> Community Services Block						
3 - 1 - 1 POVERTY-RELATED FUNDS		270,000	260,000	265,000	265,000	265,000
<b>TOTAL, ALL STRATEGIES</b>		<b>\$270,000</b>	<b>\$260,000</b>	<b>\$265,000</b>	<b>\$265,000</b>	<b>\$265,000</b>
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>		0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$270,000</b>	<b>\$260,000</b>	<b>\$265,000</b>	<b>\$265,000</b>	<b>\$265,000</b>
<b>ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**VI.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/26/2002**  
 TIME: **1:18:04PM**

Agency code: **332** Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

CFDA NUMBER/ STRATEGY	Exp 2001	Est 2002	Bud 2003	BL 2004	BL 2005
<b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>					
14.000.002 HUD DU100K90016710	315,835	880,028	884,955	884,955	884,956
14.228.000 Community Development Blo	368,422	34,150	0	0	0
14.231.000 Emergency Shelter Grants	4,326,000	4,495,000	4,600,000	4,600,000	4,600,000
14.239.000 HOME Investment Partnersh	1,543,372	41,057,902	78,876,000	41,065,615	41,060,284
14.871.000 SECTION 8 HOUSING CHOICE VOUCHERS	9,100,284	8,040,935	9,480,000	9,841,136	9,812,078
81.042.000 Weatherization Assistance	5,796,628	3,367,600	5,445,000	5,445,000	5,445,000
93.568.000 Low-Income Home Energy As	42,565,807	37,497,714	37,500,000	37,529,815	37,527,402
93.569.000 Community Services Block	28,269,487	30,842,416	31,000,000	31,031,834	31,013,956
93.571.000 Community Services Block	270,000	260,000	265,000	265,000	265,000
<b>TOTAL, ALL STRATEGIES</b>	\$92,555,835	\$126,475,745	\$168,050,955	\$130,663,355	\$130,608,676
<b>TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS</b>	760,881	902,204	916,000	916,000	916,000
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$93,316,716</b>	<b>\$127,377,949</b>	<b>\$168,966,955</b>	<b>\$131,579,355</b>	<b>\$131,524,676</b>
<b>TOTAL, ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

V.I.C. FEDERAL FUNDS SUPPORTING SCHEDULE  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/26/2002  
TIME: 1:18:04PM

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Agency code: 332	Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS					
<b>CFDA NUMBER/ STRATEGY</b>	<b>Exp 2001</b>	<b>Est 2002</b>	<b>Bud 2003</b>	<b>BL 2004</b>	<b>BL 2005</b>	

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SUMMARY OF SPECIAL CONCERNS/ISSUES

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**Assumptions and Methodology:**

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**Potential Loss:**

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**ESTIMATED REVENUE COLLECTIONS**

**SUPPORTING SCHEDULE**

**VI.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 9/26/2002

78th Regular Session, Agency Submission, Version 1

TIME: 11:24:38AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 332

Agency name: DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FUND/ACCOUNT	Act 2001	Est 2002	Est 2003	Est 2004	Est 2005
<b>666 APPROPRIATED RECEIPTS</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3158 Manufactured Housing Trng Fees	43,750	46,375	92,750	92,750	92,750
3159 Mfg Housing Certificate - Title	4,103,260	4,006,635	4,006,635	4,006,635	4,006,635
3160 Mfg/Ind Housing Reg Fees	843,875	788,650	1,155,000	1,155,000	1,155,000
3161 Mfg/Ind Housing Inspect Fees	817,875	823,430	949,430	663,685	771,185
3163 Penalties Mfg/Ind Housing Violation	95,254	130,264	150,000	150,000	150,000
3719 Fees/Copies or Filing of Records	7,515	8,000	8,000	7,500	7,500
3775 Returned Check Fees	975	1,300	1,300	1,375	1,375
Subtotal: Actual/Estimated Revenue	5,912,504	5,804,654	6,363,115	6,076,945	6,184,445
<b>Total Available</b>	<b>\$5,912,504</b>	<b>\$5,804,654</b>	<b>\$6,363,115</b>	<b>\$6,076,945</b>	<b>\$6,184,445</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(1,680,834)	(2,105,061)	(2,214,730)	(2,244,933)	(2,270,935)
Transfer - Employee Benefits	(316,785)	(324,129)	(335,000)	(345,000)	(345,000)
Art IX, Sec 9-11.06, Salary Increas	(37,861)	0	0	0	0
Art IX, Sec 10.12 Salary Increase	0	(65,000)	(65,000)	0	0
Art IX, Sec 10.23 and HB 2976, SORM	0	(47,416)	(40,350)	(40,350)	(40,350)
<b>Total, Deductions</b>	<b>\$(2,035,480)</b>	<b>\$(2,541,606)</b>	<b>\$(2,655,080)</b>	<b>\$(2,630,283)</b>	<b>\$(2,656,285)</b>
<b>Ending Fund/Account Balance</b>	<b>\$3,877,024</b>	<b>\$3,263,048</b>	<b>\$3,708,035</b>	<b>\$3,446,662</b>	<b>\$3,528,160</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Kassu Asfaw/David Aldrich



**VI.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 9/26/2002

78th Regular Session, Agency Submission, Version 1

TIME: 11:25:09AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **332**

Agency name: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

<b>FUND/ACCOUNT</b>	<b>Act 2001</b>	<b>Est 2002</b>	<b>Est 2003</b>	<b>Est 2004</b>	<b>Est 2005</b>
<b>888 EARNED FEDERAL FUNDS</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	1,656,748	1,386,396	1,487,000	1,487,000	1,487,000
3851 Interest on St Deposits & Treas Inv	552,225	268,240	268,240	268,240	268,240
Subtotal: Actual/Estimated Revenue	<u>2,208,973</u>	<u>1,654,636</u>	<u>1,755,240</u>	<u>1,755,240</u>	<u>1,755,240</u>
<b>Total Available</b>	<b><u>\$2,208,973</u></b>	<b><u>\$1,654,636</u></b>	<b><u>\$1,755,240</u></b>	<b><u>\$1,755,240</u></b>	<b><u>\$1,755,240</u></b>
<b>DEDUCTIONS:</b>					
Art IX, Sec 10.12, Salary Increase	0	(45,000)	(45,000)	0	0
Art IX, Sec 9-11.06 Salary Increas	(38,149)	0	0	0	0
Art IX Sec 10.23 and HB 2976, SORM	0	(15,826)	(15,826)	0	0
Expended/Budgeted/Requested	(1,251,961)	(1,185,980)	(992,521)	(934,449)	(953,580)
Transfers Employee Benefits	(148,279)	(145,000)	(137,680)	(120,000)	(120,000)
Exceptional Item	0	0	0	(200,000)	(200,000)
<b>Total, Deductions</b>	<b><u>\$(1,438,389)</u></b>	<b><u>\$(1,391,806)</u></b>	<b><u>\$(1,191,027)</u></b>	<b><u>\$(1,254,449)</u></b>	<b><u>\$(1,273,580)</u></b>
<b>Ending Fund/Account Balance</b>	<b><u>\$770,584</u></b>	<b><u>\$262,830</u></b>	<b><u>\$564,213</u></b>	<b><u>\$500,791</u></b>	<b><u>\$481,660</u></b>

**REVENUE ASSUMPTIONS:**

The Department is maximizing indirect cost recoveries from federal grants through a rate applied to direct salaries and wages of the federal grant program. The Department is requesting (through an excetional item) to increase earned federal funds as a method of finance for the central support strategy. As this schedule indicates, even after the exceptional item an estimated unappropriated balance remains of nearly \$1,000,000 for the biennium.

**CONTACT PERSON:**

David Aldrich

**ADVISORY COMMITTEE SUPPORTING SCHEDULE**

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
 Time: 11:25:48AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**COLONIA RESIDENT ADVISORY COMMITTEE**

Statutory Authorization:   Tex. Gov't Code, Sec. 2306.584  
 Number of Members:       14  
 Committee Status:         Ongoing  
 Date Created:             09/01/1995  
 Date to Be Abolished:    09/01/2005  
 Strategy (Strategies):    2-1-2           COLONIA SERVICE CENTERS

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<b>Advisory Committee Costs</b>	<u><b>Expended 2001</b></u>	<u><b>Estimated 2002</b></u>	<u><b>Budgeted 2003</b></u>	<u><b>Requested 2004</b></u>	<u><b>Requested 2005</b></u>
Committee Members Direct Expenses					
Travel	\$1,000	\$250	\$1,000	\$1,000	\$1,000
Other Operating	0	0	0	0	0
Other Expenditures in Support of Committee Activities					
Personnel (0.25 FTE)	1,500	606	1,100	1,100	1,100
Other Operating	0	0	0	0	0
<b>Total, Committee Expenditures</b>	<b>\$2,500</b>	<b>\$856</b>	<b>\$2,100</b>	<b>\$2,100</b>	<b>\$2,100</b>
Method of Financing					
GENERAL REVENUE FUND	\$2,500	\$856	\$2,100	\$2,100	\$2,100
<b>Total, Method of Financing</b>	<b>\$2,500</b>	<b>\$856</b>	<b>\$2,100</b>	<b>\$2,100</b>	<b>\$2,100</b>
<b>Meetings Per Fiscal Year</b>	2	2	2	2	2

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
Time: 11:26:18AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**COLONIA RESIDENT ADVISORY COMMITTEE**

**Description and Justification for Continuation/Consequences of Abolishing**

The Colonia Resident Advisory Committee (C-RAC) was established by state statute to advise the Department regarding and effective programs that are proposed or are operated through the colonia self-help centers; and (3) activities that may be undertaken through the colonia s to better serve the needs of colonia residents.

The committee consists of 14 persons who reside in the affected counties (Hidalgo, Cameron/Willacy, Starr, Maverick in Val Verde). If the primary cannot attend the C-RAC meeting the secondary will attend the meeting. The committee must which a contract is scheduled to be awarded for the operation of a colonia self-help center and may meet at other times.

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
 Time: 11:26:18AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**INTERAGENCY COUNCIL FOR HOMELESS**

Statutory Authorization: Chapter 2306, Subchapter GG, Texas Gov't  
 Number of Members: 20  
 Committee Status: Ongoing  
 Date Created: 09/01/1989  
 Date to Be Abolished: N/A  
 Strategy (Strategies): 3-1-1      POVERTY-RELATED FUNDS

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<b>Advisory Committee Costs</b>	<u><b>Expended 2001</b></u>	<u><b>Estimated 2002</b></u>	<u><b>Budgeted 2003</b></u>	<u><b>Requested 2004</b></u>	<u><b>Requested 2005</b></u>
Committee Members Direct Expenses					
Travel	\$0	\$1,000	\$1,000	\$1,000	\$1,000
Other Operating	0	0	0	0	0
Other Expenditures in Support of Committee Activities					
Personnel (0.25 FTE)	10,800	10,800	10,800	10,800	10,800
Other Operating	0	0	0	0	0
<b>Total, Committee Expenditures</b>	<b>\$10,800</b>	<b>\$11,800</b>	<b>\$11,800</b>	<b>\$11,800</b>	<b>\$11,800</b>
Method of Financing					
COMMUNITY AFFAIRS FED FD	\$10,800	\$11,800	\$11,800	\$11,800	\$11,800
<b>Total, Method of Financing</b>	<b>\$10,800</b>	<b>\$11,800</b>	<b>\$11,800</b>	<b>\$11,800</b>	<b>\$11,800</b>
<b>Meetings Per Fiscal Year</b>	4	4	4	4	4

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
Time: 11:26:18AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**INTERAGENCY COUNCIL FOR HOMELESS**

**Description and Justification for Continuation/Consequences of Abolishing**

The Interagency Council for the Homeless is established by the Legislature at Subchapter GG of Chapter 2306, Texas Government Code, the Council, (Sec. 2306.784 (e)).

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
 Time: 11:26:18AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**WEATHERIZATION POLICY ADV. COUNCIL**

Statutory Authorization: 10 CFR Section 440.17  
 Number of Members: 12  
 Committee Status: Ongoing  
 Date Created: 09/01/1972  
 Date to Be Abolished: N/A  
 Strategy (Strategies): 3-2-1      ENERGY ASSISTANCE PROGRAMS

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<b>Advisory Committee Costs</b>	<u><b>Expended 2001</b></u>	<u><b>Estimated 2002</b></u>	<u><b>Budgeted 2003</b></u>	<u><b>Requested 2004</b></u>	<u><b>Requested 2005</b></u>
Committee Members Direct Expenses					
Travel	\$0	\$0	\$1,600	\$3,200	\$1,600
Other Operating	0	0	0	0	0
Other Expenditures in Support of Committee Activities					
Personnel (No. of FTE)	0	0	0	0	0
Other Operating	0	0	0	0	0
<b>Total, Committee Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,600</b>	<b>\$3,200</b>	<b>\$1,600</b>
Method of Financing					
COMMUNITY AFFAIRS FED FD	\$0	\$0	\$1,600	\$3,200	\$1,600
<b>Total, Method of Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,600</b>	<b>\$3,200</b>	<b>\$1,600</b>
<b>Meetings Per Fiscal Year</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
Time: 11:26:19AM

Agency Code: **332** Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**WEATHERIZATION POLICY ADV. COUNCIL**

**Description and Justification for Continuation/Consequences of Abolishing**

10 CFR Section 440.17, Section 17 requires the establishment of a policy advisory council prior to the expenditure of US Department of Energy Cate  
the Texas Weatherization Policy Advisory Council would be a violation of funding requirements as set out in 10 CFR 440 and wc  
to the state. The TWPAC is comprised of 12 members representing consumer  
council holds 1-2 meetings per year. There were no travel expenses incurred :



**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
 78th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
 Time: 11:26:19AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**DISABILITY ADVISORY COMMITTEE**

Statutory Authorization: 2306.054, Texas Government Code  
 Number of Members: 5  
 Committee Status: New  
 Date Created: 11/14/2001  
 Date to Be Abolished: 09/01/2005  
 Strategy (Strategies): 1-1-1 HOUSING TRUST FUND  
                                   1-1-2 HOME PROGRAM  
                                   1-1-3 SECTION 8 RENTAL ASSISTANCE  
                                   1-1-4 FEDERAL TAX CREDITS  
                                   1-1-5 MRB PROGRAM - SINGLE FAMILY  
                                   1-1-6 MRB PROGRAM-MULTIFAMILY

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<b>Advisory Committee Costs</b>	<b>Expended 2001</b>	<b>Estimated 2002</b>	<b>Budgeted 2003</b>	<b>Requested 2004</b>	<b>Requested 2005</b>
Committee Members Direct Expenses					
Travel	\$0	\$0	\$0	\$10,000	\$10,000
Other Expenditures in Support of Committee Activities					
Staff	0	0	0	3,000	3,000
<b>Total, Committee Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$13,000</b>
Method of Financing					
APPROPRIATED RECEIPTS	\$0	\$0	\$0	\$13,000	\$13,000
<b>Total, Method of Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,000</b>	<b>\$13,000</b>
<b>Meetings Per Fiscal Year</b>	0	0	0	12	12

**VI.F. ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART A**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/26/2002  
Time: 11:26:19AM

Agency Code: **332**      Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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**DISABILITY ADVISORY COMMITTEE**

**Description and Justification for Continuation/Consequences of Abolishing**

The purpose of the advisory committee is to provide information and recommendations to the Board on the housing needs of people with disabilities.

**ADVISORY COMMITTEE SUPPORTING SCHEDULE ~ PART B**  
78th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: **9/26/2002**  
Time: **1:19:34PM**  
Page: **1 of 1**

Agency Code: **332** Agency: **DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

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ADVISORY COMMITTEES THAT SHOULD BE ABOLISHED/CONSOLIDATED

**CONSOLIDATED PLAN/CHAS COMMITTEE**

**Reasons for Abolishing**

The committee has become obsolete because of the regional allocation process.

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**MEMORANDUM**

TO: TDHCA Board of Directors

FROM: Edwina Carrington, Executive Director

DATE: October 3, 2002

RE: TDHCA Reorganization

Attached you will find the TDHCA Reorganization Sunset Commission Status Report which furnishes information on the progress of the reorganization.

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

Epc/dg

TDHCA Reorganization Sunset Commission Update  
September 27<sup>th</sup>, 2002

Process Redesign

- Approximately 180 major baseline processes have been mapped in 22 different sections in 11 divisions
- Approximately 150 major processes have been redesigned or created in 22 different sections in 10 divisions

Current		Proposed	
Division	Number of Processes	Division	Number of Processes
Communications	7	Governmental Affairs	5
Community Affairs	13	Community Affairs	23
Housing Finance	44	Single Family Finance Production	14
Housing Programs	24	Multifamily Finance Production	8
Multifamily Finance	5	TDHCA	6
Bond Finance	12	Bond Finance	12
Strategic Planning & HRC	18	Strategic Planning, Communications, and Housing Resources	22
Compliance	21	Portfolio Management and Compliance	26
OCI	11	OCI	9
Underwriting	2	Underwriting and Cost Certifications	3
CFO	24 (partially mapped)	Controller	24 (not redesigned)
Administration	Not Mapped	Administrative Support	Not Mapped
Information Systems	Not Mapped	Information Systems	Not Mapped
Internal Audit	Not Mapped	Internal Audit	Not Mapped
Executive	Not Mapped	Executive	Not Mapped
Total	181		152

FTEs & Staffing

- Significant director level staffing changes supportive of the new structure are in process
- FTE assignments are still incomplete. However, FTE savings will be difficult to identify and realize given the limited scope of the reorganization and staff reassignment to date
- Further FTE savings will be realized when the central database is complete. However, full implementation is still several years away

Organizational Improvements

- New TDHCA Community Building Process
- New Publications Clearinghouse Process
- New Early Intervention Process
- New Advanced Intervention Process

- Redesigned processes include horizontal communication and supervisory oversight
- Processes are cross-referenced

#### Implementation Issues

- Culture of the organization remains the biggest challenge to implementation
- Reorganization is behind schedule which will necessitate a redesign of the implementation phase of this project

# Proposed 2003 Regional Allocation Formula for the Low Income Housing Tax Credit Program *Draft for Public Comment*

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## *Introduction*

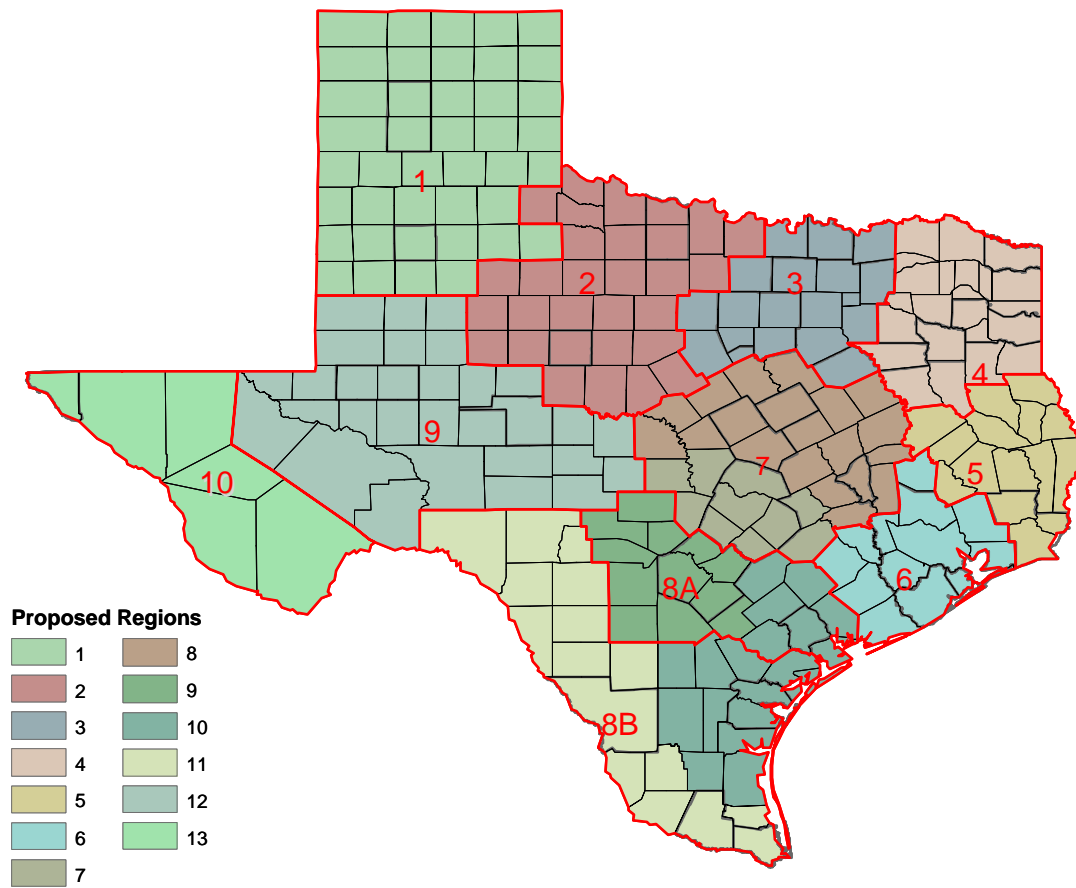
TDHCA is legislatively required to use formulas based on objective measures of affordable housing need to distribute its HOME, Housing Trust Fund (HTF), and Low Income Housing Tax Credit (LIHTC) program funding. These formulas are collectively referred to as the Regional Allocation Formula (RAF). The formula determines the level of funding available to applicants in each of the state planning regions (see *Figure 1. State Service Regions*).

Because of the very competitive nature of the LIHTC application process, the RAF significantly impacts developers' efforts to identify and pursue sites for 2003 applications. The draft LIHTC RAF is being released in conjunction with the *2003 LIHTC Draft Qualified Allocation Plan and Rules (QAP)* to provide developers with an opportunity to comment on the formula prior to its inclusion in the *Draft State Low Income Housing Plan (SLIHP)*. It is in the Draft SLIHP, that the Board will approve the formula's structure and resulting funding distribution. This item is being presented as a reporting item at this time so that Board members will have an opportunity to ask questions and to provide comment on this important formula prior to the November Board Meeting at which the Draft SLIHP will be presented.

As the RAF is included in the SLIHP, the general public will be able to comment on the formula at five public hearings held prior to the issuance of the Draft SLIHP. After the Draft SLIHP is released, six additional hearings will be held during the official public comment period. The RAF may also be discussed at public hearings that are being held to gather comment on the Draft QAP.

## ***Figure 1. State Service Regions***

*Note: Regions with red numbers and red borders are the 11 service regions previously used by TDHCA. The color coded regions represent the Comptroller Office's new 13 region configuration which TDHCA is proposing to use in 2003.*





## ***Background***

In 1999, the 76<sup>th</sup> Legislature enacted Senate Bill 1112. Part of this legislation required TDHCA to use a formula to regionally allocate HOME, Housing Trust Fund, and Low Income Housing Tax Credit Program funding. The resulting Regional Allocation Formula<sup>1</sup> provides an objective measure of each region's affordable housing need by which the associated funds are accordingly distributed. Because HOME and HTF Program funds can be used for single family and multifamily activities (and HOME has unique geographical eligibility requirements) as compared to LIHTC's dedicated multifamily rental use, other formulas will be developed for HOME and HTF.

For the 2001 and 2002 RAF, TDHCA used the Texas Comptroller of Public Accounts' Uniform State Service Regions for its planning purposes. In 2002, the Comptroller modified the county groupings to create 13 regions from the previous eleven. The Comptroller made this change to better identify unique characteristics of the border counties and to treat larger metropolitan areas as distinct regions. Because this change is consistent with TDHCA's efforts to allocate funds based on specific regional needs and demographic characteristics, the decision was made to adopt these new regions for the 2003 RAF. A county/region table is provided as **Appendix "A"- County/Region Table**.

The affordable housing need indicators (AHNIs) used in the 2002 RAF were<sup>2</sup>:

- **Severe housing cost burden on very low-income renters.** The percentage of Texas' unassisted renters with incomes below 50 percent of the area median income, who pay more than half of their income for housing costs;
- **Substandard and dilapidated housing stock occupied by very low-income renters and owners.** The percentage of Texas' households (renter and owner) with incomes below 50 percent of the area median income that live in severely substandard housing;
- **Renter and Owner Overcrowding.** The percentage of Texas' households (renter and owner) with incomes below 50 percent that live in overcrowded housing;
- **Poverty.** The percentage of Texas' population living in poverty as estimated by the Texas Department of Health and Human Services; and
- **Other Available Funding.** An adjustment factor that considers other available state and federal funds as required by SB 322 of the 77<sup>th</sup> Legislature. These funds are described in Appendix "B" - Other Available Funding.

Because the population size of the four AHNI factors varies significantly (i.e. poverty is measured in millions of persons and substandard housing in tens of thousands), each AHNI factor is weighted proportionately to its population size as compared to the other factors.

## **Revisions Proposed for the 2003 RAF**

TDHCA's suggested revisions to the 2003 RAF are:

- adopt the new 13 region state planning map as discussed above;
- with the exception of poverty, use only rental U.S. Census data indicators as LIHTC is a multifamily rental funding source;

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<sup>1</sup> Two formulas were developed because the HOME program predominantly funds areas that do not receive other HOME funds directly from HUD.

<sup>2</sup> Factors are based on 1990 Census Data. Relevant income, housing type, and housing condition data is not available from the 2000 Census at this time. It is not expected to be available from the U.S. Census Bureau until Spring 2003.

- modify the AHNI weights to more accurately reflect their respective population size.
- revise the method by which other available funding in the regions is considered. This change was made in response to public comment that the previous formula was overly complicated;
- remove funding associated with single family activities from the formula as the LIHTC program is a rental program; and
- include two other types of HUD funding, HOPWA and ESG, as their funded activities are similar in nature to transitional housing activities funded by the LIHTC program.

### **Step by Step Overview of the Proposed 2003 RAF**

The following steps are used calculate the RAF:

- 1) Regional AHNI percentages are calculated for each of the four AHNI by dividing each region's AHNI population by the corresponding State AHNI population.
- 2) The regional AHNI percentages are multiplied by the following weight factors: poverty = .50, extreme cost burden = .30, substandard housing = .05, and overcrowding = .15.
- 3) A regional allocation percentage for each region is generated by summing the weighted AHNI percentages. The resulting percentages will be referred to as the RAF<sub>unadj.</sub> (Fig. 2 Col. "B").
- 4) An "RAF<sub>unadj.</sub> Credit Distribution" (Fig. 2, Col. "C") is generated by multiplying the "RAF<sub>unadj.</sub> Percentages" (Fig. 2 Col. "C") by the "Total Estimated Award Amount."
- 5) An "Estimate of other Available Funds" and the corresponding "Percentage of Other Available Funds" in each region is developed (Fig. 2, columns "D" and "E").
- 6) The difference between the "RAF<sub>unadj.</sub> Percentage" (Fig. 2, column "B") and the "Percentage of Other Available Funding" (Fig. 2, Col. "E") is calculated. Negative percentages (Fig. 2, column "F") represent a theoretical "Over Allocated Regional Percentages."
- 7) The "Over Allocated Regional Percentages" are totaled. The resulting "Total Over Allocated Regional Percentage" is multiplied by the "Total Estimated Award Amount." This figure represents credit amount that will be redistributed in consideration of other available funding. This amount is referred to as the "Total Amount of Under Allocated Funds."
- 8) The "Total Amount of Under Allocated Funds" is multiplied by the "Relative Percentage of Under Allocated RAF<sub>UnAdj.</sub>" This percentage equals each under allocated region's "RAF<sub>unadj.</sub> Percentage" divided by the sum of the under allocated "RAF<sub>unadj.</sub> Percentages." The resulting figure represents the percentage of credits the region will receive for not receiving an over allocation of other available funds.
- 9) The difference between the "Total Estimated Award" and the "Total Amount of Under Allocated Funds" is then multiplied by the RAF<sub>unadj.</sub> percentages (Fig. 2, Col "B"). This calculation is referred to as the "Remaining Credit Pool Distribution"
- 10) The combined "Other Available Funding Credit Adjustment" (Fig. 2, Col. "H") and the "Remaining Credit Pool Adjustment" (Fig. 2, Col. "I") are summed to calculate each region's "Funding Adjusted RAF Credit Award" (Fig. 2, Col. "J").

### **The Proposed 2003 RAF**

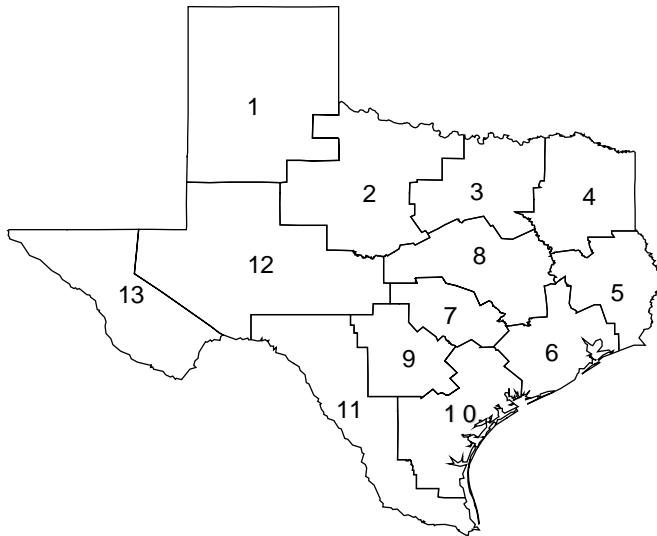
The proposed funding distribution is shown in *Figure 2. Proposed 2003 LIHTC RAF Funding Distribution.*

**Figure 2. Proposed 2003 LIHTC RAF Funding Distribution**

	Total Estimated Award Amount	Total Over Allocated Percentage	Total Amount of Under Allocated Funds	Total Est. Award less Total Amount of Under Allocated Funds
Est. Award:	\$ 38,000,000	-36.06%	\$ (13,701,898)	\$ 24,298,102

A	B	C	D	E	F	G	H	I	J	K	L	M	
		(B x Total Est. Award)			(D/Total D)	(B - E) < 0			(G x Total Amount of Under Allocated Funds) x -1	B x (Total Est. Award - Total Amount of Under Allocated Funds)	(H + I)	(J/Total J)	
1	RAF UnAdj.%	RAF UnAdj. Credit Distribution	Estimate of other Avail. Funds	% of Other Aval. Funds	Over Allocated Regional Percentages	Relative Percentage of Under Allocated RAF Other UnAdj.	Available Funding Credit Adjustment	Remaining Credit Pool Distribution	Funding Adj. RAF Credits	Funding Adjusted RAF %	Difference b/w RAF UnAdj. and Funding Adj. RAF	%Difference b/w RAF UnAdj. and Funding Adj. RAF	
1	3.91%	\$ 1,487,085	\$ 6,854,389	1.16%		7.48%	\$ 1,025,041	\$ 950,877	\$ 1,975,918	5.20%	\$ 488,834	1.29%	
2	2.33%	\$ 884,549	\$ 4,570,407	0.78%		4.45%	\$ 609,716	\$ 565,602	\$ 1,175,318	3.09%	\$ 290,769	0.77%	
3	20.39%	\$ 7,748,738	\$ 194,869,802	33.07%	-12.68%			\$ 4,954,727	\$ 4,954,727	13.04%	\$ (2,794,011)	-7.35%	
4	4.36%	\$ 1,655,529	\$ 6,563,733	1.11%		8.33%	\$ 1,141,149	\$ 1,058,584	\$ 2,199,733	5.79%	\$ 544,205	1.43%	
5	3.54%	\$ 1,344,259	\$ 3,776,869	0.64%		6.76%	\$ 926,592	\$ 859,551	\$ 1,786,144	4.70%	\$ 441,884	1.16%	
6	21.47%	\$ 8,156,705	\$ 198,793,381	33.73%	-12.27%			\$ 5,215,591	\$ 5,215,591	13.73%	\$ (2,941,114)	-7.74%	
7	5.83%	\$ 2,216,449	\$ 99,841,775	16.94%	-11.11%			\$ 1,417,250	\$ 1,417,250	3.73%	\$ (799,199)	-2.10%	
8	4.91%	\$ 1,867,317	\$ 8,368,226	1.42%		9.39%	\$ 1,287,134	\$ 1,194,007	\$ 2,481,141	6.53%	\$ 613,824	1.62%	
9	9.56%	\$ 3,634,444	\$ 42,337,209	7.18%		18.28%	\$ 2,505,207	\$ 2,323,950	\$ 4,829,157	12.71%	\$ 1,194,713	3.14%	
10	4.32%	\$ 1,641,715	\$ 4,551,313	0.77%		8.26%	\$ 1,131,627	\$ 1,049,751	\$ 2,181,379	5.74%	\$ 539,664	1.42%	
11	11.35%	\$ 4,312,955	\$ 11,149,384	1.89%		21.70%	\$ 2,972,902	\$ 2,757,806	\$ 5,730,708	15.08%	\$ 1,417,753	3.73%	
12	2.61%	\$ 992,333	\$ 2,368,735	0.40%		4.99%	\$ 684,011	\$ 634,521	\$ 1,318,532	3.47%	\$ 326,199	0.86%	
13	5.42%	\$ 2,057,922	\$ 5,236,826	0.89%		10.35%	\$ 1,418,517	\$ 1,315,884	\$ 2,734,402	7.20%	\$ 676,479	1.78%	
	100.00%	\$ 38,000,000	\$ 589,282,049	100.00%	-36.06%	100.00%	\$ 13,701,898	\$ 24,298,102	\$ 38,000,000	100.00%	\$ 0	0.00%	

52% Total of Under Allocated RAF UnAdj.s for calculating relative percentage.



**Appendix "A" - County/Region Table**

County Name	Previous Region Number	2003 Region #	County Name	Previous Region Number	2003 Region #	County Name	Previous Region Number	2003 Region #
ANDERSON	4	4	COKE	9	12	FREESTONE	7	8
ANDREWS	9	12	COLEMAN	2	2	FRIO	8	9
ANGELINA	5	5	COLLIN	3	3	GAINES	9	12
ARANSAS	8	10	COLLINGSWORTH	1	1	GALVESTON	6	6
ARCHER	2	2	COLORADO	6	6	GARZA	1	1
ARMSTRONG	1	1	COMAL	8	9	GILLESPIE	8	9
ATASCOSA	8	9	COMANCHE	2	2	GLASSCOCK	9	12
AUSTIN	6	6	CONCHO	9	12	GOLIAD	8	10
BAILEY	1	1	COOKE	3	3	GONZALES	8	10
BANDERA	8	9	CORYELL	7	8	GRAY	1	1
BASTROP	7	7	COTTE	2	2	GRAYSON	3	3
BAYLOR	2	2	CRANE	9	12	GREGG	4	4
BEE	8	10	CROCKETT	9	12	GRIMES	7	8
BELL	7	8	CROSBY	1	1	GUADALUPE	8	9
BEXAR	8	9	CULBERSON	10	13	HALE	1	1
BLANCO	7	7	DALLAM	1	1	HALL	1	1
BORDEN	9	12	DALLAS	3	3	HAMILTON	7	8
BOSQUE	7	8	DAWSON	9	12	HANSFORD	1	1
BOWIE	4	4	DEAF SMITH	1	1	HARDEMAN	2	2
BRAZORIA	6	6	DELTA	4	4	HARDIN	5	5
BRAZOS	7	8	DENTON	3	3	HARRIS	6	6
BREWSTER	10	13	DEWITT	8	10	HARRISON	4	4
BRISCOE	1	1	DICKENS	1	1	HARTLEY	1	1
BROOKS	8	10	DIMITT	8	11	HASKELL	2	2
BROWN	2	2	DONLEY	1	1	HAYS	7	7
BURLESON	7	8	DUVAL	8	10	HEMPHILL	1	1
BURNET	7	7	EASTLAND	2	2	HENDERSON	4	4
CALDWELL	7	7	ECTOR	9	12	HIDALGO	8	11
CALHOUN	8	10	EDWARDS	8	11	HILL	7	8
CALLAHAN	2	2	EL PASO	10	13	HOCKLEY	1	1
CAMERON	8	11	ELLIS	3	3	HOOD	3	3
CAMP	4	4	ERATH	3	3	HOPKINS	4	4
CARSON	1	1	FALLS	7	8	HOUSTON	5	5
CASS	4	4	FANNIN	3	3	HOWARD	9	12
CASTRO	1	1	FAYETTE	7	7	HUDSPETH	10	13
CHAMBERS	6	6	FISHER	2	2	HUNT	3	3
CHEROKEE	4	4	FLOYD	1	1	HUTCHINSON	1	1
CHILDRESS	1	1	FOARD	2	2	IRION	9	12
CLAY	2	2	FORT BEND	6	6	JACK	2	2
COCHRAN	1	1	FRANKLIN	4	4	JACKSON	8	10

County Name	Previous Region Number	2003 Region #	County Name	Previous Region Number	2003 Region #	County Name	Previous Region Number	2003 Region #
JASPER	5	5	MCMULLEN	8	10	SAN AUGUSTINE	5	5
JEFF DAVIS	10	13	MEDINA	8	9	SAN JACINTO	5	5
JEFFERSON	5	5	MENARD	9	12	SAN PATRICIO	8	10
JIM HOGG	8	11	MIDLAND	9	12	SAN SABA	7	8
JIM WELLS	8	10	MILAM	7	8	SCHLEICHER	9	12
JOHNSON	3	3	MILLS	7	8	SCURRY	2	2
JONES	2	2	MITCHELL	2	2	SHACKELFORD	2	2
KARNES	8	9	MONTAGUE	2	2	SHELBY	5	5
KAUFMAN	3	3	MONTGOMERY	6	6	SHERMAN	1	1
KENDALL	8	9	MOORE	1	1	SMITH	4	4
KENEDY	8	10	MORRIS	4	4	SOMERVELL	3	3
KENT	2	2	MOTLEY	1	1	STARR	8	11
KERR	8	9	NACOGDOCHES	5	5	STEPHENS	2	2
KIMBLE	9	12	NAVARRO	3	3	STERLING	9	12
KING	1	1	NEWTON	5	5	STONEWALL	2	2
KINNEY	8	11	NOLAN	2	2	SUTTON	9	12
KLEBERG	8	10	NUECES	8	10	SWISHER	1	1
KNOX	2	2	OCHILTREE	1	1	TARRANT	3	3
LA SALLE	8	11	OLDHAM	1	1	TAYLOR	2	2
LAMAR	4	4	ORANGE	5	5	TERRELL	9	12
LAMB	1	1	PALO PINTO	3	3	TERRY	1	1
LAMPASAS	7	8	PANOLA	4	4	THROCKMORTON	2	2
LAVACA	8	10	PARKER	3	3	TITUS	4	4
LEE	7	7	PARMER	1	1	TOM GREEN	9	12
LEON	7	8	PECOS	9	12	TRAVIS	7	7
LIBERTY	6	6	POLK	5	5	TRINITY	5	5
LIMESTONE	7	8	POTTER	1	1	TYLER	5	5
LIPSCOMB	1	1	PRESIDIO	10	13	UPSHUR	4	4
LIVE OAK	8	10	RAINS	4	4	UPTON	9	12
LLANO	7	7	RANDALL	1	1	UVALDE	8	11
LOVING	9	12	REAGAN	9	12	VAL VERDE	8	11
LUBBOCK	1	1	REAL	8	11	VAN ZANDT	4	4
LYNN	1	1	RED RIVER	4	4	VICTORIA	8	10
MADISON	7	8	REEVES	9	12	WALKER	6	6
MARION	4	4	REFUGIO	8	10	WALLER	6	6
MARTIN	9	12	ROBERTS	1	1	WARD	9	12
MASON	9	12	ROBERTSON	7	8	WASHINGTON	7	8
MATAGORDA	6	6	ROCKWALL	3	3	WEBB	8	11
MAVERICK	8	11	RUNNELS	2	2	WHARTON	6	6
MCCULLOCH	9	12	RUSK	4	4	WHEELER	1	1
MCLENNAN	7	8	SABINE	5	5	WICHITA	2	2

County Name	Previous Region Number	2003 Region #
WILBARGER	2	2
WILLACY	8	11
WILLIAMSON	7	7
WILSON	8	9
WINKLER	9	12
WISE	3	3
WOOD	4	4
YOAKUM	1	1
YOUNG	2	2
ZAPATA	8	11
ZAVALA	8	11

**Appendix "B" - Other Available Funding** (Note: Data from USDA and TDHCA Sec. 8 is from 2001. This information will be updated to reflect 2002 activity prior to inclusion in the 2003 State Low Income Housing Plan. It is not expected that this revision will

Src. Reg.	Program	Funding Amount			
			7	BOND - BRB	\$66,724,375.00
			7	ESG	\$290,000.00
1	ESG	\$195,000.00	7	HOME	\$3,501,000.00
1	HOME	\$2,312,000.00	7	HOPWA	\$948,000.00
1	USDA MF	\$2,316,000.00	7	LIHTC - 4%	\$27,259,855.00
1	USDA TBRA	\$2,031,389.00	7	Sec. 8 (TDHCA)	\$418,428.00
<b>1 Total</b>		\$6,854,389.00	7	USDA TBRA	\$700,117.00
2	HOME	\$1,212,000.00	<b>7 Total</b>		\$99,841,775.00
2	Sec. 8 (TDHCA)	\$232,680.00	8	ESG	\$77,000.00
2	USDA MF	\$663,104.00	8	HOME	\$3,080,000.00
2	USDA TBRA	\$2,462,623.00	8	Sec. 8 (TDHCA)	\$652,656.00
<b>2 Total</b>		\$4,570,407.00	8	USDA TBRA	\$4,558,570.00
3	BOND - BRB	\$114,382,128.00	<b>8 Total</b>		\$8,368,226.00
3	ESG	\$1,329,000.00	9	BOND - BRB	\$22,785,900.00
3	HOME	\$16,315,000.00	9	ESG	\$715,000.00
3	HOPWA	\$3,820,000.00	9	HOME	\$8,454,000.00
3	LIHTC - 4%	\$51,152,262.00	9	HOPWA	\$965,000.00
3	Sec. 8 (TDHCA)	\$1,887,984.00	9	LIHTC - 4%	\$8,144,354.00
3	USDA MF	\$718,000.00	9	Sec. 8 (TDHCA)	\$414,288.00
3	USDA TBRA	\$5,265,428.00	9	USDA TBRA	\$858,667.00
<b>3 Total</b>		\$194,869,802.00	<b>9 Total</b>		\$42,337,209.00
4	HOME	\$1,080,000.00	10	ESG	\$173,000.00
4	USDA MF	\$1,955,343.00	10	HOME	\$1,985,000.00
4	USDA TBRA	\$3,528,390.00	10	Sec. 8 (TDHCA)	\$228,108.00
<b>4 Total</b>		\$6,563,733.00	10	USDA TBRA	\$2,165,205.00
5	ESG	\$83,000.00	<b>10 Total</b>		\$4,551,313.00
5	HOME	\$1,488,000.00	11	ESG	\$703,000.00
5	USDA TBRA	\$2,205,869.00	11	HOME	\$6,115,000.00
<b>5 Total</b>		\$3,776,869.00	11	Sec. 8 (TDHCA)	\$72,516.00
6	BOND - BRB	\$113,193,000.00	11	USDA MF	\$1,835,400.00
6	ESG	\$1,709,000.00	11	USDA TBRA	\$2,423,468.00
6	HOME	\$20,097,000.00	<b>11 Total</b>		\$11,149,384.00
6	HOPWA	\$4,653,000.00	12	HOME	\$1,026,000.00
6	LIHTC - 4%	\$45,684,778.00	12	Sec. 8 (TDHCA)	\$77,736.00
6	Sec. 8 (TDHCA)	\$5,471,580.00	12	USDA TBRA	\$1,264,999.00
6	USDA MF	\$5,310,022.00	<b>12 Total</b>		\$2,368,735.00
6	USDA TBRA	\$2,675,001.00	13	ESG	\$435,000.00
<b>6 Total</b>		\$198,793,381.00	13	HOME	\$4,727,000.00
			13	USDA TBRA	\$74,826.00
			<b>13 Total</b>		\$5,236,826.00
			<b>Grand Total</b>		\$589,282,049.00



# Proposed 2003 Affordable Housing Need Score for the Low Income Housing Tax Credit (LIHTC) Program Draft for Public Comment

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## Introduction

In addition to other scoring criteria, each LIHTC application will receive an affordable housing need score (AHNS) that serves as an estimate of the need for affordable rental housing in the development county. Because of the very competitive nature of the LIHTC application process, the AHNS significantly impacts developers' efforts to identify and pursue sites for 2003 applications. The draft LIHTC AHNS is being released in conjunction with the *2003 LIHTC Draft Qualified Allocation Plan and Rules (QAP)* to provide developers with an opportunity to comment on the AHNS methodology prior to its inclusion in the *Draft State Low Income Housing Plan (SLIHP)*. It is in the Draft SLIHP, that the Board will approve the methodology's structure and resulting geographical scores. This item is being presented as a reporting item at this time so that Board members will have an opportunity to ask questions and to provide comment on this important scoring component prior to the November Board Meeting at which the Draft SLIHP will be presented.

As the AHNS is included in the SLIHP, the general public will be able to comment on the formula at five public hearings held prior to the issuance of the Draft SLIHP. After the Draft SLIHP is released, six additional hearings will be held during the official public comment period. The AHNS may also be discussed at public hearings that are being held to gather comment on the Draft QAP.

## AHNS Description

This section describes the Proposed 2003 Affordable Housing Need Score (AHNS) that will be used as a part of the Low Income Housing Tax Credit Program scoring criteria. This objective assessment of need uses U.S. Census data (1990)<sup>1</sup>, a poverty estimate by the Texas Department of Health and Human Services (2000), and responses to the TDHCA *2001 Community Needs Survey (CNS)*. These factors are referred to as affordable housing need indicators (AHNI).

The AHNIs and associated indicator weighting are identical to those used in the proposed *2003 Regional Allocation Formula (RAF)*: persons living in poverty, substandard and dilapidated housing stock occupied by very low income renters, severe cost burden on very low income renters, and overcrowded housing occupied by very low income renters.<sup>2</sup> Because the size of the four AHNI populations varies drastically, the following weights are assigned to the AHNI percentages: poverty = 50 percent, extreme cost burden = 30 percent, substandard housing = 5 percent and overcrowding = 15 percent. The AHNS also considers other TDHCA rental development funding awarded during the last two program funding cycles.

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<sup>1</sup> Relevant income, housing type, and housing condition data is not available from the 2000 Census at this time. It is not expected to be available from the U.S. Census Bureau until Spring 2003.

<sup>2</sup> It should be noted that the availability of other sources of state and federal funding is not considered in the AHNS even though it is part of the RAF. This was done because some funding sources are allocated regionally or by a lottery system which makes it impossible to determine which part of the region will receive the funds in the coming year.

Applications will receive an AHNS that is based on the following factors:

**RAF Factor:** This portion of the score is based on the percentage of the region's four AHNI populations that resides in each of the region's counties.

After each county's four AHNI population are divided by the corresponding regional AHNI population, the resulting AHNI percentages are weighted and summed to produce an "RAF Factor." Points are then assigned to this "RAF Factor" based on a sliding point scale that represents two thirds of the total AHNS score.

**Percentage of County Population Factor:** This portion of the score reflects the size of the county's four AHNI populations as compared to the county's total population.

After each county's four AHNI populations are divided by the total county population<sup>3</sup>, the resulting AHNI percentages are weighted and then summed to produce a "Percentage of County Population Factor." Points are then assigned to the "Percentage of County Population Factor" based on a sliding point scale that represents seventeen percent of the total AHNS score. This point scale is based on the difference between the county percentage and the average regional percentage.

**CNS Factor:** This portion of the score reflects the responses of city and county officials to rental housing activity questions in the 2001 Community Need Survey.

The county average of responses to survey questions relating to rental housing activities is multiplied by an adjustment factor that returns a maximum possible score that equals 17 percent of the total AHNS. For counties where no surveys were returned, the region's average score was utilized to provide these points.

**Other TDHCA Rental Development Funding:** A five point scoring deduction is made for applications in cities where an award of other TDHCA rental development funding (LIHTC, HOME, and HTF) was made in the previous two funding cycles.

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<sup>3</sup> For renter AHNIs, total renter population is used. For the poverty AHNI, total population is used.

**REPORT ITEMS**

Executive Directors Report

Edwina Carrington

- Regional Allocation Formula
- Affordable Housing Needs Score
- TDHCA Reorganization
- PHA Advisory Group

**EXECUTIVE SESSION**

Michael Jones

- Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) – (1) *Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs et al.* Cause No. GN-202219, in the District Court of Travis County, Texas, 53<sup>rd</sup> Judicial District; (2) Sheltering Arms, Community Affairs Program Recipient; (3) Costa Verde, Ltd., Low Income Housing Tax Credit Application No. 02-041
  - Consultation with Attorney Pursuant to Sec. 551.071(2), Texas Government Code on “501c(3) Multifamily Housing Mortgage Bonds (Williams Run Apartments) Series 2000A
  - Personnel Matters – Discussion of Performance Evaluation for Executive Director Under Sec. 551.074, Texas Government Code
- The Board may discuss any item listed on this agenda in Executive Session

**OPEN SESSION**

Michael Jones

- Action in Open Session on Items Discussed in Executive Session

**ADJOURN**

Michael Jones  
Chair of Board

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