BOARD MEETING OF MAY 26, 2005 Beth Anderson, Chair C. Kent Conine, Vice-Chair



Patrick R. Gordon, Member Vidal Gonzalez, Member Shadrick Bogany, Member Norberto Salinas, Member

MISSION

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

To Help Texans Achieve An Improved Quality of Life Through The Development of Better Communities

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BOARD MEETING

MAY 26, 2005

ROLL CALL

	Present	Absent
Anderson, Beth, Chair		
Conine, C. Kent, Vice-Chair		
Bogany, Shadrick, Member		
Gonzalez, Vidal, Member		
Gordon, Patrick, Member		
Salinas, Norberto, Member		
Number Present		
Number Absent		
, Pro	esiding Officer	

BOARD MEETING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS 507 Sabine, Room 437 - Boardroom, Austin, Texas 78701 8:30 a.m.

Thursday, May 26, 2005

AGENDA

CALL TO ORDER, ROLL CALL CERTIFICATION OF QUORUM

Elizabeth Anderson 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 the 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:

ACTION ITEMS

Item 1 Presentation, Discussion and Possible Approval of Minutes of Board Meeting of Elizabeth Anderson April 7, 2005

Item 2 Statement of Use of the Alternative Dispute Resolution (ADR) for the 2005 Elizabeth Anderson Housing Tax Credit Application Cycle

Item 3 Presentation, Discussion and Possible Approval of Housing Tax Credit Items:

Elizabeth Anderson

Proposed Housing Tax Credit Amendments for:

02457 The Park at Kirkstall, Spring, Texas

02420 The Park at Shiloh, Tyler, Texas

02007 Portside Villas Apartments, Ingleside, Texas

04260 Towne Park Fredericksburg II, Fredericksburg, Texas

04024 South Union Place Apartments, Houston, Texas

04085 Redwood Heights, Houston, Texas

02475 Providence on the Park, Dallas, Texas

02149 Madison Point, Dallas, Texas

03009 Forest Park Apartments, Bryan, Texas

04058 Spring Oaks Apartments, Balch Springs, Texas

04030 Park Estates, Nacogdoches, Texas

04047 Stratton Oaks Apartments, Seguin, Texas

04066 Pineywoods Community Development, Orange, Texas

02099 Sunrise Village Apartments, Houston, Texas

b) Housing Tax Credit Extensions for Commencement of Substantial Construction for:

03182 The Manor at Jersey Village, Jersey Village, Texas

c) Requests for Housing Tax Credit Extensions for Construction Loan Closings for:

TDHCA#	<u>Name</u>	Location
04001	Diana Palms	El Paso
04196	Americas Palms	El Paso
04197	Horizon Palms	El Paso
04005	Palacio Del Sol	San Antonio
04024	South Union Place	Houston
04047	Stratton Oaks	Seguin
04052	Chisholm Trail Senior Village	Belton

04057	Stone Hollow Apts.	Lubbock
04058	Spring Oaks	Balch Springs
04079	Baybrook Park Retirement	Webster
04082	Fenner Square	Goliad
04088	South Plains	Lubbock
04100	O.W. Collins	Port Arthur
04109	Frazier Fellowship	Dallas
04145	Village at Meadowbend 11	Temple
04146	Casa Saldana	Mercedes
04149	Seton Home Ctr./Teen Moms	San Antonio
04151	Renaissance Courts	Denton
04157	Samaritan House	Forth Worth
04160	Village on Hobbs Road	League City
04167	Oxford Place	Houston
04191	Providence at Boca Chica	Brownsville
04193	Providence at Edinburg	Edinburg
04222	Primrose at Highland	Dallas
04224	Commons of Grace	Houston
04255	Freeport Oaks	Freeport
04260	TownePark Fredericksburg 11	Fredericksburg
04268	Lansbourough Apartments	Houston
04279	Golden Manor Apartments	Bay City
04283	Shady Oaks Apartments	Prairie View
04284	Katy Manor Apartments	Katy
04285	Ole Town Apartments	Jefferson
04290	LULAC Village Park	Corpus Christi

- d) Requests for Additional Four Percent (4%) Housing Tax Credits for Tax-Exempt Bond Transactions Previously Issued a Determination Notice for:
 - 1) Silver Leaf Apartments (fka Newport Apartments), Houston, in the Requested Additional Amount of \$53,517; Recommended Additional Amount of \$41,159
 - 2) Santa Marie Village Apartments, Austin, in the Requested Additional Amount of \$56,033; Recommended Additional Amount of \$30,624
 - 3) Robinson Garden Apartments, Waco, in the Requested Additional Amount of \$24,603; Recommended Additional Amount of \$24,603
- e) Action on Appeals for the 2005 Housing Tax Credit Program Application Cycle for:
 - 05032 Pineywoods Orange Development
 - 05033 Waterford Parkplace
 - 05054 Residences at Eastland
 - 05077 Sphinx at Alsbury Villas
 - 05079 Rio Hondo Village
 - 05082 Sphinx at Luxar
 - 05091 Los Milagros Apartments
 - 05095 Sphinx At Reese Court
 - 05104 Landing at Moses Lake
 - 05105 Zion Village Senior Transitional Housing
 - 05117 Key West Village Phase 11

- 05118 Vista Verde I & II Apartments
- 05119 Las Palmas Garden Apartments
- 05130 Southpark Apartments
- 05140 El Paraiso
- 05198 Olive Grove Manor
- 05200 Hawthorne Manor
- 05203 Aspen Meadows
- 05212 Reed Road Senior Residential
- 05225 Normangee Apartments
- 05226 Lytle Apartments
- 05227 West Retirement
- 05228 City Oaks Apartments
- 05229 Centerville Plaza
- 05230 Coolidge Apartments
- 05231 Kerrville Housing
- 05232 Cibolo Apartments
- 05250 Churchill at Cedars

Consistent with §49.17(b)(4)(B) And Any Other Appeals Timely Filed

Item 4 Presentation, Discussion and Possible Approval of Multifamily Bond Program:

Vidal Gonzalez

- a) Inducement Resolution Declaring Intent to Issue Multifamily
 Housing Mortgage Revenue Bonds for Developments 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 2005 (2005 Waiting List)
 - 2005-037 Canal Place Apartments, Houston, Texas 2005-038 Providence Place 11, Denton, Texas
- b) Proposed Issuance of Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits with TDHCA as the Issuer For:

Lafayette Village Apartments, Houston, Texas, in an Amount Not to Exceed \$15,000,000 and Issuance of a Determination Notice (Requested Amount of \$763,719 and Recommended Amount of \$763,719)

- Issuance of Determination Notices on Tax Exempt Bond Transactions with Other Issuers:
 - 05415 Langwick Seniors Apartments, Houston, Texas Houston Housing Finance Corp. is Issuer (Requested Amount of \$873,610 and Recommended Amount of \$873,610)
 - 05401 The Homes of Mountain Creek, Dallas, Texas Dallas Housing Finance Corp. is Issuer (Requested Amount of \$747,872 and Recommended Amount of \$729,317)
 - 05404 Sea Breeze Senior Apartments, Corpus Christi, Texas Sea Breeze, A Public Facility Corp. is the Issuer (Requested Amount of \$594,673 and Recommended Amount of \$585,999)

- 05402 Desert Pines, El Paso, Texas El Paso Housing Finance Corp. is the Issuer (Requested Amount of \$270,871 and Recommended Amount of \$267,983)
- d) Approval of Draft Rule for the Procedures for Handling Qualified Contracts under the Housing Tax Credit Program (Chapter 1, Subchapter A, §1.9)
- e) Approval of Proposed New Title 10, Part 1, Chapter 33 Multifamily Housing Revenue Bond Rules

Item 5 Presentation, Discussion and Possible Approval of Programmatic Items:

C. Kent Conine

- Approval of Section 8 Program Public Housing Authority Plan -Five Year Plan and FY 2005 Plan
- b) Approval of Program Design for the Colonia Model Sub Division Program
- Approval of Further Review and Study of Increasing Area Median
 Family Income (AMFI) for the First Time Home Buyer Program from
 80% to 115% AMFI for Borrowers Obtaining Assisted Mortgage Loans
- Forgiveness of Housing Trust Fund Predevelopment Loan for: Accessible Communities, Inc., Corpus Christi, Texas (Requested Amount of \$32,287 and Recommended Amount of \$22,207)
- e) Approval of Award of Predevelopment Loan Funds from the Housing Trust Fund for:
 - United Cerebral Palsy of Texas , Austin, Texas In the Amount of \$17,700
 - 2) United Cerebral Palsy of Texas, El Paso, Texas In the Amount of \$40,500
 - 3) Denton Affordable Housing, Denton, Texas In the Amount of \$100,000
- f) Approval of Waiver of the 2004 HOME Rule Limiting Awards
 To \$1,500,000 And Award of HOME CHDO Rental Development
 Funds for Star Village Apartments, San Benito, Cameron County, Texas
 in an Amount not to Exceed \$1,675,000 and \$88,000 in CHDO
 Operating Expenses
- g) Approval of Single Family HOME Program Disaster Relief Awards from HOME Program Deobligated Funds for:

App. No.	<u>Name</u>	<u>Region</u>	<u>Program</u>	<u>Admin</u>
			<u>Amount</u>	<u>Amount</u>
2004-0284	Haskell County	2	\$500,000	\$20,000
2004-0285	Pleasant Valley	2	\$500,000	\$20,000
2004-0286	San Saba Count	y 8	\$500,000	\$20,000
2004-0287	Iowa Park	2	\$500,000	\$20,000
2004-0288	City of Seymour	2	\$500,000	\$20,000

h) Approval of CHDO Contract Restructuring Proposals:
Midland CDC, Midland, Texas, to Increase Contract #1000192 for Project
Funds in the Amount of \$243,000 and Contract #1000208 for Operating
Expenses in the Amount of \$12,150

Denton Affordable Housing Corporation, Denton, Texas, to Increase Contract #1000190 for Project Funds in the Amount of \$694,000 and Contract #1000206 for Operating Expenses in the Amount of \$34,700.

Futuro Communities, Inc., Uvalde, Texas to Increase Contract #542057 for Project Funds in the Amount of \$208,000 and Award Funds for Operating Expenses in the Amount of \$16,000. (Original Award Did Not Include Operating Funds)

Grayson County CDC, Sherman, Texas to Reduce Number of Units Served from 45 to 27 to Allow for Contract Funds to be Used in the Development of the Project in Accordance with HOME Program CHDO Requirements.

Item 6 Presentation, Discussion and Possible Approval of Report of Financial Items:

Vidal Gonzalez

- a) Second Quarter Investment Report
- b) Approval of Investment Banking Firms Recommended for Co-Senior Manager Roles in Conjunction with the Sale of Single Family Mortgage Revenue Bonds
- c) Approval of Request for Qualifications (RFQ) for GIC Brokers
- d) Approval of Request for Qualifications (RFQ) for Swap Monitoring Services
- e) Request to the Bond Review Board for Single Family 2005 Private Activity Allocation Reservation

EXECUTIVE SESSION

Elizabeth Anderson

- A. The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- B. The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee of TDHCA.
- C. Consultation with Attorney Pursuant to §551.071, Texas Government Code:
 - 1. With Respect to Anonymous Complaint Concerning Southwest Housing Development Company
 - 2. With Respect to pending or contemplated litigation involving Tax Credits to Cedar Oaks Development, El Paso, Texas
 - 3. With Respect to pending or contemplated litigation styled *Hyperion, et Al v. TDHCA*, filed in Travis County District Courts
 - 4. Other pending or contemplated litigation, settlement offers or matters under Texas Government Code §551.071(2) unknown at the time of posting

OPEN SESSION Elizabeth Anderson

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Directors Report

- 1. Department Outreach Activities Meetings, Trainings, Conferences, Workshops for April, 2005
- Update on Legislation Impacting TDHCA SB 1341 was favorably voted out of Senate Government Organization Committee
- 3. Cedar Oak Townhomes, El Paso, Texas
- 4. Report on Transfer of Brazoria County Vouchers
- 5. Single Family First Time Homebuyer Marketing Update
- 6. Progress of Agency Moving Plans
- 7. Gold Safety Award from SORM
- 8. HDR Article on "Agency's Decision Not To Provide Bond Financing for Development Didn't Violate Fair Housing Act"

ADJOURN Elizabeth Anderson

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact 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 sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Delores Groneck, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

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

EXECUTIVE OFFICE

BOARD ACTION REQUEST MAY 26, 2005

Action Item

Board Minutes of April 7, 2005.

Required Action

Review of the minutes of the Board Meetings and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings. Staff recommends approval of the minutes.

Recommendation

Approve the minutes with any requested corrections.

BOARD MEETING TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS 507 Sabine, Room 437, Austin, Texas 78701

April 7, 2005 11:30 a. 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 April 7, 2005 was called to order by the Chair of the Board Elizabeth Anderson at 11:58 p.m. It was held at the Texas Department of Housing and Community Affairs Boardroom, 507 Sabine, Austin, Texas. Vidal Gonzalez was absent. Roll call certified a guorum was present.

Members present:

Elizabeth Anderson – Chair C. Kent Conine -- Vice Chair Shadrick Bogany – Member Patrick Gordon – 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 department staff and motions made by the Board.

Ms. Anderson called for public comment and the following either gave comments at this time or preferred to wait until the agenda item was presented.

Ann Denton, Disability Advisory Committee, Austin, Texas

Ms. Denton stated the department's integrated housing rule was adopted in response to a number of civil actions, primarily the Americans With Disabilities Act. In 1999, the US Supreme Court reviewed a case and delivered a ruling that said the unnecessary institutionalization of persons with disabilities is a violation of the ADA. One of the provisions was called the integration regulation and requires a public entity to administer services, programs and activities in the most integrated setting appropriate to meet the qualified individuals with disabilities. In December 2003 this Board adopted the Integrated Housing Rule and she thanked the Board for this action.

Vaughan Mitchell, Arlington, Texas

Mr. Mitchell was available to answer any questions that the Board might have.

ACTION ITEMS

(1) Presentation, Discussion and Possible Approval of Minutes of Board Meeting of March 10, 2005

Motion made by C. Kent Conine and seconded by Shad Bogany to approve the minutes of the Board Meeting of March 10, 2005.

Passed Unanimously

(2) Discussion of Alternative Dispute Resolution and Appeals Process for the 2005 Housing Tax Credit Application Cycle

This item was not discussed.

(3) Presentation, Discussion and Possible Approval of Housing Tax Credit Items:

a) Proposed Housing Tax Credit Amendments for:

01011 Oak Timbers - White Settlement, White Settlement, Texas

Ms. Carrington stated this was a 2001 tax credit allocation and they are requesting to change the bedroom mix and the unit mix and amending the requirement for the applicable faction to be no greater than 60% which has already been approved. There will be more low-income units and fewer market rate units in this transaction. The modification would not negatively impact the development and staff is recommending that this amendment be approved.

George F. Littlejohn, CPA, Austin, Texas

Mr. Littlejohn stated he was in attendance only to answer any questions the Board might have on this project.

Motion made by C. Kent Conine and seconded by Shad Bogany to approve the amendments for 01011 Oak Timbers-White Settlement in White Settlement, Texas. Passed Unanimously

02007 Portside Villas Apartments, Ingleside, Texas

Ms. Carrington stated this project in Ingleside is requesting a decrease in the number of twobedroom units by two units and increasing the number of one-bedroom units by two units. This project received an allocation of \$563,846 in 2002 and staff is recommending that the credit allocation be reduced by \$13,112 down to \$550,734 if the amendment is approved. Staff is recommending approval.

Granger McDonald, Developer, Kerrville, Texas

Mr. McDonald stated he does not agree with the reduction in the credits and stated he did not know there would be a recommendation to decrease these credits.

Motion made by Shad Bogany and seconded by Norberto Salinas to approve the amendments for 02007 Portside Villas Apartments in Ingleside, Texas.

Motion made by C. Kent Conine and seconded by Shad Bogany to table this item for further clarification on the reduction of the credit amount.

Passed Unanimously

04024 South Union Place Apts., Houston, Texas

Ms. Carrington stated is located in Houston and is a 2004 allocation of tax credits. At the preapplication time, the applicant did not include transitional housing in their application. After reviewing the other applications in the pre-app, they decided to forego the seven points in their pre-application, and changed their application that came in for the full cycle. In the application that came in for the full cycle they were to have 25% of the units be transitional housing. Transitional housing was worth eight points. As a result of the AG opinion and the rescoring, the eight points went down to six points and the points were reduced by staff. The developer is asking that the transitional housing and non-transitional housing be mixed in one building and to allow them to include 25% of the units as transitional housing units.

Staff is recommending that the amendment be denied and because of the loss of the five points that would decrease the applicant's score from 142 to 137, in Region 6 this would have created a tie. In the tie breaker then South Union Place would not have been the winning application.

Willie Alexander, South Union Place Apts., Houston, Texas

Mr. Alexander stated they were in attendance to appeal to the Board to override the staffs recommendation to deny their request to amend their application. He stated South Union Place (under the original name of Foster Place in 2003) made application for the Housing Tax Credit Program. This project was denied and they again submitted a second application in 2004 which was a 125 elderly-unit mix. They have paid close attention to what the community has said. They received letters of support

from several groups and he wanted to call the Board's attention to two of these letters which were from Old Spanish Trail Community Apartments. This organization has 52 civic clubs and 57 businesses listed in their support letters and the South Union Civic Club has 45 active members who would be living in and around South Place. They were willing to live with the 25% of the units being set aside as transitional housing units.

John Barineau, South Union Place Apartments, Houston

Mr. Barineau stated they gave up 7 points to pick up 15 in the original scoring but then only picked up 5 points due to the Attorney Generals ruling. Due to only getting 5 points they were in a tie with Essex Gardens. Their plan has been to co-mingle the 25% set aside for transitional housing with the other tax credit units. They now find out from Compliance that the homeless need to be in a separate building and staff believes that is a requirement of Section 42 of the IRS Code. They resubmitted their application as they feel they are in compliance with Section 42 as the tenants will be on a six-month or longer lease and believe they are not considered transitional or transient.

Mr. Conine asked if exploring the separation alternatives for this building, and creating a separate building for the 25% transitional housing.

Mr. Barineau stated they would have to get their architect involved and all plans would have to be scrapped and they would have to redesign the building. He stated he would not like to spend another \$100,000 to \$150,000 and get new permits on a new plan and the Board not approve his request.

Ms. Wendy Quackenbush, Compliance Division, stated that transitional housing in Section 42 is to serve people that are previously homeless or homeless and to provide services. A minimum six-month lease needs to be provided.

Julie Jackson, South Union Place Apts., Houston, Texas

Ms. Jackson did not give comments but gave her time to Mr. Alexander.

Mark Barineau, South Union Place Apts., Houston, Texas

Mr. Barineau did not give comments but gave his time to Mr. Alexander.

John Cochran, Attorney, Houston, Texas

Mr. Cochran did not give comments but gave his time to Mr. Barineau.

Christine Ramirez, South Union Place Apts., Houston, Texas

Ms. Ramirez did not give comments but gave her time to Mr. Barineau.

Motion made by Beth Anderson and seconded by Patrick Gordon to table this item until the next Board Meeting.

Passed Unanimously

Ms. Anderson requested staff and the applicant to try to work out some alternatives before the next meeting.

04057 Stone Hollow Village, Lubbock, Texas

Ms. Carrington stated staff is recommending approval of the amendment for this project which was a 2004 allocation of credits. They are requesting an amendment to change the number of buildings and the site plan. It originally started out with 35 residential buildings. They have a new contractor who is recommending that it be ten residential buildings built in conformity with the original estimate. The number of units would remain the same in the amount of net rentable square foot. Footage would not decrease. This modification would not have impacted the applicant's ability to receive an award. Staff is recommending approval.

Ron Hance, Manager of GP, Landmark TC Mgt. Austin, Texas

Mr. Hance was available to answer any questions that the Board might have on this item.

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

Ms. Bast was available to answer any questions that the Board might have on this item.

Motion made by Shad Bogany and seconded by C. Kent Conine to approve the amendment for Stone Hollow Village, Lubbock, Texas.

Passed Unanimously

04260 Towne Park Fredericksburg II, Fredericksburg, Texas

Ms. Carrington stated this project is requesting an amendment to change the bedroom unit mix from 21 bedroom two bedroom units and to have all 44 as one bedroom units. This is a Phase Two of the development and Phase One has only two bedroom units. This is an elderly development.

Motion made by Shad Bogany and seconded by C. Kent Conine to approve the amendment to change the bedroom unit for this Towne Park Fredericksburg 11, Fredericksburg, Texas.

Mr. Conine noted that the developer stated they need one bedroom units but the market analyst failed to change his mind regarding the demand characteristics of Fredericksburg.

Les Kilday, Kilday Corporation, Houston, Texas

Mr. Kilday stated the Phase One is all two bedroom units and it is not full and it has taken 22 to 24 months to lease up to where it is now. Their manager on site has a list of people who have demanded one bedroom units.

Mr. Bogany withdrew his motion.

Motion made by C. Kent Conine and seconded by Shad Bogany to table this item until the next board meeting and for TDHCA to obtain market data information.

Passed Unanimously

Mayor Salinas left the meeting at 12:15 pm and did not return.

b) Waiver of §49.12(a)(2) of the 2005 Qualified Allocation Plan for the Four Percent (4%) Housing Tax Credits for: Langwick Seniors, Houston, Texas and Tower Ridge, Corinth, Texas

Ms. Carrington stated that Tower Ridge and Langwick Seniors have the same request of a waiver of the 60-day rule that requires all the information be in 60 days prior to when the Board is going to consider an application on private activity bonds and tax credits on both of these transactions.

Motion made by Shad Bogany and seconded by C. Kent Conine to approve the waiver for Langwick Seniors, Houston and Tower Ridge, Corinth.

Passed Unanimously

- (4) Presentation, Discussion and Possible Approval of Multifamily Bond Program:
- a) Inducement Resolution Declaring Intent to Issue Multifamily Housing Mortgage Revenue Bonds for Developments 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 2005 (2005 Waiting List)

2005-027 Marguee Ranch Apartments, Pflugerville

This project was pulled from the agenda.

2005-035 Providence at Marine Creek, Ft. Worth 2005-036 The Plaza at Chase Oaks, Plano

Ms. Carrington stated these two projects are being recommended by staff to be added to the 2005 Waiting List for the Allocation of Private Activity Bonds with the Texas Bond Review Board and will be added to the bottom of the list if approved by the Board.

Motion made by C. Kent Conine and seconded by Shad Bogany to approve adding the Providence at Marine Creek in Ft. Worth (2005-035) and The Plaza at Chase Oaks, Plano (2005-036) to the 2005 waiting list for an allocation of Private Activity Bonds with the Texas Bond Review Board.

Passed Unanimously

b) Proposed Issuance of Multi-Family Mortgage Revenue Bonds and Four Percent (4%) Housing Tax Credits with TDHCA as the Issuer For Tower Ridge Apartments, Corinth, Texas, in an Amount Not to Exceed \$15,000,000 and Issuance of a Determination Notice (Requested Amount of \$665,729 and Recommended Amount of \$665,729) for #04602, Tower Ridge Apartments

Ms. Carrington stated Tower Ridge Apartments is in Corinth, Texas and is a Priority 1 transaction that is located in a higher-census tract than the median income. Staff is recommending issuance of bonds not to exceed \$15,000,000 and a determination notice in the amount of \$665,729.

Motion made by C. Kent Conine and seconded by Shad Bogany to approve the issuance of Multifamily Mortgage Revenue Bonds in the amount not to exceed \$15,000,000 and issue the determination Notice in the amount of \$665,729 for Tower Ridge Apartments with approval of Resolution No. 05-023.

Passed Unanimously

(5) Presentation, Discussion and Possible Approval of Report from Programs Committee: Report on Section 8 Housing Choice Voucher Program

This report was not given at this meeting.

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

a) 2005 Bootstrap Funding Recommendations for:

Economically Distressed Areas	County`	Region	Project Adr	nin #of
			Amnt. Am	nt. Units
Lower Valley Housing Corp.	El Paso	13	\$600,000	\$24,000 30
Habitat for Humanity of Laredo	Webb	11	\$210,000	\$ 8,400 7
Val Verde County Colonia Self-Help	Val Verde	11	\$150,000	\$ 6,000 5
Center/Del Rio Hsg. Auth.				
Habitat for Humanity of Victoria, Jim	Victoria, Jim Wo	ells		
Wells & DeWitt Counties	DeWitt	10	\$480,000	\$19,200 16
Futuro Communities, Inc.	Zavala/LaSalle	11	\$300,000	\$12,000 10
El Paso Community Action Prg., Project Bravo, Inc.	El Paso	13	\$300,000	\$12,000 10
Rio Grande Habitat for Humanity	Hidalgo	11	\$150,000	\$ 6,000 5
Statewide Applicants	County	Region	Project	Admin #of
			Amnt.	Amnt. Units
Waco Habitat for Humanity, inc.	McLennan	8	\$150,000	\$ 6,000 5
Bryan/College Station Habitat for Humanity, Inc	Brazos	8	\$360,000	\$14,400 12
Dallas Area Habitat for Humanity	Dallas	3	\$600,000	\$24,000 20

Ms. Carrington stated this is the award of the 2005 Bootstrap Awards. The Department issued a NOFA indicating that there was \$3,000,000 available to make loans in the Bootstrap program which would not exceed \$30,000 a loan. These are 0% interest loans for 30 years and the family does have to put in at least 60% of the sweat equity in the housing. All combined funds can not exceed \$60,000 per unit. The Department is required to put two-thirds of the Bootstrap Loan funds for properties that are located in counties that are eligible to receive assistance under the Water Development Board. These are the EDAPT counties and then one-third of the funds can be put anywhere in the state. Staff is recommending to the Board approval of the awards for the

EDAPT Counties and for the remainder of the state be for project costs and the administrative fees.

Motion made by C. Kent Conine and seconded by Shad Bogany to 2005 Bootstrap Funding Recommendations as recommended by staff with the inclusion of the project award amounts and the administrative fees.

Passed Unanimously

- b) Forgiveness of Housing Trust Fund Predevelopment Loan for:
- 1) East Austin Economic Development Corporation, Austin, Texas (Requested Amount of \$30,000 and Recommended Amount of \$0)
 This item was pulled from the agenda.
- 2) Accessible Communities, Inc., Corpus Christi, Texas (Requested Amount of \$22,207 and Recommended Amount of \$22,207)

Ms. Anderson stated she would like to see the underwriting reports for these predevelopment loans and the item was tabled until the next meeting.

c) Approval of Waiver of Integrated Housing Rule for Predevelopment Loan Applicant, Contract No. 100237, Denton Affordable Housing Corporation, Denton, Texas

Ms. Carrington stated this is a request for a waiver of the Integrated Housing Rule for a Predevelopment Loan. There will be ten units in five duplexes. The Department does have an integrated housing for properties that are considered scattered-site developments. The information on this proposed development is that all five of the duplex units would be located on adjacent sites in one particular area of the development site. Staff did not feel that this met the exception in the integrated housing rule of being a scattered-site development. Staff is recommending that the waiver not be approved.

Motion made by C. Kent Conine and seconded by Shad Bogany to not approve the waiver of the Integrated Housing Rule for Predevelopment Loan Applicant, Denton Affordable Housing Corporation of Denton, Texas.

Reymundo Ocanas, Exec, Director, Texas Community Capitol, Austin, Texas

Mr. Ocanas stated they feel this proposal would be a very good one for the Department to do. It does have 811 financing. This is predevelopment financing and not construction financing and not mortgage financing. This is all the site work and prep work feasibility studies environmental engineering before there is an actual development being built. The predevelopment loan is on the five lots and he felt five out of the nineteen meets the small housing development exception. The Department is not providing interim financing, credits or any other form of subsidy. This a 0% predevelopment loan on the land for future development.

Debva Reed, Underwriter, Austin, Texas

Ms. Reed stated if this waiver is granted, this allows for the loan request for \$100,000 to go through the process of review by TDHCA. She further stated that this is a very secure project and 100% permanent financing is in place, with HUD 811 funds; the organization has very sound financial statements; have the top highest rating for loan grading; and from an underwriting perspective, this is a top-notch project and they support it.

Jane Provo, Exec. Director, Denton Aff. Housing, Denton, Texas

Ms. Provo stated that as a community based non-profit, one of their primary missions has been to increase the number of affordable units for persons with disabilities. There is an enormous need in the City of Denton.

Motion withdrawn by Mr. Conine and seconded withdrawn by Mr. Bogany.

Motion made by C. Kent Conine and seconded by Shad Bogany to approve the waiver of the Integrated Housing Rule for Predevelopment Loan Applicant, Denton Affordable Housing Corporation of Denton, Texas and the Board look at the policy in respect to this particular case in a future Programs Committee Meeting.

Passed Unanimously

Ms. Anderson stated she would like to see the contract for the administrator when it is renewed or extended to be on the Board agenda so that the Board can better understand what the oversight role is in predevelopment loans.

d) Award of HOME CHDO Funds in the Amount of \$1,500,000 and \$50,000 in CHDO Operating Expenses for Affordable Housing of Parker County, Estates of Bridgeport, Phase IV

Ms. Carrington stated staff us recommending the approval of \$1,500,000 in program funds and \$50,000 in operating costs for the Affordable Housing of Parker County, Estates of Bridgeport, Phase IV.

Motion made by Shad Bogany and seconded by C. Kent Conine to approve the award to Affordable Housing of Parker County, Estates of Bridgeport, Phase IV, for \$1,500,000 in project costs and \$50,000 in CHDO operating costs.

Passed Unanimously

- (7) Presentation, Discussion and Possible Approval of Report from Audit Committee:
- a) Discussion of Audit Results from the Statewide Federal Single Audit for Fiscal Year Ended August 31, 2004
- b) Status of Prior Audit Issues
- c) Enterprise Risk Management An Executive Summary
- d) Status of TDHCA's Risk Management Program
 These items were not presented to the Board at this meeting.
- (8) Presentation, Discussion and Possible Approval of Report from Finance Committee:
- Approval of Criteria and Methodology Recommended for the Selection of Co-Senior Managers in Conjunction with the Sale of TDHCA's Single Family Mortgage Revenue Bonds

Mr. Conine stated the Finance Committee reviewed the selection process criterion that is similar to the senior manager selection criterion that was presented several months ago to the Board. There was testimony from the Financial Advisor and several of the investment bankers who will be competing for the co-senior manager positions. They recommend that the full Board adopt Option 1 which is the selection of applying the qualification summary to the pool of interested co-senior managers and asking the Bond Finance Department to report back next with a recommendation based on this criteria of who would be the co-senior managers for the future Single Family Mortgage Revenue Bond Program.

Motion made by C. Kent Conine and seconded by Shad Bogany to adopt Option No. 1 for the criteria and methodology recommended for the selection for co-senior managers for the SF Mortgage Revenue Bond Program.

Passed Unanimously

b) Approval of Program Modifications for Single Family Mortgage Revenue Bonds, 2004 Series A and 2004 Series B

Ms. Carrington stated this is the restructuring of an existing Single Family Program No. 61. There are uncommitted funds in the amount of about \$80 million in this program. Staff is proposing to take the points that would be used to pay down payment assistance and provide zero-interest mortgage loans and make the interest rate on this program be at 5.5%.

Motion made by C. Kent and seconded by Shad Bogany to approve the program modifications for Single Family Mortgage Revenue Bonds, 2004 Series A and Series B as recommended by staff with approval of Resolution No. 05-024.

Passed Unanimously

c) Approval of Single Family Mortgage Revenue Bonds, 2005 Series A (Variable Rate) for Program 62

Ms. Carrington stated this is the new Single Family Bond Program for 2005 which will have a bond issuance of about \$100 million. The targeted interest rate is from 4.99% to 5.40% and is 100% variable rate bonds. Staff is recommending Bear Stearns as the senior manager and the SWAP provider; George K. Baum is co-senior and the co-managers will be Bank of America Securities, Loop Capital Markets, Merrill Lynch & Company and Morgan Keegan & Company.

Motion made by Shad Bogany and seconded by C. Kent Conine to approve the Single Family Bond Program for 2005 with approval of Resolution No. 05-021 and to insert the modification to Exhibit 8.

Passed Unanimously

Mr. Bogany left the meeting at this time and did not return.

EXECUTIVE SESSION

If permitted by law, the Board may discuss any item listed on this agenda in Executive Session

OPEN SESSION

Action in Open Session on Items Discussed in Executive Session

There was no Executive Session held.

REPORT ITEMS

Executive Directors Report

- Department Outreach Activities Meetings, Trainings, Conferences, Workshops for March, 2005
 Ms. Carrington stated the outreach activities for March, 2005 was given to the Board members for review at their leisure.
- 2. Freddie Mac Affordable Housing Advisory Committee

Ms. Carrington stated she has been appointed to the Freddie Mac Affordable Housing Advisory Committee and this is the first time that an Executive Director has been appointed to this position.

3. Quarterly Report on Transfers

Ms. Carrington stated this item was given to the Board members for their review at their leisure.

4. Update on Legislation Impacting TDHCA

Ms. Carrington stated that the HB1167 (TDHCA's legislation) was voted favorably out of the House Urban Affairs Committee.

- 5. Report on Marketing for the Single Family Bond Program
 - Ms. Carrington stated this report was requested by Mr. Bogany at a previous meeting and would be mailed to the board members who were absent.
- 6. Texas Clean Air Challenge Charter Partner
 - Ms. Carrington stated TDHCA is a partner in this endeavor with TCEQ.
- 7. Section 8 Housing Choice Voucher Eligibility Certification Exam/Housing Choice Voucher Rent Calculation Certification Exam

Ms. Carrington stated information on this item was given to the Board members for their review at their leisure.

8. Faith-based and Community Initiatives
Ms. Carrington stated the Department has a representative on the Committee for Faith-based and
Community Initiatives.

Mr. Conine asked that the staff set up a round table discussion with the Texas RD people and possibly have this at the meeting next month.

Ms. Carrington committed to talking with Mr. Daniel between now and the next Board meeting and give a brief report and then the Board can determine what they want to do for a meeting or where they want to go with this.

Ms. Anderson asked Mr. Bill Dally to give a brief report on the move of the agency at the next meeting.

ADJOURN

Motion made by C. Kent Conine and seconded by Patrick Gordon to adjourn the meeting. The meeting adjourned at 1:45 p.m.

Respectfully submitted,

Delores Groneck Board Secretary

Bdminapr

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST May 26, 2005

The Department will administer a process for ADR consistent with:

- §2306.082, Texas Government Code;
- §49.17(h) of the 2005 Qualified Allocation Plan and Rules (QAP), which encourages the use of appropriate alternative dispute resolution procedures under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction; and
- Chapter 10 Texas Administrative Code, §1.17, General Policies and Procedures, Alternative Dispute Resolution and Negotiated Rulemaking.

The ADR process for the 2005 HTC Application Cycle will run concurrently with the 2005 Application Cycle to the extent that the request for ADR is made while the cycle is still open. The Board decision on all ADR disputes will be final.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 26, 2005

Action Item

Requests for amendments involving material changes to Housing Tax Credit (HTC) applications.

Requested Action

Approve or deny the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government Code, classifies some changes as "material alterations" that must be approved by the Board. Each request below includes one or more material alterations. Pertinent facts about the developments requesting approval are summarized below. The recommendation of staff is given at the end of each write-up.

The Park at Kirkstall, HTC Development No. 02457

<u>Summary of Request</u>: Applicant requests approval to make additions and substitutions for items that were inadvertently omitted from construction. The following items must be addressed:

(1) The development was required by Threshold requirements, to have Energy Star rated HVAC systems and kitchen appliances. By oversight, 10 SEER air conditioning systems and refrigerators that are not Energy Star rated were installed.

As substitutes for the items above, the owner has proposed the following items:

- (1) Intellicon Electrical Consumption Economizers would be added to the air conditioning systems. These units enhance the performance and life of the air conditioning systems by optimizing the run time versus the "off" time. The Economizers have been laboratory tested and are claimed to reduce the electrical consumption of air conditioners by 10% to 20%. Staff has reviewed documentation that indicates that the claim is substantiated.
- (2) Dual pane insulating low-e windows were installed although not required.
- (3) Computer facilities for the tenants to use free of charge were installed.

Applicant has affirmed that the cost of the additional items is greater than the cost of the items for which the substitutions were made. For instance, the cost of the 10 SEER air conditioning systems with the Intellicon units installed is greater than the cost of energy star systems.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include any modification considered significant by the Board.

Applicant: Harris Park Partners, L.P.

General Partner: Jan-TX II, LLC

Developers: Southeast Development, LLC (owner of GP)

Principals/Interested Parties: J.H. Thames, Jr. (70% owner of developer); Rodney R. Triplett, Jr. (30%

owner of developer)

Syndicator: SouthTrust Community Reinvestment Company, LLC

Construction Lender: SouthTrust Bank

Permanent Lender: SouthTrust Bank (Tax Exempt Bonds)

Other Funding: Tax Exempt Bonds
City/County: Houston/Harris

Set-Aside: 100% of units at 60% of AMFI (Tax-Exempt Bonds)

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population
Units: 240 HTC units

2002 Allocation: \$687,827 Allocation per HTC Unit: \$2,866

Prior Board Actions: 12/17/02 - Approved award of tax credits.

Underwriting Reevaluation: There is no change from the recommendations or conditions of the

application.

Staff Recommendation: Staff recommends approving the request because the requested

modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the application because tax credits were awarded in conjunction with the tax exempt bond financing. The applicant appears to have made

adequate substitutions for the required items.

The Park at Shiloh, HTC Development No. 02420

<u>Summary of Request</u>: Applicant requests approval to make additions and substitutions for items that were inadvertently omitted from construction. The following items must be addressed:

- (1)The net rentable area of the development was misstated in the application by an amount that was actually the gross building area. Net rentable area built is 196,568 square feet but the area stated in the application was 206,760 square feet.
- (2) The development was required by Threshold requirements, to have Energy Star rated HVAC systems and kitchen appliances. By oversight, 10 SEER air conditioning systems and refrigerators that are not Energy Star rated were installed.

Regarding item (1) above, the Department will make appropriate adjustments to the amount of the allocation of tax credits when the cost certification is underwritten. As substitutes for item (2) above, the owner has proposed the following items:

- (1) Intellicon Electrical Consumption Economizers would be added to the air conditioning systems. These units enhance the performance and life of the air conditioning systems by optimizing the run time versus the "off" time. The Economizers have been tested in the laboratory and in service and are claimed to reduce the electrical consumption of air conditioners by 10% to 20%. Staff has reviewed documentation that indicates that the claim is substantiated.
- (2) Dual pane insulating low-e windows were installed although not required.
- (3) Computer facilities for the tenants to use free of charge were installed.

Applicant has affirmed that the cost of the additional items is greater than the cost of the items for which the substitutions were made. For instance, the cost of the 10 SEER air conditioning systems with the Intellicon units installed is greater than the cost of energy star systems.

Governing Law: \$2306.6712, Texas Government Code. The code indicates that material

alterations include a reduction of three percent or more in the square footage of the units or common areas and any modification considered

significant by the Board.

Applicant: Tyler Partners, L.P.

General Partner: Jan-TX I, LLC

Developers: Southeast Development, LLC (owner of GP)

Principals/Interested Parties: J.H. Thames, Jr. (75% owner of developer); Rodney R. Triplett, Jr. (25%

owner of developer)

Syndicator: SouthTrust Community Reinvestment Company, LLC

Construction Lender: SouthTrust Bank

Permanent Lender: SouthTrust Bank (Tax Exempt Bonds)

Other Funding: Tax Exempt Bonds

City/County: Tyler/Smith

Set-Aside: 100% of units at 60% of AMFI (Tax-Exempt Bonds)

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population
Units: 176 HTC units

2002 Allocation: \$420,543 Allocation per HTC Unit: \$2,389

Prior Board Actions: 9/12/02 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation:

Staff recommends approving the request because the requested modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the application because tax credits were awarded in conjunction with the tax exempt bond financing. With regard to the net rentable square footage, the change will change the development costs, and the amount of the tax credit allocation will be adjusted as appropriate when the cost certification is underwritten. With regard to the other changes, the applicant appears to have made adequate substitutions.

Portside Villas Apartments, HTC Development No. 02007 (forward commitment, fka 01105) TABLED FROM APRIL 2005 MEETING

<u>Summary of Request</u>: Applicant requests approval to change the unit mix. The need for the changes was caused by an error in the application in calculating the total number of one and two bedroom units that would result from building fourplexes with the same unit types in each building. The unit mix would change as depicted below. Despite the change in the total number of bedrooms, the net rentable area would actually increase slightly from 132,290 square feet to 133,284 square feet, an increase of less than one percent.

		Ар	plication		As Amended				
Income Level	50%	60%	Market	Totals	50%	60%	Market	Totals	
1BR/1Bath	10	21	11	42	10	23	11	44	
2BR/2Bath	13	31	14	58	13	29	14	56	
3BR/2Bath	10	23	11	44	11	24	9	44	
Total	33	75	36	144	34	76	34	144	

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a modification of the number of units or bedroom mix

of units.

Applicant: Portside Villas, L.P.

General Partner: Portside Villas Developers, L.P. (GP)

Developer: Portside Villas Builders, L.L.C.

Principals/Interested Parties: Cynthia Ford (100% interest in GP); Granger MacDonald (principal of

developer)

Syndicator: SunAmerica
Construction Lender: SunAmerica
Permanent Lender: GMAC

Permanent Lender: GMA
Other Funding: NA

City/County: Ingleside/San Patricio

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 108 HTC units and 36 market rate units

2002 Allocation: \$563,846 Allocation per HTC Unit: \$5,221

Prior Board Actions: 7/31/01 - Approved award of tax credits as a forward commitment.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round. Indeed, two units are converted

from market to low income.

TownePark Fredericksburg II Apartments, HTC Development No. 04260

TABLED FROM APRIL 2005 MEETING

<u>Summary of Request</u>: Applicant requests approval to change the bedroom mix and unit mix from 24 one-bedroom and 20 two-bedroom units so that all 44 units would be one-bedroom units. Applicant reports that demand is much stronger for one-bedroom than two-bedroom units. Phase I of the subject development contains only two-bedroom units and has a waiting list for units with one-bedroom. Applicant also expects significant demand from voucher holders with vouchers that can only be used for one-bedroom units.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a modification of the number of units or bedroom mix

of units.

Applicant: TownePark Fredericksburg II, LP

General Partner: Fredericksburg Housing II, LLC (managing GP)

Developers: MFHA Development Company LLC; Kilday Partners, LLC

Principals/Interested Parties: Marble Falls Housing Development Corporation (owner of GP); R.R.

Kilday and Diane Kilday (owners of Kilday Partners, LLC)

Syndicator: Paramount Financial Group

Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage

Other Funding: City of Marble Falls (grant)
City/County: Fredericksburg/Gillespie

Set-Aside: Nonprofit Type of Area: Rural

Type of Development: New Construction

Population Served: Elderly

Units: 39 HTC units and 5 market rate units

2004 Allocation: \$257,151 Allocation per HTC Unit: \$6,594

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: The changes requested do not negatively impact the financial feasibility of

the development. No change in the credit allocation is recommended.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round. Note that because this is an elderly development, no ineligible building type rules are violated by

the change.

South Union Place Apartments, HTC Development No. 04024

TABLED FROM APRIL 2005 MEETING

<u>Summary of Request</u>: Applicant requests approval to substitute twelve transitional units for the thirty-one transitional units originally proposed. Because applicant and the prospective syndicator do not believe the development to be feasible even with the proposed reduction in transitional units, the twelve transitional units would only be reserved for transitional tenants for a period of five years, after which the units would be rent-restricted at the 30% of AMFI level for occupancy by elderly tenants. The current request differs from the request tabled by the Board in April, by proposing to reserve twelve units for five years instead of proposing to eliminate the transitional units altogether. Applicant submitted a letter from the syndicator documenting that the syndicator refused to enter into a contract based on the development as proposed in the application. Applicant has now submitted a second letter from the syndicator indicating that the syndicator would be willing to go forward with the current request.

As stated in the April Board summary, the applicant did not include transitional housing in the PreApplication, but after reviewing the competition, he decided to abandon the seven points for a PreApplication in favor of seeking fifteen points for reserving 25% of the units to be transitional housing. Because the points for 25% transitional housing were reduced from fifteen to five (pursuant to the Attorney General's opinion) after the choice was made, applicant did not benefit from the choice, losing two points instead of gaining eight as had been expected when the attempt to obtain PreApplication points was abandoned.

In a letter dated May 9, 2005, applicant correctly states that the application would have scored two additional points on the final score if the documentation used for points in scoring item 13(C) (corresponding to §50.9[g][13][C] of the 2004 Qualified Allocation Plan]) had instead been used to obtain points for item 14(B) (corresponding to §50.9[g][14][B][iii]). In the exchange of points just referenced, under 14(B), the five year rental subsidy commitment from Houston SRO Corporation would have been worth 14 points after the Attorney General's opinion whereas the commitment would have only been worth nine points before the opinion. Under 13(C), the commitment was worth twelve points both before and after the opinion.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include any changes that would materially alter the development

in a negative manner.

Applicant: South Union Place Limited Partnership

General Partner: Scott Street Group, LLC (managing GP with 51% interest in GP); Scott

Street Properties, LLC (administrative GP with 48% interest in GP)

Developer: RMI Developers, Ltd.

Principals/Interested Parties: Pamela P. Barineau, 51% of managing GP; Willie J. Alexander, 49% of

managing GP; Mark H. Barineau, 66% of administrative GP and 33% of developer; John N. Barineau, III, 20% of administrative GP and 33% of developer; John N. Barineau IV, 14% of administrative GP and 33% of

developer

Syndicator: MMA Financial Construction Lender: MMA Financial Permanent Lender: MMA Financial

Other Funding: NA

City/County: Houston/Harris

Set-Aside: NA

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly (with 25% Elderly-Transitional units)

Units: 100 HTC units and 25 market rate units

2004 Allocation: \$739,345 Allocation per HTC Unit: \$7,393

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: If the request is approved, no change in the credit allocation is

recommended but the condition that specific sources of rental assistance be

documented is withdrawn.

Staff Recommendation: If approved, the applicant's request to exchange points between

scoring items 14(B) and 13(C) would sufficiently increase the score so that the development would have received an award even without the points for transitional units. Staff therefore recommends that all parts of the current request be approved because the requested modifications would not materially alter the development in a negative manner and, with the scoring adjustment, would not have adversely

affected the selection of the application in the application round.

Redwood Heights, HTC Development No. 04085

<u>Summary of Request</u>: Applicant requests that the Board remove the requirement to set-aside 25% of the units in the development as transitional housing and approve changing the income targeting as follows:

	Application					As Amended						
Income Level	30%	40%	50%	60%	Market	Totals	30%	40%	50%	60%	Market	Totals
1BR/1Bath	3	3	3	11	4	24	3	1	6	10	4	24
2BR/2Bath	4	4	6	18	8	40	4	1	9	18	8	40
3BR/2Bath	2	1	2	19	8	32	2		4	18	8	32
Total	9	8	11	48	20	96	9	2	19	46	20	96

The Applicant received five points for serving transitional tenants in 25% of their units. As part of the request to eliminate those transitional units [thereby causing a reduction of five points under 2004 QAP §50.9(g)(11)(F)(ii)], the Applicant is requesting that they be permitted to revise their rent restrictions as well. This change to the rent schedule would have increased the Applicant's score by 2 points [§50.9(g)(12)(A)-(D)], giving the Applicant a final score of 138 points. The score of 138 points ensures that the applicant would still score high enough to have received an award in the subject region.

Applicant's reason for requesting the changes is the unanticipated discovery that the PARTNERS Supportive Housing Program rental subsidy for the transitional units would reduce eligible basis by the amount of the subsidy. Because of the reduction in basis, applicant estimates that the development as proposed would be infeasible.

Governing Law: §2306.6712, Texas Government Code. The code indicates that

material alterations include any modification considered significant

by the Board.

Applicant: Redwood Heights, Ltd.

General Partner: Redwood Heights I, LLC (85% managing GP); Avenue Community

Development Corporation (10% co-GP, nonprofit); HA Crosby,

LLC (5% co-GP, HUB)

Developers: Realtex Development Corporation (owner of managing GP)

Principals/Interested Parties: Rick Devoe (owner of Realtex)

Syndicator: MMA Financial
Construction Lender: MMA Financial
Permanent Lender: MMA Financial

Other Funding: PARTNERS Supportive Housing Program

City/County: Houston/Harris

Set-Aside: None Type of Area: Urban

Type of Development: New Construction

Population Served: General Population with 25% Transitional Units: 76 HTC units and 20 market rate units

2004 Allocation: \$600,146 Allocation per HTC Unit: \$7,897

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation:

Staff recommends approving the request because the requested modification would not materially alter the development in a negative manner and, with the scoring adjustment, would not have adversely affected the selection of the application in the application round.

Providence on the Park (fka Rose Court at Thorntree), HTC Development No. 02475

<u>Summary of Request</u>: Applicant requests approval to increase the number of buildings from 14 to 18. The number was increased because the three story buildings in the development were changed to two story buildings at the request of the city councilman for the development's district. The applicant affirmed that the unit mix and square footage of the development were not changed.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant change in the site plan.

Applicant: Old Hickory Tract D, Ltd.
General Partner: Old Hickory Tract D, LLC

Developers: Provident Realty Advisors; Sphinx Development

Principals/Interested Parties: Leon Backes (owner of GP); Jay Oji (President of Sphinx)

Syndicator: Related Capital Company

Construction Lender: Charter Municipal Mortgage Acceptance Company
Permanent Lender: Charter Municipal Mortgage Acceptance Company

Other Funding: Tax Exempt Bonds

City/County: Dallas/Dallas

Set-Aside: 100% of units at 50% of AMFI (Tax Exempt Bonds)

Type of Area: Urban

Type of Development: New Construction
Population Served: General Population
Units: 280 HTC units
2003 Allocation: \$1,111,276

Allocation per HTC Unit: \$3,969

Prior Board Actions: 08/14/03 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the

Madison Point Apartments, HTC Development No. 02149

<u>Summary of Request</u>: Applicant requests approval for a reduction in the number of residential buildings from eleven to nine. There were no decreases in the unit sizes. In fact, unit sizes increased and the total net rentable area increased by approximately three percent from 205,432 to 211,576 square feet. The change was necessary because it was determined from architectural, engineering and soil studies that the grading and site features would not allow for the number of buildings originally planned.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the site plan.

Applicant: Madison Point, LP

General Partner: Picerne Madison Point, LLC

Developer: Picerne Development

Principals/Interested Parties: Robert M. Picerne and Ronald R.S. Picerne, owners

Syndicator: Columbia Housing

Construction Lender: PNC Real Estate Finance
Permanent Lender: PNC Real Estate Finance

Other Funding: Hou-Dal Affordable Housing Corporation

City/County: Dallas/Dallas Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 140 HTC units and 36 market rate units

2002 Allocation: \$1,053,119 Allocation per HTC Unit: \$7,522

Prior Board Actions: 7/29/02 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the

Forest Park Apartments, HTC Development No. 03009

<u>Summary of Request</u>: Applicant requests approval to reduce the number of buildings in the development from ten to nine. The changes were necessary to install a second driveway required by the city, protect the natural drainage channel, preserve some large oak trees, and create a buffer between the development and single family homes that are adjacent to the site. The need to change the site plan became apparent when an overlay of the original plan was placed over the topographic survey.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the site plan.

Applicant: One Forest Park, Ltd.
General Partner: Bryan Forest Park, LLC
Developer: Kenneth H. Mitchell

Principals/Interested Parties: Ken, Deborah & Amy Mitchell; Hunt Building Corporation, general

contractor

Syndicator: MMA Financial Warehousing, LLC

Construction Lender: Bank of America, N.A.

Permanent Lender: MMA Financial

Other Funding: NA

City/County: Bryan/Brazos Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 119 HTC units and 21 market rate units

2003 Allocation: \$746,176 Allocation per HTC Unit: \$6,270

Prior Board Actions: 7/30/03 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the

Spring Oaks Apartments, HTC Development No. 04058

Summary of Request: Applicant requests approval for the following amendments:

- (1) Reduce the number of buildings from ten to eight. The change was necessary because the plan for draining storm water from the site produced a small amount of wetlands (0.193 acres) and stream channel (367 linear feet) that could not be disturbed.
- (2) Reduce the ceiling height from nine feet to eight feet. The change was necessary because of height restrictions in the local building code. Nine foot ceilings scored one point in the application. In substitution for the nine foot ceilings, the applicant is committing to provide a storage unit for each dwelling, also worth one point in the application.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include (1) a significant modification of the site plan and (2) a

significant modification of the architectural design.

Applicant: Shepherd Lane Housing, LP

General Partner: Shepherd Lane Development, LLC

Developer: RLP Development, LLC; Simpson Housing Solutions, LLC

Principals/Interested Parties: Ron Pegram, owner of GP and co-developer;

Syndicator: Simpson Housing Solutions

Construction Lender: Malone Mortgage
Permanent Lender: Malone Mortgage

Other Funding: Communidad Corporation City/County: Balch Springs/Dallas

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 128 HTC units and 32 market rate units

2004 Allocation: \$850,235 Allocation per HTC Unit: \$6,642

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: There is no change from the recommendations or conditions of the

application.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and, by adding the storage units for equal points, would not have adversely affected the selection of the application in the

application round.

Park Estates (Detached Single Family Residences), HTC Development No. 04030

<u>Summary of Request</u>: Applicant requests approval to substitute a particular two-story building plan for the one-story building plan proposed in the application. The two plans contain the same net rentable areas. The change is requested to create more variation and more appeal in the subdivision by interspersing the two-story plan with the other building plans, which are all single-story. In addition, some of the lots were found to be better suited to contain a two-story house footprint than a one-story house footprint.

Governing Law: \$2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the architectural design.

Applicant: Housing Associates of Nacogdoches, Ltd.

General Partner: Nacogdoches Housing Development Corporation (NHDC, nonprofit

managing GP); Texas Housing Associates, Inc. (THA, for-profit co-GP)

Developers: Kingsway Development Group, LLC

Principals/Interested Parties: Housing Authority of the City of Nacogdoches (parent of nonprofit GP);

Laura Musemeche (75% owner of THA); Mark Musemeche (25% owner of THA, 50% owner of developer); Daniel Allgeier (50% owner of

developer)

Syndicator: MMA Financial, LLC
Construction Lender: Midland Mortgage
Permanent Lender: Midland Mortgage

Other Funding: NA

City/County: Nacogdoches/Nacogdoches

Set-Aside: Rural Type of Area: Rural

Type of Development: New Construction Population Served: General Population

Units: 34 HTC units and 2 market rate units (single family residences)

2004 Allocation: \$387,972 Allocation per HTC Unit: \$11,411

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the

Stratton Oaks Apartments, HTC Development No. 04047

Summary of Request: Applicant requests approval to make the following substitutions:

- (1) Substitute all-electric utilities. As originally proposed, the development would have gas heat and water heating. The change would increase the utility allowance for a one and two-bedroom unit by \$3.30 and for a three-bedroom unit by \$4.40.
- (2) Substitute eleven two and three-story buildings for the 13 two-story buildings originally proposed.

The changes are requested to offset the significant increase in development cost that has arisen from the discovery of unfavorable soil conditions and the City's requirement that a fire sprinkler system be installed. With regard to the change in building design, having less buildings on the site will allow bad soil to be cut and transferred to parts of the site that will not be occupied by the buildings.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the site plan and any

modification considered significant by the Board.

Applicant: DDC Stratton Square, Ltd.

General Partner: Seguin Housing Development and Management Corporation (SHDM,

nonprofit)

Developers: Seguin Housing Development Corporation (nonprofit co-developer); DDC

Investment, Ltd. (for-profit co-developer)

Principals/Interested Parties: SHDM; Colby Denison (owner of for-profit co-developer)

Syndicator: MMA Financial, LLC
Construction Lender: Midland Mortgage
Permanent Lender: Midland Mortgage

Other Funding: NA

City/County: Seguin/Guadalupe

Set-Aside:
Type of Area:
Urban/Exurban
Type of Development:
Population Served:
Units:
Units:
100 HTC units

2004 Allocation: \$590,539 Allocation per HTC Unit: \$5,905

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: There is no change from the original underwriting recommendation or

conditions.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the

Pineywoods Community Development Single Family Homes, HTC Development No. 04066

<u>Summary of Request</u>: Applicant requests approval to substitute seven lots that were not sites originally proposed in the application for seven that were. The development proposal originally consisted of sites that were scattered within an area of approximately one-quarter of a mile from east to west and three-quarters of a mile from north to south. Three of the new lots are adjacent to lots that were originally proposed. Four of the new lots are about one block north of the northernmost lots that were originally proposed. Four of the lots removed from the original plan are near the southernmost part of the original area.

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the site plan.

Applicant: Pineywoods Orange Home Team

General Partner: Pineywoods Home Team Affordable Housing, Inc. (nonprofit managing

GP)

Developers: Pineywoods Home Team Affordable Housing, Inc. (50%); Shannock

Development, LLP (50%)

Principals/Interested Parties: Doug Dowler (ED of managing GP); Carol & Jerry Moore (principals of

special limited partner)

Syndicator: SunAmerica Construction Lender: SunAmerica Permanent Lender: SunAmerica

Other Funding: City of Orange (CDBG)

City/County: Orange/Orange Set-Aside: Nonprofit Type of Area: Rural

Type of Development: New Construction
Population Served: General Population

Units: 36 HTC units 2004 Allocation: \$411,155 Allocation per HTC Unit: \$11,421

Prior Board Actions: 7/28/04 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modification would not materially alter the development in a negative manner and would not have adversely affected the selection of the application in the application round. Although the applicant's proposal changes the site proposed in the Pre-Application and would, therefore, have resulted in the loss of Pre-Application points, the application would still have scored high enough to have been

recommended for an award.

Sunrise Village Apartments, HTC Development No. 02099

Summary of Request: Applicant requests approval to make the changes stated below:

- (1) Correct the size of the clubhouse from approximately 3,700 square feet as calculated from the plans in the application to 2,500 square feet as built. Although the plans in the application and one of the principal construction exhibits in the application both stated the clubhouse area as 1,500 square feet, the Department calculated a size of 3,700 square feet from plans submitted in response to a deficiency notice. Although the Department actually resolved the issue of clubhouse size by its own calculation, the applicant, believing that there had been no resolution in the application process, finalized the construction plans with a different size from any foregoing figure. The 2,500 square foot size finally used in the applicant's design was considered to be appropriate for the 80 unit development.
- (2) Change the number of buildings from five to four. The change in the number of buildings was necessary to allow for the proper positioning of a drainage easement and because of title issues relating to an abandoned water line right-of-way. As a result of the change, the net rentable area actually increased by 1,248 square feet from 81,384 square feet to 82,632.
- (3) Substitute computer facilities for a public telephone. The substitution of a computer center for the public telephone was made after a final consideration of the amenity package that would be most appropriate for the development. The presence of the pay telephone was considered to be undesirable because of the possibility of its use to facilitate criminal activity.
- (4) Revise the unit rent restrictions as indicated in the table below. The change is requested because the applicant believes that the new rent restrictions relative to unit mix are more appropriate for the market than the combination originally proposed. Note that while the bedroom types within income brackets change, the total number of units at each income level remain consistent with the representations made in the application.

	Application						As Amended			
Income Level	40%	50%	60%	Market	Totals	40%	50%	60%	Market	Totals
1BR/1Bath	16	16			32	15	17			32
2BR/2Bath	16			8	24	17	2		5	24
3BR/2Bath		16	8		24		13	8	3	24
Total	32	32	8	8	80	32	32	8	8	80

Governing Law: §2306.6712, Texas Government Code. The code indicates that material

alterations include a significant modification of the site plan.

Applicant: Sunrise Village Apartments, L.P.
General Partner: Sunrise Village Joint Venture (GP)
Developer: Sunrise Village Development, L.L.C.

Principals/Interested Parties: Neighborhood Care Center of Houston (nonprofit, developer, majority

interest in GP); Tom Scott (minority interest in GP); Paul Buchanan

(minority interest in GP)

Syndicator: Paramount Financial Services
Construction Lender: Southwest Bank of Texas
Permanent Lender: Southwest Bank of Texas

Other Funding: NA

City/County: Houston/Harris

Set-Aside: Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 72 HTC units and 8 market rate units

2002 Allocation: \$616,304 Allocation per HTC Unit: \$8,560

Prior Board Actions: 7/29/02 - Approved award of tax credits.

Underwriting Reevaluation: To be determined.

Staff Recommendation: Staff recommends approving the request because the requested

modifications would not materially alter the development in a negative manner and would not have adversely affected the selection of the

application in the application round.

THE PARK COMPANIES

Real Estate Development • Construction • Management

Park Development/Tri-Park Development

Unicorp 601-321-7630

Park Management 601-321-7640



April 25, 2005

RECEIVED
APR 2 7 2005
LIHTC

Mr. Ben Sheppard TDHCA P.O. Box 13941 Austin, TX 78711-3941

RE: The Park at Shiloh, HTC No. 02420 The Park at Kirkstall, HTX No. 02457

Dear Mr. Sheppard:

As you know, the above properties are unable to receive 8609's because of outstanding issues which are detailed further below. We have been working with you on these items for some time now and are ready to make our amendment request.

Shiloh:

The Park at Shiloh is deficient in three areas:

- 1. The required energy star heating and cooling systems were not installed. 10 seer systems were installed instead.
- 2. Energy star appliances are required. The refrigerators that were installed are not energy star.
- 3. The net rentable square footage at application was 206,760; the net rentable square footage at cost certification was 196,568.

Kirkstall:

The Park at Kirkstall is deficient in two areas:

- 1. The required energy star heating and cooling systems were not installed. 10 seer systems were installed instead.
- 2. Energy star appliances are required. The refrigerators that were installed are not energy star.

Both developments have the same deficiencies regarding energy efficiency. We would like to propose the following as remedies:

1. Both Kirkstall and Shiloh are equipped with computer facilities for residents to use free of charge. We did not commit to provide computer facilities in either tax credit application. The cost to equip the computer facilities is greater than the

savings realized from installing refrigerators that are non-energy star, as is outlined in the attached spreadsheet. We ask that consideration be made to substitute the computer facilities for the lack of energy star refrigerators.

2. Neither development has energy star rated heating and cooling systems, but instead has 10 seer systems. Our proposed remedy is to install Intellicon Electrical Consumption Economizers in each unit in both developments. The device automatically adjusts the compressor cycles to achieve the greatest efficiency and reduced electrical usage while assuring consistent temperature levels. This patented process reduces air conditioning electric consumption typically 10% to 20%. The cost to purchase and install these units is far greater than the savings realized from installing systems that are non-energy star, as is outlined in the attached spreadsheet.

3. Both developments were built with dual pane insulating, low-e windows, which is no longer required by the agency. The additional cost to install low-e windows is

also outlined in the attachment.

That leaves one additional item, the decrease in square footage at Shiloh. Unfortunately, after going back and reviewing the application it appears the gross square footage of the project was inadvertently submitted as net square footage. If you look at the plans submitted with the application, you can see that the total residential area listed is 196,568. The gross area less the community building is 206,760, which is the number that was indicated in the application as net square footage. I am not aware of any "solution" to increase the square footage of a property that is already built and leased up. I can only ask that the agency recognize the mistake we made as just that, a mistake that we feel did not give us an advantage over other applicants.

Despite the construction deficiencies, I am happy to report that both properties are operating above ninety percent occupancy. We feel the solutions proposed will allow us to provide energy savings to existing tenants with the least possible amount of intrusion for instillation. If the proposal is acceptable to the Board, the ordering and installation process will begin immediately.

I want to thank you for your patience in working with us on these matters. I look forward to hopefully resolving these issues and moving forward. If you have any questions, please do not hesitate to contact me.

Sincerely,

Rodney F. Triplett, Jr.
The Park Companies

02420 & 02457 p. 3 of 3

THE PARK AT SHILOH	
10 vs 12 seer cost difference:	\$ 18,400.00
Energy star fridge vs non energy star:	\$ 3,488.00
TOTAL	\$ 21,888.00
REMEDIES	
Intellicon air conditioning economizer:	\$ 42,240.00
Low E Glass:	\$ 5,023.00
Computer Facilities:	\$ 5,000.00
TOTAL REMEDIES	\$ 52,263.00

THE PARK AT KIRKSTALL		
10 vs 12 seer cost difference:	\$	36,000.00
Energy star fridge vs non energy star:	\$	4,240.00
TOTAL	\$	40,240.00
REMEDIES	·	·
Intellicon air conditioning economizer:	\$	57,600.00
Low E Glass:	\$	44,640.00
Computer Facilities:	\$	5,000.00
TOTAL REMEDIES	\$	107,240.00
I O I AL KLINEDILO		•

Villas,

1800 Bering, Suite 501

Houston, Texas 77057

02007 p. 1 of 1

February 17, 2005

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine Austin, TX 78701

RE:

Portside Villas, TDHCA #02007

Dear Mr. Sheppard:

In completing the Cost Certification for Portside Villas, Ingleside, Texas, it has come to our attention that there was a change in the unit mix of one and two bedroom units from the submitted application to actual construction of the Development. Following is a summary of the change made:

<u>Application</u>		Actual				
# of Units	Type	# of Units	Type			
42	1B1B	44	1B1B			
58	2B2B	56	2B2B			
44	3B2B	44	3B2B			
144		144				

In completing the construction plans for the Development, it was discovered that in order to build four-plexes with same unit types in each building, the calculation done for the application of one and two bedrooms was incorrect. To remedy this, the unit mix was revised to construct four-plex buildings of consistent unit types, hence, the change in unit mix.

Aside from the total rents projected, this modification did not change the overall development in any way. This change did not affect any of the selection criteria in the submitted application. I have attached a revised rent schedule based on the actual unit mix as prepared for the Cost Certification. For your reference, I have also attached the Operating Expenses and 30-year proforma as submitted in the Cost Certification.

Portside Villas was a 2002 Forward Commitment that was approved by the Board prior to September 1, 2001, therefore, approval of this change would only require consent by the Executive Director.

Should you have any questions, or require more information, please don't hesitate to call.

Lucille Jones

For Portside Villas, L.P.

Attachments

04260 p. 1 of 4



March 3, 2005

Mr. Ben Sheppard
Multifamily Housing Specialist
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Request for amendment to TownePark Fredericksburg II Apartments, HTC Application #04260 Dear Mr. Sheppard:

Please accept this letter as the formal request for amendment to TownePark Fredericksburg II Apartments, HTC Application #04260.

The current planned unit mix for TownePark Fredericksburg II is 24 one-bedroom units and 20 two-bedroom units. We are requesting that all of the two-bedroom units be converted to one-bedroom units. The result would be a development with all (44) one-bedroom units.

TownePark Fredericksburg (TDHCA # 01072), the Phase 1 sister property is a total of 48 units. All of these units are two-bedroom units. We are currently over 90% leased, but lease-up has taken much longer than we anticipated (20 months so far). Reality is that there is a strong demand for one-bedroom elderly units, based on the traffic at the Phase 1 development. Our manager has a waiting list of those seeking one-bedroom units. Also, for the two-bedroom units, there is a resistance to pay rents any higher than around \$500. So, we have had to reduce our rents in several cases. Also, most voucher holders have a one-bedroom voucher and cannot qualify for the two-bedroom unit.

Based on this information, we believe that one-bedroom units would be a better fit for the Phase II development and the community. Once TownePark in Fredericksburg II is built, the combined development would have a total mix of 44 one-bedroom units and 48 two-bedroom units. Based on the actual demand we have seen, this mix of one and two bedroom units suits the market better than what was originally proposed.

If you have any questions regarding our request, or need us to furnish any other information, please contact me at 713-914-9400.

Thank you for considering our request.

Sincerely,

Les Kilday

Vice President, Kilday Realty Corp.

From: Sent:

Darrell Jack [djack@stic.net] Tuesday, May 03, 2005 12:52 PM

To:

'Les Kilday'

Subject:

RE: I talked to Tom Gouris

Les:

The 100% used in the capture rate calculation is different from the table shown on page 43, due to the fact that we have income information by age. This allows us to income band for "seniors only". The table on page 43 breaks households down by size, but applies to both families as well as seniors. For example, it would be a misrepresentation to say that 10.95% of senior households have 4 persons. We know this is not true.

SIZE OF HOUSEHOLD

Household S.	ize 20	02	웅 .
1 Per	son		29.68%
2 Per	son		39.57%
3 Per	son		12.15%
4 Per	son		10.95%
5 Per	son		4.53%
6 Per	son or	More	1.72%

It is possible that a senior household could have more than two persons. In our opinion, these senior households would be statistically insignificant. Furthermore, the demographic data we have available to us does not go into that level of detail (breakdown of senior households). For this reason, we make the statement in the first paragraph (pg. 43), "However, with senior households, it is likely that most all of the households will be comprised of one or two persons. Thus we use 100% for the household size."

For these reasons, we believe that the methodology we used in the original market study is an accurate reflection of the Fredricksburg rental market that your project can expect to operate within.

Darrell G. Jack Apartment MarketData (210) 530-0040 From: Sent:

Les Kilday [leskilday@ev1.net] Monday, May 09, 2005 5:32 PM

To: Cc:

Subject:

Tom Gouris

Dick Kilday; Mark Mayfield; Ben Sheppard; Darrell Jack

TownePark Fredericksburg II Amendment



RE: I talked to Tom Gouris

Tom,

Attached is an email from our market analyst, Darrell Jack, with Apartment Market Data. think there may have been some confusion regarding the percentage of Households used to calculate the Turnover Demand in the Market Study. Darrell addresses this issue in his email. As a reminder, both Phase 1 and Phase 2 developments in Fredericksburg are 100% elderly.

Also, I would like to address the reasons why we believe that converting our 20 two-bedroom units to one-bedroom units is appropriate for the needs of the Fredericksburg area:

- 1) TownePark in Fredericksburg, the Phase 1 development, consists of all two-bedroom units (48). It has taken 2 full years to lease up these 48 units. That is 2 units leased per month! And, this included reduced rents in some cases (see #4 below).
- 2) Our manager for TownePark in Fredericksburg has a drawer full of applicants that were turned away because they wanted a one-bedroom unit.
- 3) Section 8 voucher holders (elderly), in general, cannot qualify for a two bedroom unit. With more one-bedroom units, our lease-up should increase dramatically as more voucher holders will be able to qualify.
- 4) There has been a resistance by elderly residents in the Fredericksburg area to pay more than \$500 in rent. We have had to reduce rents on our two-bedroom units to get them occupied. By increasing our one-bedroom units, we will be substantially reducing the number of units with rents above \$500.
- 5) If the amendment were granted, the combined unit mix of the Phase 1 and Phase 2 developments will consist of 44 one-bedroom units and 48 two-bedroom units. This is a much more appropriate unit mix based on the demand in the Fredericksburg area.
- 6) Our partner in these developments is Mark Mayfield, director of the Marble Falls Housing Authority. Together, we also own TownePark in Kingsland, a 76 unit elderly development consisting of all two-bedroom units in Kingsland (which is about 55 miles NE of Fredericksburg). The Kingsland development also took close to 2 years to lease-up. Based on discussions with our management staff, here is the basic tenant profile for both TownePark in Fredericksburg (Phase 1) and TownePark in Kingsland:

Fredericksburg (Phase 1)

- 48 two-bedroom elderly units
- 43 one-person households
- 3 two-person households
- 0 three or more person households
- 2 vacant

Kingsland

- 76 two-bedroom elderly units
- 63 one-person households
- 13 two-person households
- 0 three or more person households

Clearly, the majority of our residents are one-person households. Many of our residents have also stated that they would consider moving into a one-bedroom unit if it was available.

One of the discussion points in replacing our two-bedroom units with one-bedroom units is that we will not be meeting the demand for two-bedroom units. We believe strongly that the demand for one-bedroom units is much greater than that for two-bedroom units. The demand for two-bedroom units cannot be very strong when it has taken 2 years to lease 48 of these units. Also, the Phase 1 units will be available to meet the two-bedroom demand when these units become available.

Sorry for the lengthy email. If you have any questions or need any clarification, please feel free to contact myself, dad or Mark Mayfield.

Thanks, Les

Les Kilday
Kilday Realty Corp.
5005 Riverway, Suite 330
Houston, TX 77056
Voice: (713)914-9400
Fax: (713)914-9439

mailto:leskilday@ev1.net.

South Union Place Limited Partnership

Home Office: 800 Bering Drive, Suite 410 Houston, TX 77057

Phone: (713) 425-2960 Fax: (713) 917-0965

May 6, 2005

Ms. Edwina Carrington, Executive Director Tom Gouris and Ben Sheppard Texas Department of Housing and Community 507 Sabine, Suite 400 Austin, TX 78711-3941

Ref: South Union Place Apartments TDHCA # 04024

Dear Ms. Carrington and Messrs. Gouris and Sheppard:

This letter is in follow-up on our meeting in Austin on May 5, 2005 and is to request that the approved application for low income housing tax credits on South Union Place Apartments be amended pursuant to the procedure specified under paragraph 50.18 (c) of the 2004 QAP (Amendment of Application Subsequent to Allocation by Board) as follows:

- Delete the plan to set aside 25% of total development units (31 of 125 units) as transitional housing for homeless persons for which the application received scoring points pursuant to QΛP subparagraph 50.9(g)(11)(F)(ii).
- 2. Have TDHCA agree instead for the applicant to set-aside only 12 units for transitional housing for homeless persons for a period of five years. These 12 units would be the same units designated for residents at 30% AMGI under paragraph 50.9(g)(13)(C) as planned in the original application, representing 9% to 10% of total development units at 30% AMGI. The five year development-based rental assistance commitment from Houston SRO would continue as a source of financing for these units as previously submitted and accepted by TDHCA for this purpose.

The reason for deleting the full 25% homeless set aside is that a majority of the rental assistance and supplemental income originally planned to support these units under the Supportive Housing Program (SHP) used by Houston SRO and other homeless service agencies would be treated by the IRS as "federal funds". SHP rental assistance is funded through the McKinney-Vento Homeless Assistance Act and it has recently been determined by tax counsel for MMA Financial (and, as we understand, by other syndicator attorneys who have consulted with the IRS) that SHP would be classified as "federal funds". Accordingly, the extensive use of SHP rental assistance would cause a reduction in eligible basis that would over time cause a recapture event. Considering this new information, MMA Financial has informed us that they are unable to proceed with their proposed equity investment in this project. See the attached letter from MMA Financial dated May 3, 2005 confirming their position on this matter.

04024 p. 1 of 8

However, based on the revised construction and development costs previously submitted in our carryover package and the usual cost increases expected prior to completion, the project will start with some amount of excess basis. If the number of transitional units were limited to 12 units, and use of SHP rental assistance were also limited, the "erosion of basis" would not occur fast enough to cause a recapture event prior to the end of five years. See the attached recapture analysis confirming the feasibility of this five year plan. It shows that with an estimated \$43,740 annually in SHP rental assistance and a projected \$218,700 of excess basis there would be no recapture event before 5 years.

MMA has advised that if this amendment is approved they will be satisfied and willing to provide equity for the project in the same amount and under the same general terms and conditions as originally planned. See attached letter from MMA dated May 6, 2005.

Based on the TDHCA's staff's recommendations to the board at the time of our previous request for deleting the homeless set aside (prior to resolving the previous issue on whether the IRS would require that all transitional/homeless units be in a separate building) we understand that the loss of 5 points to amend the application would cause South Union to be in a tie at 137 points with Essex Gardens Apartments. And upon applying the tie breaker rules, Essex Gardens' requested lower tax credits per net rentable square foot would be ruled in favor of Essex Gardens versus South Union Place. Consequently, the staff recommended against our requested amendment. Should this continue to be an issue in the staff's analysis and recommendation on this current amendment, we would ask that you take note of the following information:

- 1. Essex Gardens' final 137 point score included the allocation of the maximum of 12 points under QAP paragraph 50.9(g)(13) for 30% AMGI residents (low income targeting). However, the rent schedule and number of low income units in the Essex Gardens' application indicates only twelve 30% AMGI units. This is only 8.82% of their total 136 units which is outside and below the 9% to 10% bracket specified in subparagraph (13)(C) to justify an award of 12 points. By comparison, the South Union Place set aside of twelve 30% AMGI units is 9.6% of our total 125 units, which is clearly within the bracket for 12 points. Accordingly, Essex Gardens seems to have been technically over-scored under this criteria; and if corrected there would be no point tie.
- 2. Essex Gardens is a proposed 136 unit garden style <u>family</u> development in rural Sealy, Texas, whereas South Union Place is a three story <u>elderly</u> development with elevators in inner city Houston with higher cost construction. TDHCA's scoring criteria under QAP 50.9(g)(7)(B) recognizes some of the cost difference by allowing \$73 per NRSF for elderly developments versus \$62 per NRSF for other developments. This acknowledges a cost premium for elderly developments of 18%. Essex Gardens also has minimum common area, whereas South Union has extensive common area in the form of <u>air conditioned</u> corridors, stairways, lobby areas, etc. Finally, South Union Place is in a qualified census tract (QCT) while Essex Gardens is not. If both projects' tax credits were analyzed on a total <u>air conditioned</u> square foot basis, an 18% adjustment was allowed for type of construction and a 30% adjustment was allowed for the QCT tax credit markup,

May 6, 2005

04024 p. 3 of 8

South Union's "adjusted tax credit per square foot" would be less than Essex

3. Finally, Essex Gardens' 137 points included a 2-point allowance for the state wide average allowance for quantifiable community participation (QCP) since Sealy, Texas was declared to have no state or county registered community organizations. South Union Place received zero QCP points despite two specific letters from local state and county registered community organizations supporting the project which scored no points due solely to minor technical deficiencies. Our appeal to the board on this issue last summer was never fully considered since it had no bearing on our award of tax credits at the time. Even one QCP point for South Union would have avoided a tie with Essex Gardens.

In summary, please note that the requested amendment to the application to reduce the 25% homeless set aside to only 12 units for 5 years would not alter the development in a negative manner. In fact, it would reduce the rent-up risks, eliminate the prospect of tax credit recapture and would restore the project's feasibility for equity financing. Except for the transitional housing amendment, all other elements of the application would remain unchanged, including but not limited to architectural design, unit mix, revenue projections and the number of units to be set aside for qualified elderly residents at 30%,

The land has been purchased. The project is fully designed and has been approved by the City of Houston for construction. A construction contract has been executed with construction to commence immediately after close of financing. partner/applicant group already has over \$550,000 to date invested in the project. Obviously, our situation is urgent and we are sorely in need of favorable action by

Please let me know if you have any questions or need additional information. I can be reached anytime on my cell phone (713) 248-6239 or at my office phone (713) 425-2974.

Sincerely yours,

onn N. Barineau, III, Presidnet Scott Street Properties, LLC Administrative General Partner

JNB/cr

Attachments:

MMA Letter dated May 3, 2005 MMA Letter dated May 6, 2005 Recapture Analysis

ec:

Willie J. Alexander Marie Keutmann, MMA Financial

MMA Financial, LLC



101 Arch Street Boston, Massachusetts 02110-1106 T 617, 439,3911 F 617, 439,9978 www.MMAfin.com

A MuniMae Company

May 3, 2005 South Union Limited Partnership Attn: Mr. John Barineau 800 Bering Drive Suite 410

Re: South Union Place, TDHCA # 04024

Dear Mr. Barineau:

Houston, TX 77057

I regret to inform you that MMA will not be able to close our equity into South Union Place because of recently discovered tax issues with the homeless set-aside. Our investment committee does not think that we can market the tax credits to an investor because of tax issues regarding the rental assistance proposed for many of the homeless units, which exacerbate the already substantial risks of finding 31 qualified tenants for the transitional homeless units

Jim McDermott of Holland & Knight, our tax counsel, spoke with the IRS and has concluded that the use of Supportive Housing Program ("SHP") rental assistance for transitional/homeless tenants would be treated as federal funds by the IRS. This would result in an annual reduction of basis equal to the dollar amount of the SHP rental assistance received, which would result in tax credit recapture. This limits the ability of the partnership to rely on SHP rental assistance for a large percent of the units and increases the risk of finding tenants.

Our interpretation of the definition of "homeless persons" referenced in the QAP under 24 CFR 91.5 is that any homeless person housed by South Union would not only have to 1) lack a fixed, regular, and adequate night time residence, but 2) also would have to have a current night time residence in the form of i) a supervised publicly or privately operated shelter, ii) an institution (for example a mental institution), or iii) a public or private place not designed for sleeping (for example a train station, bus station, park bench or sidewalk). This definition of homeless referenced in the QAP would limit the population of qualified homeless persons for residency, making it more likely that they would have to come from shelters with SHP rental assistance resulting in a loss of credits and recapture for our investors. Our investors especially dislike amending their tax returns to reflect the recapture of tax credits they have already taken.

In your tax credit application, you indicated that you expected that some of the homeless tenants would have small incomes such as social security and would be able to pay the rent for the very low income units, or that they would have Section 8 vouchers. Given the definition of "homeless persons," it is difficult to count on these tenants having any social security or other income and more likely that they would have SHP rental assistance than Section 8 vouchers.

If the developers of South Union Place were able to eliminate or substantially reduce the homeless set-aside, MMA would reconsider investing in the project. We at MMA consider you one of our best developers and hope to work with you in the future. If you or TDHCA have any questions or I can be of further assistance please call me at 617-772-9557.

Sincerely,

Marie Keutmann

Managing Director of Acquisitions

MMA Financial, LLC

101 Arch Street

04024 p. 6 of 8

South Union Place Apartments #04024 Analysis of Recapture when Using Federal Funds

Total Development Costs Less Inelgible Basis Items		Minimum Juired Basis		Application Jubmission 9,295,318 397,843	\$ \$	Carryover submission 9,348,529 397,894	\$ \$	Current Projection 9,436,985 397,894
Total Eligible Basis QCT Adjustment Total Adjusted Basis	\$	8,820,391 <u>130%</u> 11,466,508	\$ \$	8,897,475 <u>130%</u> 11,566,718	\$	8,950,635 <u>130%</u> 11,635,826	\$ \$	9,039,091 <u>130%</u> 11,750,818
Applicable Fraction Subtotal	\$	<u>80%</u> 9,173,207	\$	<u>80%</u> 9,253,374	\$	<u>80%</u> 9,308,660	\$.	80% 9,400,655
Applicable Precentage (as of May 2005)		8.06%		8.06%		8.06%		<u>8.06%</u>
Supportable Annual Tax Credit Amount	\$	739,360	\$	745,822	\$	750,278	\$	757,693
Actual TC Award	\$	739,345	1					
Excess Basis (before 130%)	\$	-	\$	77,084	\$	130,244	\$	218,700
Years before Recapture Event Using Limited SHP Homeless Rent Assistance ("Federal Funds")								
(12) 30% units @ \$43,740 PA			} .	1.8	3	3.0		5.0
							•	
Sources and Uses of Funds:								•
Permanent Mortgaç Grant (City of Housto Equity from Syndicatic Deferred Developer Fe	n) on		\$ \$ \$ \$	3,011,415 150,000 5,988,000 145,903	\$	2,602,444 6,505,585 240,500	\$.\$ \$	2,650,000 6,580,000 292,990





101 Arch Street Boston, Massachusetts 02110-1106 T 617, 439,3911 F 617, 439,9978 www.MMAfin.com

A MuniMae Company

May 6, 2005

South Union Limited Partnership Attn: Mr. John Barineau 800 Bering Drive Suite 410 Houston, TX 77057

Re: South Union Place

Dear Mr. Barineau;

I have spoken with our Investment Committee and MMA is prepared to close this transaction if the homeless commitment can be reduced to 12 units for 5 years. Notwithstanding our previous letter of May 3, 2005 which outlined the tax issues and resultant feasibility issues with 31 transitional homeless units, MMA is prepared to proceed with the closing if the homeless setaside is reduced to 12 units for 5 years. Please let me know if I can be of further assistance.

Sincerely,

Marie Keutmann.

Managing Director of Acquisitions

MMA Financial, LLC

101 Arch Street

04024 p. 8 of 8

South Union Place Limited Partnership

Home Office 800 Bering Drive, Suite 410 Houston, Tx 77057 Phone: (713) 425-2974 Fax: (713) 917-0965

May 9, 2005

Ms. Edwina Carrington, Executive Director Messrs. Tom Gouris and Ben Sheppard Texas Department of Housing and Community 507 Sabine, Suite 400 Austin, Texas 78711-3941 VIA FAX

RE: South Union Place Apartments

TDHCA # 04024

Dear Ms. Carrington and Messrs. Gouris and Sheppard:

This is to supplement our request to amend the application on the referenced project submitted in our letter dated May 6, 2005, by requesting that the Department also approve that the five year development-based rental assistance commitment from Houston SRO for twelve 30% AMGI units previously submitted for the original scoring of our application under 2004 QAP 50.9 (g) (13) (C) be reapplied and used instead for scoring of our application under 50.9 (g) (14) (B).

In other words, this is to request TDHCA approval to further amend our application by substituting the selection criteria under (14) (B) for the previous selection criteria under (13) (C). If agreed by the Department, the loss of 5 points for modifying the 25% transitional housing for the homeless would be partially offset by a gain in 2 points resulting from the substitution of an award of 14 points under (14) (B) to replace the 12 points originally awarded under (13) (C).

All other provisions of our letter of May 6, 2005, as previously submitted remain the same.

Please let me know if you have any questions, and we thank you again for your cooperation.

Sincerely yours

Joan N. Barineau, III, President South Union Place Apartments

Administrative General Partner

cc: Willie J. Alexander

Marie Keutmann, MMA Financial

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

04085 p. 1 of 3

100 CONGRESS AVENUE Suite 300 Austin, Texas 78701-4042

Austin • Dallas • Houston • New Orleans

(512) 305-4700 Fax: (512) 305-4800 www.lockeliddell.com

Direct Number: (512) 305-4707 email: cbast@lockeliddell.com

April 26, 2005

Ms. Brooke Boston Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

RECEIVED
APR 2 6 2005
LIHTC

Re:

Amendment Request

Redwood Heights Apartments in Houston (the "Project") TDHCA No. 04085

Dear Brooke:

We represent Redwood Heights, Ltd. ("Applicant"). The Applicant respectfully requests permission to amend certain criteria in its low-income housing tax credit application, as set forth below.

Amendment Request

- 1. Transitional Units. Applicant requests the requirement that at least 25% of the units in the Project be provided as transitional housing on a non-transient basis be removed.
- 2. Income Targeting. Applicant requests to change the tenant income targeting for the Project as follows:

46 units to be rented to people at 60% AMFI

19 units to be rented to people at 50% AMFI

2 units to be rented to people at 40% AMFI

The number of units rented to people at 30% AMFI and the number of market rate units would not change. A revised rent schedule form is attached as <u>Exhibit A</u>. A comparison of the tenant income targeting between the original application and this amendment request is attached as <u>Exhibit A-1</u>.

Impact of Amendment

1. Points. Applicant received 141 points for its application (after the implementation of all scoring changes required by the Attorney General Opinion). The elimination of the transitional units would reduce Applicant's score by 5 points [QAP Section 50.9(g)(11)]. The change in the tenant

Ms. Brooke Boston April 26, 2005 Page 2

04085 p. 2 of 3

income targeting would increase Applicant's score by 2 points [QAP Section 50.9(g)(12)(A-C) and (D)]. By putting these two requests together, Applicant would have a score of 138 points. This assures that Applicant would have had sufficient points to receive a tax credit allocation in Region 6.

- 2. Site Plan. These amendments do not require any change in the site plan. The Project will continue to have the same number of buildings, the same square footage, and the same unit configuration.
- 3. Economics. Because there is no change in the site plan, there is no corresponding change in the development budget or the sources and uses. However, the pro forma analysis will change because of a different rent schedule. A revised 30 year pro forma is attached as Exhibit B.

Reason for Amendment Request

When Applicant committed to providing transitional housing units in the Project, it entered into a Referral Agreement with The Houston SRO Housing Corporation, a local non-profit organization ("Houston SRO"), whereby Houston SRO would refer tenants needing transitional housing to the Project and provide rental subsidy for those tenants. The Referral Agreement specified that the rental subsidy would be funded from HUD's Supportive Housing Program.

Before committing to the transitional units, Applicant wanted to assure itself that the rental subsidy would not impact the Project's eligible basis for tax credit purposes. Applicant was told by Houston SRO that these funds from HUD's Supportive Housing Program had been used to subsidize units in other tax credit properties previously, and there had never been any problem with it. Applicant verified this information with the owners of other tax credit properties in the Houston area.

When Applicant proceeded to syndicate its tax credits and close its equity investment, tax counsel for Applicant's investor limited partner began to research the Supportive Housing Program to determine whether this rental subsidy would be considered "federal funds" that would reduce the Project's eligible basis. Tax counsel found that the IRS has been expressly silent on this issue.

In Rev. Rul. 98-49, the IRS proclaimed that funds under HUD's Shelter Plus Care Program and HUD's Section 8 Assistance For Single-Room Occupancy Dwellings Program, both of which are intended to assist formerly homeless persons, would not be considered federal funds that would reduce eligible basis in a tax credit property. However, Rev. Rul. 98-49 did not address HUD's other program for homelessness, which is the Supportive Housing Program used by Houston SRO. Going directly to the source, tax counsel contacted Mr. Christopher Wilson of the IRS and asked him for the IRS position on this matter. Mr. Wilson advised that the IRS had considered the Supportive Housing Program and had expressly decided not to include it in Rev. Rul. 98-49. The IRS had determined that the Supportive Housing Program did constitute federal funds that would result in a reduction of eligible basis for a tax credit property.

This position from Mr. Wilson surprised Houston SRO and those who have been relying on Supportive Housing Program funds from Houston SRO to subsidize units in tax credit properties. It

Ms. Brooke Boston April 26, 2005 Page 3

04085 p. 3 of 3

makes it very difficult for Applicant to commit 25% of the units in the Project to transitional housing. Pursuant to Mr. Wilson's stated position, if the transitional tenants are placed in low-income units, the annual eligible basis for any building containing transitional units will be reduced by the amount of rental subsidy received from Houston SRO for those units. Such a reduction in eligible basis would create a corresponding reduction in the annual tax credits, which could negatively impact the financial feasibility of the Project.

Applicant has investigated whether other funding sources may be available from non-profit or governmental sources to provide the subsidy needed for the transitional units without creating an eligible basis problem. No such funds seem to be attainable.

Given this difficult situation, Applicant believes that removing the requirement for the Project to have transitional units is an appropriate solution. In return, Applicant agrees to alter its tenant income targeting so that Applicant's overall points would be sufficient to sustain the original tax credit award. Note that Applicant was already targeting more lower income units than required to achieve points in the original application. We believe approval of this amendment request is consistent with precedent in other successful tax credit application amendments that have eliminated points for certain selection criteria while adding points for other selection criteria.

We will appreciate the Board's consideration of this amendment request at the May 26, 2005 meeting and are happy to provide any additional information you may need.

Sincerely,

Cynthia L. Bast

Exhibit A -- Revised Rent Schedule

Exhibit A-1 -- Tenant Income Targeting Comparison

Exhibit B -- Revised 30 Year Pro Forma

cc: Realtex Development Corporation

Avenue Community Development Corporation

OLD HICKORY TRACT D, LTD.

02475 p. 1 of 2

975 ONE LINCOLN CENTRE 5400 LBJ FREEWAY DALLAS, TEXAS 75240 TEL. 972.239.8500 FAX 972.239.8373

April 11, 2005

Mr. Ben Sheppard TDHCA 507 Sabine, Ste 400 Austin, TX 78711 RESIDED

MAY 3 2005

LINTS

RE:

Application Amendment – 2002 4% LIHTC Application #02475 Providence on the Park (f.k.a. Rose Court at Thorntree)

Dear Mr. Sheppard:

Enclosed please find the application amendment for the referenced project. The applicant for this project is Old Hickory Tract D, Ltd. The sale of the bonds closed on September 1, 2003.

We have been working with Ms. Wendy Quackenbush to have the LURA executed by TDHCA for filing and recording. Upon her review of the LURA she brought to our attention that we need to amend the tax credit application because the application shows fourteen (14) residential buildings, and the LURA shows eighteen (18) buildings.

The enclosed items for the application amendment include:

- 1) Explanation by Applicant (this letter)
- 2) Site plan
- 3) Building Plans and Elevations

There are no affected Forms to submit due to no significant changes to the project cost, nor changes to the unit mix, rents, expenses, utility allowances, or sources and uses. The final cost of the project remained on budget due to buyout savings and contingency reserves.

The reason for requesting the amendment is that the application was for fourteen (14) residential buildings, but the project is comprised of eighteen (18) residential buildings. This occurred because of a request late in the process by the project district's City Councilmember that there be no 3-story buildings. As a result, all buildings were changed to 2-story, which required the addition of four buildings to maintain the same unit mix and total net rentable square footage. The unit mix and square footage of the project did not change after the addition of the four buildings.

02475 p. 2 of 2

Please contact me if you have any questions or require additional information at 972-239-8500x131 or mharris@providentrealty.net. Thank you.

Yours Truly,

Matt Harris

Enc.

PICERNE DEVELOPMENT

247 N. WESTMONTE DRIVE
ALTAMONTE SPRINGS, FL 32714
TEL. (407) 772-0200 = FAX (407) 772-0220

SECEIVED)

Via Federal Express

RECEIVED

M. + 1 8 2005

March 16, 2005

MAF 3 2005

LIHIL

Mr. Ben Sheppard
Texas Department of Housing & Community Affairs
507 Sabine, Suite 400
Austin, Texas 78701

RE: Madison Point Apartments - TDHCA #02149
Application Amendment Request

Dear Mr. Sheppard:

By this letter, we respectfully request TDHCA's approval of a revision to the number of residential buildings as represented in the original tax credit application. At that time we anticipated the development would consist of 11 residential buildings. During final design, it was determined that the site would not allow for the 11 originally planned buildings, but only 9 buildings. No changes were made to the unit mix.

Based upon our review of the QAP, this does not materially alter the development in a negative manner, nor would it have adversely affected selection of the development during the application round, as this is not a Selection Criteria item.

Additional positive aspects of the development include:

- Direct construction costs and contractor fees as reflected in the Cost Certification are approximately \$62,000 less than contemplated in the original tax credit application
- The clubhouse square footage has increased by 98 square feet, from 2,904 to 3,002
- 2-bedroom units are 1,093 square feet, a 3sf increase over the 1,090 proposed in the original tax credit application
- 3-bedroom units are 1,222 and 1,274 square feet, an averaged 59sf increase over the 1,189 proposed in the original tax credit application
- 4-bedroom units are 1,364 square feet, a 72sf increase over the 1,292 proposed in the original tax credit application
- Overall net residential square footage is 6,144 square feet (3%) greater than proposed in the original tax credit application.

02149 p. 2 of 2

Mr. Ben Sheppard March 17, 2005 Page 2

In accordance with TDHCA's Application Amendments — Process and Requirements for Obtaining Approval, we are enclosed the following documentation, which was also included with the Final Gost Certification Application submitted to TDHCA on March 4, 2005:

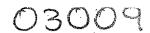
- Development Cost Schedule (actual Cost Certification and Independent Auditor's Report)
- Rent Schedule
- Utility Allowances
- Annual Operating Expenses Schedule
- Sources of Funds
- 30-year Proforma
- As-built Survey

Please feel free to contact me with any questions or comments you may have. I look forward to your response, and appreciate your time and consideration.

Sincerely,

Vice President

03009 p. 1 of 5



4401 North Mesa El Paso, Texas 79902-1107 P.O. Box 12220 El Paso, Texas 79913-0220 915 533-1122 FAX 915 545-2631



APR 1 3 2005 LIHTC

April 12, 2005

Ben Sheppard
Texas Department of Housing and Community Affairs
507 Sabine, Ste. 400
Austin, TX 78711-3941

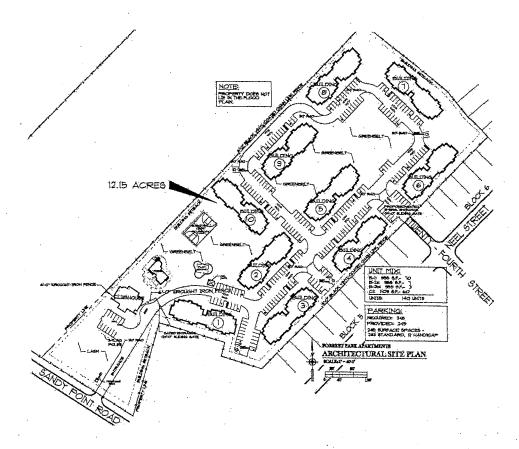
RE: Forest Park Apartment Application Amendment TDHCA Project #00000 0 3009

Dear Mr. Sheppard:

Subsequent to submitting the Application for Low Income Housing Tax Credits for the above referenced project, a revision to the site plan was required to address issues that were not foreseeable by the Owner at the time the Application was submitted. This revision mandated a relocation of the buildings on the site and the elimination of one building (without changing the number of units, the unit mix, or the net rentable square footage of the project). The revision was required to accomplish four items – install a second driveway, protect the natural drainage channel, create a buffer between our development and the existing single- family homes adjacent to our site, and preserve some large, existing oak trees. These four items are described in detail below.

Install a Second Driveway. The City of Bryan required us to install a second driveway for ingress to, and egress from the site. The original site plan from the LIHTC Application (shown on the following page) had approximately 315 linear feet of frontage along Sandy Point Road. This was not enough frontage to install a second driveway with a proper amount of separation between the driveways given the limited sight distance available on Sandy Point Road as a result of the curvature of the roadway as is evident on the revised site plan provided on page 3 of this submittal. As you can see, by comparing the original site plan to the revised site plan, the revision was accomplished by shifting the entire development to the west (along Sandy Point Road). The shift of the site plan gave the development just over 500 linear feet of road frontage – enough to safely allow adequate separation between the two driveways.

receiving an allocation of credits. After overlaying the original site layout onto the topographic survey, it was evident that buildings number one and number three, the driveway and parking area between these two buildings, and the clubhouse were adversely affected by the location of the drainage channel and therefore needed to be relocated on the site plan.



ORIGINAL SITE PLAN

03009 p. 3 of 5

Create a Buffer Between the Existing Single Family Homes. The third item accomplished by moving the development westward into the center of the available acreage was to create a buffer that the City and adjoining neighborhood desired between our apartments and the single family neighborhood adjoining us to the east as shown on the topographic survey on the previous page. The buffer area is fairly dense with native trees and vegetation, and provides a visual barrier between the two differing uses as well as approximately 180 feet of physical separation.

Preserve Existing Oak Trees. In order to shift the development to the new location as described above, the new location of the improvements had a couple of constraints which our design team needed to mitigate. First, the location of the clubhouse and swimming pool were relocated southward (closer to Sandy Point Road), so they would not interfere with the drainage channel. Second, there are some large existing oak trees on the site that we wanted to preserve within the constructed environment. Some of the trees we wanted to save are shown on the topographic survey on the previous page. In total, by reconfiguring the location of the buildings within the site plan and by eliminating one building, we were able to save and retain 40 of the existing oak trees. These two limiting factors, the drainage channel and the existing trees, created the need to construct one less building in the development. A couple of photographs of the typical trees we saved are shown below.





Net Effect of the Site Plan Revision. Despite having one less building in the development, we have retained the exact amount of net rentable square feet by using the identical floor plans for the units as proposed in our Application. This was accomplished by reconfiguring the residential buildings to consist of 16 units each instead of 14 as originally proposed in the Application.

We believe the effect of the change to our site plan that resulted in one less building in our development has had a net positive impact on the project and the neighborhood by (i) reducing the impact to the naturally occurring drainage channel, (ii) reducing the amount of impervious cover on the site, (iii) saving as many of the existing large oak trees as possible, (iv) providing a visual and physical separation between the apartments which we are constructing and the existing single family development adjoining our site, and (v) generating goodwill from the City of Bryan and the neighborhood.

The cost impact of reducing a single building from the development has been negligible since we have the same amount of net rentable square feet and the same amount of area under roof in the buildings. A comparison between the original estimated construction costs and the actual cost of construction is shown in the following table. The difference in the cost of construction (site work plus buildings) between the original estimate in the tax credit application and our actual cost of construction is less than \$5,100. We are approximately 95% complete with construction of the project and have a high level of certainty that the cost comparison is accurate. The revision to the site plan will not have a cost or financial impact to any other part of the project.

03009 p. 5 of 5

Based on the items described above, we are requesting your approval of an amendment to the Application for the project. Thank you for your consideration of this matter. I can be reached at (915) 298-4340 and robertk@huntbuilding.com.

Sincerely,

One Forest Park, Ltd.

Robert K. Kelk

Vice President

04058 p. 1 of 3

Shepherd Lane Housing, LP

1901 Central Drive, Suite 708 Bedford, Texas 76021 Telephone: (817) 267-2492 Fax: (817) 267-2681 (972) 563-2286

April 12, 2005

Mr. Ben Sheppard Multifamily Finance Production Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

Subject: Spring Oaks Apartments, Balch Springs (TDHCA #04058)

Application Amendment

Dear Mr. Sheppard:

I am requesting your consideration and approval of the following changes to the subject application.

Change in Co-developer and Syndicator: Our original application listed Simpson Housing Solutions as the syndicator and Co-developer of this project. The partnership agreement did not materialize. We have since selected PNC Multifamily Capital as the Syndicator. The Co-developer of the project will be Integrated Construction and Development who will also serve as the General Contractor for the development. I have attached for your review a copy of the experience certificate and financials for Integrated Construction and Development.

Change in Site Plan: The site has a drainage ditch that transverse the site from North to South. To comply with the City of Balch Springs' request for a second entrance onto the site, the Developer has implemented a 4x8 box culvert for crossing the drainage ditch. Additionally, the Developer reached an agreement with the City of Balch Springs that would allow him to channel the flow of the ditch across the site in underground piping. However it was determined during the engineering phase that the discharge of storm water being presented to the drainage ditch had produced a small amount of wetlands. The report produced as a result of the wetland delineation concluded that 3671f of ephemeral stream channel and 0.193 acres of jurisdictional wetland exist. In compliance with Federal Regulations, we cannot disturb more than a 0.10 of an acre of this area. Our site plan has been revised to reflect the wetlands area which is not available for development.

→ • • •

Spring Oaks Apartments – TDHCA #04058 Application Amendment – April 12, 2005 Page 2 of 3

Change in the Number of Buildings and Building Type: With the identification of wetlands on the development site, coupled with a height restriction of two stories in the City of Balch Springs ordinance; we are challenged to keep our unit count and unit mix consistent with our original application. Our original application called for ten (10) two-story buildings with 16 units per building. The site plan has been revised to reflect the use of eight (8) two-story buildings with a split configuration that allows for a lower level. We will provide four (4) lower level units in each building. This building type results in 20 units per building and will allow us to conserve space while maintaining our original unit mix and unit count of 160 units.

<u>Detention Requirements:</u> There are two (2) 48" reinforced concrete pipes (RCP) and one (1) 36" RCP that discharge storm water onto the Northeast corner of the site. During the engineering phase, we determined that the drainage area to the two 48" RCP is about 120 acres and the drainage area to the 36" RCP is about 25 acres. Due to the amount of the combined runoff produced by the City and our development, the City of Balch Springs requires us to put in detention. The site plan has been revised to include a detention pond to intercept excessive storm water.

On Site Lift-Station: The Developer reached an agreement with the City of Balch Springs to run our 8-inch sewer line in a 15-feet easement on the Northern portion of the site which would have allowed for the natural gravity flow of all lines. This decision by the City was overturned by the Dallas Water District #6, a completely separate entity owned by Dallas County, which has responsibility for maintaining the City's water and sewer lines. The Water District insisted that a newly installed 15-feet sewer line owned by the County be used. This line runs the length of the street fronting the site; however, the line is very shallow and requires the use of a lift station to make the system functional. The lift station will be located in the Southeast corner of the site and will be fully maintained by the owner.

Reduction in Height of Roof: Due to numerous complaints from the community, the Balch Springs City Council has been reluctant to approve an ordinance that would allow apartment buildings with a three-story configuration. The development is being placed in a residential area where the concern over height of buildings is prominent. The Developer has agreed to make adjustments to the height of the roofline to gain acceptance by the residence and the City. This reduction in height reduced the overall height of our building from 48 feet to 47 feet.

<u>Change in ceiling height</u>: With the change in building type, we must provided 8-feet ceilings on the lower levels of each building in order to meet the International Building Code. In our original application we elected to provide 9-feet ceilings which allowed us to take 1 point under the scoring parameters of the 2004 QAP. This change results in a deduction of the 1 point originally taken. We will provide, in lieu of the 9-feet ceiling, storage for each unit which entitles the applicant to 1 point in scoring under the 2004

Spring Oaks Apartments – TDHCA #04058 Application Amendment – April 12, 2005 Page 3 of 3

QAP. The amenity of individual unit storage equally offset the amenity of 9-feet ceilings.

Our development cost will not be impacted by these changes as the increase in cost resulting from the addition of a detention pond, retaining walls and lift station, is offset with the savings that result from fewer buildings, a reduction in the height of the roofs on all buildings and 8-feet ceilings in each of the eight buildings provided throughout the development.

Thank you for your consideration and approval of these changes. We ask that we be placed on the May 12, 2005 Board agenda such that our June 1 closing date can be maintained. We look forward to addressing any questions you may have.

Sincerely,

Ron Pegram

General Partner

cc: Art Momjian – Duane Morris LLP Frank Pollacia – Architettura, Inc.

04030 p. 1 of 1

TEXAS HOUSING ASSOCIATES, INC.

1013 VAN BUREN HOUSTON, TEXAS 77019

PHONE (713) 522-4141 FAX (713) 522-9775

MARK MUSEMECHE LAURA MUSEMECHE TELEPHONE: (713) 522-4141 Ext. 3

E-MAIL: hmsarchitects@sbcglobal.net

April 25, 2005

Mr. Ben Sheppard Texas Department of Housing & Community Affairs 507 Sabine #400 Austin, Texas 78701

via federal express & fax 512-475-0764 4pages

RE:

TDHCA #04030 Park Estates

Request to Change Unit Elevation Floor Plan; 4-bedroom units only

Dear Mr Sheppard,

Please accept this letter as our formal request to change the unit plan and exterior elevations of the 4-bedroom unit on Park Estates. This is a design aesthetic request only and is a betterment to the development. This change does not affect applicant scoring, size of unit, eligible building type, development cost or credit allocation. This request only affects 7 units total. The size of the new two story unit is exactly the same as the original one-story on the application so there are no new cost exhibits to review with this request.

The purpose of the change is two-fold. First, the original single story plans for the single family unit designs in the application were all single story in style, with all unit types looking very similar. There was no distinction between either the 3-bedroom house plan or the 4-bedroom house plan. Since this development is intended to be a subdivision of single family rental houses, we felt it would be more marketable if we could construct a project with architectural variations in style and massing which is typical in owner occupied subdivisions. Interspersing the 7 two-story 4-bedroom houses throughout the development accomplishes this goal of architectural style and massing variation. Second, there are several unique lots where the smaller 2-story footprints are more appropriate to lay out on the lot.

We are commencing construction on the project immediately and would therefore appreciate your help by placing this item on the earliest possible board meeting.

If you require any additional information, please contact me.

Sincerely,

TEXAS HOUSING ASSOCIATES, INC.

Mark D. Wesemeche, Vice-President

MDM/oe

Attachments: floor plans & elevations



04047 p. 1 of 2

RECEIVED

APR 2 5 2005

LIHTC

April 25, 2005

Mr. Ben Sheppard Multifamily Production Division Texas Department of Housing and Community Affairs P.O. Box 13941 Austin, Texas 78711-3941

Re:

Request for Amendment to LIHTC #04047, Stratton Oaks Apartments of Seguin

Dear Ben:

On behalf of the Project Partnership, DDC Stratton Oaks, Ltd., we are writing to request the Departments consideration of the following application amendments:

1.) Change the structure of the tenant paid utilities on the above referenced transaction to "all electric".

The application structure utilized natural gas heat and hot water, however our engineers have recommended using "all electric" utilities as discussed in the enclosed letter from ATS Consulting Engineers & Inspectors.

Fortunately, the change in the utility allowance does not materially impact the operating proforma. The difference in the monthly utility allowance is summarized below:

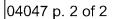
	Application Gas Heat & Hot Water	Requested Amendment All Electric	Difference
One Bedroom	\$30.80	\$34.10	\$3.30
Two Bedroom	\$43.80	\$47.10	\$3.30
Three Bedroom	\$52.48	\$56.88	\$4.40

I have also enclosed the requested "revised structure" Utility Allowances worksheet and the most recent Section 8 Utility Allowance Worksheet from the Seguin Housing Authority.

2.) Change in site plan from thirteen (13) two-story buildings to eleven (11) two- and three-story buildings.

The geotechnical investigation and civil engineering design work has determined that certain site and soil conditions would require expensive site excavation, foundations and retaining walls. Reducing the building count by two by creating three 3-story buildings will enable us to avoid placing buildings on the most severely sloping portion of the property and allow us to transfer some of the unstable soil to the rear of the property where the buildings were deleted. Please see the enclosed letter from the ATS Engineering for a more detailed discussion of the site conditions and efforts to contain costs through the value engineering process. We have also enclosed revised architectural documents reflecting the redesigned site and buildings.

As correctly stated by many Project Owners in previous amendment requests, construction costs, including both labor and commodities have been increasing over the past 12 to 18 months. These increases, along with the site





conditions described above, were neither foreseeable nor preventable by the Applicant. Although we have not received final construction bids pending acceptance of this amendment request, it is our intent with this amendment to offset these cost increases, bring the cost of construction back in line with the budget presented at carryover.

We respectfully request approval of the amendments as requested. If you have questions or need additional information please contact me at (512) 577-5566.

Sincerely,

DDG STRATTON OAKS, LTD.

Colby Denison

Developer and Authorized Agent

enclosures



04066 p. 1 of 1

Pineywoods Orange Home Team Ltd.

Mr. Ben Sheppard
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
507 Sabine, Suite 300
Austin, TX 78701

RE: Pineywoods Community Development Orange TDHCA # 04066

Dear Ben:

Enclosed please find information concerning the sites in Orange, Texas for TDHCA Application #04066. Due to final plating issues 7 lots were substituted from our original application of 36 scattered sites. The substituted lots are of the same size, value and type as the original lots were. All substituted lots are in the same neighborhood and in most cases right next door or in the same block to the original sites.

A Phase I Environmental review has been done and reviewed; a copy for your records is enclosed.

Given the close proximity to the original sites there is really no significant or material change from the original application. All lots still meet City of Orange Minimum lot size and set back requirements and have been cleared and building permits issued.

No other changes have been made from our original application and a complete set of surveys, maps and legal descriptions is enclosed for your records.

As stated in the original application re-platting of several lots did result in changes of addresses on the original lots. These have been noted for your review. And, listed on the maps and surveys.

If there is any additional information you need please feel free to contact me.

Respectfully,

Douglas R. Dowler, Executive Director

Pineywoods Orange HOME Team Ltd.

Enclosure



02099 p. 1 of 2

RECEIVED

LIHIC

VIA OVERNIGHT MAIL

April 2, 2005

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
507 Sabine St., Fourth Floor
Austin, Texas 78711-3941

Re: SUNRISE VILLAGE APARTMENTS - TDHCA # 02099: Application Amendments

Dear Mr. Sheppard:

As a follow up to your conversations with Bob DeLuca and to our letter of March 1st, please consider this letter our request for the Department's approval of a total of three amendments to the original application for tax credits, which was submitted in February 2002. In addition to our previous request, which deals with the fact that there are four residential buildings instead of the five, which were reflected in the application, the following two additional changes are requested. TDHCA application change protocol notwithstanding, we do not believe any of these items any way negatively impact the development.

1. Delete "Pay Phone" as a central amenity and substitute "Business/Computer Center."- Inasmuch as Sunrise has been open and occupied since May 2004, we have almost one year of actual property operations. In view of this time period and after discussing this matter in depth with our on site management personnel, we do not believe the installation of a public phone would be beneficial to the residents of the property. In fact, we are convinced that it would only become an after hours and late night attraction to less than desirable individuals and could, quite frankly, promote the possibility of drug transactions on the property. We simply do not believe such a phone would be a good idea. It is pointed out that there is an emergency 911 phone installed at the swimming pool. Sunrise does, however, have an open, fully equipped, and operating computer/business center, which was not originally designated on the application. We are herby requesting that the computer center amenity be substituted for the pay phone. Copies of the amenity excerpt from the original application and a photograph of the computer center are enclosed herewith.

Accept existing "2,500" SF clubhouse facility in lieu of erroneous 2. "5,200" SF dimension, which may have been submitted with the initial layouts in the original application. The initial LIHTC application in Section 1, "Square Footage and Applicable Calculation" reflected a square footage figure of "1,500" for the clubhouse/leasing center. Once the formal plans were completed this area became the 2,500 SF which is the area that exists. This figure has been verified by both your inspector and the project architect. The "5,200" was never contemplated and would be considered very excessive for a property of only 80 units. The initial preliminary site plans submitted with the original application appear to be labeled "1,500", which is consistent with the application. The copy we retain is somewhat illegible, and it is possible that TDHCA staff made a transposition error in their write up. Irrespective of a possible error, however, if a scale is applied to the original drawing, the size of this facility is much closer to the 2,500 SF range and does not approach 5,200 SF. This document was "not for construction." Please refer to the enclosed drawings. If there was any inaccuracy at all, it is that we constructed 2,500 in lieu 1,500 SF. which is to the benefit of the project. As a practical matter, the clubhouse facility has proved to be entirely adequate and, in fact, quite spacious for the development.

It is respectfully requested that an Application Amendments be approved to reflect the (1) site modification in the number of residential buildings from five to four, (2) substitution of the computer center for the pay phone, and (3) the acceptance of the 2,500 SF clubhouse facilities, as constructed. Upon such action the LURA may then be recorded and the cost certification process can be finalized.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

Thomas H. Scott

Authorized Representative

THE PARK COMPANIES

Real Estate Development • Construction • Management

Park Development/Tri-Park Development

Unicorp 601-321-7630

Park Management 601-321-7640



April 25, 2005

RECEIVED
APR 2 7 2005
LIHTC

Mr. Ben Sheppard TDHCA P.O. Box 13941 Austin, TX 78711-3941

RE: The Park at Shiloh, HTC No. 02420 The Park at Kirkstall, HTX No. 02457

Dear Mr. Sheppard:

As you know, the above properties are unable to receive 8609's because of outstanding issues which are detailed further below. We have been working with you on these items for some time now and are ready to make our amendment request.

Shiloh:

The Park at Shiloh is deficient in three areas:

- 1. The required energy star heating and cooling systems were not installed. 10 seer systems were installed instead.
- 2. Energy star appliances are required. The refrigerators that were installed are not energy star.
- 3. The net rentable square footage at application was 206,760; the net rentable square footage at cost certification was 196,568.

Kirkstall:

The Park at Kirkstall is deficient in two areas:

- 1. The required energy star heating and cooling systems were not installed. 10 seer systems were installed instead.
- 2. Energy star appliances are required. The refrigerators that were installed are not energy star.

Both developments have the same deficiencies regarding energy efficiency. We would like to propose the following as remedies:

1. Both Kirkstall and Shiloh are equipped with computer facilities for residents to use free of charge. We did not commit to provide computer facilities in either tax credit application. The cost to equip the computer facilities is greater than the

savings realized from installing refrigerators that are non-energy star, as is outlined in the attached spreadsheet. We ask that consideration be made to substitute the computer facilities for the lack of energy star refrigerators.

2. Neither development has energy star rated heating and cooling systems, but instead has 10 seer systems. Our proposed remedy is to install Intellicon Electrical Consumption Economizers in each unit in both developments. The device automatically adjusts the compressor cycles to achieve the greatest efficiency and reduced electrical usage while assuring consistent temperature levels. This patented process reduces air conditioning electric consumption typically 10% to 20%. The cost to purchase and install these units is far greater than the savings realized from installing systems that are non-energy star, as is outlined in the attached spreadsheet.

3. Both developments were built with dual pane insulating, low-e windows, which is no longer required by the agency. The additional cost to install low-e windows is

also outlined in the attachment.

That leaves one additional item, the decrease in square footage at Shiloh. Unfortunately, after going back and reviewing the application it appears the gross square footage of the project was inadvertently submitted as net square footage. If you look at the plans submitted with the application, you can see that the total residential area listed is 196,568. The gross area less the community building is 206,760, which is the number that was indicated in the application as net square footage. I am not aware of any "solution" to increase the square footage of a property that is already built and leased up. I can only ask that the agency recognize the mistake we made as just that, a mistake that we feel did not give us an advantage over other applicants.

Despite the construction deficiencies, I am happy to report that both properties are operating above ninety percent occupancy. We feel the solutions proposed will allow us to provide energy savings to existing tenants with the least possible amount of intrusion for instillation. If the proposal is acceptable to the Board, the ordering and installation process will begin immediately.

I want to thank you for your patience in working with us on these matters. I look forward to hopefully resolving these issues and moving forward. If you have any questions, please do not hesitate to contact me.

Sincerely,

Rodney F. Triplett, Jr.
The Park Companies

02420 & 02457 p. 3 of 3

THE PARK AT SHILOH	
10 vs 12 seer cost difference:	\$ 18,400.00
Energy star fridge vs non energy star:	\$ 3,488.00
TOTAL	\$ 21,888.00
REMEDIES	
Intellicon air conditioning economizer:	\$ 42,240.00
Low E Glass:	\$ 5,023.00
Computer Facilities:	\$ 5,000.00
TOTAL REMEDIES	\$ 52,263.00

THE PARK AT KIRKSTALL		
10 vs 12 seer cost difference:	\$	36,000.00
Energy star fridge vs non energy star:	\$	4,240.00
TOTAL	\$	40,240.00
REMEDIES	·	·
Intellicon air conditioning economizer:	\$	57,600.00
Low E Glass:	\$	44,640.00
Computer Facilities:	\$	5,000.00
TOTAL REMEDIES	\$	107,240.00
I O I AL KLINEDILO		•

Villas,

1800 Bering, Suite 501

Houston, Texas 77057

02007 p. 1 of 1

February 17, 2005

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine Austin, TX 78701

RE:

Portside Villas, TDHCA #02007

Dear Mr. Sheppard:

In completing the Cost Certification for Portside Villas, Ingleside, Texas, it has come to our attention that there was a change in the unit mix of one and two bedroom units from the submitted application to actual construction of the Development. Following is a summary of the change made:

<u>Application</u>		Actual				
# of Units	Type	# of Units	Type			
42	1B1B	44	1B1B			
58	2B2B	56	2B2B			
44	3B2B	44	3B2B			
144		144				

In completing the construction plans for the Development, it was discovered that in order to build four-plexes with same unit types in each building, the calculation done for the application of one and two bedrooms was incorrect. To remedy this, the unit mix was revised to construct four-plex buildings of consistent unit types, hence, the change in unit mix.

Aside from the total rents projected, this modification did not change the overall development in any way. This change did not affect any of the selection criteria in the submitted application. I have attached a revised rent schedule based on the actual unit mix as prepared for the Cost Certification. For your reference, I have also attached the Operating Expenses and 30-year proforma as submitted in the Cost Certification.

Portside Villas was a 2002 Forward Commitment that was approved by the Board prior to September 1, 2001, therefore, approval of this change would only require consent by the Executive Director.

Should you have any questions, or require more information, please don't hesitate to call.

Lucille Jones

For Portside Villas, L.P.

Attachments

04260 p. 1 of 4



March 3, 2005

Mr. Ben Sheppard
Multifamily Housing Specialist
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Request for amendment to TownePark Fredericksburg II Apartments, HTC Application #04260 Dear Mr. Sheppard:

Please accept this letter as the formal request for amendment to TownePark Fredericksburg II Apartments, HTC Application #04260.

The current planned unit mix for TownePark Fredericksburg II is 24 one-bedroom units and 20 two-bedroom units. We are requesting that all of the two-bedroom units be converted to one-bedroom units. The result would be a development with all (44) one-bedroom units.

TownePark Fredericksburg (TDHCA # 01072), the Phase 1 sister property is a total of 48 units. All of these units are two-bedroom units. We are currently over 90% leased, but lease-up has taken much longer than we anticipated (20 months so far). Reality is that there is a strong demand for one-bedroom elderly units, based on the traffic at the Phase 1 development. Our manager has a waiting list of those seeking one-bedroom units. Also, for the two-bedroom units, there is a resistance to pay rents any higher than around \$500. So, we have had to reduce our rents in several cases. Also, most voucher holders have a one-bedroom voucher and cannot qualify for the two-bedroom unit.

Based on this information, we believe that one-bedroom units would be a better fit for the Phase II development and the community. Once TownePark in Fredericksburg II is built, the combined development would have a total mix of 44 one-bedroom units and 48 two-bedroom units. Based on the actual demand we have seen, this mix of one and two bedroom units suits the market better than what was originally proposed.

If you have any questions regarding our request, or need us to furnish any other information, please contact me at 713-914-9400.

Thank you for considering our request.

Sincerely,

Les Kilday

Vice President, Kilday Realty Corp.

From: Sent:

Darrell Jack [djack@stic.net] Tuesday, May 03, 2005 12:52 PM

To:

'Les Kilday'

Subject:

RE: I talked to Tom Gouris

Les:

The 100% used in the capture rate calculation is different from the table shown on page 43, due to the fact that we have income information by age. This allows us to income band for "seniors only". The table on page 43 breaks households down by size, but applies to both families as well as seniors. For example, it would be a misrepresentation to say that 10.95% of senior households have 4 persons. We know this is not true.

SIZE OF HOUSEHOLD

Household S	ize	200	2	*	용 .
1 Per	son			29.	.68%
2 Per	son			39.	.57%
3 Per	son			12	.15%
4 Per	son			10	.95%
5 Per	son	,		4.	53%
6 Per	son	or	More	1.	728

It is possible that a senior household could have more than two persons. In our opinion, these senior households would be statistically insignificant. Furthermore, the demographic data we have available to us does not go into that level of detail (breakdown of senior households). For this reason, we make the statement in the first paragraph (pg. 43), "However, with senior households, it is likely that most all of the households will be comprised of one or two persons. Thus we use 100% for the household size."

For these reasons, we believe that the methodology we used in the original market study is an accurate reflection of the Fredricksburg rental market that your project can expect to operate within.

Darrell G. Jack Apartment MarketData (210) 530-0040 From: Sent:

Les Kilday [leskilday@ev1.net] Monday, May 09, 2005 5:32 PM

To: Cc:

Subject:

Tom Gouris

Dick Kilday; Mark Mayfield; Ben Sheppard; Darrell Jack

TownePark Fredericksburg II Amendment



RE: I talked to Tom Gouris

Tom,

Attached is an email from our market analyst, Darrell Jack, with Apartment Market Data. think there may have been some confusion regarding the percentage of Households used to calculate the Turnover Demand in the Market Study. Darrell addresses this issue in his email. As a reminder, both Phase 1 and Phase 2 developments in Fredericksburg are 100% elderly.

Also, I would like to address the reasons why we believe that converting our 20 two-bedroom units to one-bedroom units is appropriate for the needs of the Fredericksburg area:

- 1) TownePark in Fredericksburg, the Phase 1 development, consists of all two-bedroom units (48). It has taken 2 full years to lease up these 48 units. That is 2 units leased per month! And, this included reduced rents in some cases (see #4 below).
- 2) Our manager for TownePark in Fredericksburg has a drawer full of applicants that were turned away because they wanted a one-bedroom unit.
- 3) Section 8 voucher holders (elderly), in general, cannot qualify for a two bedroom unit. With more one-bedroom units, our lease-up should increase dramatically as more voucher holders will be able to qualify.
- 4) There has been a resistance by elderly residents in the Fredericksburg area to pay more than \$500 in rent. We have had to reduce rents on our two-bedroom units to get them occupied. By increasing our one-bedroom units, we will be substantially reducing the number of units with rents above \$500.
- 5) If the amendment were granted, the combined unit mix of the Phase 1 and Phase 2 developments will consist of 44 one-bedroom units and 48 two-bedroom units. This is a much more appropriate unit mix based on the demand in the Fredericksburg area.
- 6) Our partner in these developments is Mark Mayfield, director of the Marble Falls Housing Authority. Together, we also own TownePark in Kingsland, a 76 unit elderly development consisting of all two-bedroom units in Kingsland (which is about 55 miles NE of Fredericksburg). The Kingsland development also took close to 2 years to lease-up. Based on discussions with our management staff, here is the basic tenant profile for both TownePark in Fredericksburg (Phase 1) and TownePark in Kingsland:

Fredericksburg (Phase 1)

- 48 two-bedroom elderly units
- 43 one-person households
- 3 two-person households
- 0 three or more person households
- 2 vacant

Kingsland

- 76 two-bedroom elderly units
- 63 one-person households
- 13 two-person households
- 0 three or more person households

Clearly, the majority of our residents are one-person households. Many of our residents have also stated that they would consider moving into a one-bedroom unit if it was available.

One of the discussion points in replacing our two-bedroom units with one-bedroom units is that we will not be meeting the demand for two-bedroom units. We believe strongly that the demand for one-bedroom units is much greater than that for two-bedroom units. The demand for two-bedroom units cannot be very strong when it has taken 2 years to lease 48 of these units. Also, the Phase 1 units will be available to meet the two-bedroom demand when these units become available.

Sorry for the lengthy email. If you have any questions or need any clarification, please feel free to contact myself, dad or Mark Mayfield.

Thanks, Les

Les Kilday
Kilday Realty Corp.
5005 Riverway, Suite 330
Houston, TX 77056
Voice: (713)914-9400
Fax: (713)914-9439

mailto:leskilday@ev1.net.

South Union Place Limited Partnership

Home Office: 800 Bering Drive, Suite 410 Houston, TX 77057

Phone: (713) 425-2960 Fax: (713) 917-0965

May 6, 2005

Ms. Edwina Carrington, Executive Director Tom Gouris and Ben Sheppard Texas Department of Housing and Community 507 Sabine, Suite 400 Austin, TX 78711-3941

Ref: South Union Place Apartments TDHCA # 04024

Dear Ms. Carrington and Messrs. Gouris and Sheppard:

This letter is in follow-up on our meeting in Austin on May 5, 2005 and is to request that the approved application for low income housing tax credits on South Union Place Apartments be amended pursuant to the procedure specified under paragraph 50.18 (c) of the 2004 QAP (Amendment of Application Subsequent to Allocation by Board) as follows:

- Delete the plan to set aside 25% of total development units (31 of 125 units) as transitional housing for homeless persons for which the application received scoring points pursuant to QΛP subparagraph 50.9(g)(11)(F)(ii).
- 2. Have TDHCA agree instead for the applicant to set-aside only 12 units for transitional housing for homeless persons for a period of five years. These 12 units would be the same units designated for residents at 30% AMGI under paragraph 50.9(g)(13)(C) as planned in the original application, representing 9% to 10% of total development units at 30% AMGI. The five year development-based rental assistance commitment from Houston SRO would continue as a source of financing for these units as previously submitted and accepted by TDHCA for this purpose.

The reason for deleting the full 25% homeless set aside is that a majority of the rental assistance and supplemental income originally planned to support these units under the Supportive Housing Program (SHP) used by Houston SRO and other homeless service agencies would be treated by the IRS as "federal funds". SHP rental assistance is funded through the McKinney-Vento Homeless Assistance Act and it has recently been determined by tax counsel for MMA Financial (and, as we understand, by other syndicator attorneys who have consulted with the IRS) that SHP would be classified as "federal funds". Accordingly, the extensive use of SHP rental assistance would cause a reduction in eligible basis that would over time cause a recapture event. Considering this new information, MMA Financial has informed us that they are unable to proceed with their proposed equity investment in this project. See the attached letter from MMA Financial dated May 3, 2005 confirming their position on this matter.

04024 p. 1 of 8

However, based on the revised construction and development costs previously submitted in our carryover package and the usual cost increases expected prior to completion, the project will start with some amount of excess basis. If the number of transitional units were limited to 12 units, and use of SHP rental assistance were also limited, the "erosion of basis" would not occur fast enough to cause a recapture event prior to the end of five years. See the attached recapture analysis confirming the feasibility of this five year plan. It shows that with an estimated \$43,740 annually in SHP rental assistance and a projected \$218,700 of excess basis there would be no recapture event before 5 years.

MMA has advised that if this amendment is approved they will be satisfied and willing to provide equity for the project in the same amount and under the same general terms and conditions as originally planned. See attached letter from MMA dated May 6, 2005.

Based on the TDHCA's staff's recommendations to the board at the time of our previous request for deleting the homeless set aside (prior to resolving the previous issue on whether the IRS would require that all transitional/homeless units be in a separate building) we understand that the loss of 5 points to amend the application would cause South Union to be in a tie at 137 points with Essex Gardens Apartments. And upon applying the tie breaker rules, Essex Gardens' requested lower tax credits per net rentable square foot would be ruled in favor of Essex Gardens versus South Union Place. Consequently, the staff recommended against our requested amendment. Should this continue to be an issue in the staff's analysis and recommendation on this current amendment, we would ask that you take note of the following information:

- 1. Essex Gardens' final 137 point score included the allocation of the maximum of 12 points under QAP paragraph 50.9(g)(13) for 30% AMGI residents (low income targeting). However, the rent schedule and number of low income units in the Essex Gardens' application indicates only twelve 30% AMGI units. This is only 8.82% of their total 136 units which is outside and below the 9% to 10% bracket specified in subparagraph (13)(C) to justify an award of 12 points. By comparison, the South Union Place set aside of twelve 30% AMGI units is 9.6% of our total 125 units, which is clearly within the bracket for 12 points. Accordingly, Essex Gardens seems to have been technically over-scored under this criteria; and if corrected there would be no point tie.
- 2. Essex Gardens is a proposed 136 unit garden style <u>family</u> development in rural Sealy, Texas, whereas South Union Place is a three story <u>elderly</u> development with elevators in inner city Houston with higher cost construction. TDHCA's scoring criteria under QAP 50.9(g)(7)(B) recognizes some of the cost difference by allowing \$73 per NRSF for elderly developments versus \$62 per NRSF for other developments. This acknowledges a cost premium for elderly developments of 18%. Essex Gardens also has minimum common area, whereas South Union has extensive common area in the form of <u>air conditioned</u> corridors, stairways, lobby areas, etc. Finally, South Union Place is in a qualified census tract (QCT) while Essex Gardens is not. If both projects' tax credits were analyzed on a total <u>air conditioned</u> square foot basis, an 18% adjustment was allowed for type of construction and a 30% adjustment was allowed for the QCT tax credit markup,

May 6, 2005

04024 p. 3 of 8

South Union's "adjusted tax credit per square foot" would be less than Essex

3. Finally, Essex Gardens' 137 points included a 2-point allowance for the state wide average allowance for quantifiable community participation (QCP) since Sealy, Texas was declared to have no state or county registered community organizations. South Union Place received zero QCP points despite two specific letters from local state and county registered community organizations supporting the project which scored no points due solely to minor technical deficiencies. Our appeal to the board on this issue last summer was never fully considered since it had no bearing on our award of tax credits at the time. Even one QCP point for South Union would have avoided a tie with Essex Gardens.

In summary, please note that the requested amendment to the application to reduce the 25% homeless set aside to only 12 units for 5 years would not alter the development in a negative manner. In fact, it would reduce the rent-up risks, eliminate the prospect of tax credit recapture and would restore the project's feasibility for equity financing. Except for the transitional housing amendment, all other elements of the application would remain unchanged, including but not limited to architectural design, unit mix, revenue projections and the number of units to be set aside for qualified elderly residents at 30%,

The land has been purchased. The project is fully designed and has been approved by the City of Houston for construction. A construction contract has been executed with construction to commence immediately after close of financing. partner/applicant group already has over \$550,000 to date invested in the project. Obviously, our situation is urgent and we are sorely in need of favorable action by

Please let me know if you have any questions or need additional information. I can be reached anytime on my cell phone (713) 248-6239 or at my office phone (713) 425-2974.

Sincerely yours,

onn N. Barineau, III, Presidnet Scott Street Properties, LLC Administrative General Partner

JNB/cr

Attachments:

MMA Letter dated May 3, 2005 MMA Letter dated May 6, 2005 Recapture Analysis

ec:

Willie J. Alexander Marie Keutmann, MMA Financial

MMA Financial, LLC



101 Arch Street Boston, Massachusetts 02110-1106 T 617, 439,3911 F 617, 439,9978 www.MMAfin.com

A MuniMae Company

May 3, 2005 South Union Limited Partnership Attn: Mr. John Barineau 800 Bering Drive Suite 410

Re: South Union Place, TDHCA # 04024

Dear Mr. Barineau:

Houston, TX 77057

I regret to inform you that MMA will not be able to close our equity into South Union Place because of recently discovered tax issues with the homeless set-aside. Our investment committee does not think that we can market the tax credits to an investor because of tax issues regarding the rental assistance proposed for many of the homeless units, which exacerbate the already substantial risks of finding 31 qualified tenants for the transitional homeless units

Jim McDermott of Holland & Knight, our tax counsel, spoke with the IRS and has concluded that the use of Supportive Housing Program ("SHP") rental assistance for transitional/homeless tenants would be treated as federal funds by the IRS. This would result in an annual reduction of basis equal to the dollar amount of the SHP rental assistance received, which would result in tax credit recapture. This limits the ability of the partnership to rely on SHP rental assistance for a large percent of the units and increases the risk of finding tenants.

Our interpretation of the definition of "homeless persons" referenced in the QAP under 24 CFR 91.5 is that any homeless person housed by South Union would not only have to 1) lack a fixed, regular, and adequate night time residence, but 2) also would have to have a current night time residence in the form of i) a supervised publicly or privately operated shelter, ii) an institution (for example a mental institution), or iii) a public or private place not designed for sleeping (for example a train station, bus station, park bench or sidewalk). This definition of homeless referenced in the QAP would limit the population of qualified homeless persons for residency, making it more likely that they would have to come from shelters with SHP rental assistance resulting in a loss of credits and recapture for our investors. Our investors especially dislike amending their tax returns to reflect the recapture of tax credits they have already taken.

In your tax credit application, you indicated that you expected that some of the homeless tenants would have small incomes such as social security and would be able to pay the rent for the very low income units, or that they would have Section 8 vouchers. Given the definition of "homeless persons," it is difficult to count on these tenants having any social security or other income and more likely that they would have SHP rental assistance than Section 8 vouchers.

If the developers of South Union Place were able to eliminate or substantially reduce the homeless set-aside, MMA would reconsider investing in the project. We at MMA consider you one of our best developers and hope to work with you in the future. If you or TDHCA have any questions or I can be of further assistance please call me at 617-772-9557.

Sincerely,

Marie Keutmann

Managing Director of Acquisitions

MMA Financial, LLC

101 Arch Street

04024 p. 6 of 8

South Union Place Apartments #04024 Analysis of Recapture when Using Federal Funds

Total Development Costs Less Inelgible Basis Items		Minimum Juired Basis		Application Jubmission 9,295,318 397,843	\$ \$	Carryover submission 9,348,529 397,894	\$ \$	Current Projection 9,436,985 397,894
Total Eligible Basis QCT Adjustment Total Adjusted Basis	\$	8,820,391 <u>130%</u> 11,466,508	69 69	8,897,475 <u>130%</u> 11,566,718	\$	8,950,635 <u>130%</u> 11,635,826	\$ \$	9,039,091 <u>130%</u> 11,750,818
Applicable Fraction Subtotal	\$	<u>80%</u> 9,173,207	\$	<u>80%</u> 9,253,374	\$	<u>80%</u> 9,308,660	\$.	80% 9,400,655
Applicable Precentage (as of May 2005)		8.06%		8.06%		8.06%		<u>8.06%</u>
Supportable Annual Tax Credit Amount	\$	739,360	\$	745,822	\$	750,278	\$	757,693
Actual TC Award	\$	739,345	1					
Excess Basis (before 130%)	\$	-	\$	77,084	\$	130,244	\$	218,700
Years before Recapture Event Using Limited SHP Homeless Rent Assistance ("Federal Funds")								
(12) 30% units @ \$43,740 PA				1.8	3	3.0		5.0
							•	
Sources and Uses of Funds:								•
Permanent Mortgar Grant (City of Housto Equity from Syndicati Deferred Developer F	on)		\$ \$ \$ \$	3,011,415 150,000 5,988,000 145,903	\$	2,602,444 6,505,585 240,500	\$.\$ \$	2,650,000 6,580,000 292,990





101 Arch Street Boston, Massachusetts 02110-1106 T 617, 439,3911 F 617, 439,9978 www.MMAfin.com

A MuniMae Company

May 6, 2005

South Union Limited Partnership Attn: Mr. John Barineau 800 Bering Drive Suite 410 Houston, TX 77057

Re: South Union Place

Dear Mr. Barineau;

I have spoken with our Investment Committee and MMA is prepared to close this transaction if the homeless commitment can be reduced to 12 units for 5 years. Notwithstanding our previous letter of May 3, 2005 which outlined the tax issues and resultant feasibility issues with 31 transitional homeless units, MMA is prepared to proceed with the closing if the homeless setaside is reduced to 12 units for 5 years. Please let me know if I can be of further assistance.

Sincerely,

Marie Keutmann.

Managing Director of Acquisitions

MMA Financial, LLC

101 Arch Street

04024 p. 8 of 8

South Union Place Limited Partnership

Home Office 800 Bering Drive, Suite 410 Houston, Tx 77057 Phone: (713) 425-2974 Fax: (713) 917-0965

May 9, 2005

Ms. Edwina Carrington, Executive Director Messrs. Tom Gouris and Ben Sheppard Texas Department of Housing and Community 507 Sabine, Suite 400 Austin, Texas 78711-3941 VIA FAX

RE: South Union Place Apartments

TDHCA # 04024

Dear Ms. Carrington and Messrs. Gouris and Sheppard:

This is to supplement our request to amend the application on the referenced project submitted in our letter dated May 6, 2005, by requesting that the Department also approve that the five year development-based rental assistance commitment from Houston SRO for twelve 30% AMGI units previously submitted for the original scoring of our application under 2004 QAP 50.9 (g) (13) (C) be reapplied and used instead for scoring of our application under 50.9 (g) (14) (B).

In other words, this is to request TDHCA approval to further amend our application by substituting the selection criteria under (14) (B) for the previous selection criteria under (13) (C). If agreed by the Department, the loss of 5 points for modifying the 25% transitional housing for the homeless would be partially offset by a gain in 2 points resulting from the substitution of an award of 14 points under (14) (B) to replace the 12 points originally awarded under (13) (C).

All other provisions of our letter of May 6, 2005, as previously submitted remain the same.

Please let me know if you have any questions, and we thank you again for your cooperation.

Sincerely yours

Joan N. Barineau, III, President South Union Place Apartments

Administrative General Partner

cc: Willie J. Alexander

Marie Keutmann, MMA Financial

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

04085 p. 1 of 3

100 CONGRESS AVENUE Suite 300 Austin, Texas 78701-4042

Austin • Dallas • Houston • New Orleans

(512) 305-4700 Fax: (512) 305-4800 www.lockeliddell.com

Direct Number: (512) 305-4707 email: cbast@lockeliddell.com

April 26, 2005

Ms. Brooke Boston Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

RECEIVED
APR 2 6 2005
LIHTC

Re:

Amendment Request

Redwood Heights Apartments in Houston (the "Project") TDHCA No. 04085

Dear Brooke:

We represent Redwood Heights, Ltd. ("Applicant"). The Applicant respectfully requests permission to amend certain criteria in its low-income housing tax credit application, as set forth below.

Amendment Request

- 1. Transitional Units. Applicant requests the requirement that at least 25% of the units in the Project be provided as transitional housing on a non-transient basis be removed.
- 2. Income Targeting. Applicant requests to change the tenant income targeting for the Project as follows:

46 units to be rented to people at 60% AMFI

19 units to be rented to people at 50% AMFI

2 units to be rented to people at 40% AMFI

The number of units rented to people at 30% AMFI and the number of market rate units would not change. A revised rent schedule form is attached as <u>Exhibit A</u>. A comparison of the tenant income targeting between the original application and this amendment request is attached as <u>Exhibit A-1</u>.

Impact of Amendment

1. Points. Applicant received 141 points for its application (after the implementation of all scoring changes required by the Attorney General Opinion). The elimination of the transitional units would reduce Applicant's score by 5 points [QAP Section 50.9(g)(11)]. The change in the tenant

Ms. Brooke Boston April 26, 2005 Page 2

04085 p. 2 of 3

income targeting would increase Applicant's score by 2 points [QAP Section 50.9(g)(12)(A-C) and (D)]. By putting these two requests together, Applicant would have a score of 138 points. This assures that Applicant would have had sufficient points to receive a tax credit allocation in Region 6.

- 2. Site Plan. These amendments do not require any change in the site plan. The Project will continue to have the same number of buildings, the same square footage, and the same unit configuration.
- 3. Economics. Because there is no change in the site plan, there is no corresponding change in the development budget or the sources and uses. However, the pro forma analysis will change because of a different rent schedule. A revised 30 year pro forma is attached as Exhibit B.

Reason for Amendment Request

When Applicant committed to providing transitional housing units in the Project, it entered into a Referral Agreement with The Houston SRO Housing Corporation, a local non-profit organization ("Houston SRO"), whereby Houston SRO would refer tenants needing transitional housing to the Project and provide rental subsidy for those tenants. The Referral Agreement specified that the rental subsidy would be funded from HUD's Supportive Housing Program.

Before committing to the transitional units, Applicant wanted to assure itself that the rental subsidy would not impact the Project's eligible basis for tax credit purposes. Applicant was told by Houston SRO that these funds from HUD's Supportive Housing Program had been used to subsidize units in other tax credit properties previously, and there had never been any problem with it. Applicant verified this information with the owners of other tax credit properties in the Houston area.

When Applicant proceeded to syndicate its tax credits and close its equity investment, tax counsel for Applicant's investor limited partner began to research the Supportive Housing Program to determine whether this rental subsidy would be considered "federal funds" that would reduce the Project's eligible basis. Tax counsel found that the IRS has been expressly silent on this issue.

In Rev. Rul. 98-49, the IRS proclaimed that funds under HUD's Shelter Plus Care Program and HUD's Section 8 Assistance For Single-Room Occupancy Dwellings Program, both of which are intended to assist formerly homeless persons, would not be considered federal funds that would reduce eligible basis in a tax credit property. However, Rev. Rul. 98-49 did not address HUD's other program for homelessness, which is the Supportive Housing Program used by Houston SRO. Going directly to the source, tax counsel contacted Mr. Christopher Wilson of the IRS and asked him for the IRS position on this matter. Mr. Wilson advised that the IRS had considered the Supportive Housing Program and had expressly decided not to include it in Rev. Rul. 98-49. The IRS had determined that the Supportive Housing Program did constitute federal funds that would result in a reduction of eligible basis for a tax credit property.

This position from Mr. Wilson surprised Houston SRO and those who have been relying on Supportive Housing Program funds from Houston SRO to subsidize units in tax credit properties. It

Ms. Brooke Boston April 26, 2005 Page 3

04085 p. 3 of 3

makes it very difficult for Applicant to commit 25% of the units in the Project to transitional housing. Pursuant to Mr. Wilson's stated position, if the transitional tenants are placed in low-income units, the annual eligible basis for any building containing transitional units will be reduced by the amount of rental subsidy received from Houston SRO for those units. Such a reduction in eligible basis would create a corresponding reduction in the annual tax credits, which could negatively impact the financial feasibility of the Project.

Applicant has investigated whether other funding sources may be available from non-profit or governmental sources to provide the subsidy needed for the transitional units without creating an eligible basis problem. No such funds seem to be attainable.

Given this difficult situation, Applicant believes that removing the requirement for the Project to have transitional units is an appropriate solution. In return, Applicant agrees to alter its tenant income targeting so that Applicant's overall points would be sufficient to sustain the original tax credit award. Note that Applicant was already targeting more lower income units than required to achieve points in the original application. We believe approval of this amendment request is consistent with precedent in other successful tax credit application amendments that have eliminated points for certain selection criteria while adding points for other selection criteria.

We will appreciate the Board's consideration of this amendment request at the May 26, 2005 meeting and are happy to provide any additional information you may need.

Sincerely,

Cynthia L. Bast

Exhibit A -- Revised Rent Schedule

Exhibit A-1 -- Tenant Income Targeting Comparison

Exhibit B -- Revised 30 Year Pro Forma

cc: Realtex Development Corporation

Avenue Community Development Corporation

OLD HICKORY TRACT D, LTD.

02475 p. 1 of 2

975 ONE LINCOLN CENTRE 5400 LBJ FREEWAY DALLAS, TEXAS 75240 TEL. 972.239.8500 FAX 972.239.8373

April 11, 2005

Mr. Ben Sheppard TDHCA 507 Sabine, Ste 400 Austin, TX 78711 RESIDED

MAY 3 2005

LINTS

RE:

Application Amendment – 2002 4% LIHTC Application #02475 Providence on the Park (f.k.a. Rose Court at Thorntree)

Dear Mr. Sheppard:

Enclosed please find the application amendment for the referenced project. The applicant for this project is Old Hickory Tract D, Ltd. The sale of the bonds closed on September 1, 2003.

We have been working with Ms. Wendy Quackenbush to have the LURA executed by TDHCA for filing and recording. Upon her review of the LURA she brought to our attention that we need to amend the tax credit application because the application shows fourteen (14) residential buildings, and the LURA shows eighteen (18) buildings.

The enclosed items for the application amendment include:

- 1) Explanation by Applicant (this letter)
- 2) Site plan
- 3) Building Plans and Elevations

There are no affected Forms to submit due to no significant changes to the project cost, nor changes to the unit mix, rents, expenses, utility allowances, or sources and uses. The final cost of the project remained on budget due to buyout savings and contingency reserves.

The reason for requesting the amendment is that the application was for fourteen (14) residential buildings, but the project is comprised of eighteen (18) residential buildings. This occurred because of a request late in the process by the project district's City Councilmember that there be no 3-story buildings. As a result, all buildings were changed to 2-story, which required the addition of four buildings to maintain the same unit mix and total net rentable square footage. The unit mix and square footage of the project did not change after the addition of the four buildings.

02475 p. 2 of 2

Please contact me if you have any questions or require additional information at 972-239-8500x131 or mharris@providentrealty.net. Thank you.

Yours Truly,

Matt Harris

Enc.

PICERNE DEVELOPMENT

247 N. WESTMONTE DRIVE
ALTAMONTE SPRINGS, FL 32714
TEL. (407) 772-0200 = FAX (407) 772-0220

SECEIVED)

Via Federal Express

RECEIVED

M. + 1 8 2005

March 16, 2005

MAF 3 2005

LIHIL

Mr. Ben Sheppard
Texas Department of Housing & Community Affairs
507 Sabine, Suite 400
Austin, Texas 78701

RE: Madison Point Apartments - TDHCA #02149
Application Amendment Request

Dear Mr. Sheppard:

By this letter, we respectfully request TDHCA's approval of a revision to the number of residential buildings as represented in the original tax credit application. At that time we anticipated the development would consist of 11 residential buildings. During final design, it was determined that the site would not allow for the 11 originally planned buildings, but only 9 buildings. No changes were made to the unit mix.

Based upon our review of the QAP, this does not materially alter the development in a negative manner, nor would it have adversely affected selection of the development during the application round, as this is not a Selection Criteria item.

Additional positive aspects of the development include:

- Direct construction costs and contractor fees as reflected in the Cost Certification are approximately \$62,000 less than contemplated in the original tax credit application
- The clubhouse square footage has increased by 98 square feet, from 2,904 to 3,002
- 2-bedroom units are 1,093 square feet, a 3sf increase over the 1,090 proposed in the original tax credit application
- 3-bedroom units are 1,222 and 1,274 square feet, an averaged 59sf increase over the 1,189 proposed in the original tax credit application
- 4-bedroom units are 1,364 square feet, a 72sf increase over the 1,292 proposed in the original tax credit application
- Overall net residential square footage is 6,144 square feet (3%) greater than proposed in the original tax credit application.

02149 p. 2 of 2

Mr. Ben Sheppard March 17, 2005 Page 2

In accordance with TDHCA's Application Amendments — Process and Requirements for Obtaining Approval, we are enclosed the following documentation, which was also included with the Final Gost Certification Application submitted to TDHCA on March 4, 2005:

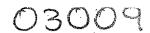
- Development Cost Schedule (actual Cost Certification and Independent Auditor's Report)
- Rent Schedule
- Utility Allowances
- Annual Operating Expenses Schedule
- Sources of Funds
- 30-year Proforma
- As-built Survey

Please feel free to contact me with any questions or comments you may have. I look forward to your response, and appreciate your time and consideration.

Sincerely,

Vice President

03009 p. 1 of 5



4401 North Mesa El Paso, Texas 79902-1107 P.O. Box 12220 El Paso, Texas 79913-0220 915 533-1122 FAX 915 545-2631



APR 1 3 2005 LIHTC

April 12, 2005

Ben Sheppard
Texas Department of Housing and Community Affairs
507 Sabine, Ste. 400
Austin, TX 78711-3941

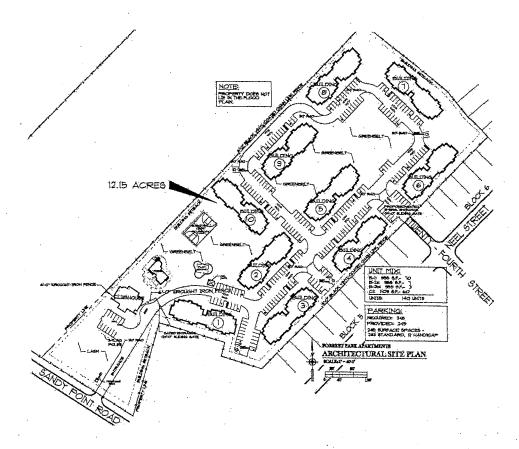
RE: Forest Park Apartment Application Amendment TDHCA Project #00000 0 3009

Dear Mr. Sheppard:

Subsequent to submitting the Application for Low Income Housing Tax Credits for the above referenced project, a revision to the site plan was required to address issues that were not foreseeable by the Owner at the time the Application was submitted. This revision mandated a relocation of the buildings on the site and the elimination of one building (without changing the number of units, the unit mix, or the net rentable square footage of the project). The revision was required to accomplish four items – install a second driveway, protect the natural drainage channel, create a buffer between our development and the existing single- family homes adjacent to our site, and preserve some large, existing oak trees. These four items are described in detail below.

Install a Second Driveway. The City of Bryan required us to install a second driveway for ingress to, and egress from the site. The original site plan from the LIHTC Application (shown on the following page) had approximately 315 linear feet of frontage along Sandy Point Road. This was not enough frontage to install a second driveway with a proper amount of separation between the driveways given the limited sight distance available on Sandy Point Road as a result of the curvature of the roadway as is evident on the revised site plan provided on page 3 of this submittal. As you can see, by comparing the original site plan to the revised site plan, the revision was accomplished by shifting the entire development to the west (along Sandy Point Road). The shift of the site plan gave the development just over 500 linear feet of road frontage – enough to safely allow adequate separation between the two driveways.

receiving an allocation of credits. After overlaying the original site layout onto the topographic survey, it was evident that buildings number one and number three, the driveway and parking area between these two buildings, and the clubhouse were adversely affected by the location of the drainage channel and therefore needed to be relocated on the site plan.



ORIGINAL SITE PLAN

03009 p. 3 of 5

Create a Buffer Between the Existing Single Family Homes. The third item accomplished by moving the development westward into the center of the available acreage was to create a buffer that the City and adjoining neighborhood desired between our apartments and the single family neighborhood adjoining us to the east as shown on the topographic survey on the previous page. The buffer area is fairly dense with native trees and vegetation, and provides a visual barrier between the two differing uses as well as approximately 180 feet of physical separation.

Preserve Existing Oak Trees. In order to shift the development to the new location as described above, the new location of the improvements had a couple of constraints which our design team needed to mitigate. First, the location of the clubhouse and swimming pool were relocated southward (closer to Sandy Point Road), so they would not interfere with the drainage channel. Second, there are some large existing oak trees on the site that we wanted to preserve within the constructed environment. Some of the trees we wanted to save are shown on the topographic survey on the previous page. In total, by reconfiguring the location of the buildings within the site plan and by eliminating one building, we were able to save and retain 40 of the existing oak trees. These two limiting factors, the drainage channel and the existing trees, created the need to construct one less building in the development. A couple of photographs of the typical trees we saved are shown below.





Net Effect of the Site Plan Revision. Despite having one less building in the development, we have retained the exact amount of net rentable square feet by using the identical floor plans for the units as proposed in our Application. This was accomplished by reconfiguring the residential buildings to consist of 16 units each instead of 14 as originally proposed in the Application.

We believe the effect of the change to our site plan that resulted in one less building in our development has had a net positive impact on the project and the neighborhood by (i) reducing the impact to the naturally occurring drainage channel, (ii) reducing the amount of impervious cover on the site, (iii) saving as many of the existing large oak trees as possible, (iv) providing a visual and physical separation between the apartments which we are constructing and the existing single family development adjoining our site, and (v) generating goodwill from the City of Bryan and the neighborhood.

The cost impact of reducing a single building from the development has been negligible since we have the same amount of net rentable square feet and the same amount of area under roof in the buildings. A comparison between the original estimated construction costs and the actual cost of construction is shown in the following table. The difference in the cost of construction (site work plus buildings) between the original estimate in the tax credit application and our actual cost of construction is less than \$5,100. We are approximately 95% complete with construction of the project and have a high level of certainty that the cost comparison is accurate. The revision to the site plan will not have a cost or financial impact to any other part of the project.

03009 p. 5 of 5

Based on the items described above, we are requesting your approval of an amendment to the Application for the project. Thank you for your consideration of this matter. I can be reached at (915) 298-4340 and robertk@huntbuilding.com.

Sincerely,

One Forest Park, Ltd.

Robert K. Kelk

Vice President

04058 p. 1 of 3

Shepherd Lane Housing, LP

1901 Central Drive, Suite 708 Bedford, Texas 76021 Telephone: (817) 267-2492 Fax: (817) 267-2681 (972) 563-2286

April 12, 2005

Mr. Ben Sheppard Multifamily Finance Production Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

Subject: Spring Oaks Apartments, Balch Springs (TDHCA #04058)

Application Amendment

Dear Mr. Sheppard:

I am requesting your consideration and approval of the following changes to the subject application.

Change in Co-developer and Syndicator: Our original application listed Simpson Housing Solutions as the syndicator and Co-developer of this project. The partnership agreement did not materialize. We have since selected PNC Multifamily Capital as the Syndicator. The Co-developer of the project will be Integrated Construction and Development who will also serve as the General Contractor for the development. I have attached for your review a copy of the experience certificate and financials for Integrated Construction and Development.

Change in Site Plan: The site has a drainage ditch that transverse the site from North to South. To comply with the City of Balch Springs' request for a second entrance onto the site, the Developer has implemented a 4x8 box culvert for crossing the drainage ditch. Additionally, the Developer reached an agreement with the City of Balch Springs that would allow him to channel the flow of the ditch across the site in underground piping. However it was determined during the engineering phase that the discharge of storm water being presented to the drainage ditch had produced a small amount of wetlands. The report produced as a result of the wetland delineation concluded that 3671f of ephemeral stream channel and 0.193 acres of jurisdictional wetland exist. In compliance with Federal Regulations, we cannot disturb more than a 0.10 of an acre of this area. Our site plan has been revised to reflect the wetlands area which is not available for development.

→ • • •

Spring Oaks Apartments – TDHCA #04058 Application Amendment – April 12, 2005 Page 2 of 3

Change in the Number of Buildings and Building Type: With the identification of wetlands on the development site, coupled with a height restriction of two stories in the City of Balch Springs ordinance; we are challenged to keep our unit count and unit mix consistent with our original application. Our original application called for ten (10) two-story buildings with 16 units per building. The site plan has been revised to reflect the use of eight (8) two-story buildings with a split configuration that allows for a lower level. We will provide four (4) lower level units in each building. This building type results in 20 units per building and will allow us to conserve space while maintaining our original unit mix and unit count of 160 units.

<u>Detention Requirements:</u> There are two (2) 48" reinforced concrete pipes (RCP) and one (1) 36" RCP that discharge storm water onto the Northeast corner of the site. During the engineering phase, we determined that the drainage area to the two 48" RCP is about 120 acres and the drainage area to the 36" RCP is about 25 acres. Due to the amount of the combined runoff produced by the City and our development, the City of Balch Springs requires us to put in detention. The site plan has been revised to include a detention pond to intercept excessive storm water.

On Site Lift-Station: The Developer reached an agreement with the City of Balch Springs to run our 8-inch sewer line in a 15-feet easement on the Northern portion of the site which would have allowed for the natural gravity flow of all lines. This decision by the City was overturned by the Dallas Water District #6, a completely separate entity owned by Dallas County, which has responsibility for maintaining the City's water and sewer lines. The Water District insisted that a newly installed 15-feet sewer line owned by the County be used. This line runs the length of the street fronting the site; however, the line is very shallow and requires the use of a lift station to make the system functional. The lift station will be located in the Southeast corner of the site and will be fully maintained by the owner.

Reduction in Height of Roof: Due to numerous complaints from the community, the Balch Springs City Council has been reluctant to approve an ordinance that would allow apartment buildings with a three-story configuration. The development is being placed in a residential area where the concern over height of buildings is prominent. The Developer has agreed to make adjustments to the height of the roofline to gain acceptance by the residence and the City. This reduction in height reduced the overall height of our building from 48 feet to 47 feet.

<u>Change in ceiling height</u>: With the change in building type, we must provided 8-feet ceilings on the lower levels of each building in order to meet the International Building Code. In our original application we elected to provide 9-feet ceilings which allowed us to take 1 point under the scoring parameters of the 2004 QAP. This change results in a deduction of the 1 point originally taken. We will provide, in lieu of the 9-feet ceiling, storage for each unit which entitles the applicant to 1 point in scoring under the 2004

Spring Oaks Apartments – TDHCA #04058 Application Amendment – April 12, 2005 Page 3 of 3

QAP. The amenity of individual unit storage equally offset the amenity of 9-feet ceilings.

Our development cost will not be impacted by these changes as the increase in cost resulting from the addition of a detention pond, retaining walls and lift station, is offset with the savings that result from fewer buildings, a reduction in the height of the roofs on all buildings and 8-feet ceilings in each of the eight buildings provided throughout the development.

Thank you for your consideration and approval of these changes. We ask that we be placed on the May 12, 2005 Board agenda such that our June 1 closing date can be maintained. We look forward to addressing any questions you may have.

Sincerely,

Ron Pegram

General Partner

cc: Art Momjian – Duane Morris LLP Frank Pollacia – Architettura, Inc.

04030 p. 1 of 1

TEXAS HOUSING ASSOCIATES, INC.

1013 VAN BUREN HOUSTON, TEXAS 77019

PHONE (713) 522-4141 FAX (713) 522-9775

MARK MUSEMECHE LAURA MUSEMECHE TELEPHONE: (713) 522-4141 Ext. 3

E-MAIL: hmsarchitects@sbcglobal.net

April 25, 2005

Mr. Ben Sheppard Texas Department of Housing & Community Affairs 507 Sabine #400 Austin, Texas 78701

via federal express & fax 512-475-0764 4pages

RE:

TDHCA #04030 Park Estates

Request to Change Unit Elevation Floor Plan; 4-bedroom units only

Dear Mr Sheppard,

Please accept this letter as our formal request to change the unit plan and exterior elevations of the 4-bedroom unit on Park Estates. This is a design aesthetic request only and is a betterment to the development. This change does not affect applicant scoring, size of unit, eligible building type, development cost or credit allocation. This request only affects 7 units total. The size of the new two story unit is exactly the same as the original one-story on the application so there are no new cost exhibits to review with this request.

The purpose of the change is two-fold. First, the original single story plans for the single family unit designs in the application were all single story in style, with all unit types looking very similar. There was no distinction between either the 3-bedroom house plan or the 4-bedroom house plan. Since this development is intended to be a subdivision of single family rental houses, we felt it would be more marketable if we could construct a project with architectural variations in style and massing which is typical in owner occupied subdivisions. Interspersing the 7 two-story 4-bedroom houses throughout the development accomplishes this goal of architectural style and massing variation. Second, there are several unique lots where the smaller 2-story footprints are more appropriate to lay out on the lot.

We are commencing construction on the project immediately and would therefore appreciate your help by placing this item on the earliest possible board meeting.

If you require any additional information, please contact me.

Sincerely,

TEXAS HOUSING ASSOCIATES, INC.

Mark D. Wesemeche, Vice-President

MDM/oe

Attachments: floor plans & elevations



04047 p. 1 of 2

RECEIVED

APR 2 5 2005

LIHTC

April 25, 2005

Mr. Ben Sheppard Multifamily Production Division Texas Department of Housing and Community Affairs P.O. Box 13941 Austin, Texas 78711-3941

Re:

Request for Amendment to LIHTC #04047, Stratton Oaks Apartments of Seguin

Dear Ben:

On behalf of the Project Partnership, DDC Stratton Oaks, Ltd., we are writing to request the Departments consideration of the following application amendments:

1.) Change the structure of the tenant paid utilities on the above referenced transaction to "all electric".

The application structure utilized natural gas heat and hot water, however our engineers have recommended using "all electric" utilities as discussed in the enclosed letter from ATS Consulting Engineers & Inspectors.

Fortunately, the change in the utility allowance does not materially impact the operating proforma. The difference in the monthly utility allowance is summarized below:

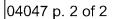
	Application Gas Heat & Hot Water	Requested Amendment All Electric	Difference
One Bedroom	\$30.80	\$34.10	\$3.30
Two Bedroom	\$43.80	\$47.10	\$3.30
Three Bedroom	\$52.48	\$56.88	\$4.40

I have also enclosed the requested "revised structure" Utility Allowances worksheet and the most recent Section 8 Utility Allowance Worksheet from the Seguin Housing Authority.

2.) Change in site plan from thirteen (13) two-story buildings to eleven (11) two- and three-story buildings.

The geotechnical investigation and civil engineering design work has determined that certain site and soil conditions would require expensive site excavation, foundations and retaining walls. Reducing the building count by two by creating three 3-story buildings will enable us to avoid placing buildings on the most severely sloping portion of the property and allow us to transfer some of the unstable soil to the rear of the property where the buildings were deleted. Please see the enclosed letter from the ATS Engineering for a more detailed discussion of the site conditions and efforts to contain costs through the value engineering process. We have also enclosed revised architectural documents reflecting the redesigned site and buildings.

As correctly stated by many Project Owners in previous amendment requests, construction costs, including both labor and commodities have been increasing over the past 12 to 18 months. These increases, along with the site





conditions described above, were neither foreseeable nor preventable by the Applicant. Although we have not received final construction bids pending acceptance of this amendment request, it is our intent with this amendment to offset these cost increases, bring the cost of construction back in line with the budget presented at carryover.

We respectfully request approval of the amendments as requested. If you have questions or need additional information please contact me at (512) 577-5566.

Sincerely,

DDG STRATTON OAKS, LTD.

Colby Denison

Developer and Authorized Agent

enclosures



04066 p. 1 of 1

Pineywoods Orange Home Team Ltd.

Mr. Ben Sheppard
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
507 Sabine, Suite 300
Austin, TX 78701

RE: Pineywoods Community Development Orange TDHCA # 04066

Dear Ben:

Enclosed please find information concerning the sites in Orange, Texas for TDHCA Application #04066. Due to final plating issues 7 lots were substituted from our original application of 36 scattered sites. The substituted lots are of the same size, value and type as the original lots were. All substituted lots are in the same neighborhood and in most cases right next door or in the same block to the original sites.

A Phase I Environmental review has been done and reviewed; a copy for your records is enclosed.

Given the close proximity to the original sites there is really no significant or material change from the original application. All lots still meet City of Orange Minimum lot size and set back requirements and have been cleared and building permits issued.

No other changes have been made from our original application and a complete set of surveys, maps and legal descriptions is enclosed for your records.

As stated in the original application re-platting of several lots did result in changes of addresses on the original lots. These have been noted for your review. And, listed on the maps and surveys.

If there is any additional information you need please feel free to contact me.

Respectfully,

Douglas R. Dowler, Executive Director

Pineywoods Orange HOME Team Ltd.

Enclosure



02099

02099 p. 1 of 2

RECEIVED

LIHIC

VIA OVERNIGHT MAIL

April 2, 2005

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine St., Fourth Floor Austin, Texas 78711-3941

Re: SUNRISE VILLAGE APARTMENTS - TDHCA # 02099: Application Amendments

Dear Mr. Sheppard:

As a follow up to your conversations with Bob DeLuca and to our letter of March 1st, please consider this letter our request for the Department's approval of a total of three amendments to the original application for tax credits, which was submitted in February 2002. In addition to our previous request, which deals with the fact that there are four residential buildings instead of the five, which were reflected in the application, the following two additional changes are requested. TDHCA application change protocol notwithstanding, we do not believe any of these items any way negatively impact the development.

1. Delete "Pay Phone" as a central amenity and substitute "Business/Computer Center."- Inasmuch as Sunrise has been open and occupied since May 2004, we have almost one year of actual property operations. In view of this time period and after discussing this matter in depth with our on site management personnel, we do not believe the installation of a public phone would be beneficial to the residents of the property. In fact, we are convinced that it would only become an after hours and late night attraction to less than desirable individuals and could, quite frankly, promote the possibility of drug transactions on the property. We simply do not believe such a phone would be a good idea. It is pointed out that there is an emergency 911 phone installed at the swimming pool. Sunrise does, however, have an open, fully equipped, and operating computer/business center, which was not originally designated on the application. We are herby requesting that the computer center amenity be substituted for the pay phone. Copies of the amenity excerpt from the original application and a photograph of the computer center are enclosed herewith.

Accept existing "2,500" SF clubhouse facility in lieu of erroneous 2. "5,200" SF dimension, which may have been submitted with the initial layouts in the original application. The initial LIHTC application in Section 1, "Square Footage and Applicable Calculation" reflected a square footage figure of "1,500" for the clubhouse/leasing center. Once the formal plans were completed this area became the 2,500 SF which is the area that exists. This figure has been verified by both your inspector and the project architect. The "5,200" was never contemplated and would be considered very excessive for a property of only 80 units. The initial preliminary site plans submitted with the original application appear to be labeled "1,500", which is consistent with the application. The copy we retain is somewhat illegible, and it is possible that TDHCA staff made a transposition error in their write up. Irrespective of a possible error, however, if a scale is applied to the original drawing, the size of this facility is much closer to the 2,500 SF range and does not approach 5,200 SF. This document was "not for construction." Please refer to the enclosed drawings. If there was any inaccuracy at all, it is that we constructed 2,500 in lieu 1,500 SF. which is to the benefit of the project. As a practical matter, the clubhouse facility has proved to be entirely adequate and, in fact, quite spacious for the development.

It is respectfully requested that an Application Amendments be approved to reflect the (1) site modification in the number of residential buildings from five to four, (2) substitution of the computer center for the pay phone, and (3) the acceptance of the 2,500 SF clubhouse facilities, as constructed. Upon such action the LURA may then be recorded and the cost certification process can be finalized.

If you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

Thomas H. Scott

Authorized Representative

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 26, 2005

Action Items

One request for an extension to commence substantial construction followed by requests for extended deadlines to close construction loans.

Required Action

Approve or deny the requests for extensions associated with 2003 and 2004 Housing Tax Credit commitments.

Background

Pertinent facts about the developments requesting extensions are given below. Each request was accompanied by a mandatory \$2,500 extension request fee.

Commencement of Substantial Construction Extension Request

The Manor at Jersey Village Apartments, HTC Development No. 03182

Summary of Request: Applicant requests a third extension of the deadline to commence substantial construction. As of the last extension, the City had advised the owner that building permits would not be ready until at least December 29. In fact, building permits could not be obtained until February 23 and construction began on March 4, the date that funds were released by the lenders. Because of wet soil, the applicant could not construct 50% of the foundations by the date of the Board's previous extension deadline, March 14. Applicant requests an extension until April 26, 2005. Because this date has already occurred, staff has confirmed that the requirements of commencement of construction have been met. As of May 17, applicant reports that all parts of the development have at least the first floor framing under way and a part of the development has the third (highest) floor framing under way.

Applicant: The Manor at Jersey Village, Ltd.

General Partner: Artisan/American Corporation (51%), Inland General

Construction Company (49%)

Developer: Artisan/American Corporation
Principals/Interested Parties: Elizabeth Young, Vernon Young

Syndicator: PNC Bank

Construction Lender: Davis-Penn Mortgage Company
Permanent Lender: Davis-Penn Mortgage Company

Other Funding: NA

City/County: Jersey Village/Harris

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 160 HTC and 40 market rate units

2003 Allocation: \$782,354 Allocation per HTC Unit: \$4,890 Extension Request Fee Paid: \$2,500

Type of Extension Request: Commencement of Substantial Construction

Note on Time of Request: Request was submitted on March 31. Deadline for request

was February 22.

Current Deadline: March 14, 2005
New Deadline Requested: April 26, 2005
New Deadline Recommended: April 26, 2005

Prior Extensions: Commencement of construction extended from 1/12/05 to

3/14/05

Commencement of construction extended from 11/12/04 to

1/12/05

Staff Recommendation: Approve extension as requested. The development is

well under way and the applicant has confirmed that construction will be completed prior to the December

31, 2005 deadline.

Construction Loan Closing Extension Requests Follow. With the exception of the first three requests, which are all from the same applicant, the remaining requests are presented in order of development number:

Diana Palms Apartments, HTC No. 04001 (Forward Commitment from 2003, fka 03024)

Summary of Request: Applicant requests an extension of the deadline to close the construction loan. Applicant initially sought a 221(d)(4) loan from the U.S. Department of Housing and Urban Development (HUD) which could not be closed within the deadline because of HUD's lengthy process. When the development area was designated as a Difficult Development Area (DDA), thereby increasing qualified basis by 30%, pursuing the HUD loan and the associated long amortization period became less important to cash flow and applicant was provided with, and accepted, the opportunity to use a conventional 30 year loan instead of the HUD 40 year product. Note that this applicant was approved in 2003 and has therefore had approximately two years to meet this requirement as opposed to one year for the other 2004 awardees.

Applicant: Diana Palms, LTD.
General Partner: El Paso Diana, LLC

Developer: Tropicana Building Corporation (TBC)

Principals/Interested Parties: Bobby Bowling, Randall Bowling, Gregory Bowling

(owners of TBC which is 95% owner of GP); Alianza Para

El Desarrollo Communitario (5% owner of GP)

Syndicator: The Richman Group
Construction Lender: Bank of America
Permanent Lender: Bank of America

Other Funding: NA

City/County: El Paso/El Paso

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 34 HTC and 2 market rate units

2004 Allocation: \$211,474 Allocation per HTC Unit: \$6,220 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: November 1, 2005 New Deadline Recommended: November 1, 2005

Prior Extensions: None

Staff Recommendation: Approve extension as requested. The development is

small; the applicant is both the developer and general contractor; the applicant has developed other tax credit properties in compliance with all of the deadlines; and the applicant's reason for the requested extension justifies the relatively long period of time that has expired since the award because it relates to a reevaluation of the financing structure after the HUD

DDA notice was released in November of 2004.

Americas Palms Apartments, HTC Development No. 04196

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant initially sought a 221(d)(4) loan from HUD which could not be closed within the deadline because of HUD's lengthy process. When the development area was designated as a Difficult Development Area (DDA), thereby increasing qualified basis by 30%, pursuing the HUD loan and the associated long amortization period became less important to cash flow and applicant was provided with, and accepted, the opportunity to use a conventional 30 year loan instead of the HUD 40 year product.

Applicant: Americas Palms, LTD.
General Partner: El Paso Americas, LLC

Developer: Tropicana Building Corporation (TBC, developer and 44%

owner of GP)

Principals/Interested Parties: TVP Nonprofit Corporation (51% owner of GP); Bobby

(IV), Bobby (III), Randall, Gregory, Joanne, Paulette, Ashley and Jill Bowling; Demetrio Jimenez, (owners of

TBC or Tropicana Properties, Inc. (5% owner of GP)

Syndicator: The Richman Group

Construction Lender: Wells Fargo Permanent Lender: Wells Fargo

Other Funding: NA

City/County: El Paso/El Paso

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population
Units: 112 HTC units
2004 Allocation: \$611,304

Allocation per HTC Unit: \$5,458 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005
New Deadline Requested: November 1, 2005
New Deadline Recommended: November 1, 2005

Prior Extensions: None

Staff Recommendation: Approve extension as requested. The development is

small; the applicant is both the developer and general contractor; the applicant has developed other tax credit properties in compliance with all of the deadlines; and the applicant's reason for the requested extension is in accord with the relatively long period of time because it relates to a complete reevaluation of the financing structure after the HUD DDA notice was released in

November of 2004.

Horizon Palms Apartments, HTC Development No. 04197

Summary of Request: Applicant requests an extension of the deadline to close the construction loan. Applicant initially sought a 221(d)(4) loan from HUD which could not be closed within the deadline because of HUD's lengthy process. When the development area was designated as a Difficult Development Area (DDA), thereby increasing qualified basis by 30%, pursuing the HUD loan and the associated long amortization period became less important to cash flow and applicant was provided with, and accepted, the opportunity to use a conventional 30 year loan instead of the HUD 40 year product.

Applicant: Horizon Palms, LTD.
General Partner: El Paso Horizon, LLC

Developer: Tropicana Building Corporation (TBC, developer and 44%

owner of GP)

Principals/Interested Parties: TVP Nonprofit Corporation (51% owner of GP); Bobby

(IV), Bobby (III), Randall, Gregory, Joanne, Paulette, Ashley and Jill Bowling; Demetrio Jimenez, (owners of

TBC or Tropicana Properties, Inc. (5% owner of GP)

Syndicator: The Richman Group

Construction Lender: Wells Fargo Permanent Lender: Wells Fargo

Other Funding: NA

City/County: El Paso/El Paso

Set-Aside: Rural Type of Area: Rural

Type of Development: New Construction
Population Served: General Population
Units: 76 HTC units

Units: 76 HTC u 2004 Allocation: \$431,206 Allocation per HTC Unit: \$5,674 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: November 1, 2005 New Deadline Recommended: November 1, 2005

Prior Extensions: None

Staff Recommendation: Approve extension as requested. The development is

small; the applicant is both the developer and general contractor; the applicant has developed other tax credit properties in compliance with all of the deadlines; and the applicant's reason for the requested extension is in accord with the relatively long period of time because it relates to a complete reevaluation of the financing structure after the HUD DDA notice was released in

November of 2004.

Palacio Del Sol Apartments, HTC No. 04005 (Forward Commitment from 2003, fka 03207)

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The applicant's HUD 221(d)(4) loan cannot be processed in time to meet the deadline. Awaiting a determination from HUD on whether the HAP contracts could be continued in a development that involves demolition and new construction was also a cause of delay. The applicant has now resolved the issues with HUD and is able to confidently proceed.

Applicant: TX Palacio Housing, L.P.

General Partner: Texas Palacio Development, LLC
Developer: Southwest Housing Development

Principals/Interested Parties: Mexican American Unity Council (owner of GP)

Syndicator: Wachovia Securities

Construction Lender: Davis-Penn Mortgage Company
Permanent Lender: Davis-Penn Mortgage Company

Other Funding: NA

City/County: San Antonio/Bexar Set-Aside: At-Risk, Nonprofit Type of Area: Urban/Exurban Type of Development: New Construction

Population Served: Elderly

Units: 186 HTC and 14 market rate units

2004 Allocation: \$1,096,828 Allocation per HTC Unit: \$5,897 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: August 1, 2005 New Deadline Recommended: August 1, 2005

Prior Extensions: None

South Union Place Apartments, HTC Development No. 04024

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The extension is needed because of delays relating to the inclusion of transitional units in the property and to the amendment request regarding transitional housing that was tabled at the Board Meeting of April. The request is now being reinstated at this May 2005 Board Meeting.

Applicant: South Union Place Limited Partnership

General Partner: Scott Street Group, LLC (managing GP with 51% interest

in GP); Scott Street Properties, LLC (administrative GP

with 48% interest in GP)

Developer: RMI Developers, Ltd.

Principals/Interested Parties: Pamela P. Barineau (51% of managing GP); Willie J.

Alexander (49% of managing GP); Mark H. Barineau (66% of administrative GP and 33% of developer); John N. Barineau, III (20% of administrative GP and 33% of developer); John N. Barineau IV (14% of administrative GP

and 33% of developer)

Syndicator: MMA Financial Construction Lender: MMA Financial Permanent Lender: MMA Financial

Other Funding: NA

City/County: Houston/Harris

Set-Aside: NA

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly (with 25% Elderly-Transitional units)

Units: 100 HTC units and 25 market rate units

2004 Allocation: \$739,345 Allocation per HTC Unit: \$7,393 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Stratton Oaks Apartments, HTC Development No. 04047

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The request is a result of an amendment request, made by the applicant, that is being considered by the Board at this same Board Meeting and relates to a change in the site plan and building configuration resulting from geotechnical and engineering recommendations.

Applicant: DDC Stratton Square, Ltd.

General Partner: Seguin Housing Development & Management Corporation

(SHDM, nonprofit)

Developer: SHDM (nonprofit co-developer); DDC Investment, Ltd.

(for-profit co-developer)

Principals/Interested Parties: SHDM; Colby Denison (owner of for-profit co-developer)

Syndicator: MMA Financial, LLC
Construction Lender: Midland Mortgage
Permanent Lender: Midland Mortgage

Other Funding: NA

City/County: Seguin/Guadalupe

Set-Aside:
Type of Area:
Urban/Exurban
Type of Development:
New Construction
Units:
100 HTC units
2003 Allocation:
\$590,539

Allocation per HTC Unit: \$5,905 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Chisholm Trail Senior Village Apartments, HTC Development No. 04052

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant is awaiting plan review approval and permits from the City that the lender and investor require for closing. Applicant requests the extension as a precaution against exceeding the Department's deadline for closing.

Applicant: DF Chisholm Trail Senior Village, L.P. General Partner: DF Affordable Housing Partners, Inc.

Developer: DFAHP Development, L.P.

Principals/Interested Parties: Leslie Holleman, Beverly Funderburgh

Syndicator: MMA Financial

Construction Lender: JP Morgan Chase Bank Permanent Lender: JP Morgan Chase Bank

Other Funding: American Opportunity (\$25,000 grant)

City/County: Belton/Bell Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 54 HTC and 6 market rate units

2004 Allocation: \$415,000 Allocation per HTC Unit: \$7,685 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005
New Deadline Requested: July 1, 2005
New Deadline Recommended: July 1, 2005

Prior Extensions: None

Stone Hollow Village Apartments, HTC Development No. 04057

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The request results from drafting new building plans and a new site plan (already approved by the Board in April) which were changed to accommodate cost increases. The re-creation of architectural and engineering documents has created delays.

Applicant: LHA Stone Hollow, LP

General Partner: LSHD-1, LLC

Developer: LH Development, L.P.

Principals/Interested Parties: Housing Authority of the City of Lubbock (owner). Kent

Hance; Kent R. Hance, Jr.; Susan Sorrells (developer)

Syndicator: MMA Financial
Construction Lender: JP Morgan Chase
Permanent Lender: JP Morgan Chase

Other Funding: NA

City/County: Lubbock/Lubbock

Set-Aside:
Type of Area:
Urban/Exurban
Type of Development:
Population Served:
Nonprofit
Urban/Exurban
New Construction
General Population

Units: 112 HTC and 28 market rate units

2004 Allocation: \$845,849 Allocation per HTC Unit: \$7,552 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: August 1, 2005 New Deadline Recommended: August 1, 2005

Prior Extensions: None

Spring Oaks Apartments, HTC Development No. 04058

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The applicant is awaiting issuance of the building permit which will soon be issued, allowing the loan to close.

Applicant: Shepherd Lane Housing, LP General Partner: Shepherd Lane Development, LLC

Developer: Boulevard Enterprises, Inc.; Simpson Housing Solutions,

LLC

Principals/Interested Parties: Ron Pegram

Syndicator: Simpson Housing Solutions, Inc.
Construction Lender: Malone Mortgage Company
Permanent Lender: Malone Mortgage Company

Other Funding: NA

City/County: Balch Springs/Dallas

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 128 HTC and 32 market rate units

2004 Allocation: \$845,382 Allocation per HTC Unit: \$6,605 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: July 15, 2005 New Deadline Recommended: July 15, 2005

Prior Extensions: None

Baybrook Park Retirement Center Apartments, HTC Development No. 04079

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant expects to meet the deadline but is requesting an extension as a precaution against unexpected delays in development.

Applicant: Baybrook Park Retirement Center, Ltd.

General Partner: HCHA Baybrook Park, LLC (managing GP); Investors

Affordable Housing Group V, LLC (co-GP)

Developer: Hettig Development Group XI, LTD.; HCHA Baybrook

Park, LLC

Principals/Interested Parties: John E. Hettig; W. Barry Kahn; Darlene Guidry; Harris

County Housing Authority

Syndicator: JER Hudson Capital
Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage

Other Funding: Harris County Housing Authority

City/County: Webster/Harris

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 80 HTC and 20 market rate units

2004 Allocation: \$412,739 Allocation per HTC Unit: \$5,159 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

July 1, 2005

July 1, 2005

Prior Extensions: None

Fenner Square Apartments, HTC Development No. 04082

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant must obtain USDA-RD approval to close the debt financing. The length and complexity of the USDA process makes the request necessary. It may be noted that this applicant is also requesting additional Housing Trust funds and Texas State Affordable Housing Corporation funds for the development due to concerns relating to its feasibility because several other funding sources have been removed from the development budget.

Applicant: Fenner Square, Ltd.

General Partner: Merced-Fenner Square, LLC

Developer: Legacy Renewal, Inc. (LRI); Merced Housing Texas

Principals/Interested Parties: Gary Driggers (LRI); Merced Housing Texas

Syndicator: MMA Financial, LLC

Construction Lender: Midland Mortgage Investment Corp.
Permanent Lender: Midland Mortgage Investment Corp.
Other Funding: Goliad Community Network (nonprofit)

City/County: Goliad/Goliad

Set-Aside: General Type of Area: Rural

Type of Development: New Construction
Population Served: General Population

Units: 32 HTC units 2004 Allocation: \$195,062 Allocation per HTC Unit: \$6,096 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: July 15, 2005 New Deadline Recommended: July 15, 2005

Prior Extensions: None

South Plains Apartments, HTC Development No. 04088

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The applicant's HUD 221(d)(4) loan cannot be processed in time to meet the deadline. HUD approvals to maintain the HAP contracts have contributed to the delay.

Applicant: Lubbock South Plains Apartments, Ltd.

General Partner: Lubbock SP Apartments, LLC Developer: Stellar Development, Ltd.

Principals/Interested Parties: Paul D. Stell, Charles R. Young, Gary D. Hall Syndicator: The Enterprise Social Investment Corporation

Construction Lender: PlainsCapital Bank Permanent Lender: MMA Financial

Other Funding: NA

City/County: Lubbock/Lubbock

Set-Aside: At-Risk

Type of Area: Urban/Exurban

Type of Development: Acquisition & Rehabilitation

Population Served: General Population
Units: 144 HTC units
2004 Allocation: \$372,410
Allocation per HTC Unit: \$2,586
Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

July 31, 2005

July 31, 2005

Prior Extensions: None

O.W. Collins Apartments, HTC Development No. 04100

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The applicant's HUD 221(d)(4) loan cannot be processed in time to meet the deadline.

Applicant: O.W. Collins Apartments LP General Partner: O.W. Collins GP, LLC

Developer: Itex Properties, LLC; Gulf Coast LLC; Housing Authority

of the City of Port Arthur

Principals/Interested Parties: Ike Akbari (owner of Itex Properties LLC and majority

owner of Gulf Coast LLC); Josh Allen (10% owner of Gulf

Coast LLC)

Syndicator: Related Capital Company
Construction Lender: GMAC Commercial Mortgage
Permanent Lender: GMAC Commercial Mortgage

Other Funding: NA

City/County: Port Arthur/Jefferson

Set-Aside: At-Risk

Type of Area: Urban/Exurban

Type of Development: Acquisition & Rehabilitation

Population Served: Elderly

Units: 200 HTC units 2004 Allocation: \$406,999 Allocation per HTC Unit: \$2,035 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Frazier Fellowship Apartments, HTC Development No. 04109

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant's HOPE VI Grant is approved but the actual funding for the development will not be released by HUD until after June 1, thereby delaying the closing.

Applicant: Frazier Fellowship, L.P.
General Partner: Frazier Fellowship GP, Inc.
Developer: Frazier Fellowship GP, Inc.

Principals/Interested Parties: Housing Authority of the City of Dallas (controls owner and

developer)

Syndicator: MMA Financial, LLC

Construction Lender: Bank One Permanent Lender: Bank One

Other Funding: Housing Options, Inc. (HOPE VI loan)

City/County: Dallas/Dallas Set-Aside: At-Risk

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 60 HTC and 16 market rate units

2004 Allocation: \$547,378 Allocation per HTC Unit: \$9,123 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005

New Deadline Requested: September 30, 2005

New Deadline Recommended: September 30, 2005

Prior Extensions: None

Village at Meadowbend Apartments, HTC Development No. 04145

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant must wait for the local natural gas company to change an easement from a blanket easement to a limited delineated area before closing the loan will be possible.

Applicant: Village at Meadowbend Apartments II, L.P.

General Partner: Rufino Contreras Affordable Housing Corporation, Inc.
Developer: Encinas Group of Texas, Inc.; National Farm Workers

Service Center, Inc.

Principals/Interested Parties: William Encinas; Paul Chavez (President of GP and co-

developer)

Syndicator: Related Capital Company

Construction Lender:

Permanent Lender:

Other Funding:

City/County:

Set-Aside:

Bank of America

Bank of America

City of Temple

Temple/Bell

General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 79 HTC and 20 market rate units

2004 Allocation: \$637,076 Allocation per HTC Unit: \$8,064 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: June 30, 2005 New Deadline Recommended: June 30, 2005

Prior Extensions: None

Casa Korima Apartments, HTC Development No. 04146

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant must wait for the City of Mercedes to file and record a plat for the subject property before closing the loan will be possible.

Applicant: Casa Korima Housing Development, L.P.

General Partner: Rufino Contreras Affordable Housing Corporation, Inc.
Developer: Encinas Group of Texas, Inc.; National Farm Workers

Service Center, Inc.

Principals/Interested Parties: William Encinas; Paul Chavez (President of GP and co-

developer)

Syndicator: Related Capital Company

Construction Lender:

Permanent Lender:

Other Funding:

City/County:

Bank of America

Bank of America

City of Mercedes

Mercedes/Hidalgo

Set-Aside: General Type of Area: Rural

Type of Development: New Construction Population Served: General Population

Units: 156 HTC and 40 market rate units

2004 Allocation: \$1,153,862 Allocation per HTC Unit: \$7,397 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: June 30, 2005 New Deadline Recommended: June 30, 2005

Prior Extensions: None

Seton Home Center for Teen Moms, HTC Development No. 04149

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Owner is awaiting approval of building permits and is finalizing negotiations over a reciprocal easement, partnership agreement and loan agreements, thereby delaying the closing.

Applicant: Seton Home for Teen Moms, LP

General Partner: Seton Home GP, LLC

Developer: Seton Home; DMA Development Company, LLC

Principals/Interested Parties: Seton Home; Diana McIver

Syndicator: The Enterprise Social Investment Corporation

Construction Lender: JP Morgan Chase

Permanent Lender: Seton Home Capital Campaign Other Funding: City of San Antonio (HOME)

City/County: San Antonio/Bexar

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: Teen Mothers

Units: 24 HTC 2004 Allocation: \$310,623 Allocation per HTC Unit: \$12,943 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

July 1, 2005

July 1, 2005

Prior Extensions: None

Renaissance Courts Apartments, HTC Development No. 04151

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The applicant's HUD 221(d)(4) loan cannot be processed in time to meet the deadline and the applicant was required to obtain a special use permit by the City of Denton when the City changed its interpretation of the development's density.

Applicant: Renaissance Court, L.P.

General Partner: Carleton GP I, Inc. (managing GP); Housing Authority of

the City of Denton (co-GP)

Developer: Carleton Development, Inc.

Principals/Interested Parties: Housing Authority of the City of Denton; Printice Gary, R.

David Kelly and Neal R. Hildebrandt (Carleton)

Syndicator: Red Capital Markets
Construction Lender: Red Capital Markets
Permanent Lender: Red Capital Markets

Other Funding: NA

City/County: Denton/Denton

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 120 HTC and 30 market rate units

2004 Allocation: \$900,015 Allocation per HTC Unit: \$7,500 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Samaritan House Apartments, HTC Development No. 04157

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant is awaiting issuance of building permits by the City of Fort Worth. Although applicant believes that closing on time is possible, the extension is requested as a precaution.

Applicant: Hemphill Samaritan, LP General Partner: Hemphill Samaritan, LLC

Developer: Hemphill Samaritan Developers, LLC

Principals/Interested Parties: Tarrant County Samaritan Housing, Inc. (nonprofit owner

of GP); National Housing Advisors (special limited partner wholly controlled by Ellen Rourke); Thomas Scott

(developer)

Syndicator: Alliant

Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage

Other Funding: NA

City/County: Fort Worth/Tarrant

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population
Units: 126 HTC units
2004 Allocation: \$818,328

Allocation per HTC Unit: \$6,495 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

August 31, 2005

August 31, 2005

Prior Extensions: None

The Village on Hobbs Road Apartments, HTC Development No. 04160

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant is awaiting issuance of building permits by the City of League City. Although applicant believes that closing on time is possible, the extension is requested as a precaution.

Applicant: Hobbs Road Village, LP
General Partner: Hobbs Road Village GP, LLC
Developer: Hobbs Road Developers, LLC

Principals/Interested Parties: Thomas Scott (sole member of GP and developer); National

Housing Advisors (special limited partner wholly controlled

by Ellen Rourke)

Syndicator: Alliant

Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage
Other Funding: League City (grant)
City/County: League City/Galveston

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 80 HTC units and 20 market rate units

2004 Allocation: \$551,851 Allocation per HTC Unit: \$6,898 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 31, 2005

August 31, 2005

Prior Extensions: None

Oxford Place, HTC Development No. 04167

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The request is necessary for several reasons, including a request to HUD by the owner to use 20 of the property's 50 market rate units for public housing. Although the applicant has already obtained HUD approval for the demolition portion of a "Demolition/Disposition Application and Relocation Plan", HUD has deferred its review of the terms of the ground lease (the "Disposition") until after the "Mixed Financing Proposal" (MFP) is approved. The lengthy time necessary to process approvals from HUD for the MFP and a "Capital Fund Financing Proposal" (CFFP) are also factors in the request for an extension. The CFFP was filed with HUD on May 2 and a HUD staff member stated that the typical time to review is 90 days.

Applicant: Oxford Community, LP
General Partner: Oxford Community, LLC

Developer: APV Redevelopment Corporation

Principals/Interested Parties: Housing Authority of the City of Houston

Syndicator: JER Hudson Housing Capital

Construction Lender: Victory Street Public Facility Corporation; Housing

Authority of the City of Houston

Permanent Lender: Victory Street Public Facility Corporation; Housing

Authority of the City of Houston

Other Funding: NA

City/County: Houston/Harris
Set-Aside: At-Risk, Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 200 HTC units and 50 market rate units

2004 Allocation: \$1,187,924 Allocation per HTC Unit: \$5,940 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: September 1, 2005 New Deadline Recommended: September 1, 2005

Providence at Boca Chica Apartments, HTC Development No. 04191

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Because the development includes public housing, HUD must approve a "Mixed Financing Proposal." (MFP) The lengthy time necessary to process an approval from HUD for the MFP is the primary reason for the extension request.

Applicant: Longbranch, L.P. General Partner: Longbranch X, Inc.

Developer: LJB Holdings, Inc. (developer); Brownsville Housing

Finance Corporation (BHFC, co-developer & owner of GP)

Principals/Interested Parties: Housing Authority of the City of Brownsville (owner of

BHFC); Leon Backes (LJB), Saleem Jafar (LJB)

Syndicator: Related Capital Company

Construction Lender: American Mortgage Acceptance Company
Permanent Lender: American Mortgage Acceptance Company

Other Funding: Brownsville Housing Authority

City/County: Brownsville/Cameron
Set-Aside: At-Risk, Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 150 HTC and 8 market rate units

2004 Allocation: \$1,010,465 Allocation per HTC Unit: \$6,736 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

September 1, 2005

September 1, 2005

Prior Extensions: None

Providence at Edinburg Apartments, HTC Development No. 04193

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Because the development includes public housing, HUD must approve a "Mixed Financing Proposal." (MFP) The lengthy time necessary to process an approval from HUD for the MFP is the primary reason for the extension request.

Applicant: Chicory Court XXX, L.P. General Partner: Chicory GP-XXX, LLC

Developer: LJB Financial, LP (developer); Edinburg Housing

Opportunity Corporation (EHOC, co-developer &

managing member of GP)

Principals/Interested Parties: Housing Authority of the City of Edinburg (owner of

EHOC); Leon Backes (LJB), Saleem Jafar (LJB)

Syndicator: Related Capital Company

Construction Lender: American Mortgage Acceptance Company
Permanent Lender: American Mortgage Acceptance Company

Other Funding: Edinburg Housing Authority

City/County: Edinburg/Hidalgo
Set-Aside: At-Risk, Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: Elderly Population
Units: 100 HTC units

2004 Allocation: \$357,369 Allocation per HTC Unit: \$3,574 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005

New Deadline Requested: September 1, 2005

New Deadline Recommended: September 1, 2005

Prior Extensions: None

Primrose at Highland Apartments, HTC Development No. 04222

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant must request an amendment to change the low income targeting mix before the lender will close. The reason for the amendment relates to the fact that the Applicant did not receive the points requested in the application for 30% units. The foregoing amendment will be heard at the June Board Meeting.

Applicant: TX Tenison Housing, L.P.

General Partner: TX Tenison Development, LLC (co-GP); Housing Services

Inc. (co-GP)

Developer: Housing Services Inc.

Principals/Interested Parties: Cheryl Potashnik (officer of co-GP); Marty Mascari (ED of

co-GP)

Syndicator: Paramount Financial Group

Construction Lender: JP Morgan Chase

Permanent Lender: GMAC Commercial Mortgage

Other Funding: City of Dallas (HOME)

City/County: Dallas/Dallas
Set-Aside: Nonprofit
Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly

Units: 120 HTC and 30 market rate units

2004 Allocation: \$935,153 Allocation per HTC Unit: \$7,793 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Commons of Grace Apartments, HTC Development No. 04224

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The development is proposed to reserve 25% of its units to be transitional housing. The extension is needed to formulate the structure of administration that will be necessary to deal with the mixed income and transitional aspects of the development.

Applicant: TX Commons of Grace, LP

General Partner: TX Commons of Grace Development, LLC

Developer: Pleasant Hill Community Development Corporation

Principals/Interested Parties: GC Community Development Corporation (99% of GP);

Leroy Bobby Leopold (1% of GP)

Syndicator: Paramount Financial Group
Construction Lender: GMAC Commercial Mortgage
Permanent Lender: GMAC Commercial Mortgage
Other Funding: City of Houston (HOME)

City/County: Houston/Harris

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Elderly and Transitional

Units: 86 HTC and 22 market rate units

2004 Allocation: \$660,701 Allocation per HTC Unit: \$7,683 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

September 1, 2005

September 1, 2005

Prior Extensions: None

Freeport Oaks Apartments, HTC Development No. 04255

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The extension is requested to allow time to complete the City of Freeport's replatting process. The site contains several easements that must be investigated to determine if they are abandoned and several utility lines and poles must be relocated based on ongoing negotiations between the City and the developer.

Applicant: Freeport Oaks, LP

General Partner: Freeport Oaks Partners LLC

Developer: Kilday Partners LLC

Principals/Interested Parties: Les, R.R. and Dianne Kilday

Syndicator: MMA Financial
Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage

Other Funding: NA

City/County: Freeport/Brazoria

Set-Aside: General

Type of Area: Urban/Exurban
Type of Development: New Construction
Population Served: General Population

Units: 80 HTC and 20 market rate units

2004 Allocation: \$721,599 Allocation per HTC Unit: \$9,020 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: August 1, 2005 New Deadline Recommended: August 1, 2005

Prior Extensions: None

TownePark Fredericksburg II Apartments, HTC Development No. 04260

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The extension is requested to allow time to resolve issues associated with an amendment relating to the unit/bedroom mix of the combined phases (I and II) of this development. The amendment was tabled at the April Board Meeting and is now being heard at this May 26 Board Meeting. Additionally, because the development shares some amenities with the first phase, several cross easements must be approved by all parties to the financing and executed by the developer.

Applicant: TownePark Fredericksburg II, LP

General Partner: Fredericksburg Housing II, LLC (managing GP)

Developers: MFHA Development Company LLC; Kilday Partners, LLC Principals/Interested Parties: Marble Falls Housing Development Corporation (owner of

GP); R.R. Kilday and Diane Kilday (owners of Kilday

Partners, LLC)

Syndicator: Paramount Financial Group

Construction Lender: Mitchell Mortgage
Permanent Lender: Mitchell Mortgage

Other Funding: City of Marble Falls (grant)
City/County: Fredericksburg/Gillespie

Set-Aside: Nonprofit Type of Area: Rural

Type of Development: New Construction

Population Served: Elderly

Units: 39 HTC units and 5 market rate units

2004 Allocation: \$257,151 Allocation per HTC Unit: \$6,594 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 1, 2005

August 1, 2005

Prior Extensions: None

Lansbourough Apartments, HTC Development No. 04268

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. The request is necessary because of delays in the permitting process.

Applicant: Lansbourough Apartments, L.P.

General Partner: M.L. Bingham, Inc.
Developers: M.L. Bingham, Inc.
Principals/Interested Parties: Margie L. Bingham

Syndicator: Paramount Financial Group, Inc.

Construction Lender: Bank One

Permanent Lender: Bank One – Community Development Trust, Inc.

Other Funding: City of Houston City/County: Houston/Harris

Set-Aside: NA (general population)

Type of Area: Urban/Exurban
Type of Development: New Construction

Population Served: Family

Units: 141 HTC units and 35 market rate units

2004 Allocation: \$1,003,544 Allocation per HTC Unit: \$7,117 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

September 1, 2005

September 1, 2005

Prior Extensions: None

Golden Manor Apartments, HTC Development No. 04279

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant will not have a construction loan but must submit evidence of closing the property's acquisition from USDA-RD. The process of acquiring the property from USDA has been lengthy because of changes and updates to USDA regulations. The closing is scheduled for May 26 but applicant requests the extension as a precaution.

Applicant: FDI-Golden Manor, LTD
General Partner: Fieser Holdings, Inc.
Developer: Fieser Development

Principals/Interested Parties: James W. and Patricia A. Fieser

Syndicator: Enterprise Social Investment Corporation

Construction Lender: TDHCA (HOME)

Permanent Lender: USDA-RD

Other Funding: NA

City/County: Bay City/Matagorda Set-Aside: At-Risk, USDA

Type of Area: Rural

Type of Development: Acquisition & Rehabilitation

Population Served: Elderly

Units: 40 HTC units 2004 Allocation: \$116,099 Allocation per HTC Unit: \$2,902 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

June 30, 2005

June 30, 2005

Prior Extensions: None

Shady Oaks Apartments, HTC Development No. 04283

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant will not have a construction loan but must submit evidence of closing the property's acquisition from USDA-RD. The process of acquiring the property from USDA has been lengthy because of changes and updates to USDA regulations. The closing is scheduled for May 26 but applicant requests the extension as a precaution.

Applicant: FDI-Shady Oaks, LTD
General Partner: Fieser Holdings, Inc.
Developer: Fieser Development

Principals/Interested Parties: James W. and Patricia A. Fieser

Syndicator: Enterprise Social Investment Corporation

Construction Lender: TDHCA (HOME)

Permanent Lender: USDA-RD

Other Funding: NA

City/County: Prairie View/Waller Set-Aside: At-Risk, USDA

Type of Area: Rural

Type of Development: Acquisition & Rehabilitation

Population Served: Elderly

Units: 40 HTC units 2004 Allocation: \$128,636 Allocation per HTC Unit: \$3,216 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: June 30, 2005 New Deadline Recommended: June 30, 2005

Prior Extensions: None

Katy Manor Apartments, HTC Development No. 04284

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant will not have a construction loan but must submit evidence of closing the property's acquisition from USDA-RD. The process of acquiring the property from USDA has been lengthy because of changes and updates to USDA regulations. The closing is scheduled for May 26 but applicant requests the extension as a precaution.

Applicant: FDI-Katy Manor, LTD
General Partner: Fieser Holdings, Inc.
Developer: Fieser Development

Principals/Interested Parties: James W. and Patricia A. Fieser

Syndicator: Enterprise Social Investment Corporation

Construction Lender: TDHCA (Preservation)

Permanent Lender: USDA-RD

Other Funding: NA

City/County: Katy/Harris Set-Aside: At-Risk, USDA

Type of Area: Rural

Type of Development: Acquisition & Rehabilitation

Population Served:

Units:

48 HTC units

2004 Allocation:

Allocation per HTC Unit:

Extension Request Fee Paid:

5004 Seneral Population

48 HTC units

\$123,768

\$2,579

\$2,579

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: June 30, 2005 New Deadline Recommended: June 30, 2005

Prior Extensions: None

Ole Town Apartments, HTC Development No. 04285

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant will not have a construction loan but must submit evidence of closing the property's acquisition from USDA-RD. The process of acquiring the property from USDA has been lengthy because of changes and updates to USDA regulations. The closing is scheduled for May 26 but applicant requests the extension as a precaution.

Applicant: FDI-Ole Town, LTD General Partner: Fieser Holdings, Inc. Developer: Fieser Development

Principals/Interested Parties: James W. and Patricia A. Fieser

Syndicator: Enterprise Social Investment Corporation

Construction Lender: TDHCA (Preservation)

Permanent Lender: USDA-RD

Other Funding: NA

City/County: Jefferson/Marion

Set-Aside: USDA Type of Area: Rural

Type of Development: Acquisition & Rehabilitation

Population Served: General Population
Units: 24 HTC units
2004 Allocation: \$109,454
Allocation per HTC Unit: \$4.561

Allocation per HTC Unit: \$4,561 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing
Note on Time of Request: Request was submitted on time.

Current Deadline: June 1, 2005 New Deadline Requested: June 30, 2005 New Deadline Recommended: June 30, 2005

Prior Extensions: None

L.U.L.A.C. Village Park Apartments, HTC Development No. 04290

<u>Summary of Request</u>: Applicant requests an extension of the deadline to close the construction loan. Applicant has completed several steps in the development process, including closing a \$400,000 pre-development loan and beginning demolition, but needs an extension to receive approval from HUD for the relocation plan and financing.

Applicant: TX LULAC Village Housing, LP General Partner: LULAC Village Park Trust

Developer: LULAC Village Development, LLC

Principals/Interested Parties: Henry Gorham (president of LULAC Village Park Trust)

Syndicator: Paramount Financial Group
Construction Lender: Malone Mortgage Company
Permanent Lender: Malone Mortgage Company

Other Funding: Corpus Christi Community Improvement Corporation

(HOME)

City/County: Corpus Christi/Nueces
Set-Aside: At-Risk, Nonprofit
Type of Area: Urban/Exurban

Type of Development: Acquisition & Rehabilitation

Population Served: General Population
Units: 152 HTC units
2004 Allocation: \$846,083

Allocation per HTC Unit: \$5,566 Extension Request Fee Paid: \$2,500

Type of Extension Request: Construction Loan Closing

Note on Time of Request: Request was submitted on 5/17/05. Deadline for submission

was 5/12/05.

Current Deadline:

New Deadline Requested:

New Deadline Recommended:

June 1, 2005

August 30, 2005

August 30, 2005

Prior Extensions: None

TROPICANA BUILDING CORPORATION

4655 Cohen Ave. El Paso, TX 79924

May 3, 2005

RECEIVED

From Carles Services

Ben Sheppard TDHCA P.O. BOX 13941 Austin, TX 78711-3941

MAY 0 4 2005

LIHIC

LIHTC

Dear Ben,

Please accept this letter and enclosed \$7,500 check as a request for extension of the deadline for the *Construction Loan Closing* for the Americas Palms, Horizon Palms and Diana Palms 2004 LIHTC developments. Tropicana Building Corporation is the controlling general partner in each development.

The reason for our request is to allow us time to cancel our existing permanent loan request with HUD for an FHA 221(d) 4 loan and instead use a conventional Freddie Mac loan product through PNC Mortgage. We initially set out to use the HUD product, in order to take advantage of the 40-year amortization the FHA 221 (d) 4 product offered, so our development would have a better annual cash flow. We made this decision prior to the extension of the DDA designation for El Paso last December, when our project had less tax credits to work with. Because of the DDA ruling last year, we know longer have to try and get through the lengthy HUD loan approval process as our project easily now supports a more conventional 30-year product.

Please accept this request for an extension of the Construction Loan Closing deadline to 11/1/05 for these 3 developments. We anticipate being able to still easily meet the "10% Carryover Deadline" of 6/30/05, the "Commencement of Construction Deadline" of 12/1/05 and the "Placed in Service Deadline" of 12/31/06. Thank you for your consideration of this request.

Sincerely,

R. L. "Bobby" Bowling IV

President

TROPICANA BUILDING CORPORATION 4655 Cohen Ave.

El Paso, TX 79924

May 3, 2005

RECEIVED

Ben Sheppard **TDHCA** P.O. BOX 13941 Austin, TX 78711-3941

MAY 0 4 2005

LIFTC

LIHTC

Dear Ben.

Please accept this letter and enclosed \$7,500 check as a request for extension of the deadline for the Construction Loan Closing for the Americas Palms, Horizon Palms and Diana Palms 2004 LIHTC developments. Tropicana Building Corporation is the controlling general partner in each development.

The reason for our request is to allow us time to cancel our existing permanent loan request with HUD for an FHA 221(d) 4 loan and instead use a conventional Freddie Mac loan product through PNC Mortgage. We initially set out to use the HUD product, in order to take advantage of the 40-year amortization the FHA 221 (d) 4 product offered, so our development would have a better annual cash flow. We made this decision prior to the extension of the DDA designation for El Paso last December, when our project had less tax credits to work with. Because of the DDA ruling last year, we know longer have to try and get through the lengthy HUD loan approval process as our project easily now supports a more conventional 30-year product.

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Sincerely,

R. L. "Bobby" Bowling IV

President

TROPICANA BUILDING CORPORATION

4655 Cohen Ave. El Paso, TX 79924

May 3, 2005

RECEIVED

Ben Sheppard TDHCA P.O. BOX 13941 Austin, TX 78711-3941

MAY 0 4 2005

LIHIC

LIHTC

Dear Ben,

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The reason for our request is to allow us time to cancel our existing permanent loan request with HUD for an FHA 221(d) 4 loan and instead use a conventional Freddie Mac loan product through PNC Mortgage. We initially set out to use the HUD product, in order to take advantage of the 40-year amortization the FHA 221 (d) 4 product offered, so our development would have a better annual cash flow. We made this decision prior to the extension of the DDA designation for El Paso last December, when our project had less tax credits to work with. Because of the DDA ruling last year, we know longer have to try and get through the lengthy HUD loan approval process as our project easily now supports a more conventional 30-year product.

Please accept this request for an extension of the Construction Loan Closing deadline to 11/1/05 for these 3 developments. We anticipate being able to still easily meet the "10% Carryover Deadline" of 6/30/05, the "Commencement of Construction Deadline" of 12/1/05 and the "Placed in Service Deadline" of 12/31/06. Thank you for your consideration of this request.

Sincerely,

R. L. "Bobby" Bowling IV

President



Yolanda Arellano Chair Frances J. Terán President/CEO

Mexican American Unity Council, Inc.

2300 West Commerce, Suite 200 San Antonio, Texas 78207 Phone (210) 978-0500 Fax (210) 978-0547 www.mauc.org

RECEIVED
MAY 1 0 2005
LIHIC

April 26, 2005

By Federal Express

Ms. Brooke Boston
Director, Multifamily Finance Production
TDHCA
507 Sabine Street, Suite 400
Austin, Texas 78701

RE: Palacio Del Sol (TDHCA # 04005) – Request for Extension.

Dear Ms. Boston:

This letter is written on behalf of TX Palacio Housing, L.P.. ("Project Owner"). The Project Owner received a forward commitment for an annual allocation of 2004 Housing Tax Credits in the amount of \$1,096,828 (the "Commitment") from the TDHCA for Palacio Del Sol (the "Project"). The Project is a 200-unit elderly development in San Antonio, Texas, with 160 HTC units. We are requesting a 60-day extension of the June 1, 2005, construction loan closing deadline. Enclosed please find a check in the amount of \$2,5000.00 to cover the extension fee, and a 2005 Document and Payment Receipt for your use in acknowledging receipt of this request and payment.

This extension is being requested for the following reasons:

1. The Project was awarded housing tax credits out of the "At Risk" set-aside. The federal subsidy being extended is a Housing Assistance Payments contract ("HAP Contract") with the Department of Housing and Urban Development ("HUD"). Discussions with HUD have been time-intensive, due to initial confusion over whether a HAP Contract could be continued on a project involving demolition and new construction. In order to achieve a favorable determination from HUD, the Project Owner was required to amend the HTC Application (TDHCA Board approval December 13, 2004). While the continuation of the HAP Contract has now been successfully resolved, the extensive negotiations with HUD's

Ms. Brooke Boston
Director, Multifamily Finance Production
April 26, 2005
Page 2

San Antonio office and with HUD Headquarters, and the time involved in seeking an amendment to the Project's Application, have caused the closing schedule to slip by approximately two months.

- 2. In addition to the issues raised by the HAP Contract, the Project Owner's ability to prepay an existing HUD 202 loan had to be confirmed. These discussions with HUD also put back the closing schedule.
- 3. The Project will be financed in part by a HUD 221(d)(4) loan, which takes an unusually long time to process.

We request an extension of the construction loan closing deadline until August 1, 2005. Based upon our experience thus far in dealing with HUD, we expect that the closing will take place in the latter part of July.

Please note that our request for an extension will not affect the Project's ability to meet the IRS' 10% Carryover Test in a timely manner.

Thank you very much for your consideration of this request. If you require any additional information in order to make a decision regarding the extension, please do not hesitate to call the undersigned at (210) 978-0500, or our Consultant, Southwest Housing Development Company, Inc. – Mr. Deepak Sulakhe, at (214) 891-7839.

Sincerely,

Frances J. Teran President/CEO

Enclosures

cc: Edwina Carrington
Deepak Sulakhe
Tamea A. Dula

South Union Place Limited Partnership

800 Bering, Suite 410 Houston, TX 77057 Phone (713) 425-2974 Fax (713) 917-0965

May 10, 2005

Mr. Ben Sheppard
Texas Department of Housing and Community
507 Sabine, Suite 400
Austin, Texas 78711-3941

VIA FEDERAL EXPRESS

RE:

South Union Place Apartments

TDHCA # 04024

Request for Extension on Loan Closing Deadline

RECEIVED

MAY 1 1 2005

LIHTC

Dear Mr. Sheppard:

This is to request TDHCA approval to extend our construction loan closing deadline from June 1, 2005, to August 1, 2005.

The purpose of the requested extension is to adjust our development schedule to accommodate the delays encountered in obtaining clarifications from TDHCA and in processing requests for application amendment (s) relative to IRS rules pertaining to the original plan to provide transitional housing for the homeless under 2004 QAP paragraph 50.9 (g) (11).

Enclosed is our check for \$2,500 payable to TDHCA representing our payment of the required extension fee. Although we are submitting this fee check, we respectfully request that TDHCA consider waiving this fee in this instance since the delays that have held up loan closing were unique to the issues surrounding transitional housing for the homeless.

As you know, the project has already been fully designed and approved by the City of Houston for construction. If not for the circumstances noted above, it would have been possible to achieve construction loan closing on or before the June 1, 2005 deadline.

Thank you for your cooperation.

Sincerely yours,

John N. Barineau, III

Scott Street Porperties, LLC

Administrative General Partner

Mark Barineau

cc:

Willie J. Alexander



May 9, 2005

Ms. Brooke Boston Director of Multifamily Finance Production Texas Department of Housing and Community Affairs 507 Sabine, 4th Floor Austin, Texas 78701

Re: Request for extension of Construction Loan Closing and associated Post-Application documents due June 1, 2005 for HTC #04047 Stratton Oaks Apartments of Seguin

Dear Brooke:

On behalf of DDC Stratton Oaks, Ltd., I am writing to request a 60 day extension (to August 1, 2005) of the Construction Loan Closing and associated Post-Application reports and documents that are due June 1, 2005. I enclose a check in the amount of \$2,500 for the extension fee, along with a TDHCA Document and Payment Receipt.

We have requested an application amendment from TDHCA, due to be heard by the TDHCA Board at the May Board Meeting. The amendment request involves a change in the site plan and building configuration resulting from geotechnical results and engineering recommendations; therefore the approval and timing of this request impacts the final construction drawings and the issuance of final permits necessary for the debt and equity closings. Based on the outcome of our amendment request, we anticipate finalizing all closing requirements in June, obtaining our necessary permits and closing in July, or earlier if possible. We will commence construction immediately thereafter.

Thank you for you consideration of this request. If you have questions or need additional information, please contact me at (512) 577-5566.

Sincerely,

DDC STRATTON OAKS, LTD.

Colby Denison Authorized Agent

enclosure



RECEIVED
MAY 1 0 2005

LIHTC

LESLIE HOLLEMAN

4640 FM 3021 Brownwood, TX 76801 325.784.9797 ph 325.784.9777 fax

BEVERLY FUNDERBURGH

20183 FM 914 Stephenville, TX 76401 254.965.6317 ph 254.764.4177 fax

May 6, 2005

Ms. Brooke Boston
Director of Multifamily Finance Production
Texas Department of Housing and Community Affairs
507 Sabine, 4th Floor
Austin, Texas 78701

via Federal Express

Re:

Request for extension of Construction Loan Closing and associated Post-Application documents due June 1, 2005 for HTC #04052 Chisholm Trail Senior Village of Belton

Dear Brooke:

On behalf of the DF Chisholm Trail Senior Village, L.P., I am writing to request a 30 day extension (to July 1, 2005) of the Construction Loan Closing and associated Post-Application reports and documents that are due June 1, 2005. I enclose a check in the amount of \$2,500 for the extension fee, along with a TDHCA Document and Payment Receipt.

We are currently awaiting final Plan Review and the issuance of final permits necessary for the debt and equity closings. We expect to receive final documents and all necessary permits later this month, and the Lender and Investor are currently preparing closing documents. However, due to the upcoming Memorial Day Holiday we feel it is unlikely that we would be able to close and receive all recorded documents necessary to make the June 1st deadline. We anticipate closing in early-to-mid June and commencing construction immediately thereafter.

Thank you for you consideration of this request. If you have questions or need additional information, please contact me at (325) 784-9797.

Sincerely,

DF CHISHOLM TRAIL SENIOR VILLAGE, L.P.

Leslie Holleman

President of the General Partner

Holleman

enclosure

STONE HOLLOW VILLAGE

RECEIVED

MAY 1 2 2005

LIHTC

May 12, 2005

Ms. Brooke Boston Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78711-3941

Re: Request for Progress Report - Construction Loan Closing Extension, Stone Hollow Village, # 04057

Dear Ms. Boston:

LHA Stone Hollow, LP requests an extension for the Progress Report - Construction Loan Closing Extension.

As a result of the increased cost of construction, changes had to be made to the site plan. These changes were approved by the board. The effort to recreate all of the architectural and engineering documents has taken additional time. This has caused a delay in the closing of the construction loan.

I respectfully request that an extension be granted in order to ensure that we are not out of compliance with the requirements of the Department.

Thank you for your time and attention.

Sincerely,

Ron Hance

Vice-President of the General Partner

Shepherd Lane Housing, LP

1901 Central Drive, Suite 708 Bedford, Texas 76021

Telephone: (817) 267-2492 Fax: (817) 267-2681

(972) 563-2286

RECEIVED

April 26, 2005

MAY 0 4 2005

LIHTC

Ms. Brooke Boston, Director Multifamily Finance Production Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

Subject:

Spring Oaks Apartments, Balch Springs (TDHCA #04058)

Request for Extension of Deadline for Closing of Construction Loan

Dear Ms. Boston:

We are experiencing delays in the delivery of our building permit for the subject development. In light of these delays, we are requesting an extension of our June 1, 2005 deadline to close on our construction loan. We are asking that the closing date be extended to July 15, 2005 to allow sufficient time to resolve this issue. We have enclosed the required \$2,500.00 extension fee in support of this request.

Thank you for your consideration and approval of this extension. Please call me if you have any questions about this request.

Sincerely.

Ron Pegram

General Partner

cc: Art Momjian – Duane Morris LLP George Littlejohn – Novogradac Kasia Rizzo – PNC Multifamily Capital

Jeff Rogers - Malone Mortgage



HETTIG/KAHN HOLDINGS, INC

Man distriction of the second

May 6, 2005

Texas Department of Housing and Community Affairs Attention: Tax Credits 507 Sabine Street Austin, Texas 78701

Re:

Baybrook Park Retirement Center, Ltd. ("Baybrook")

TDHCA #04079

Dear Ladies and Gentlemen:

Baybrook hereby requests a thirty (30) day extension for construction loan closing due to some development delays. Nevertheless, we still hope to meet the deadline. Enclosed please find a check for \$2,500 to cover the extension fee.

We thank you in advance for granting Baybrook this extension. Should you have any questions, please do not hesitate to notify me.

Very truly yours,

W. Barry Kahn

WBK/ad

Enclosure



May 4, 2005

Ms. Brooke Boston
Director Multi-Family Finance Production Division
Texas Department of Housing and Community Affairs
Waller Creek Office Building
507 Sabine Street
Austin, TX 78701

Dear Ms. Boston:

I am writing to request an extension regarding the closing of the construction loan for Fenner Square LIHTC Project File Number 04082 due June 1, 2005.

We submitted a complete application to the USDA with Centennial Mortgage Company on March 15, 2005 for a 538 loan. Our application included numerous due diligence requirements mandated by USDA including an archeological study that was reviewed by the local USDA office. USDA determined that Fenner Square will not significantly affect the quality of the human environment. In addition USDA has subsequently published an ad seeking comments from anyone interested or concerned about the project. To date there have been no comments.

USDA is required to wait 15 days to receive any comments from the date of the last ad placed requesting comments. The last ad was place on April 27 which would put the comment period to May 12. USDA will not send out a conditional commitment until after May 13 which is a Friday. We therefore do not expect to receive the commitment until May 16 or later which could jeopardize or ability to close by May 31.

We are therefore requesting an extension to July 15 to close the construction loan. Please find the enclosed required fee for \$2,500.

Thank you for your consideration,

Gary M. Driggers



MAY 1 0 2005

5214 68th Street Suite 402 Lubbock, Texas 79424 (806) 798-0888

VIA OVERNIGHT DELIVERY

May 9, 2005

Mr. Ben Sheppard
Texas Department of Housing & Community Affairs
Multifamily Finance Production Division
507 Sabine Street
Austin, Texas 78701

RE: Request for Extension: "2004 HTC Progress Report - Construction Loan Closing" South Plains Apartments - TDHCA # 04088

Dear Ben:

Per the provisions of Section 50.21(k) of the 2004 QAP, please accept this letter as a formal written request to extend the June 1, 2005 deadline for submission of the above referenced report.

We hereby request that this deadline be extended until July 31, 2005.

This extension is needed due to unexpected delays in dealing with HUD on approvals and other matters related to our loan closing. South Plains Apartments is an acquisition / rehab development that currently has Project Based Section 8 subsidy in place, and therefore certain issues related to the HAP contract must be addressed and approved by HUD prior to closing. Please be assured that we are doing everything we can to expedite the approvals process and look forward to closing this loan as soon as possible.

Thank you for your consideration of this request. Should you have any questions, or need further explanation, please feel free to contact me at (806) 798-0211 ext. 111.

Please find the enclosed check for \$2,500 as required.

Sincerely,

Gary Hall

COATS ROSE

ANTOINETTE M. JACKSON OF COUNSEL

tjackson@coatsrose.com Direct Dial (713) 653-7392 Direct Fax (713) 890-3928

May 10, 2005

VIA FEDERAL EXPRESS

Ms. Brooke Boston
Director, Multifamily Finance Production
Texas Department of Housing and
Community Affairs
507 Sabine Street, Suite 400
Austin, Texas 78701

RECEIVED
MAY 1 1 2005
LIHTC

RE: O.W. Collins (TDHCA #04100) – Request for Extension

Dear Ms. Boston:

This letter is written on behalf of O.W. Collins Apartments, LP ("Project Owner"). The Project Owner received a commitment for an annual allocation of 2004 Housing Tax Credits in the amount of \$406,999 (the "Commitment") from the TDHCA for O.W. Collins Apartments (the "Project"). The Project is a 200-unit development in Port Arthur, Texas. We are requesting a 60-day extension of the construction loan-closing deadline until August 1, 2005. Enclosed please find a check in the amount of \$2,500.00 to cover the extension fee, and a 2005 Document and Payment Receipt for your use in acknowledging receipt of this request and payment.

This extension is being requested because the Project will be financed in part by a HUD 221(d)(4) loan which takes some time to process. Based upon the current processing status from HUD, we expect that the closing will take place by the middle of July.

Please note that our request for an extension will not affect the Project's ability to meet the IRS' 10% Carryover Test in a timely manner.

COATS | ROSE | YALE | RYMAN | LEE

A Professional Corporation

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

Ms. Brooke Boston May 10, 2005 Page 2

Thank you very much for your consideration of this request. If you have any questions concerning the HUD processing, please do not hesitate to contact me.

Very truly yours,

Antoinette M. Jackson

Enclosures

cc:

Edwina Carrington Seledonio Quesada

K.T. Akbari



May 9, 2005

Jennifer Joyce Program Analyst TDHCA 507 Sabine Austin, Texas 78701-39417 RECEIVED
MAY 1 1 2005
LIHTC

Re:

Frazier Fellowship L.P. <u>TDHCA Number 04109 Request to extend the deadline</u> for LIHTC Progress Report-Construction Loan Closing

Dear Ms. Joyce,

Please be advised that Frazier Fellowship L.P. is requesting an extension of the deadline for the LIHTC Progress Report-Construction Loan Closing beyond the June1, 2005 deadline.

We are making this request because our HOPE VI Grant for this site is approved, but the funding for Frazier Fellowship may not be released by the Department of Housing and Urban Development ("HUD") until after the June 1, 2005 deadline to close the construction loan. As a result, the financial closing may be delayed. We have submitted our required Evidentiaries and Rental Term Sheet to HUD for approval, but have not yet received their response. As a result, our interim construction closing, as well as needed funding for initial construction costs may be delayed beyond June 1, 2005. In abundance of caution we are requesting this extension.

Enclosed is our check for the extension fee in the amount of \$2,500. Please do not hesitate to call me at 214 951-8327 if you have any questions regarding this request or require additional information.

Frazier Fellowship, L.P.

By its General Partner

Frazier Fellowship GP, Inc.

Lester Nevels

Treasurer

cc.

Barbara Cassel

Tim Lott

Claire Palmer

Tamea Dula

Jane Sheehan



Rufino Contreras Affordable Housing Corporation, Inc.

2200 E MLK Jr Blvd, Austin, TX 78702 • Telephone (512) 474-5003 • Fax (512) 474-5010 a subsidiary corporation of the National Farm Workers Service Center, Inc.

May 12, 2005

RECEIVED

Brooke L. Boston

Director of Multifamily Finance Production 507 Sabine St. Austin, TX 78702 MAY 1 2 2005

LIHTC

Re:

2004 HTC Progress Report – Construction Loan Closing Village at Meadowbend Apartments II, TDHCA # 04145

Dear Ms. Boston,

I am writing to request an extension on the 2004 HTC Progress Report — Construction Loan Closing for Village at Meadowbend Apartments II, TDHCA # 04145. We would like to have the filing deadline extended to June 30th, 2005. We need this extension because we are waiting for Atmos Energy, the local gas company, to file and record a document changing a blanket easement to a meets and bounds easement on our property. We cannot close our construction loan until this recording takes place. While we hope this recording will take place in the next few days, we have little control over Atmos' internal corporate process and timing and may have to wait several weeks.

Thank you for considering our request.

Sincerely,

Monica Poss

Senior Project Manager

(512) 474-5003





Rufino Contreras Affordable Housing Corporation, Inc.

2200 E MLK Jr Blvd, Austin, TX 78702 • Telephone (512) 474-5003 • Fax (512) 474-5010 a subsidiary corporation of the National Farm Workers Service Center, Inc.

May 12, 2005

Brooke L. Boston

Director of Multifamily Finance Production 507 Sabine St. Austin, TX 78702 RECEIVED MAY 1 2 2005 LIHIC

Re:

2004 HTC Progress Report – Construction Loan Closing Casa Korima Housing Development LP, TDHCA # 04146

Dear Ms. Boston,

I am writing to request an extension on the 2004 HTC Progress Report – Construction Loan Closing for Casa Korima Housing Development LP, TDHCA # 04146. We would like to have the filing deadline extended to June 30th, 2005. We need this extension because we are waiting for the City of Mercedes to file and record a new plat for our property. We cannot close our construction loan until this recording takes place. While we hope this recording will take place in the next few days, we have little control over the City of Mercedes process and timing and may have to wait longer.

Thank you for considering our request.

Sincerely

Monica Poss

Senior Project Manager

(512) 474-5003





May 9, 2005

By Federal Express

Ms. Brooke Boston Director, Multifamily Finance Production TDHCA 507 Sabine Street, Suite 400 Austin, Texas 78701 RECEIVED
MAY 1 1 2005

RE: Seton Home Center for Teen Moms, L.P. (TDHCA # 04149) – Request for Extension of Construction Loan Closing Deadline

Dear Ms. Boston:

Seton Home Center for Teen Moms, L.P. requests a 30-day extension of the construction loan closing deadline. Enclosed please find a check for \$2,500.00 payable to the Texas Department of Housing and Community Affairs for the extension fee. Also enclosed is a 2005 Multifamily Rental Housing Document and Payment Receipt Form for your use in confirming receipt.

We are working diligently toward the construction loan closing. We still have a number of incomplete elements that we have to bring to fruition simultaneously, however, including ongoing negotiations of loan documents on two sources of funding, finalization of the partnership documentation and negotiation of a reciprocal easement agreement with the fee owner of the development site. In view of these factors, and the additional fact that we do not yet have building permits approved, we are requesting the 30-day extension.

Ms. Brooke Boston Texas Department of Housing And Community Affairs May 9, 2005 Page 2

If you have any questions concerning the status of our development, or if you need any additional information, please do not hesitate to call John Hinrichs in our office (phone -210-533-3504 extension 246). Thank you for your consideration of our request.

Sincerely,

Seton Home Center for Teen Moms, L.P.

By: Seton F

Seton Home GP, LLC,

its General Partner

By: Seton Home, its Sole Member

By: 100 GH2

Executive Director

Enclosures

cc:

Edwina Carrington

Tamea A. Dula

Carleton Residential Properties

May 2, 2005

Ms. Edwina Carrington Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78701 RECEIVED
MAY 3 2005
EXECUTIVE

5485 Belt Line Road Suite 300 Dallas, Texas 75254

(972) 980-9810 (972) 980-1559 Fax

MAY 0 5 2005

Dear Ms. Carrington:

Renaissance Courts Limited would like to request of an extension of the construction loan closing for Renaissance Courts Apartment (TDHCA #04151) for the maximum length of time possible, preferably until August 15, 2005. You will find the \$2,500 extension fee enclosed.

We were very pleased to receive an award of tax credits in the summer of 2004, and we were proceeding with all of our predevelopment activities with a schedule to close in April of 2005. However, late in 2004 the City of Denton changed the way it interpreted density for our site and, we were required to seek a special use permit. We did receive this approval in January. However, we had to place our architectural and engineering work on hold once we learned of our need for a special use permit. We are also using the HUD 221 (d) (4) program for our construction and permanent loan. This program has many features which make it appealing including 40 year amortization and non-recourse construction debt. However, as I'm sure you know, it does require a bit more time to close when compared to some of the other financing structures available. Some of this extra time is due to the need for complete architectural plans before submitting for firm application, a process that was complicated by the delay and revisions that were caused by the City's special use permit requirement. Our late restart on architectural plans in addition to our use of the HUD 221 (d) (4) program will cause us, in all likelihood, to delay closing beyond the June 1st required deadline.

We are now progressing with great pace on our development. We have completed plans and have submitted for building permits. We submitted our pre application for the 221 (d) (4) in early March and should have our invitation to apply from HUD within the next few days. We will submit our firm application as soon as possible after receipt of the invitation letter allowing us to close well within the extended deadline of August 15, 2005.

Should you have any question on this matter, please feel free to call me at (903) 980-9810.

Sincerely

Vice President

Vice President Carleton GP I. Inc.

Co-General Partner

Renaissance Courts Limited



RECEIVED
MAY 1 1 2005
LIHIC

VIA OVERNIGHT MAIL

May 9, 2005

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine St., Fourth Floor Austin, Texas 78711-3941

Re: SAMARITAN HOUSE - TDHCA # 04157 - Request for Extension of Time

Dear Mr. Sheppard:

The applicable 2004 Housing Tax Credit Commitment Notice issued August 16, 2004 with regard to the above property sets forth the requirement to have submitted evidence of having closed the construction loan and certain other information by June 1, 2005. In addition, there is also a requirement that all documents required by the 10% Test Procedures Manual be submitted by June 30, 2005. With regard to Samaritan House, please be advised that all final plans are complete, both the construction and permanent lenders are in place, the equity partnership has been fully negotiated, and there is a reasonable likelihood that the construction loan will be closed and the information submitted before June 1st.

Unfortunately, however, we serve at the convenience of the City of Ft. Worth planning department and cannot be certain when the final permits will be issued. Out of an abundance of caution, therefore, we respectfully request an extension of time to August 31st for the submission of the evidence of both having closed the construction loan and 10% Test Manual. It is pointed out that we are not asking for an extension for time for the six month period from the effective date of the Carryover Allocation Agreement for actually having spent the 10% amounts. A check for \$2,500.00 is enclosed herewith as the fee for this extension request.

Please advise the acceptability of this request at your early convenience.

Thomas H. Scott

Authorized Representative



RECEIVED
MAY 1 1 2005
LIHTC

VIA OVERNIGHT MAIL

May 9, 2005

Mr. Ben Sheppard Texas Department of Housing and Community Affairs 507 Sabine St., Fourth Floor Austin, Texas 78711-3941

Re: VILLAGE ON HOBBS ROAD - TDHCA # 04160 – Request for Extension of

Time

Dear Mr. Sheppard:

The applicable 2004 Housing Tax Credit Commitment Notice issued August 16, 2004 with regard to the above property sets forth the requirement to have submitted evidence of having closed the construction loan and certain other information by June 1, 2005. In addition, there is also a requirement that all documents required by the 10% Test Procedures Manual be submitted by June 30, 2005. With regard to Hobbs Road, please be advised that all final plans are complete, both the construction and permanent lenders are in place, the equity partnership has been fully negotiated, and there is a reasonable likelihood that the construction loan will be closed and the information submitted before June 1st.

Unfortunately, however, we serve at the convenience of the City of League City planning department and cannot be certain when the final permits will be issued. Out of an abundance of caution, therefore, we respectfully request an extension of time to August 31st for the submission of the evidence of both having closed the construction loan and 10% Test Manual. It is pointed out that we are not asking for an extension for time for the six month period from the effective date of the Carryover Allocation Agreement for actually having spent the 10% amounts. A check for \$2,500.00 is enclosed herewith as the fee for this extension request.

Please advise the acceptability of this request at your early convenience.

Thomas H. Scott

Authorized Representative

COATS ROSE

TAMEA A DULA OF COUNTEL

tdula@coatsrose.com Direct Dial (713) 653-7322 Direct Fax (713) 890-3918

May 9, 2005

By Federal Express

Ms. Brooke Boston Director, Multifamily Finance Production TDHCA 507 Sabine Street, Suite 400 Austin, Texas 78701 RECEIVED
MAY 1 0 2005
LIHTC

RE:

Oxford Place (TDHCA # 04167) - Request for Extension.

Dear Brooke:

The Housing Authority of the City of Houston ("HACH") received a 2004 Housing Tax Credit Commitment Notice (the "Commitment") from the TDHCA for Oxford Place. Oxford Place is a revitalization of an existing substandard 230-unit public housing facility using HUD Capital Grant Funds financing. We request an extension of the construction loan closing deadline for the following reasons:

Because this development involves the revitalization of an existing public housing project, the following major proposals have to be approved by HUD:

- a. Demolition/Disposition Application and Relocation Plan The application for demolition and disposition was submitted to HUD in December 2004, after obtaining the Environmental review by the City of Houston. The application for demolition was approved on April 29, 2005, freeing HACH to begin tenant relocation. Approval of the proposed disposition (entering into a Ground Lease with the Project Owner) was deferred until HUD reviews and approves the Mixed-Finance Proposal specifying the manner in which the site will be redeveloped and the mixture of public and private funding that will be used.
- b. Mixed-Finance Proposal The Mixed Finance Proposal was initiated with HUD on April 1, 2005, and initial Evidentiaries were submitted after negotiation of the debt and equity documentation that must be submitted to HUD for approval. HUD customarily takes 60 days to review and approve Mixed-Finance Proposals.

COATS | ROSE | YALE | RYMAN | LEE

A Professional Corporation

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

Ms. Brooke Boston Director, Multifamily Finance Production May 9, 2005 Page 2

c. Capital Fund Financing Proposal - HUD must additionally approve the use of HACH's future capital funds to secure financing that will be passed on to the Project Owner as construction/permanent financing. The Capital Fund Financing Proposal ("CFFP") required the submission of several lengthy third party studies, including a Physical Needs Assessment of all of HACH's public housing, a Management Assessment, and a Fairness Opinion. Several of these third party reports were delayed and pushed back completion of the CFFP. The CFFP was filed with HUD on May 2, 2005. We have been advised by a HUD staff member that review of CFFPs is taking approximately 90 days for completion.

Due to the complexity of bringing all of the elements of a HUD Mixed-Finance and Capital Fund Financing project together simultaneously, we request that the deadline for construction loan closing be extended until September 1, 2005. While we hope and expect to have the transaction closed earlier than that, we request the longer extension in order to provide some flexibility in working with a federal agency on three different application processes.

Enclosed please find a check payable to the TDHCA in the amount of \$2,500.00 for the extension fee, and a 2005 Document and Payment Receipt. We request that you stamp the Receipt and fax it back in order to confirm your receipt of this request and the required fee.

Thank you very much for your consideration of this request. If you have any questions concerning the process involved in obtaining HUD approval, please do not hesitate to call.

Very truly yours,

Tamea A. Dula

Enclosures

cc: Edwina Carrington

Horace Allison

TDULA/660591.1/HACH/003420-000039

LONBRANCH, L.P. 5420 LBJ FREEWAY SUITE 1235 TWO LINCOLN CENTRE DALLAS, TX 75240 972-701-5551 972-701-5562 FAX

RECEIVED

Ms. Brooke Boston Director Multifamily Production 507 Sabine, 4th Floor Austin, TX 78711

April 25, 2005

RE: Request for an extension of the deadline to close the construction loan required by the Texas Department of Housing and Community Affairs 2004 QAP for TDHCA #04191

Dear Ms. Boston,

Longbranch, L.P. a development partnership sponsored by Odyssey Partners (formally Provident Odyssey Partners, LP) in conjunction with the Housing Authority of the City of Brownsville, met carryover on its 2004 9% HTC funding from the Texas Department of Housing and Community Affairs (TDHCA) in December 2004. The development timeline calls for a construction loan closing by June 2005.

Because the development is sponsored by the PHA and includes pubic housing units, a HUD mixed finance application approval is required prior to closing on the interim loan. This approval will not be received in time to facilitate the June 2005 loan closing. The HUD application requires a fully documented construction loan. This construction loan approval has been received.

The partnership requests an extension of 90 days to September 1, 2005, to fulfill this requirement. It is our intention to close the interim loan immediately upon receipt of the HUD approval.

If you need additional information please contact me at the letterhead address or phone number. Your consideration of the request for an extension is appreciated.

Saleeba Jafar

Sincer

Vice President of the General Partner

CHICORY COURT XXX, L.P. 5420 LBJ FREEWAY SUITE 1235 TWO LINCOLN CENTRE DALLAS, TX 75240 972-701-5551 972-701-5562 FAX

Bez

RECEIVED

MAY 0 3 2005

LIHIC

Ms. Brooke Boston Director Multifamily Production 507 Sabine, 4th Floor Austin, TX 78711

April 25, 2005

RE: Request for an extension of the deadline to close the construction loan required by the Texas Department of Housing and Community Affairs 2004 QAP for TDHCA #04193

Dear Ms. Boston,

Chicory Court XXX, L.P. a development partnership sponsored by Odyssey Partners (formally Provident Odyssey Partners, LP) in conjunction with the Housing Authority of the City of Edinburg, met carryover on its 2004 9% HTC funding from the Texas Department of Housing and Community Affairs (TDHCA) in December 2004. The development timeline calls for a construction loan closing by June 2005.

Because the development is sponsored by the PHA and includes pubic housing units, a HUD mixed finance application approval is required prior to closing on the interim loan. This approval will not be received in time to facilitate the June 2005 loan closing. The HUD application requires a fully documented construction loan. This construction loan approval has been received.

The partnership requests an extension of 90 days to September 1, 2005, to fulfill this requirement. It is our intention to close the interim loan immediately upon receipt of the HUD approval.

If you need additional information please contact me at the letterhead address or phone number. Your consideration of the request for an extension is appreciated.

Sincerely

Saleem Jafar

Vice President of the General Partner

TX Tenison Housing, L.P.

5910 N. Central Expressway, Suite 1145, Dallas Texas 75206

Ms. Brooke Boston Director, Multifamily Finance Production April 26, 2005 Page 1

April 26, 2005

By Federal Express

Ms. Brooke Boston Director, Multifamily Finance Production TDHCA 507 Sabine Street, Suite 400 Austin, Texas 78701

RE: Primrose at Highland (TDHCA #04222) – Request for Extension.

Dear Brooke:

TX Tenison Housing, L.P. ("Project Owner") received a 2004 Housing Tax Credit Commitment Notice (the "Commitment") from the TDHCA for Primrose at Highland (the "Project"), and has a deadline of June 1, 2005, to close on the construction financing. A 60-day extension of this deadline is hereby requested. Enclosed please find a check in the amount of \$2,5000.00 to cover the extension fee, and a 2005 Document and Payment Receipt for your use in acknowledging receipt of this request and payment.

This extension is being requested for the following reason:

The lender has required that an amendment to the 2004 Housing Tax Credit Application currently pending before the TDHCA be resolved prior to completing negotiation of the construction loan documents. The requested amendment primarily relates to the status of units that were designated for 30% AMGI tenants in an attempt to qualify for Low-Income Targeting Points. The Low-Income Targeting Points were not awarded, and the Project Owner has requested that the units in question be designated as 60% AMGI units. We anticipate that this request will be heard by the TDHCA Board at its May 26, 2005 meeting. We estimate that we will be ready to close on the construction financing by the middle of July. A 60-day extension is requested in order to assure that we will not have to come back to the TDHCA to request an additional extension. The need for an

Ms. Brooke Boston Director, Multifamily Finance Production April 26, 2005 Page 2

Thank you very much for your consideration of this request. If you require any additional information in order to make a decision regarding the extension, please do not hesitate to call.

Very truly yours,

TX Tenison Housing, L.P.

Ву

cc:

Edwina Carrington Tamea A. Dula

G. C. Community Development Corporation

9410 Mesa Drive Houston, TX 77028

(713) 633-3371 - office

(713) 635-8009 – fax

May 12, 2005

RECEIVED

MAY 1 2 2005

Ms. Brooke Boston
Director, Multifamily Finance Production
Texas Department of Housing and
Community Affairs
507 Sabine Street, Suite 400
Austin, TX 78701

LIHTC

Re: Commons of Grace (TDHCA #04224) - Request for Extension

Dear Ms. Boston:

This letter is written on behalf of Commons of Grace, LP ("Project Owner"). The Project Owner received a commitment for an annual allocation of 2004 Housing Tax Credits in the amount of \$660,701 (the "Commitment") from the TDHCA for Commons of Grace Senior (the "Project"). The Project is a 200-unit elderly/transitional development in Houston, Texas. We are requesting a 90-day extension of the construction loan closing deadline until September 1, 2005. Enclosed please find a check in the amount of \$2,500.00 to cover the extension fee, and a 2005 Document and Payment Receipt for your use in acknowledging receipt of this request and payment.

This extension is being requested because the Project will be a mixed-use development comprised of elderly with transitional units. There were significant predevelopment determinations that had to be evaluated in preparation of the operations and management of the mixed-use. Additionally, there were questions raised regarding the requirement that the transitional units had to be placed in one building and the owner was waiting for a final determination of this matter.

Please note that our request for an extension will not affect the Project's ability to meet the IRS' 10% Carryover Test in a timely manner.

Thank you very much for your consideration of this request. If you have any questions, please do not hesitate to contact me.

Very truly yours,

TX COMMONS OF GRACE, L.P.

By: TX Commons of Grace

Development, LLC

By: G.C. Community

Development Corporation, its

member

By:

Charles H. Taylor, Sr.

Authorized Signatory

Enclosures

ce: Edwina Carrington

Deepak Suhlake



May 11, 2005

Mr. Ben Sheppard
Multifamily Finance Production
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re

Request for extension of Construction Loan Closing for Freeport Oaks Apartments,

TDHCA Number 04255

Dear Mr. Sheppard:

Please accept this letter as a formal request for a 60-day extension of the deadline for Construction Loan Closing for Freeport Oaks Apartments, TDHCA Number 04255 from June 1, 2005 to August 1, 2005.

There are two main reasons for the delay in getting the construction loan closed. First, we have had go through the re-platting process with the City of Freeport. This process has taken longer than we originally thought. We originally purchased a 12+ acre tract that was platted as such. Since we decided to develop on only 6 acres, we needed to have the land re-platted to accommodate the 6 acre development site. The City is currently investigating several easements that are shown on the plat that are believed to be abandoned. Second, there are several utility lines and poles that need to be relocated from our site. We are continuing to work with the City of Freeport and Centerpoint Energy to come up with a solution that is acceptable to all parties involved.

Thank you for your consideration in this matter. If I can be of assistance please do not hesitate to call on me.

Sincerely,

Les Kilday

Kilday Realty Corp., Managing General Partner



May 11, 2005

Mr. Ben Sheppard Multifamily Finance Production Texas Department of Housing & Community Affairs P.O. Box 13941 Austin, Texas 78711-3941

Re: Request for extension of Construction Loan Closing for TownePark in Fredericksburg II Apartments, TDHCA Number 04260.

Dear Mr. Sheppard:

Please accept this letter as a formal request for a 60-day extension of the deadline for Construction Loan Closing for TownePark in Fredericksburg II Apartments, TDHCA Number 04260 from June 1, 2005 to August 1, 2005.

There are two main reasons for the delay in getting the construction loan closed. First, we are in the process of requesting approval of an amendment that would change the unit mix of the development. The amendment was tabled at the April TDHCA Board Meeting and is currently scheduled form the May 26 Board Meeting. Second, this development is a true Phase II development with TownePark in Fredericksburg (TDHCA # 01072). There are a number of common amenities that will be shared between the two developments. Due to the sharing of amenities, there will need to be several cross easements that will need to be executed by both developments. These easements will also need the approval of all parties involved in the financing (lenders, syndicator, etc...) of both developments. This process has taken longer than we originally thought.

Thank you for your consideration in this matter. If I can be of assistance please do not hesitate to call on me.

Sincerely,

Les Kilday

Kilday Realty Corp., Managing Developer

Lansbourough Apartments, L.P. 723 Main Street, Suite 924 Houston, TX 77002

Phone: (713) 224-5526 Fax: (713) 224-6320

May 9, 2005

Ms. Edwina Carrington Executive Director TDHCA P.O.Box 13941 Austin, TX 78711-3941 MAY 1 1 2005 LIHTC

Re: Lansbourough Apartments TDHCA # 04268

I am writing to seek an extension of the June 1, 2005 deadline to the close the construction loan for Lansbourough Apartments.

The project has experienced delays in the permitting process which has made it impossible to meet the closing deadline. Accordingly, the partnership requests a 90-day extension until September 1, 2005, to close the construction loan.

A check for \$2,500.00 is enclosed to cover the required fee for this extension.

Please call me if you have any questions about this request.

Sincerely,

Margie I Bingham

President, M.L. Bingham, Inc.

16360 Park Ten Place, Suite 301 Houston, TX 77084 281-599-8684 281-599-8189 FAX

May 11, 2005

Ms. Brooke Boston
Director of Multifamily Finance Production
The Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

RECEIVED
MAY 1 2 2005
LIHTC

RE: Extension Request – Golden Manor Apartments #04279

Ms. Boston,

This letter serves as my formal request for an extension on the evidence of acquisition of the property and Construction Loan Closing for Golden Manor Apartments, TDHCA #04279. According to the 2004 Housing Tax Credit Commitment Notice, Exhibit A, Item D, evidence of having closed the construction loan must be submitted no later than June 1, 2005.

We will not have a construction loan for the rehabilitation therefore we will not be able to provide any closing documentation for a construction loan. As to evidence of property acquisition, we are in the process of completing a transfer of ownership and have a closing date of May 26, 2005. In all likelihood the deal will close on the scheduled date. However because of the changes to and updating of USDA regulations the process has dragged on and I am concerned that there may be an unforeseen issue that may cause the closing to be delayed into June. As a result I am requesting an extension until June 30, 2005 on the construction loan closing requirements as set forth in the Commitment Notice and specifically the extension for satisfying evidence of acquiring the property per your letter dated November 15, 2004.

Please find my check in the amount of \$2,500 for the extension as well as a copy of the waiver that I received from TDHCA dated November 15, 2004 giving the applicant until June 1, 2005 to provide evidence of acquisition of the property.

If you have questions or need additional information, please give me a call at 281-599-8684.

Sincerely,

ames W. Fieser

President of General Partner

16360 Park Ten Place, Suite 301 Houston, TX 77084

281-599-8684 281-599-8189 FAX

May 11, 2005

Ms. Brooke Boston
Director of Multifamily Finance Production
The Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

RECEIVED
MAY 1 2 2005
LIHIC

RE: Extension Request – Shady Oaks Apartments #04283

Ms. Boston,

This letter serves as my formal request for an extension on the evidence of acquisition of the property and Construction Loan Closing for Shady Oaks Apartments, TDHCA #04283. According to the 2004 Housing Tax Credit Commitment Notice, Exhibit A, Item D, evidence of having closed the construction loan must be submitted no later than June 1, 2005.

We will not have a construction loan for the rehabilitation therefore we will not be able to provide any closing documentation for a construction loan. As to evidence of property acquisition, we are in the process of completing a transfer of ownership and have a closing date of May 26, 2005. In all likelihood the deal will close on the scheduled date. However because of the changes to and updating of USDA regulations the process has dragged on and I am concerned that there may be an unforeseen issue that may cause the closing to be delayed into June. As a result I am requesting an extension until June 30, 2005 on the construction loan closing requirements as set forth in the Commitment Notice and specifically the extension for satisfying evidence of acquiring the property per your letter dated November 15, 2004.

Please find my check in the amount of \$2,500 for the extension as well as a copy of the waiver that I received from TDHCA dated November 15, 2004 giving the applicant until June 1, 2005 to provide evidence of acquisition of the property.

If you have questions or need additional information, please give me a call at 281-599-8684.

Sincerely,

James W. Fieser

President of General Partner

16360 Park Ten Place, Suite 301 Houston, TX 77084

281-599-8684 281-599-8189 FAX

May 11, 2005

Ms. Brooke Boston
Director of Multifamily Finance Production
The Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

RECEIVED
MAY 1 2 2005
LIHTC

RE: Extension Request – Katy Manor Apartments #04284

Ms. Boston,

This letter serves as my formal request for an extension on the evidence of acquisition of the property and Construction Loan Closing for Katy Manor Apartments, TDHCA #04284. According to the 2004 Housing Tax Credit Commitment Notice, Exhibit A, Item D, evidence of having closed the construction loan must be submitted no later than June 1, 2005.

We will not have a construction loan for the rehabilitation therefore we will not be able to provide any closing documentation for a construction loan. As to evidence of property acquisition, we are in the process of completing a transfer of ownership and have a closing date of May 26, 2005. In all likelihood the deal will close on the scheduled date. However because of the changes to and updating of USDA regulations the process has dragged on and I am concerned that there may be an unforeseen issue that may cause the closing to be delayed into June. As a result I am requesting an extension until June 30, 2005 on the construction loan closing requirements as set forth in the Commitment Notice and specifically the extension for satisfying evidence of acquiring the property per your letter dated November 15, 2004.

Please find my check in the amount of \$2,500 for the extension as well as a copy of the waiver that I received from TDHCA dated November 15, 2004 giving the applicant until June 1, 2005 to provide evidence of acquisition of the property.

If you have questions or need additional information, please give me a call at 281-599-8684.

Sincerely,

James W. Fieser

President of General Partner

16360 Park Ten Place, Suite 301 Houston, TX 77084 281-599-8684 281-599-8189 FAX

May 11, 2005

Ms. Brooke Boston
Director of Multifamily Finance Production
The Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

RE: Extension Request – Ole Town Apartments #04285

Ms. Boston,

This letter serves as my formal request for an extension on the evidence of acquisition of the property and Construction Loan Closing for Ole Town Apartments, TDHCA #04285. According to the 2004 Housing Tax Credit Commitment Notice, Exhibit A, Item D, evidence of having closed the construction loan must be submitted no later than June 1, 2005.

We will not have a construction loan for the rehabilitation therefore we will not be able to provide any closing documentation for a construction loan. As to evidence of property acquisition, we are in the process of completing a transfer of ownership and have a closing date of May 26, 2005. In all likelihood the deal will close on the scheduled date. However because of the changes to and updating of USDA regulations the process has dragged on and I am concerned that there may be an unforeseen issue that may cause the closing to be delayed into June. As a result I am requesting an extension until June 30, 2005 on the construction loan closing requirements as set forth in the Commitment Notice and specifically the extension for satisfying evidence of acquiring the property per your letter dated November 15, 2004.

Please find my check in the amount of \$2,500 for the extension as well as a copy of the waiver that I received from TDHCA dated November 15, 2004 giving the applicant until June 1, 2005 to provide evidence of acquisition of the property.

If you have questions or need additional information, please give me a call at 281-599-8684.

James W. Fieser

Sincerely

President of General Partner



L.U.L.A.C. Village Park Apartments



1417 HORNE ROAD • CORPUS CHRISTI, TEXAS 78416 (361) 853-2569 • Fax (361) 853-2560

Ms. Edwina Carrington, Executive Director
Thru: Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, Texas 78701

RE: Extension for L.U.L.A.C. Village Park Apartments, TDHCA #04290

Mr. Sheppard:

We respectfully request a 90 day extension on the closing of the construction loan on TDHCA #04290, L.U.L.A.C. Village Park Apartments.

The closing will take place with a 221D3, FHA financing with the U.S. Department of Housing and Urban Development. Included is the negotiation and renewal of the Housing Assistance Payment Contract.

L.U.L.A.C. has made great strides in preparing for this project. To date:

- a \$400,000 Pre-Development Loan is in place from Wells Fargo Bank
- all plans and specs have been submitted to the City of Corpus Christi
- a demolition permit has been issued
- the relocation plan has been submitted to HUD and Southwest Housing Compliance Corporation
- a contractor and management company have been selected
- all fees to the mortgage company have been paid
- the tax credit syndicator is firm
- the documents are being prepared for the final application to HUD
- City of Corpus Christi is committed to funding \$370,000 in HOME Funds to the project.

Enclosed is the \$2,500 check for the extension. If you need any further information, please do not hesitate to contact me.

Sincerely,

Henry Gorham

President

cc: David Marquez

REAL ESTATE ANALYSIS DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Items:

Request approval of an increase in the tax credit allocation amount for transactions with 4% Low Income Housing Tax Credits (LIHTC) associated with private activity tax exempt mortgage revenue bonds for the following developments:

- 01411 Silver Leaf Apartments F.K.A. Newport Apartments (Christopher Finlay developer), rehabilitation asking for \$53,517 in additional credits
- 00025T Santa Maria Village Apartments (American Housing Foundaton, Steve Sterquell developer), rehabilitation asking for \$56,033 in additional credits
- 00012T Robinson Waco Apartments (American Housing Foundaton, Steve Sterquell developer), rehabilitation asking for \$24,603 in additional credits

Required Action:

Approve the increase in credits as follows:

- 01411 Silver Leaf Apartments: \$41,159 for a total of \$392,195
- 00025T Santa Maria Village Apartments: \$30,624 for a total of \$194,609
- 00012T Robinson Waco Apartments: \$24,603 for a total of \$178,009

Background:

Since 2001 the Qualified Action Plan (QAP) has included a provision for tax credits associated with private activity bonds which states that a 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, and the amount of credits reflected may be greater than 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 date.

The requested action requires the Board to act upon three cases which involved the rehabilitation of Silver Leaf Apartments (224 units in Houston), Santa Maria Village Apartments (176 units in Austin), and Robinson Waco Apartments (208 units in Waco). The applicants were previously approved for credits in the amount of \$351,036, \$163,985 and \$153,406, respectively. All three were allocated fewer credits than they originally requested as a result primarily of differences in the allocation of acquisition credits. With the current request all three are requesting more than the originally requested amounts citing unanticipated increases in direct rehabilitation construction costs. The underwriting addendums have confirmed that rehabilitation cost increases are well documented and support increases in the credit recommendation, however a potion of the increase requested for Silver Leaf and Santa Maria continues to be related to differences

in the basis for the acquisition portion of the credit and have not been fully substantiated according to the attached underwriting addendums.

Recommendation

Staff recommends approval of the requested action.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS MULTI FAMILY CREDIT UNDERWRITING ADDENDUM

DATE: PROGRAM: HTC May 15, 2005 FILE NUMBER: 01411 **DEVELOPMENT NAME** Silver Leaf Apartments F.K.A. Newport Apartments **APPLICANT** For Profit Non-Profit Municipal Name: Newport Finlay Partners, Ltd. Type: Address: 4300 Marsh Landing Boulevard, Suite 101 City: Jacksonville Beach State: FL (904) 280-1000 280-9993 Zip: 32250 **Contact:** Denise Elliot Phone: Fax: (904)PRINCIPALS of the APPLICANT .01 Title: Name: Newport Finlay LLC (%): Managing General Partner Christopher Finlay Title: 100% owner of GP Name: (%): n/a PROPERTY LOCATION **Location:** 6400 S Gessner Drive \square OCT **DDA** City: **County:** Harris Zip: 77036 Houston **REQUEST Amount Interest Rate** Amortization **Term** PREVIOUSLY AWARDED (1) \$351,036 n/a n/a **CURRENT ADDITIONAL REQUEST** (1) \$53,517 n/a n/a Other Requested Terms: (1)Annual 10-year allocation of low-income housing tax credits (\$404,553) **Proposed Use of Funds:** Acquisition/Rehabilitation 4% LIHTC/Private Activity Bonds Set-Aside: RECOMMENDATION \boxtimes RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED A \$41,159 INCREASE OR \$392,195 IN TOTAL SUBJECT TO THE FOLLOWING: 1. Receipt, review and acceptance of an executed agreement with a qualified service provider for the provision of supportive services.

	OTHER SOURCES of FUNDS									
				LIHTC	SYNDIC	ATION				
Source:	Param	ount Financial	Group Inc.			Contact:	Mark Swe	een		
Address:	3825	Columbus Rd.	S.W.			City:	Granville			
State:	ОН	Zip:	43023	Phone:	(740)	587-4150	Fax:	(740)	587-4626	
Net Procee	eds:	\$2,923,044	N	let Syndicati	ion Rate (p	er \$1.00 of 10-yr LIH	тс) <u>82¢</u>			

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

Commitment	None	\boxtimes	Firm	Conditional	Date:	5/	1/	2001
Additional Information		Para		6356,469 annually nager) is the invest	•			•

		VALUATION ORRIGINA A						
Land Only:		\$1,210,000	IFFRAISLE		of Valuation:	12/	14/	2000
Market Value: as is		\$4,800,000		Date of	of Valuation:	12/	14/	2000
Computed Building Value	e: as is	\$3,590,000		Date o	of Valuation:	12/	14/	2000
Appraiser: Gerald Teel		City: Ho	uston		Phone:	(713)	467-	5858
	N	IEW RETROSPECI	VE APPRA	AISED V	ALUE			
Land Only:		\$1,180,000		Date of	of Valuation:	1/	1/	2001
Market Value: as is		\$5,800,000		Date of	of Valuation:	1/	1/	2001
Computed Building Value	e: as is	\$4,620,000		Date of	of Valuation:	1/	1/	2001
Appraiser: Patrick O'C	onnor	City: Ho	uston		Phone:	(713)	686-9	9955
		ASSESS	SED VALU	IE				
Land:	\$1,730,290	Assessmen	t for the Y	ear of:	2003 (post a successful p			
Building:	\$2,334,970	Valuation	by:		Harris CAD			
Total Assessed Value:	\$4,065,260	Tax Rate:			2.97627			

ADDENDUM

The original underwriting report recommended a reduction in the credit amount based upon the acquisition basis of the buildings. The original report reflected a \$1M discrepancy in the building value based upon the appraisal and prorata assessed value which resulted in \$38,277 reduction in the credit amount from the original requested amount. At the time of the original approval of the determination notice only the Teel appraisal was available. The original report included the following conditions:

- 1. Reduction of eligible acquisition basis to \$3,590,000 based on the appraised value, and resultant reduction in eligible developer fees to not more than \$1,073,622;
- 2. Receipt, review and acceptance of an executed agreement with a qualified service provider for the provision of supportive services;
- 3. Receipt, review and acceptance of evidence that the developer has or will conform with the recommendations provided in the Phase I ESA and Lead-based Paint Hazard Risk Assessment, each dated November 30, 2000;
- 4. Receipt, review and acceptance of a third party detailed breakdown of site work costs totaling \$275,500;
- 5. Receipt, review and acceptance of a commitment to provide credit enhancement for the project;
- 6. Reduction in tax credit allocation to not more than \$351,036 annually.

The Applicant responded to the first condition by initially signing the determination notice and agreeing to compliance with these conditions on April 13, 2001. Then in a letter dated May 23, 2001 the Applicant offered that the revised partnership agreement reflected the approved credit amount but they would be providing a new appraisal for the acquisition to support a higher acquisition basis. They also indicated in the letter that TDHCA staff indicated nothing further needed to be provided to address this condition. While a

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

copy of this new appraisal (the O'Connor appraisal) with an effective date of January 1, 2001 was provided in the cost certification package in late 2003, it is self-described as a retrospective appraisal, it is not bound separately and it was not signed by the appraiser. The O'Connor appraisal has a cover letter dated July 9, 2001 but in the appendix a proposal by O'Connor to update the appraisal for the Applicant and for the specific use by the Department is dated May 13, 2002. While the O'Connor appraisal provides some limited grounds for substantiation of the Applicant's higher eligible acquisition basis for the property, it does not support an increase in cost of the project that is beyond the developer's control. In addition, it is now one of three sources of information available to make such a determination. The original appraisal, performed by Gerald Teal and Company as of 12/14/2000, and the tax assessed value for 2000 both suggested that the value of the property was \$1M to \$2.5M less than the \$5.8M price paid for the property. The original Teel appraisal implied a building value of \$3,590,000 while the 2000 assessed value for the buildings was a mere \$1,569,710. The Applicant originally applied a value of \$4,590,000 for the buildings which was greater than the prorata building value of \$4,350,000 based on the original appraisal and the sales price. The original underwriting analysis reduced the eligible building value to \$3,590,000 per that appraisal and this was the primary cause of the reduction in recommended credits at that time.

The Applicant provided no substantive justification for rejecting the original appraisal at the time of the original allocation but has since indicated through their attorney that the original appraisal "...utilized certain methodologies that reduced the overall value of the property. For instance, in calculating the income approach, Teel used rents well below the actual rents being charged by the Property at the time of the appraisal, despite the fact that the property had a high occupancy and was successful in achieving the higher rents. Teel also increased the operating expense estimate above the historical data. In the Sales comparison approach, he used comparable properties with smaller average unit sizes than the Property." These allegations appear to be unfounded in that a re-review of the file reflects:

- 1. The ten month October of 2000 financial statement for the property provided as part of the original application indicates that year to date operating income for the property was \$868,276 versus a budgeted year to date of \$948,709. Annualizing these historical numbers provides \$1.042M actual versus \$1.138M budgeted. The Teel appraisal uses effective gross income in the income approach of \$1.249M while the O'Connor appraisal uses \$1.336M. In the original underwriting analysis the Applicant used effective gross rent after completion of \$1.327M while the Underwriter used \$1.338M. On this issue it would appear that both appraisers may have overstated effective gross rent.
- 2. The same financial statement provides year to date operating expenses of \$494, 810 and budgeted to date expenses of \$500,882. These annualize to \$594K and \$601K. Teel used \$762K while O'Connor used \$694K. In the original underwriting analysis the Applicant used \$730K while the Underwriter used \$756K, but again these were estimates based on after the renovations were completed. Teel's expenses are higher than historical data but still relatively consistent with the Applicant and Underwriter's post rehabilitation estimates.
- 3. The original Teel appraisal used four sale comparables with average unit sizes ranging from 666 to 796 square feet; the O'Connor appraisal used four comparables ranging from 638 to 787 square feet suggesting that both used comparables with the same average sized units.

The suggested discrepancies do not point to a Teel appraisal that is outside of the reasonable opinion of a seasoned appraiser. None-the-less the Applicant substitutes the implied building value from the retrospective O'Connor appraisal which is \$30K higher than the Applicant's original request. In addition the Applicant has expanded eligible developer fee for the acquisition to generate the maximum allowed 15% developer fee from the acquisition basis. This accounts for \$154,500 in developer fee above the condition included in the original underwriting report, approved by the Board, and indicated in the determination letter based strictly on the increase in value ascribed to the acquisition of the buildings. The credit effect from the increase in building acquisition value is \$33,319 (this credit increase is inclusive of the effect of a 20 basis point lower actual applicable percentage versus the original underwritten applicable percentage of 3.71) The Underwriter has re-evaluated the methodology used in the original report to conform to the current underwriting rules and take into account the entire actual sale price of \$5.8M. The Underwriter recommends a \$747,917 increase in eligible acquisition cost based upon the actual purchase price times the original Teel appraisal proportionate value of land to building (\$5,800,000X(\$3,590,000/\$4,800,000) =\$4,337,917). This results in an increase in recommended credits of \$21,933.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

The Applicant also provided support for requesting an increase in the credit amount based upon an increase in total development costs which amount to \$1,233,382 more in costs than originally projected. Of this increase, \$615K is characterized as eligible costs and \$618K is ineligible for basis purposes as indicated by the Applicant and certified to by the accountant. The Applicant sites cost overruns resulted from HUD inspectors changing the scope of the rehabilitation after the original TDHCA approval had occurred. The Applicant enumerated nine specific substantive scope changes as follows:

- An additional 39% of the cabinets were replaced
- An additional 57% of the units were repainted
- An additional 9% of the appliances were replaced
- An additional 58% of the garbage disposals were replaced
- An additional 51% of the blinds were replaced
- An additional 66% of the carpets were replaced
- Drywall repairs were increased from an estimated 10% of the units to some repair required in every unit and many of the doors that were slated to be re-hung had to be replaced
- A majority of the kitchen and bathroom sinks had to be replaced though they were only originally thought to have to be scrubbed clean
- Interest expense increased due to timing delays resulting from the increase in scope of work

The Applicant also included the cost of tax credit fees of \$18,591 in eligible basis and this cost has recently been confirmed by the IRS to be ineligible. The increase in the required rehabilitation and related costs account for a \$19,226 increase in credits after the reduction in applicable percentage is considered. In total the Applicant requested \$20,198 in additional credits from rehabilitation and \$33,319 more credits from acquisition and the Underwriter recommends increases of \$19,226 and \$21,933 respectively.

The second condition of the original underwriting report regarding the supportive services contract does not appear to have been met as of the date of this addendum and will be required prior to issuance of 8609's.

Director of Real Estate Analysis:		Date:	May 16, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Silver Leaf Apartments FKA Newport Apartments, Houston, HTC, #01411 Cost Cert 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 50%	48	1	1	731	737	\$558	513	-		\$24,624	\$0.70	\$45.00	\$24.00
TC 50%	48	1	1	744	747	558	513			24,624	0.69	45.00	24.00
TC 50%	36	1	1.5	838	850	558	513			18,468	0.61	45.00	24.00
TC 50%	24	2	2	900	925	670	613			14,712	0.68	57.00	30.00
TC 50%	44	2	2	1,128	1,060	670	613			26,972	0.54	57.00	30.00
TC 50%	12	2	2.5	1,169	1,200	670	613			7,356	0.52	57.00	30.00
TC 50%	12	2	2.5	1,296	1,326	670	613			7,356	0.47	57.00	30.00
TOTAL:	224		AVERAGE:	901		\$604	\$554			\$124,112	\$0.62	\$49.93	\$26.46
INCOME		Total Net R	entable Sq Ft:	201,780			TDHCA @ CC	TDHCA @ APL	APP @ APL	APPLICANT @ CC		USS Region	6
POTENTIA	L GROSS						\$1,489,344	\$1,419,072	\$1,408,080	\$1,446,240		IREM Region	
Secondary			F	Per Unit Per Month:		\$15.00	40,320	26,880	26,880	78,450	\$29.19	Per Unit Per Mont	
Other Supp	ort Income:	(describe)					0	0	0				
POTENTIA							\$1,529,664	\$1,445,952	\$1,434,960	\$1,524,690			
Vacancy &				ntial Gross Income:		-7.50%	(114,725)	(108,446)	(107,628)	(129,108)	-8.47%	of Potential Gross	Rent
EFFECTIVI			its or Conces	ssions			\$1,414,939	9 \$1,337,505	\$1,327,332	\$1,395,582			
EXPENSES		INCOME	% OF EGI	PER UNIT		PER SQ FT	\$1,414,939	φ1,337,303	φ1,321,332	\$1,393,362	PER SQ FT	PER UNIT	% OF EGI
	<u>o</u> Administrati	VA	5.91%	\$373		0.41	\$83,577	\$58,381	\$40,971	\$57,664	\$0.29	\$257	4.13%
Manageme			5.91%	şз/з 316		0.41	70,747	60,188	59,730	69,779	0.35	312	5.00%
Payroll & Pa			15.13%	956		1.06	214,124	148,493	169,500	213,386	1.06	953	15.29%
•	ayron rax Maintenance	9	8.22%	519		0.58	116,238	92,620	77,570	101,870	0.50	455	7.30%
Utilities	viairiteriarie	-	2.42%	153		0.30	34,223	55,625	57,879	49,750	0.25	222	3.56%
	ver, & Trash		7.38%	466		0.52	104,435	104,435	107,565	117,600	0.58	525	8.43%
Property In:			2.81%	177		0.20	39,736	34,474	32,500	50,448	0.25	225	3.61%
Property Ta		2.97627	8.55%	540		0.60	120,993	97,120	80,000	132,000	0.65	589	9.46%
	r Replacem		4.75%	300		0.33	67,200	67,200	67,200	55,020	0.27	246	3.94%
Other Expe	•		0.00%	0		0.00	0	38,000	38,000	0	0.00	0	0.00%
TOTAL EX			60.16%	\$3,800		\$4.22	\$851,273	\$756,535	\$730,915	\$847,517	\$4.20	\$3,784	60.73%
NET OPER	RATING IN	С	39.84%	\$2,516		\$2.79	\$563,666	\$580,971	\$596,417	\$548,065	\$2.72	\$2,447	39.27%
DEBT SER	VICE										=		
First Lien Mo	ortgage		35.34%	\$2,232		\$2.48	\$500,017	\$506,395	\$506,400	\$500,017	\$2.48	\$2,232	35.83%
GIC and Ope	erating Inco	me	0.00%	\$0		\$0.00	0				\$0.00	\$0	0.00%
GIC and Ope	erating Inco	me	0.00%	\$0		\$0.00	0	5,600	5,600		\$0.00	\$0	0.00%
NET CASH	FLOW		4.50%	\$284		\$0.32	\$63,649	\$68,976	\$84,417	\$48,048	\$0.24	\$215	3.44%
AGGREGAT							1.13	1.13	1.16	1.10			
RECOMMEN			GE RATIO					1.15		1.10			
CONSTRU		<u>DST</u>					1				1		
Descri	-	Factor	% of TOTAL	PER UNIT		PER SQ FT	TDHCA	TDHCA	APPLICANT	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	Cost (site o	or bldg)	45.80%	\$25,893		\$28.74	\$5,800,000	\$5,800,000	\$5,800,000	\$5,800,000	\$28.74	\$25,893	46.26%
Off-Sites			0.00%	0		0.00	0	0	0		0.00	0	0.00%
Sitework			1.10%	621		0.69	139,063	275,500	275,500	139,063	0.69	621	1.11%
Direct Cons			23.43%	13,246		14.71	2,967,182	2,019,801	2,019,801	2,967,182	14.71	13,246	23.66%
Contingend	•	0.00%	0.00%	0		0.00	0	172,148	172,148	77.440	0.00	0	0.00%
General Re		2.48%	0.61%	344		0.38	77,143	137,718	137,718	77,143	0.38	344	0.62%
Contractor's		1.76%	0.43%	244		0.27	54,559	45,906	45,906	54,559	0.27	244	0.44%
Contractor's		5.27%	1.29%	731		0.81	163,677	137,718	137,718	163,677	0.81	731	1.31%
Indirect Co			0.75%	422		0.47	94,618	217,750	217,750	94,618	0.47	422	0.75%
Ineligible C			9.41%	5,321		5.91	1,191,795	576,896	576,896	1,191,795	5.91	5,321	9.50%
Developer's		15.00%	10.00%	5,652		6.27	1,266,000	256,140	408,741	1,311,101	6.50	5,853	10.46%
Developer's		0.00%	0.00%	0		0.00	605.944	817,482	817,482	005.044	0.00	0	0.00%
Interim Fina	ancing		4.78%	2,705		3.00	605,844	560,941	560,941	605,844	3.00	2,705	4.83%
Reserves TOTAL CO	ST		100.00%	1,354 \$56,532		1.50 \$62.76	303,336 \$12,663,217	135,000 \$11,152,999	135,000 \$11,305,600	134,000 \$12,538,982	0.66 \$62.14	598 \$55,978	1.07%
Recap-Hard		tion Costs	26.86%	\$15,186		\$16.86	\$3,401,624	\$2,788,791	\$2,788,791	\$3,401,624	\$16.86	\$15,186	27.13%
SOURCES				,			, . , ,	. ,,	. ,,	, . , ,	RECOMMENDED	,	
First Lien Mo		-	58.83%	\$33,259		\$36.92	\$7,450,000	\$7,387,000	\$7,387,000	\$7,450,000	\$7,450,000	Developer F	ee Available
GIC and Ope		me	6.75%	\$3,816		\$4.24	854,837	0	0	854,837	0	\$1,30	
HTC Syndica	-		23.67%	\$13,381		\$14.85	2,997,297	2,843,391	3,153,432	2,997,297	3,215,675		ee Deferred
Deferred De			9.77%	\$5,522		\$6.13	1,236,848	922,608	764,191	1,236,848	1,266,000		7%
Additional (e	•			\$555		\$0.62	124,235	0	977	0	607,307		tive Cash Flow
TOTAL SO			3.0070	7000		40.02	\$12,663,217	\$11,152,999	\$11,305,600	\$12,538,982	\$12,538,982	\$1,787,	
												•	

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Silver Leaf Apartments FKA Newport Apartments, Houston, HTC, #01411 Cost Cert ADDENDUM

PAYMENT COMPUTATION

Primary	\$7,450,000	Amort	480
Int Rate	6.13%	DCR	1.13
-			

Secondary		Amort	
Int Rate		Subtotal DCR	1.13

Additional	Amort	
Int Rate	Aggregate DCR	1.13

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW

\$500,017
0
0
\$48,048

Primary	\$7,450,000	Amort	480
Int Rate	6.13%	DCR	1.10

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10

Additional	\$0	Amort	0
Int Rate	0.00%	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	\$1,446,240	\$1,489,627	\$1,534,316	\$1,580,345	\$1,627,756	\$1,887,015	\$2,187,568	\$2,535,991	\$3,408,159
Secondary Income	78,450	80,804	83,228	85,724	88,296	102,359	118,663	137,563	184,873
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,524,690	1,570,431	1,617,544	1,666,070	1,716,052	1,989,375	2,306,230	2,673,553	3,593,032
Vacancy & Collection Loss	(129,108)	(117,782)	(121,316)	(124,955)	(128,704)	(149,203)	(172,967)	(200,516)	(269,477)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,395,582	\$1,452,648	\$1,496,228	\$1,541,115	\$1,587,348	\$1,840,172	\$2,133,263	\$2,473,037	\$3,323,554
EXPENSES at 4.00%									
General & Administrative	\$57,664	\$59,971	\$62,369	\$64,864	\$67,459	\$82,074	\$99,855	\$121,489	\$179,834
Management	69,779	72632.3158	74811.28526	77055.62382	79367.29253	92008.44458	106663.0044	123651.6557	166177.4854
Payroll & Payroll Tax	213,386	221,921	230,798	240,030	249,631	303,715	369,516	449,572	665,477
Repairs & Maintenance	101,870	105,945	110,183	114,590	119,173	144,993	176,406	214,625	317,697
Utilities	49,750	51,740	53,810	55,962	58,200	70,810	86,151	104,816	155,153
Water, Sewer & Trash	117,600	122,304	127,196	132,284	137,575	167,381	203,645	247,765	366,753
Insurance	50,448	52,466	54,565	56,747	59,017	71,803	87,360	106,286	157,330
Property Tax	132,000	137,280	142,771	148,482	154,421	187,877	228,581	278,104	411,662
Reserve for Replacements	55,020	57,221	59,510	61,890	64,366	78,311	95,277	115,919	171,588
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$847,517	\$881,480	\$916,013	\$951,905	\$989,211	\$1,198,972	\$1,453,454	\$1,762,228	\$2,591,671
NET OPERATING INCOME	\$548,065	\$571,169	\$580,215	\$589,210	\$598,137	\$641,199	\$679,810	\$710,808	\$731,883
DEBT SERVICE									
First Lien Financing	\$500,017	\$500,017	\$500,017	\$500,017	\$500,017	\$500,017	\$500,017	\$500,017	\$500,017
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	\$48,048	\$71,152	\$80,199	\$89,193	\$98,121	\$141,183	\$179,793	\$210,792	\$231,867
DEBT COVERAGE RATIO	1.10	1.14	1.16	1.18	1.20	1.28	1.36	1.42	1.46

LIHTC Allocation Calculation - Silver Leaf Apartments FKA Newport Apartments, Houston, HTC, #01411 Cost Cert ADDENDUM

·	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost			B aaaaaaaaaaaaaaaaaaaaaaa			
Purchase of land	\$1,180,000	\$1,462,083				
Purchase of buildings	\$4,620,000	\$4,337,917	\$4,620,000	\$4,337,917		
(2) Rehabilitation/New Construction Cost						
On-site work	\$139,063	\$139,063			\$139,063	\$139,063
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard cos	ts \$2,967,182	\$2,967,182			\$2,967,182	\$2,967,182
(4) Contractor Fees & General Requiremen	ts					
Contractor overhead	\$54,559	\$54,559			\$54,559	\$54,559
Contractor profit	\$163,677	\$163,677			\$163,677	\$163,677
General requirements	\$77,143	\$77,143			\$77,143	\$77,143
(5) Contingencies						
(6) Eligible Indirect Fees	\$94,618	\$94,618			\$94,618	\$94,618
(7) Eligible Financing Fees	\$605,844	\$605,844			\$605,844	\$605,844
(8) All Ineligible Costs	\$1,191,795	\$1,191,795				
(9) Developer Fees			\$693,000	\$650,688	\$615,313	\$615,313
Developer overhead	\$1,311,101	\$1,266,000				
Developer fee						
(10) Development Reserves	\$134,000	\$303,336				
TOTAL DEVELOPMENT COSTS	\$12,538,982	\$12,663,217	\$5,313,000	\$4,988,604	\$4,717,399	\$4,717,399
Non-qualified non-recourse financing Non-qualified portion of higher quality units Historic Credits (on residential portion only) TOTAL ELIGIBLE BASIS High Cost Area Adjustment TOTAL ADJUSTED BASIS Applicable Fraction TOTAL QUALIFIED BASIS Applicable Percentage			\$5,313,000 \$5,313,000 100% \$5,313,000 3.51%	\$4,988,604 \$4,988,604 100% \$4,988,604 3.51%	\$4,717,399 130% \$6,132,619 100% \$6,132,619 3.54%	\$4,717,399 1309 \$6,132,619 1009 \$6,132,619 3.549
TOTAL AMOUNT OF TAX CREDITS			\$186,486	\$175,100	\$217,095	\$217,095
Sy	ndication Proceeds	0.8199	\$1,529,035	\$1,435,676	\$1,779,999	\$1,779,999
	Total Credits (Eligibl	e Basis Method)			\$403,581	\$392,195
	, -	cation Proceeds			\$3,309,033	\$3,215,675
	Sylidi	cation Froceeus			φ3,309,033	\$3,213,073
	Re	equested Credits			\$404,533	
	Syndi	cation Proceeds			\$3,316,839	
	Can of Sundication D	rooodo Naad-d				
	Gap of Syndication P				\$5,088,982	
		Credit Amount			\$620,670	
	Or	iginal Allocation				\$351,036
	Syndi	cation Proceeds				\$2,878,207
		Additional Credit			\$53,497	\$41,159

Additional Proceeds

\$438,632

\$337,468

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS MULTI FAMILY CREDIT UNDERWRITING ADDENDUM

DATE: PROGRAM: May 16, 2005 4% HTC FILE NUMBER: 00025T **DEVELOPMENT NAME** Santa Maria Village Apartments APPLICANT/OWNER For Profit Non-Profit Municipal Name: Austin Santa Maria Village, Ltd. Type: 1800 S. Washington Amarillo State: TX Address: City: 79102 **Contact:** Lana J. Peterson (806) 372-7500 **Fax:** (806) 372-7508 Zip: Phone: PRINCIPALS of the APPLICANT/OWNER Managing General Partner American Housing Foundation Title: Name: (%): James I. Fletcher (%): N/A Title: President of G.P. Name: Vicki S. Sterquell Title: Vice President of G.P. Name: (%): N/A Name: Lana J. Peterson (%): N/A Title: Secretary of G.P. PROPERTY LOCATION \boxtimes **QCT DDA** Location: 8071 N. Lamar Boulevard City: Austin County: Travis 78753 REQUEST **Interest Rate Amortization Amount Term** \$56,033 N/A N/A N/A **Other Requested Terms:** 4% tax credits in addition to 2000 award of \$163,985, for a total allocation of \$220,018 annually Acquisition & rehabilitation **Proposed Use of Funds: Set-Aside:** Nonprofit RECOMMENDATION

K RECOMMEND APPROVAL OF A TOTAL HTC ALLOCATION NOT TO EXCEED A TOTAL OF \$194,609 increase of (\$30,624) ANNUALLY FOR TEN YEARS.

ADDENDUM

Santa Maria Village Apartments was originally underwritten during the 2000 4% HTC cycle and requested a total annual allocation of \$174,400. The tax-exempt private activity mortgage revenue bonds in the amount of \$3,175,000 and the taxable bonds in the amount of \$140,000 were to be issued by the Austin Housing Finance Corporation and purchased by Miller & Schroeder Financial, Inc. for subsequent public placement. Based on the Underwriter's analysis, the calculated total qualified eligible basis of \$3,844,738 resulted in a recommended HTC allocation of \$163,985. The credits were to be acquired by Bank One Capital Markets but were ultimately purchased by MMA Financial. The reduction in credits was a result of the Applicant

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

using a four percent applicable percentage rather than the 3.76% appropriate for the time of undertwriting. The actual rate based on the placed in service dates ranged from 3.54% to 3.68%.

In conjunction with the submission of the cost certification for Santa Maria Village Apartments, Austin Santa Maria Village, Ltd. requested an allocation of tax credits in the amount of \$56,033 annually in addition to the allocation of \$163,985 received in 2000, for a total allocation of \$220,018. It should be noted that this is the third of a total of three American Housing Foundation properties which are requesting additional credits at cost certification. Some of the information used for purposes of this analysis was submitted to the Underwriter during the re-evaluation of Fairway Village Apartments (TDHCA #00011T), which was taken before the TDHCA Board in January 2005 and approved. The request for additional credits is based upon an increase in eligible basis attributed to an increase in the total acquisition cost for the subject property and extraordinary rehabilitation costs in excess of the costs estimated at application.

A letter dated December 11, 2003 from the Owner explained that Santa Maria Village Apartments was part of a five-property portfolio purchased from Raintree Corporation ("Seller") in early 2000. At the time of closing on the five-property portfolio, Raintree Corporation required additional funds to be delivered in the form of promissory notes. Unless this occurred, the Seller was prepared to terminate the sale. According to the Owner, the large amount of funds spent to facilitate this transaction would be forfeited along with the bond reservation and the HTC allocation for each property if the Owner did not comply with the Seller's request. Additionally, the Owner explained that Santa Maria Village Apartments had additional rehabilitation that was necessary to make this safe and sanitary housing. As a result, extra rehabilitation costs outside of the original construction contract were spent in order to facilitate the additional rehabilitation. The Owner submitted an itemized list of the cost overruns as supporting documentation for the increase in credits.

During the Underwriter's review of the cost certification documentation there were several items which required further clarification from the Owner. The first of those was the increased acquisition cost for the property. At the time of application, Santa Maria Village Apartments was underwritten utilizing the Applicant's total acquisition cost of \$3,000,000. At cost certification, the Owner indicates the total acquisition cost of this property increased to \$3,900,000. A letter dated December 9, 2003 from Wayne Moore, Esq. of Sprouse Shrader Smith P.C. confirms a purchase price of \$3,992,500 paid by Austin Santa Maria Village, Ltd. for Santa Maria Village Apartments. The letter also itemizes the total purchase price which consists of the \$3.5M purchase price as shown on the settlement statement, plus two additional unsecured promissory notes payable to Raintree Corporation in the amounts of \$292,500 and \$200,000. While the Underwriter was provided with copies of the unsecured notes for the additional \$492,500 attached to the \$3.5M purchase price, there was little additional information provided. Not knowing whether these notes were recourse or not, or what recourse there was should these notes not get paid to the Seller, the Underwriter requested additional information from the Owner of the entire five-property portfolio purchased from Raintree Corporation.

As was the case with Fairway Village Apartments, the fact that the attached notes to the property have not been paid in full now characterizes this transaction as an identity of interest sale. As required by TDHCA Underwriting Rules for identity of interest transactions, documentation of the original acquisition cost to the Seller and any other holding costs related to the property is required to support the increased transfer price for Santa Maria Village Apartments. Discussions with the Owner resulted in the Department receiving copies of audited financials for the entire five-property portfolio at the time of closing to show that the Seller's basis in the five properties would support the basis for the increased sales price for Santa Maria Village Apartments. As agreed upon, AHF supplied the Underwriter with 1998 audited financials for all properties in the portfolio including Santa Maria Village Apartments. Based on this information the 1998 asset value for Santa Maria Village Apartments alone was a total of \$4,399,693 (\$1,800,000 for land and \$2,599,693 for the buildings). As a result of this information the total acquisition cost claimed at cost certification of \$3,900,000 for Santa Maria Village Apartments is supported.

In addition to providing documentation of the original acquisition cost to the Seller for identity of interest transactions, TDHCA Underwriting Rules also require that an appraisal be provided that meets the Department's Appraisal Rules and Guidelines in order for the Underwriter to make a determination of the

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

appropriate building acquisition value. At the time of application an appraisal performed by Pyles-Whatley and dated December 23, 1999 was submitted which met the Department's appraisal criteria. This original appraisal concluded a total as-is market value for the Santa Maria Village Apartments of \$3,670,000; \$1,375,000, or 37.47%, of this total value was attributed to the land. As a result, the Underwriter's original analysis utilized the same \$1,375,000 proportionate value for the land, which left a net building value for eligible basis purposes of \$1,845,945 based on the contract price. In addition, the cost certification packet includes the executive summary of an appraisal prepared on October 17, 2003 for Santa Maria Village Apartments. The revised appraisal concludes a retrospective total as-is market value as of March 1, 2000 of \$3,900,000 with \$640,000, or 16%, of this total value attributed to the land. Finally, a land valuation based on comparable sales was performed by Austin Valuation Consultants, Ltd. on May 2, 2005 (unsigned). The value presented for 14.597 acres is \$860,000.

For purposes of this analysis the Underwriter will continue to utilize the original appraisal dated December 23, 1999 since both the Owner and the Underwriter accepted the original appraisal as submitted at the time of application. The Owner's total acquisition cost of \$3,900,000 is not supported by the original appraisal. However, as stated above, the acquisition cost is supported by the 1998 asset value. The Underwriter will use the appraisal's proportionate land value at 37.47% of the total acquisition cost (the same methodology was used to determine the land value for Fairway Village). The result is a net building value for eligible basis purposes of \$2,438,838 based on the total acquisition cost. This is \$593K more in acquisition basis compared to that used at application but \$1.4M less than the Owner's acquisition basis at cost certification (\$3,825,000). The Owner was notified of this fact via correspondence which specifically requested additional support for the higher acquisition eligible basis claimed at cost certification. The Owner's response to this item, dated May 3, 2005, was a revised Exhibit 2B, Project Cost Schedule, wherein the acquisition cost was revised to show that \$860K of the total acquisition cost attributed to the land and the remaining \$3,040,000 attributed to the buildings. Although the current land value used by the Owner is consistent with the value concluded by Austin Valuation Consultants, as stated above, the underwriting analysis will use the land value calculated based on the ratio of land value to total value indicated in the accepted appraisal submitted at application.

The second issue with regard to the Owner's request for additional tax credits was related to the additional costs that were included in the eligible basis calculation but not originally anticipated in the budget at application. At cost certification the Owner provided a breakdown of the cost overruns as supporting documentation of an additional \$294K. These additional costs were not included by the contractor in the cost certification Exhibit 18B, Final Work Write-Up for Rehabilitation Projects. The contractor, PDW Construction, certified to total construction costs of \$1,184,579 (\$93,547 in sitework costs and \$1,091,032 in direct costs). Out of the additional \$294K, \$147K was attributed to rehabilitation costs paid to subcontractors outside of the construction contract with PDW Construction and \$147K was attributed to electricity costs for vacant units and ongoing repairs during rehabilitation. Both costs are included in the eligible basis figure indicated in the Independent Auditor's Report submitted at cost certification and signed by Thomas Katapody of Thomas Stephen & Company, LLP. It should be noted that of the \$147K attributed to electricity cost and ongoing repairs, it appears that the \$74K of ongoing repairs was also included in the additional rehabilitation costs (\$147K) paid directly to subcontractors. Pursuant to the Underwriter's request to confirm that the \$74K was "double-counted," the Owner revised Exhibit 2B, Project Cost Schedule, to reflect the correct amounts for these line items at \$71,989 for electricity costs and \$147K for direct payments to subcontractors. Based on the revisions made to these line items and to the acquisition basis as discussed so far, the Owner's revised project cost schedule reflects total development costs of \$6,872,652, which is \$1.57M or 30% more than estimated at application, and an eligible basis of \$5,482,035. A revised Independent Auditor's Report confirming these figures was submitted.

In addition to reviewing the actual total development costs of the project, the Underwriter also reviewed the Owner's rent and operating expenses as submitted in the cost certification documentation. It should be noted that a total of 97 units are enrolled in the HUD project-based Section 8 program via two Housing Assistance Payment (HAP) contracts. While the 2004 maximum rents and HAP contract rents are reflected in the underwriting spreadsheet, the Underwriter's proforma utilizes the actual gross rental income collected in 2004. According to the current rent roll provided, the gross rental income for Santa Maria Villages is

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ADDENDUM

\$23K less than that included in the Owner's cost certification proforma. Estimates of secondary income and vacancy and collection loss are in line with TDHCA guidelines. The Owner's operating expense estimate as reflected in the cost certification is \$126K or 20% higher than the Underwriter's estimate based on database figures as well as the development's 2004 operating statement. Although the Owner's net operating income is more than 5% less than the Underwriter's estimate, there is sufficient income projected to service the first lien note and the Seller's financing.

Based on the Underwriter's analysis, the Owner's total development cost estimate, as certified by the Owner's CPA, results in a total eligible basis of \$4,790,688 (as adjusted by the Underwriter for an overstated acquisition basis) which qualifies the Owner to receive an annual tax credit allocation of not more than \$194,609, which is \$30,624 more annually than the development was originally awarded in 2000. Based on the resulting syndication proceeds of \$1,576,172, the deferred developer fees would increase to \$1,088,980 which appears to be repayable within 10 years of stabilized operation based on the Underwriter's 30-year proforma. The Underwriter's proforma takes into consideration debt service for not only the first lien financing and Seller's financing, but also the cashflow note to the Owner at and interest rate of 7.50% and amortizing over the same period as the first lien (35 years).

Underwriter:	Raquel Morales	Date:	May 16, 2005
Director of Real Estate Analysis:	Tom Gouris	Date:	May 16, 2005

COST CERTIFICATION: Comparative Analysis

Santa Maria Village, Austin, HTC#00025T Reviewed by: RBM Date: 3/10/05

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	UW Net Rent	Rent per Month	CC Net Rent	Rent per SF	Tnt Pd Util
TC50% (HAP)	7	1		628	\$666	\$510	\$470	\$3,570	\$605	\$0.81	\$61.00
TC50% (HAP)	14	1		628	666	\$525	\$470	7,350	\$605	0.84	61.00
TC50%	7	1		628	666	\$605	\$470	4,235	\$605	0.96	61.00
TC50% (HAP)	16	2		728	800	\$578	\$550	9,248	\$739	0.79	61.00
TC50% (HAP)	44	2		728	800	\$591	\$550	26,004	\$724	0.81	76.00
TC50%	42	2		728	800	\$724	\$550	30,408	\$724	0.99	76.00
TC50% (HAP)	16	3		853	924	\$710	\$625	11,360	\$833	0.83	91.00
TC50%	30	3		853	924	\$833	\$625	24,990	\$833	0.98	91.00
TOTAL:	176		AVERAGE:	745	\$811	\$666		\$117,165		\$0.89	\$76.17

INCOME	Total Net Re	ntable Sq Ft:	131,078		TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT		
POTENTIAL GROSS RENT					\$1,150,974	\$1,176,120	\$1,137,840	\$1,173,948	ļ!	
Secondary Income			Per Unit Per Month:	\$10.00	21,120	21,120	6,019	21,120	\$10.00	Per Unit Per Month
Other Support Income: (describe)	1				0				\$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME					\$1,172,094	\$1,197,240	\$1,143,859	\$1,195,068	•	
Vacancy & Collection Loss		% of P	otential Gross Income:	-7.50%	(87,907)	(89,793)	(79,649)	(89,628)	-7.50%	of Potential Gross Inc
Employee or Other Non-Rental U	nits or Conce	essions			0	(6,360)	(6,360)			
EFFECTIVE GROSS INCOME					\$1,084,187	\$1,101,087	\$1,057,850	\$1,105,440		
<u>EXPENSES</u>		% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT
General & Administrative		5.07%	\$312	\$0.42	\$54,920	\$42,610	\$22,283	\$25,601	\$0.20	\$145
Management		5.00%	308	0.41	54,209	55,054	55,053	55,272	0.42	314
Payroll & Payroll Tax		12.99%	800	1.07	140,809	106,487	99,619	132,452	1.01	753
Repairs & Maintenance		5.85%	360	0.48	63,417	70,544	52,431	79,818	0.61	454
Utilities		3.78%	233	0.31	41,022	174,690	161,226	139,673	1.07	794
Water, Sewer, & Trash		7.18%	442	0.59	77,817	83,328	117,970	117,041	0.89	665
Property Insurance		1.95%	120	0.16	21,124	27,166	39,323	55,057	0.42	313
Property Tax	2.64	9.01%	555	0.75	97,717	85,826	76,025	90,024	0.69	512
Reserve for Replacements		4.87%	300	0.40	52,800	52,800	35,200	35,200	0.27	200
Other Expenses: Compliance Fee	es/ Security	1.60%	99	0.13	17,378	32,770	32,770	17,378	0.13	99
TOTAL EXPENSES		57.30%	\$3,530	\$4.74	\$621,214	\$731,275	\$691,900	\$747,516	\$5.70	\$4,247
NET OPERATING INC		42.70%	\$2,631	\$3.53	\$462,972	\$369,812	\$365,950	\$357,924	\$2.73	\$2,034
DEBT SERVICE	•									
First Lien Mortgage		25.32%	\$1,560	\$2.09	\$274,488	\$271,773	\$316,342	\$291,063	\$2.22	\$1,654
Raintree Corporation		4.07%	\$251	\$0.34	44,139			26,215	\$0.20	\$149
AHF Cash Flow Note		2.99%	\$184	\$0.25	32,364	4,400	3,932		\$0.00	\$0
NET CASH FLOW		10.33%	\$636	\$0.85	\$111,981	\$93,639	\$45,676	\$40,646	\$0.31	\$231
AGGREGATE DEBT COVERAGE	RATIO				1.32	1.34	1.14	1.13		
ALTERNATIVE DEBT COVERAGE	ERATIO							1.12		
CONSTRUCTION COST							•			
<u>Description</u>	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	PER SQ FT	PER UNIT
Description Acquisition Cost (site or bldg)	Factor	% of TOTAL 57.50%	PER UNIT \$22,159	PER SQ FT \$29.75	TDHCA-CC \$3,900,000	TDHCA-UW \$3,000,000	\$3,000,000	\$3,900,000	PER SQ FT \$29.75	PER UNIT \$22,159
	Factor									
Acquisition Cost (site or bldg)	Factor	57.50%	\$22,159	\$29.75	\$3,900,000	\$3,000,000	\$3,000,000		\$29.75	\$22,159
Acquisition Cost (site or bldg) Off-Sites	<u>Factor</u>	57.50% 0.00%	\$22,159 0	\$29.75 0.00	\$3,900,000 0	\$3,000,000 0	\$3,000,000 0	\$3,900,000	\$29.75 0.00	\$22,159 0
Acquisition Cost (site or bldg) Off-Sites Sitework	Factor	57.50% 0.00% 1.38%	\$22,159 0 532	\$29.75 0.00 0.71	\$3,900,000 0 93,547	\$3,000,000 0 142,560	\$3,000,000 0 142,560	\$3,900,000 93,547	\$29.75 0.00 0.71	\$22,159 0 532
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction	Factor	57.50% 0.00% 1.38%	\$22,159 0 532	\$29.75 0.00 0.71	\$3,900,000 0 93,547	\$3,000,000 0 142,560 929,440	\$3,000,000 0 142,560 928,440	\$3,900,000 93,547	\$29.75 0.00 0.71	\$22,159 0 532
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency		57.50% 0.00% 1.38% 18.25%	\$22,159 0 532 7,032	\$29.75 0.00 0.71 9.44	\$3,900,000 0 93,547 1,237,640	\$3,000,000 0 142,560 929,440 0	\$3,000,000 0 142,560 928,440 0	\$3,900,000 93,547 1,237,640	\$29.75 0.00 0.71 9.44	\$22,159 0 532 7,032
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts	1.78%	57.50% 0.00% 1.38% 18.25%	\$22,159 0 532 7,032	\$29.75 0.00 0.71 9.44	\$3,900,000 0 93,547 1,237,640 23,692	\$3,000,000 0 142,560 929,440 0 42,240	\$3,000,000 0 142,560 928,440 0 42,240	\$3,900,000 93,547 1,237,640 23,692	\$29.75 0.00 0.71 9.44	\$22,159 0 532 7,032
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A	1.78% 1.78%	57.50% 0.00% 1.38% 18.25% 0.35%	\$22,159 0 532 7,032 135	\$29.75 0.00 0.71 9.44 0.18 0.18	\$3,900,000 0 93,547 1,237,640 23,692 23,692	\$3,000,000 0 142,560 929,440 0 42,240 21,120	\$3,000,000 0 142,560 928,440 0 42,240 21,120	\$3,900,000 93,547 1,237,640 23,692 23,692	\$29.75 0.00 0.71 9.44 0.18	\$22,159 0 532 7,032 135 135
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit	1.78% 1.78%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70%	\$22,159 0 532 7,032 135 135 269	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36	\$3,900,000 0 93,547 1,237,640 23,692 23,692 47,383	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36	\$22,159 0 532 7,032 135 135 269
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction	1.78% 1.78%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61%	\$22,159 0 532 7,032 135 135 269 1,005	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35	\$3,900,000 0 93,547 1,237,640 23,692 23,692 47,383 176,868	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35	\$22,159 0 532 7,032 135 135 269 1,005
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs	1.78% 1.78% 3.56%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82%	\$22,159 0 532 7,032 135 135 269 1,005 3,015	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05	\$22,159 0 532 7,032 135 135 269 1,005 3,015
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A	1.78% 1.78% 3.56%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473	\$29.75 0.00 0.71 9.44 0.18 0.36 1.35 4.05 0.64	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit	1.78% 1.78% 3.56%	57.50% 0.00% 1.38% 18.25% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048	\$29.75 0.00 0.71 9.44 0.18 0.36 1.35 4.05 0.00 5.46	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing	1.78% 1.78% 3.56%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165	\$29.75 0.00 0.71 9.44 0.18 0.36 1.35 4.05 0.00 5.46 0.95	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves	1.78% 1.78% 3.56%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$0.00	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$0.00	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652	\$29.75 0.00 0.71 9.44 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476 \$0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256 \$5,303,256	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256 \$5,302,256	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652 \$6,872,652	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43 GAP ANALYSIS \$3,315,000	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0 \$39,049
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00% 48.88%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0 \$38,537	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$25.29	\$3,900,000 93,547 1,237,640 23,692 27,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00% 48.88% 7.26%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0 \$38,537	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$0.00 \$51.74 \$25.29 \$3.76	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476 \$0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256 \$5,303,256	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256 \$5,302,256 \$3,175,000 140,000	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652 \$6,872,652 \$3,315,000 492,500	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43 \$3,315,000 492,500	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF Cash Flow Note	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00% 48.88% 7.26% 5.90%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0 \$38,537 \$18,835 \$2,798 \$2,273	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$0.00 \$51.74 \$25.29 \$3.76 \$3.05	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476 \$0 \$6,782,476	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256 \$3,175,000 140,000 331,500	\$3,000,000 0 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256 \$3,175,000 140,000 331,500	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652 \$6,872,652 \$3,315,000 492,500 400,000	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43 \$3,315,000 492,500 400,000	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF Cash Flow Note LIHTC Net Syndication Proceeds	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00% 48.88% 7.26% 5.90% 27.77%	\$22,159 0 532 7,032 135 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0 \$38,537 \$18,835 \$2,798 \$2,273 \$10,700	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$25.29 \$3.76 \$3.05 \$14.37	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476 \$0 \$6,782,476 \$3,315,000 492,500 400,000 1,883,248	\$3,000,000 0 142,560 929,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,303,256 \$3,175,000 140,000 331,500 1,447,522	\$3,000,000 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256 \$3,175,000 140,000 331,500 1,447,522	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652 \$6,872,652 \$3,315,000 492,500 400,000 1,883,248	\$29.75 0.00 0.71 9.44 0.18 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43 \$3,315,000 492,500 400,000	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049
Acquisition Cost (site or bldg) Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF Cash Flow Note LIHTC Net Syndication Proceeds Deferred Developer Fees	1.78% 1.78% 3.56% 2.00% 13.00%	57.50% 0.00% 1.38% 18.25% 0.35% 0.35% 0.70% 2.61% 7.82% 1.23% 7.98% 1.83% 0.00% 100.00% 48.88% 7.26% 5.90% 27.77% 13.29%	\$22,159 0 532 7,032 135 135 269 1,005 3,015 473 3,077 705 0 \$38,537 \$0 \$38,537 \$18,835 \$2,798 \$2,273 \$10,700 \$5,122	\$29.75 0.00 0.71 9.44 0.18 0.18 0.18 0.36 1.35 4.05 0.64 4.13 0.95 0.00 \$51.74 \$25.29 \$3.76 \$3.05 \$14.37 \$6.88	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 83,316 541,556 124,165 0 \$6,782,476 \$0 \$6,782,476 \$1,2500 400,000 1,883,248 901,505	\$3,000,000 142,560 929,440 0 42,240 21,120 42,240 172,463 83,560 417,798 264,823 132,000 \$5,303,256 \$5,303,256 \$\$1,447,5000 1,447,522 208,233	\$3,000,000 142,560 928,440 0 42,240 21,120 42,240 55,012 172,463 83,560 417,798 264,823 132,000 \$5,302,256 \$\$3,175,000 140,000 331,500 1,447,522 208,233	\$3,900,000 93,547 1,237,640 23,692 23,692 47,383 176,868 530,617 715,048 124,165 0 \$6,872,652 \$6,872,652 \$3,315,000 492,500 400,000 1,883,248 901,505	\$29.75 0.00 0.71 9.44 0.18 0.36 1.35 4.05 0.00 5.46 0.95 0.00 \$52.43 \$0.00 \$52.43 GAP ANALYSIS \$3,315,000 492,500 400,000 1,576,172	\$22,159 0 532 7,032 135 135 269 1,005 3,015 0 4,063 705 0 \$39,049 \$0

COST CERTIFICATION: Comparative Analysis Santa Maria Village, Austin, HTC#00025T

PAYMENT COMPUTATION

Primary	\$3,315,000	Amort	420
Int Rate	7.72%	DCR	1.69
Secondary	\$492,500	Amort	420
Int Rate	8.50%	Subtotal DCR	1.45
Additional	\$400,000	Amort	420
Int Rate	7.50%	Aggregate DCR	1.32

RECOMMENDED FINANCING STRUCTURE

\$274,488 44,139 0 \$144,344

Primary	\$3,315,000	Amort	420
Int Rate	7.72%	DCR	1.30

Secondary	\$492,500	Amort	420	
Int Rate	8.50%	Subtotal DCR	1.12	

Additional	\$400,000	Amort	
Int Rate		Aggregate DCR	1.12

30-YEAR PROFORMA

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	\$1,150,974	\$1,185,503	\$1,221,068	\$1,257,700	\$1,295,431	\$1,501,760	\$1,740,951	\$2,018,239	\$2,712,345
Secondary Income	21,120	21,754	22,406	23,078	23,771	27,557	31,946	37,034	49,771
Other Support Income: (describe)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,172,094	1,207,257	1,243,474	1,280,778	1,319,202	1,529,316	1,772,897	2,055,273	2,762,116
Vacancy & Collection Loss	(87,907)	(90,544)	(93,261)	(96,058)	(98,940)	(114,699)	(132,967)	(154,146)	(207,159)
Employee or Other Non-Rental Units	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,084,187	\$1,116,712	\$1,150,214	\$1,184,720	\$1,220,262	\$1,414,618	\$1,639,930	\$1,901,128	\$2,554,957
EXPENSES at 4.00%									
General & Administrative	\$54,920	\$57,117	\$59,402	\$61,778	\$64,249	\$78,169	\$95,104	\$115,709	\$171,277
Management	54,209	55,836	57,511	59,236	61,013	70,731	81,996	95,056	127,748
Payroll & Payroll Tax	140,809	146,442	152,299	158,391	164,727	200,415	243,836	296,664	439,135
Repairs & Maintenance	63,417	65,954	68,592	71,335	74,189	90,262	109,818	133,610	197,775
Utilities	41,022	42,663	44,370	46,145	47,990	58,388	71,037	86,428	127,934
Water, Sewer & Trash	77,817	80,930	84,167	87,534	91,035	110,758	134,754	163,949	242,684
Insurance	21,124	21,969	22,848	23,762	24,712	30,066	36,580	44,505	65,879
Property Tax	97,717	101,626	105,691	109,919	114,315	139,082	169,215	205,875	304,746
Reserve for Replacements	52,800	54,912	57,108	59,393	61,769	75,151	91,433	111,242	164,665
Other	17,378	18,073	18,796	19,548	20,330	24,734	30,093	36,613	54,196
TOTAL EXPENSES	\$621,214	\$645,521	\$670,783	\$697,040	\$724,329	\$877,756	\$1,063,866	\$1,289,651	\$1,896,039
NET OPERATING INCOME	\$462,972	\$471,191	\$479,430	\$487,680	\$495,933	\$536,862	\$576,064	\$611,477	\$658,918
DEBT SERVICE									
First Lien Financing	\$274,488	\$274,488	\$274,488	\$274,488	\$274,488	\$274,488	\$274,488	\$274,488	\$274,488
Second Lien	44,139	44,139	44,139	44,139	44,139	44,139	44,139	44,139	44,139
Other Financing	32,364	32,364	32,364	32,364	32,364	32,364	32,364	32,364	32,364
NET CASH FLOW	\$111,981	\$120,200	\$128,439	\$136,689	\$144,941	\$185,870	\$225,072	\$260,486	\$307,926
DEBT COVERAGE RATIO	1.32	1.34	1.37	1.39	1.41	1.53	1.64	1.74	1.88

COST CERTIFICATION - Santa Maria Village, Austin, HTC#00025T

Date: 3/10/05

•••		•••			2410.07.0700	
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$860,000	\$1,461,172				
Purchase of buildings	\$3,040,000	\$2,438,828	\$3,040,000	\$2,438,828		
(2) Rehabilitation/New Construction Cost						***************************************
On-site work	\$93,547	\$93,547			\$93,547	\$93,547
Off-site improvements	\$0	\$0				
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,237,640	\$1,237,640			\$1,237,640	\$1,237,640
(4) Contractor Fees & General Requirements						
Contractor overhead	\$23,692	\$23,692			\$23,692	\$23,692
Contractor profit	\$47,383	\$47,383			\$47,383	\$47,383
General requirements	\$23,692	\$23,692			\$23,692	\$23,692
(6) Eligible Indirect Fees	\$176,868	\$176,868			\$176,868	\$176,868
(7) Eligible Financing Fees	\$124,165	\$124,165			\$124,165	\$124,165
(8) All Ineligible Costs	\$530,617	\$530,617				
(9) Developer Fees				\$365,824		\$259,048
Developer overhead	\$0	\$83,316	\$0	\$0	\$0	\$0
Developer fee	\$715,048	\$541,556	\$456,000	\$0	\$259,048	\$0
(10) Development Reserves	\$0	\$0				
TOTAL DEVELOPMENT COSTS	\$6,872,652	\$6,782,476	\$3,496,000	\$2,804,653	\$1,986,035	\$1,986,035
Deduct from Basis:						
All grant proceeds used to finance costs in eligi	ble basis				\$0	\$0
B.M.R. loans used to finance cost in eligible ba	sis					
Non-qualified non-recourse financing					\$0	\$0
Non qualified parties of higher quality units [42]	(4)/0/1				ФО	ф ₀

Deduct from Basis:				
All grant proceeds used to finance costs in eligible basis			\$0	\$0
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing			\$0	\$0
Non-qualified portion of higher quality units [42(d)(3)]			\$0	\$0
Commercial Space Cost			\$0	\$0
TOTAL ELIGIBLE BASIS	\$3,496,000	\$2,804,653	\$1,986,035	\$1,986,035
High Cost Area Adjustment			130%	130%
TOTAL ADJUSTED BASIS	\$3,496,000	\$2,804,653	\$2,581,846	\$2,581,846
Applicable Fraction	100%	100%	100%	100%
TOTAL QUALIFIED BASIS	\$3,496,000	\$2,804,653	\$2,581,846	\$2,581,846
Applicable Percentage	3.68%	3.68%	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS	\$128,653	\$103,211	\$91,397	\$91,397
Complication Broads 0	000040 64 044 000	¢005 007	¢740.044	6740.044

Syndication Proceeds 0.809919 \$1,041,983 \$835,927 \$740,244 \$740,244

	Application	Approved	Cost Cert Reques	TDHCA/Reconciled	GAP
Total Tax Credits	174,400	163,985	220,018	194,609	134,455
Net Syndication Proceeds	1,447,522	1,328,146	1,781,968	1,576,172	1,088,980

Balance to be Recaptured

n/a

Additional Credits to Allocate

\$ 30,624

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS MULTI FAMILY CREDIT UNDERWRITING ADDENDUM

DATE: May 16, 2005 **PROGRAM**: 4% HTC **FILE NUMBER**: 00012T

DEVELOPMENT NAME											
			DEV	ELOPMENI	NAME	-					
Robinson Garden Apartments											
APPLICANT/OWNER											
Name:	Waco Robinson (Garden Lt	d.	r	Гуре:	Fo	or Profit	Non-Pro	ofit	Municipal	Other
Address:	1800 S. Washing	gton, #311			City:	Amari	illo			State	: TX
Zip:	79102 Cont	act:	Lana J. Peterson		Phone:	(806)	372-750	<u>00</u> F :	ax: (806) 37	72-7508
			PRINCIPALS (of the APPL	ICANT	/OWN	ER				
Name:	American Housin	ng Founda	tion		(%):	0.1	Title:	Ma	naging g	general pa	artner
Name:	James I. Fletcher	•			(%):	N/A	Title:	Pre	sident of	f G.P.	
Name:	Vicki S. Sterquel	11			(%):	N/A	Title:	Vic	e presid	ent of G.	Р.
			PRO	PERTY LOC	ATION						
								_		_	
Location:	2724 Robinson	Drive						<u> </u>	QCT	Ц	DDA
City:	Waco			County:	M	lcLennar	1			Zip:	76706
				REQUEST	-						
	Amount		Interest Rate		An	nortizati	ion_			Term	
	\$24,603		N/A			N/A				N/A	
Other Req	uested Terms:	4% tax	credits in addition to 2	2000 <u>awar</u> d o	of \$153,	,406, for	a total allo	cation o	of \$178,0	009 <u>ann</u> u	ally
Proposed 1	Use of Funds:	Acquisi	tion & rehabilitation	Set-As	ide:		General		Rural	\boxtimes	Non-Profit

RECOMMENDATION

K

RECOMMEND APPROVAL OF A TOTAL HTC ALLOCATION NOT TO EXCEED A TOTAL OF \$178,009 increase of (\$24,603) ANNUALLY FOR TEN YEARS.

ADDENDUM

Robinson Garden Apartments was originally underwritten during the 2000 4% HTC cycle and requested a total annual allocation of \$163,941. The tax-exempt private activity mortgage revenue bonds in the amount of \$2,408,000 and the taxable bonds in the amount of \$95,000 were to be issued by the Austin Housing Finance Corporation and purchased by Miller & Schroeder Financial, Inc. for subsequent public placement. Based on the Underwriter's analysis, the calculated total qualified eligible basis of \$4,079,957 resulted in a recommended HTC allocation of \$153,406. The credits were originally to be purchased by Bank One Capital Marketing but were actually acquired by MMA Financial. The original underwriting report recommended a reduction in credits due to the Applicant's use of a 4% applicable percentage rather than the 3.76% percentage appropriate for that time. The actual applicable percentage as of the placed in service dates ranged from 3.42% to 3.68%.

In conjunction with the submission of the cost certification for Robinson Garden Apartments, Waco Robinson

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ANALYSIS ADDENDUM

Garden, Ltd. requested an additional allocation of tax credits in the amount of \$24,603 annually in addition to the allocation of \$153,406 received in 2000, for a total allocation of \$178,009. It should be noted that this is the second of a total of three American Housing Foundation properties which are requesting additional credits at cost certification. Some of the information used for purposes of this analysis was submitted to the Underwriter during the re-evaluation of Fairway Village Apartments, which was taken before the TDHCA Board in January 2005 and approved. The request for additional credits is based upon an increase in eligible basis attributed to an increase in the total acquisition cost for the subject property and extraordinary rehabilitation costs in excess of the costs estimated at application.

A letter dated December 11, 2003 from the Owner explained that Robinson Garden Apartments was part of a five-property portfolio purchased from Raintree Corporation ("Seller") in early 2000. At the time of closing on the five-property portfolio, Seller required additional funds to be delivered in the form of promissory notes. Unless this occurred, the Seller was prepared to terminate the sale. According to the Owner, the large amount of funds spent to facilitate this transaction would be forfeited along with the bond reservation and the HTC allocation for each property if the Owner did not comply with the Seller's request. Additionally, the Owner explained that Robinson Garden Apartments had additional rehabilitation that was necessary to make this safe and sanitary housing. As a result, extra rehabilitation costs outside of the original construction contract were spent in order to facilitate the additional rehabilitation. The Owner submitted an itemized list of the cost overruns as supporting documentation for the increase in credits.

During the Underwriter's review of the cost certification documentation there were several items which required further clarification from the Owner. The first of those was the increased acquisition cost for the property. At the time of application, Robinson Garden Apartments was underwritten utilizing the Applicant's total acquisition cost of \$2,090,000. At cost certification, the Owner indicates the total acquisition cost of this property increased to \$2,550,000. A letter dated December 9, 2003 from Wayne Moore, Esq. of Sprouse Shrader Smith P.C. confirms a purchase price of \$2,702,500 paid by Waco Robinson Garden, Ltd. for Robinson Garden Apartments. The letter also itemizes the total purchase price which consists of the \$2,290,000 purchase price as shown on the settlement statement, plus two additional unsecured promissory notes payable to Seller in the amounts of \$212,250 and \$200,000. While the Underwriter was provided with copies of the unsecured notes for the additional \$412,250 attached to the \$2.3M purchase price, there was little additional information provided. Not knowing whether these notes were recourse or not, or what recourse there was should these notes not get paid to the Seller, the Underwriter requested additional information from the Owner of the entire five-property portfolio purchased from Seller.

As was the case with Fairway Village Apartments, the fact that the Seller notes to the property have not been paid in full now characterizes this transaction as an identity of interest sale. As required by TDHCA Underwriting Rules for identity of interest transactions, documentation of the original acquisition cost to the Seller and any other holding costs related to the property is required to support the increased transfer price for Robinson Garden Apartments. Discussions with the Owner resulted in the Department receiving copies of audited financials for the entire five-property portfolio at the time of closing to show that the Seller's basis in the five properties would support the basis for the increased sales price for Robinson Garden Apartments. As agreed upon, AHF supplied the Underwriter with 1998 audited financials for all properties in the portfolio including Robinson Garden Apartments. Based on this information, the 1998 asset value for Robinson Garden Apartments alone was a total of \$4,423,203 (\$435,118 for land and \$3,988,085 for the buildings). As a result of this information the total acquisition cost claimed at cost certification of \$2,550,000 for Robinson Garden Apartments is supported.

In addition to providing documentation of the original acquisition cost to the Seller for identity of interest transactions, TDHCA Underwriting Rules also require that an appraisal be provided that meets the Department's Appraisal Rules and Guidelines in order for the Underwriter to make a determination of the appropriate building acquisition value. At the time of application an appraisal performed by Pyles-Whatley and dated December 23, 1999 was submitted which met the Department's appraisal criteria. This original appraisal concluded a total as-is market value for the Robinson Garden Apartments of \$2,725,000; \$300,000, or 11.01%, of this total value was attributed to the land. As a result, the Underwriter's original analysis utilized the same \$300,000 proportionate value for the land, which left a net building value for eligible basis purposes of \$1,790,000 based on the contract price. In addition, the cost certification packet includes the executive summary of an appraisal prepared on February 21, 2000 for Robinson Garden Apartments. The revised appraisal concludes a total as-is market value

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS CREDIT UNDERWRITING ANALYSIS ADDENDUM

of \$2,945,000 with \$300,000, or 10.19%, of this total value attributed to the land.

For purposes of this analysis the Underwriter will continue to utilize the original appraisal dated December 23, 1999 since both the Owner and the Underwriter accepted the original appraisal as submitted at the time of application. The Owner's total acquisition cost of \$2,550,000 is supported by the original appraisal. The Underwriter will use the appraisal's proportionate land value at 11.01% of the total acquisition cost (the same methodology was used to determine the land value for Fairway Village). The result is a net building value for eligible basis purposes of \$2,269,266 based on the total acquisition cost. This is \$479K more in acquisition basis compared to that used at application but \$48K less than the Owner's acquisition basis at cost certification (\$2,316,723). The Owner was notified of this fact via correspondence which specifically requested additional support for the higher acquisition eligible basis claimed at cost certification. The Owner's response to this item, dated March 17, 2005, was a revised Exhibit 2B, Project Cost Schedule, wherein the acquisition cost was revised to show that \$300K of the total acquisition cost attributed to the land and the remaining \$2,250,000 attributed to the buildings. This is a lower eligible building value based on the proportionate building value from the appraisal.

The second issue with regard to the Owner's request for additional tax credits was related to the additional costs that were included in the eligible basis calculation but not originally anticipated in the budget at application. At cost certification, the Owner provided a breakdown of the cost overruns as supporting documentation of an additional \$489K. These additional costs were not included by the contractor in the cost certification Exhibit 18B, Final Work Write-Up for Rehabilitation Projects. The contractor, Nabholz Construction, certified to total construction costs of \$1,269,844 (\$226,132 in sitework costs and \$1,043,712 in direct costs). Out of the additional \$489K, \$243,838 was attributed to furniture, fixtures and equipment (FF&E) and \$245,291 was attributed to electricity costs for vacant units. Both costs are included in the eligible basis figure indicated in the Independent Auditor's Report submitted at cost certification and signed by Thomas Katapody of Thomas Stephen & Company, LLP. It should be noted that of the \$245K attributed to electricity cost, it appears that \$62K was also included in FF&E costs (\$244K). Pursuant to the Underwriter's request to confirm that the \$62K was "double-counted," the Owner revised Exhibit 2B, Project Cost Schedule, to reflect the correct amounts for these line items at \$183,526 for electricity costs and \$244K for FF&E. Based on the revisions made to these line items and to the acquisition basis as discussed so far, the Owner's revised project cost schedule reflects total development costs of \$5,702,920, which is \$995K or 21% more than estimated at application, and an eligible basis of \$4,973,246. A revised Independent Auditor's Report confirming these figures was submitted.

In addition to reviewing the actual total development costs of the project, the Underwriter also reviewed the Owner's rent and operating expenses as submitted in the cost certification documentation. It should be noted that a total of 25 units are enrolled in the HUD project-based Section 8 program via a Housing Assistance Payment (HAP) contract. While the 2004 maximum rents and HAP contract rents are reflected in the underwriting spreadsheet, the Underwriter's proforma utilizes the actual gross rental income collected in February 2005, annualized. According to the current rent roll provided, the gross rental income for Robinson Gardens is \$113K less than that included in the Owner's cost certification proforma. The estimate for vacancy and collection loss is in line with TDHCA guidelines, while secondary income appears to be understated. The Owner's operating expense estimate as reflected in the cost certification is \$72K or 9% less than the Underwriter's estimate based on database figures as well as the development's 2004 draft operating statement. The Owner's net operating income is more than 5% higher than the Underwriter's estimate and the underwriting estimate indicates the development will not be able to service both the first lien and the Seller's note, but will be able to service the foreclosable debt.

Based on the Underwriter's analysis, the Owner's total development cost estimate, as certified by the Owner's CPA, results in a total eligible basis of \$4,973,246 which qualifies the Owner to receive an annual tax credit allocation of not more than \$178,009, which is \$24,603 more annually than the development was originally awarded in 2000. Based on the resulting syndication proceeds of \$1,718,626, the deferred developer fees would decrease to \$906,544; however, even the reduced deferred fees do not appear repayable from development cashflow based on the Underwriter's 30, year proforma. The Underwriter's proforma takes into consideration debt service for not only the first lien financing and Seller's financing, but also the cashflow note to the Owner at an interest rate of 7.50% and amortizing over the same period as the first lien (35 years). The Applicant's proforma reflects that the development can service all debt and deferred developer fee primarily as a result from

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the higher anticipated rents which are feasible in the market but were not reflected on the rent role.

Underwriter:	Raquel Morales	Date:	May 16, 2005
Director of Real Estate Analysis:	Tom Gouris	Date:	May 16, 2005

COST CERTIFICATION: Comparative Analysis

Robinson Garden Apartments, Waco, HTC#00012T Reviewed by: RBM Date: 3/9/2005

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	UW Net Rent	Rent per Month	CC Net Rent	Rent per SF	Tnt Pd Util	Wtr, Swr, Trsh
TC50%	5	1		592	\$438	\$396	\$385	\$1,980	\$396	\$0.67	\$42.00	\$27.00
TC50% (HAP)	23	1		607	438	\$370	\$385	8,510	\$370	0.61	42.00	27.00
TC50%	20	1		607	438	\$396	\$385	7,920	\$396	0.65	42.00	27.00
TC50% (HAP)	2	2		775	526	\$421	\$475	842	\$421	0.54	60.00	28.00
TC50%	2	2		775	526	\$466	\$475	932	\$466	0.60	60.00	28.00
TC50%	108	2		783	526	\$466	\$475	50,328	\$466	0.60	60.00	28.00
TC50%	12	3		901	608	\$535	\$525	6,420	\$535	0.59	73.00	35.00
TC50%	36	3		911	608	\$535	\$525	19,260	\$535	0.59	73.00	35.00
TOTAL:	208		AVERAGE:	771	\$525	\$462		\$96,192		\$0.60	\$58.85	\$29.38

INCOME	Total Net Rer	ntable Sq Ft:	160,333		TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT			
POTENTIAL GROSS RENT					\$1,110,984	\$1,156,860	\$1,057,920	\$1,223,472	112,488		
Secondary Income			Per Unit Per Month:	\$10.00	24,960	24,960	7,116	7,488	\$3.00	Per Unit Per Month	
Other Support Income: (Section	8 HAP)				0	,	,	,	\$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOM	Ē				\$1,135,944	\$1,181,820	\$1,065,036	\$1,230,960			
Vacancy & Collection Loss		% of Po	otential Gross Income:	-7.50%	(85,196)	(88,637)	(74,052)	(92,328)	-7.50%	of Potential Gross In	come
Employee or Other Non-Rental U	Jnits or Conce	essions			(4,860)	, , ,	(4,860)	(4,860)			
EFFECTIVE GROSS INCOM	=				\$1,045,888	\$1,093,183	\$986,124	\$1,133,772			
EXPENSES		% OF EGI	PER UNIT	PER SQ FT			,		PER SQ FT	PER UNIT	% OF EGI
General & Administrative		6.31%	\$317	\$0.41	\$65,990	\$51,248	\$37,023	\$37,168	\$0.23	\$179	3.28%
Management		5.00%	251	0.33	52,294	57,346	67,543	56,689	0.35	273	5.00%
Payroll & Payroll Tax		13.40%	674	0.87	140,114	128,050	122,220	119,398	0.74	574	10.53%
Repairs & Maintenance		7.28%	366	0.48	76,184	84,834	125,436	83,733	0.52	403	7.39%
Utilities		15.91%	800	1.04	166,394	191,760	151,168	162,151	1.01	780	14.30%
Water, Sewer, & Trash		10.48%	527	0.68	109,560	91,680	107,746	101,849	0.64	490	8.98%
Property Insurance		4.83%	243	0.32	50,567	29,965	48,245	60,005	0.37	288	5.29%
Property Tax	2.809	7.35%	370	0.48	76,865	56,639	32,163	45,360	0.28	218	4.00%
Reserve for Replacements		5.97%	300	0.39	62,400	62,400	41,600	62,400	0.39	300	5.50%
Other Expenses: Compliance Fe	es, Security	1.40%	71	0.09	14,675	0	0	14,675	0.09	71	1.29%
TOTAL EXPENSES	•	77.93%	\$3,918	\$5.08	\$815,043	\$753,922	\$733,144	\$743,428	\$4.64	\$3,574	65.57%
NET OPERATING INC	•	22.07%	\$1,110	\$1.44	\$230,845	\$339,261	\$252,980	\$390,344	\$2.43	\$1,877	34.43%
DEBT SERVICE	=										
First Lien Mortgage		18.98%	\$955	\$1.24	\$198,557	\$205,203	\$215,547	\$222,612	\$1.39	\$1,070	19.63%
Raintree Corporation		3.53%	\$178	\$0.23	36,947		17,037	36,948	\$0.23	\$178	3.26%
AHF-Cash Flow Note		6.10%	\$306	\$0.40	63,749	5,200	6,397	63,749	\$0.40	\$306	5.62%
NET CASH FLOW	-	-6.54%	(\$329)	(\$0.43)	(\$68,409)	\$128,858	\$13,999	\$67,035	\$0.42	\$322	5.91%
AGGREGATE DEBT COVERAGE	RATIO				0.77	1.61	1.06	1.21			
ALTERNATIVE DEBT COVERAG	E RATIO							1.66			
CONSTRUCTION COST											
Description											
	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-CC	TDHCA-UW	APPLICATION	COST CERT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)	Factor	44.71%	\$12,260	\$15.90	\$2,550,000	\$2,090,000	\$2,090,000	\$2,550,000	\$15.90	\$12,260	44.71%
Off-Sites	Factor	44.71% 0.00%	\$12,260 0	\$15.90 0.00	\$2,550,000 0	\$2,090,000 0	\$2,090,000 0	\$2,550,000 0	\$15.90 0.00	\$12,260 0	44.71% 0.00%
Off-Sites Sitework	<u>Factor</u>	44.71% 0.00% 3.97%	\$12,260 0 1,087	\$15.90 0.00 1.41	\$2,550,000 0 226,132	\$2,090,000 0 311,600	\$2,090,000 0 311,600	\$2,550,000 0 226,132	\$15.90 0.00 1.41	\$12,260 0 1,087	44.71% 0.00% 3.97%
Off-Sites Sitework Direct Construction	<u>Factor</u>	44.71% 0.00%	\$12,260 0	\$15.90 0.00	\$2,550,000 0	\$2,090,000 0 311,600 964,431	\$2,090,000 0 311,600 963,431	\$2,550,000 0	\$15.90 0.00	\$12,260 0	44.71% 0.00%
Off-Sites Sitework Direct Construction Contingency		44.71% 0.00% 3.97% 18.30%	\$12,260 0 1,087 5,018	\$15.90 0.00 1.41 6.51	\$2,550,000 0 226,132 1,043,712	\$2,090,000 0 311,600 964,431 0	\$2,090,000 0 311,600 963,431 0	\$2,550,000 0 226,132 1,043,712	\$15.90 0.00 1.41 6.51	\$12,260 0 1,087 5,018	44.71% 0.00% 3.97% 18.30%
Off-Sites Sitework Direct Construction Contingency General Req'ts	3.04%	44.71% 0.00% 3.97% 18.30%	\$12,260 0 1,087 5,018	\$15.90 0.00 1.41 6.51	\$2,550,000 0 226,132 1,043,712 38,628	\$2,090,000 0 311,600 964,431 0 38,251	\$2,090,000 0 311,600 963,431 0 38,251	\$2,550,000 0 226,132	\$15.90 0.00 1.41 6.51	\$12,260 0 1,087 5,018	44.71% 0.00% 3.97% 18.30%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A	3.04% 0.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00%	\$12,260 0 1,087 5,018	\$15.90 0.00 1.41 6.51 0.24 0.00	\$2,550,000 0 226,132 1,043,712 38,628 0	\$2,090,000 0 311,600 964,431 0 38,251 25,501	\$2,090,000 0 311,600 963,431 0 38,251 25,501	\$2,550,000 0 226,132 1,043,712 38,628	\$15.90 0.00 1.41 6.51 0.24 0.00	\$12,260 0 1,087 5,018	44.71% 0.00% 3.97% 18.30% 0.68% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit	3.04%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27%	\$12,260 0 1,087 5,018 186 0 349	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001	\$2,550,000 0 226,132 1,043,712 38,628 72,635	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45	\$12,260 0 1,087 5,018 186 0 349	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction	3.04% 0.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07%	\$12,260 0 1,087 5,018 186 0 349 2,487	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23	\$12,260 0 1,087 5,018 186 0 349 2,487	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs	3.04% 0.00% 5.72%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042	\$2,550,000 0 226,132 1,043,712 38,628 72,635	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A	3.04% 0.00% 5.72%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit	3.04% 0.00% 5.72%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing	3.04% 0.00% 5.72%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves	3.04% 0.00% 5.72%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COSS SOURCES OF FUNDS	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$0	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$5,702,920	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$4,708,559	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$4,707,559	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 \$2,405,500	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18% 7.23%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$5,702,920	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$4,708,559	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$2,408,000 95,000	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 \$2,405,500 412,250	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF-Cash Flow Note	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18% 7.23% 4.56%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57 \$15.00 \$2.57 \$1.62	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$0 \$2,405,500 412,250 260,000	\$2,090,000 0 311,600 964,431 0 38,251 25,501 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$2,408,000 95,000 240,800	\$2,090,000 0 311,600 963,431 0 38,251 25,501 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$2,408,000 95,000 240,800	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920 \$2,405,500 412,250 260,000	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 \$2,405,500 412,250 260,000	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF-Cash Flow Note LIHTC Syndication Proceeds	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18% 7.23% 4.56% 25.97%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418 \$11,565 \$1,982 \$1,250 \$7,121	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57 \$15.00 \$2.57 \$1.62 \$9.24	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$0 \$5,702,920 \$2,405,500 412,250 260,000 1,481,091	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$2,408,000 95,000 240,800 1,360,707	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$2,408,000 95,000 240,800 1,360,707	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920 \$2,405,500 412,250 260,000 1,481,091	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 \$2,405,500 412,250	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF-Cash Flow Note LIHTC Syndication Proceeds Deferred Developer Fees	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18% 7.23% 4.56% 25.97% 20.06%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418 \$11,565 \$1,982 \$1,250 \$7,121 \$5,500	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57 \$15.00 \$2.57 \$1.62 \$9.24 \$7.14	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$0 \$5,702,920 \$1 \$2,405,500 412,250 260,000 1,481,091 1,144,079	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$2,408,000 95,000 240,800 1,360,707 193,253	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$2,408,000 95,000 240,800 1,360,707 193,253	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920 \$2,405,500 412,250 260,000 1,481,091 1,144,079	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 GAP ANALYSIS \$2,405,500 412,250 260,000 1,718,626	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%
Off-Sites Sitework Direct Construction Contingency General Req'ts Contractor's G & A Contractor's Profit Indirect Construction Ineligible Costs Developer's G & A Developer's Profit Interim Financing Reserves TOTAL RESIDENTIAL COST COMMERCIAL SPACE COST TOTAL DEVELOPMENT COS SOURCES OF FUNDS First Lien Mortgage Raintree Corporation AHF-Cash Flow Note LIHTC Syndication Proceeds	3.04% 0.00% 5.72% 1.93% 13.00%	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 1.47% 9.90% 3.09% 0.00% 100.00% 42.18% 7.23% 4.56% 25.97%	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 404 2,715 847 0 \$27,418 \$0 \$27,418 \$11,565 \$1,982 \$1,250 \$7,121	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.52 3.52 1.10 0.00 \$35.57 \$0.00 \$35.57 \$15.00 \$2.57 \$1.62 \$9.24	\$2,550,000 0 226,132 1,043,712 38,628 0 72,635 517,236 429,674 83,986 564,698 176,219 0 \$5,702,920 \$0 \$5,702,920 \$2,405,500 412,250 260,000 1,481,091	\$2,090,000 0 311,600 964,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,708,559 \$2,408,000 95,000 240,800 1,360,707	\$2,090,000 0 311,600 963,431 0 38,251 25,501 51,001 52,848 153,042 89,098 445,491 331,296 156,000 \$4,707,559 \$2,408,000 95,000 240,800 1,360,707	\$2,550,000 0 226,132 1,043,712 38,628 72,635 517,236 429,674 648,684 176,219 0 \$5,702,920 \$5,702,920 \$2,405,500 412,250 260,000 1,481,091	\$15.90 0.00 1.41 6.51 0.24 0.00 0.45 3.23 2.68 0.00 4.05 1.10 0.00 \$35.57 \$0.00 \$35.57 \$2,405,500 412,250 260,000	\$12,260 0 1,087 5,018 186 0 349 2,487 2,066 0 3,119 847 0	44.71% 0.00% 3.97% 18.30% 0.68% 0.00% 1.27% 9.07% 7.53% 0.00% 11.37% 3.09% 0.00%

COST CERTIFICATION: Comparative Analysis

Robinson Garden Apartments, Waco, HTC#00012T

PAYMENT COMPUTATION

Primary	\$2,405,500	Amort	420
Int Rate	7.69%	DCR	1.16
Secondary	\$412,250	Amort	420
Int Rate	8.50%	Subtotal DCR	0.98
Additional	\$260,000	Amort	420
Int Rate	7.50%	Aggregate DCR	0.77

RECOMMENDED FINANCING STRUCTURE

\$198,557
36,947
0
(\$4,659)

Primary	\$2,405,500	Amort	420
Int Rate	7.69%	DCR	1.97

Secondary	Secondary \$412,250		420
Int Rate	8.50%	Subtotal DCR	1.66

Additional	\$260,000	Amort	
Int Rate		Aggregate DCR	1.66

30-YEAR PROFORMA

INCOME at	3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS	SRENT	\$1,110,984	\$1,144,314	\$1,178,643	\$1,214,002	\$1,250,422	\$1,449,582	\$1,680,463	\$1,948,117	\$2,618,107
Secondary Income		24,960	25,709	26,480	27,274	28,093	32,567	37,754	43,768	58,820
Other Support Inco	me: (Section 8 HA	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS	SINCOME	1,135,944	1,170,022	1,205,123	1,241,277	1,278,515	1,482,149	1,718,217	1,991,885	2,676,926
Vacancy & Collection	on Loss	(85,196)	(87,752)	(90,384)	(93,096)	(95,889)	(111,161)	(128,866)	(149,391)	(200,769)
Employee or Othe	r Non-Rental Units	(4,860)	(5,006)	(5,156)	(5,311)	(5,470)	(6,341)	(7,351)	(8,522)	(11,453)
EFFECTIVE GROSS	SINCOME	\$1,045,888	\$1,077,265	\$1,109,583	\$1,142,870	\$1,177,156	\$1,364,647	\$1,582,000	\$1,833,971	\$2,464,704
EXPENSES at	4.00%									
General & Administ	trative	\$65,990	\$68,630	\$71,375	\$74,230	\$77,199	\$93,925	\$114,274	\$139,032	\$205,801
Management		52,294	53,863	55,479	57,144	58,858	68,232	79,100	91,699	123,235
Payroll & Payroll Ta	ax	140,114	145,719	151,547	157,609	163,914	199,426	242,632	295,199	436,967
Repairs & Maintena	ance	76,184	79,231	82,400	85,696	89,124	108,433	131,925	160,507	237,590
Utilities		166,394	173,050	179,972	187,171	194,657	236,831	288,141	350,567	518,925
Water, Sewer & Tra	ash	109,560	113,942	118,500	123,240	128,170	155,938	189,722	230,826	341,679
Insurance		50,567	52,590	54,693	56,881	59,156	71,973	87,566	106,537	157,701
Property Tax		76,865	79,940	83,137	86,463	89,921	109,403	133,105	161,943	239,715
Reserve for Replac	ements	62,400	64,896	67,492	70,192	72,999	88,815	108,057	131,467	194,604
Other		14,675	15,262	15,872	16,507	17,168	20,887	25,412	30,918	45,766
TOTAL EXPENSES	_	\$815,043	\$847,122	\$880,468	\$915,132	\$951,166	\$1,153,862	\$1,399,934	\$1,698,696	\$2,501,983
NET OPERATING IN	NCOME	\$230,845	\$230,143	\$229,114	\$227,738	\$225,990	\$210,785	\$182,065	\$135,276	(\$37,279)
DEBT SE	RVICE									
First Lien Financing		\$198,557	\$198,557	\$198,557	\$198,557	\$198,557	\$198,557	\$198,557	\$198,557	\$198,557
Second Lien		36,947	36,947	36,947	36,947	36,947	36,947	36,947	36,947	36,947
Other Financing		63,749	63,749	63,749	63,749	63,749	63,749	63,749	63,749	63,749
NET CASH FLOW	_	(\$68,409)	(\$69,111)	(\$70,139)	(\$71,516)	(\$73,263)	(\$88,469)	(\$117,188)	(\$163,978)	(\$336,533)
DEBT COVERAGE	RATIO	0.77	0.77	0.77	0.76	0.76	0.70	0.61	0.45	(0.12)

COST CERTIFICATION - Robinson Garden Apartments, Waco, HTC#00012T

Reviewed	by:	RBM
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Date: 3/9/2005

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	\$300,000	\$280,734				
Purchase of buildings	\$2,250,000	\$2,269,266	\$2,250,000	\$2,269,266		
(2) Rehabilitation/New Construction Cost						
On-site work	\$226,132	\$226,132			\$226,132	\$226,132
Off-site improvements	\$0	\$0				
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,043,712	\$1,043,712			\$1,043,712	\$1,043,712
(4) Contractor Fees & General Requirements						
Contractor overhead	\$0	\$0			\$0	\$0
Contractor profit	\$72,635	\$72,635			\$72,635	\$72,635
General requirements	\$38,628	\$38,628			\$38,628	\$38,628
(6) Eligible Indirect Fees	\$517,236	\$517,236			\$517,236	\$517,236
(7) Eligible Financing Fees	\$176,219	\$176,219			\$176,219	\$176,219
(8) All Ineligible Costs	\$429,674	\$429,674				
(9) Developer Fees			\$337,500	\$0	\$311,184	\$311,184
Developer overhead	\$0	\$83,986	\$0	\$43,875	\$0	\$0
Developer fee	\$648,684	\$564,698	\$0	\$295,005		\$0
(10) Development Reserves	\$0	\$0				
TOTAL DEVELOPMENT COSTS	\$5,702,920	\$5,702,920	\$2,587,500	\$2,608,146	\$2,385,746	\$2,385,746
Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis					\$0	\$0
B.M.R. loans used to finance cost in eligible bas					ΨΟ	ΨΟ
Non-qualified non-recourse financing	5.5				\$0	\$0
Non-qualified portion of higher quality units [42]	(4)(3)]				\$0	\$0

Deduct Holli Basis.				
All grant proceeds used to finance costs in eligible basis			\$0	\$0
B.M.R. loans used to finance cost in eligible basis				
Non-qualified non-recourse financing			\$0	\$0
Non-qualified portion of higher quality units [42(d)(3)]			\$0	\$0
Commercial Space Cost			\$0	\$0
TOTAL ELIGIBLE BASIS	\$2,587,500	\$2,608,146	\$2,385,746	\$2,385,746
High Cost Area Adjustment			100%	100%
TOTAL ADJUSTED BASIS	\$2,587,500	\$2,608,146	\$2,385,746	\$2,385,746
Applicable Fraction	100%	100%	100%	100%
TOTAL QUALIFIED BASIS	\$2,587,500	\$2,608,146	\$2,385,746	\$2,385,746
Applicable Percentage	3.68%	3.68%	3.47%	3.47%
TOTAL AMOUNT OF TAX CREDITS	\$95,220	\$95,980	\$82,785	\$82,785
	-			

Syndication Proceeds 0.97 \$919,322 \$926,657 \$799,269 \$799,269

	Application	Approved	Cost Cert Request	TDHCA/Reconciled	GAP
Total Tax Credits	163,941	153,406	178,009	178,009	93,897
Net Syndication Proceeds	240,800	1,481,091	1,718,626	1,718,626	906,544

Balance to be Recaptured n/a

Additional Credits to Allocate

24,603

Note that this packet does not contain all appeals that will be heard by the Board. Pursuant to §49.17(b)(4)(B), all other timely filed appeals will also be heard by the Board. The deadline for those appeals is May 20, 2005 at 5:00 p.m. All appeals timely filed will be placed on a separate agenda addendum. A packet of those additional appeals will be forwarded to each Board member. It should be facilitate Board noted. however, that to consideration a binder will be provided to each Board member the **Board** meeting at that incorporates all appeals (from the original appeal and the addendum) in order by topic.

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Pineywoods Old Town, Ltd, #05032

In February 2005, the Department received a letter from the Eastown Action Committee requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under §2306.6710 Texas Government Code, are described in §49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

In our review, one or more requirements were not originally satisfied. As permitted under the QAP, the Department requested additional documentation through a deficiency process similar to that utilized for the applicants. On April 26, the Department issued a deficiency letter to the neighborhood indicating multiple items that were deficient. In response to that letter, the Department did not receive sufficient documentation to show that the application was on record with the county or state. Section 2306.6710, Texas Government Code, requires that the organization be "on record with the state or county in which the development is to be located". The documentation cites that Orange County referred the organization to the city, however the statutory requirement for county or state registration still has not been satisfied.

Additionally, section 49.9(g)(2) of the QAP requires that a map be provided that shows the proposed Development site clearly marked within the organization's boundaries. The map provided with the supplemental documentation did not show the proposed development sites.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Pineywoods Old Town, Ltd.

Site Location: Scattered Sites in East Town Section of Orange

City/County: Orange / Orange County

Regional Allocation Category: Rural
Set-Aside: Nonprofit
Population Served: Family

Region: 5

Type of Development: New Construction

Units: 36

Credits Requested: \$436,690

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

letter's eligibility.

Board Appeal

Pineywoods HOME Team 1610 South First, Sto. 202 Lufkin, TX 75901 Phone; (936) 637-7607 Fax: (936) 6377631 e-mail; gpartridge@pineywoodshometeam.org

Pineywoods HOME Team



To:	Jennif e r . TDHCA	Joyce		From	Doug	Dowler		
Fax:	512/475-	0764		Date:	May 1	7, 2005	· 	,
Phone:	512/475-	0764		Pages:	7			
Re:	TDHCA i Pineywo Develop Notice o	ods Orai ment	nge	CC:				
□ Urge	nt	□ For	Review		Pleas	e Comm	ent	
Please	Reply		□ Please	Recycle				
				· .				

3	3
TE	KAS
PEPARTMENT	OL MANDHA

MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle Final Scoring Notice

Appeal Election Form: 05032, Pincywoods Orange Development

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Signed Seed Jones Title Executive Director

EXECUTIVE DIFFECTOR

Date May 17, 2005

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us

PINEYWOODS HOME TEAM AFFORDABLE HOUSING, INC.



1610 South First Street, Suite 202 Lufkin, Texas 75901 (936) 637-7607

May 17, 2005

Texas Department of Housing & Community Affairs 507 Sabine, Suite 300 Austin, Texas 78701 Attn: Jennifer Joyce

Subject:

TDHCA #05032, Pineywoods Orange Development

#1 Neighborhood Organization Registration

#2 Neighborhood Organization Geographic Boundary Map

Dear Ms. Joyce:

#1 Responding to your notice of 3/13/05 regarding the Neighborhood Organization registration, Pineywoods respectfully submits letters from both the County Clerk of Orange County, Texas, (2 letters) and from the Mayor of Orange, Texas (1 letter) referring Pineywoods HOME Team to Gay Ferguson, the Grants Planner for the City of Orange, as the person whom organizations in the City, or in the County would be registered with, as "Neighborhood Organizations".

These letters were all submitted with the Tax Credit Application on March 1, 2005, under Volume 1, Tab 9, entitled "Public Information Notification, Parts 1 & 2.

#2 Also responding to your notice of the same date regarding the Neighborhood Organization Geographic Boundary Map, this map, showing that all sites for the development applied for in TDHCA #05032 are within the Geographic Boundary of the Neighborhood Organization, was submitted with the application on March 1, 2005, in Unbound Items, Item #9, entitled "Support Letters from Elected Officials and Neighborhood Organizations". The Map is directly behind the support letter from Mr. Miller Jack, of the Eastown Action Committee. A second copy of the map can be submitted immediately upon request.

Thank you for your consideration of our appeal.

Sincerely yours,

Douglas R. Dowler Executive Director

Pineywoods Orange Development TD ICA #05032

Volume 1

<u>Tab 9</u>

Public Notification Forms, Part I and Part II were submitted with the Pre-Application. There are no changes in the information submitted for Part I.

Public Notification Forms, Part II, Neighborhood Organization(s) is respectfully being resubmitted. The Form follows.

Pincywoods submitted "Neighborhood Development Corp." with our Pre-Application for Pincywoods Orange Development.

Subsequently, we were notified by Gay Ferguson, Grants Planner for the City of Orange that the following organization had registered as a "Neighborhood Organization", and at this time we re-submit Public Notification Forms, Part II, Neighborhood Organization(s) as follows:

Eastown Action Committee Miller Jack, President 107 John Orange, Texas 77630 409/886-4391

Douglas R. Dowler

Executive Director of

Pineywoods HOME Team,

The General Partner of the Applicant



P. O. Box 1536 Orange, TX 77631-1536

KAREN JO VANCE COUNTY CLERK

Office (409) 882-7055 Fax (409) 882-0379

May 17, 2005

Texas Department of Housing & Community Affairs 507 Sabine, Suite 300 Austin, Texas 78701

Attn: Jennifer Joyce

Subject:

TDHCA #05032, Pineywoods Orange Development

Dear Ms. Joyce:

Regarding my letter of Feb. 1, 2005 to Douglas R. Dowler of Pineywoods HOME Team in Lufkin, Texas concerning Neighborhood Organizations, the reason I referred him to Gay Ferguson, Grants Planner for the City of Orange, is that no records of neighborhood organizations, in either the City of Orange, or Orange County, are registered here in the County offices. The County's procedure is for all organizations of this type to register with the Office of the Grants Planner at the City of Orange.

Thank you for your consideration of our appeal for TDHCA #05032, Pineywoods Orange Development.

Sincerely yours,

Karen Jo Vance

Orange Colunty Clerk

Jennifer Joyce

Dear Jennifer,

Attached please find our formal appeals for the following projects:

#05225 Normangee Apartments

#05226 Lytle Apartments

#05227 West Retirement

#05228 City Oaks Apartments

#05229 Centerville Plaza

#05230 Coolidge Apartments

#05231 Kerrville Housing

#05232 Cibolo Apartments

Following each signed appeal is the supportive documentation requested. We are appealing the adjustment made for Scoring Item 23 for each of the above projects. During the deficiency period we did receive and submitted letters from the USDA which provided evidence that they will continue to provide financing if all conditions of approval are met. The additional attachment is a letter from E-D Capital, Inc. stating that they will provide additional project funding in the event that additional funding is required as provided for in our tax credit applications.

Please feel free to call me anytime if I can provide additional information.

Thank you for your consideration,

Kindest regards,

Courtney

This email is from:
Courtney C. Wasserman
THE WASSERMAN GROUP, INC.
4206 Zermatt Dr.

4206 Zermati Dr. Smyrna, GA 30080 Ph. 770.874.8800 F. 770.874.8803

Email: <u>ccw@wassermangroup.com</u>



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF NORSHING FING! Scoring Notice

Appeal Election Form: 05225, Normangee Apartments

4750764

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal

Do wish to appeal to the Board of Directors and request that my application be added to the May 26,

documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.						
Do not wish to appeal to the Board of Directors.						
Signed Joh Will						
Title PRESIDENT						
Date 5/16/05						

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Huntsville Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

RE: Normangee Apts, Ltd

Dear Mr. Wasserman:

This office is in receipt of your application with USDA Rural Development for transfer of subject project, Normangee Apts, Ltd.

USDA, Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval set forth in the Agency's Letter of Conditions are met.

If further information is needed, please advise.

DEBORAH A. BAKER

Rural Development Manager

Cc: Michael Meehan, Director RH, Temple, TX Michael Self, RH Specialist, Temple, TX

Gayle Ledyard, RH Specialist, Temple, TX



MULTI-FAMILY FINANCE PRODUCTION DIVISION S Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HOUSING AND COMING Notice

Appeal Election Form: 05226, Lytle Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tucsday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
Do not wish to appeal to the Board of Directors. Signed Signed

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512,475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Seguin Local Office

May 10, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

Ref: Cibolo Apartments and Lytle Apartments

Dear Mr. Wasserman:

You have requested USDA Rural Development provide a recommendation for the above referenced properties, for the Low Income Housing Tax Credit Program Qualified Allocation Plan.

In the event that Texas Department of Housing and Community Affairs (TDHCA) awards tax credits to these properties, and a complete transfer application has been submitted whereby all regulatory requirements have been met, USDA Rural Development will continue to provide financing to facilitate the transfer of the property.

If you have any questions, do not hesitate to contact this office.

Sincerely,

GILBERTO A. MENENDEZ

Rural Development Specialist

Cc: Michael Meehan, Rural Housing Program Director Reader File

3251 North Hwy. 123Bypass • Seguin, TX 78155-7415
Phone: (830) 372-1043 Ext 4 • Fax: (830) 372-0020 • TDD: (254) 742-9712 • Web: http://www.rurdev.usda.gov

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MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HORSING Final Scoring Notice

Appeal Election Form: 05227, West Refirement

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26,
7	2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors.
لــــا	Signed All hele
	Title PRESIDENT
	Date 5/16/05

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Hillsboro Local Office

May 9, 2005

Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

RE: West Retirement
West, Texas
USDA #50-55-742485063
TDHCA #05227

Dear Mr. Wasserman:

We are in receipt of your May 6, 2005 letter indicating your intent to transfer ownership and assume the mortgage of the above referenced property.

USDA Rural Development approval of such transfer is subject to regulatory compliance with new regulation, HB-3-3560, Chapter 7, and an acceptable scope of work prepared by the applicant's architect and approved by the USDA Rural Development State Architect.

USDA Rural Development foresees providing financing for the above referenced property subject to approval of an acceptable application for transfer. Upon receipt of the required documents, we will begin processing your transfer request.

Sincerely.

TERRI L. BLEVINS

Rural Development Manager

Veri S. Blevins

cc: Michael Meehan, Program Director, Rural Housing, Temple, TX

Valerie Habercorn Grant and Company via fax: 916-554-7502

> 1502 Highway 77 North • Hillisboro, TX 78845 Phone: (254) 582-7328 Ext 4 • Fax. (254) 582-7622 • TOD. (254) 742-9712 • Web: http://www.rurdev.usda.gov

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MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF NOUSING Final Scoring Notice

Appeal Election Form: 05228, City Oaks Aparlments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

区	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors. Signed PRESIDENT Date S/16/05

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us

P.2/3

8309979096

TO: 19165547502



United States Department of Agriculturo Rural Development

Fredericksburg Local Office

May 9, 2005

The Wasserman Group Attn: Stephen M. Wasserman 4206 Zermatt Drive Smyma, Georgia 30080

RE: City Oaks Apartments, Ltd. - Johnson City, TX. -- Case # 49-16-742436374: TDHCA # 05228

Dear Sirs,

USDA- Rural Development (RD) has received an inquiry from the Wasserman Group to transfer the above referenced project. RD understands the Wasserman Group intends on filing an application to transfer the property. As of the above date RD has not received the application for transfer. Rural Development approval of this transfer is subject to regulatory compliance with the new regulation RD 3560 and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. Rural Development will continue to finance this project subject to the new owners meeting the above requirements.

If you have any questions, please call.

Sincerely,

MARVIN L. CRABTREE
Rural Development Specialist

CC: Margie K. Gleaton, RDM #2



MULTI-FAMILY FINANCE PRODUCTION DIVISION S Housing Tax Credit Program - 2005 Application Cycle DITATIMENT OF HOUSENS Final Scoring Notice

Appeal Election Form: 05229, Centerville Plaza

Date

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tucsday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors.

Please fax or email to the attention of Jennifer Joyce: (fax)

512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development Huntsville Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc 4206 Zermatt Drive Smyrna, Georgia 30080

RE: Centerville Plaza, Ltd

Dear Mr. Wasserman:

This office is in receipt of your application with USDA Rural Development for transfer of subject project, Centerville Plaza, Ltd.

USDA, Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval set forth in the Agency's Letter of Conditions are met.

If further information is needed, please advise.

Sincerely.

DEBORAH A. BAKER

Rural Development Manager

Cc: Michael Meehan, Director RH, Temple, TX Michael Self, RH Specialist, Temple, TX Gayle Ledyard, RH Specialist, Temple, TX



MULTI-FAMILY FINANCE PRODUCTION DIVISION AS Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF ROLSING Final Scoring Notice

Appeal Election Form: 05230, Coolidge Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors.
	Signed Ith What
	Title PRESIDERY
	Date 5/16/05

Please fax or email to the attention of Jennifer Joyce: (fax) 512,475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Dovolopment

Groesbeck Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyma, GA 30080

Dear Mr. Wasserman:

We are receipt of your letter stating your intent to file an application with USDA Rural Development for transfer of the Coolidge Apts., Ltd. (Coolidge, TX).

USDA Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval as set forth in the Agency's Letter of Conditions are met.

We will be happy to work with you in any way possible in regard to filing and processing an application for this apartment complex. If you should have any questions, please contact Jewelene K. (Judy) Walton, Rural Development Specialist at the Local Servicing Office in Groesbeck, TX. at 254-729-2310, Ext. 4. (email: Jewelene.Walton@tx.usda.gov.)

Sincerely,

LOUIS C. REININGER

Rural Development Manager

Cc: State Director, USDA Rural Development, 101 S. Main, Temple, TX 76501, ATT: Mr. Michael Meehan, Director, Rural Housing Programs

Grant and Company, ATTN: Valerie Habercorn, 1008 Second St., 2nd. Floor, Sacramento, CA 95814

P.O. Box 410, 1213 East Yeagua, Groesbeck, TX 76842
Phone: (254) 729-2310 Ext. 4 • Fax: (254) 729-3459 • TDD: (254) 742-9712 • Web: http://www.rurdev.usda.gov/tx

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MULTI-FAMILY FINANCE PRODUCTION DIVISION S Housing Tax Credit Program - 2005 Application Cycle PRESENTATION OF RESIDENCE FINAL SCORING Notice

Appeal Election Form: 05231, Kerrville Housing

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

N N	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors. Signed Title TRESIDENT

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us

116/05

P.3/3



United States Department of Agriculture Rural Development

Fredericksburg Local Office

May 9, 2005

The Wasserman Group Attn: Stephen M. Wasserman 4206 Zermatt Drive Smyma, Georgia 30080

RE: Kerrville Housing, Ltd. - Kerrville, TX. - Case # 50-33-742367356: TDHCA # 05231

Dear Sirs,

USDA-Rural Development (RD) has received an inquiry from the Wasserman Group to transfer the above referenced project. RD understands the Wasserman Group intends on filing an application to transfer the property. As of the above date RD has not received the application for transfer. Rural Development approval of this transfer is subject to regulatory compliance with the new regulation RD 3560 and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. Rural Development will continue to finance this project subject to the new owners meeting the above requirements.

If you have any questions, please call.

Sincerely,

MARVIN L. CRABTREE
Rural Development Specialist

CC: Margie K. Gleaton, RDM #2

Wa Proport M.



-

MULTI-FAMILY FINANCE PRODUCTION DIVISION S Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HOUSING AND COMMENTER FINAL SCORING Notice

Appeal Election Form: 05232, Cibolo Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

×	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors. Signed Title PRESIDENT Date

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Seguin Local Office

May 10, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

Ref: Cibolo Apartments and Lytle Apartments

Dear Mr. Wasserman:

You have requested USDA Rural Development provide a recommendation for the above referenced properties, for the Low Income Housing Tax Credit Program Qualified Allocation Plan.

In the event that Texas Department of Housing and Community Affairs (TDHCA) awards tax credits to these properties, and a complete transfer application has been submitted whereby all regulatory requirements have been met, USDA Rural Development will continue to provide financing to facilitate the transfer of the property.

If you have any questions, do not hesitate to contact this office.

Sincerely,

GILBERTO A. MENENDEZ

Rural Development Specialist

Cc: Michael Meehan, Rural Housing Program Director Reader File

3251 North Hwy. 123Bypass • Seguin, TX 78155-7415
Phone: (830) 372-1043 Ext 4 • Fax: (830) 372-0020 • TDD: (254) 742-9712 • Web: http://www.rurdev.usda.gov

Committed to the future of rural communities

"USDA is an equal opportunity providor, employer and fender."

To file a complaint of discrimination write USDA, Director, Office of Civil Rights. Room 326-W, Whitlen Building, 14th and Independence Avenue, SW. Washington, DC 20250-9410 or call (202) 720-5964 (voice or TOD).



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lender@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Iohnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program



Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

April 26, 2005

Miller Jack
Eastown Action Committee
107 John
Orange, TX 77630

Organization Fax:

Organization Email:

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation Pineywoods Orange Development, # 05032

Dear Miller Jack:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems relevant to clarify information contained in your letter. §49.9(g)(2) of the QAP indicates that, "If the Department determines to request additional information, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within ten business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised."

The items listed below are those items that need to be provided to the Department no later than 5:00 p.m. on Tuesday, May 10. Submission prior to that date is encouraged to enable the Department to expedite the final review of your letter.

1. Your letter does not provide an e-mail address or facsimile number for the organization.

Your letter does not establish that the organization has boundaries, state what the boundaries are, and establish that the boundaries contain the proposed development site.

- 3. No map was provided that shows the geographic boundaries of the organization and the proposed Development site clearly marked within those boundaries.
- 4. No evidence was provided that establishes that the organization is a neighborhood organization.
- 5. No documentation was provided showing that the organization is on record as of March 1, 2005 with the state or county in which the Development is proposed to be located.



Texas Department of Housing and Community Affairs **Multifamily Finance Production Division** AND COMMUNITY AFFAIRS 2005 Quantifiable Community Participation

Your letter did not state that the neighborhood organization was not formed by any Applicant, Developer, or any employee or agent of any Applicant in the 2005 tax credit Application Round and that the organization and any member did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition.

Please submit the above requested documentation to the attention of Brooke Boston, Director of Multifamily Finance Production at brooke.boston@tdhca.state.tx.us or via fax at 512-475.0764. While email and fax responses are strongly encouraged, the regular mail address for responses is: Brooke Boston, TDHCA, Multifamily Finance Production, P.O. Box 13941, Austin TX 78711-3941. Note that the documents must be received, not merely postmarked, by May 10.

Thank you again for your active involvement in our application process and I look forward to receiving the requested documentation to enable a final review of your letter. If you have any questions please call me at 512.475.3296.

Sincerely,

Brooks, Boston

Brooke Boston

Director of Multifamily Finance Production

Fax

Name:

Brooke Boston

Organization:

Texas Department of Housing and Community Affairs

Fax:

512/475-0764

Phone:

512/475-3340

From:

Miller Jack

Date:

May 2, 2005

Subject:

Neighborhood Organizatio

Pages:

4

Neighborhood Organization Letter for Pineywoods Orange Development, #05032

EASTOWN ACTION COMMITTEE

107 John Orange, Texas 77630 409/886-4391

April 29, 2005

Brooke Boston
Director of Multifamily Finance Production
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Dear Ms. Boston:

This letter is being written to you in response to your letter to me dated April 26, 2005 regarding Pineywoods Orange Development, #05032. Below is information which you requested:

- 1. The Eastown Action Committee can be contacted at fax number 409/988-7417. We do not have internet access.
- 2. The boundaries in which we serve are the East side of Orange; east of the railroad track and south of Interstate Highway 10. The map provided to us from Pineywoods HOME Team showing proposed sites of their project was reviewed and all sites were found to be located within our service boundary.
- 3. Attached is a map with Eastown Action Committee's service area highlighted. but not the notes
- /4. As defined in the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules a neighborhood organization is defined as "an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." Eastown Action Committee was established in 1998 for the sole purpose of improving the East Side of Orange. We meet once a month and discuss and implement strategies to beautify and improve the area. We have approximately 80 members as well as a 4 person



board of directors. We invite City of Orange Code Enforcement staff to participate in these meetings for advice and for obtaining assistance in our endeavors. Ms. Marcantel, Code Enforcement Officer, has a good attendance record at our meetings and has been an asset to us.

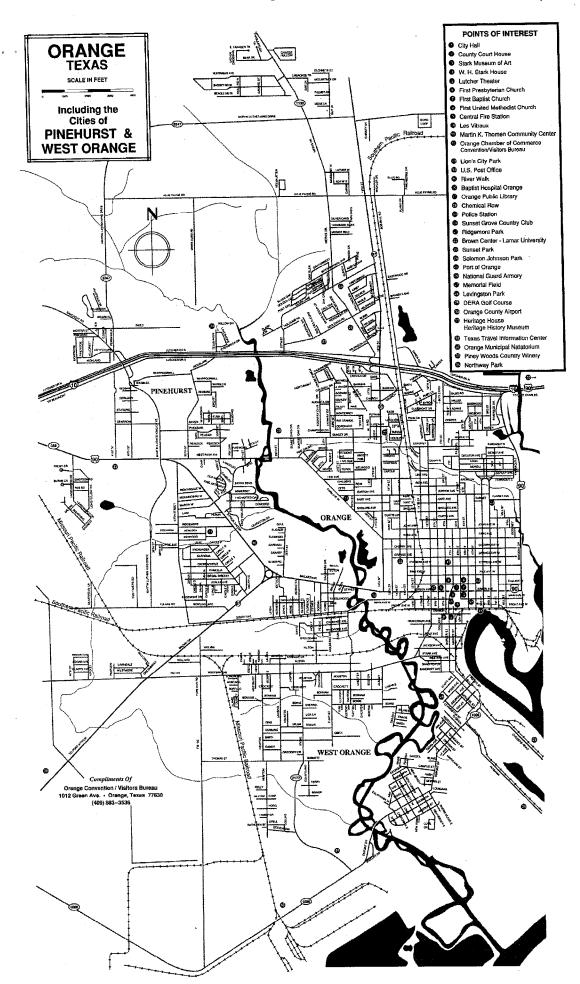
- 5. As previously stated, Eastown Action Committee was established in 1998. The City of Orange has been actively involved with our activities and we have been registered with them since that time. When registering with the Orange County Clerk's office we were referred back to the City of Orange. My understanding, after talking with the City of Orange, that a letter was mailed to Doug Dowler of Pineywoods HOME Team advising them of our status in a letter dated February 1, 2005.
- 6. Our organization was formed in 1998 for the purpose of beautifying and improving the quality of life for citizens living within the east side of Orange. We were NOT formed by or because of Pineywoods HOME Team nor were we given gifts for supporting their application. Eastown Action Committee is in support of any development which will revitalize this area of town.

Thank you for the time to clarify Eastown Action Committee's involvement with Pineywoods Orange Development application. If you should require further information, feel free to contact me again.

Sincerely,

Miller Jack, President

Eastown Action Committee



EASTOWN ACTION COMMITTEE

107 John Orange, Texas 77630 409/886-4391

April 29, 2005



Brooke Boston
Director of Multifamily Finance Production
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Dear Ms. Boston:

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- 1. The Eastown Action Committee can be contacted at fax number 409/988-7417. We do not have internet access.
- 2. The boundaries in which we serve are the East side of Orange; east of the railroad track and south of Interstate Highway 10. The map provided to us from Pineywoods HOME Team showing proposed sites of their project was reviewed and all sites were found to be located within our service boundary.
- 3. Attached is a map with Eastown Action Committee's service area highlighted.
- 4. As defined in the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules a neighborhood organization is defined as "an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." Eastown Action Committee was established in 1998 for the sole purpose of improving the East Side of Orange. We meet once a month and discuss and implement strategies to beautify and improve the area. We have approximately 80 members as well as a 4 person

board of directors. We invite City of Orange Code Enforcement staff to participate in these meetings for advice and for obtaining assistance in our endeavors. Ms. Marcantel, Code Enforcement Officer, has a good attendance record at our meetings and has been an asset to us.

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Thank you for the time to clarify Eastown Action Committee's involvement with Pineywoods Orange Development application. If you should require further information, feel free to contact me again.

Sincerely,

Miller Jack, President

miller Sock

Eastown Action Committee



Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

May 12, 2005

Miller Jack
Eastown Action Committee
107 John
Orange, TX 77630

Organization Fax: (409) 988-7417 Organization Email:

Re: Response from your Neighborhood Organization for Quantifiable Community Participation Pineywoods Orange Development, # 05032

Dear Miller Jack:

I am writing regarding the letter you submitted in response to my deficiency letter for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for responding to my request.

The Department has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

Section 49.9(g)(2) of the QAP requires that a map be provided that shows the proposed Development site clearly marked within the organization's boundaries. The map provided with your supplemental documentation did not show the proposed development sites.

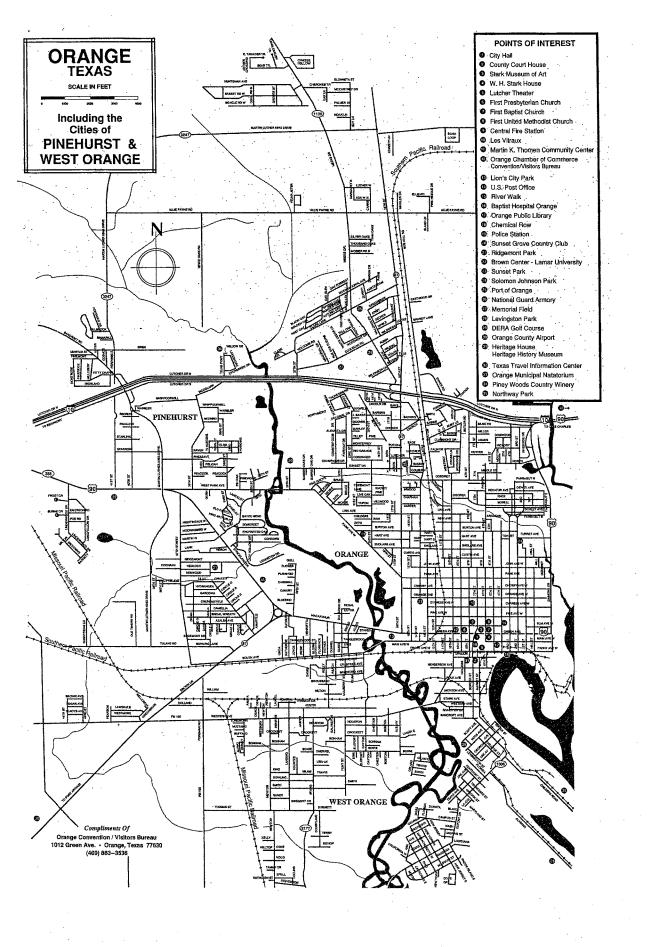
Section 2306.6710, Texas Government Code, requires that the organization be "on record with the state or county in which the development is to be located". Your documentation cites that Orange County referred you to the city, however the statutory requirement for county or state registration still has not been satisfied.

Therefore, your organization's letter will not be considered further for scoring. However, please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475. 3296.

Sincerely,

Brooke Boston



you'll find anywhere.

Originally known as Green's Bluff, this town was renamed "Madison" after President James Madison in 1840. After 18 years of confusion with the notdistant Madisonville, the town was renamed once again, this time to Orange, the mayor's favorite color.

From its world-famous petrochemical complex known as Chemical Row, where companies like Firestone, Chevron, Du Pont, Polysar, Allied, Ausimont, and Advanced Films have manufactured chemical products for over forty years, to its finely preserved examples of bygone elegance in the downtown residential area, the Greater Orange Area offers the variety that invites a closer look, no matter what brings you to our city.

By building on the traditions of excellence that made Orange a center for timber, agriculture and shipbuilding in eras past, Orange has become the heart of Southeast Texas' cultural activities. With its proximity to Delta Downs, Orange is the horse racing capital of Texas. Featuring outstanding Quarterhorse and Thoroughbred racing, the race track is open ten months each year. Other types of recreation abound in the Greater Orange Area as well, from water sports and fishing in the rivers, lake and bayous, to hunting, organized team sports and great golfing.

Located in the downtown section of the city, pulsates a thriving cultural center, offering the ultimate in friendliness and excitement along the sparkling waters of the Sabine River. This downtown revitalization project centers around a park and fountain called Stark Park, bordered by the towering Lutcher Theater for the Performing Arts, historic City Hall, and the Beautifully restored Stark Mansion.

On the north end of the plaza is located the famed Stark Museum of Art, and on the south end is situated Heritage House, a charming turn-of-the-century home. Adjacent to Heritage House is the Heritage History Museum of Orange County. It preserves and exhibits the past in telling stiries of filibusters and financiers, pioneers and power brokers, and the ordinary citizens who made Orange County what it is. The Hiritage History Museum has been designated a Recorded Texas Historic Landmark. Also located in the plaza is the Orange County Courthouse and the Orange Community Playhouse.

Ochiltree Park is situated on the east side of the plaza, which overlooks the Orange shipbuilding industries. Unique shopping opportunities are also located in the area, such as the Thrift & Gift Store, which features locally made craft items, and the Farmers Mercantile, which has been in operation since 1928.

Downtown Orange offers a blend of old southern tradition, the arts and entertainment conveniently located within a few tree-lined blocks. Area residents as well as visitors benefit from comfort and relaxation spiced with a verve of up-tempo sophistication.

Explore Orange, and you'll agree, it's a wonderful place to be, no matter what brings you to our area!

The Stark Museum of Art

The Stark Museum of Art contains exhibits of material which reflects the Stark family's interest in the land, wildlife, and people of the American West. The Museum boasts four major collections. The Western Collection includes prints, paintings, sculpture, rare books, manuscripts and letters which span the entire history of western art. A complete series of superbly crafted,

Major Community Events

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SOUTHEAST TEXAS TRADE FAIR					
HOME TOUR	April				
Catholic Women of Orange	I				
INTERNATIONAL GUMBO COOKOFF	May				
Chamber of Commerce-sponsored festival	,				
FREEDOM FESTIVAL	July				
O.C.A.R.C. FISHING TOURNAMENT	August				
GO TEXAN ACTIVITY DAYS	September				
Orange "Go Texan" Committee for the Houston Livestock Show					
DUCKS UNLIMITED BANQUET					
Sabine Chapter Ducks Unltd.					
PAST TIMES	October				
Heritage House Museum					
LIONS CLUB CARNIVALS	eptember/October				
Orange Area Lions Clubs	•				
CHRISTMAS TRADITIONS	December				
W H Stark House c 1920					

FESTIVAL OF LIGHTS

Community Christmas Tree Lighting
NOSTALGIC CANDLE

LIGHT TOUR

Heritage House

of Americana, including the only complete set of "The United States in

Admission is free, The Stark Museum of Art is open Wednesday through Saturday from 10:00 a.m. to 5:00 p.m. and Sunday from 1:00 p.m. to 5:00 p.m. The Museum is closed every Monday and Tuesday, New Year's Day, Easter, July 4th, Thanksgiving and Christmas. Children under 12 must be accompanied by an adult. Group visits by appointment only. Maintained and operated by the Nelda C, and H. J. Lutcher Stark Foundation; P.O. Drawer 909, Orange, Texas 77630

The W. H. Stark House

The W. H. Stark House is a careful restoration of an 1894 Victorian home, typical of a Southeast Texas family. The house is the only surviving structure of many that once lined a tree-shaded residential neighborhood. Today, the house stands in the modern Stark-Lutcher complex of museums, theater, church, and park in downtown Orange.

William H. Stark married Miriam Lutcher, who had come to Orange, Texas in the 1870's with her family from Williamsport, Pennsylvania. During his successful career in lumber, oil, rice, insurance, and banking, W. H. Stark was recognized as one of the outstanding financial and industrial leaders of

Reservations requested (409) 883-0871

Entrance through the Carriage House, 610 Main St.

Hours: Tuesday-Saturday 10:00 a.m.-3:30 p.m.

Admission limited to adults and children age 14 or older if accompanied by an adult. Stairsteps are an essential part of the tour. Maintained and operated by the Nelda C. and H. J. Lutcher Stark Foundation, P.O. Drawer 909, Orange, Texas 77630

The Lutcher Theater for the Performing Arts

The Lutcher Theater for the Performing Arts is owned by the Nelda C. and H. J. Lutcher Stark Foundation and operated by Lutcher Theater, Inc. a nonprofit organization. The theater has become a focal point in the revitalization program for downtown Orange and is a central part of the Orange Civic Plaza. It serves as a showplace for all the performing arts. The regular schedule of activities at the theater runs from September through August of

Information may be obtained by calling (409) 886-5535 or by writing Lutcher Theater, Orange Civic Plaza, Orange, Texas 77630.

Heritage House & Heritage History Museum

905 Division Street • (409) 886-5385 • Open Tuesday-Friday 10:00 a.m. to 4:00 p.m., Saturday by appointment, Sunday 1:00 p.m. to 5:00 p.m. Group tours must be pre-arranged. Small admission fee.

Orange Public Library

220 North 5th Street • (409) 883 – 8143 • Monday–Wednesday 9:00 a.m. to 9:00 p.m., Thursday - Saturday 9:00 a.m. to 5:00 p.m.

The Brown Center of Lamar University

4205 Park Avenue • (409) 883-2939 • Office open Monday - Friday 9:00 a.m. to 4:30 p.m. Tours by appointment only, admission fee.

Farmers Mercantile

702 West Division • (409) 883-2941 • Hours: 8:00 a.m. to 5:30 p.m.

Antique Shops

Some of the finest in Southeast Texas!

Piney Woods Country Winery 3408 Willow • (409) 883-5408

Super Gator Tours

108 East Lutcher • (409) 883-7725

Emergency Phone Numbers

Orange Police Dept	911	or	883-5654		
Orange Fire Dept	911	or	886-7431		
Orange County Sheriff	911	or	883 – 2612		
Baptist Hospital, Orange			883 – 9361		
Ambulance	911	or	883-6414		

Presbyterian Church

902 West Green • (409) 883 - 2097 Tours by appointment only.

Claiborne West Park

Interstate Highway 10 (409) 745 – 2255

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Waterford Parkplace, #05033

The Applicant is appealing the Department's determination that the application does not qualify for 6 points under Scoring Item 12, Pre-Application Points. The applicant was denied the points because the final score for the application exceeded the allowed 5% variance for this item. The applicant exceeded the variance because the applicant incorrectly requested 32 points for item 5A and 5B of the QAP, when the maximum allowed combined is 18 points. The Applicant asserts that the QAP is vague in its language and that it was correct to assume that a total of 36 points may be requested for this item.

As identified in the QAP at \$49.9(g)(5) it states that "Applications may qualify to receive <u>up to 18 points</u> for qualifying under either or both (A) or (B) of this paragraph." As the introductory paragraph for the section, this clearly shows that the most points for all of paragraph (5) is 18 points. The Department indicated this in the 2005 Application Workshops as well.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

Pineywoods Longview HOME Team, Ltd.

Site Location:

1400 North Eastman Road

City/County:

Longview / Gregg County

Regional Allocation Category:

Urban/Exurban

Set-Aside:

Nonprofit

Population Served:

Family

Region:

4

Type of Development:

New Construction

Units:

156

Credits Requested:

\$1,045,302

Staff Recommendation:

The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

points being reinstated.

No BOARD Appeal Included in original ED Appeal

Pineywoods HOME Team 1610 South First, Ste. 202 Lufkin, TX 75901 Phone: (936) 637-7607

Fax: (936) 6377631

e-mail: gpartridge@pineywoodshometeam.org

Pineywoods HOME Team



To:	Jennifer TDHCA	Joyce	From	Doug Dowler
Fax:	512/475	-0764	Date:	May 17, 2005
Phone:	512/475	-0764	Pages:	8
Re:		#05033, rd Parkplace se to Notice of 5/13/0	CC:	
□ Urgent				Please Comment
Please Reply		□ Please	Recycle	

PINEYWOODS HOME TEAM AFFORDABLE HOUSING, INC.



1610 South First Street, Suite 202 Lufkin, Texas 75901 (936) 637-7607

May 17, 2005

Jennifer Joyce TDHCA 507 Sabine Suite 700 Austin, TX 78701

RE: TDHCA #05033 (Waterford Parkplace - Longview, TX)

Dear Ms. Joyce:

This appeal is in regards to the 2005 HTC Application for Waterford Parkplace, TDHCA Number 05033. The item in question is related to the 9% HTC Application Self Scoring Form item # 5 (A & B). This item addresses "The Commitment of Development Funding by Local Political Subdivisions. Applications may qualify to receive up to 18 points for qualifying under either or both (A) or (B) of this paragraph." The application then leads into each section (A and B) and reflects a possibility of up to 18 points for each section. It is unclear as to the intent of this question meaning only a maximum of 18 points will be awarded through a combined score between A and B.

Ms. Boston's response on April 13, 2005 to a previous email dated March 31, 2005 (email attached) references the QAP section and highlights the verbiage of 'up to 18 points'; however, the next language stating for either <u>or both</u> leads one to believe that A can receive up to 18 **and** B could receive up to 18 points. Ms. Boston also referred to the workshops held by TDHCA regarding this item. Myself and two additional staff attended the November 30, 2005 workshop in Austin, TX. When this item was addressed, the presenter merely restated the question (read directly from the QAP) without giving further clarification that only 18 points total would be acknowledged for item #5 and that it could be a combined calculation between the two subsections.

Pineywoods obviously interpreted this item differently then TDHCA's intent; thus resulting in claiming more points then TDHCA will allow for said item. Pineywoods claimed both subsections due to the fact that subsection A is secured through contracts with the City of Longview, and Pineywoods is actively engaged in securing receipt of subsection B as well. Unlike other developments who chose to request points under A and B to give them "security' that their points won't go down for that item"; Pineywoods chose points under both sections with the intent to attain both items.

Unfortunately if Pineywoods had clearly known the department's intent for the scoring of this item, we would have scored our application accordingly. Upon receipt of the deficiency notice dated March 23, 2005 we began our inquiry as to the interpretation of application item #5. To comply with the deficiency and keep our application from being terminated by the department, Pineywoods made the requested changes to the application and revised the scoring. This revision then prompted the deficiency notice dated April 6, 2005 to state that Pineywoods revised application score had changed by over 5%, thus an additional 6 points for preapplication were denied and subtracted from the total score as well.

PINEYWOODS HOME TEAM AFFORDABLE HOUSING, INC.



1610 South First Street, Suite 202 Lufkin, Texas 75901 (936) 637-7607

Pineywoods is asking the department at a minimum to reinstate the 6 points for pre-application due to the confusing nature of scoring item #5. We would also like the department to review the wording of this item. Other scoring items were written more straight forward and clearly showed how many maximum points could be awarded; i.e., item #4 clearly reflects that a maximum of 20 points would be awarded and the breakdown was (A) could receive up to 6 points and (B) up to 14 points for a combined total of 20 points.

Your time and attention to this appeal request is most appreciated. Thank you for your prompt attention to this matter.

Sincerely,

Douglas R. Dowler Executive Director

General Partner of Pineywoods Longview Home Team (Applicant)

----Original Message----

From: Brooke Boston [mailto:brooke.boston@tdhca.state.tx.us]

Sent: Wednesday, April 13, 2005 11:20 AM

To: 'ddowler@pineywoodshometeam.org'; Ben Sheppard; Brooke Boston

Cc: Jerry Moore; 'Jennifer Joyce'

Subject: RE: TDHCA Number 05033, Waterford Parkplace

Doug, sorry for the delay. As identified in the QAP at \$49.9(g)(5) it states that "Applications may qualify to receive up to 18 points for qualifying under either or both (A) or (B) of this paragraph." As the introductory paragraph for the section, this clearly shows that the MOST points for all of paragraph (5) is 18 points. We indicated this in our workshops as well. I would note that some applicants have chosen to request points under A and B that combined mathematically total more than 18 points - however the points awarded remains 18 points. They do this so that in the event that funding under one of the categories falls through, they would still qualify for the points under the other category. That is fine with us and helps give those applicants some "security" that their points won't go down for that item.

Brooke Boston
Director of Multifamily Finance Production
Texas Department of Housing and Community Affairs
512.475.3296

----Original Message----

From: Doug Dowler [mailto:ddowler@pineywoodshometeam.org]

Sent: Friday, April 01, 2005 8:59 AM

To: Ben Sheppard; Brooke Boston

Cc: Jerry Moore

Subject: FW: TDHCA Number 05033, Waterford Parkplace

Importance: High

Hello Brooke,

Attached is our email correspondence with Ben Sheppard. As outlined in our

correspondence the issue on the scoring of question 5 part (A) and (B) is unclear as to the max amount of points. As we stated, we interpreted that both parts could score up to 18 points. We have submitted corrected self score sheets to represent that a max number of points for both is 18, however we still feel that we were correct in our original application scoring. We ask that you review our interpretation of the scoring for # 5 and advise.

Thanks
Doug Dowler

----Original Message----

From: Ben Sheppard [mailto:ben.sheppard@tdhca.state.tx.us]

Sent: Thursday, March 31, 2005 11:22 AM

To: 'ddowler@pineywoodshometeam.org'; Jerry Moore

Cc: Jennifer Joyce

Subject: RE: TDHCA Number 05033, Waterford Parkplace

Importance: High

Points may be obtained for both 5A and 5B, but the total points for 5A and 5B may not exceed 18 points.

Ben Sheppard

Multifamily Finance Production

Telephone: (512) 475-2122 Facsimile: (512) 475-0764

----Original Message----

From: Doug Dowler [mailto:ddowler@pineywoodshometeam.org]

Sent: Thursday, March 31, 2005 11:19 AM

To: Ben Sheppard Cc: Jerry Moore

Subject: TDHCA Number 05033, Waterford Parkplace

Hello Ben,

We have overnighted to you, and you should receive today, our responses to the Deficiency Notice dated 3/23/05. In section II we still have some confusion over the "Revise self-score to reflect points under Tab 3 #5 A and B.

We have corrected the self score to only be a max of 18 points between A and B, but we do not interpreted the questions score that there is a max of 18 points for both. Number (5) states "The Commitment of Development Funding by Local Political Subdivisions. Applications may qualify to receive up to 18 points for qualifying under EITHER OR BOTH (A) or (B) of this paragraph.

If an application selects UNDER PART (A), as we did "A contribution of \$1,001 to \$3,500 per Low Income Unit RECEIVES 12 POINTS;" OR ...

and

"Development-Based Vouchers for 9% or more of the total Units RECEIVES 18 POINTS."

Then the application, as per the Number 5 instructions, should be allowed up to 18 points or a total of 36 points for BOTH (A) & (B).

I believe that the question could be interpreted both ways but do feel we were correct in our original self scoring. As written the question does not state that there is a max of 18 points for both (A) & (B).

We ask that you consider our request and advise us as soon as possible. Thanks Doug Dowler



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle THE IT OF IDUSIES FINAL Scoring Notice

Piney	woods	Longview	HOME	Team	Ltd
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Date Issued: 05/13/05

Douglas R. Dowler

1610 South First St., Suite 202

Lufkin, TX 75901

Phone #:

(936) 637-7607

Fax #:

(936) 637-7631

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

RE:

2005 HTC Application for Waterford Parkplace

TDCHA Number: 05033

Attention: Douglas R. Dowler

The Texas Department of Housing and Community Affairs (the Department) has completed its Eligibility and Selection Criteria Review of the above-referenced application as further described in Section 49.9(d)(2) of the 2005 Qualified Allocation Plan and Rules (QAP). Below, a summary is provided of the set-asides that the application qualifies under. Beneath that is the score requested, as calculated by the Applicant, followed by the score requested as calculated by the Department. The two numbers differ if the Applicant's calculation was ncorrect. The next score shown is the score awarded to the application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: Quantifiable Community Participation from neighborhood organizations, letters of support or opposition from state representatives and letters of support or opposition from state senators. This is followed, in bold, by the final cumulative number of points awarded by he Department to the above-referenced Application. To the extent that a threshold review is not yet completed for this application, pursuant Section 49.9(d)(3), the final score may still change, in which case you will be notified.

Please note that if you were awarded points under Section 49.9(g)(5)(A) and/ or (B), this notice only provides an explanation of any point deductions for that item. A separate notice will be issued to all applicants who eceived points under this section that will detail which evidence qualified for the score under this section and which evidence did not.

Allocation	Urban/Exurban	Set Asides:	□ USDA	Non Profit	☐ At Risk
Score Reque	ested by Applicant:			150	0
Score Reque	ested as Calculated by D	epartment:		150	<u></u>
Score Award	ded by Department:	* * * * * * * * * * * * * * * * * * * *		14	4
Difference b	etween Requested and A	warded:		6	
Points Awar	ded for Quantifiable Co	mmunity Participa	ation:	12	
Points Awar	ded for Input from State	Senator:		7	=
Points Awar	ded for Input from State	Representative:		7	
Final Score	Awarded to Application	n by Departmen	ıt:	170	<u> </u>



MULTI-FAMILY FINANCE PRODUCTION DIVISION AUSTRIA FINANCE PRODUCTION DIVISION HOUSING Tax Credit Program - 2005 Application Cycle AFFERMS Final Scoring Notice

Page 2 of Final Scoring Notice: 05033, Waterford Parkplace

Explanation for Adjustments to Points Requested (if any):

Scoring Item # 12, Pre-Application Points: The final award for your pre-application was 160. In order to be awarded points for a pre-application your final score could not go 5% below the final pre-application score (no lower than 152). Your final score exceeded the 5% variance (150) (Requested 6, Awarded 0).

A formal Appeals Policy exists for the HTC Program. If you wish to appeal this scoring notice (including set-aside eligibility), you must file your appeal with the Department no later than 5:00 p.m., Friday, May 20, 2005. If an appeal is denied by the Executive Director, an applicant may appeal to the Board. THE DEPARTMENT STRONGLY SUGGESTS that you submit your appeal to the Executive Director no later than Tuesday, May 17 by 5:00 p.m. in order to allow any denied appeals to be added to the May 26, 2005 Board agenda. The restrictions and requirements relating to the Appeals Policy can be found in Section 49.17(b) of the 2005 QAP.

in an effort to ensure that all Board appeals related to scoring and set-asides are heard at the May 26 meeting, the Department has provided the following form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director the form requests that the applicant automatically be added to the Board agenda. Note that the completion of the form will add the applicant to the agenda, but that an actual appeal to the Board must be received by the Department by 5:00 p.m. Tucsday, May 17, 2005. All appeals should be submitted to the attention of Jennifer Joyce.

A posting of all completed application scores and priority status will be made on the Department's web site at www.tdhca.state.tx.us by Friday, May 20 at 5:00 p.m. A list of those developments being recommended at the lune 27 Board meeting will also be available on the web site on or before June 20, 2005. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Jennifer Joyce by facsimile (512.475.0764 or 512.475.1895) or email to jennifer.joyce@tdhca.state.tx.us. Note that Ms. Joyce will not be responding to any comments prior to Monday, May 23, 2005.

Sincerely,

Brooke Boston

Brooke Boston

Director, Multi-Family Finance Production Division



MULTI-FAMILY FINANCE PRODUCTION DIVISION AS Housing Tax Credit Program - 2005 Application Cycle TO AFFAIRS Final Scoring Notice

	Appeal	Election	Form:	05033	Waterfor	d Parkplace
١	Thheai	riccitoti	1 (11)	V2V23,	MACICION	a raikplace

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
documention to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Signed Deeg Ocche

Title Executive Director

Date 5-17-05

Please fax or email to the attention of Jennifer Joyce: (fax) 512,475.0764 or 512,475.1895 (email) jennifer.joyce@tdhca.state.tx.us

np fax 1240

_og for Pineywoods Home Team 936 637 7631 -- 5/17/2005 11:15AM

. C Transaction

Date Time Type Identification D5/17 11:13a Fax Sent 15124750764

Duration Pages Result

1:25 8 OK

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Residences at Eastland, #05054

On April 1, 2005, the Department received a letter from the Eastland Estates Owner's Association requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under \$2306.6710 Texas Government Code, are described in \$49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

After the Department's review of this letter, the Department determined that Eastland Estates Homeowners Association does not qualify as a neighborhood organization as defined in the Qualified Allocation Plan and Rules (QAP) for purposes of scoring for QCP. As noted in the letter to Mr. Williams, the neighborhood organization contact, §49.9(g)(2) of the QAP states: "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." The organization states in its letter that the organization at this time has only one member – the current land owner. It should be noted that this one person does not live on the property even. The appeal argues that because the lots are not yet sold, there could not be more than one member at this time. This does not qualify as "persons living near one another" nor reflect the interest of the neighborhood and therefore does not meet the definition of a qualified neighborhood organization.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: FW-Eastland Housing Partners, Ltd.,

Site Location: 5500 Eastland Street

City/County: Fort Worth / Tarrant County

Regional Allocation Category: Urban/Exurban

Set-Aside: None

Population Served: Family

Region: 3

Type of Development: New Construction

Units: 158

Credits Requested: \$1,200,000

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

letter's eligibility.

Board Appeal



700 E. Sandy Lake Road Suite 146 Coppell, TX 75019

Tuesday, May 17, 2005

Ms. Edwina Carrington
Executive Director
Texas Department of Housing and Community Affairs
Waller Creek Office Building
507 Sabine
Austin, TX 78701

Re:

Residences at Eastland

Fort Worth

TDHCA #05054

Dear Ms Carrington:

The Agency has disallowed 12 points for Quantifiable Community Participation from Neighborhood Organization for our application for an allocation of tax credits for the Residences at Eastland. The Agency's letter dated April 27, 2005 disallowing these points stated:

"A "neighborhood organization" is defined as an organization of <u>persons</u> living near one another within the organization's defined boundaries that contain the proposed Development site ... You state in your letter that the organization at this time has only one member – the current land owner. This does not qualify as "persons living near one another" nor reflect the interests of the neighborhood."

This property was originally platted as an 86 lot single family subdivision – Eastland Estates – in May of 2004. The organization, Eastland Estates Homeowner's Association was established at that time to act as a homeowner's association for the subdivision, although the organization documents were not filed of record. This organization's boundaries include the property and to the best of our knowledge, its support reflects the views of the neighborhood. Eastland Estates' submittal to the Agency met the requirements of the 2005 Qualified Allocation Plan with the exception, in the staff's opinion, of the fact there is only one member. The fact that there is only one person in the association is because lots were not sold in the subdivision and only property owners can be members. The member doesn't live in the neighborhood. That is the fact in many instances in many homeowner's associations where there are rent houses and absentee owners. Many of the associations that received full points have members that do not live in the neighborhood.

It is our understanding of the intent of the Allocation Plan to award points where a local neighborhood organization shows support for a project. Eastland Estates Homeowner's Association supports this project and their submittal met the 2005 QAP requirements so we respectfully request full points for Quantifiable Community Participation.

Attached are

- TDHCA letter dated April 27, 2005 indicating Eastland Estates Homeowner's submittal is ineligible for scoring purposes
- Fax from Bob Voelker with NuRock disputing this decision dated April 28, 2005
- TDHCA letter dated May 13, 2005 reiterating the staff's position
- Scoring notice.

If you have questions, please contact me.

Sincerely,

FW-EASTLAND HOUSING PARTNERS, LTD.

By: NDG-Pastland, LLC, its general partner

Rv.

Daniel Allgeier, Authorized Agent



WWW.TDHCA.STATE.TX.US

April 27, 2005

RICK PERRY

Mr. Tim Williams

Governor

President

EDWINA P. CARRINGTON

Executive Director

Eastland Estates Homeowners Association

100 East Mason Street

Fort Worth, TX 76110

BOARD MEMBERS

Elizabeth Anderson, Chair Also Sent via Fax: 817-923-9304

Shadrick Bogany

C. Kent Conine

Vidal Gonzalez

Patrick R. Gordon Norberto Salinas Re:

Quantifiable Community Participation

Residences at Eastland, # 05054 ("the application")

Dear Mr. Williams:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter to be eligible as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, we have determined that your letter is ineligible to be considered for points. §49.9(g)(2) of the QAP states: "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." You state in your letter that the organization at this time has only one member – the current land owner. This does not qualify as "persons living near one another" nor reflect the interest of the neighborhood. Therefore, your letter is ineligible for purposes of this scoring item.

Please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

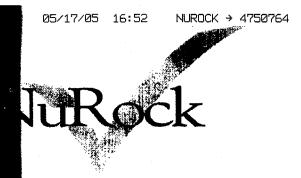
April 27, 2005 Page 2 of 2

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475. 3296.

Sincerely

Brooke Boston

Director of Multifamily Finance Production



700 E. Sandy Lake Road Suite 146 Coppell, TX 75019 (972) 745-0756 • (972) 745-2190 fax

FACSIMILE TRANSMISSION

Ю:

Brooke Boston 512-475-0764 Paul Smith 512-475-3978

ROM:

Bob Voelker

ATE:

5/16/05 3:08 PM ~ 4/21/05

UMBER OF PAGES

1 (just this cover sheet)

hul \rightarrow I was wondering if you had a chance to look at the information I sent to you on the legality of UB points???

rooke & Paul: On Residences of Eastland #05054 I received yesterday a letter disallowing the Eastland states Homeowners Association letter because the member of the neighborhood organization is not a erson residing in the area. I wanted to point out to you that, by definition, it is highly unlikely that any eighborhood organization" will qualify, for the following reasons:

- 1. Must be "persons" → if this is defined as a "natural person" (and not an entity), in every neighborhood there are houses owned by banks or savings and loans (due to foreclosures) or by investment entities that rent out the houses. The scoring rule requires that the organization be "of persons living near one another" if TDHCA is taking the position that the "person" must be a natural person, then ALL owners must be individuals as there is no exception for even one owner in the area that is not a "person." TDHCA should check the ownership of every lot within the defined neighborhood organization area, and if the owner of any lot is not a "natural person" then the points for the neighborhood organization should be denied, in order to be consistent with the letter received on the Eastland Estates Homeowners Association.
- 2. For the neighborhood organization letter to be effective, the apartment zoned land must be within the boundaries of the neighborhood organization. From my experience, the vast majority of the apartment zoned land within the State of Texas is owned by entities, and not individuals. Therefore, TDHCA should check the land seller on each of the applications that are claiming points for neighborhood organization letters. If the land seller is not an individual, by definition then the neighborhood organization cannot be an organization of "persons" living in the area.

pointed out to TDHCA immediately after the QAP was finalized that the scoring rule states that a ighborhood organization may be a property owners association — which is also problematic from the andpoint of natural person ownership and "residing in the area."

ease feel free to call me if you have any questions regarding the foregoing.

anks.

Bob



WWW.LDHCA.STATE.TX.US

May 13, 2005

ПŘУ

Mr. Bob Voelker

NuRock

700 E. Sandy Lake Road

P. CARRINGTON ve Director

Suite 146

Coppell, TX 75019

EMBERS

h Anderson, Chair Also Sent via Fax: 972-745-2190

k Bogany

Conine

nzalez R. Gordan

o Salinas

Re:

Quantifiable Community Participation

Residences at Eastland, # 05054 ("the application")

Dear Mr. Voelker:

I am writing regarding the letter you submitted in response to my letter to Mr. Tim Williams regarding the eligibility of his organization, Eastland Estates Homeowners Association, for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application.

After reviewing your statements, the Department still believes that Eastland Estates Homeowners Association does not qualify as a neighborhood organization as defined in the Qualified Allocation Plan and Rules (QAP) for purposes of scoring for QCP. As noted in the letter to Mr. Williams, §49.9(g) (2) of the QAP states: "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." You state in your letter that the organization at this time has only one member – the current land owner. This does not qualify as "persons living near one another" nor reflect the interest of the neighborhood.

If you have any questions, I can be contacted at 512,475, 3296.

Sincerely,

Brooke Boston

Director of Multifamily Finance Production

507 SABINE - SUITE 400 . P.O. BOX 13941 . AUSTIN, TEXAS 78711-3941 . (512) 475-3800



EASTLAND ESTATES OWNER'S ASSOCIATION

100 East Mason Street Fort Worth, Texas 76110 817-923-9305 817-923-9304 (fax) 1200 2005

Date: March 22, 2005

-only member!

Ms. Edwina Carrington Executive Director

Attention: Neighborhood Input

Texas Department of Housing and Community Affairs

P.O. Box 13941 (MC 332-10) Austin, Texas 78711-3941

Re: Quantifiable Community Participation

Development #: 05054

Development: Residences at Eastland

Development Location: 5500 Eastland St., Fort Worth, TX 76119 (Tarrant County)

APR 0 1 2005

As President of the Eastland Estates Owner's Association I am writing to provide the Association's **support** for the above-referenced development. The Association is an organization of property owners in the southeast part of Fort Worth who take great pride in our neighborhood and are very interested in maintaining and improving residential development within our community.

The Association is on record, as of March 1, 2005, with the Secretary of State as an incorporated entity in good standing (see attached Certificate of Incorporation and Certificate of Account Status). The Association was not formed by the applicant, developer or any employee or agent of the applicant in the 2005 tax credit Application Round and neither the Association or any of its members accepted money or any gift to cause the Association to take its position of support as stated herein.

The area covered by our Association includes the proposed location for the Residences at Eastland townhomes. A map showing the boundaries of the Association is enclosed, and the location of the Residences at Eastland townhomes is marked on the map. The area covered by our Association is the subject of a plat with the City of Fort Worth calling for the majority of the land to be developed with 86 residential lots, and as these lots are sold and residences are built the new owners will become members of the Association. The Association currently has one member, the current owner of the land.

Support/Opposition Decision Process

The Board of Directors and membership of the Association have met, and after reviewing the plans for the development, touring the developer's existing townhome development in Fort Worth (The Residences of Diamond Hill), and meeting with the City Councilman for this district, who is also supportive of the development, the Association has by majority vote determined to support the Residences at Eastland townhomes

Reasons for Support

- 1) The townhomes will be situated near Loop 820, and Eastland is one of the main streets into this area, such that the townhomes will serve as a form of gateway to the community.
- 2) The townhomes will replace an old run down farmhouse and horse training/racing track, which is a magnet for junk and trash, and is an eyesore for this area.
- 3) The developers of the Residences at Eastland townhomes have exhibited their development plans, including their site plan and renderings, and we feel that the low density nature of the development is

compatible with and will enhance our area, and the quality design will be an attractive addition to our neighborhood.

- 4) This area of Fort Worth is part of the Stop 6 Enterprise Zone, an area that the City of Fort Worth has designated as needing financial assistance to allow positive revitalization. Having a high quality townhome rental development in this area will greatly assist the City in general and Stop 6 in particular in revitalization efforts.
- 5) The Residences at Eastland townhomes would meet the need for our young families and senior citizens to remain a vital part of our community and would give a significant economic boost to our neighborhood. There has not been any apartment development in this area in many years, and the quality of existing rental developments is poor at best. Maintaining our youth in the area, post-high school or college, is critical to the survival of our neighborhood, and providing low density rental developments for our seniors would also help maintain the vitality of the Stop 6 area.
- 6) The after-school program operated by the Residences at Eastland townhomes will allow children in the townhomes to have positive activities, which is a plus for those children and for our neighborhood. We are excited that the children will be enjoying supervised activities, which will tend to reduce vandalism and crime. The homework and computer assistance that is provided at the after-school program will also allow the children to perform better in the school system

We fully support this development and would ask that the Texas Department of Housing and Community Affairs provide its support to residents in this area by approving the request for financing for Residences at Eastland.

Sincerely,

Tim Williams

President

Eastland Estates Owner's Association

no Willian

100 East Mason St. Fort Worth, TX 76110

817-923-9305

817-923-9304 (fax)

Attachments:

Eastland Estates Owner's Association Certificate of Incorporation

Eastland Estates Owner's Association Certificate of Account Status

Eastland Estates Owner's Association Map



Office of the Secretary of State



CERTIFICATE OF INCORPORATION OF

EASTLAND ESTATES OWNER'S ASSOCIATION, INC. Filing Number: 800455411

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 02/16/2005

Effective: 02/16/2005



Topes Milliams

Roger Williams Secretary of State

APQ 2005



Texas Comptroller of Public Accounts

CAROLE KEETON STRAYHORN · COMPTROLLER · AUSTIN, TEXAS 78774

March 22, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

EASTLAND ESTATES OWNER'S ASSOCIATION INC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 16, 2006.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

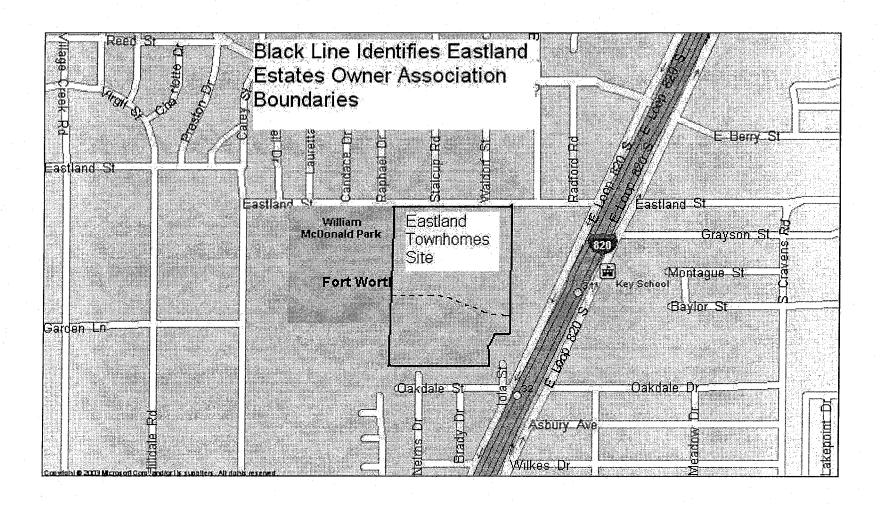
This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND SEAL OF OFFICE in the City of Austin, this 22nd day of March, 2005 A.D.

Carole Keeton Strayhorn Texas Comptroller

Taxpayer number: 32016798517 File number: 0800455411

Form 05-304 (Rev. 02-03/14)





WWW.TDHCA.STATE.TX.US

April 27, 2005

RICK PERRY

Mr. Tim Williams

Governor

President

EDWINA P. CARRINGTON

Eastland Estates Homeowners Association

Executive Director

100 East Mason Street

Fort Worth, TX 76110

BOARD MEMBERS

Elizabeth Anderson, Chair Also Sent via Fax: 817-923-9304

Shadrick Bogany

C. Kent Conine

Vidal Gonzalez

Patrick R. Gordon Norberto Salinas Re:

Quantifiable Community Participation

Residences at Eastland, # 05054 ("the application")

Dear Mr. Williams:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter to be eligible as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, we have determined that your letter is ineligible to be considered for points. §49.9(g)(2) of the QAP states: "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." You state in your letter that the organization at this time has only one member – the current land owner. This does not qualify as "persons living near one another" nor reflect the interest of the neighborhood. Therefore, your letter is ineligible for purposes of this scoring item.

Please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

April 27, 2005 Page 2 of 2

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475. 3296.

Sincerely,

Brooke Boston

Director of Multifamily Finance Production



700 E. Sandy Lake Road Suite 146 Coppell, TX 75019

(972) 745-0756 • (972) 745-2190 fax

Drosy

FACSIMILE TRANSMISSION

X-Paul B X-ANNE B 5-2Pos

to y

TO:

Brooke Boston 512-475-0764 Paul Smith 512-475-3978

FROM: DATE: Bob Voelker 4/28/05 9:43 AM

NUMBER OF PAGES

1 (just this cover sheet)

Paul > I was wondering if you had a chance to look at the information I sent to you on the legality of HUB points???

Brooke & Paul: On Residences of Eastland #05054 I received yesterday a letter disallowing the Eastland Estates Homeowners Association letter because the member of the neighborhood organization is not a person residing in the area. I wanted to point out to you that, by definition, it is highly unlikely that any "neighborhood organization" will qualify, for the following reasons:

- 1. Must be "persons" → if this is defined as a "natural person" (and not an entity), in every neighborhood there are houses owned by banks or savings and loans (due to foreclosures) or by investment entities that rent out the houses. The scoring rule requires that the organization be "of persons living near one another" if TDHCA is taking the position that the "person" must be a natural person, then ALL owners must be individuals as there is no exception for even one owner in the area that is not a "person." TDHCA should check the ownership of every lot within the defined neighborhood organization area, and if the owner of any lot is not a "natural person" then the points for the neighborhood organization should be denied, in order to be consistent with the letter received on the Eastland Estates Homeowners Association.
- 2. For the neighborhood organization letter to be effective, the apartment zoned land must be within the boundaries of the neighborhood organization. From my experience, the vast majority of the apartment zoned land within the State of Texas is owned by entities, and not individuals. Therefore, TDHCA should check the land seller on each of the applications that are claiming points for neighborhood organization letters. If the land seller is not an individual, by definition then the neighborhood organization cannot be an organization of "persons" living in the area.

I pointed out to TDHCA immediately after the QAP was finalized that the scoring rule states that a neighborhood organization may be a property owners association — which is also problematic from the standpoint of natural person ownership and "residing in the area."

Please feel free to call me if you have any questions regarding the foregoing.

Thanks.



Still no prisons living



WWW.TDHCA.STATE.TX.US

May 13, 2005

RICK PERRY

Mr. Bob Voelker

Governor

NuRock

EDWINA P. CARRINGTON

700 E. Sandy Lake Road

Executive Director

Suite 146

Coppell, TX 75019

BOARD MEMBERS

Elizabeth Anderson, Chair Also Sent via Fax: 972-745-2190

Shadrick Bogany

C. Kent Conine

Vidal Gonzalez

Patrick R. Gordon Norberto Salinas

Re:

Quantifiable Community Participation

Residences at Eastland, # 05054 ("the application")

Dear Mr. Voelker:

I am writing regarding the letter you submitted in response to my letter to Mr. Tim Williams regarding the eligibility of his organization, Eastland Estates Homeowners Association, for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application.

After reviewing your statements, the Department still believes that Eastland Estates Homeowners Association does not qualify as a neighborhood organization as defined in the Qualified Allocation Plan and Rules (QAP) for purposes of scoring for QCP. As noted in the letter to Mr. Williams, §49.9(g)(2) of the QAP states: "A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood." You state in your letter that the organization at this time has only one member - the current land owner. This does not qualify as "persons living near one another" nor reflect the interest of the neighborhood.

If you have any questions, I can be contacted at 512.475. 3296.

Sincerely,

Director of Multifamily Finance Production

TRANSMISSION OK

TX/RX NO.

0553

CONNECTION TEL

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START TIME

05/13 13:07

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PAGES

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RESULT

OK

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Sphinx at Alsbury, #05077

On April 1, 2005, the Department received a letter from the Mistletoe Home Owner's Association requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under \$2306.6710 Texas Government Code, are described in \$49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

In our review, one or more requirements were not originally satisfied. As permitted under the QAP, the Department requested additional documentation through a deficiency process similar to that utilized for the applicants. On April 26, the Department issued a deficiency letter to the neighborhood indicating multiple items that were deficient. In response to that letter, the Department received an email indicating "the southeastern boundary of the area associated with the homeowner association is simply contiguous to the referenced project" and is therefore not within the organization's boundaries. Section 2306.6710, Texas Government Code, requires that the organization's "boundaries contain the proposed development site". Additionally, the email firmly indicated that they believed there was confusion about their involvement and that they did not wish to be involved with the project. Aside from clearly indicating that they did not want to be involved, the deficiencies were unresolved so the letter, by their request and by their lack of documentation, is ineligible.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: DCTC-Sphinx Development, LP

Site Location: 755 NE Alsbury Blvd
City/County: Burleson / Tarrant County

Regional Allocation Category: Urban/Exurban

Set-Aside: None
Population Served: Family
Region: 3

Type of Development: New Construction

Units: 170

Credits Requested: \$1,112,442

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

letter's eligibility.

No BOARD Appeal Included in original ED Appeal



12970 Pandora Drive, Suite 210 Dallas, Texas 75238 TEL: (214) 342-1405 FAX (214) 342-1409 www.sphinxdevelopment.com

Sphinx Development Corp.



To:	Jan Joyce	From:	Joe Agumadu
Fax:	512 475-0764	Pages:	2
Phone:		Date:	05/19/05
Re:		cc:	
□ Urg	ent 🔲 For Review	☐ Please Comment	☐ Please Reply ☐ Please Recycle

Joseph Agumadu



May 19, 2005

Ms. Edwina Carrington
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

Re: Sphinx at Alsbury Villas #05077 - Scoring Appeal

Dear Ms. Carrington:

I am writing to appeal the scoring of the Quantifiable Community Participation points for the above referenced application.

While the Mistletoe Home Owners Association does not fall within the technical qualifications of Section 2306.6710 regarding it's boundaries, it certainly meets the spirit of the code. As a homeowners association, it was developed to deal with homeowner issues for homeowners within it's development. As you have seen in the past, the development of affordable housing on a piece of property which shares a boundary line and is contiguous with the boundary of the association is a major homeowner issue. After several presentations and discussions with the homeowners association they wrote a letter of support for this project. They continue to support this project but were discouraged by the fact that the project did not meet the technical qualifications for scoring for the letters of support.

We hope that you consider the spirit of the Code rather than a strict interpretation.

Very truly yours,

cc: Joseph Agumadu

Jeff Spicer Jay O. Oji

S Housing Tax Credit Program - 2005 Application Cycle PARTMENT OF MEDIUS Final Scoring Notice

Appeal Election Form: 05077, Sphinx at Alsbury Villas

am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Date

Signed Title

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us

MAY 17 AMB:49

Mistletoe Home Owners Association P. O. Box 121969 Fort Worth, Texas 76121 (817)560-1717

March 30, 2005

Ms. Edwina Carrington
Executive Director
Attention: Neighborhood Input
Texas Department of Housing and Community Affairs
P.O. Box 13941 (MC 332-10)
Austin TX 78711-3941

APR 2005

Re: QCP, TDHCA #: 05077 Sphinx at Alsbury Villas, 755 NE Alsbury Blvd, Burleson Texas

Dear Ms. Carrington

As President of Mistletoe Hills Homeowners Association, I am writing to provide the organization's support for the above-referenced development, which is located at 755 NE Alsbury Boulevard, Burleson, Texas 76028, Tarrant County. Mistletoe Hills Homeowners Association is a qualified Neighborhood Organization as further described below.

Mistletoe Hills Homeowners Association is the only homeowners association in the area where this development is located. Enclosed is Exhibit "B" to the Declarations of Covenants, Conditions and Restrictions of record that establishes the organization's boundaries. The developers have made presentation of what the proposed project will look like; including a colored site plan when requested.

This organization is on record, as of March 1, 2005, with The Secretary of State as an incorporated entity in good standing.

This organization is an organization of persons living near one another within the organization's defined boundaries and has a primary purpose of working to maintain or improve the general welfare of the neighborhood.

The organization has 250 members. The organization reached its decision to support the proposed development by proximity to the homeowners.

This organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2005 Housing Tax Credit application round, nor has the organization or any member of the organization accepted money or a gift to cause the organization to take it's position of support or opposition to this development.

The organization supports the proposed development for these reasons:

- 1. It will Provide needed housing for the community,
- 2. Quality of the proposed development and the reputation of the developer
- 3. Will improve the general appeal of the area
- 4. Will improve the economic base of the area.

If you have questions or need additional information, please contact me.

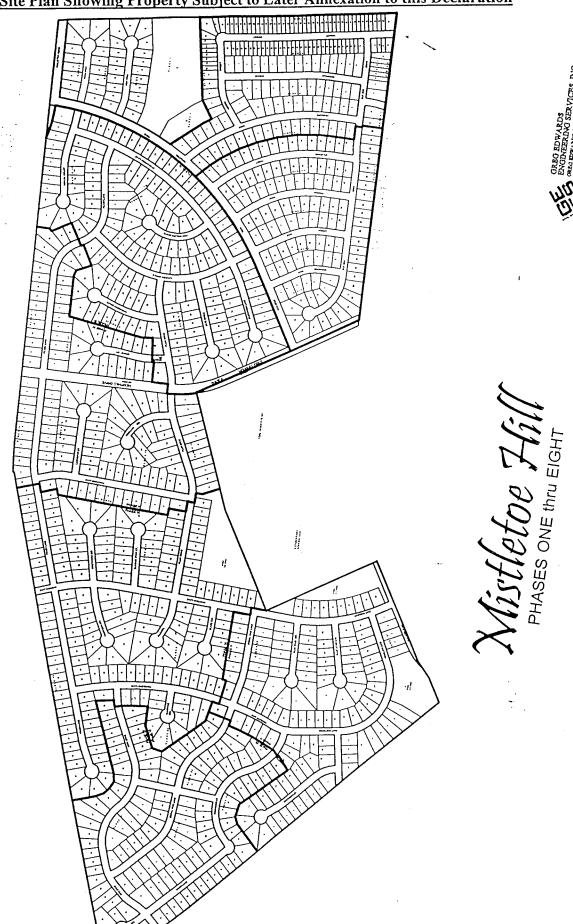
Sincerely,

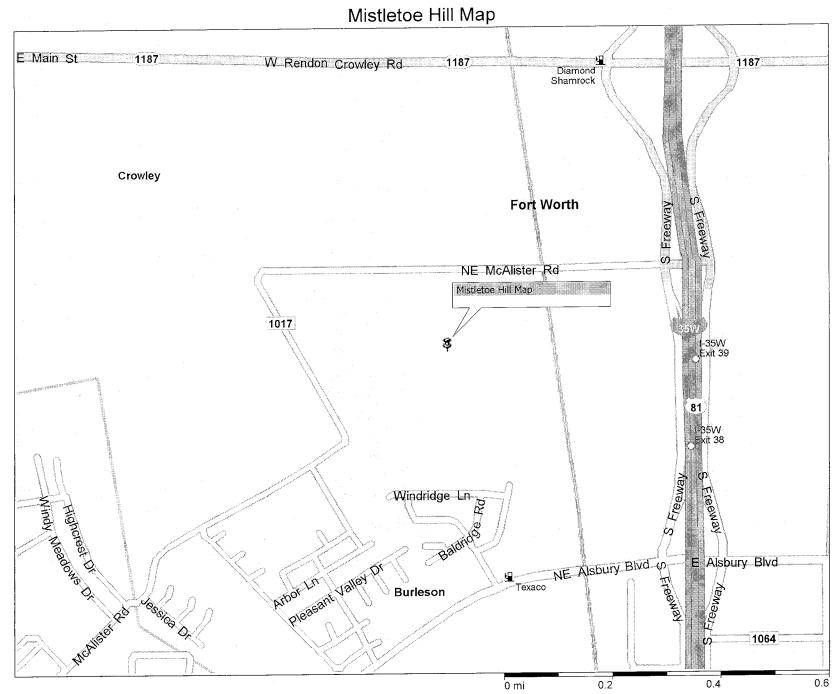
Mistletoe Home Owners Association

Gary W. Havener, President

Attachments:

Site Plan Showing Property Subject to Later Annexation to this Declaration





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© Copyright 2000 by Geographic Data Technology, Inc. All rights reserved. © 2000 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada.
© Copyright 2000 by Compusearch Micromarketing Data and Systems Ltd.

Mistletoe Hill Observer

From Our Association Manager...

Quotable Quote:

"Everyone is
trying to
accomplish
something big,
not realizing that
life is made up of
little things."
---Frank A. Clark

During the months of November and December, the inspections have been focused on general property maintenance, trash containers in street view and bulk trash left beyond the scheduled pick-up date. I have noticed that more than the majority of the residents in your community take significant pride and care of their lawns; they abide by the Deed Restrictions and the trash code. However, during the months of November and December, I recorded and mailed a few letters reminding the residents to store the trash containers out of street view and remove bulk trash from the curb, as well as noting a few other serious violations of the Deed Restrictions. I am happy to report that again the majority of the residents do comply upon receiving the reminders. I also take into consideration such issues as the weather and holidays or residents being on vacation (if vacations are reported to me) before sending letters.

When a member reports a compliance issue, I follow up by sending letters or, if necessary, by making a personal visit to the resident to discuss the matters of concern. (All calls from members are kept confidential). Should the resident member ignore the letters or choose not to comply, then a recommendation is made to the Association's Board of Directors to take immediate action to remedy the matter.

INSIDETHIS ISSUE:

Homeowners Association	1
From Your Association	2
Manager	
HOA Questions	2
Home Project Rules	3
City of Burleson Phone	3
Numbers	
ACC Modification Form	4
Premier Contact Info	5

Just as a reminder, now that the weather has become cooler and we have had significant rain, weeds are appearing in many lawns. I recommend that all residents consider applying pre-emergent to their lawns to control the weeds and apply a second application in early summer. Or residents should contact their local lawn care retailer for assistance in controlling weeds and application of fertilizer on their lawns. The preparation of the lawn this winter will have a positive effect on the appearance of the lawn during the next growing season.

Spring is just around the corner, and it is the time of the year that most exterior home improvements are planned. The New Construction Committee meets regularly. If you have a request, please send it to me and I will present it to the Committee.

Charles Wray
Association Manager





Texas Comptroller of Public Accounts

CAROLE KEETON STRAYHORN · COMPTROLLER · AUSTIN, TEXAS 78774

March 31, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

MISTLETOE HILL HOMEOWNERS' ASSOCIATION INC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due August 22, 2005.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND SEAL OF OFFICE in the City of Austin, this 31st day of March, 2005 A.D.

Carole Keeton Strayhorn Texas Comptroller

Taxpayer number: 32015114971 File number: 0800346490

Form 05-304 (Rev. 02-03/14)



Corporation Search Results

Officers and Directors MISTLETOE HILL HOMEOWNERS' ASSOCIATION INC

Return to: Corporation Search Results

Officer and director information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from <u>open.records@cpa.state.tx.us</u> or Comptroller of Public Accounts, Open Government Division, PO Box 13528, Austin, Texas 78711.

Title:

Name and Address:

Expiration/Resignation Date:

DIRECTOR

GARY W HAVENER

405 WEST LOOP 820 SOUTH,

STE, 100

FORT WORTH, TX 76108

DIRECTOR

H JILL ARNOLD

405 WEST LOOP 820 SOUTH,

STE, 100

FORT WORTH, TX 76108

DIRECTOR

RANDAL D JOHNSON

405 WEST LOOP 820 SOUTH,

STE, 100

FORT WORTH, TX 76108

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government

Contact Us

Privacy and Security Policy



Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

April 26, 2005

Gary W. Havener
Mistletoe Home Owners Association
P.O. Box 121969
Fort Worth, TX 76121

Organization Fax:

Organization Email:

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation Sphinx at Alsbury Villas, # 05077

Dear Gary W. Havener:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. In our review, one or more requirements have not been satisfied. As permitted under the QAP, the Department may request that you provide additional information or documentation that it deems relevant to clarify information contained in your letter. §49.9(g)(2) of the QAP indicates that, "If the Department determines to request additional information, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within ten business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised."

The items listed below are those items that need to be provided to the Department no later than 5:00 p.m. on Tuesday, May 10. Submission prior to that date is encouraged to enable the Department to expedite the final review of your letter.

- 1. Your letter does not provide an e-mail address or facsimile number for the organization.
- 2. Your letter does not establish that the organization has boundaries, state what the boundaries are, and establish that the boundaries contain the proposed development site.
- 3. No map was provided that shows the geographic boundaries of the organization and the proposed Development site clearly marked within those boundaries.
- 4. No documentation was included showing that the organization is on record as of March 1, 2005 with the state or county in which the Development is proposed to be located. The evidence provided reflects that it was on record as of March 31, 2005, after the March 1 deadline.



Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

Please submit the above requested documentation to the attention of Brooke Boston, Director of Multifamily Finance Production at brooke.boston@tdhca.state.tx.us or via fax at 512-475.0764. While email and fax responses are strongly encouraged, the regular mail address for responses is: Brooke Boston, TDHCA, Multifamily Finance Production, P.O. Box 13941, Austin TX 78711-3941. Note that the documents must be received, not merely postmarked, by May 10.

Thank you again for your active involvement in our application process and I look forward to receiving the requested documentation to enable a final review of your letter. If you have any questions please call me at 512.475.3296.

Sincerely,

Brooke Boston

Brooke Boston

Director of Multifamily Finance Production

Brooke Boston

From:

Gary [gwhavener@msn.com]

Sent:

Monday, May 02, 2005 11:19 AM

To:

brooke.boston@tdhca.state.tx.us

Subject: Your April 26,2005 letter concerning Sphinx at Alsbury Village, #05077

There seems to be confusion about involvement by Mistletoe Home Owner Association in subject project. There is none now and none planned. The southeastern boundary of the area associated with the homeowner association is simply contiguous to the referenced project. We approve of the project but are not involved and do not intend to get involved.

For your information: Declarations were filed in Real Property Records of Tarrant County as Document # D204042676 and the homeowner certificate was filed with the Sec of St on 5/25/04, file # 800346490. I suggest you contact the entity proposing the development for any other information you need.

Gary W. Havener P. O. Box 121969 Fort Worth TX 76121-1969 Office: 817-560-1717

Fax: 817-560-1577 Mobile: 817-239-1717

Gary

From: Gary [gwhavener@msn.com]

Sent: Monday, May 02, 2005 11:19 AM

To: brooke.boston@tdhca.state.tx.us Fax = 512 - 475 - 0764

Subject: Your April 26,2005 letter concerning Sphinx at Alsbury Village, #05077

There seems to be confusion about involvement by Mistletoe Home Owner Association in subject project. There is none now and none planned. The southeastern boundary of the area associated with the homeowner association is simply contiguous to the referenced project. We approve of the project but are not involved and do not intend to get involved.

For your information: Declarations were filed in Real Property Records of Tarrant County as Document # D204042676 and the homeowner certificate was filed with the Sec of St on 5/25/04, file # 800346490. I suggest you contact the entity proposing the development for any other information you need.

Gary W. Havener P. O. Box 121969 Fort Worth TX 76121-1969 Office: 817-560-1717

Fax: 817-560-1577 Mobile: 817-239-1717



Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

May 12, 2005

Gary W. Havener
Mistletoe Home Owners Association
P.O. Box 121969
Fort Worth, TX 76121

Organization Fax:

Organization Email:

Re: Response from your Neighborhood Organization for Quantifiable Community Participation Sphinx at Alsbury Villas, # 05077

Dear Gary W. Havener:

I am writing regarding the letter you submitted in response to my deficiency letter for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for responding to my request.

The Department has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

Section 2306.6710, Texas Government Code, requires that the organization's "boundaries contain the proposed development site". As you noted in your email response to the Department dated May 2, "the southeastern boundary of the area associated with the homeowner association is simply contiguous to the referenced project" and is therefore not within the organization's boundaries.

Your wish to have no involvement in the proposed development is noted.

Therefore, your organization's letter will not be considered further for scoring. However, please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475. 3296.

Sincerely,

Brooke Boston

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal termination of one 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Rio Hondo Village, #05079

This Applicant was originally sent a notice on April 29, 2005, notifying the applicant that their application was being terminated for violating §49.5(a)(7) of the Qualified Allocation Plan (QAP).

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Rio Hondo is a municipality that has 2.290 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with the development team that a resolution or statement of support for the exception to this rule was never submitted.

This application does have strong support from the City of Rio Hondo and that the city passed a resolution April 12, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

VOA Texas Rio Hondo Village, LP

Site Location:

1301 South Reynolds

City/County:

Rio Hondo / Cameron County

Regional Allocation Category:

Urban/Exurban

Set-Aside:

At-Risk/Preservation

Population Served:

Family

Region:

11

Type of Development:

Acq/Rehab

Units:

50

Credits Requested:

\$137,580

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

termination.

BOARD Appeal Included in original ED Appeal

LEE JOHN FELGAR VICE PRESIDENT HOUSING/DEVELOPMENT VOLUNTEERS OF AMERICA TEXAS, INC.

1424 HEMPHILL

FORT WORTH, TX 76104

TELEPHONE: 817-529-7311

FAX:

8 1 7 - 5 2 9 - 0 5 0 2

CELL PHONE 817-371-0859

EMAIL:

LFELGAR@VOATX.ORG

	F	ACSIMILE TRANSMI	TTAL SHEET	
TO: DELORES GRONECK		from: LEE FELGAR		
COMPANY: TDHCA		DATE: MAX	<i>Y</i> 18, 2005	
FAX NUMBER: 512-472-85	26	TOTAL NO. OF PAGES INCLUDING COVER:		
PHONE NUMB	UMBER: SENDER'S REFERENCE NUMBER: N/A			
RE: APPEALS	05079	YOUR	REFERENCE NUMBER:	
URGENT	FOR REVIEW	PLEASE COMMENT	PLEASE REPLY	PLEASE RECYCLE

NOTES/COMMENTS:

Ms. Groneck,

Here is our appeal for Rio Hondo Village 05079.

Thank you.

Lee Felgar

VOA TEXAS RIO HONDO VILLAGE, L.P. c/o Volunteers of America Texas, Inc. 1424 Hemphill Street Fort Worth, TX 76104

May 18, 2005

Ms. Elizabeth "Beth" Anderson, Chair Governing Board Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78701

Via Fax to (512) 472-8526

Re:

Rio Hondo Village TDHCA #05079

Dear Ms. Anderson:

By this letter, VOA Texas Rio Hondo Village, L.P. (the "Applicant"), appeals the termination of the Applicant's 2005 Housing Tax Credit Application and the denial of our appeal to Ms. Edwina Carrington, the Executive Director of TDHCA, dated May 4, 2005.

As was stated in a letter from Brooke Boston dated April 29, 2005, the resolution from the City of Rio Hondo authorizing the development, required under §49.5(a) (7) of the 2005 Qualified Allocation Plan, was not submitted by the April 1, 2005 deadline. The Applicant does not deny that this is the case. However, we offer the following facts to illustrate the extenuating circumstances of this case.

The City of Rio Hondo is a very small city in a rural area (the city's population is approximately 1,900 as of the 2000 Census). The City Commission, which would be the governing body that needed to approve the resolution, does not meet every month. By the time we were aware that the application would be moving forward and were in a position to request that the City Commission take action on the resolution, the next City Commission meeting was April 12th. Thus, it was logistically impossible to have the resolution passed by April 1st. The City of Rio Hondo is in severe need of affordable housing and strongly supports the rehabilitation of Rio Hondo Village. In fact, the resolution was passed at the April 12th meeting and a copy (Exhibit 1) is enclosed for your reference.

Appeal for Rio Hondo Village TDHCA Application 05079 May 18, 2005 Page Two

Additionally, we would point out that this may be the only opportunity for Rio Hondo Village to receive Housing Tax Credits. HUD has proposed that Rio Hondo Village enter the Mark-to-Market program in late 2005 or early 2006. In all likelihood, if that were to occur, the owner would be required to sign a new 20-year HAP contract, making the property ineligible for the At-Risk set-aside in the future. Furthermore, since Rio Hondo Village is an older development which is not as rich in amenities as new construction, it is unlikely to receive an award of Housing Tax Credits absent being able to compete in the At-Risk set-aside.

For the reasons set forth in this letter, we respectfully request that the decision to terminate the application be reconsidered. Alternatively, if this appeal is denied, the Applicant requests that the Board exercise the discretion granted to it in §49.22(a) of the QAP and waive the requirement under §49.5(a) (7) to provide the resolution by April 1, 2005, in light of the facts that

- Due to the schedule of the Rio Hondo City Commission, it was logistically impossible to meet the April 1, 2005 deadline.
- The resolution was passed at the City's first opportunity to do so, on April 12, 2005.
- The application does enjoy the City's strong support.
- There will, in all likelihood, not be another opportunity for this property to receive Housing Tax Credits, for the reasons described above.

Volunteers of Americas Texas, Inc. is currently engaged in the acquisition and renovation of seven other Section 8 properties in Cameron and Hidalgo Counties, in addition to Rio Hondo Village, as part of the liquidation of the GCL Holdings portfolio. We are committed to preserving this housing resource in an area of the state that is underserved and in dire need of affordable housing, and we sincerely hope that we will be able to include Rio Hondo Village in our program.

Appeal for Rio Hondo Village TDHCA Application 05079 May 18, 2005 Page Three

Should you have any questions about our appeal, please contact me at (817) 529-7311 or lfelgar@voatx.org.

Thank you.

Sincerely,

Lee John Felgar

Vice President for Housing and Development

Volunteers of America Texas, Inc.

Executive Director's Response



WWW.TDHCA.STATE.TX.US

RICK PERRY

May 17, 2005

Governor

Lee Felgar

Re:

EDWINA P. CARRINGTON

VOA Texas Rio Hondo Village

1424 Hemphill St.

Executive Director

Ft. Worth, TX 76104

Elizabeth Anderson, Chair

Telephone:

Shadrick Bogany

(817) 529-7311

Telecopier: (817) 529-0502

C. Kent Conine

BOARD MEMBERS

Vidal Gonzalez

Rio Hondo Village, TDHCA #, 05079

Patrick R. Gordon Norberto Salinas

Dear Mr. Felger:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Rio Hondo is a municipality that has 2.290 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

Mr. Felgar May 17, 2005 Page 2 of 2

I understand that this application does have strong support from the City of Rio Hondo and that the city passed a resolution April 12, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Appeal Determination

Because of the reasons above, your appeal is denied. The application will not be reinstated.

Section 49.17(b)(4) of the 2005 QAP states that if you are not satisfied with this response to your appeal, you may appeal directly in writing to the Board of the Texas Department of Housing and Community Affairs. Please note that an appeal filed with the Board must be received by the Board before the seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made. To have an appeal considered by the Board at the May 26 Board meeting, the appeal must be received by Delores Groneck, Board Secretary, no later than May 18.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

Edwina P. Carrington

Executive Director

TRANSMISSION VERIFICATION REPORT

05/17/2005 15:49 TX DEPT OF HOUSING TIME NAME

4750764 TEL

SER.# BR0G4J729978

DATE, TIME FAX NO./NAME DURATION

05/17 15:49 918175290502 00:00:29 ØŽ OK STANDARD ECM.



www.tdhca.state.tx.us

RICK PERRY

Governor

EDWINA P. CARRINGTON

Executive Director

BOARD MEMBERS Elizabeth Anderson, Chair Shadrick Bogany C, Kent Conine

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

May 17, 2005

Lee Felgar

VOA Texas Rio Hondo Village

1424 Hemphili St.

Ft. Worth, TX 76104

Telephone:

(817) 529-7311

Telecopier:

(817) 529-0502

Rio Hondo Village, TDHCA #, 05079 Re:

Dear Mr. Felger:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the



WWW.TDHCA.STATE.TX.US

RICK PERRY

April 29, 2005

Governor

Lee Felgar

Re:

EDWINA P. CARRINGTON Executive Director

VOA Texas Rio Hondo Village

1424 Hemphill St.

BOARD MEMBERS

Ft. Worth, TX 76104

Elizabeth Anderson, Chair **Telephone**:

(817) 529-7311

Shadrick Bogany

Telecopier:

C. Kent Conine Vidal Gonzalez (817) 529-0502

Patrick R. Gordon Norberto Salinas

Rio Hondo Village, TDHCA # 05079

Dear Mr. Felger:

On March 1, 2005, you submitted an application for the above-referenced development. Our staff has completed a review of the eligibility criteria. In our review it was determined that the above-referenced application is located in the City of Rio Hondo.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004. Rio Hondo is a municipality that has 2.290 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

Therefore, please be informed that pursuant to this section of the QAP, the Department has terminated this Application and no further action will be taken on it.

Mr. Felgar April 29, 2005 Page 2 of 2

Please be aware that an Appeals Policy exists for the Housing Tax Credit Program. If you wish to appeal this application termination decision, you must file your appeal with the Department no later than May 6, 2005. The restrictions and requirements relating to the filing of an appeal can be found in §49.17(b) of the 2005 QAP.

If you have any questions, please do not hesitate to contact Jennifer Joyce at 512.475.3995.

Sincerely,

Brooke Boston

Multifamily Finance Production Division Director

VOA TEXAS RIO HONDO VILLAGE, L.P.

c/o Volunteers of America Texas, Inc. 1424 Hemphill Street Fort Worth, TX 76104

May 4, 2005

Ms. Edwina Carrington
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78701

Via Fax to (512) 475-0764 and FedEx tracking #850078991459

Re:

Rio Hondo Village TDHCA #05079

Dear Ms. Carrington:

By this letter, VOA Texas Rio Hondo Village, L.P. (the "Applicant"), appeals the termination of the Applicant's 2005 Housing Tax Credit Application. As stated in a letter from Brooke Boston dated April 29, 2005, the information required under §49.5(a) (7) of the 2005 Qualified Allocation Plan was not submitted by the April 1, 2005 deadline. The Applicant does not deny that this is the case, but offers the following facts by way of explanation.

The City of Rio Hondo is a very small city in a rural area (the city's population is approximately 1,900 as of the 2000 Census). The City Commission, which would be the governing body that needed to approve the resolution, does not meet every month. By the time we were aware that the application would be moving forward and were in a position to request that the City Commission take action on the resolution, the next City Commission meeting was April 12th. Thus, it was logistically impossible to have the resolution passed by April 1st. The City of Rio Hondo is in dire need of affordable housing and strongly supports the rehabilitation of Rio Hondo Village. In fact, the resolution was passed at the April 12th meeting and a copy (Exhibit 1) is enclosed for your reference.

Additionally, we would point out that this may be the only opportunity for Rio Hondo Village to receive Housing Tax Credits. HUD has proposed that Rio Hondo Village enter the Mark-to-Market program in late 2005 or early 2006. In all likelihood, if that were to occur, the owner would be required to sign a new 20-year HAP contract, making the property ineligible for the At-Risk set-aside in the future. Furthermore, since Rio Hondo Village is an older development which is not as rich in amenities as new construction, it is unlikely to receive an award of Housing Tax Credits absent being able to compete in the At-Risk set-aside.

For the reasons set forth in this letter, we respectfully request that the decision to terminate the application be reconsidered. Should you have any questions about our appeal, please contact me at (817) 529-7311 or lfelgar@voatx.org. Thank you.

Sincerely,

Lee John Felgar

Vice President for Housing and Development

Volunteers of America Texas, Inc.

Exhibit

CITY OF RIO HONDO, TEXAS RESOLUTION NUMBER 2005-D IN SUPPORT FOR THE VOLUNTEERS OF AMERICA TEXAS, INC.

WHEREAS, the Rio Hondo Village is an existing apartment complex located in the City of Rio Hondo. Texas at 1301 South Reynolds; and

WHEREAS, Volunteers of American Texas, Inc., is a nonprofit organization, which has applied for Housing Tax Credits from the Texas Department of Housing and Community Affairs in order to purchase and renovate the Rio Hondo Village Apartment Complex; and

WHEREAS, under Section 49.5(a)(7) of the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules, without the passage of this resolution, the development would be ineligible for tax credits because the City of Rio Hondo has more than twice the state average of units per capita supported by Housing Tax Credits; and

WHEREAS, the renovation of Rio Hondo Village will be of benefit to the residents of the property and to the City of Rio Hondo; and

WHEREAS, the City Commission therefore desires to allow the Housing Tax Credit application for Rio Hondo Village to proceed.

NOW, THEREFORE, BE IT RESOLVED THAT: the City Commission of the City of Rio Hondo supports the renovation of the Rio Hondo Village; the City Commission of the City of Rio Hondo authorizes the allocation of Housing Tax Credits for Rio Hondo Village, TDHCA application #05079; and A copy of this Resolution shall be delivered to the Texas Department of Housing and Community affairs, Attn: Jennifer Joyce, P. O. Box 13941, Austin, Texas 78711-3941, as soon as possible.

PASSED AND APPROVED THIS 12TH DAY OF APRIL 2005.

ATTEST:

ose L. Lopez, City Secretary

CITY OF RIO HONDO, TEXAS

Sautiago A. Saldana Tr., Mayor

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Los Milagros Apartments, LP, #05091

On April 1, 2005, the Department received a letter from the Centerpoint Resident Council requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under §2306.6710 Texas Government Code, are described in §49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

In our review the letter was found to meet all of the QAP requirements and was scored a zero. Note that scores will range from a maximum of +24 for the strongest position of support to +12 for the neutral position to 0 for the strongest position of opposition. The applicant is appealing the eligibility of the letter based on their allegation that since the organization is a resident council it can not have boundaries that go beyond the existing site where the residents reside. However, the QAP only required that the organization have boundaries, that they state what those boundaries are and that a map be provided showing the development location within those boundaries; all of these requirements were met. The QAP does not limit what are and are not acceptable boundaries for each organization to establish.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Los Milagros Apartments, LP

Site Location: 3600 Block of East Mile 8 North Road

City/County: Weslaco / Hidalgo County

Regional Allocation Category: Urban/Exurban

Set-Aside: None
Population Served: Family
Region: 11

Type of Development: New Construction

Units: 128

Credits Requested: \$1,135,993

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the adjustment of the points.

Board Appeal

LOS MILAGROS APAR 'MENTS 17336 W. LITTLE YOR ROAD HOUSTON, TEXAS ' 7084 PHONE (281) 550-7 11 FAX (281) 550-194 |

May 16, 2005

Ms Edwinna Carrington **Executive Director** Texas Department of Housing and Community A lairs 507 Sabine Street, Suite 400 Austin, Texas 78701

Re: 2005 HTC Application for Los Milagros Apa tments TDHCA Number 05091

Dear Ms. Carrington

In accordance with Section 49.17(b) of the 2005 (nalified Allocation Plan, I would like to appeal the reduction of 12 t ints under Quantifiable Community Participation on the above references application. I researched the QCP letters that were submitted prior to Ap 11, 2005 and found that there was only one letter submitted in support or opposition to this development and it was submitted from the Center oint Resident Council. It is my contention that a letter from this organiz ion cannot be scored in support or opposition of this application beca se it doesn't meet the requirements of Section 49.9(g)(2)(A)(iii) of the IAP which addresses the boundaries of the neighborhood association. R sident Councils are site specific and they have no jurisdiction outside the bundaries of the property as the rules state the resident must reside at the property. For a letter to be considered for scoring in accordance with Secti n 49.9(g)(2)(A)(iii), the property must be within the boundaries of the neig borhood association and Los Milagros is clearly not within the bound ries of the Centerpoint Resident Council. Also your letter dated April 27, 2005 indicates that

TDHCA #05028 is ineligible for purposes of the scoring item (see attached letter).

I would appreciate you investigating this issue and restoring the 12 points that I feel that we are eligible for a neutral letter.

Thank you,

P. Rowan Smith Jr.

2815501930

TEXAS REGIONAL ASSIT MANAGEMENT

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CENTERPOINT RESIDENT COUNCIL 3718 DIAMOND WESLACO, TEXAS 78596

RECEIVED

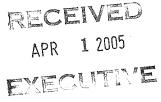
APR 1 2005

LIHTC

March 28, 2005

Ms. Edwina Carrington
Executive Director
Attention: Neighborhood Input
Texas Department of Housing and Community Affairs
P.O. Box 13941 (MC332-10)
Austin, Texas 78711-3941

Re: Quantifiable Community Participation TDHCA No. 05091 Los Milagros Apartments 3600 Block of East Mile 8 North Road Weslaco, Texas 78596



As President of the Centerpoint Resident Association (Neighborhood Organization), I am writing to provide the organization's **opposition** for the above referenced development, Los Milagros Apartments, which is to be located at 3600 Block of East Mile 8 North Road, Weslaco Texas. Centerpoint Resident Association is a qualified Neighborhood Organization as further described below.

The boundaries of this Neighborhood Organization are: Eastern Boundary – Los Arcos Circle; Northern Boundary – North Airport Drive; Western Boundary – E. Expressway 83; and the Southern Boundary – Mile 2 1/2 Road W in the City of Weslaco, Texas. These boundaries include Centerpoint where we reside and the property covered by TDHCA Application No. 05091 for Los Milagros Apartments as is shown on an additional map included. Enclosed is a site map with the geographic boundaries for the organization and the proposed development site clearly marked within those boundaries.

This Neighborhood Organization is on record as of March 1, 2005, with Hidalgo County, in which the development is located (See enclosed letter to the County stamped by the County in verification of on record status.).

This Neighborhood Organization is an organization of persons living in Centerpoint and has a primary purpose of working to maintain and improve the general welfare of the surrounding neighborhood and the well being of its members.

The Neighborhood Organization currently has 58 families residing at Centerpoint that are members. The organization **opposes** the proposed Los Milagros as evidenced by the enclosed petition signed by Centerpoint families.

The organization was not formed by any applicant, developer or any employee or agent of any applicant in the 2005 Housing Tax Credit application round, nor has the organization or any member of the organization accepted money or a gift to cause the organization to take it's position of support or opposition to this development.

The organization **opposes** TDHCA Application No. 05091 for Los Milagros Apartments for the following reasons:

- 1. There already exists at the location proposed for Los Milagros Apartments the 50-unit Centerpoint Apartments and 128 unit LIHTC La Estancia Apartments. Additionally, the proposed Los Milagros Apartments will be located within 1/4 mile from the La Herencia Apartments, a 160 unit LIHTC property. If approved, the project would increase the total number of units at that location to 466 units, resulting in an over-concentration of Low Income Renters at one geographic location.
- 2. We feel that by placing a high concentration of Low Income units in one location, the crime rate will increase in our neighborhood.
- 3. We would much rather see Low Income Housing geographically distributed more evenly throughout the city of Weslaco.
- 4. We support the position taken by the Weslaco City Council in its meeting dated March 1, 2005 whereby they approved a Resolution to encourage revitalization of existing housing and denied a Resolution to support the Los Milagros Apartments. (A copy of the Minutes from that meeting are attached.)

Please consider our **opposition** to the proposed Los Milagros Apartments while considering your allocation of Low Income Housing Tax Credits. We appreciate the opportunity to voice our concerns and **opposition**.

Sincerely,

Sylvia Burciaga

President

3718 Diamond

Weslaco, Texas 78596

Sylvia & Bur aage

Phone (956) 463-1444

Fax (956) 969-8718

Attachments: Petition signed by residents/members

Boundary map of Centerpoint Residents Associations

Site map labeling the relation of LIHTC projects

Letter to County

CENTERPOINT RESIDENT COUNCIL 3718 DIAMOND WESLACO, TEXAS 78596

WHEREAS, we the residents of Centerpoint, a 50-unit development for low income families located at Mile 8 ½ North and FM Road1015 in the City of Weslaco, Texas, have been informed of Application No. 05091 to the Texas Department of Housing and Community Affairs (TDHCA) for an allocation of 2005 Low Income Housing Tax Credits (LIHTC) for Los Milagros Apartments to be located at 3600 Block of East Mile 8 North Road in the City of Weslaco, and

WHEREAS, we have been informed that Los Milagros Apartments will include 128 units for low income renters using the allocation of LIHTC under TDHCA Application No. 05091, and

WHEREAS, the proposed 128-unit Los Milagros Apartments is proposed at a site located across the street from Centerpoint, and

WHEREAS, the proposed Los Milagros apartments is adjacent to La Estancia Apartments, a 128 unit LIHTC apartment complex for low income renters, and

WHEREAS, La Herencia is a 160 unit LIHTC apartment complex located at 100 La Herencia Drive in the City of Mercedes and is about ¼ mile from Centerpoint, La Estancia Apartments, and the proposed Los Milagros Apartments. Please see enclosed map, which identifies each complex and their geographic relations.

NOW THEREFORE, WE THE RESIDENTS OF CENTERPOINT:

- 1. **Oppose** TDHCA Application No. 05091 for an allocation of LIHTC for Los Milagros Apartments in Weslaco, Texas, because it will result in an undue concentration of housing for low income renters and negates a wider choice of housing opportunities for low income renters.
- 2. Authorize the President of the Centerpoint Resident Association to submit a letter of opposition to TDHCA Application No. 05091.
- 3. Urge the TDHCA to **not make** an allocation of LIHTC for TDHCA Application No. 05091 for Los Milagros Apartments, Weslaco, Texas.

UNIT #	ADDRESS	NAME	SIGNATURE
35	3718 Diamond Blod Walgo	Salval Burciaga	Sylvia & Buraca
	3521 Diamond Blodwin	Delta & Folia Carlotte	Dille Jym Hay Still

	3605 Richard Blyd	Pedro Medrano	Pel melin
	3517 Dimond St	MAMINA Alutricle	
	2209 N. Ceral Aug	Nuita Alvarez	
	13721 poul 1.	Towns of the	Ohnfall loane
	1202 Kuby Drive	Con Warde Dan of	Janela Calal
	1106 Buby Lane	San Juanita Umirgis	A songern Action in
	1010 Planil and	Maura H Gonzalez Corna Abrego	Inguera H GGHTHIEZ
	914 Ruh Phre	IRMA Salas (low)	+ porthagupregn
	37/4/2 B/Vd.		Juma falls Cont
	3706-2140	JoseLvis Ramilet	Xandery
	36/8 Bian and Bloom	Juan Martines	
	3602 Danval Blud	Maricy B sema	maria B soma
	3422 Damond Blvd.	Modas to Virela	Malesto Risade
	3410 Diamond Blud	Cassandra Williams	Chillian
	3406 Diamond Blud.	Childia Son Hingo	Planche Sinterc
	1013 Ruby Avea	Ludivina Villa	Ludius a lla
	1009 Bully AVE	Adela Gonzalos	Affect Vosques
	3518 Diamond Cive		Ciclia Monació
	3 loub Diamend Blud		tache Co
	3717. OPAL DR	Alma N. Moreno	alma n. morno
	DON DUBLIANT	Maricios Garcia	marcy Devery
	917 Rest Are	David Mireri Escamilia, Emilia	Luc Gora
	1009	CSCRMITEL CMITTE	Escamele, Einel
			

WESLACO CITY COMMISSION

REGULAR MEETING

MARCH 1, 2005

On this the 1st day of March, 2005 at 5:00 p.m., the City Commission of the City of Weslaco, Texas convened in Regular Session at the City Commission Chambers, located at 524 South Kansas.

NOTE:

If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the City Commission will convene in such executive or closed session in accordance with 551.001 - .146, Texas Government Code. AGENDA ITEM NO.:

Mayor Sanchez Mayor Pro-Tem Commissioner Commissioner Joe V. Sanchez J.F. "Johnny" Cuellar Isaac D. Rodriguez

nmissioner Oscar Rios

City Manager City Secretary City Attorney

Anthony Covacevich Amanda C. Elizondo

Ramon Vela

Also present: Eloy Alaniz, Planning and Code Enforcement Director; Bernard Rodriguez, Director of Urban Development; Jim Hiebert, Finance Director; J.D. Martinez, Chief of Police; Juan P. Flores, Public Works Director; Pete Garcia, Parks & Recreation Director; Gloria Sepulveda, Purchasing Director and several other staff members and citizens. Commissioner de la Rosa was absent. Mayor Sanchez called the meeting to order, a quorum was established and the following proceedings were held.

Chris Rangel, Associate Pastor from First Baptist Church of Weslaco, gave the invocation and Mayor Sanchez followed with the Pledge of Allegiance. Commissioner Rios proceeded with the Pledge to the Texas Flag.

I. CONSENT AGENDA

NOTICE TO THE PUBLIC

The following items are of a routine or administrative nature. The City Commission has been furnished with background and support material on each item, and/or it had been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by one commission member or a citizen, in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote. Possible action.

A. APPROVAL OF MINUTES

- Regular Meeting of February 15, 2005
- B. Second and final reading of the following ordinances:
 - 1. Ordinance No. 2005-06 amending the Master Fee Schedule Ordinance No. 2004-44, passed and approved September 21, 2004 to amend Section 3, the Master Fee Schedule to include new fees for Fire Prevention, Municipal Court. Fire Department, Administration and the Parks and Recreation Department and ordaining other matters with respect to the subject matter hereof. Possible action.

- Ordinance No. 2005-07 annexing additional territory to the corporate limits of the City of Weslaco, Hidalgo County, Texas on voluntary petition of area land owner such land being a 90.95 acre tract of land, being all of Farm Tract 195 and 196, Block 161 and 10.95 acres of Farm Tract 208, Block 161, West Tract Subdivision, Hidalgo County, Texas. Possible action.
- Ordinance No. 2005-08 annexing additional territory to the corporate limits of the City of Weslaco, Hidalgo County, Texas on consensual petition of area land owner such land being a 29.93 acre tract out of Farm Tract 210, Block 180, West and Adams Subdivision, Weslaco, Hidalgo County, Texas and the right-of-way leading to the 29.93 acre tract. Possible action.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to approve the consent agenda as presented. Motion carried unanimously.

For the record, the following ordinances read as follows:

ORDINANCE NO. 2005-06

AN ORDINANCE AMENDING THE MASTER FEE SCHEDULE ORDINANCE 2004-44, PASSED AND APPROVED SEPTEMBER 21, 2004 TO AMEND SECTION 3, THE MASTER FEE SCHEDULE, TO INCLUDE NEW FEES FOR FIRE PREVENTION, MUNICIPAL COURT, FIRE DEPARTMENT, ADMINISTRATION AND THE PARKS AND RECREATION DEPARTMENT AND ORDAINING OTHER MATTERS WITH RESPECT TO THE SUBJECT MATTER HEREOF.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 15th day of February, 2005.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 1^{st} day of March, 2005.

CITY OF WESLACO /s/ Joe V. Sánchez, MAYOR

ATTEST:

/s/ Amanda C. Elizondo, CITY SECRETARY APPROVED AS TO FORM: /s/ Ramon Vela, CITY ATTORNEY

ORDINANCE NO. 2005-07

AN ORDINANCE ANNEXING ADDITIONAL TERRITORY TO THE CORPORATE LIMITS OF THE CITY OF WESLACO, HIDALGO COUNTY, TEXAS ON VOLUNTARY PETITION OF AREA LAND OWNER SUCH LAND BEING A 90.95 ACRE TRACT OF LAND, BEING ALL OF FARM TRACT 195 AND 196, BLOCK 161 AND 10.95 ACRES OF FARM TRACT 208, BLOCK 161, WEST TRACT SUBDIVISION, HIDALGO COUNTY, TEXAS.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 15^{th} day of February, 2005.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 1^{st} day of March, 2005.

CITY OF WESLACO /s/ Joe V. Sánchez, MAYOR

ATTEST:

/s/ Amanda C. Elizondo, CITY SECRETARY APPROVED AS TO FORM: /s/ Ramon Vela, CITY ATTORNEY

ORDINANCE NO. 2005-08

AN ORDINANCE ANNEXING ADDITIONAL TERRITORY TO THE CORPORATE LIMITS OF THE CITY OF WESLACO, HIDALGO COUNTY,

TEXAS ON CONSENSUAL PETITION OF AREA LAND OWNER SUCH LAND BEING A 29.93 ACRE TRACT OUT OF FARM TRACT 210, BLOCK 180, WEST AND ADAMS SUBDIVISION, WESLACO, HIDALGO COUNTY, TEXAS AND THE RIGHT-OF-WAY LEADING TO THE 29.93 ACRE TRACT.

PASSED AND APPROVED on first reading at a regular meeting of the City Commission this 15th day of February, 2005.

PASSED AND APPROVED on second reading at a regular meeting of the City Commission this 1st day of March, 2005.

CITY OF WESLACO
/s/ Joe V. Sánchez, MAYOR

ATTEST:
/s/ Amanda C. Elizondo, CITY SECRETARY
APPROVED AS TO FORM:
/s/ Ramon Vela, CITY ATTORNEY

II. VISITOR WITH BUSINESS

A. Presentation by Manual Garcia, CPA with Garcia and Pena Certified Public Accountants regarding the Comprehensive Annual Financial Report for the City of Weslaco for fiscal year ended September 30, 2004. Possible action.

Manuel Garcia, with Garcia and Pena Certified Public Accounts, made a presentation of the Comprehensive Annual Financial Report. He mentioned Jim Hiebert, Finance Director would report on the management analysis.

Mr. Hiebert highlighted the management letter and stated the property tax levy for fiscal year 2004 decrease by \$31,000 due to the reduction in the tax rate. He mentioned there were no rate increases during the past fiscal year. Mr. Hiebert stated the net assets of the Sanitation Fund decrease by \$280,000 due to the brush fee increase. He pointed out at the end of the current fiscal year the General Fund had a total fund balance of \$2.5 million. Mr. Hiebert added this represented over 14% of the General Fund expenditures in an annual basis. He indicated the General Fund decreased by \$1.4 million during the fiscal year due to some of the items mentioned at the workshop. Mr. Hiebert stated the City of Weslaco would continue to grow, reduce expenditures and maintain the tax rate.

Mayor Sanchez stated the format of the management letter would be change and the City Manager would discuss it with Mr. Garcia.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to accept the audit as presented. Motion carried unanimously.

B. Presentation by representatives of Texas Department of Transportation on the improvements to F.M. 1015 north of Mile 9 North.

Pedro Alvarez, representative of Texas Department of Transportation, highlighted the Widening Project on F.M. 1015 from Mile 9 to Mile 12 N. He mentioned the project entailed widening F.M. 1015 with an 84 ft. face to face curb and gutter section. Mr. Alvarez stated this would be 100 ft. of right-of-way. He pointed out they had submitted a schematic plan to the Austin Office for their approval and Hidalgo County was assisting them with the acquisition of the right-of-way. Mr. Alvarez stated they had a projected bidding date of August, 2006, the project was expected to be completed in 16 to 18 months and the cost was approximately \$5 million.

Mayor Sanchez requested for the date of the project to be moved up as early as possible. He requested that a traffic light be installed on F.M. 1015 and Mile 10 and that a beacon light be installed in the mean time. Mayor Sanchez stated they would ask the county to acquire the right-of-way as soon as possible.

Mr. Alvarez stated the project was scheduled for fiscal year 2006, depending on how soon the right-of-way was acquired. He added he would check into the signal lights to see if they were necessary.

Commissioner Rios stated that a traffic light on F.M. 1015 was of great necessity.

Mr. Anthony Covacevich, City Manager, asked if Ballard Street was included in the project.

Ramon Navarro, Project Engineer, responded Ballard Street was considered to be an independent project and would be looking into the development first to see if it warranted a signal light.

III. PUBLIC HEARING

A. To discuss and consider a zone change request of Lots 1 and 2, Block 4, B.F. White Subdivision located at 21 East Pike Blvd., Weslaco, Texas from "R-1" One Family Dwelling District to "B-1" Neighborhood Business District and first reading of Ordinance No. 2005-10. Requested by Gloria Garza. Possible action.

Mayor Sanchez announced this item was a public hearing and anyone wishing to speak for or against it could do so after staff's presentation.

Eloy Alaniz, Planning and Code Enforcement Director, stated Gloria Garza, applicant, was requesting to rezone the property located on 218 E. Pike Blvd. for commercial use. He mentioned the public hearing was published on the Monitor Newspaper on February 15, 2005, 23 property owners residing within the 200' radius had been notified on February 17th and only one letter was returned. Mr. Alaniz stated there were no objections and the Planning and Zoning Commission had approved the zone change request on February 16th. He recommended approval of the request.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to close the public hearing. Motion carried unanimously.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to approve the zone change and Ordinance No. 2005-10 on first reading. Motion carried unanimously.

IV. <u>CITY MANAGER'S REPORT</u>

A. Status report on the City's Construction Projects.

Mr. Covacevich highlighted the following construction projects:

 Paso del Norte-Drainage Relocation Project – Bids had been accepted were under the budgeted amount. He mentioned the engineer was reviewing them and would provide a report at a later date.

2) Mile 5 North Sewer Extension-World Birding Center – Project was underway and permission was being obtained from EDA to start it. This was the project that had been abandoned by the previous contractor.

3) Historic City Hall Preservation and Restoration Project – The item was on the agenda for the City Commission to consider.

4) Downtown Street Stre

Downtown Street Streetscape - The project had started on Pike and Texas and was
 Wal-Mart Development/Polls 1 Grant Pike 1

Wal-Mart Development/Ballard St. – An item was on the agenda to acquire the right-of-way, but would continue with the development of Ballard Street to a certain point. Staff was recommending connecting with the street on the north side of Ballard and Diana Streets. The need to widen Ballard Street was necessary for entrance to the new Wal-Mart to improve the traffic circulation.

Mr. Covacevich stated a resolution was on the agenda to start the condemnation procedures on the acquisition of the right-of-way. He mentioned they had tried to work with the owner regarding the value of the property and an appraisal value had been presented to the city to see what the property was worth.

David Lee Hill, Project Manager for the New City Hall Project, gave a brief report and stated the mechanical division was 80% complete which consisted of the air condition and sheet metal. The duct work was 90% complete and some changes had to be implemented. Mr. Hill stated the patch work on the floor had been complete; the framing was at 90% complete. They would start on the roof repairs the next day. They were on schedule and an updated schedule would be delivered in the morning.

Commissioner Rios hoped that the updated schedule would not include a later date than the one they had agreed on. He inquired about the façade work and completion date.

Mr. Covacevich stated the architect was working on the design of the façade and would obtain a date from him the next day.

B. Status report on the City's Curfew Ordinance and siren signal.

Mr. Covacevich referred to the Curfew Ordinance and stated one of the issues was the use of the siren to signal the start of the curfew time. He mentioned this had been done for several years. Mr. Covacevich stated the siren went off at 11:00 p.m. and the neighbors had complained that it was causing problems. He added the siren was not part of the Curfew Ordinance, however, the Police Department was doing a good job in enforcing it. Mr. Covacevich recommended doing away with the siren at 11:00 p.m.

J.D. Martinez, Police Chief, stated they would still enforce the curfew violations. He added they would transfer them to the station; the parents would be called to pick them up; and the juvenile(s) would appear before the judge. Chief Martinez pointed out it was the judge's discretion to set a fine. He stated there was a concern regarding the fine and he would relay this message to the judge.

Ramon Vela, City Attorney, stated the ordinance could be amended to place minimum penalties on the parents.

V. BOARD APPOINTMENTS

A. Housing Authority Board - To accept Mr. Norman Sluis' resignation. Possible action.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to accept the resignation of Norman Sluis.

Mayor Sanchez stated Mr. Sluis had served on the Housing Authority Board for a long time and maybe the Director could send him a nice letter on behalf of the City Commission.

Motion carried unanimously.

B. <u>Board of Adjustments and Appeals to the Building Codes – four members' term expired on February 1, 2005. Possible action.</u>

Mayor Sanchez recommended tabling the item at this time.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to table the board appointments for the Board of Adjustments and Appeals to Building Codes. Motion carried unanimously.

VI. NEW BUSINESS

A. <u>Discussion and consideration to accept the sole proposal for the Historic Weslaco City Hall Restorations and Rehabilitation Project submitted by Rio Valley Construction, Inc., and authorization to commence the contract negotiation phase of the proposal process. Possible action.</u>

Mr. Covacevich recommended placing the contract at the next regular meeting for their consideration and approval.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to approve the item and present the contract at the next meeting. Motion carried unanimously.

B. <u>Discussion and consideration to approve the final plat of Pleasant Meadows Subdivision, being an 8.55 acre tract of land out of Farm Tract 709, West Tract Subdivision, Hidalgo County, Texas located on Mile 3 ½ West Road, South of U.S. Hwy 83. Requested by Sydney Meadows. Possible action.</u>

Mr. Alaniz stated Sydney Meadows, developer, was proposing a 26 lot subdivision inside the city limits. He mentioned the city would service the development with water and sewer. Mr. Alaniz stated the flood zone was B-100 and the elevation was 77 inches. He added a notation had been made on the plat requiring the developer to install covered sidewalks, street signs and lights. Mr. Alaniz stated Lot 1 had been rezoned to a "R-2" on October 5, 2004 and the Planning and Zoning Commission had approved the item on February 6, 2005. He recommended approval.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the final plat as presented. Motion carried unanimously.

C. <u>Discussion and consideration to approve the request from Meridian Alliance Group, L.L.C. to install an additional groundwater monitoring well on City of Weslaco property in the right-of-way directly south of 407 West Sixth Street. Possible action.</u>

Mr. Alaniz stated Meridian Alliance Group, L.L.C. was requesting to install one additional groundwater monitoring well in the right-of-way south of 407 W. Sixth Street. He pointed out the purpose of this request was to obtain soil and groundwater sampling data to complete their assessment activities. Mr. Alaniz stated this request was required by the Texas Commission of Environmental Quality to check for ground water contamination. He recommended approval of the request.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to approve the item as presented. Motion carried unanimously.

D. <u>Discussion and consideration to approve a budget amendment in the amount of \$28,000 in the Water and Sewer Funds to cover the cost of repairs performed by OMI, Inc. Possible action.</u>

Mr. Hiebert stated the budget amendment was to cover the next item for repairs for the prior years. He indicated the budget amendment was for \$28,000 to cover the cost repairs and the contract amount for OMI during the fiscal year.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve the item as presented. Motion carried unanimously.

E. <u>Discussion and consideration to approve payment to OMI, Inc. in the amount of \$48,220.25 for repairs in excess of the estimated repair costs of \$75,000 provided for in the contract between the City of Weslaco and OMI, Inc. Possible action.</u>

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the item as presented.

Mr. Hiebert stated the entire amount due was \$48,000 instead of \$20,000 because of the contract amount for this year and the amount lacking was \$28,000.

Commissioner Rios asked if they approved this item the city would be over the \$75,000 that had been budgeted.

Mr. Hiebert responded yes, and the \$48,000 represented that.

Motion carried unanimously.

F. <u>Discussion and consideration to approve Change Order No. 1 in the amount of \$7,735.00 to install 2 inch conduit for 10,500 feet along the project area. Possible action.</u>

Mr. Covacevich stated this was part of the Sidewalk Project and it was necessary for AEP to install the electrical service to the light poles. He recommended approval of the item.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve the item as presented. Motion carried unanimously.

G. <u>Discussion and consideration to amend the existing Golf Course Contract between the City of Weslaco and Cottonfields LTD and Z&L Enterprise Inc. to provide for an effluent lift station to the South Sewer Plant. Possible action.</u>

Mr. Covacevich stated years ago the city had entered into a contract with Tierra Santa owners to provide effluent water from the South Sewer Treatment Plant to the Golf Course. He mentioned before the water would be flowing by gravity and when the sewer plant was build the receiving lake at the golf course were about the same ground level. Mr. Covacevich stated this item had been discussed with the developer and a resolution to remedy this situation was for the owner to pay \$500 per month until the entire cost of the project was completed. He mentioned the city had agreed to give him the water at no cost.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve the item as presented. Motion carried unanimously.

H. <u>Discussion and consideration to amend the contract with OMI to authorize the construction of an effluent lift station at the South Sewer Treatment Plant in an amount not to exceed \$53,000.00. Possible action.</u>

Mr. Covacevich stated OMI, Inc. had a contract to do the improvements on the water and sewer plants.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rodriguez to approve the contract as presented. Motion carried unanimously.

I. <u>Discussion and consideration to accept an Easement and Right-of-Way Agreement for easements and right-of-way from John L. Lackey to the City of Weslaco for the purposes of installing and maintaining a public road right-of-way and to install and maintain any necessary water, sewer, drainage and other utility lines and authorize the Mayor to execute the agreement. Possible action.</u>

Mr. Covacevich stated this would provide for the necessary right-of-way for the utilities and street right-of-way on the corner of Airport Drive and Railroad Street.

Motion was made Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve the item as presented and authorize the Mayor to execute the agreement. Motion carried unanimously.

J. <u>Discussion and consideration to approve Resolution No. 2005-06 in support of the preservation, rehabilitation and revitalization of housing and industry in all areas located within a state or federally designated Enterprise Zone and within the Census Tract Boundaries #226 and #225.02. Possible action.</u>

Mr. Covacevich recommended approving Resolution No. 2005-06 for development of a housing project.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve Resolution No. 2005-06 as presented. Motion carried unanimously.

For the record, Resolution No. 2005-06 read as follows:

RESOLUTION NO. 2005-06

WHEREAS, the City of Weslaco (the "City") has identified a critical need to revitalize areas of the city that are in despair, particularly those areas located within various census tracts and economic areas as designated by the U.S.

WHEREAS, the City will benefit such revitalization efforts to developers of housing and industry by updating older communities, neighborhoods, and city infrastructure.

WHEREAS, the City agrees to work with any developers of housing and/or industry that select to create new housing, rehabilitate existing housing, commercial property, or retail property located within the designated areas.

WHEREAS, the City has selected the following areas as those with which it would like to see Community

All area within a state or federally designated Enterprise Zone 1)

2) All area located within Census Tract Boundaries #226 and 225.02

THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, TEXAS THAT, the City hereby adopts this resolution effective immediately as it relates to the preservation of, rehabilitation of, and revitalization of housing and industry located in the aforementioned areas, all located within the city limits of

PASSED AND APPROVED by the City Commission of the City of Weslaco this 1st day of March, 2005.

CITY OF WESLACO /s/Joe V. Sánchez, MAYOR

ATTEST: /s/Amanda C. Elizondo, CITY SECRETARY APPROVED AS TO FORM /s/Ramon Vela, CITY ATTORNEY

> Discussion and consideration to approve Ordinance No. 2005-11 amending Ordinance No. 2004-44 to delete the annual inspection fee of \$50.00. First reading of Ordinance No. Ordinance No. 2005-11. Possible action.

Mr. Covacevich stated they had approved an annual fire inspection fee in Exhibit A of the Master Fee Ordinance No. 2004-44. He recommended amending the ordinance to delete the fee to encourage businesses to request the annual inspection of the building.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to approve Ordinance No. 2004-44 on first reading. Motion carried unanimously.

Discussion and consideration to amend Ordinance No. 73-15, Section I, Codified Section 14-12 of the Weslaco Code of Ordinances to delete the follow-up reinspection fee of \$15.00. First reading of Ordinance No. 2005-12. Possible

Mr. Covacevich recommended deleting the re-inspection fee of \$15.00 for food establishments.

Motion was made by Mayor Pro-Tem Cuellar and seconded by Commissioner Rios to approve Ordinance No. 2005-12 on first reading. Motion carried unanimously.

M. Discussion and consideration to approve Resolution No. 2005-07 of the City of Weslaco, Texas, determining a public necessity to acquire certain property; giving notice of an official determination to acquire property for the expansion of Ballard Street; and establishing procedures for the acquisition of said property. Possible

. Mr. Covacevich stated this was the first step in acquiring the right-of-way to expand Ballard Street to Bridge Avenue. He added this would provide a circulation outlet for the Wal-

Motion was made by Commissioner Rios and seconded by Commissioner Rodriguez to approve Resolution No. 2005-07 as presented. Motion carried unanimously.



For the record, Resolution No. 2005-07 read as follows:

RESOLUTION NO. 2005-07

THE STATE OF TEXAS

A RESOLUTION OF THE CITY OF WESLACO, TEXAS, DETERMINING A PUBLIC NECESSITY TO ACQUIRE CERTAIN PROPERTY; GIVING NOTICE OF AN OFFICIAL DETERMINATION TO ACQUIRE PROPERTY

COUNTY OF HIDALGO

FOR THE EXPANSION OF BALLARD STREET; AND ESTABLISHING PROCEDURES FOR THE ACQUISITION

OF SAID PROPERTY.

CITY OF WESLACO

δ

WHEREAS, it is necessary to establish procedures for determining establishment and approval of just compensation for property to be acquired for the expansion of Ballard Street; and

WHEREAS, there may be improvements located on some of the real property acquired for this project and such improvements may be required to be moved prior to the beginning of this project;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WESLACO, HIDALGO COUNTY, TEXAS, THAT:

- The City Commission of the City of Weslaco, hereby officially determines that there is a public necessity for, and the public welfare and convenience will be served by, the acquisition of the property described in the attached Exhibit "A" and it is the City of Weslaco's intention to acquire the real property as set out and described in Exhibit "A" attached hereto and made a part of this Resolution for all purposes as part of the Ballard Street expansion project on said street;
- That the City Manager is hereby authorized to contract, on behalf of the City of Weslaco, with professional appraisers for appraisal services and with attorneys for preparation of title opinions needed by the City from time to time in connection with acquisition of the right-of-way for the Ballard Street Project for the expansion of said street;
- That the City Attorney, or other staff, is hereby authorized and directed to examine the independent appraisal reports as they are submitted to determine whether said appraisal reports are supported by sufficient data. Based upon such examination of said appraisal reports, the City Attorney, or other City staff, shall make a recommendation to the City Manager as to establishment and approval of the amount of the just compensation for said property.
- After consideration of said recommendation, the City Manager shall establish and approve the amount determined to be just compensation for acquisition of the parcel.
- Upon establishment and approval by the City Manager of the amount of just compensation for the acquisition, the City Attorney is authorized to communicate a written offer to the owner of said parcel for the acquisition of said property at the full amount determined and established to be just compensation therefore, and to negotiate with said owner on behalf of the City.
- That the City Manager be and is hereby authorized to execute all documents necessary to acquire properties of right-of-way needed for said project, on behalf of the City of Weslaco.
 - That this Resolution shall take effect immediately from and after its passage.

IN TESTIMONY WHEREOF, witness our hands on this 1st day of March, 2005.

CITY OF WESLACO /s/Joe V. Sánchez, MAYOR

ATTEST: /s/Amanda C. Elizondo, CITY SECRETARY APPROVED AS TO FORM: /s/Ramon Vela, CITY ATTORNEY



Discussion and consideration to approve Resolution No. 2005-08 to support of the construction of Los Milagros Apartments located on Mile 8 North, east of F.M. 1015. Possible action.

Mr. Covacevich stated this was the 2nd phase of Estancia Apartments, a low income tax credit project in the amount of \$8½ million. He recommended approval of Resolution No. 2005-08 to bring housing to Weslaco.

Commissioner Rios asked if the Weslaco Housing Authority and Los Milagros Apartments were competing against each other. He pointed out that housing was a great necessity, but they needed to protect the Weslaco Housing Authority.

Ruben Sepulveda, Executive Director for the Weslaco Housing Authority, stated they were in competition with the Milagros Apartments development. He indicated these apartments were different from La Estancia and a different tax credit. Mr. Sepulveda stated they welcome any development, but if this Los Milagros Apartments developed the fair housing laws would prohibit the Weslaco Housing Authority to continue developing Centerpoint Subdivision consisting of 36 lots. He mentioned these units would contribute to the city tax base. Mr. Sepulveda stated they would like to rehabilitate the Sevilla Apartments and planned to construct 20 units.

Mr. Covacevich stated this project had been in the mill for two years and this is something that the city has supported in the past.

Commissioner Rios stated he agreed, but did not know it was in competition with the Weslaco Housing Authority.

Mr. Covacevich stated they were competing State wide and by points.

Mr. Sepulveda mentioned the Weslaco Housing Authority depended on the funding from HUD and there had been some federal cuts in the housing development.

Commissioner Rios asked if both projects could be funded.

Apolonio Flores who had been Executive Director of the San Antonio Housing Authority stated he was working with the Housing Authority. He mentioned the competition was local not state wide and not all tax credits would be received. Mr. Flores stated next year they would be building some low income public housing and would be adding more on a two year phase.

Commissioner Rios stated he was in favor of housing, but was not prepared to take a stand as to fund both agencies. He mentioned they needed to protect their assets because he did not want to jeopardize the funding for the Weslaco Housing Authority.

Motion was made by Commissioner Rios and seconded by Commissioner Rodriguez to deny Resolution No. 2005-08 for the Los Milagros Development. Motion carried unanimously.

O. <u>Discussion and consideration to amend the Urban County Annual Work Plan for Year 18 (2005) and authorize staff to submit the Work plan to Hidalgo County Urban County Program. Possible action.</u>

Mr. Covacevich stated the city had approved an amount for street improvements and the county had requested not to pursue the bond issue and use the funds for streets. He recommended approval of the work plan.

Motion was made by Commissioner Rodriguez and seconded by Commissioner Rios to approve the item as presented. Motion carried unanimously.

P. <u>Discussion and consideration of waiving or reducing the charge for public information as authorized under Section 52.267 of The Texas Public Information Act. Possible action.</u>

Mr. Vela stated there was a provision in the act that states the governmental body was the only one that could reduce fees charged for public information. He mentioned they could waive the fee or reduce only if it was a benefit to the public. Mr. Vela stated it was the City Commission's decision to waive the fees to certain entities and this was an issue they have not address before.

Motion was made by Commissioner Rios and seconded by Mayor Pro-Tem Cuellar to deny the request because they would be setting a precedent.



Mr. Covacevich recommended denying the request.

Motion carried as follows: For: Mayor Sanchez, Mayor Pro-Tem Cuellar and Commissioner Rios. Against: Commissioner Rodriguez.

VII. EXECUTIVE SESSION

At 6:21 p.m., Tuesday, March 1, 2005, Mayor Sanchez announced the City Commission would convene in executive session to discuss the following item and recessed the regular meeting.

At 6:55 p.m., Tuesday, March 1, 2005, Mayor Sanchez announced the City Commission had completed its executive session and declared the regular meeting opened to the public.

A. <u>Discussion and consideration of an incentive offer by the Economic Development Corporation of Weslaco an out of state plastics molding company to relocate and expand their business in Weslaco. Possible action of what is discussed in executive session.</u>

Mayor Sanchez announced no action was required at this time.

There being no further business to discuss, Mayor Sanchez adjourned the meeting at 6:56

p.m.

CITY OF WESLAGO

WAYOR Joe V. Sanchez

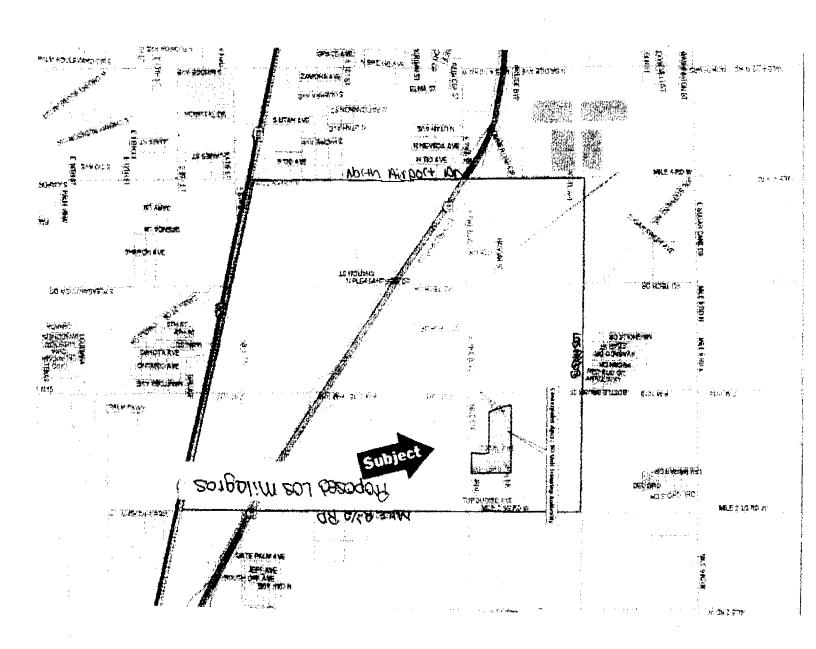
ATTEST:

CITY SECRETARY, Amanda C. Elizondo

MAYOR PRO-TEM, J. F. "Johnny" Cuellar

COMMISSIONER, Isaac D. Rodriguez

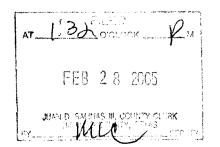
COMMISSIONER, Oscar Rios



CENTERPOINT RESIDENT COUNCIL 3718 DIAMOND BOULEVARD WESLACO, TEXAS 78596

February 26, 2005

Mr. J.D. Salinas Hidalgo County Clerk Hidalgo County Courthouse 100 North Closner Edinburg, Texas 78539



RE: Registration of Neighborhood Organization

aid Morav

Dear Mr. Salinas:

The Centerpoint Resident Council hereby requests that our neighborhood organization be registered in Hidalgo County. Please register the Centerpoint Resident Council by file stamping this request letter.

Thank you.

Sincerely,

David Morari, Sr. Vice-President

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Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

April 26, 2005

Sylvia Burciaga Centerpoint Resident Council 3718 Diamond Weslaco, TX 78596

Organization Fax: (956) 969-8718 Organization Email:

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation Los Milagros Apartments, # 05091

Dear Sylvia Burciaga:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the requirements required by the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Your letter has satisfied all of the eligibility criteria for being scored for Quantifiable Community Participation. Consistent with Section 49.9(g)(2), your letter has been assigned the score noted below. Please note that scores will range from a maximum of +24 for the strongest position of support to +12 for the neutral position to 0 for the strongest position of opposition.

Score for Your QCP Letter: 0

Thank you again for your active involvement in our application process. If you have any questions please do not hesitate to call me at 512.475.3296.

Sincerely,

Brooke Boston

Brooke Boston

Director of Multifamily Finance Production

TRANSMISSION VERIFICATION REPORT

TIME

04/26/2005 15:17 TX_DEPT OF HOUSING

NAME FAX

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TEL SER.#

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DATE, TIME FAX NO./NAME DURATION

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Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Quantifiable Community Participation

April 26, 2005

Sylvia Burciaga Centerpoint Resident Council 3718 Diamond Weslaco, TX 78596

Organization Fax: (956) 969-8718

Organization Email:

Re: Letter from your Neighborhood Organization for Quantifiable Community Participation Los Milagros Apartments, #05091

Dear Sylvia Burciaga:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the requirements required by the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Your letter has satisfied all of the eligibility criteria for being scored for Quantifiable Community Participation. Consistent with Section 49.9(g)(2), your letter has been assigned the score noted below. Please note that scores will range from a maximum of +24 for the strongest position of support to +12 for the neutral position to 0 for the strongest position of opposition.

Score for Your QCP Letter:





April 27, 2005

RICK PERSY *Governot*

Sylvia Burciaga President

EDWINA P. CARRIAGTON Executive Director

Centerpoint Resident Council

3718 Diamond Weslaco, Texas 78596

BOARD MEMBERS

Elizabeth Anderson, Chair Also sent Via Fax: 956-969-8718

Shadrick Bogan C. Kent Conine Vidai Gonzalez Patrick R. Gordon Norberto Salina

Quantificible Community Participation

Sevilla Apartments, # 05028 ("the application")

Dear Ms. Burciaga:

I am writing regarding the letter you submitte I for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you sub-littled and compared it to the minimum requirements for the letter to be eligible Allocation Plan and Rules (QAP) that govern the year. Unfortunately, we have determined that considered for points. §49.9(g)(2) of the QAP s based on written statements of support or a position from neighborhood organizations on record with the state or county be located and whose boundaries contain the proposed Development site," Your letter does not state that the propose organization's boundaries and your map confirm. It the development parcel is not within the boundaries of your organization. I prefore, your letter is ineligible for purposes of this scoring item.

Please be assured that the Department values I public input and while the Department will be unable to assign points to you letter the Department will still record your input in the Application's file an Department with a summary of your comme t for their information and consideration.

s required under the Qualified busing Tax Credit Program this your letter is ineligible to be tes: "Points will be awarded which the Development is to

application is within your

provide the Board of the

P. 003

April 27, 2005 Page 2 of 2

Thank you again for your active involvement it our application process. If you have any questions, please do not hesitate to cc. tact me at 512,475, 3296.

Sincerely,

Brooke Boston

Director of Multifamily Finance Production



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application yele 器 Final Scoring Notice

Los Milagros Apartments L.P.

Rowan Smith

17336 W. Little York Rd.

Houston, TX 77084

Phone #:

(281) 550-7077

Fax #:

(281) 550-1941

I IS NOTICE WILL ONLY BE NSMITTED VIA FACSIMILE

Date Issued: 05/13/05

RE:

2005 HTC Application for Los Milagros Apartments

TDCHA Number: 05091

Attention: Rowan Smith

The Texas Department of Housing and Community Affairs (the Department has completed its Eligibility and Selection Criteria Review of the above-referenced application as further de ribed in Section 49.9(d)(2) of the 2005 Qualifical Allocation Plan and Rules (QAP). Below, a summary is pre-ided of the set-asides that the application qualifies under. Beneath that is the score requested, as calculated by the Applicant, followed by the score requested as calculated by the Department. The two numbers differ in the Applicant's calculation was incorrect. The next score shown is the score awarded to the application by difference between the score requested (as calculated by the Department) a I the score awarded. An explanation of the reason(s) for any differences, including points denied, is rovided at the top of the second page of this addice. The next scoring items show the number of points awa for which points could not be requested by the applicant: Quantifiable Con unity Participation from neighborhood organizations, letters of support or opposition from state representatives and letters of support or opposition from state senators. This is followed, in bold, by the final cumul ive number of points awarded by the Department to the above-referenced Application. To the extent that a tleshold review is not yet completed for this application, pursuant Section 49.9(d)(3), the final score may still change, in which case you will be notified.

Please note that if you were awarded points under Section 49.9(g)(5)(A) an or (B), this notice only provides an explanation of any point deductions for that item. A separate notice will e issued to all applicants who received points under this section that will detail which evidence qualified ; the score under this section and which evidence did not.

e Department, followed by the ed for each of the three categories

Allocation	Urban/Exurban	Sct Asides:	□ USDA	Non Profit	☐ At Risk
Score Reque	sted by Applicant:			144	
Score Reque	ested as Calculated by De	partment:		144	
Score Awar	ied by Department:			144	━,
Difference b	ctween Requested and A	warded:		0	╡
Points Awar	ded for Quantifiable Con	munity Participat	ion:		=
Points Awar	ded for Input from State :	Senator:		7	=
Points Awar	ded for Input from State I	Representative:		7	=
	Awarded to Application		:	158	<u></u>



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application yele 器 Final Scoring Notice

Page 2 of Final Scoring Notice: 05091, Los Milagros Apartment

Explanation for Adjustments to Points Requested (if any):

A formal Appeals Policy exists for the HTC Program. If you wish to appea his scoring notice (including setaside eligibility), you must file your appeal with the Department no later the 15:00 p.m., Friday, May 20, 2005. If an appeal is denied by the Executive Director, an applicant may a real to the Board. THE DEPARTMENT STRONGLY SUGGESTS that you submit your appeal to the Executive Director no later than Tuesday, May 17 by 5:00 p.m. in order to allow any denied appeals to e added to the May 26, 2005 Board agendal The restrictions and requirements relating to the Appeals Pc by can be found in Section 49.17(b) of the 2005 QAP.

In an effort to ensure that all Board appeals related to scoring and set-aside are heard at the May 26 meeting, the Department has provided the following form for all appeals submitted t the Executive Director. In the event an appeal is denied by the Executive Director the form requests that to applicant automatically be added to the Board agenda. Note that the completion of the form will add the appleant to the agenda, but that an actual appeal to the Board must be received by the Department by 5:00 p.m. Fuesday, May 17, 2005. All appeals should be submitted to the attention of Jennifer Joyce.

A posting of all completed application scores and priority status will be man on the Department's web site at www.tdhca.state.tx.us by Friday, May 20 at 5:00 p.m. A list of those develonents being recommended at the June 27 Board meeting will also be available on the web site on or before Jule 20, 2005. If you have any concerns regarding potential miscalculations or errors made by the Departm 11, please contact Jennifer Joyce by facsimile (5\12.475.0764 or 512.475.1895) or email to jennifer joyce@td a.state.tx.us. Note that Ms. Joyce will not be responding to any comments prior to Monday, May 23, 20 5.

Sincerely.

Brooke Boston

Brooke Boston

Director, Multil Family Finance Production Division

TEXAS REGIONAL ASSE! MANAGEMENT

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17336 W. LITTLE YORK ROAD • HOU: FON, TEXAS 77084E PHONE: 281.550.7077 • FAX: : 1.855.6488

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TX DEPT OF HOUSING

PAGE



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application C' :le Final Scoring Notice

Los Milagros Apartments L.P.

Date Issued: 05/13/05

Rowan Smith

17336 W. Little York Rd.

Houston, TX 17084

Phone #:

(281) 550-7077

Fax #:

(281) 550-1941

TE SNOTICE WILL ONLY BE TR. ISMITTED VIA FACSIMILE

RE.

2004 HTC Application for Los Milagros Apartments

TDCHA Number: 05091

Attention: Rewan Smith

The Texas Department of Housing and Community Affairs (the Department Selection Criteria Review of the above-referenced application as further de 2005 Qualifica Allocation Plan and Rules (QAP). Below, a summary is pro application qualifies under. Beneath that is the score requested, as calcula score requested as calculated by the Department. The two numbers differ i incorrect. The next score shown is the score awarded to the application by difference between the score requested (as calculated by the Department): explanation of the reason(s) for any differences, including points denied, i page of this notice. The next scoring items show the number of points aw. for which points could not be requested by the applicant: Quantifiable Cor neighborhood organizations, letters of support or opposition from state rep opposition from state senators. This is followed, in bold, by the final cum the Department to the above-referenced Application. To the extent that a for this applipation, pursuant Section 49.9(d)(3), the final score may still (notified.

Please note that if you were awarded points under Section 49.9(g)(5)(A) (d/ or (B), this notice only provides an explanation of any point deductions for that item. A separate notice w , be issued to all applicants who received points under this section that will detail which evidence qualifie for the score under this section and which evidence did not.

has completed its Eligibility and ribed in Section 49.9(d)(2) of the ided of the set-asides that the d by the Applicant, followed by the he Applicant's calculation was te Department, followed by the d the score awarded. An provided at the top of the second ded for each of the three categories nunity Participation from esentatives and letters of support or ative number of points awarded by reshold review is not yet completed ange, in which case you will be

Alloc	tion Urban/Exurban Sct Asides:	□ USD#	Non Profit	☐ At Risk
- 1	Requested by Applicant:	•	14	<u>‡</u>
Score	Requested as Calculated by Department:		14	4
			14	4
Score	Awarded by Department:		Ō	
Diffe	rence between Requested and Awarded:			=
	s Awarded for Quantifiable Community Partici	ibarion:		
	s Awarded for Input from State Senator:		<u> /</u>	_
Poin	s Awarded for Input from State Representative	11		
Fins	Score Awarded to Application by Departm	ent:	15	8

TEXAS REGIONAL ASSIT MANAGEMENT

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=	FACSIMILE TRANSMITT.	. SHEET
	EXOMBER PROME	Source Smith
·	DMPANY: TOTAL NO TONE NUMBER:	OF PAGES INCLUDING COVER:
	10-4-5-0764 SENDERS	FERENCE MIMBERI
	DHCH#05091 YOUR REF	ence nilmber
	urgent	LEASE REPLY DPLEASE RECYCLE
N	TES/COMMENTS:	

TX DEPT (HOUSING

PAGE 03/03



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application (/cle are toward arrans Final Scoting Notice

Appeal Election Form: 05091, Los Milagros Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to . • Executive Director before May 20, 2005, although the Department recommends submission by May 17, 20 5, for processing (attached). If my appeal is denied by the Executive Director, I:

Dowish to appeal to the Board of Directors and request that my oplication be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand nat my Board appeal dodumentation must still be submitted by 5:00 p.m. Tuesday, M: 17 to be placed on the May 26 Board book (although Board appeal documentation received by iday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documer ation is submitted, the appeal documention to the Executive Director will be utilized.

1	Do not wish to appeal to the Board of Directors.
	Signed Louken must
	Title _ 6.P. mandel
	F = 16.07

lease fax or email to the attention of Jennifer Joyce: 12.475.0764 or 512.475.1895

mail) jennifer.joyce@tdhca.state.tx.us

NOT BEEN EXPOSED By A NETCHBORIEND ORGANIZATION Whots Boundary McLubes Inis Project. Therefore we should receive the 12 points.



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application (role AND COMMUNITY APPAIRS Final Scoring Notice

Los Milagros Apartments L.P.

Rowan Smith

17336 W. Little York Rd.

Houston, TX 77084

Phone #:

(481) 550-7077

Fax #:

RE:

(381) 550-1941

2004 HTC Application for Los Milagros Apartments

TDCHA Number: 05091

Attention: Rowan Smith

The Texas Department of Housing and Community Affairs (the Department Selection Critéria Review of the above-referenced application as further de 2005 Qualified Allocation Plan and Rules (QAP). Below, a summary is proapplication qualifies under. Beneath that is the score requested, as calculat score requested as calculated by the Department. The two numbers differ if incorrect. The next score shown is the score awarded to the application by t difference between the score requested (as calculated by the Department) a explanation offthe reason(s) for any differences, including points denied, is page of this notice. The next scoring items show the number of points awa for which points could not be requested by the applicant: Quantifiable Conneighborhood brganizations, letters of support or opposition from state repr opposition from state senators. This is followed, in bold, by the final cumul the Department to the above-referenced Application. To the extent that a tl for this application, pursuant Section 49.9(d)(3), the final score may still change, in which case you will be notified.

Please note that if you were awarded points under Section 49.9(g)(5)(A) an an explanation of any point deductions for that item. A separate notice will be issued to all applicants who received pointly under this section that will detail which evidence qualified - r the score under this section and which evidence did not.

has completed its Eligibility and ribed in Section 49.9(d)(2) of the ded of the set-asides that the by the Applicant, followed by the ne Applicant's calculation was Department, followed by the I the score awarded. An rovided at the top of the second ed for each of the three categories unity Participation from entatives and letters of support or ive number of points awarded by shold review is not yet completed.

Date Issued: 05/13/05

TI 5 NOTICE WILL ONLY BE

NSMITTED VIA FACSIMILE

or (B), this notice only provides

Allocation Urban/Exurban	Set Asides:	\Box USDA	Non Profit	☐ At Risk
Score Requested by Applicant:			144	4
Score Requested as Calculated by	y Department:		14	4
Score Awarded by Department:			144	4
Difference between Requested ar	nd Awarded:		0	
Points Awarded for Quantifiable	Community Participa	ition:	0	
Points Awarded for Input from S	tate Senator:		7	
Points Awarded for Input from S	tate Representative:		7	
Final Store Awarded to Applic	ation by Departmen	t:	15:	8

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Vista Verde I & II Apartments, #05118

This Applicant is appealing the Department's determination that the application does not qualify for points under §49.9(g)(5)(B) of the QAP, the Commitment of Development Funding by Local Political Subdivisions. In order to qualify for these points, evidence is required that the proposed Development will receive development-based Housing Choice, rental assistance vouchers, or rental assistance subsidy approved by the Annual Contributions Contract (ACC) between a public housing authority and HUD, all being from a local political subdivision for a minimum of five years.

The Evidence provided in the Application was in the form of a HAP contract from the Department of Housing and Urban Development (HUD), which is not a local political subdivision (it is a federal, not local, agency). In addition to the QAP clearly referring to the source being local this was mentioned in the 2005 Application Workshops.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

810/910 North Frio Street, LP

Site Location:

810 & 910 North Frio

City/County:

San Antonio / Bexar County

Regional Allocation Category:

Urban/Exurban

Set-Aside:

At-Risk/Preservation/Non-Profit

Population Served:

Family

Region:

Q

Type of Development:

Acquisition/Rehab

Units:

190

Credits Requested:

\$1,126,771

Staff Recommendation:

The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

points being reinstated.

BOARD Appeal Included in original ED Appeal

P01

LUCAS & ASSOCIATES → 15124750764

LUCAS & ASSOCIATES, L.P.

301 S. Frio, #460 San Antonio, TX. 78207 Ph. 210-270-4665 Fax 210-223-8955



To:	Jennifer Joyce	From:	Ray Lucas for Ronald Anderson
Fax	512-475-0764	Pages:	S
Phone		Dates	05/16/05
Re:	2005 HTC Application for	Vista Verde I & II A	partments (TDHCA Number 05118)
Attac	hed is correspondence requ	uesting an appeal of	the points awarded for Item #5B along
with a	an Appeal Election Form.	NI 1 II NJST HIMH MAS 1	

1202



Housing and Community Services, Inc.

301 South Frio, Suite 480 San Antonio, Texas 78207-4426

Phone 210 270.4600 • Fax 210 270-4603
Toll Free 888 732-3394
Web Site: www.hcscorp.com Email: rone@hcscorp.com

May 16, 2005

Via Fax to Jennifer Joyce (512) 475-0764

Edwina Carrington, Executive Director Texas Department Housing and Community Affairs 507 Sabine, Suite 400 Austin, TX 78701

ATTN: Jennifer Joyce, Multi-Family Finance Production Division

Regarding: HTC Program TDHCA Number 05118 Vista Verde I & II Apartments Deficiencies

Dear Ms. Carrington:

In accordance with the Scoring Notice dated 05/13/05 we are requesting an appeal of the points awarded for Item #5B.

It was our understanding from a presentation at the 2005 Workshop in Austin on November 30, 2004 that the property based Section 8 would qualify for the 18 points in 5B just as they do for the local housing authorities. We are aware there are three "at risk" applications in Region 9 and based on the posted applications it appears that all applied using HAP contracts to garner scoring for Item 5B.

If this appeal is denied by the Executive Director, this letter constitutes our appeal to the Board of Directors.

Please advise if you need further information. I may be reached at (210) 270-4600.

Sincerely,

Ronald C. Anderson Executive Director

Enclosure: Appeal Election Form

Ronald C. Anderson Executive Director

Board of Directors

Rafael I. Torres President

Carl Forinash Vice President

Jeanette Nass Secretary

Bob Montgomery Treasurer

Virginia Baker
Eugenia A. Blaskovitz
Eloise Callaway
Joan Corlinas
Leonarda Diaz
Gloria Flores
Nancy Hard
Dan Klefer
Marvin Melson
Marilu Reyna
Madeline Seydler

~ 05/12/2005

5124751095

TX DEPT, OF HOUSING

PAGE 03/03



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle Final Scoring Notice

Appeal Election Form: 05118, Vista Verde | & | | Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors.

Signed

Title Executive Director

Date 05/16/2055

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state,tx.us

5124751895

05/12/2005 12:57

16:57

TX DEPT. OF HOUSING

PAGE



MULTI-FAMILY FINANCE PRODUCTION DIVISION. Housing Tax Credit Program - 2005 Application Cycle All COMMIT AND Final Scoring Notice

810/910 North Frio St., L.P.

Date Issued: 05/13/05

Ronald C. Anderson 310 S. Frio, Suite 480 San Antonio, TX 78207

Phone #:

(210) 270-4600

Fax#:

(210) 270-4603

THIS NOTICE WILL ONLY BE TRANSMITTED VIA FACSIMILE

RE:

2005 HTC Application for Vista Verde I & II Apartments

TDCHA Number: 05118

Attention: Ronald C. Anderson

The Texas Department of Housing and Community Affairs (the Department) has completed its Eligibility and Selection Criteria Review of the above-referenced application as further described in Section 49.9(d)(2) of the 2005 Qualified Allocation Plan and Rules (QAP). Below, a summary is provided of the set-asides that the application qualifies under. Beneath that is the score requested, as calculated by the Applicant, followed by the score requested as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: Quantifiable Community Participation from neighborhood organizations, letters of support or opposition from state representatives and letters of support or opposition from state senators. This is followed, in bold, by the final cumulative number of points awarded by the Department to the above-referenced Application. To the extent that a threshold review is not yet completed for this application, pursuant Section 49.9(d)(3), the final score may still change, in which case you will be notified.

Please note that if you were awarded points under Section 49.9(g)(5)(A) and/or (B), this notice only provides an explanation of any point deductions for that item. A separate notice will be issued to all applicants who received points under this section that will detail which evidence qualified for the score under this section and which evidence did not.

Allocation Urban/Exurban Set Asides: LI USDA	≥ Non Profit · ≥ At Risk ·
Score Requested by Applicant:	153
Score Requested as Calculated by Department:	153
Score Awarded by Department:	147
Difference between Requested and Awarded:	<u></u>
Points Awarded for Quantifiable Community Participation:	24
Points Awarded for Input from State Senator:	7
Points Awarded for Input from State Representative:	7
Final Score Awarded to Application by Department:	185

7 05/12/2005 · 12:57

5124751895

TX DEPT, OF HOUSING

PAGE 02/03



MULTI-FAMILY FINANCE PRODUCTION DIVISION ${f S}$ Housing Tax Credit Program - 2005 Application Cycle PRACTICE THE PROPERTY PRINTS FINAL Scoring Notice

Page 2 of Final Scoring Notice: 05118, Vista Verde I & II Apartments

Explanation for Adjustments to Points Requested (if any):

Item 5: The Commitment of Development Funding by Local Political Subdivisions: Point for Items A and B cannot exceed 18 points. Please note that the application for funding for Housing Trust Fund from San Antonio and for HOME funds for \$300,000 from the City is worth 12 points for 5A.

However, for scoring Item #5B, The Commitment of Development Funding by Local Political Subdivisions, in order to qualify for these points, evidence is required that the proposed Development will receive development-based Housing Choice, rental assistance vouchers, or rental assistance subsidy approved by the Annual Contributions Contract (ACC) between a public housing authority and HUD, all being from a local political subdivision for a minimum of five years.

The Evidence provided in the Application was in the form of a HAP contract from the Department of Housing and Urban Development (HUD), which is not a local political subdivision (it is a federal, not local, agency). Points requested for 5B: 18 Points awarded: 12 (for 5A)

A formal Appeals Policy exists for the HTC Program. If you wish to appeal this scoring notice (including setaside eligibility), you must file your appeal with the Department no later than 5:00 p.m., Friday, May 20, 2005. If an appeal is denied by the Executive Director, an applicant may appeal to the Board. THE DEPARTMENT STRONGLY SUGGESTS that you submit your appeal to the Executive Director no later than Tuesday, May 17 by 5:00 p.m. in order to allow any denied appeals to be added to the May 26, 2005 Board agenda. The restrictions and requirements relating to the Appeals Policy can be found in Section. 49.17(b) of the 2005 QAP.

In an effort to ensure that all Board appeals related to scoring and set-asides are heard at the May 26 meeting, the Department has provided the following form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director the form requests that the applicant automatically be added to the Board agenda. Note that the completion of the form will add the applicant to the agenda, but that an actual appeal to the Board must be received by the Department by 5:00 p.m. Tuesday, May 17, 2005. All appeals should be submitted to the attention of Jennifer Joyce.

A posting of all completed application scores and priority status will be made on the Department's web site at www.tdhea.state.tx.us by Friday, May 20 at 5:00 p.m. A list of those developments being recommended at the June 27 Board meeting will also be available on the web site on or before June 20, 2005. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Jennifer Joyce by facsimile (512.475.0764 or 512.475.1895) or email to jennifer joyce@idhca.state.tx.us. Note that Ms. Joyce will not be responding to any comments prior to Monday, May 23, 2005.

Sincerely,

Brooke Boston

Brooke Boston

Director, Multi-Family Finance Production Division

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Las Palmas Garden Apartments, #05119

This Applicant is appealing the Department's determination that the application does not qualify for points under §49.9(g)(5)(B) of the QAP, the Commitment of Development Funding by Local Political Subdivisions. In order to qualify for these points, evidence is required that the proposed Development will receive development-based Housing Choice, rental assistance vouchers, or rental assistance subsidy approved by the Annual Contributions Contract (ACC) between a public housing authority and HUD, all being from a local political subdivision for a minimum of five years.

The Evidence provided in the Application was in the form of a HAP contract from the Department of Housing and Urban Development (HUD), which is not a local political subdivision (it is a federal, not local, agency). In addition to the QAP being clear that the source must be local, this was mentioned in the 2005 Application Workshops.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: TX Las Palmas Housing, LP Site Location: 1014 South San Eduardo Street

City/County: San Antonio / Bexar County

Regional Allocation Category: Urban/Exurban

Set-Aside: At-Risk/Preservation/Non-Profit

Population Served: Family Region: 9

Type of Development: Acquisition/Rehabilitation

Units: 100 Credits Requested: \$644,359

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

points being reinstated.

No BOARD Appeal Included in original ED Appeal

RECEIVED

Cynthia ivialquez

MAY 1 7 2005

AFFORDABLE HOUSING

222 E. HOUSTON STREET, SUITE 620 EXECUTIVE SAN AND PHONE SAN ANTONIO, TEXAS 78205 210.228.0566-FAX

FAX TRANSMITTAL

Date:	5-17-05
То:	Edwina Carrington
Phone:	512-475-3930
Fax:	512-472-8526
Frem:	David Marquez
Res	Response to Final Scoring Notice-TDHCA # 05119
Pages:	
Comment:	
Subject:	2005 HTC Application for Las Palmas Gardens Apartments TDHCA Number 05119

Please feel free to call me on my cell at 210-216-5611, or at the number listed above.

Attached is our response to the Final Scoring Notice dated May 13, 2005

Thank you and have a great day!

RESPONSE TO FINAL SCORING NOTICE Las Palmas Gardens Apartments – TDHCA #05119

May 17, 2005

Edwina Carrington, Executive Director Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

Dear Ms. Carrington:

This letter is in response to the Final Scoring Notice to TX Las Palmas Housing, L.P., TDHCA #05119, dated 5/13/2005.

I am writing to let you know that the 18 points are warranted for this project. In order to receive project based vouchers, you have to receive HUD's approval. If the intent is to create leveraging and acceptance by a political subdivision, we would have requested points under (5) (A). However, we have requested points under section (5) (B) in which we have not only received HUD's approval, but a 20 year commitment

HUD has committed to extending the Section 8 subsidy for Las Palmas Gardens after the loan is paid, and will recommend and process the HAP Contract from HUD which is a twenty year extension commitment. This commitment directly from HUD proves that our funds will be in place. No Housing Authority or political subdivision has that type of approval process. Political Subdivisions cannot issue *Project Based Vouchers* without HUD concurrence.

We feel the QAP is flawed because for the points, the contract has to meet with HUD's final approval.

In reviewing the applications, TDHCA #05118, Vista Verde I & II, #05043, San Jose, along with our #05119, Las Palmas Gardens, we have all calculated the points from the preceding assumptions.

We feel this agenda item can be appealed based on the current QAP.

If you need further information, please do not hesitate to contact me on my cell at 210-216-5611 or at the office, 210-228-0560.

Sincerely,

David H. Marquez

David Marquez

U.S. Department of Housing and Urban Development Office of Housing, Multifamily Program Center

San Antonio Field Office One Alamo Center

106 South St. Mary's Street, Suite 405 San Antonio, Texas 78205-3601

Phone (210) 475-6831 FAX (210) 472-6897 (http://www.hud.gov/local/san/index.html)

p.3



JAN 3 1 2005

Texas Department of Housing and Community Affairs Housing Tax Credit Program Attn: Mr. David Marquez 310 S. Frio, Suite 156 San Antonio, TX 78207

Dear Mr. Marquez:

SUBJECT:

Las Palmas Garden Apartments

FHA No. 115-55004

Section 8 Contract No. TX59-L000-005

You have requested that HUD commit to continue the housing assistance funding of the above-referenced contract for the purpose of applying for Tax Credits to rehabilitate the subject property. The HAP Contract expired in July 31, 2004, at which time we recommended and processed Urban Progress Corporation request for a new 20-year HAP contract for the Project. The new 20 year HAP Contract was approved in July 2004. The contract is effective 08/01/2004 through 07/31/2024.

As for your prepayment request on the loan, the Department's primary concern with prepayments is tenant protection. And in accordance with A. 5 (c) of HPL-6, the Department cannot approve prepayments until the necessary information to ensure tenant protections have been submitted. Prepayments will only be approved where an owner commits to keep the property affordable for low income tenants. Such commitment would be evidenced by a Use Agreement effective until approximately February 20, 2013. You should complete the required tenant notices and certifications and submit evidence of such to this office. Since this approval authority has not been delegated to local field offices, we will expedite our review and forward all information to HUD Headquarters for approval. Once the prepayment has been approved, you should request the mortgagee's consent and complete the remaining tenant notice requirements, as described in the HUD Directives.

Should you need additional information, please do not hesitate to contact Sandi Orta, Project Manager, at (210) 475-6800, ext. 2200, Priscilla Rocha, Supervisory Project Manager, at (210) 475-6831; or me. at (210) 475-6831.

Sincerely,

Elva Castillo

Director

Multifamily Program Center

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal termination of one 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. El Paraiso Apartments, #05140

This Applicant was originally sent a notice on April 29, 2005, notifying the applicant that their application was being terminated for violating §49.5(a)(7) of the Qualified Allocation Plan (QAP).

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Edcouch is a municipality that has 4.562 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with the development team that a resolution or statement of support for the exception to this rule was never submitted.

This application does have strong support from the City of Edcouch and that the city will pass a resolution. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it will be submitted after the April 1, 2005 deadline.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

HVM Edcouch III, LP

Site Location:

200 South Mile 2W Road

City/County:

Edcouch / Hidalgo County

Regional Allocation Category:

Rural

Set-Aside:

USDA

Population Served:

Elderly

Region:

11

Type of Development:

New Construction

Units:

30

Credits Requested:

\$71,959

Staff Recommendation:

The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

termination.

No BOARD Appeal Included in original ED Appeal

HAMILTON VALLEY MANAGEMENT P.O.BOX 190

BURNET, TEXAS 78611

512-756-6809 FAX @ 512-756-9885

F	ACSIMILE TRANSMITTAL SHEET		
TO:	FROM:		
Jenn Joycc	Kim Treiber		
COMPANY TDHCA	DATE 5-17-05		
FAX NUMBER 512-475-0764	total no. of pages including cover-		
PHONE NUMBER	SENDER'S REFERENCE NUMBER		
HVM Edcouch III, Ltd.	YOUR REFERENCE NUMBER. TDHCA#05137 05140		
☐ URGENT ☐ FOR REVIEW	□ PLEASE COMMENT □ PLEASE REPLY □ PLEASE RECYCLE		
NOTES/COMMENTS:			

May Lower South

HVM EDCOUCH III, LTD. P. O. Box 190 Burnet, Texas 78611 512-756-6809 phone 512-756-9885 fax

El Paraiso Apartments

May 17, 2005

Multi-Family Finance Production Division Housing Tax Credit Program – 2005 Application Cycle Appeal Election Form: 05137, Los Ebanos Apartments − ∞5140 →

I am in receipt of the *termination notice* dated April 29, 2005 and have filed a formal appeal to the Executive Director on May 4, 2005. If my appeal is denied by the Executive Director, I:

 \mathbf{X}

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Do ı	ot wish to appeal to the Board of Directors.	
	Signed Dennis Hoover	
	Title HVM HOUSING, LLC. GENERAL PARTNER, HVM Edcouch III L+C	ł
	DateMAY 1 7 2005	

Please fax or email to the attention of Jennifer Joyce: (fax) 512-475-0764 or 512-475-1895 (email) Jennifer.joyce@tdhca.state.tx.us

*(Please find attached, letter of appeal to executive director and letter of support from the City of Edcouch.)



HAMILTON VALLEY MANAGEMENT, INC.

May 4, 2005

Edwina Carrington
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine Street
Austin, Texas 78711-3941

Re: Statement of Appeal El Paraiso Apartments, TDHCA #05140

Dear Ms. Carrington,

Please let this letter serve as an official appeal to re-instate the above referenced application for Tax Credits.

There are several circumstances that contributed to our failing to meet this requirement.

- 1. We incorrectly read the Site Demographic Characteristics Chart and did not realize that the city of Edcouch was over the 2x TX HTC/Capita Requirement and so did not realize we needed the city council resolution in our application.
- 2. Sometime after we received the Deficiency notice, Shannon Roth told Kim Treiber that TDHCA had received what they needed on this item and this was no longer a deficiency. That confusion was created because there was another HTC application in the city of Edcouch. On April 26th, two days before our Deficiency Notice items were due, Shannon and Jen Joyce spoke with Kim and explained that we did still need the city council resolution on this 2x TX HTC/Capita Requirement. We started talking to the City of Edcouch immediately, but 2 days of course was not enough time for the City Council to meet.

I would like to add to our appeal by pointing out the City of Edcouch is donating the land to be developed, and in doing so is showing support. Also, this is a Rural Development project, already approved for funding, and with 100% Rental Assistance. El Paraiso will compete in a different market than the other Tax Credit properties most of which do not have Rental Assistance. Based on our other properties in the Rio Grande Valley 82% of the Elderly tenants will have incomes at 30% below median income. The remaining 18% will have incomes of 40% of less.



HAMILTON VALLEY MANAGEMENT, INC.

Ms. Edwina Carrington May 4, 2005 Page 2 of 2

We have been in contact with the City of Edcouch and they have sent a letter of support (please see attachment) with the promise of a resolution to be issued at their next normal Council Meeting, which will be on May 24th, 2005.

Thank you for your time and consideration of these circumstances and attempts to correct the deficiency. If you have any questions, please do not hesitate to contact me at 512-756-6809 ext. 12.

Sincerely,

Dennis Hoover Member, HVM Housing, LLC, General Partner (512) 756-6809 Ext. 12

/kkt

Attachments

JUN-10-2004 14:11

FBI SAN ANTONIO

210 302 8603

P.02



RAMIRO SILVA, GUADALDPE MONTELONGO IR, JUAH RANGEL JR., BENITO OLIVAREZ GUADALDRE O. GARCIA, ELENA RIVERA GARZA, FELEN MONTELONGO. Mayor Pro-Tempuse Aldermus-Pl.1 Aldermas-Pl.3 Aldermass-Pl.4 Aldermass-Pl.4 Aldermass-Pl.5 City Administrator

April 29, 2005

Ms. Dixie Farmer HVM Edcouch III, Ltd. P.O. Box 190 Burnet, TX 78611

Re: El Paraiso Apartments

Dear Ms. Farmer,

I am writing in regards to the proposed 30 unit Elderly housing development, El Paraiso, to be developed by Dixle Farmer of HVM Housing, LLC in Burnet, Texas, for which HVM Edcouch III, Ltd., to be formed by HVM Housing, LLC is seeking housing tax credits from the Texas Department of Housing and Community Affairs in 2005.

The Edcouch City Council is aware of the fact that the municipality of Edcouch, TX has more than twice the state average of units per capita supported by Housing Tax Credits at this time and that this fact could potentially disqualify HVM Edcouch III, Ltd. from receiving housing tax credits this year. However, we support the development of El Paraiso and authorize an allocation of housing tax credits for its development. You will receive written approval of this development from the City of Edcouch in the form of a resolution.

Sincerely.

Ramiro Silva

Mayor



WWW.TDHCA.STATE.TX.US

RICK PERRY

Governor

EDWINA P. CARRINGTON

Executive Director

BOARD MEMBERS

Norberto Salinas

Elizabeth Anderson, Chair Shadrick Bogany C. Kent Conine Vidal Gonzalez

Patrick R. Gordon

May 17, 2005

Dennis Hoover

HVM Edcouch III, Ltd.

209 S West St./P. O. Box 190

Burnet, TX 78611

Telephone:

(512) 756-6809

Telecopier:

(512) 756-9885

Re:

El Paraiso Apartments, TDHCA# 05140

Dear Mr. Hoover:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Edcouch is a municipality that has 4.562 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

I understand that this application does have strong support from the City of Edcouch and that the city will pass a resolution. However, as mentioned above, this resolution Mr. Hoover May 17, 2005 Page 2 of 2

does not satisfy the requirements of the QAP because it will be submitted after the April 1, 2005 deadline.

Appeal Determination

Because of the reasons above, your appeal is denied. The application will not be reinstated.

Section 49.17(b)(4) of the 2005 QAP states that if you are not satisfied with this response to your appeal, you may appeal directly in writing to the Board of the Texas Department of Housing and Community Affairs. Please note that an appeal filed with the Board must be received by the Board before the seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made. To have an appeal considered by the Board at the May 26 Board meeting, the appeal must be received by Delores Groneck, Board Secretary, no later than May 18.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

Edwina P. Carrington

Executive Director

TRANSMISSION VERIFICATION REPORT

TIME 05/17/2005 16:05 TX DEPT OF HOUSING NAME

FAX 4750764

SER.# : BROG4J729978

DATE, TIME FAX NO./NAME DURATION PAGE(S)

05/17 16:05 95127569885 00:00:25 02 STANDARD **ECM**



www.tdhca.state.tx.us

RICK PERRY

Governor

EDWINA P. CARRINGTON

Executive Director

BOARD MEMBERS Elizabeth Anderson, Chair Shadrick Bogany

C. Kent Conine Vidal Gonzalez Patrick R. Gordon Norberto Salinas

May 17, 2005

Dennis Hoover

HVM Edcouch III, Ltd.

209 S West St./P. O. Box 190

Burnet, TX 78611

Telephone:

(512) 756-6809

Telecopier:

(512) 756-9885

El Paraiso Apartments, TDHCA# 05140 Re:

Dear Mr. Hoover:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity

Executive Director's Response



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RICK PERRY

April 29, 2005

Governor

Dennis Hoover

EDWINA P. CARRINGTON Executive Director

HVM Edcouch III, Ltd.

209 S West St./P. O. Box 190

Burnet, TX 78611

BOARD MEMBERS

Telephone:

Re:

(512) 756-6809

Telecopier:

(512) 756-9885

Shadrick Bogany C. Kent Conine

Elizabeth Anderson, Chair

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

El Paraiso Apartments, TDHCA# 05140

Dear Mr. Hoover:

On March 1, 2005, you submitted an application for the above-referenced development. Our staff has completed a review of the Eligibility Criteria. In our review it was determined that the above-referenced application is located in the City of Hondo.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Hondo is a municipality that has 2.716 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

Therefore, please be informed that pursuant to this section of the QAP, the Department has terminated this Application and no further action will be taken on it.

Mr. Hoover April 29, 2005 Page 2 of 2

Please be aware that an Appeals Policy exists for the Housing Tax Credit Program. If you wish to appeal this application termination decision, you must file your appeal with the Department no later than May 6, 2005. The restrictions and requirements relating to the filing of an appeal can be found in §49.17(b) of the 2005 QAP.

If you have any questions, please do not hesitate to contact Jennifer Joyce at 512.475.3995.

Sincerely,

Brooke Boston

Multifamily Finance Production Division Director



HAMILTON VALLEY MANAGEMENT, INC.

May 4, 2005

Brooke Boston TDHCA-Multifamily Housing Tax Credit Program 507 Sabine, Suite 400 Austin, Texas 78701-3941 RECEIVED
MAY 0 6 2005
LIHTC

Re: Statement of Appeal El Paraiso Apartments, TDHCA #05140

Dear Ms. Boston,

Let this letter serve as an official appeal to re-instate the above referenced application for Tax Credits.

There are several circumstances that contributed to our failing to meet this requirement.

- #1. We incorrectly read the Site Demographic Characteristics Chart and did not realize that the city of Edcouch was over the 2x TX HTC/Capita Requirement and so did not realize we needed the city council resolution in our application.
- #2. Sometime after we received the Deficiency notice Shannon Roth told Kim Treiber that TDHCA had received what they needed on this item and this was no longer a deficiency. That confusion was created because there was another HTC application in the City of Edcouch. On April 26th, two days before our Deficiency Notice items were due, Shannon and Jen Joyce spoke with Kim and explained that we did still need the city council resolution on this 2x TX HTC/Capita Requirement. We started talking to the City of Edcouch immediately, but 2 days of course was not enough time for the City Council to meet.

I would like to add to our appeal by pointing out the City of Edcouch is donating the land to be developed, and in doing so is showing support. Also, this is a Rural Development project, already approved for funding, and with 100% Rental Assistance. El Paraiso will compete in a different market than the other Tax Credit properties in the area, as it will supply housing to the Elderly with incomes at, or less than, 40% the median income.



HAMILTON VALLEY MANAGEMENT, INC.

Ms. Brooke Boston May 4, 2005 Page 2 of 2

We have been in contact with the City of Edcouch and they have sent a letter of support (please see attachment) with the promise of a resolution to be issued at their normal Council Meeting scheduled for May 10th, 2005.

Thank you for your time, and consideration of these circumstances and attempts to correct the deficiency. If you have any questions, please do not hesitate to contact me at 512-756-6809 ext. 12.

modover

Sincerely,

Dennis Hoover



RAMIRO SILVA,
GUADALUPE MONTELONGO III,
JUAN RANGEL JR.,
BENITO OLIVAREZ
GUADALUPE O. GARCIA,
ELENA RIVERA GARZA,
BELEN MONTELONGO.

Mayor Pro-Tempore Alderman-Pl.1 Alderman-Pl.3 Alderwoman-Pl.4 Alderwoman-Pl.5 City Administrator

April 29, 2005

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The Edcouch City Council is aware of the fact that the municipality of Edcouch, TX has more than twice the state average of units per capita supported by Housing Tax Credits at this time and that this fact could potentially disqualify HVM Edcouch III, Ltd. from receiving housing tax credits this year. However, we support the development of El Paraiso and authorize an allocation of housing tax credits for its development. You will receive written approval of this development from the City of Edcouch in the form of a resolution.

Sincerely,

Ramiro Silva

Mayor

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Olive Grove Manor, Ltd, #05198

On April 1, 2005, the Department received a letter from the Pine Trails Community Improvement Association requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under §2306.6710 Texas Government Code, are described in §49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

In our review the letter is ineligible to be considered for points. §49.9(g)(2) of the QAP states: "Letters received after April 1, 2005 will be summarized for the Board's information and consideration, but will not affect the score for the Application." Unfortunately, the association's letter was not received by the Department until April 4, 2005, and therefore, was found to be ineligible for purposes of this scoring item. While we understand that Federal Express was unable to make a timely delivery due to the provision of a post office box for the delivery, the Department is required to adhere to the QAP requirement stating that: "Letters received after April 1, 2005 will be summarized for the Board's information and consideration, but will not affect the score for the Application." Unfortunately, your letter was not received by the Department until April 4, 2005.

It should be noted that in addition to the reason stated above, the association was notified on May 12, 2005 that their letter would also be ineligible for purposes of scoring based on the fact that the development site is not confirmed to be within the boundaries of their organization. Section 2306.6710, Texas Government Code, requires that the organization's "boundaries contain the proposed development site." The map they provided does not reflect that this is the case.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Olive Grove Manor, Ltd

Site Location: 101 Normandy

City/County: Houston / Harris County

Regional Allocation Category: Urban/Exurban

Set-Aside: None Population Served: Elderly

Region: 6

Type of Development: New Construction

Units: 160

Credits Requested: \$946,000

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

letter's eligibility.

Board Appeal

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 Congress Avenue Suite 300 Austin, Texas 78701-4042

Austin • Dallas • Houston • New Orleans

(512) 305-4700
Fax: (512) 305-4800
www.lockeliddelf.com
Direct Number: (512) 305-4707
email: cbast@lockeliddelf.com

Via Hand Delivery

May 17, 2005

Ms. Edwina P. Carrington Executive Director Texas Department of Housing and Community Affairs 507 Sabine, Suite 400 Austin, Texas 78701

Re:

Appeal of ineligibility of letter for Quantifiable Community Participation Points Olive Grove Manor Seniors Apartments, Houston, Texas - TDHCA # 05198

Dear Edwina:

Our firm represents Olive Grove Manor, Ltd. (the "Applicant"), which submitted an application to the Texas Department of Housing and Community Affairs ("TDHCA") for Housing Tax Credits for the Olive Grove Manor Senior Apartments development (the "Development") referenced as TDHCA #05198. We respectfully submit this appeal in response to the letter from TDHCA, dated May 13, 2005, indicating that the Applicant did not receive points for the letter submitted by the Pine Trails Community Improvement Association (the "Neighborhood Organization") and in response to the letter sent by TDHCA to the Neighborhood Organization dated April 27, 2005 indicating that the subject letter was ineligible to be considered for points.

The letter sent from TDHCA to the Neighborhood Organization indicated that the letter of support for the Development (the "Support Letter") sent from the Neighborhood Organization to TDHCA was ineligible for points because it was received by TDHCA after April 1, 2005. As indicated in the correspondence from the Neighborhood Organization to you regarding this matter, the Support Letter was sent via overnight mail on March 29, 2005 and should have been received by TDHCA before April 1, 2005.

According to the Neighborhood Organization, the only reason the Support Letter was not received by TDHCA on April 1, 2005 was that the Neighborhood Organization relied on the address provided by TDHCA on the Sample Optional Template for Qualified Neighborhood Organizations to Submit to TDHCA for QCP (see copy attached as Exhibit "A"). The template provided by TDHCA listed a Post Office Box rather than the physical address of TDHCA. Because the Neighborhood Organization used the template, it sent the Support Letter overnight mail to the Post Office Box. The Support Letter in fact arrived at the Federal Express facility in Austin on March 30, 2005 but Federal

AUSTIN: 053081.00000: 318556v1

Express: a) did not notify the Neighborhood Organization that the letter was not delivered on March 30th as intended; and b) did not manage to find the location of a government agency in Austin until April 4th only one business day following the deadline (see documentation attached hereto as Exhibit "B"). The Neighborhood Organization did not know the letter was sitting in limbo at Federal Express rather than being delivered on March 30th as intended.

The Neighborhood Organization precisely followed the form of TDHCA's template by addressing the Support Letter to the Post Office Box. This caused a glitch in the delivery of the Support Letter by Federal Express. Had the Neighborhood Organization been alerted that Federal Express was struggling to deliver the package, it would have arranged for alternative delivery prior to the deadline.

We believe that the policy reasons giving life to the letter of the QAP rule at issue call for a determination of eligibility for the Support Letter. Additionally, we urge you to strongly consider the equities involved as you weigh this matter. The purpose of awarding points for Quantifiable Community Participation is to encourage developments that have support from relevant neighborhood organizations. This Development has unanimous support from the Neighborhood Organization that sent the Support Letter and has experienced no opposition in the community. Additionally, the Development has broad and enthusiastic support from relevant government officials.

If awarded tax credits, this Development will be a great asset to the community that so strongly supports it. If the Development does not receive the points possible for the Support Letter then it will be unlikely to receive an allocation of tax credits.

We are grateful for your consideration of this appeal and sincerely hope you will find in favor of the Applicant. However, in the event that you choose otherwise, we respectfully request the opportunity to present this appeal to the TDHCA Board at the next available opportunity.

Sincerely,

Cynthia L. Bast

Vernon and Elizabeth Young

cc:

Attachments

Exhibit A – TDHCA Sample Template For Qualified Neighborhood Organizations

Exhibit B – Federal Express Documentation

Exhibit A

05/04/2005 03:06

SAMPLE OPTIONAL TEMPLATE FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QCP

(Use Your Organization's Letterhead if Available)

(All blanks - shown as underlined - should be completed and all referenced attachments submitted)

Ms. Edwina Carrington **Executive Director** Attention: Neighborhood Input Texas Department of Housing and Community Affairs P.O. Box 13941 (MC 332-10) Austin TX 78711-3941

Quantifiable Community Participation Re:

> Development #: (TDHCA # of Proposed Development here) Development: (Name of Proposed Development here) Development Location: (Location of Proposed Development)

As (Provide required position title: the chairman of the board, chief executive officer, or comparable head of the organization) of (Provide neighborhood organization's name here) neighborhood organization (the organization), I am writing to provide the organization's (support/opposition) for the above-referenced development which is located at (Full Address of Proposed Development including street address, city and county). (Provide neighborhood organization's name here) is a qualified Neighborhood Organization as further described below.

The boundaries of this organization are (state the boundaries of the organization). Enclosed is documentation that establishes the organization's boundaries. The proposed development is within those boundaries. Enclosed is a map with the geographic boundaries for the organization and the proposed development site clearly marked within those boundaries.

This organization is: (choose one box and attach documentation)

On record, as of March 1, 2005, with The Secretary of State as an incorporated entity in good standing. (See enclosed documentation from the Secretary of State.)
On record, as of March 1, 2005, with The Texas Department of Housing and Community Affairs as permitted by the Qualified Allocation Plan and Rules.
On record, as of March 1, 2005, with (county name) County, in which the development is proposed to be located. (See enclosed documentation from the county.)

This organization is an organization of persons living near one another within the organization's defined boundaries and has a primary purpose of working to maintain or improve the general welfare of the neighborhood. (See enclosed bylaws or other documentation.)

The organization has (# of members) members. The organization reached its decision to (support / oppose) the proposed development by (provide a brief description outlining the process used to determine the organization's position of support or opposition.)

This organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2005 Housing Tax Credit application round, nor has the organization or any member of the organization accepted money or a gift to cause the organization to take it's position of support or opposition to this development.

The organization (supports/opposes) the proposed development for the following reasons:

(Clearly and concisely state each reason for the organization's support or opposition; use additional sheets, as needed.)

Sincerely,

(Authorized Signatory)

(Signer's Title)

(Signer's Mailing Address)

(Signer's Phone Number)

(Signer's Email Address or Facsimile Number)

[Note: the signer must be the chairman of the board, chief executive officer, or comparable head of the organization.]

Attachments:

(List all Attachments Provided)

Exhibit B

Reference: NO REFERENCE INFORMATION





Dropped off: Mar 29, 2005

Invoice Number: 5-485-95288

Invoice Date:
Account Number:

Apr 21, 2005 1900-6993-1

USD \$

24,48

Page:

5 of 9

FedEx Express Shipment Detail By Payor Type (Original)

Payer: Shipper

Total Charge

Distance Ba Peckage ser 1st attempt Weather de Original add	sed Pricing, Zone 2 nt from: 77049 zip code Mar 30, 2005 at 12:50 PM. lay - Fog. lress - P 0 HOX 13941/AUSTIN	urcharge of 8.50% to this shipment. I.TX 78711 packages, weight, and service. Any changes made are reflecte	d In the invoice amount.
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United States Home

Information Center | Custom

Search Package/Envelope Services Office / Print Services Freight Services Expedited Servi **Ship** Track Manage My Account International Tools

Track Shipments **Detailed Results** Printable Version (?) Quick Help

You can also track:

By TCN

Tracking number Signed for by Ship date **Delivery date**

841764381791 M.JOVICEVIC Mar 29, 2005 Apr 4, 2005 9:27 AM

Delivered to Service type Mailroom Priority Envelope FedEx Trad shipments By Email Tr

By FedEx V Solutions

Status

Delivered

Date/Time		Activity	Location	Details	Wrong Address?
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		delivery			Shipping Freight?
Apr 1, 2005	11:45 AM	At local FedEx facility	AUSTIN, TX		FedEx has LTL, air
Mar 31, 2005	5:02 PM	At local FedEx facility	AUSTIN, TX		surface and air exp
Mar 30, 2005	1:24 PM	At local FedEx facility	AUSTIN, TX		multi piece package
	12:50 PM	Delivery exception	AUSTIN, TX	Incorrect address	and ocean freight.
	12:06 PM	Delivery exception	AUSTIN, TX	Package at station, arrived after courier dispatch	
	12:06 PM	At local FedEx facility	AUSTIN, TX		

AUSTIN, TX

MEMPHIS, TN 4:16 AM Departed FedEx location 12:33 AM Departed FedEx location FORT WORTH, Mar 29, 2005 11:39 PM Arrived at FedEx location FORT WORTH, HOUSTON, TX 8:36 PM Left origin 6:14 PM Picked up HOUSTON, TX

10:09 AM At dest sort facility

Signature proof

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Email your detailed tracking results (optional)

Enter your email, submit up to three email addresses (separated by commas), add your message (optional), and click Send email.

Add a message to this email.

From !

To

Send email



FedEx Express Customer Support Trace 3875 Airways Boulevard Module H, 4th Floor Memphis, TN 38116

U.S. Mail: PO Box 727 Memphis, TN 38194-4643

Telephone: 901-369-3600

05/04/2005

Dear Customer:

Here is the proof of delivery for the shipment with tracking number 841764381791. Our records reflect the following information.

Delivery Information:

Signed for by: M.JOVICEVIC



Delivery Date: Apr 4, 2005 09:27

Shipping Information:

Tracking number: 841764381791

Ship Date: Mar 29, 2005

If you are the shipper, recipient, or third-party payor for this shipment and require additional Signature Proof of Delivery information, please log-in using your My FedEx login ID.

Recipient:

Shipper: HOÚ US

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MULTI-FAMILY FINANCE PRODUCTION DIVISION $oldsymbol{S}$ Housing Tax Credit Program - 2005 Application Cycle ENATURE OF INDERES FING! Scoring Notice

Appeal Election Form: 05198, Olive Grove Manor

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors.

Date

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895

(email) jennifer.joyce@tdhca.state.tx.us

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

6003 Wood Bend Drive #A Houston, Texas 77049 281/458-6764 281/458-7250 Fax

APR 4 2005

March 20, 2005

Ms. Edwina Carrington
Executive Director

Attention: Neighborhood Input

Texas Department of Housing and Community Affairs

P.O. Box 13941 (MC 332-10) Austin TX 78711-3941

Re: Quantifiable Community Participation

Development #: 05198

Development: Olive Grove Manor Apartments

Development Location: 101 Normandy, Houston, Texas 77049

As President of Pine Trails Community Improvement Association neighborhood organization (the organization), I am writing to provide the organization's support for the above-referenced development which is located at 101 Normandy, Houston, Texas 77049. Pine Trails Community Improvement Association is a qualified Neighborhood Organization as further described below.

The boundaries of this organization are Edenglen Drive to the North, Larchbrook to the east, Wallisville Road to the south, and Hollow Pines to the west, including 15 acres on Normandy Road also known as Olive Grove Manor Apartments. Enclosed is documentation that establishes the organization's boundaries. The proposed development is within those boundaries. Enclosed is a map with the geographic boundaries for the organization and the proposed development site is clearly marked within those boundaries.

This organization is on record, as of March 1, 2005, with The Secretary of State as an incorporated entity in good standing. (See enclosed documentation from the Secretary of State.)

This organization is an organization of persons living near one another within the organization's defined boundaries and has a primary purpose of working to maintain or improve the general welfare of the neighborhood. (See enclosed bylaws or other documentation.)

Pine Trails CIA Olive Grove Manor Support Page Two

The organization has approximately 1,800 members. The organization reached its decision to support the proposed development by meeting with the developers on several occasions and by conducting a board meeting and to vote on the support of this project. The Pine Trails Community Improvement Association approved supporting this project by a majority vote of the board members.

This organization was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2005 Housing Tax Credit application round, nor has the organization or any member of the organization accepted money or a gift to cause the organization to take it's position of support or opposition to this development.

The organization supports the proposed development for the following reasons:

This development will provide clean, quality affordable housing to the parents, grandparents, relatives and friends of the homeowners association that is close to their homes. This makes this project very important to the homeowners that are caring or will care for aging relatives. The proposed project will have minimal impact on traffic in the area and no impact on the public school system.

Typical homes in the immediate area are 25 years old, many residents may not wish to maintain their homes, and would like to sell, but want to remain in the area. The amenities proposed for this gated community will offer an enhanced lifestyle for active seniors in a secure surrounding and allow them to remain in an area where they comfortable with shopping and churches.

The unique, home-like architecture and extensive landscaping will add to the attractiveness of the neighborhood and encourage growth and revitalization in this area that will benefit the entire community.

By adding Olive Grove Manor Apartments to our membership we will see a positive economic benefit to our community because seniors typically are very involved with the association and have purchasing power which will create new jobs and provide additional financial support for area religious institutions.

Pine Trails CIA Olive Grove Manor Support Page Three

I hope this letter outlines our enthusiastic support of this project and our hope that the Texas Department of Housing and Community Affairs will award the funding for this proposed community.

Sincerely,

President

6003 Wood Bend Drive #A Houston, Texas 77049

(281) 458-7250

Attachments:

Articles of Incorporation Boundary Map By-Laws of the Association



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

CAROLE KEETON STRAYHORN · COMPTROLLER · AUSTIN, TEXAS 78774

March 21, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

is exempt from payment of franchise tax and consequently is in good standing with this office.

GIVEN UNDER MY HAND AND SEAL OF OFFICE in the City of Austin, this 21st day of March, 2005 A.D.

Carole Keeton Strayhorn

Texas Comptroller

Taxpayer number: 30002571989

File number: 0037189301

Form 05-303(Rev. 1-03/6)



Office of the Secretary of State

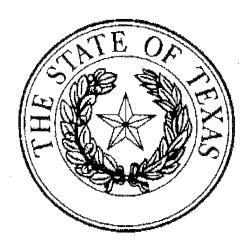
The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION Filing Number: 37189301

Articles Of Incorporation
Forfeiture
Application For Reinstatement
Public Information Report (PIR)
901 Delinquency Letter
Returned Mail
Involuntary Dissolution
901 Report

December 09, 1975 March 19, 1979 November 03, 1980 December 31, 1984 October 22, 1993 October 27, 1993 February 23, 1994 December 20, 1996

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on May 27, 2004.





Secretary of State



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF INCORPORATION OF

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

The undersigned, as Secretary of State of the State of Texas, hereby certifies that duplicate originals of Articles of Incorporation for the above corporation duly signed and verified pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

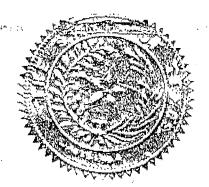
ACCORDINGLY the undersigned, as such Secretary of State, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

Dated Dec. 9

. 19 7.5

Secretary of State

jer



DEC 9 1975

ARTICLES OF INCORPORATION

Louna Satoman Deputs parector, corporation Distance

OF

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

We, the undersigned natural persons of the age of twenty-one (21) years or more, at least two of whom are ditizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such coproration:

ARTICLE I.

The name of the corporation is PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION.

ARTICLE 11

The corporation is a non-profit corporation.

ARTICLE TIT.

The period of its duration is perpetual.

ARTICLE IV.

The purpose or purposes for which the said corporation is organized are civic and social, for the benefit and betterment of the residence and property owners of PINE TRAILS, a residencial development in Harris County, Texas.

ARTICLE V.

The street address of the initial registered office of the corporation is 1200 South Post Oak Rd., Suite 200, Houston, Texas 77027 and the name of its initial registered agent at such address is Thomas E. Brooker.

ARTICLE VI.

The number of directors constituting the initial Board of Directors of the Corporation is three (3) and the names and addresses of the persons who are to serve as the initial directors are:

4092295

ś

Address

David G. Fox

47.7°

3737 Potomac Dallas, Texas 75205

Jack P. Franzen

12034 Bencrest Dallau, Texas 75234

Thomas E. Brooker

6755 Winterwood Dallas, Texas 75240

ARTICLE VII.

The name and street address of each incorporator is

Name

١,

Address

David G. Fox

3737 Potomac Dallas, Texas 75205

Jack P. Franzen

12034 Bencrest Dallas, Texas 75234

Thomas E. Brooker

6755 Winterwood Dallas, Texas 75240

IN WITNESS WHEREOF, we have hereunto set our hands this 25th day of Agreement, 1975.

David G. Fox

Jack P. Franzen

Thomas E. Brooker

THE STATE OF TEXAS

COUNTY OF DALLAS

I, the undersigned authority, a Notary Public in and for Dallas County, Texas, do hereby certify that on this 1514 day of 1975, personally appeared before me DAVID G. FOX, who being by me first duly sworn, declared that he is one of the persons who signed the foregoing document as an incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand seal the date and year first above written.

Notary Public in and for Dailas County, Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

I, the undersigned authority, a Notary Public in and for Dallas County, Texas, do hereby certify that on this 157 day of 1975, personally appeared before me JACK P. FRANZEN, who being by me first duly sworn, declared that he is one of the persons who signed the foregoing document as an incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date and year first above written.

Notaty Public in and for Dallas County, Texas

THE STATE OF TEXAS

COUNTY OF DALLAS

I, the undersigned authority, a Notary Public in and for Dallas County, Texas, do hereby certify that on this day of 1975, personally appeared before me THOMAS E. BROOKER, who being by me first duly sworn, declared that he is one of the persons who signed the foregoing document as an incorporator, and that the statements therein contained are true.

IN WITHESS WHEREOF, I have hereunto set my hand and seal the date and year first above written.

Notary Public in and for Dall County, Texas

CONSENT TO USE OF NAME

Pine Trail Owners Association, a corporation organized under the laws of the State of Texas, hereby consents to the organization of Pine Trails Community Improvement Association in the State of Texas.

IN WITNESS WHEREOF, the said Pine Trail Owners Association has caused this consent to be executed by its President and attested by its Secretary,

This 3rd day of December, 1975.

PINE TRAIL OWNERS ASSOCIATION

Albert Lee, President

ATTEST:

34 cratory

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1200 South Post Oak Road - Suite 200, Houston. Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Dallas, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Pine Trails Community Improvement Association, its successors 'and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may be the action of the Association.

Section 3 "Common and the mean art real property owned by the Association for the common use and enjoyment of Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the Fox & Jacobs, Inc., their successors and assigns if such successors or assigns should acquire more than one developed Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk of Harris County, Texas.

Section 8. "Member" shall mean and refer to every owner of a lot which is subject to assessment. Membership shall be appurtenant to and shall not be separated from ownership of any lot which is subject to assessment.

Section 9. "Alley" shall mean and refer to the pavement and area within the access easement shown upon any recorded subdivision map of the Properties.

FUNCTIONS OF THE ASSOCIATION

- Section 1. Purposes. The purposes for which Pine Trails

 Community Improvement Association is formed are civic and social, for the benefit and betterment of the residents and property owners of Pine Trails, a residential development in Harris County, Texas. To carry out such purposes properly, the Association may at the discretion of its Board of Directors perform the following functions and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the corporate charter:
 - (a) The Association may care for vacant, unimproved and unkempt lots in said development, remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom and do any other things and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto, neat and in good order.
 - (b) The Association may enforce charges, restrictions, conditions, and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; the Association may pay all expenses incidental thereto; the Association may enforce the decisions and rulings of the Association having the jurisdiction over any of said property; the Association may pay all of the expenses in connection therewith; and may reimburse any declarant under any

declaration of conditions, covenants, restrictions, assessments or charges affecting said property, or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in any declaration.

- (c) The Association may perform any and all lawful things and acts which this Association at any time and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and shall pay all costs and expenses in connection herewith.
- (d) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facilities provided for herein may be contracted for with any qualified contractor as agent.
- (e) The Association may provide for garbage and rubbish collection and disposal.
- (f) The Association may expend the funds collected by it from assessments, maintenance charges and all other moneys received by the Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which the Association if formed.
- (g) The Association may care for alleys.

Section 2. Area. The activities of the Association shall be limited to the area known as Pine Trails, a development in Harris County, Texas, and to such other areas which may hereinafter through the operations of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same be placed under or submitted to the jurisdiction of this Association and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association.

ARTICLE IV

VOTING RIGHTS OF MEMBERS

The Association shall have two classes of voting member-ship:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member or members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) On January 1, 1987.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (%) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE VI

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number and Term of Office. The business and property of the Association shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the charter, or by these By-Laws, the Board of Directors may exercise all the powers of the Association. The number of Directors shall be three (3) but the number of Directors may be increased or decreased from time to time by the affirmative vote of a majority of the members, provided that the number of Directors shall never be less than three (3). The Directors shall be elected each year

at the annual meeting of the Members of the Association or at the adjourned annual meeting of the Members and each Director shall be elected to hold office and to serve until the next annual meeting of the Members and until his successor shall be elected and shall qualify. Directors need not be Members of the Association.

Section 2. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 3. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination, Nomination for election to the Board of Directors shall be made by a Nominating Committee.

Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman.

who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article III hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meeting of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors

shall constitute a quorum for the transaction of business.

Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE IX

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations:
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the member: at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (%) of the Class A members who are entitled to vote:
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
 - (c) as more fully provided in the Declaration, to:
 - (1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owne subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not at assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurar on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilito be bonded, as it may deem appropriate:
 - (g) cause the Common Area to be maintained.
 - (h) cause the allaway .

ARTICLE X

OFFICERS AND THEIR DUITES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each surnal meeting of the members.

Section 3. Term. The officers of this Association shall be elected minually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds

as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual sudit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XI

CUMITIFIES

The Association shall appoint an Architectural Control Coundttee, as provided in the Declaration, and a Nominating Coundttee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other conmittees as deemed appropriate in carrying out its purpose.

MUICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

ASSESSMED...

As more fully provided in the Declaration, each number is obligated to pay to the Association charge or assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment

shall bear interest from the date of delinquency at the rate of ten (10%) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Pine Trails Comm. Lupyt. Assn.

ARITCLE XV

MENUMENIS

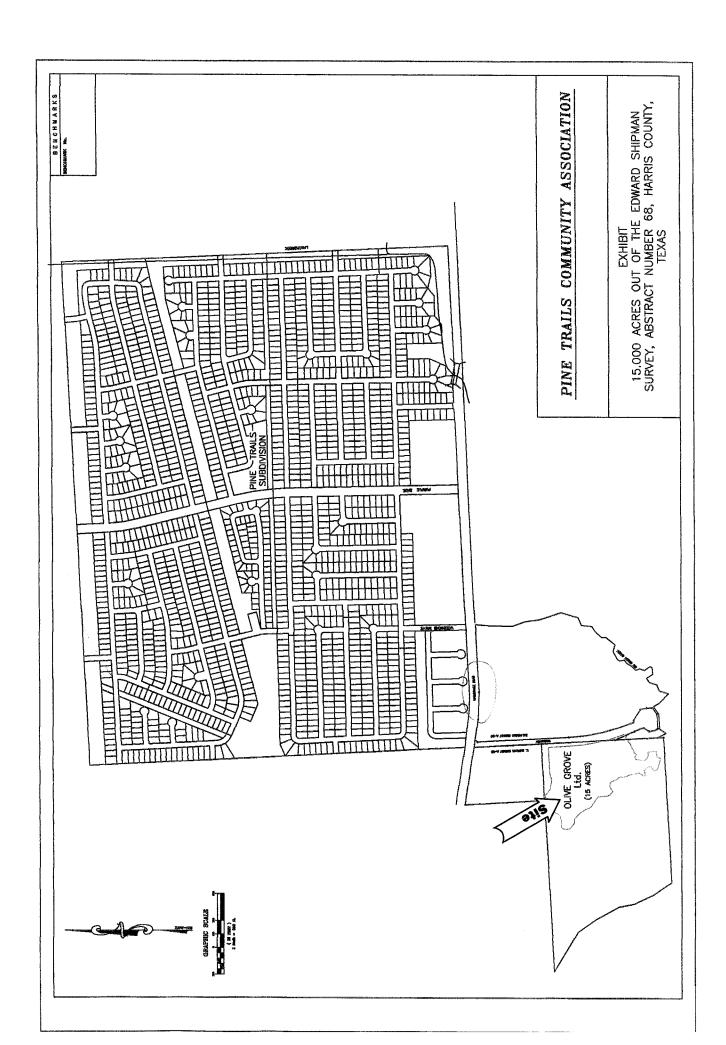
Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IVX ALITUM

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.





April 27, 2005

WWW.TDHCA.STATE.TX.US

Mr. Wilmer Willis

RICK PERRY

President

Governor

Pine Trails Community Improvement Association

6003 Wood Bend Drive, #A

EDWINA P. CARRINGTON Executive Director

Houston, TX 77049

BOARD MEMBERS

Elizabeth Anderson, Chair Re:

Quantifiable Community Participation

Shadrick Bogany

C. Kent Conine

Olive Grove Manor, # 05198 ("the application")

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

Dear Mr. Willis:

I am writing regarding the letter you submitted for the purpose of scoring Quantifiable Community Participation points for the above-referenced application. Thank you for providing your input.

The Department has reviewed the letter you submitted and compared it to the minimum requirements for the letter to be eligible as required under the Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, we have determined that your letter is ineligible to be considered for points. §49.9(g)(2) of the QAP states: "Letters received after April 1, 2005 will be summarized for the Board's information and consideration, but will not affect the score for the Application." Unfortunately, your letter was not received by the Department until April 4, 2005. Therefore, your letter is ineligible for purposes of this scoring item.

Please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475, 3296.

Brooke Boston

Sincerely

Director of Multifamily Finance Production

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION 6003 Wood Bend Drive #A Houston, Texas 77049 281/458-6764 281/458-7250 Fax

May 10, 2005

Ms. Edwina Carrington
Executive Director
Attention: Neighborhood Input
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78711-3941

RE: Olive Grove Manor, Ltd.
101 Normandy
Houston, TX 77015
160 Unit Elderly Apartment Community

VIA FACSIMILE: (512) 475-0764 Certified Mail: 7002 2410 0006 1971 9489

Dear Ms. Carrington:

We received your letter saying that you would not count our letter of support for Olive Grove Manor Seniors apartments in our homeowner's association that we hope will be built at 101 Normandy. After months of discussion, we unanimously decided to welcome Olive Grove into our community and give it our full support for the reasons you see in the attached letter that we previously sent you. We did exactly as TDHCA asked in the Qualified Allocation Plan and sent everything FedEx on March 29th as you can see by the enclosed receipt so that the package would arrive by the April 1 deadline. The address TDHCA gave on their website "Information for Neighborhoods" was P. O. Box 13941 (MC332-10), Austin, Texas, 78711-3941. When FedEx was going to deliver it to TDHCA on the 30th, they could not do so because TDHCA gave us a P. O. Box. They finally figured out where to deliver it on the following Monday, April 4, which was one business day after the April 1 deadline. We could have faxed it on March 29th, but the map you requested was too large.

We really want this senior's community as part of Pine Trails Community Improvement Association and we are asking you to consider it for scoring as this is critical for its

approval. If the points from our support are allowed, this project will receive tax credits based on the previous scoring posted on the TDHCA web site. Please help us get our support validated for this worthy project, since we did exactly what was requested by TDHCA.

Sincerely,

Cc:

Representative Harold V. Dutton

Cc:

Senator John Whitmire

Cc:

Mr. and Mrs. Vernon R. Young, Jr.

United States Home

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Status

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Date/Time		Activity	Location	Details	Wrong Address? Reduce future mistal
Apr 4, 2005	9:27 AM	Delivered)			FedEx Address Cher
	7:49 AM	On FedEx vehicle for	AUSTIN, TX		ent to restain
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	10:09 AM	At dest sort facility	AUSTIN, TX		
	4:16 AM		MEMPHIS, TN		

Signature proof

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Departed FedEx location

11:39 PM Arrived at FedEx location

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Mar 29, 2005

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Send email

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FedEx Express Customer Support Trace 3875 Airways Boulevard Module H, 4th Floor Memphis, TN 38118 U.S. Mail: PO Box 727 Memphis, TN 38194-4643

Telephone: 901-369-3600

05/04/2005

Dear Customer:

Here is the proof of delivery for the shipment with tracking number 841764381791. Our records reflect the following information.

Delivery Information:

Signed for by: M.JOVICEVIC



Delivery Date: Apr 4, 2005 09:27

Shipping Information:

Tracking number: 841764381791

Ship Date: Mar 29, 2005

If you are the shipper, recipient, or third-party payor for this shipment and require additional Signature Proof of Delivery information, please log-in using your My FedEx login ID.

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<u>Mark</u>	<u>Filing</u> <u>Number</u>	Name	Entity Type	Entity Status	Name Type	Name Status
C	37189301	PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION	Domestic Nonprofit Corporation	In existence	Legal	In use

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ARTICLE 1396-9.01 REPORT

Pursuant to the provisions of article 9.01 of the Texas Non-Profit Corporation Act, the undersigned corporation hereby files its report setting forth:

		FILED in the Office of the ecretary of State of Texas
The corporation's chart	er number is 00371893'-1	ecretary of State of Texas
[t is incorporated under	the laws of the State of Texas	DEC 2 0 1996
		Corporations Section
, ,	street or building address, city, state, and zip code	· · · · · · · · · · · · · · · · · · ·
the corporation in the st	ate of Texas is 6003 Wood Bend, Houst	on, Texas //049
		•
	D. C. J. Coul	
The name of its register	ed agent at such address is Rayford Cart	er
	•	
If the corporation is a f	oreign corporation, the address of its principal o	ffice in the state or country
under the laws of which	it is incorporated is	
The names and respecti	ve addresses of its directors and officers are:	
•	ve addresses of its directors and officers are:	
The names and respecti	ADDRESS	OFFICE
•		OFFICE
NAME	ADDRESS	
NAME Rayford Carter	ADDRESS (city and state) 6011 Leacrest Court, Houston, T	exas 77049
NAME Rayford Carter Harry Horstman	ADDRESS (city and state) 6011 Leacrest Court, Houston, Taxas	exas 77049 77049
NAME Rayford Carter Harry Horstman Roger Hamilton	ADDRESS (city and state) 6011 Leacrest Court, Houston, T 14523 Leacrest, Houston, Texas 5615 Wallis Trail Court, Houston	exas 77049 77049 on, Texas 77049
NAME Rayford Carter Harry Horstman Roger Hamilton Rajan George	ADDRESS (city and state) 6011 Leacrest Court, Houston, Touring the state of the st	exas 77049 77049 on, Texas 77049
NAME Rayford Carter Harry Horstman Roger Hamilton Rajan George Abraham Chacko	ADDRESS (city and state) 6011 Leacrest Court, Houston, Touring the state of the st	exas 77049 77049 77229 exas 77459
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Exhibit "A"

Sasidharan Nair 14006 Lorne, Houston, Texas 77049 Sankaran Thankappan 6011 Trailview, Houston, Texas 77049



May 12, 2005

WWW.TDHCA.STATE.TX.US

Mr. Wilmer Willis

RICK PERRY

President

Governor

Pine Trails Community Improvement Association

6003 Wood Bend Drive, #A

EDWINA P. CARRINGTON

Executive Director

Houston, TX 77049

BOARD MEMBERS

Elizabeth Anderson, Chair Re:

Quantifiable Community Participation

Shadrick Bogany

C. Kent Conine

Olive Grove Manor, # 05198 ("the application")

Vidal Gonzalez

Dear Mr. Willis:

Patrick R. Gordon Norberto Salinas

> I am writing regarding the letter you provided in response to my letter dated April 27 regarding the eligibility of your Quantifiable Community Participation letter for the above-referenced application. Thank you for responding.

> The Department has reviewed the letter you submitted. While I regret that Federal Express was unable to make a timely delivery, the Department is required to adhere to the QAP requirement stating that: "Letters received after April 1, 2005 will be summarized for the Board's information and consideration, but will not affect the score for the Application." Unfortunately, your letter was not received by the Department until April 4, 2005. Therefore, your letter remains ineligible for purposes of this scoring item.

> I would also like to note that in addition to the reason stated above, your organization would be ineligible for purposes of scoring based on the fact that the development site is not within the boundaries of your organization. Section 2306.6710, Texas Government Code, requires that the organization's "boundaries contain the proposed development site." The map you provided does not reflect that this is the case.

> Please be assured that the Department values all public input and while the Department will be unable to assign points to your letter the Department will still record your input in the Application's file and provide the Board of the Department with a summary of your comment for their information and consideration.

May 12, 2005 Page 2 of 2

Thank you again for your active involvement in our application process. If you have any questions, please do not hesitate to contact me at 512.475. 3296.

Sincerely,

Brooke Boston

Director of Multifamily Finance Production

PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

6003 Wood Bend Drive #A Houston, Texas 77049 281/458-6764 281/458-7250 Fax

RECEIVED
MAY 1 3 2005
EXECUTIVE

May 10, 2005

Ms. Edwina Carrington
Executive Director
Attention: Neighborhood Input
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, TX 78711-3941

RE: Olive Grove Manor, Ltd.

101 Normandy Houston, TX 77015

160 Unit Elderly Apartment Community

VIA FACSIMILE: (512) 475-0764 Certified Mail: 7002 2410 0006 1971 9489

Dear Ms. Carrington:

We received your letter saying that you would not count our letter of support for Olive Grove Manor Seniors apartments in our homeowner's association that we hope will be built at 101 Normandy. After months of discussion, we unanimously decided to welcome Olive Grove into our community and give it our full support for the reasons you see in the attached letter that we previously sent you. We did exactly as TDHCA asked in the Qualified Allocation Plan and sent everything FedEx on March 29th as you can see by the enclosed receipt so that the package would arrive by the April 1 deadline. The address TDHCA gave on their website "Information for Neighborhoods" was P. O. Box 13941 (MC332-10), Austin, Texas, 78711-3941. When FedEx was going to deliver it to TDHCA on the 30th, they could not do so because TDHCA gave us a P. O. Box. They finally figured out where to deliver it on the following Monday, April 4, which was one business day after the April 1 deadline. We could have faxed it on March 29th, but the map you requested was too large.

We really want this senior's community as part of Pine Trails Community Improvement Association and we are asking you to consider it for scoring as this is critical for its approval. If the points from our support are allowed, this project will receive tax credits based on the previous scoring posted on the TDHCA web site. Please help us get our support validated for this worthy project, since we did exactly what was requested by TDHCA.

Sincerely,

Cc:

Representative Harold V. Dutton

Cc:

Senator John Whitmire

Cc:

Mr. and Mrs. Vernon R. Young, Jr.

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•	Bv	TCN
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Tracking number Signed for by Ship date Delivery date

Date/Time

Apr 4, 2005

Mar 29, 2005

841764381791 M.JOVICEVIC Mar 29, 2005 Apr 4, 2005 9:27 AM

Activity

Delivered

Delivered to Service type

Location

Mailroom Priority Envelope

Incorrect address

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FedEx Trad

Status Delivered

9:27 AM

Details

Wrong Address?

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FedEx Address Chec

Shipping Freight?
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7:49 AM On FedEx vehicle for AUSTIN, TX delivery AUSTIN, TX Apr 1, 2005 11:45 AM At local FedEx facility AUSTIN, TX Mar 31, 2005 5:02 PM At local FedEx facility 1:24 PM At local FedEx facility AUSTIN, TX Mar 30, 2005 12:50 PM Delivery exception AUSTIN, TX

12:06 PM Delivery exception AUSTIN, TX

12:06 PM At local FedEx facility AUSTIN, TX

10:09 AM At dest sort facility AUSTIN, TX

4:16 AM Departed FedEx location MEMPHIS, T

12:33 AM Departed FedEx location FORT WOR

11:39 PM Arrived at FedEx location

8:36 PM Left origin 6:14 PM Picked up AUSTIN, TX
Package at station, arrived after courier dispatch
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TX FORT WORTH, TX HOUSTON, TX

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Signed for by: M.JOVICEVIC



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Tracking number: 841764381791

Ship Date: Mar 29, 2005

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* Call for Confirmation:		
5 Packaging		* Declared value limit \$500
FedEx Envelope*	FedEx Pak* Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak	Other .
	HOLD Weekday at FedEx Location NOT Available for FedEx first Overright stain dangerous goods?	HOLD Saturday at FedEx Location Available ONLY for FedEx Priority Overright and FedEx 2Day to select locations
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MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal termination of one 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Hawthorne Manor, #05200

This Applicant was originally sent a notice on April 29, 2005, notifying the applicant that their application was being terminated for violating §49.5(a)(7) of the Qualified Allocation Plan (QAP).

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Freeport is a municipality that has 2.198 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with the development team that a resolution or statement of support for the exception to this rule was never submitted.

This application does have strong support from the City of Freeport. The appeal refers to the letter of support from the mayor included in the application March 1, 2005. The Department does recognize the support, but the letter did not specifically reference this rule nor authorize an allocation of housing tax credits for the Development. Additionally, the Department recognizes that the city passed a resolution May 2, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

Hawthorne Manor, Ltd

Site Location:

2120 North Brazosport Blvd

City/County:

Freeport / Brazoria County

Regional Allocation Category:

Urban/Exurban

Set-Aside:

None

Population Served:

Elderly

Region:

6

Type of Development:

New Construction

Units:

100

Credits Requested:

\$831,875

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

termination.

BOARD Appeal Included in original ED Appeal

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 CONGRESS AVENUE Suite 300 Austin, Texas 78701-4042

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MAY 9 2005

May 5, 2005

EXECUTIVE

Ms. Edwina P. Carrington
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, Texas 78701

RECEIVED

Via Hand Delivery

MAY 0 9 2005

Re:

Appeal of Application Termination

Hawthorne Manor Apartments, Freeport, Texas

TDHCA # 05200

LIHTC

Dear Edwina:

Our firm represents Hawthorne Manor, Ltd. (the "Applicant"), which submitted an application to the Texas Department of Housing and Community Affairs ("TDHCA") for Housing Tax Credits for the Hawthorne Manor Apartments development referenced as TDHCA #05200. We respectfully submit this appeal in response to the letter from the TDHCA, dated April 29, 2005, informing the Applicant of the termination of its application.

Background Information

The Applicant's proposed development is located in Freeport, a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. As such, Section 49.5(a)(7) of the 2005 Qualified Allocation Plan (the "QAP") provides that the application is ineligible for consideration unless the Applicant:

- (A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and
- (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development. (emphasis added)

Section 49.5(a)(7) goes on to say that the Applicant must submit evidence under subparagraphs (A) and (B) by April 1, 2005.

Ms. Edwina P. Carrington May 5, 2005 Page 2

The Freeport City Council clearly and unequivocally expressed its support of this development on February 22, 2005 when the City Council took official action by unanimously passing a motion to approve the development (see Council agenda and minutes attached as <u>Exhibit A</u>). Additionally, on February 23, 2005, the Mayor of Freeport wrote a letter reiterating that the City of Freeport supports the proposed development (see letter attached as <u>Exhibit B</u>). The Mayor's letter was included in the application the Applicant submitted to TDHCA on March 1, 2005.

In the termination letter, TDHCA staff cites the Applicant's failure to meet the requirements of Section 49.5(a)(7) of the QAP. The Applicant believes it has met the specific requirements of the QAP and thus appeals the staff's determination.

Discussion

The clear intent of Section 49.5(a)(7) of the QAP is to ensure that governing bodies in municipalities with more than twice the state average of units per capita supported by Housing Tax Credits have the opportunity to approve the proposed development. This is designed to address concentration issues so that no community unwittingly receives a disproportionate share of Housing Tax Credit units.

The Applicant satisfied subparagraph (A), above, by obtaining prior approval from the governing body of the Freeport City Council on February 22, 2005. The fact that the City chose to take action through a motion rather than a resolution is of no legal significance. Both a motion and a resolution are means by which a governing body manifests its collective will—neither form has greater power or authority than the other. A motion is a verbal manifestation of council action subsequently memorialized in the minutes of the council meeting, while a resolution is memorialized prior to approval and provides an immediate written manifestation of the will of the council. The two actions differ in form only, not substance.

The Applicant satisfied subparagraph (B), above, by submitting the February 23, 2005 letter from the Mayor of Freeport in the Housing Tax Credit application.

Finally, the Applicant satisfied the requirement that evidence of both subparagraphs (A) and (B) be submitted by April 1, 2005. Contrary to the assertion presented in the termination letter, the QAP does not require that both a resolution of support and a letter from the City be submitted by April 1, 2005. Subparagraph (A) requires that prior approval be obtained, not submitted. As indicated above, the Applicant clearly obtained such approval as early as February 22, 2005. The Mayor's letter dated February 23, 2005 was included in the application well before April 1, 2005 and clearly constituted evidence of the items requested under Section 49.5(a)(7)(A) and (B). It is a well-settled principle of law that evidence consists of testimony, writings, or material objects offered in proof of an alleged fact or proposition. In this case, the letter submitted with the application was offered as proof of the fact that the City of Freeport approved of the proposed development.

Ms. Edwina P. Carrington May 5, 2005 Page 3

The interpretation offered in the termination letter goes beyond the express requirement of the QAP and yields a result that would be inequitable. The Applicant did in fact provide the evidence required by the QAP prior to April 1, 2005. And while reasonable minds may differ over whether the language of the QAP should be construed broadly or circumspectly, there can be no serious debate over whether or not the City of Freeport supports the proposed development. In determining which interpretive course to pursue, we urge you to adopt the interpretation that provides equity to the Applicant who has without question complied with the spirit and intent of Section 49.5(a)(7).

Upon receipt of the termination letter, the City of Freeport took immediate action to, once again, show its support for the Hawthorne Manor Apartments. The City Council met and passed a resolution in support of the development to reiterate its prior action (see the resolution attached as <u>Exhibit C</u>). In addition, the Mayor wrote another letter of support, specifically referencing Section 49.5(a)(7) of the QAP (see the letter attached as <u>Exhibit D</u>). We hope these additional expressions of support may be properly considered in determination of this appeal and add to the quantum of evidence supporting the fact that the City of Freeport strongly supports the proposed development.

We are grateful for your consideration of this appeal and sincerely hope you will find in favor of the Applicant. However, in the event that you choose otherwise, we respectfully request the opportunity to present this appeal to the TDHCA Board at the next available opportunity.

Sincerely,

Cynthia L. Bast

cc: Vernon and Elizabeth Young

Attachments

Exhibit A - City Council Agenda and Minutes

Exhibit B – Mayor's Letter

Exhibit C – City Council Resolution

Exhibit D – Updated Mayor's Letter

EXHIBIT A

FAX NO. :9792338867

May. 05 2005 03:01PM P1



200 WEST SECOND STREET / FREEPORT, TEXAS 77541 1 PHONE (979) 233-3526 / FAX (979) 233-8867 / www.freeport.tx.us

CITY'S SECRETARY CERTIFICATE

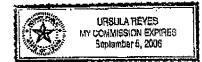
I, Delia Munoz, the City Secretary and the custodian of records of the City of Freeport, Brazoria, County, Texas do hereby certify that the attached copy of the Freeport City Council Agenda of Feb. 22, 2005 and minutes is a true and correct copy of the official record in my custody and possession, as it appears in the records of the City of Freeport, Texas.

Witness my official signature and the seal of the City affixed this _____day of

Delia Munoz City Secretary City of Freeport

This instrument was acknowledged before me on the 5th day of May, 2005 by Delia Munoz as City Secretary of the City of Freeport. Texas.

Notary Public in and for the State of Texas



FAX NO. :979233885?

May. 05 2005 03:02PM P3

City of Freeport

NOTICE OF PUBLIC MEETING
THE FREEPORT CITY COUNCIL
TUESDAY, FEBRUARY 22, 2005, 6:00 P.M.
MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 N. BRAZOSPORT BLVD.

AGENDA

FORMAL SESSION

- 1. Call to Order.
- Invocation by Will Holland, Pastor from the Bridge
- Pledge of Allegiance,
- Approval of the February 7, 2005, City Council Minutes. Pg. 204-209
- Attending Citizens and Their Business.
- 6. Consideration of the approval of Ordinance No. 2005-2073 amending Division (A) of Section 115.021 of the Code of Ordinances of the City to provide that the occupation tax levied on each coin-operated machine within the City to be one-fourth (I/4) of the tax charged and collected by the State. Pg. 210-213
- 7. Consideration of the approval of Ordinance No. 2005-2075 amending Division (B) of Section 113.07 of the Code of Ordinances to prohibit the crection of new signs not meeting the specifications contained therein and adding a new Division (D) thereto prohibiting the enlargement or modification of existing signs in a manner that results in a different sign. Pg. 214-217
- Consideration of the approval of sale of the city interest in trust property known as Tract 12C & 12C1,034 acres, Abst 0090 Block W (Haney Tract) Slaughter Road. Pg. 218-222
- Consideration of the approval of abandoning and selling that portion of North Ave. K right-of-way between Brazosport Boulevard on the South, North Ave. M on the north, Wharton Street on the East and Yellowstone Street on the West to Ms. Lisa Clepper. Pg. 223-239

FAX NO. :9792338867

May. 05 2005 03:02PM P4

- Consideration of the approval of bids and awarding the contract for the new Municipal Park building. Pg. 240
- Consideration of the approval of authorizing the Mayor to sign a letter of support for the proposed 100 unit apartment complex located at 2120 North Brazosport Blvd. Pg. 241-242
- Consideration of the approval of landscape architect services for a hike & bike trail project. Pg. 243-247

Elected Official Report

Work Session

- A. Administrative Reports
- B. Discussion concerning Little League Association proposed ball park improvement. Pg. 248-249

Executive Session

- A. Section 551.071 Government Code Consultation with City Attorney concerning pending or contemplated litigation settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:
 - (1) Marina
 - (2) Dow
- B. Section 551.074

Deliberations concerning the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee to wit:

(1) City Manager

Adjourn

NOTE: ITEMS NOT NECESSARILY DISCUSSED IN THE ORDER THEY APPEAR ON THE AGENDA. THE COUNCIL, AT ITS DISCRETION, MAY TAKE ACTION ON ANY OR ALL OF THE ITEMS AS LISTED.

This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code)

FAX NO. :9792338867

May. 05 2005 03:02PM P2

On a motion by Councilman Phillips, seconded by Councilman Smith, with all present voting "aye". Council unanimously approved to reject the bids and re-bid the building.

Consideration of the approval of authorizing the Mayor to sign a letter of support for the proposed 100 unit apartment complex located at 2120 North Brazosport Blvd.

On a motion by Councilman Smith, seconded by Councilman McDonald, with all present voting "aye", Council unanimously approved the Mayor to sign a letter of support for the proposed 100 unit apartment complex located at 2120 North Brazosport Blvd.

Consideration of the approval of landscape architect services for a hike & bike trail project.

This item was reagondaed.

Elected Official Report

Councilman McDonald thanked the City employees for the work at the east end park and the LULAC's for the award given to him.

Councilman Phillips attended the Port Freeport meeting. He also attended the Southern Brazoria County Animal Shelter and reviewed the audit, which was very favorable. Encouraged Freeport citizens to register their animals. A space and neuter clinic will come to several areas later this year.

Councilman Smith reported the Senior Citizens will meet this week. He complemented the Fire Department on their quick response to the fire at the General Dollar store.

Work Session

Administrative Reports

No reports

Discussion concerning Little League Association proposed ball park improvement.

Ken Lookingbill, President of the Freeport Little League Association discussed building covers over the bleachers to provide shade for parents. He requested permission to proceed with the project. Council was in agreement and directed Mr. Lookingbill to the Building Departments for permits.

Mayor Barnett closed the open session and opened the executive session at 7:45 p.m.

EXHIBIT B

February 23, 2005

Ms. H. Elizabeth Young Artisan/American Corp. 5325 Katy Freeway, Suite One Houston, Texas 77007

Re: Hawthorn Manor

100 Unit Elderly Apartment Community Proposed at 2120 N. Brazosport Blvd.

Freeport, Texas 77541

Dear Ms. Young:

On behalf of the City of Freeport, please accept this letter as our support for the proposed 100 unit apartment complex located at 2120 N. Brazosport Boulevard. This facility will help meet the housing needs of our senior citizens.

Sincerely,

James A. Barnett, Jr.

Mayor

EXHIBIT C

RESOLUTION 2005-2068

SUPPORTING THE DEVELOPMENT OF A SENIOR CITIZENS HOUSING DEVELOPMENT BY ARTISAN/AMERICAN CORPORATION

Whereas, Artisan/American Corporation has applied for housing tax credits for the development of a new senior citizens housing complex in the City of Freeport, and,

Whereas, the City Council of the City of Freeport has approved the development of this project,

Now, Therefore Be It Resolved, the City Council of the City of Freeport hereby formally acknowledges support for this project.

In Witness Thereof, we set our hands this 2nd day of May 2005.

James A. Barnett, Jr.

Mayor

Attest:

Delia Munoz

City Secretary

EXHIBIT D

FAX NO. :9792338867

May. 05 2005 03:03PM P5



200 WEST SECOND STREET / FREEPORT, TEXAS 77541 1 PHONE (879) 233-3526 / FAX (979) 233-8867 / www.freeport.tx.us

May 3, 2005

Ms. H. Elizabeth Young Artisan/American Corporation 5325 Katy Freeway, Suite One Houston, Texas 77007

Re: Hawthorne Manor
100 Unit Elderly Apartment Community
Proposed at 2120 North Brazosport Blvd.
Freeport, Texas 77541

Dear Mrs. Young:

On behalf of the City of Freeport, please accept this letter as our support for the proposed 100 unit apartment complex located 2120 N. Brazosport Boulevard. This facility will help meet the housing needs of our senior citizens.

In accordance with Section 49.5 (a) 7 of the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules, our City Council has taken official action indicating action indicating that the City of Freeport:

(1) supports this proposed development; (2) has authorized an allocation of housing tax credits for this development.

Sincerely.

James A. Barnett, Jr. Mayor of Freeport

City of Freeport, Texas 77541

Executive Director's Response



WWW.TDHCA.STATE.TX.US

RICK PERRY

Governor

May 17, 2005

EDWINA P. CARRINGTON

H. Elizabeth Young Hawthorne Manor, Ltd.

Executive Director

5325 Katy Freeway, Suite One

Houston, TX 77007

Telephone:

Telecopier:

Elizabeth Anderson, Chair

(713) 626-1400

Shadrick Bogany C. Kent Conine

BOARD MEMBERS

(713) 626-1098

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

Re: Hawthorne Manor Apartments, TDHCA # 05200

Dear Ms. Young:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Freeport is a municipality that has 2.198 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

I understand that this application does have strong support from the City of Freeport. In your appeal you refer to the letter of support from the mayor included in the Ms. Young May 17, 2005 Page 2 of 2

application March 1, 2005. The Department does recognize the support, but the letter did not specifically reference this rule nor authorize an allocation of housing tax credits for the Development. Additionally, the Department recognizes that the city passed a resolution May 2, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Appeal Determination

Because of the reasons above, your appeal is denied. The application will not be reinstated.

Section 49.17(b)(4) of the 2005 QAP states that if you are not satisfied with this response to your appeal, you may appeal directly in writing to the Board of the Texas Department of Housing and Community Affairs. Please note that an appeal filed with the Board must be received by the Board before the seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made. To have an appeal considered by the Board at the May 26 Board meeting, the appeal must be received by Delores Groneck, Board Secretary, no later than May 18.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

Edwina P. Carrington

Executive Director

TRANSMISSION VERIFICATION REPORT

TIME : 05/17/2005 15:47 NAME : TX DEPT OF HOUSING

FAX : 4750764 TEL :

SER.# : BROG4J729978

DATE, TIME FAX NO./NAME DURATION PAGE(S) RESULT 85/17 15:46 917136261098 00:00:50 02 OK STANDARD



WWW.TDHCA.STATE/TX.US

Rick

Gove 7

Exec C Director

Boat EMBERS
Eliza h Anderson, Chair

o Salinas

Shai k Bogany C. K Conine Vida nzalez Patr R. Gordon

Nort

May 17, 2005

H. Elizabeth Young Hawthorne Manor, Ltd.

5325 Katy Freeway, Suite One

Houston, TX 77007

Telephone:

(713) 626-1400

Telecopier:

(713) 626-1098

Re: Hawthorne Manor Apartments, TDHCA # 05200

Dear Ms. Young:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004,



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RICK PERRY

April 29, 2005

Governor

H. Elizabeth Young

EDWINA P. CARRINGTON Executive Director

Hawthorne Manor, Ltd.

5325 Katy Freeway, Suite One

BOARD MEMBERS

Houston, TX 77007

Elizabeth Anderson, Chair **Telephone**:

(713) 626-1400

Shadrick Bogany C. Kent Conine

Telecopier:

(713) 626-1098

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

Re: Hawthorne Manor Apartments, TDHCA # 05200

Dear Ms. Young:

On March 1, 2005, you submitted an application for the above-referenced development. Our staff has completed a review of the eligibility criteria. In our review it was determined that the above-referenced application is located in the City of Freeport.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Freeport is a municipality that has 2.198 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

Therefore, please be informed that pursuant to this section of the QAP, the Department has terminated this Application and no further action will be taken on it.

Ms. Young April 29, 2005 Page 2 of 2

Please be aware that an Appeals Policy exists for the Housing Tax Credit Program. If you wish to appeal this application termination decision, you must file your appeal with the Department no later than May 6, 2005. The restrictions and requirements relating to the filing of an appeal can be found in §49.17(b) of the 2005 QAP.

If you have any questions, please do not hesitate to contact Jennifer Joyce at 512.475.3995.

Sincerely,

Brooke Boston

Multifamily Finance Production Division Director

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal termination of one 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Aspen Meadows, #05203

This Applicant was originally sent a notice on April 29, 2005, notifying the applicant that their application was being terminated for violating §49.5(a)(7) of the Qualified Allocation Plan (QAP).

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Angleton is a municipality that has 2.091 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with the development team that a resolution or statement of support for the exception to this rule was never submitted.

This application does have strong support from the City of Angleton. In the appeal the applicant refers to the letter of support from the mayor included in the application March 1, 2005. The Department does recognize the support, but the letter did not specifically reference this rule nor authorize an allocation of housing tax credits for the Development. Additionally, the Department recognizes that the city passed a resolution May 4, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Aspen Meadows, Ltd. Site Location: 1655 Henderson Road

City/County: Angleton / Brazoria County

Regional Allocation Category: Rural
Set-Aside: None

Population Served: Elderly

Region: 6

Type of Development: New Construction

Units: 76

Credits Requested: \$493,218

Staff Recommendation: The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

termination.

BOARD Appeal Included in original ED Appeal

LOCKE LIDDELL & SAPP LLP

ATTORNEYS & COUNSELORS

100 CONGRESS AVENUE Suite 300 Austin, Texas 78701-4042

AUSTIN • DALLAS • HOUSTON • NEW ORLEANS

(512) 305-4700 Fax: (512) 305-4800 www.lockeliddell.com

Direct Number: (512) 305-4707 email: cbast@lockeliddell.com

Via Hand Delivery

May 6, 2005 nh

Ms. Edwina P. Carrington
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine, Suite 400
Austin, Texas 78701

Re:

Appeal of Application Termination

Aspen Meadows Apartments, Angleton, Texas

TDHCA # 05203

Dear Edwina:

Our firm represents Aspen Meadows, Ltd. (the "Applicant"), which submitted an application to the Texas Department of Housing and Community Affairs ("TDHCA") for Housing Tax Credits for the Aspen Meadows Apartments development referenced as TDHCA #05203. We respectfully submit this appeal in response to the letter from the TDHCA, dated April 29, 2005, informing the Applicant of the termination of its application.

Background Information

The Applicant's proposed development is located in Angleton, a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. As such, Section 49.5(a)(7) of the 2005 Qualified Allocation Plan (the "QAP") provides that the application is ineligible for consideration unless the Applicant:

- (A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and
- (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development. (emphasis added)

Section 49.5(a)(7) goes on to say that the Applicant must submit evidence under subparagraphs (A) and (B) by April 1, 2005.

Ms. Edwina P. Carrington May 6, 2005 Page 2

The Angleton City Council clearly and unequivocally expressed its support of this development on February 8, 2005 when the City Council took official action by unanimously passing a motion to approve the development (see Council agenda and minutes attached as <u>Exhibit A</u>). Additionally, on February 8, 2005, the Mayor of Angleton wrote a letter of support reiterating the enthusiasm with which the City of Angleton supports the proposed development (see letter attached as <u>Exhibit B</u>). The Mayor's letter was included in the application the Applicant submitted to TDHCA on March 1, 2005.

In the termination letter, TDHCA staff cites the Applicant's failure to meet the requirements of Section 49.5(a)(7) of the QAP. The Applicant believes it has met the specific requirements of the QAP and thus appeals the staff's determination.

Discussion

The clear intent of Section 49.5(a)(7) of the QAP is to ensure that governing bodies in municipalities with more than twice the state average of units per capita supported by Housing Tax Credits have the opportunity to approve the proposed development. This is designed to address concentration issues so that no community unwittingly receives a disproportionate share of Housing Tax Credit units.

The Applicant satisfied subparagraph (A), above, by obtaining prior approval from the governing body of the Angleton City Council on February 8, 2005. The fact that the City chose to take action through a motion rather than a resolution is of no legal significance. Both a motion and a resolution are means by which a governing body manifests its collective will—neither form has greater power or authority than the other. A motion is a verbal manifestation of council action subsequently memorialized in the minutes of the council meeting, while a resolution is memorialized prior to approval and provides an immediate written manifestation of the will of the council. The two actions differ in form only, not substance.

The Applicant satisfied subparagraph (B), above, by submitting the February 8, 2005 letter from the Mayor of Angleton in the Housing Tax Credit application.

Finally, the Applicant satisfied the requirement that evidence of both subparagraphs (A) and (B) be submitted by April 1, 2005. Contrary to the assertion presented in the termination letter, the QAP does not require that both a resolution of support and a letter from the City be submitted by April 1, 2005. Subparagraph (A) requires that prior approval be obtained, not submitted. As indicated above, the Applicant clearly obtained such approval as early as February 8, 2005. The Mayor's letter dated February 8, 2005 was included in the application well before April 1, 2005 and clearly constituted evidence of the items requested under Section 49.5(a)(7)(A) and (B). It is a well-settled principle of law that evidence consists of testimony, writings, or material objects offered in proof of an alleged fact or proposition. In this case, the letter submitted with the application was offered as proof of the fact that the City of Angleton approved of the proposed development.

Ms. Edwina P. Carrington May 6, 2005 Page 3

The interpretation offered in the termination letter goes beyond the express requirement of the QAP and yields a result that would be inequitable. The Applicant did in fact provide the evidence required by the QAP prior to April 1, 2005. And while reasonable minds may differ over whether the language of the QAP should be construed broadly or circumspectly, there can be no serious debate over whether or not the City of Angleton supports the proposed development. In determining which interpretive course to pursue, we urge you to adopt the interpretation that provides equity to the Applicant who has without question complied with the spirit and intent of Section 49.5(a)(7).

Upon receipt of the termination letter, the City of Angleton took immediate action to, once again, show its support for the Aspen Meadows Apartments. The City Council met and passed a resolution in support of the development to reiterate its prior action (see the resolution attached as <u>Exhibit C</u>). In addition, the Mayor wrote another letter of support, specifically referencing Section 49.5(a)(7) of the QAP (see the letter attached as <u>Exhibit D</u>). We hope these additional expressions of support may be properly considered in determination of this appeal and add to the quantum of evidence supporting the fact that the City of Angleton strongly supports the proposed development.

We are grateful for your consideration of this appeal and sincerely hope you will find in favor of the Applicant. However, in the event that you choose otherwise, we respectfully request the opportunity to present this appeal to the TDHCA Board at the next available opportunity.

Sincerely,
Cynthia Chart

Cynthia L. Bast

cc: Vernon and Elizabeth Young

Attachments

Exhibit A – City Council Agenda and Minutes

Exhibit B – Mayor's Letter

Exhibit C – City Council Resolution

Exhibit D – Updated Mayor's Letter

EXHIBIT A

City of Angleton, Texas City Council Special Meeting

February 8, 2005 @ 6:00 p.m.

The City of Angleton, Texas, City Council will conduct a Special Meeting beginning at 6 p.m., Thesday February 8, 2005 at City Hall, 121 S. Velasco, Angleton, TX, to consider the following:

1. Declaration of Quorum and call to Order.

CONSENT AGENDA:

- A. Amended Brazoria County tourism Agreement
- B. Contract for the collection of delinquent taxes
- Discussion and possible action on minutes of meetings: November 30, 2004 - special meeting January 11, 2005 - special meeting



- Discussion and possible action designating the frontage on Henderson Road as an area in which growth is encouraged and authorizing the Mayor to sign a letter supporting the development of Senior Citizen Apartment Complex in said area.
- A. Public hearing on Ordinance 2005-O-2A providing for the voluntary annexation of 23.57 acres located at the northeast corner of the intersection of FM 523 and Carbtex Road.
 - B. Discussion and possible action on Ordinance 2005-O-2A providing for the voluntary annexation of 23.57 acres located at the northeast corner of the intersection of FM 523 and Carbtex Road.
- 5. Discussion and possible action on the Jablecki Subdivision.

6. Discussion and possible action on property insurance.

The City of Angleton, Texas reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donation), (economic development),

Adjournment

Amanda Davenport

City Secretary

1000

Any person wishing to attend this meeting who is in need of assistance due to a handicap or special need is asked to call the city secretary office anytime between 8 a.m. and 5 p.m, Monday through Friday. (call 979-849-4364)

Posted in accordance with the Texas Government Code, Chapter 551, on the 4 day of February, 2005 at 3:45 am/pm and removed the 11 day of February, 2005 at 3:55 am/pm

Witness to posting: _

Witness to removal:

Pamlel

State of Texas

County of Brazoria

City of Angleton

The City of Angleton, Texas City Council conducted a Special Meeting at 6 p.m., Tuesday, February 8, 2005, with the following in

L.M. "Matt" Sebesta Mayor J. Patrick Henry III Mayor Pro Tem Roger D. Collins Councilman - absent James Veselka Councilman - absent Stan Weik Councilman Jason Perez Councilman

OTHERS PRESENT:

Michael Stoldt Keith Vaughan Amanda Davenport

City Administrator City Attorney City Secretary Patti Worfe R. Heinemeyer

And those listed on the guest registry.

CALL TO ORDER BY MAYOR SEBESTA

Consent Items:

- a. Amended Brazoria County tourism Agreement
- b. Contract for the collection of delinquent taxes

Motion by Mayor Pro Tem Henry to approve consent items Second by Councilman Perez

Motion carries with 4 for; 0 against; 2 absent

Discussion and possible action on minutes of meetings: November 30, 2004 - special meeting January 11, 2005 - special meeting

Motion by Councilman Weik to approve minutes in aggregate Second by Councilman Perez

Motion carries with 4 for; 0 against; 2 absent



Discussion and possible action designating the frontage on Henderson Road as an area in which growth is encouraged and authorizing the Mayor to sign a letter supporting the development of Senlor Citizen Apartment Complex in said area.

THE PROPERTY

Motion by Councilman Weik - to authorize signing of letter supporting Senior Citizen Project and designation of the frontage on Henderson Road as an area of which growth is

Second by Mayor Pro Tem Henry

Motion carries with 4 for; 0 against; 2 absent

A. Public hearing on Ordinance 2005-O-2A providing for the voluntary annexation of 23.57 acres located at the northeast corner of the intersection of FM 523 and Carbtex

Public hearing was opened and no citizen spoke for or against

Public hearing was closed.

B. Discussion and possible action on Ordinance 2005-O-2A providing for the voluntary annexation of 23.57 acres located at the northeast corner of the intersection of FM 523 and Carbtex Road.

Motion by Mayor Pro Tem Henry to approve Ordinance 2005-0-Second by Councilman Perez

Motion carries with 4 for; 0 against; 2 absent

Discussion and possible action on the Jablecki Subdivision.

Michael Stoldt gave overview including staff comments. Mr. Larry Jablecki of 910 S. Walker spoke regarding staff comments regarding drainage and the 8" water line upgrade proposal to the City of Angleton. Made a counter-proposal consisting of putting \$5000 of Jablecki money toward the

Motion by Councilman Weik to deny the plat as submitted but allow the developer to resubmit within 90 days without paying an addition plat fee and accepting the developer proposal to be responsible for only \$5000 of the waterline upgrade and to submit a drainage plan. Second by Mayor Pro Tem Henry

Motion carries with 4 for; 0 against; 2 absent

Discussion and possible action on property insurance. 2.

Michael Stoldt gave overview of insurance bids that came in.

Motion by Mayor Pro Tem Henry to approve awarding renewal insurance and recommend \$5000 deductible with Neal Insurance including terrorism coverage. Second by Councilman Perez

L.M. "Matt" Sebesta Mayor

Amanda pavenport City Secretary

EXHIBIT B



Heart of Brazoria County

February 8, 2005

Ms. H. Elizabeth Young Artisan/American Corp. 5325 Katy Freeway, Suite One Houston, Texas 77007

Re:

Aspen Meadows

76 unit Elderly Apartment Community

proposed at 1655 Henderson Road, Angleton, Texas

Mrs. Young:

The City Council of City of Angleton is pleased to fully and specifically support the proposed 76-unit independent living apartment community proposed to be located at 1655 Henderson Road and the benefits that it will provide to our senior residents. The proposed apartment community will provide needed housing units and services for the senior citizens of Angleton and the surrounding areas.

Please let me know if we can be of any further assistance. We look forward to working with you on this great opportunity.

Best regards,

L.M. "Matt" Sebesta, Jr. Mayor of Angleton

EXHIBIT C

City of Angleton, Texas City Council Special Meeting

May 4, 2005 @ 5:30 p.m.

The City of Angleton, Texas, City Council will conduct a Special Meeting beginning at 5:30 p.m., Tuesday May 4, 2005 at City Hall, 121 S. Velasco, Angleton, TX, to consider the following:

1. Declaration of Quorum and call to Order.

Adjournment

 Discussion and possible action on Resolution 2005-R-5A designating the frontage on Henderson Road as an area in which growth is encouraged and supporting the development of Aspen Meadows a Senior Citizen Apartment Complex in said area.

The City of Angleton, Texas reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donation), 551.074 (personnel matters), 551.076 (deliberations about security devices) and 551.086 (economic development).

L)a	deaport
Am an da D City Secre	Paven f ort
	Any person wishing to attend this meeting who is in need of assistance due to a handic or special need is asked to call the city secretary office anytime between 8 a.m. and p.m. Monday through Friday. (call 979-849-4364)
	cordance with the Texas Government Code, Chapter 551, on the 2005 at am/pm and removed the day of May, 2005 at m.
Witness to p	posting: Witness to removal:

RESOLUTION 2005-R-5A

A RESOLUTION OF THE CITY OF ANGLETON, TEXAS, AUTHORIZING AND SUPPORTING THE SUBMISSION OF A 2005-2006 9% TAX CREDIT APPLICATION FOR THE DEVELOPMENT TO BE KNOWN AS THE ASPEN MEADOWS APARTMENT COMMUNITY, A 76 UNIT DEVELOPMENT FOR THE ELDERLY LOCATED AT 1655 HENDERSON ROAD, ANGLETON, TEXAS, 77515, THE APPLICANT BEING ASPEN MEADOWS, LTD.; AND APPROVING AND AUTHORIZING THE DEVELOPMENT OF THE ASPEN MEADOWS APARTMENT COMMUNITY; AND AUTHORIZING THE MAYOR TO ACT AS THE EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE PARTICIPATION IN THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TAX CREDIT PROGRAM.

WHEREAS, the proposed project is located in a City that has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds, the City desires to develop a viable community for all its citizens;

WHEREAS, Section 49.5(a)(7) of the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules requires that the governing body of the City of Angleton demonstrate its approval of the proposed project;

WHEREAS, the City of Angleton took official action to demonstrate its approval of this proposed project on February 8, 2005 and said official action was evidenced in the form of a Motion, duly authorized and unanimously approved by the City Council of the City of Angleton;

WHEREAS, the City of Angleton desires now to reaffirm the demonstration of approval and official action taken by the City Council of the City of Angleton on February 8, 2005 through passage of this Resolution;

WHEREAS, it is necessary and in the best interests of the City to support the application for assistance through the Texas Department of Housing and Community Affairs;

NOW, THEREFORE, BE IT RESOLVED:

Section1. That a Texas Department of Housing and Community Affairs Tax Credit Application is hereby authorized to be filed for funding consideration under the Tax Credit Program; said applicant is Aspen Meadows, Ltd., located at 1655 Henderson Road in Angleton, Texas; and the development of the Aspen Meadows Apartment Community is hereby approved and authorized.

Section2. That the application be for up to \$493,218 of tax credit allocation to carry out project development, administration, engineering, and improvements;

Section3. That the Mayor is designated as the Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and participation with the Texas Department of Housing and Community Affairs.

PASSED AND APPROVED, May 4, 2005

Mayor

L.M. "Matt" Sebesta, Jr.

City Secretary, Amanda Davenport

EXHIBIT D



Heart of Brazoria County

May 4, 2005

Ms. H. Elizabeth Young Artisan/American Corp. 5325 Katy Freeway, Suite One Houston, TX 77007

RE: Aspen Meadows

76 unit Elderly Apartment Community

Proposed at 1655 Henderson Road, Angleton, Texas

Dear Mrs. Young,

The City of Angleton, the Mayor and its City Council are very pleased that you have proposed to develop the Aspen Meadows Apartment Community which will be located at 1655 Henderson Road, Angleton, Texas. We fully support the proposed 76-unit independent living apartment community for the elderly, age 55 years and older.

In accordance with Section 49.5(a)(7) of the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules, our City Council has taken official action indicating that the City of Angleton: 1.) supports this proposed development; and 2.) has authorized an allocation of housing tax credits for this development.

Best regards,

L.M. "Matt" Sebesta, Jr. Mayor of Angleton

Executive Director's Response



WWW.TDHCA.STATE.TX.US

RICK PERRY

May 17, 2005

Governor

H. Elizabeth Young

EDWINA P. CARRINGTON

Hawthorne Manor, Ltd.

Executive Director

5325 Katy Freeway, Suite One

Houston, TX 77007 BOARD MEMBERS

Elizabeth Anderson, Chair **Telephone**:

Re:

(713) 626-1400

Shadrick Bogany

C. Kent Conine

Telecopier:

(713) 626-1098

Vidal Gonzalez Patrick R. Gordon Norberto Salinas

Aspen Meadows Apartments, TDHCA # 05203

Dear Ms. Young:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004, Angleton is a municipality that has 2.091 Housing Tax Credits per capita and therefore, this application is ineligible unless it, "(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and (B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development". The Department, through the QAP, established that all Developments ineligible under this section had until April 1, 2005 to submit items (A) and (B). This information was not submitted by the deadline for the above-referenced application. Additionally, staff confirmed with your development team that a resolution or statement of support for the exception to this rule was never submitted.

I understand that this application does have strong support from the City of Angleton. In your appeal you refer to the letter of support from the mayor included in the Ms. Young May 17, 2005 Page 2 of 2

application March 1, 2005. The Department does recognize the support, but the letter did not specifically reference this rule nor authorize an allocation of housing tax credits for the Development. Additionally, the Department recognizes that the city passed a resolution May 4, 2005. However, as mentioned above, this resolution does not satisfy the requirements of the QAP because it was submitted after the April 1, 2005 deadline.

Appeal Determination

Because of the reasons above, your appeal is denied. The application will not be reinstated.

Section 49.17(b)(4) of the 2005 QAP states that if you are not satisfied with this response to your appeal, you may appeal directly in writing to the Board of the Texas Department of Housing and Community Affairs. Please note that an appeal filed with the Board must be received by the Board before the seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made. To have an appeal considered by the Board at the May 26 Board meeting, the appeal must be received by Delores Groneck, Board Secretary, no later than May 18.

If you have questions or comments, please call (512) 475-3340.

Sincerely,

Edwina P. Carrington

Executive Director

TRANSMISSION VERIFICATION REPORT

TIME 05/17/2005 15:44 TX DEPT OF HOUSING 4750764 NAME

FAX

SER.# : BROG4J729978

DATE, TIME FAX NO./NAME DURATION 05/17 15:43 917136261098 00:00:50 02 ٥K STANDARD



WWW.TDHCA.STATE.TX.US

RICK PERRY

Governor

EDWINA P. CARRINGTON

Executive Director

BOARD MEMBERS Elizabeth Anderson, Chair **Telephone**:

Shadrick Bogany C. Kent Conine Vidai Gonzalez

Patrick R. Gordon Norberto Salinas

May 17, 2005

H. Elizabeth Young

Hawthorne Manor, Ltd.

5325 Katy Freeway, Suite One

Houston, TX 77007

Telecopier:

(713) 626-1400

(713) 626-1098

Aspen Meadows Apartments, TDHCA # 05203 Re:

Dear Ms. Young:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that we received on May 6, 2005 regarding the termination of the above-referenced application.

Pursuant to §49.5(a)(7) of the 2005 Qualified Allocation Plan, an application is ineligible if the Development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds. According to the 2005 HTC Reference Manual released in November 2004,

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Normangee Apartments, #05225

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Normangee, LP

Site Location:

OSR & 3rd Street

City/County:

Normangee / Leon County

Regional Allocation Category:

Rural

Set-Aside:

At-Risk/Preservation/USDA

Population Served:

Family

Region:

8

Type of Development:

Acquisition/Rehabilitation

Units:

20

Credits Requested:

\$131,703

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF NOUSING FING! Scoring Notice

Appeal Election Form: 05225, Normangee Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be add 2005 TDHCA Board of Directors meeting agenda. I understand that my Board application must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed Board book (although Board appeal documentation received by Friday, May 20 will addendum to the May 26 Board meeting agenda.) If no documentation is submitted documention to the Executive Director will be utilized.	peal on the May 26 Il be added as an
Do not wish to appeal to the Board of Directors.	
Signed / John Williams	
Title PRESIDENT	
Date	

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Huntsville Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc 4206 Zermatt Drive Smyrna, Georgia 30080

RE: Normangee Apts, Ltd

Dear Mr. Wasserman:

This office is in receipt of your application with USDA Rural Development for transfer of subject project, Normangee Apts, Ltd.

USDA, Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval set forth in the Agency's Letter of Conditions are met.

If further information is needed, please advise.

Sincerery,

DEBORAH A. BAKER

Rural Development Manager

Cc: Michael Meehan, Director RH, Temple, TX
Michael Self, RH Specialist, Temple, TX
Gayle Ledyard, RH Specialist, Temple, TX



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lcnder@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Lytle Apartments, #05226

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Lytle, LP

Site Location:

14720 Main Street

City/County:

Lytle / Atascosa County

Regional Allocation Category:

Rural

Set-Aside:

At-Risk/Preservation/USDA

Population Served:

Family

Region:

O.

Type of Development:

Acquisition/Rehabilitation

Units:

24

Credits Requested:

\$143,173

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

toommending that the Board also dony

point being reinstated.

No BOARD Appeal Included in original ED Appeal



\overline{S} MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HOUSING AND COMING Notice

Appeal Election Form: 05226, Lytle Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do :	
	Signed PRESIDENT Date 5/6/05

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512,475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development Seguin Local Office

May 10, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

Ref: Cibolo Apartments and Lytle Apartments

Dear Mr. Wasserman:

You have requested USDA Rural Development provide a recommendation for the above referenced properties, for the Low Income Housing Tax Credit Program Qualified Allocation Plan.

In the event that Texas Department of Housing and Community Affairs (TDHCA) awards tax credits to these properties, and a complete transfer application has been submitted whereby all regulatory requirements have been met, USDA Rural Development will continue to provide financing to facilitate the transfer of the property.

If you have any questions, do not hesitate to contact this office.

Sincerely,

GILBERTO A. MENENDEZ

Rural Development Specialist

Cc: Michael Meehan, Rural Housing Program Director Reader File

> 3251 North Hwy. 123Bypass • Seguin, TX 78155-7415 Phone: (830) 372-1043 Ext 4 • Fax: (830) 372-0020 • TDD: (254) 742-9712 • Web: http://www.rurdev.usda.nov

> > Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and fender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284 E-mail: lcnder@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

4001002204

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. West Retirement, #05227 This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 West Retirement, LP

Site Location:

701 Tokio Road

City/County:

West / McLennan County

Regional Allocation Category:

Rural

Set-Aside:

USDA

Population Served:

Elderly

Region:

8

Type of Development:

Acquisition/Rehabilitation

Units:

24

Credits Requested:

\$166,349

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



$\frac{1}{5}$ MULTI-FAMILY FINANCE PRODUCTION DIVISION Busing Tax Credit Program - 2005 Application Cycle PREASTMENT OF HOUSING Final Scoring Notice

Appeal Election Form: 05227, West Retirement

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

TX DEPT OF HOUSING

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26
┙`	2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.
	·

Do not wish to a	appeal to the Board	I of Directors.	
C: 1	171	Juli-	
Signed	17 yra	, ,	
Title	PRESIDE	ENT	
Date	5/16/05		

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Hillsboro Local Office

May 9, 2005

Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

RE: West Retirement West, Texas USDA #50-55-742485063 TDHCA #05227

Dear Mr. Wasserman:

We are in receipt of your May 6, 2005 letter indicating your intent to transfer ownership and assume the mortgage of the above referenced property.

USDA Rural Development approval of such transfer is subject to regulatory compliance with new regulation, HB-3-3560, Chapter 7, and an acceptable scope of work prepared by the applicant's architect and approved by the USDA Rural Development State Architect.

USDA Rural Development foresees providing financing for the above referenced property subject to approval of an acceptable application for transfer. Upon receipt of the required documents, we will begin processing your transfer request.

Sincerely,

TERRI L. BLEVINS

Rural Development Manager

vri & Blevins

cc: Michael Meehan, Program Director, Rural Housing, Temple, TX

Valerie Habercom Grant and Company via fax: 916-554-7502

> 1502 Highway 77 North • Hillsboro, TX 78845 Phone: (254) 582-7328 Ext 4 • Fax. (254) 582-7622 • TDD. (254) 742-9712 • Web; http://www.rurdex.usda.gov

> > Committed to the future of rural communities



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lender@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. City Oaks Apartments, #05228

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 City Oaks, LP

Site Location:

301 North Winters Furr

City/County:

Johnson City / Blanco County

Regional Allocation Category:

Rural

Set-Aside:

USDA

Population Served:

Family

Region:

7

Type of Development:

Acquisition/Rehabilitation

Units:

24

Credits Requested:

\$165,166

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle ARR CONSUMERY APPARES Final Scoring Notice

Appeal Election Form: 05228, City Oaks Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

Do wish to appeal to the Board of Directors and request that my application be added to the May 26,

·\	2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors.
	1 At le la
	Signed / JA WW
	Title PRESIDENT
	Date 3 / 16 / 03

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us





United States Department of Agriculturo Rural Development

8309979096

Fredericksburg Local Office

May 9, 2005

The Wasserman Group Attn: Stephen M. Wasserman 4206 Zermatt Drive Smyma, Georgia 30080

RE: City Oaks Apartments, Ltd. - Johnson City, TX. - Case # 49-16-742436374: TDHCA # 05228

Dear Sirs.

USDA-Rural Development (RD) has received an inquiry from the Wasserman Group to transfer the above referenced project. RD understands the Wasserman Group intends on filing an application to transfer the property. As of the above date RD has not received the application for transfer. Rural Development approval of this transfer is subject to regulatory compliance with the new regulation RD 3560 and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. Rural Development will continue to finance this project subject to the new owners meeting the above requirements.

If you have any questions, please call.

Sincerely,

MARVIN L. CRABTREE

Rural Development Specialist

CC: Margie K. Gleaton, RDM #2



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lcnder@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Centerville Plaza, #05229

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Centerville Plaza, LP

Site Location:

130 Town Street

City/County:

Centerville / Leon County

Regional Allocation Category:

Rural

Set-Aside:

USDA

Population Served:

Family

Region:

8

Type of Development:

Acquisition/Rehabilitation

Units:

24

Credits Requested:

\$158,059

Staff Recommendation:

The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



MULTI-FAMILY FINANCE PRODUCTION DIVISION S Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HOUSING AND CONNUNTY AFFAIRS FING! Scoring Notice

Appeal Election Form: 05229, Centerville Plaza

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tucsday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.

Do not wish to appeal to the Board of Directors. Signed Title Date

> Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development Huntsville Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc 4206 Zermatt Drive Smyrna, Georgia 30080

RE: Centerville Plaza, Ltd

Dear Mr. Wasserman:

This office is in receipt of your application with USDA Rural Development for transfer of subject project, Centerville Plaza, Ltd.

USDA, Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval set forth in the Agency's Letter of Conditions are met.

If further information is needed, please advise.

Sincerely

DEBORAH A. BAKER

Rural Development Manager

Cc: Michael Meehan, Director RH, Temple, TX Michael Self, RH Specialist, Temple, TX Gayle Ledyard, RH Specialist, Temple, TX



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lcnder@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Coolidge Apartments, #05230

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Coolidge, LP

Site Location:

1306 Bell Street

City/County:

Coolidge / Limestone County

Regional Allocation Category:

Rural

Set-Aside:

At-Risk/Preservation/USDA

Population Served:

Family

Region:

Q

Type of Development:

Acquisition/Rehabilitation

Units:

16

Credits Requested:

\$97,372

Staff Recommendation:

The Executive Director denied the original appeal. Staff is

recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



MULTI-FAMILY FINANCE PRODUCTION DIVISION ${f S}$ Housing Tax Credit Program - 2005 Application Cycle DEFARTMENT OF HOUSING AND COMMUNITY AFFARS Final Scoring Notice

Appeal Election Form: 05230, Coolidge Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

X	Do wish to appeal to the Board of Directors and request that my application be added to the May 26,
	2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.
_	
	Do not wish to appeal to the Board of Directors.
لـــا	/ at ()

Date

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Dovolopment

Groesbeck Local Office

May 9, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, GA 30080

Dear Mr. Wasserman:

We are receipt of your letter stating your intent to file an application with USDA Rural Development for transfer of the Coolidge Apts., Ltd. (Coolidge, TX).

USDA Rural Development approval for a transfer/assumption would be based on the complete application and subject to regulatory compliance with the Multi-Family Housing 7 CFR 3560 regulations and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. RD will continue to provide financing if all the conditions of approval as set forth in the Agency's Letter of Conditions are met.

We will be happy to work with you in any way possible in regard to filing and processing an application for this apartment complex. If you should have any questions, please contact Jewelene K. (Judy) Walton, Rural Development Specialist at the Local Servicing Office in Groesbeck, TX. at 254-729-2310, Ext. 4. (email: Jewelene.Walton@tx.usda.gov.)

Sincerely,

LOUIS C. REININGER

Rural Development Manager

Cc: State Director, USDA Rural Development, 101 S. Main, Temple, TX 76501, ATT: Mr. Michael Meehan, Director, Rural Housing Programs

Grant and Company, ATTN: Valerie Habercorn, 1008 Second St., 2nd. Floor, Sacramento, CA 95814

P.O. Box 410, 1213 East Yeagua, Groesbeck, TX 78842 Phone: (254) 729-2310 Ext. 4 • Fax: (254) 729-3459 • TDD: (254) 742-8712 • Web: http://www.turdev.usda.gov/tx



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lender@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Kerrville Housing, #05231

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Kerrville, LP

Site Location:

515 Roy Street

City/County:

Kerrville / Kerr County

Regional Allocation Category:

Rural

Set-Aside:

At-Risk/Preservation/USDA

Population Served:

Elderly

Region:

9

Type of Development:

Acquisition/Rehabilitation

Units:

48

Credits Requested:

\$292,927

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



MULTI-FAMILY FINANCE PRODUCTION DIVISION Housing Tax Credit Program - 2005 Application Cycle PREASTINANT OF ROBSING FINAL Scoring Notice

Appeal Election Form: 05231, Kerrville Housing

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

风	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26 Board book (although Board appeal documentation received by Friday, May 20 will be added as an addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal documention to the Executive Director will be utilized.
	Do not wish to appeal to the Board of Directors. Signed Title Title Title

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us

5/16/05



United States Department of Agriculture Rural Development

Fredericksburg Local Office

May 9, 2005

The Wasserman Group Attn: Stephen M. Wasserman 4206 Zermatt Drive Smyma, Georgia 30080

RE: Kerrville Housing, Ltd. – Kerrville, TX. – Case # 50-33-742367356: TDHCA # 05231

Dear Sirs,

USDA- Rural Development (RD) has received an inquiry from the Wasserman Group to transfer the above referenced project. RD understands the Wasserman Group intends on filing an application to transfer the property. As of the above date RD has not received the application for transfer. Rural Development approval of this transfer is subject to regulatory compliance with the new regulation RD 3560 and an acceptable scope of work prepared by the applicant's architect and approved by the USDA State Architect. Rural Development will continue to finance this project subject to the new owners meeting the above requirements.

If you have any questions, please call.

Sincerely.

MARVIN L. CRABTREE Rural Development Specialist

CC: Margie K. Gleaton, RDM #2

Ma Propost 10.



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lcnder@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
Kerrville Housing, Kerrville, Texas
City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal regarding a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Cibolo Apartments, #05232

This applicant is appealing the Department's determination that the application does not qualify for 1 point under §49.9(g)(23) of the 2005 Qualified Allocation Plan (QAP). Pursuant to this section of the QAP, in order to qualify for the points there must be evidence submitted in the application or in the deficiency response that a commitment of funds must already have been received from a third-party funding source (an application alone will not suffice).

Points were not awarded for this item because the Department never received a commitment of funds from USDA. The documentation submitted in the appeal only indicates that there will be a commitment of funds from USDA once a complete application is submitted and tax credits are awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:

2005 Cibolo Apartments, LP

Site Location:

100 Mohawk, #150

City/County:

Cibolo / Guadalupe County

Regional Allocation Category:

Rural

Set-Aside:

At-Risk/Preservation/USDA

Population Served:

Elderly

Region:

9

Type of Development:

Acquisition/Rehabilitation

Units:

48

Credits Requested:

\$340,530

Staff Recommendation:

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the

point being reinstated.

No BOARD Appeal Included in original ED Appeal



-

MULTI-FAMILY FINANCE PRODUCTION DIVISION ASS Housing Tax Credit Program - 2005 Application Cycle DEPARTMENT OF HOUSING AND COMMUNITY AFFRENCE Final Scoring Notice

Appeal Election Form: 05232, Cibolo Apartments

I am in receipt of my 2005 scoring notice and am filing a formal appeal to the Executive Director before May 20, 2005, although the Department recommends submission by May 17, 2005, for processing (attached). If my appeal is denied by the Executive Director, I:

K	Do wish to appeal to the Board of Directors and request that my application be added to the May 26, 2005 TDHCA Board of Directors meeting agenda. I understand that my Board appeal
	documentation must still be submitted by 5:00 p.m. Tuesday, May 17 to be placed on the May 26
	Board book (although Board appeal documentation received by Friday, May 20 will be added as an
	addendum to the May 26 Board meeting agenda.) If no documentation is submitted, the appeal
	documention to the Executive Director will be utilized.
\Box	Do not wish to appeal to the Board of Directors.
L	Signed The lulu
	Title PRESIDENT
	Date 5/16/08

Please fax or email to the attention of Jennifer Joyce: (fax) 512.475.0764 or 512.475.1895 (email) jennifer.joyce@tdhca.state.tx.us



United States Department of Agriculture Rural Development

Seguin Local Office

May 10, 2005

Mr. Stephen M. Wasserman The Wasserman Group, Inc. 4206 Zermatt Drive Smyrna, Georgia 30080

Ref: Cibolo Apartments and Lytle Apartments

Dear Mr. Wasserman:

You have requested USDA Rural Development provide a recommendation for the above referenced properties, for the Low Income Housing Tax Credit Program Qualified Allocation Plan.

In the event that Texas Department of Housing and Community Affairs (TDHCA) awards tax credits to these properties, and a complete transfer application has been submitted whereby all regulatory requirements have been met, USDA Rural Development will continue to provide financing to facilitate the transfer of the property.

If you have any questions, do not hesitate to contact this office.

Sincerely,

GILBERTO A. MENENDEZ

Rural Development Specialist

Cc: Michael Meehan, Rural Housing Program Director Reader File

> 3251 North Hwy. 123Bypass • Seguin, TX. 78155-7415 Phone: (830) 372-1043 Ext.4 • Fax: (830) 372-0020 • TDD: (254) 742-9712 • Web: <u>http://www.rurgev.usga.gov</u>

> > Committed to the future of rural communities.

"USDA is an equal opportunity providor, employer and fender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and 1 Independence Avenue, SW. Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).



E-D CAPITAL, INC.

2707 Hwy 93 South Kalispell, MT 59901 Phone: 406-755-2377 Fax: 406-755-2284

E-mail: lender@digisys.net

May 6, 2005

Texas Department of Housing & Community Affairs P.O. BOX 13941 Austin, TX 78711-3941

Re: Centerville Plaza, Centerville, Texas
Lytle Apartments, Lytle, Texas
Cibolo Apartments, Cibolo, Texas
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City Oaks Apartments, Johnson City, Texas
Coolidge Apartments, Coolidge, Texas
Normangee Apartments, Normangee, Texas
West Retirement, West, Texas

To Whom It May Concern:

Pursuant to the loan amounts indicated in the respective tax credit applications previously submitted to the TDHCA, E-D Capital, Inc. will provide said loans for the captioned properties. The loans will be assumable, but subject to the review of the new applicant's credit and operating experience.

If we can provide any additional information please feel free to contact me directly.

Spencer Crihfield

515 Preservation Program

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Item

Appeal for a 2005 Housing Tax Credit (HTC) Application.

Requested Action

Issue a determination on the appeal.

Background and Recommendations

I. Churchill at Cedars, LP, #05250

On April 1, 2005, the Department received a letter from the Cedars Neighborhood Association requesting that their letter be considered for points for Quantifiable Community Participation (QCP). QCP points, statutorily required under §2306.6710 Texas Government Code, are described in §49.9(g)(2) of the 2005 Qualified Allocation Plan and Rules and outlines an explicit set of criteria that must be satisfied. To assist neighborhoods in submitting their letters, the Department released a packet for Neighborhood Organizations that included the information needed as well as template letter.

In our review, one or more requirements were not originally satisfied. As permitted under the QAP, the Department requested additional documentation through a deficiency process similar to that utilized for the applicants. On April 26, the Department issued a deficiency letter to the neighborhood indicating multiple items that were deficient. In response to that letter, the Department received an email indicating that they no longer wished to support the application. In subsequent emails, they have even asked staff what would be required to oppose the application. The applicant is appealing because they feel that since the letter originally stating support was submitted by the April 1 deadline it should be effective and that the organization should not be able to rescind its support, even though it did its rescission in response to a deficiency notice. Clearly from the organization's withdrawal of support, the letter is no longer eligible.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant: Churchill at Cedars, LP
Site Location: 1800 Block of Beaumont
City/County: Dallas / Dallas County

Regional Allocation Category: Urban/Exurban
Set-Aside: Non-Profit
Population Served: Family
Region: 3

Type of Development: New Construction

Units: 150

Credits Requested: \$1,200,000

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal of the **Staff Recommendation:**

eligibility of the letter.



www.tdhca.state.tx.us

REQUEST FOR BOARD ACTION Multifamily Finance Production

2005 Private Activity Bond Program – Waiting List

1 Priority 2 Application 1 Priority 3 Application 2 Total Applications Received

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation – May 26, 2005
TAB 2	Summary of Applications
TAB 3	Inducement Resolution
TAB 4	Prequalification Analysis Worksheets

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Inducement resolution for Multifamily Revenue Bonds and Authorization for Filing Applications for the Year 2005 Private Activity Bond Authority for two (2) applications – Waiting List.

Requested Action

Approve the Inducement Resolution to proceed with application to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority in the 2005 Private Activity Bond Program for two (2) applications.

Background

Each year, the State of Texas is notified of the cap on the amount of private activity tax-exempt revenue bonds that may be issued within the state. Approximately \$389 million will be set aside for the use of multifamily development until August 15, 2005 for the 2005 program year. The lottery held on November 4, 2004 had a decrease of approximately ninety (90) applications from the 2004 program year. Due to the large amount of authority to be Carried Forward into 2005 and the decrease in applications for the 2005 program year, it is expected that there will be a shortage of applications to use the full state issuance authority. The Department will be accepting applications for the 2005 Waiting List through September of 2005.

The Inducement Resolution includes two (2) applications that were received by April 4, 2005. These two (2) applications will be added to the 2005 Waiting List. Each application is reviewed, scored and ranked according to the Department's published scoring criteria. Upon Board approval, the application will be submitted to the Texas Bond Review Board for placement on the 2005 Waiting List. The Department currently has seven (7) applications previously approved for the 2005 waiting list which have received reservations. The Department currently has approximately \$42 million of 2005 allocation still available for reservations.

Recommendation

Approve the Inducement Resolution as presented by staff.

Texas Department of Housing and Community Affairs

2005 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
005-037	Canal Place Apartments	200	\$ 15,000,000	Gerald Russell	Recommend
	2104 Canal Street			Wayside Luxury Housing Partners, L.P.	
	City: Houston	General	Score - 52	7887 San Felipe, Suite 122	
	County: Harris			Houston, Texas 77063	
	New Construction			(713) 977-1772	
	Providence Place Phase II	252	\$ 16,700,000	Matt Harris	Recommend
	3700 block of Quail Creek Road			Quail Creek South, L.P.	
	City: Denton	General	Score - 43.5	975 One Lincoln Centre, 5400 LBJ Freeway	
	County: Denton			Dallas, Texas 75240	
	New Construction			(972) 239-8500 X 131	

31,700,000

452

\$

Totals for Recommended Applications

RESOLUTION NO. 05-030

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, as amended, (the "Act") for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for persons and families of low 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 ("Eligible Tenants"), that the other requirements of the Act and the Department will be satisfied and that its Project will satisfy State law, 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 (as defined below) 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;
 - (d) each owner is financially responsible; and
- (e) 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, if required; (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.

<u>Section 3--Terms of Bonds</u>. 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.

<u>Section 5--Principal Amount</u>. 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.

<u>Section 8--Payment of Bonds</u>. 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 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 approval of the Texas Bond Review Board, if required, and the Attorney General of the State of Texas.

<u>Section 13--Certain Findings</u>. 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.

<u>Section 14--Authorization to Proceed</u>. 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 filing of an Application for the 2005 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof.

<u>Section 15--Related Persons</u>. 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.

<u>Section 17--Authorization of Certain Actions</u>. 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.

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

<u>Section 19--Books and Records</u>. 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 26th day of May, 2005.

[SEAL]		By:		
		<i></i>	Elizabeth Anderson, Chair	
Attest:				
De	lores Groneck, Secretary			

EXHIBIT "A"

Description of each Owner and its Project

Project Name	Owner	Principals	Amount Not to Exceed
Canal Place Apartments	Wayside Luxury Housing Partners LP	Foxford Company LLC, the General Partner, or other entity, the Members of which will be A. Richard Wilson and/or Gerald Russell and/or David Russell	\$15,000,000

Costs: (i) acquisition of real property located approximately at 2104 Canal Street, Houston, Harris County, Texas; and (ii) the construction thereon of an approximately 200-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.

Project Name	Owner	Principals	Amount Not to Exceed
Providence Place II Apartments	Quail Creek South, LP	Quail Creek South GP, LLC, the General Partner, to be formed, or other entity, the Members of which will include Leon J. Backes and/or Matt Harris, or other entity	\$16,700,000 (tax exempt bonds will not exceed \$15,000,000 and taxable bonds will not exceed \$1,700,000)

Costs: (i) acquisition of real property located at approximately the 3700 block of Quailcreek Road, Denton, Denton County, Texas; and (ii) the construction thereon of an approximately 252-unit multifamily residential rental housing project (a portion of which will be for seniors), in the amount not to exceed \$16,700,000 (tax exempt bonds will not exceed \$15,000,000 and taxable bonds will not exceed \$1,700,000).

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

Canal Place Apartments, Houston (#2005-037) Priority 3

Unit Mix and Rent Schedule								
Unit Type	Beds/Bath	# Units		Rents	Unit Size S.F.	Rent/S.F.		
60% AMI	1BD/1BA	44	\$	645	697	0.93		
60% AMI	1BD/1BA	4	\$	645	795	0.81		
60% AMI	1BD/1BA	12	\$	645	744	0.87		
Market	1BD/1BA	20	\$	950	744	1.28		
60% AMI	2BD/2BA	17	\$	773	1,052	0.73		
60% AMI	2BD/2BA	28	\$	773	1,015	0.76		
60% AMI	2BD/2BA	8	\$	773	975	0.79		
60% AMI	2BD/2BA	13	\$	773	1,124	0.69		
Market	2BD/2BA	22	\$	1,299	1,123	1.16		
60% AMI	3BD/2BA	10	\$	891	1,163	0.77		
60% AMI	3BD/2BA	8	\$	891	1,217	0.73		
60% AMI	3BD/2BA	1	\$	891	1,377	0.65		
60% AMI	3BD/2BA	5	\$	891	1,338	0.67		
Market	3BD/2BA	8	\$	1,399	1326	1.06		
Totals		200	\$:	2,038,464	191,119	\$ 0.89		
Averages			\$	849	956			

Uses of Funds/Project Costs								
		Costs	I	Per Unit		Per S.F.	Pe	ercent
Acquisition	\$	1,658,430	\$	8,292	\$	8.68		0.07
Off-sites		0		0		0.00		0.00
Subtotal Site Costs	\$	1,658,430	\$	8,292	\$	8.68		0.07
Sitework		790,500		3,953		4.14		0.03
Hard Construction Costs		13,138,346		65,692		68.74		0.58
General Requirements (6%)		834,337		4,172		4.37		0.04
Contractor's Overhead (2%)		278,424		1,392		1.46		0.01
Contractor's Profit (6%)		834,338		4,172		4.37		0.04
Construction Contingency		696,442		3,482		3.64		0.03
Subtotal Construction	\$	16,572,387	\$	82,862	\$	86.71		0.73
Indirect Construction		625,854		3,129		3.27		0.03
Developer's Fee		1,902,324		9,512		9.95		0.08
Financing		1,711,900		8,560		8.96		0.08
Reserves		350,000		1,750		1.83		0.02
Subtotal Other Costs	\$	4,590,078	\$	22,950	\$	24	\$	0
Total Uses	\$:	22,820,895	\$	114,104	\$	119.41		1.00

Applicant - Sources of Funds								
	Net	Sale	Applicable					
Source I	Proceeds	Price	Percentage					
Tax Credits	\$ 6,374,304	\$0.80	3.55%					
Source II	Proceeds	Rate	Amort	Annual D/S				
Bond Proceeds	\$15,000,000	6.00%	30	\$1,079,191				
Source III	Proceeds	% Deferred	Remaining					
Deferred Developer Fee	\$ 1,446,591	76.0%	\$455,733					
Source IV	Proceeds	Descr	ription	Annual D/S				
Other				\$ -				
Total Sources	\$22,820,895			\$1,079,191				

TDHCA - Sources of Funds								
	Net	Sale	Applicable					
Source I	Proceeds	Price	Percentage					
Tax Credits	\$ 6,374,304	\$0.80	3.55%					
Source II	Proceeds	Rate	Amort	Annual D/S				
Bond Proceeds	\$ 14,638,247	6.00%	30	\$ 1,053,164				
Source III	Proceeds	% Deferred	Remaining					
Deferred Developer Fee	\$ 1,494,061	78.5%	\$ 408,263					
Source IV	Proceeds	Descr	ription	Annual D/S				
Other	\$ 314,283	Cash Equity		\$ -				
Total Sources	\$ 22,820,895			\$ 1,053,164				

Applicant - (Operating	Proforma/De	bt Covera	ge
			Per S.F.	Per Unit
Potential Gross Income		\$2,038,464	\$10.67	
Other Income & Loss		79,200	0.41	396
Vacancy & Collection	-7.50%	(158,820)	-0.83	-794
Effective Gross Income		\$1,958,844	10.25	9,794
Total Operating Expenses		\$759,660	\$3.97	\$3,798
Net Operating Income		\$1,199,184	\$6.27	\$5,996
Debt Service		1,079,191	5.65	5,396
Net Cash Flow		\$119,993	\$0.63	\$600
Debt Coverage Ratio		1.11		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0
Net Cash Flow		\$119,993	\$0.63	\$600
DCR after TDHCA Fees		1.11		
Break-even Rents/S.F.		0.80		
Break-even Occupancy		90.21%		

TDHCA -	Operating P	roforma/Debt	Coverage	
			Per S.F.	Per Unit
Potential Gross Income		\$2,038,464	\$10.67	
Other Income & Loss		36,000	0.19	180
Vacancy & Collection	7.50%	(155,585)	-0.81	-778
Effective Gross Income		1,918,879	10.04	9,594
Total Operating Expenses	39.6%	\$760,000	\$3.98	\$3,800
Net Operating Income		\$1,158,879	\$6.06	\$5,794
Debt Service		1,053,164	5.51	5,266
Net Cash Flow		\$105,715	\$0.55	\$529
Debt Coverage Ratio		1.10		
TDHCA/TSAHC Fees			\$0.00	\$0
Net Cash Flow		\$105,715	\$0.55	\$529
DCR after TDHCA Fees		1.10		
Break-even Rents/S.F.		0.79		
Break-even Occupancy		88.95%		

Applicant - Annual Operating Expenses						
		Per S.F.	Per Unit			
General & Administrative Expenses	\$58,072	0.30	290			
Management Fees	72,003	0.38	360			
Payroll, Payroll Tax & Employee Exp.	139,593	0.73	698			
Maintenance/Repairs	89,800	0.47	449			
Utilities	91,800	0.48	459			
Property Insurance	60,892	0.32	304			
Property Taxes	155,000	0.81	775			
Replacement Reserves	40,000	0.21	200			
Other Expenses	52,500	0.27	263			
Total Exepnses	\$759,660	\$3.97	\$3,798			

Staff Notes/Comments
Other expenses include supportive services, compliance fees and security

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

Providence Place Phase 2, Denton (#2005-038) Priority 2

Unit Mix and Rent Schedule							
Unit Type	Beds/Bath	# Units		Rents	Unit Size S.F.	R	Rent/S.F.
60% AMI	1BD/1BA	51	\$	690	750		0.92
60% AMI	2BD/2.5BA	113	\$	808	975		0.83
60% AMI	3BD/2.5BA	88	\$	920	1,150		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		252	\$	2,489,448	249,625	\$	0.83
Averages			\$	823	991		

U	ses	of Funds/	Pro	ject Cos	ts			
		Costs]	Per Unit		Per S.F.	Percent	:
Acquisition	\$	1,537,200	\$	6,100	\$	6.16	0	0.06
Off-sites		0		0		0.00	0	0.00
Subtotal Site Costs	\$	1,537,200	\$	6,100	\$	6.16	0	0.06
Sitework		1,888,740		7,495		7.57	0	0.08
Hard Construction Costs		11,504,910		45,654		46.09	0).46
General Requirements (6%)		803,619		3,189		3.22	0	0.03
Contractor's Overhead (2%)		267,873		1,063		1.07	0	0.01
Contractor's Profit (6%)		803,619		3,189		3.22	0	0.03
Construction Contingency		803,619		3,189		3.22	0	0.03
Subtotal Construction	\$	16,072,380	\$	63,779	\$	64.39	0).64
Indirect Construction		1,785,600		7,086		7.15	0	0.07
Developer's Fee		2,841,978		11,278		11.38	0).11
Financing		2,446,722		9,709		9.80	0	0.10
Reserves		247,877		984		0.99	0	0.01
Subtotal Other Costs	\$	7,322,177	\$	29,056	\$	29	\$	0
Total Uses	\$	24,931,757	\$	98,936	\$	99.88	1	1.00

Applicant - Sources of Funds					
	Net Sale Applicable				
Source I	Proceeds	Price	Percentage		
Tax Credits	\$ 7,474,192	\$0.80	3.55%	•	
Source II	Proceeds	Rate	Amort	Annual D/S	
Bond Proceeds	\$16,700,000	6.75%	40	\$1,209,127	
Source III	Proceeds	% Deferred	Remaining	•	
Deferred Developer Fee	\$ 757,565	26.7%	\$2,084,413		
Source IV	Proceeds	Descr	Description		
Other				\$ -	
Total Sources	\$24,931,757			\$1,209,127	

TDHCA - Sources of Funds					
Source I	Net Proceeds	Sale Price	Applicable Percentage		
Tax Credits	\$ 7,474,192	\$0.80	3.55%		
Source II	Proceeds	Rate	Amort	Annual D/S	
Bond Proceeds	\$16,700,000	6.75%	40	\$ 1,209,127	
Source III	Proceeds	% Deferred	Remaining		
Deferred Developer Fee	\$ 757,565	26.7%	\$ 2,084,413		
Source IV	Proceeds	Descr	Description		
Other	\$ -			\$ -	
Total Sources	\$ 24,931,757			\$ 1,209,127	

Applicant - 0	Operating	g Proforma/De	bt Covera	ge
			Per S.F.	Per Unit
Potential Gross Income		\$2,489,448	\$9.97	
Other Income & Loss		57,120	0.23	227
Vacancy & Collection	-7.50%	(190,992)	-0.77	-758
Effective Gross Income		\$2,355,576	9.44	9,348
Total Operating Expenses		\$999,016	\$4.00	\$3,964
Net Operating Income		\$1,356,560	\$5.43	\$5,383
Debt Service		1,209,127	4.84	4,798
Net Cash Flow		\$147,433	\$0.59	\$585
Debt Coverage Ratio		1.12		
TDHCA/TSAHC Fees		\$0	\$0.00	\$0
Net Cash Flow		\$147,433	\$0.59	\$585
DCR after TDHCA Fees		1.12		
Break-even Rents/S.F.		0.74		
Break-even Occupancy		88.70%		

TDHCA -	Operating P	roforma/Debt	Coverage	
			Per S.F.	Per Unit
Potential Gross Income		\$2,489,448	\$9.97	
Other Income & Loss		45,360	0.18	180
Vacancy & Collection	7.50%	(190,111)	-0.76	-754
Effective Gross Income		2,344,697	9.39	9,304
Total Operating Expenses	42.6%	\$999,016	\$4.00	\$3,964
Net Operating Income		\$1,345,682	\$5.39	\$5,340
Debt Service		1,209,127	4.84	4,798
Net Cash Flow		\$136,555	\$0.55	\$542
Debt Coverage Ratio		1.11		
TDHCA/TSAHC Fees			\$0.00	\$0
Net Cash Flow		\$136,555	\$0.55	\$542
DCR after TDHCA Fees		1.11		
Break-even Rents/S.F.		0.74		
Break-even Occupancy		88.70%		

Applicant - Annual Operating Expenses						
		Per S.F.	Per Unit			
General & Administrative Expenses	\$68,884	0.28	273			
Management Fees	117,779	0.47	467			
Payroll, Payroll Tax & Employee Exp.	207,633	0.83	824			
Maintenance/Repairs	87,160	0.35	346			
Utilities	126,960	0.51	504			
Property Insurance	56,700	0.23	225			
Property Taxes	239,400	0.96	950			
Replacement Reserves	50,400	0.20	200			
Other Expenses	44,100	0.18	175			
Total Expenses	\$999,016	\$4.00	\$3,964			

Staff Notes/Comments
Other expenses include supportive services and compliance fees.



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2005 Private Activity Multifamily Revenue Bonds

Lafayette Village Apartments
4800 block of East Sam Houston Parkway North
Houston, Texas
Lafayette Village Apartments, L.P.
250 Units
Priority 2 – 100% of units at 60% AMFI

\$14,100,000 Tax Exempt – Series 2005

TABLE OF EXHIBITS

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TAB 3	HTC Profile and Board Summary
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TAB 5	Department's Real Estate Analysis
TAB 6	Rental Restrictions Explanation Results and Analysis
TAB 7	Development Location Maps
TAB 8	TDHCA Compliance Summary Report
TAB 9	Public Input and Hearing Transcript (April 12, 2005)

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Presentation, Discussion and Possible Approval for the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2005 and Housing Tax Credits for the Lafayette Village Apartments development.

Summary of the Lafayette Village Apartments Transaction

The pre-application was received on August 30, 2004. The application was reviewed for threshold then scored and ranked by staff. The application was induced at the October Board meeting and submitted to the Texas Bond Review Board for the 2005 Lottery. The application received a Reservation of Allocation on January 25, 2005. This application was submitted under the Priority 2 category. There were four people in attendance at the public hearing held on April 12, 2005. Three of the four were with the development team. No one spoke for the record. A copy of the transcript is located in Tab 9 of this presentation. The proposed site is located in the Galena Park School District.

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of variable rate demand tax exempt bonds in the amount of \$14,100,000. The bonds will be credit enhanced by Bank of America, N. A., during the Construction Phase and by Fannie Mae during the Permanent Phase. The Bonds will carry a Aa3/VMIGI rating. GMAC (Fannie Mae DUS Lender) will underwrite the transaction using a debt coverage ratio of 1.20 to 1 (Net Operating Income 1.2 times the debt service) amortized over 30 years. The term of the bonds will be for 33 years. The construction and lease up period will be for thirty months plus one 6 month optional extension with payment terms of interest only, followed by a 30 year term and amortization.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2005 and Housing Tax Credits for the Lafayette Village Apartments development because of the demonstrated quality of construction of the proposed development, the feasibility of the development (as demonstrated by the financial commitments from Fannie Mae, Bank of America, N.A. and GMAC and the underwriting report by the Department's Real Estate Analysis division), the tenant and social services provided by the development and the demand for affordable units as demonstrated by the market area.

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD MEMORANDUM

May 26, 2005

DEVELOPMENT: Lafayette Village Apartments, Houston, Harris County, Texas

PROGRAM: Texas Department of Housing & Community Affairs

2005 Private-Activity Multifamily Revenue Bonds

(Reservation received 01/25/2005)

ACTION

REQUESTED: Approve the issuance of multifamily housing revenue bonds (the

"Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1372 of the Texas Government Code and under Chapter 2306 of the Texas Government Code, the Department's enabling legislation 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 Lafayette Village Apartments, L.P., a Texas limited partnership (the "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a new, 250-unit multifamily residential rental Development to be located at 4800 block of East Sam Houston Parkway North, Harris County, Texas (the "Development"). The first series of Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental Development. (As a conduit issuer in the Private Activity Bond Program, this transaction does not

constitute an obligation or liability for the State of Texas.)

BOND AMOUNT: \$14,100,000 Series 2005 Tax Exempt bonds (*)

\$14,100,000 Total 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 Development 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 January 25, 2005, pursuant to the Texas Bond Review Board's 2005 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before June 24, 2005, at a sixty of the Bonds of the Bonds

24, 2005, the anticipated closing date is June 15, 2005.

^{*} Preliminary - Represents Maximum Amount

BORROWER:

Lafayette Village Apartments, L.P., a Texas Limited Partnership, the general partner of which is Dwayne Henson Investments, Inc. the members of which are Pamela G. Henson with 15% Ownership, William D. Henson with 35% Ownership, Laura Henson with 35% Ownership and Cheryl L. Henson with 15% Ownership. Boston Capital or an affiliate thereof will be providing the equity for the transaction by purchasing a 99.99% limited partnership interest in the Borrower.

COMPLIANCE HISTORY:

The Compliance Status Summary completed on April 29, 2005 reveals that the principals of the general partner above have a total of twenty-six (26) properties being monitored by the Department. Eleven (11) have received a compliance score of less than 30. The other fifteen (15) properties have not been monitored at this time.

ISSUANCE TEAM:

GMAC Commercial Mortgage Corporation. (FNMA DUS Lender/Servicer)

Bank of America, N.A. (Letter of Credit Provider)

Fannie Mae (Credit Facility Provider)

GMAC Commercial Holding Capital Markets Corp. d/b/a Newman and Associates, a Division of GMAC Commercial

Holding Capital Markets Corp. (Underwriter) Wachovia Bank, National Association (Trustee)

Vinson & Elkins L.L.P. (Bond Counsel) Dain Rauscher, Inc. (Financial Advisor)

McCall, Parkhurst & Horton, L.L.P. (Issuer Disclosure Counsel)

BOND PURCHASER:

The Bonds will be publicly offered for sale on or about June 15, 2005 at which time the final pricing and Bond Purchaser(s) will be determined.

DEVELOPMENT DESCRIPTION:

The Development is a 250 unit apartment community to be constructed on approximately 14.69 acres located at 4800 block of East Sam Houston Parkway North, Harris County, Texas. The Development will consist of twenty-four (24) two and three story buildings with a total of 257,412 net rentable square feet and an average unit size of approximately 968 square feet. The property will also have a community building consisting of a kitchen, a fitness center, business center and leasing office. The development will include a laundry room, a swimming pool, barbeque grills and picnic area, and perimeter fencing with access gates. The complex will have 232 open parking spaces and 250 garages.

Units	Unit Type	Sq Ft	Proposed	AMFI
52	1-Bed/1-Baths	760	\$621.00	60%
110	2-Bed/2-Baths	995	\$742.00	60%
2	2-Bed/2.5-Baths	1204	\$742.00	60%
80	3-Bed/2-Baths	1226	\$854.00	60%
6	3-Bed/2.5-Baths	1315	\$854.00	60%
250	Total Units			

SET-ASIDE UNITS:

For Bond covenant purposes, forty percent (40%) of the units in the Development will be restricted to occupancy by persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in the Development 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 a family whose income equals sixty percent (60%) of the area median income which is a Priority 2 category of the private activity bond program.

TENANT SERVICES:

Tenant Services will be provided by the developer according to the requirements as outlined in the Department's Land Use Restriction Agreement.

DEPARTMENT ORIGINATION

\$1,000 Pre-Application Fee (Paid)

\$10,000 Application Fee (Paid)

\$70,500 Issuance Fee (.50% of the bond amount paid at closing)

DEPARTMENT ANNUAL FEES:

\$14,100 Bond Administration (0.10% of first year bond amount) \$6,250 Compliance (\$25/unit/year adjusted annually for CPI)

(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Development 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: \$6,250 to TDHCA 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 \$763,719 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 99.99%, to raise equity funds for the Development. Although a tax credit

sale has not been finalized, the Borrower anticipates raising approximately \$6,873,471 of equity for the transaction.

BOND STRUCTURE & SECURITY FOR THE BONDS:

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.

As stated above, the Bonds are being issued to fund a Mortgage Loan to finance the acquisition, construction, equipping and long-term financing of the Development. The Mortgage Loan will be secured by, among other things, a Deed of Trust and other security instruments on the Development. The Mortgage Loan and security instruments will be assigned by the Department to the Trustee and Bank of America, N.A. (the"Bank") and will become part of the Trust Estate securing the Bonds.

During the construction period (the "Construction Phase"), credit enhancement and liquidity support for the Bonds will be provided by the Bank pursuant to an irrevocable direct pay letter of credit (the "Letter of Credit"). If conversion ("Conversion") from the Construction Phase to the permanent mortgage period (the "Permanent Phase"), occurs, the Letter of Credit will be replaced by a credit enhancement and liquidity facility provided by Fannie Mae (the "Fannie Mae Credit Facility"). If Conversion does not occur, Fannie Mae will have no obligation to issue the Fannie Mae Credit Facility. If Conversion does not occur and the Bank has not extended the term of the Letter of Credit and there is no alternate credit facility in effect, the Bonds will be subject to mandatory tender.

In addition to the credit enhanced Mortgage Loan, other security for the Bonds during the Construction Phase consists of the net bond proceeds, the revenues and any other moneys received by the Trustee for payment of principal and interest on the Bonds, and amounts otherwise on deposit in the Funds and Accounts (excluding the Rebate Fund, the Fees Account and the Cost of Issuance Fund) and any investment earnings thereon (see Funds and Accounts section, below).

<u>CREDIT</u> ENHANCEMENT:

The credit enhancement by Fannie Mae allows for an anticipated rating by the Rating Agency of Aa3/VMIG1 and an anticipated variable interest rate of 3.75% per annum. Without the credit enhancement, the Bonds would not be investment grade and therefore command a higher interest rate from investors on similar maturity bonds.

FORM OF BONDS:

The Bonds will be issued in book entry form and will be in authorized denominations of, during any Weekly Variable Rate Period, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 or during any Reset Period or the Fixed Rate Period, \$5,000 or any integral multiple of \$5,000.

TERMS OF THE MORTGAGE LOAN:

The Mortgage Loan is a non-recourse obligation of the Owner, which means, subject to certain exceptions, that the Owner is not liable for the payment thereof beyond the amount realized from the pledged security. The Mortgage Loan provides for monthly payments of interest during the Construction Phase and level monthly payments of principal and interest following conversion to the Permanent Phase.

During the Construction Phase, the Borrower will be required to make payments on the Mortgage Loan directly to the Trustee (to the extent that capitalized interest funds deposited at closing into the Mortgage Loan Fund are insufficient to make the semi-annual interest payments on the Bonds) along with all other bond and credit enhancement fees. Upon Conversion, the Borrower will be required to pay mortgage payments on the Mortgage Loan to the Servicer, who will remit the principal and interest components of the mortgage payments to the Trustee. The Borrower will continue to pay certain other fees, including the Department's fees, directly to the Trustee.

Effective on the Conversion Date, which is anticipated to occur thirty months from the closing date of the Bonds, with one sixmonth extension option, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase upon satisfaction or waiver the conversion requirements set forth in the Construction Phase Financing Agreement. Among other things, these requirements include completion of the Development according to plans and specifications and achievement of certain occupancy thresholds.

MATURITY/SOURCES & METHODS OF REPAYMENT:

The Bonds will bear interest at a variable rate until maturity, which is June 15, 2038.

The Bonds will be payable from: (1) revenues earned from the Mortgage Loan (which during the Construction Phase will be payable as to interest only); (2) earnings derived from amounts held in Funds and Accounts (discussed below) on deposit in an investment agreement; (3) funds deposited to the Mortgage Loan Fund specifically for capitalized interest during a portion of the Construction Phase; (4) or payments made by the applicable Credit Provider under the credit facility then in effect.

The Credit Provider (initially the Bank) is obligated under its credit enhancement agreement to fund the payment of the Bonds, regardless of whether the Borrower makes the scheduled principal and interest payments on the Mortgage Loan. The Borrower is obligated to reimburse Fannie Mae for any moneys advanced by the Credit Provider for such payments

REDEMPTION OF BONDS PRIOR TO MATURITY:

The Bonds are subject to redemption under any of the following circumstances:

Optional Redemption:

The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower:

- (1) On any Interest Payment Date within a Weekly Variable Rate Period and on any Adjustment Date at a redemption price equal to 100 percent of the principle amount redeemed plus accrued interest to the Redemption Date.
- (2) On any date within a Reset Period at the respective redemption prices set forth in the Indenture as expressed as a percentage of the principal amount of the Bonds.
- (3) On any date within the Fixed Rate Period, at the respective redemption prices set forth in the Indenture as expressed as percentages of the principal amounts of the Bonds.

Mandatory Redemption:

- (1) The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property are applied in accordance with the Security Instrument to the prepayment of the Mortgage Loan.
- (2) The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Bonds be redeemed pursuant to the Indenture following any Event of Default under the Reimbursement Agreement.
- (3) The Bonds shall be redeemed in whole or in part as follows:
 - a) On each Adjustment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Adjustment Date to the Redemption Account.
 - b) On any Interest Payment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account.
- (4) On and after the Transition Date, if any, the Bonds shall be redeemed at the times and in the amounts set forth in the Sinking Fund Schedule attached as Exhibit E to the Indenture.
- (5) The Bond shall be redeemed during the Fixed Rate Period if the Issuer has established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule.
- (6) The Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization Payment.
- (7) The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Loan Fund are transferred to the Redemption Account.

FUNDS AND ACCOUNTS/FUNDS ADMINISTRATION:

Under the Trust Indenture, Wachovia Bank, National Association, (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.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will initially be issued as fully registered securities and when issued will be registered in the name of Cede & Co., as nominee for DTC. One fully registered global bond in the aggregate principal amount of each stated maturity of the Bonds will be deposited with DTC.

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 up to six (6) funds with the following general purposes:

- Loan Fund Consists of a Project Account and Capitalized Moneys Account, each of which has a Bond Proceeds Subaccount and a Borrower Equity Subaccount. Monies in the Loan Fund will be withdrawn to pay the costs of construction of the Development, interest on the Bonds and certain other fees during the Construction Phase.
- 2. Revenue Fund General receipts and disbursement account for revenues to pay principal and interest on the Bonds. Subaccounts created within the Revenue Fund for redemption provisions, credit facility purposes, the payment of interest and certain ongoing fees.
- 3. Costs of Issuance Fund A temporary fund into which amounts for the payment of the costs of issuance are deposited and disbursed by the Trustee.
- 4. 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.

- 5. Bond Purchase Fund Moneys held uninvested and exclusively for the payment of the purchase price of Tendered Bonds (subject to provisions in the Indenture allowing reimbursement of the amounts owed to the Credit Provider).
- 6. Principal Reserve Fund Fund to collect payments received from the Borrower pursuant to the reimbursement agreement and used to pay principal on the Bonds.

Essentially, all of the bond proceeds will be deposited into the Loan Fund and disbursed during the Construction Phase (over 18 to 24 months) to finance the construction of the Development. 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. <u>Bond Counsel</u> 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 2003. 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. <u>Bond Trustee</u> Wachovia Bank, National Association was selected as bond trustee by the Department pursuant to a request for proposal process in December 2003.
- 3. <u>Financial Advisor</u> 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 June 2003.
- 4. <u>Underwriter</u> Newman and Associates Inc. was selected by the Borrower from the Department's list of approved senior managers for multifamily bond issues. The underwriter list was compiled and approved by the Department May 2004.

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. 05-031

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (LAFAYETTE VILLAGE APARTMENTS) SERIES 2005; 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 Variable Rate Demand Multifamily Housing Revenue Bonds (Lafayette Village Apartments) Series 2005 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wachovia Bank, National Association (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 Lafayette Village Apartments, 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 14, 2004, 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 Financing Agreement (the "Financing Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Mortgage 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 multifamily 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 Financing Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for initially by a Letter of Credit issued by Bank of America, N.A., a national banking association (the "Bank"), and upon conversion by a Credit Enhancement Instrument issued by Fannie Mae ("Fannie Mae"); and

WHEREAS, it is anticipated that the Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Texas) (the "Mortgage") from the Borrower for the benefit of the Department and, initially, the Bank; and

WHEREAS, the Department's interest in the Mortgage Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear, and, initially, to the Bank, as its interests may appear, pursuant to an Assignment and Intercreditor Agreement (the "Assignment") among the Department, the Trustee and the Bank and acknowledged, accepted and agreed to by the Borrower; 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, Texas; and

WHEREAS, the Board has been presented with a draft of, has considered and desires to ratify, approve, confirm and authorize the use and distribution in the public offering of the Bonds of an Official Statement (the "Official Statement") and to authorize the authorized representatives of the Department to deem the Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statement as may be required to provide a final Official Statement for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with the Borrower, GMAC Commercial Holding Capital Markets Corp. d/b/a Newman and Associates, A Division of GMAC Commercial Holding Capital Markets Corp. (the "Underwriter"), and any other parties to such Bond Purchase Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Underwriter or another party will purchase all or their respective portion of the Bonds from the Department and the Department will sell the Bonds to the Underwriter or another party to such Bond Purchase Agreement; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Project for the purpose of monitoring the operation and maintenance of the Project; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Asset Oversight Agreement, the Official Statement, the Bond Purchase Agreement, (collectively, the "Issuer Documents"), 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 1.15, to authorize the issuance of the Bonds, the execution and

delivery of the Issuer Documents, the acceptance of the Mortgage and the Note, and the taking of such other actions as may be necessary or convenient in connection therewith;

NOW, THEREFORE,

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

ARTICLE 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 purchasers thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chairman of the Board or the Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of, the redemption provisions related to, and the price at which the Department will sell to the Underwriter or another party to the Bond Purchase Agreement, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair or Vice Chairman of the Board or the Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest at the rates determined from time to time by the Remarketing Agent (as such term is defined in the Indenture) in accordance with the provisions of the Indenture; provided that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law; and provided further that the initial interest rate on the Bonds shall not exceed 6.00%; (ii) the aggregate principal amount of the Bonds shall not exceed \$14,100,000; (iii) the final maturity of the Bonds shall occur not later than July 31, 2038; and (iv) the price at which the Bonds are sold to the initial purchasers thereof under the Bond Purchase Agreement shall not exceed 103% of the principal amount thereof.

<u>Section 1.3--Approval, Execution and Delivery of the Indenture</u>. 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 the Indenture and to deliver the Indenture to the Trustee.

<u>Section 1.4--Approval, Execution and Delivery of the Financing Agreement</u>. That the form and substance of the Financing Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Financing Agreement and deliver the Financing Agreement to the Borrower and the Trustee.

Section 1.5--Approval, Execution and Delivery of the Regulatory Agreement. That the form and substance of the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Regulatory Agreement and deliver the Regulatory Agreement to the Borrower

and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Harris County, Texas.

Section 1.6--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Underwriter and any other party to the Bond Purchase Agreement is hereby approved, that the form and substance of the Bond Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Borrower, the Underwriter and any other party to the Bond Purchase Agreement as appropriate.

<u>Section 1.7--Acceptance of the Mortgage and Note</u>. That the Mortgage and the Note are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are authorized to endorse and deliver the Note to the order of the Trustee and the Bank, as their interests may appear, without recourse.

<u>Section 1.8--Approval, Execution and Delivery of the Assignment</u>. That the form and substance of the Assignment are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignment and to deliver the Assignment to the Borrower, the Trustee and the Bank.

Section 1.9--Approval, Execution, Use and Distribution of the Official Statement. That the form and substance of the Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chair and Vice Chairman of the Governing Board and the Executive Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934; that the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such changes in the Official Statement as may be required to provide a final Official Statement for the Bonds; that the authorized representatives of the Department named in this Resolution each are authorized hereby to accept the Official Statement, as required; and that the distribution and circulation of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Bond Purchase Agreement and as may be approved by the Executive Director of the Department and the Department's counsel.

Section 1.10--Approval, Execution and Delivery of the Asset Oversight Agreement. That the form and substance of the Asset Oversight 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 Asset Oversight Agreement to the Borrower.

Section 1.11--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.

<u>Section 1.12--Exhibits Incorporated Herein</u>. 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 - Financing Agreement
Exhibit D - Regulatory Agreement
Exhibit E - Bond Purchase Agreement

Exhibit F - Mortgage Exhibit G - Note

Exhibit H - Assignment

Exhibit I - Official Statement

Exhibit J - Asset Oversight Agreement

Section 1.13--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 1.14--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: Chair and Vice Chairman of the Board, Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

<u>Section 1.15--Conditions Precedent</u>. 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 of the Department; 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.

<u>Section 2.2--Approval of Submission to the Attorney General of Texas</u>. 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.

<u>Section 2.3--Engagement of Other Professionals</u>. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and

the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.

- <u>Section 2.4--Certification of the Minutes and Records</u>. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.
- <u>Section 2.5--Approval of Requests for Rating from Rating Agency.</u> That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from Moody's Investors Service, Inc. and/or Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., is approved, ratified and confirmed hereby.
- <u>Section 2.6--Authority to Invest Proceeds</u>. 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.
- <u>Section 2.7--Underwriter</u>. That the underwriter with respect to the issuance of the Bonds shall be GMAC Commercial Holding Capital Markets Corp. d/b/a Newman and Associates, A Division of GMAC Commercial Holding Capital Markets Corp.
- <u>Section 2.8--Approving Initial Rents</u>. That the initial maximum rent charged by the Borrower for the units of the Project shall not exceed the amounts attached as <u>Exhibit G</u> to the Regulatory Agreement and shall be annually redetermined by the Borrower and reviewed by the Department as set forth in the Financing Agreement.
- <u>Section 2.9—Engagement of Other Professionals</u>. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.
- <u>Section 2.10--Ratifying Other Actions</u>. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

<u>Section 3.1--Findings of the Board.</u> 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 Mortgage Loan in accordance with its terms, and
- (iii) that the Borrower is not, and 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) <u>Public Purpose and Benefits</u>.

- (i) that the Borrower has agreed to operate the Project in accordance with the Financing 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 extremely low, 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 Financing Agreement and the Regulatory Agreement.

<u>Section 3.3--Sufficiency of Mortgage Loan Interest Rate</u>. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Financing 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.

<u>Section 3.4--No Gain Allowed</u>. 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.

<u>Section 3.5--Waiver of Rules</u>. That the Board hereby waives the rules contained in Chapter 33, 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

<u>Section 4.1--Limited Obligations</u>. 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.

<u>Section 4.2--Non-Governmental Obligations</u>. 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.

<u>Section 4.3--Effective Date</u>. 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 <u>Texas Register</u> not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 26th day of May, 2005

[SEAL]	
	By:
	Elizabeth Anderson, Chair
Attest:	
Delores Groneck, Secretary	- Y

EXHIBIT A

DESCRIPTION OF PROJECT

Section 1. Project and Owner.

Owner: Lafayette Village Apartments, L.P., a Texas limited partnership

Project: The Project is a 250-unit multifamily facility to be known as Lafayette Village Apartments

and to be located at the 4800 Block of East Sam Houston Parkway North, Houston, Harris County, Texas. It will consist of 24 two-story and 1 three-story residential apartment buildings with approximately 257,412 net rentable square feet and an average unit size of

approximately 968 square feet. The unit mix will consist of:

- 52 one-bedroom/one-bath units
- 112 two-bedroom/two-bath units
- 86 three-bedroom/two-bath units

250 Total Units

Unit sizes will range from approximately 706 square feet to approximately 1315 square feet.

Common areas are expected to include a swimming pool, a picnic area, a play area with playground equipment, and a community center with a central kitchen, an exercise room, computer facilities and laundry facilities. Additionally, the Project will include 250 garages, and 428 uncovered parking spaces.

Section 2. Project Amenities.

Project Amenities shall include:

- **∀** Washer/Dryer Connections
- ∉ Microwave Ovens in each Unit
- € Carports (at least one per Unit)
- ∉ Garages (equal to at least 35% of the Units)
- € Ceiling Fans in living area and all bedrooms
- ₹ 75% or Greater Masonry (includes rock, stone, brick, stucco and cementious board product; exclude efis)
- ∉ Playground and Equipment
- ∉ Full Perimeter Fencing and Gated Access
- € Computers with internet access/Business facilities
- **∉** Games Room or TV Lounge

Housing Tax Credit Program Board Action Request May 26, 2005

Action Item

Request, review, and board determination of one (1) four percent (4%) tax credit application with TDHCA as the Issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with <u>TDHCA</u> as the Issuer for tax exempt bond transaction known as:

Development	Name	Location	Issuer	Total	LI	Total	Applicant	Requested	Recommended
No.				Units	Units	Development	Proposed	Credit	Credit
							Tax Exempt	Allocation	Allocation
							Bond		
							Amount		
05607	Lafayette Village Apartments	Houston	TDHCA	250	250	\$24,118,336	\$15,000,000	\$763,719	\$763,719



Texas Department of Housing and Community Affairs

Development Name: Lafayette Village Apartments TDHCA#: 05607

DEVELOPMENT AND OWNER INFORMATION

Development Location: Houston OCT: N DDA: N TTC: N

Development Owner: Lafayette Village Apartments, LP

Lafayette Village Development, LLC, 100%, Contact: Willam D. Henson General Partner(s):

Construction Category: **New Construction**

Set-Aside Category: Tax Exempt Bond Bond Issuer: TDHCA

Development Type: General

Population

Annual Tax Credit Allocation Calculation

Applicant Request: \$763,719 Eligible Basis Amt: Equity/Gap Amt.: \$1,118,704 \$763,719

Annual Tax Credit Allocation Recommendation: \$763,719 Total Tax Credit Allocation Over Ten Years: \$ 7,637,190

PROPERTY INFORMATION

Unit and Building Information

Total Units: 250 HTC Units: 250 % of HTC Units: 100 Gross Square Footage: 275,656 Net Rentable Square Footage: 257,412

Average Square Footage/Unit: 1.030 Number of Buildings: 31 Currently Occupied: N

Development Cost

Total Cost: \$24,118,336 Total Cost/Net Rentable Sq. Ft.: \$93.70

Income and Expenses

Effective Gross Income:1 \$2,137,749 Ttl. Expenses: \$1,025,737 Net Operating Inc.: \$1,112,012

Estimated 1st Year DCR: 1.10

DEVELOPMENT TEAM

Not Utilized Consultant: Orion Real Estate Services Manager: Attorney: To Be Determined Architect: Mucasey & Associates

Accountant: Reznick, Fedder & Silverman Engineer: **David Brown Engineering Services** Market Analyst: O'Connor & Associates Lender: **GMAC** Commercial Mortgage

Lafayette Village Contractors, LLC Syndicator: Contractor: **Boston Capital**

PUBLIC COMMENT ²	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. John Whitmire, District 15 - NC
# in Opposition: 6	Rep. Joe Crabb, District 127 - NC
Public Hearing:	Mayor Bill White - NC
# in Support: 3	Robert Eckels, County Judge, Harris County The proposed development is
# in Opposition: 0	consistent with the Consolidated Plan for Harris County.
# Neutral: 0	

05607 doc 5/19/2005 11:38 AM

^{1.} Gross Income less Vacancy

^{2.} NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development 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. Acceptance by the Board of the anticipated potential redemption of up to \$950,000 in bonds at the conversion to permanent.
- 3. Receipt, review, and acceptance of a letter from the architect or contractor stating intention to comply with the QAP regarding construction of buildings one foot above the base flood elevation and parking no more than six inches below the base flood elevation.
- necessary to fill a potential gap in permanent financing.
- 4. Receipt, review, and acceptance of a commitment from the related party general contractor to defer fees as 5. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted. 6. 7. 8. 9. 10. 11. 12. 13. 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). Date DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Tax Exempt Bond Score Utilization of Set-Aside Geographic Distrib. Housing Type

Robbye Meyer, Mgr. of Multifamily Finance Production Date Brooke Boston, Dir. of Multifamily Finance Production Other Comments including discretionary factors (if applicable). Edwina P. Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee TDHCA Board of Director's Approval and description of discretionary factors (if applicable). Chairperson Signature: _ Elizabeth Anderson. Chairman of the Board Date

Lafayette Village Apartments

Estimated Sources & Uses of Funds

Sources of Funds	
Series 2005 Tax-Exempt Bond Proceeds	\$ 14,100,000
Tax Credit Proceeds	6,314,295
Deferred Developer's Fee	1,305,137
Estimated Interest Earning	1,438,857
Total Sources	\$ 23,158,289

Uses of Funds	
Acquisition and Site Work Costs	\$ 3,618,238
Direct Hard Construction Costs	10,679,400
Other Construction Costs (General Require, Overhead, Profit)	2,373,226
Indirect Construction Costs	1,687,111
Developer Fees	2,647,116
Direct Bond Related	278,225
Bond Purchaser Costs	672,831
Other Transaction Costs	1,202,141
Real Estate Closing Costs	 -
Total Uses	\$ 23,158,289

Estimated Costs of Issuance of the Bonds

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	\$ 70,500
TDHCA Application Fee	11,000
TDHCA Bond Compliance Fee (\$25 per unit)	6,250
Bond Administration Fee (2 years)	28,200
TDHCA Bond Counsel and Direct Expenses (Note 1)	75,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Borrower's Counsel	30,000
Trustee Fee	5,000
Trustee's Counsel (Note 1)	10,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	1,250
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,525
TEFRA Hearing Publication Expenses	2,500
Total Direct Bond Related	\$ 278,225

Lafayette Village Apartments

Bond Purchase Costs	
	171 200
Newman & Assc (Underwriter) & Counsel	171,800
GMAC Commercial Mortgage (Lender) & Counsel & Fees	176,895
Fannie Mae's Counsel	35,500
Bank of America (LOC Provider) & Counsel	188,056
Rating Agency and Printing	15,500
Interest Rate Cap	85,080
Total Bond Purchase Costs	\$ 672,831
Other Transaction Costs	
Tax Credit Application and Determination Fees	153,000
Financing and Reserves	1,029,141
Miscellaneous	20,000
Total Other Transaction Costs	\$ 1,202,141
Real Estate Closing Costs	
Title & Recording (Const.& Perm.)	
Property Taxes	
Total Real Estate Costs	\$ -
Estimated Total Costs of Issuance	\$ 2.153,197
Listinated Total Costs of Issuance	Ψ 2,133,177

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.

DATE: May 17, 2005 PROGRAM: $\frac{\text{MFB}}{4\% \text{ HTC}} = \frac{2005-006}{05607}$

DEVELOPMENT NAME

Lafayette Village Apartments

		API	PLICANT					
Name:	Lafayette Village Ap	partments, L.P.	Type:	For-profit				
Address:	1800 Bering Drive,	Suite 501	City:	Houston		S	tate: TX	
Zip:	77057 Contact:	William D. Henson	Phone:	(713)	334-5808	Fax: (71)	3) 334-5614	
		PRINCIPALS of the APP	PLICANT/ I	KEY PARTICI	IPANTS			
Name:	Lafayette Village De	evelopment, LLC	(%):	.01	Title:	Managing Ge	eneral Partner	
Name:	Dwayne Henson Inv	vestments, Inc.	(%):	45% of the MGP	Title:	Member 1		
Name:	Pamela G. Henson		(%):	15% of member 1	Title:	President/ Se	cretary	
Name:	William D. Henson		(%):	35% of member 1	Title:	VP/ Asst. Sec Manager of M Developer		
Name:	Laura Henson		(%):	35% of member 1	Title:	VP/ Asst. Sec	cretary	
Name:	Cheryl L. Henson		(%):	45% of the member 1	Title:	VP/ Asst. Secretary		
Name:	Resolution Real Esta	ate Services, LLC	(%):	45% of MGP	Title:	Member 2		
Name:	J. Steve Ford		(%):	N/A	Title:	Manager of Member 2 and of MGP and of Developer		
Name:	Cynthia Ford		(%):	N/A	Title:	Manager of Member 2		
Name:	MSD Development,	LLC	(%):	10% of MGP	Title:	Member 3		
Name:	M. Scot Davis		(%):	N/A	Title:	Manager of Member 3 and of MGP and of Developer		
Name:	Billie H. Davis		(%):	N/A	Title:	Manager of Member 3		
Name:	Lafayette Village De	evelopers, LLC	(%):	N/A	Title:	Developers		
			IY LOCA	ION				
Location:	4800 block of East S	Sam Houston Parkway No	orth			☐ QCT	☐ DDA	
City:	Houston	Cour	nty:	Harris		Zip:	77015	
		RI	EQUEST					
	Amount	Interest Rate		Amortization	<u>n</u>	Te	erm_	
_	 \$763,719	N/A		N/A	-		[/A	
ĺ ,	15,000,000	6%		30 yrs			yrs	
ĺ ,		nnual ten-year allocation	of housing	•			-	

	MODITIMINET	CINDERWINITING IN III	
	2) Tax-exempt mortgage	revenue bonds	
Proposed Use of Funds:	New construction	Property Type:	Multifamily
Special Purpose (s):	eneral population		
	RE	COMMENDATION	
			00 IN TAX-EXEMPT MORTGAGE

REVENUE BONDS WITH A VARIABLE INTEREST RATE UNDERWRITTEN AT 6.00% AND REPAYMENT TERM OF 30 YEARS WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$763,719 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Acceptance by the Board of the anticipated potential redemption of up to \$950,000 in bonds at the conversion to permanent;
- 2. Receipt, review, and acceptance of a letter from the architect or contractor stating intention to comply with the QAP regarding construction of buildings one foot above the base flood elevation and parking no more than six inches below the base flood elevation.
- 3. Receipt, review, and acceptance of a commitment from the related party general contractor to defer fees as necessary to fill a potential gap in permanent financing;
- 4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS No previous reports.

	DEVELOPMENT SPECIFICATIONS								
			IMPF	ROVEMEN	ITS				
Total Units: 250	# Rental Buildings	31 # Non-Res. Buildings	# of Floors	<u>3</u> A	ge: <u>N/A</u> yrs	Vacant:	<u>N/A</u> at /	/	
Net Rentable SF:	257,412	Stairwell 13,24	4 Av Un SF:	1,030	Common Area SF:	5,000	Gross Bldg SF:	275,656	
STRUCTURAL MATERIALS									

The structure will be wood frame on a post-tensioned concrete slab on grade. According to the plans provided in the application the exterior will be comprised as follows: 30% brick veneer / 70% cement fiber siding, and wood trim. The interior wall surfaces will be drywall and the pitched roof will be finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, individual heating and air conditioning, & 9-foot ceilings.

ONSITE AMENITIES

A 5000-square foot community building will include an activity room, management offices, fitness, maintenance, laundry facilities, a kitchen, restrooms, a computer/business center & a central mailroom. The community building and swimming pool, and equipped children's play area are located at the entrance of the property. In addition, perimeter fencing with limited access gates are planned for the site.

Uncovered Parking:	214	spaces	Carports:	0	spaces	Garages:	250	spaces
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PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

<u>Description</u>: Lafayette Village Apts. is a 250-unit per acre new construction development of 250 units of affordable housing located in east Houston. The development will be comprised of 31 evenly distributed medium garden style, walk-up residential buildings as follows:

- One Building Type 1 with 22 one-bedroom/one-bath units;
- One Building Type 2 with ten one-bedroom/one-bath units;
- Four Building Type 3 with ten two-bedroom/two-bath units;
- Seven Building Type 4 with ten two-bedroom/two-bath units;
- Ten Building Type 5 with two one-bedroom/one-bath units, and eight three-bedroom/two-bath units;
- Two Building Type 6 with one two-bedroom/two and one half-bath townhouse, and three three-bedroom/ two and one half-bath townhouse;

<u>Architectural Review</u>: The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

SITE ISSUES								
SITE DESCRIPTION								
Size:	14.69	acres	639,896	square feet Zoni	ng/ Permitted Uses:	No zoning in Houston		
Flood Zone Designation:		Zone X and AE	Status of Off-Sites	: Partially imp	roved			
ALTE LANGUE OF CHARACTERIZION								

SITE and NEIGHBORHOOD CHARACTERISTICS

<u>Location</u>: The site is an irregularly-shaped parcel located in the eastern area of Houston, approximately 12 miles from the central business district. The site is situated on the east side of Sam Houston Tollway.

Adjacent Land Uses:

- North: Commercial, residential, and a tributary of Carpenter Bayou immediately adjacent and undeveloped land beyond;
- **South:** Commercial immediately adjacent and residential beyond;
- East: Carpenter Bayou immediately adjacent and Residential beyond;
- West: East Sam Houston Parkway North immediately adjacent, and undeveloped land and residential beyond.

<u>Site Access</u>: Access to the property is from the north or south from the East Sam Houston Tollway feeder road, where the development is to have one main entry. Access to Interstate Highway 10 is 1.5 miles south, which provides connections to all other major roads serving the Houston area.

<u>Public Transportation</u>: "The neighborhood is well-located within the Metropolitan Area's transportation infrastructure." (p.25)

Shopping & Services: The site is within close proximity to major grocery/pharmacies, shopping centers, North Channel Branch of Harris County Public Library, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are also located within a short driving distance from the site. No specific mileages from the site were given in the study.

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

- **Zoning:** There is no zoning in Houston.
- **Floodplain:** The site is located in Zone X and Zone AE, according to FEMA. Sections of the site are in the 100-year and 500-year floodplain, as well as some outside of both.

Receipt, review, and acceptance of a letter from the architect or contractor stating intention to comply with the QAP regarding construction of buildings one foot above the base flood elevation and parking no more than six inches below the base flood elevation.

Site Inspection Findings: TDHCA staff performed a site inspection on April 12, 2005 and found the

location to be acceptable for the proposed development. The inspector noted a large drainage ditch to the north of the site which could be a potential flooding problem.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 11, 2005, was prepared by The Murillo Company and contained the following findings and recommendations:

Findings:

- **Radon:** "Contact with Texas Commission on Environmental Quality, and review of EPA files indicate that radon is not considered a major problem in the Harris County area." (ESA, p. 19)
- **Floodplain:** "According to the Federal Emergency Management Act (FEMA) Flood Insurance Rate Map (FIRM) Panel Number 48201C0720J (November 6, 1996), this subject property is located in Zone "X and AE", base flood elevations determined to be 29 feet." (ESA, p. 15)

Recommendations: "This assessment has revealed no evidence of Recognized Environmental Conditions in connection with the subject property." (ESA, p. 20)

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI.

250 of the units (100% of the total) will be reserved for low-income tenants. 250 units (100%) will be reserved for households earning 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES								
	1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Pe							
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480		

MARKET HIGHLIGHTS

A market feasibility study dated March 10, 2005 was prepared by Patrick O'Connor & Associates ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): "The subject's primary market is defined as that area within the following zip codes: 77015, 77049, and 77530. The approximate boundaries are: Highway 90 to the north, Greens and Bennig Bayous to the west, Buffalo Bayou to the south, and the San Jacinto River to the east." (p. 10). This area encompasses approximately 62 square miles and is equivalent to a circle with a radius of 4.5 miles.

"The subject PMA is slightly larger than the TDHCA guidelines of 100,000 population. We utilized Zip Code boundaries, due to the higher degree of accuracy in the demographics, which resulted in the population being slightly over 100,000." (p. 10)

Population: The estimated 2004 population of the PMA was 103,688 and is expected to increase by 10.3% to approximately 114,343 by 2009. Within the primary market area there were estimated to be 31,907 households in 2004.

<u>Total Primary Market Demand for Rental Units</u>: The Market Analyst calculated a total demand of 2,545 qualified households in the PMA, based on the current estimate of 32,805 households, the projected annual growth rate of 1%, renter households estimated at 36.66% of the population, income-qualified households estimated at 11.33%, and an annual renter turnover rate of 65%. (p. 5). The Market Analyst used an income band of \$23,520 to \$39,540.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY							
	Market Analyst Underwriter						
Type of Demand	Units of % of Total Units of % of Total						

	Demand	Demand	Demand	Demand
Household Growth	92	3.61%	64	2.74%
Resident Turnover	2,205	86.64%	2,152	92.12%
Other:	221	8.66		
Other: Section 8 vouchers	120	4.7%	120	5.14%
TOTAL ANNUAL DEMAND	2,545	100%	2,336	100%

Ref: p. 5

<u>Inclusive Capture Rate</u>: The Market Analyst calculated an inclusive capture rate of 19.65% based upon 2,545 units of demand and 500 unstabilized affordable housing in the PMA (including the subject) (p. 75). The Underwriter calculated an inclusive capture rate of 10.70% based upon a revised supply of unstabilized comparable affordable units of 250 divided by a revised demand of 2,336.

<u>Market Rent Comparables</u>: The Market Analyst surveyed five comparable apartment projects totaling 1,150 units in the market area. (p. 48).

RENT ANALYSIS (net tenant-paid rents)									
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differentia									
1-Bedroom (60%)	\$621	\$621	\$0	\$725	-\$104				
2-Bedroom/ 2 BA (60%)	\$742	\$742	\$0	\$950	-\$208				
2-Bedroom/ 2.5 BA (60%)	\$742	\$742	\$0	\$1,060	-\$318				
3-Bedroom/ 2 BA (60%)	\$854	\$854	\$0	\$1,125	-\$271				
3-Bedroom/ 2.5 BA (60%)	\$854	\$854	\$0	\$1,155	-\$301				

(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)

<u>Primary Market Occupancy Rates</u>: "The average occupancy for apartments in the subject's primary market area was reported at 87.47% in the most recent O'Connor & Associates Apartments Database survey (February 2005). According to the survey, occupancy in the primary market area in February 2005 has increased slightly from the prior quarter. Average occupancy in the primary market area has remained in the lower to mid 90's since September 1995 with the exception of the most recent five quarters. Based on our analysis of the market, moderate increases in occupancy are projected for this market." (p. 41).

<u>Absorption Projections</u>: "Considering the strong absorption history of similar properties and the lack of available quality affordable units in this market, we project that the subject property will lease an average of 20-25 units per month until achieving stabilized occupancy. We anticipate that the subject property will achieve stabilized occupancy within six to twelve months following completion." (p. 83).

Known Planned Development: "... there are two HTC project (sic) within the subject's primary market area. There are no HTC projects currently under construction. The Sterling Green Village and Forest Creek Apartments are both located within a two-mile radius of the subject and within the PMA. Typically, HTC projects in the Greater Houston area have achieved stabilized occupancy at a rapid pace, most likely due to the projects being new and superior compared to older multifamily projects. The subject should be able to reach a stabilized occupancy level within 12 months of completion. Pre-leasing should begin prior to completion of the construction." (p. 41).

Effect on Existing Housing Stock: "Based on the high occupancy levels of the existing properties in the market, along with the strong recent absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration." (p. 12).

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's rent projections are the maximum rents allowed under HTC guidelines, and are achievable according to the Market Analyst. The Applicant stated that tenants will pay water and sewer in

this project, and rents and expenses were calculated accordingly. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result the Applicant's effective gross income estimate is comparable to the Underwriter's estimate.

Expenses: The Applicant's total expense estimate of \$3,800 per unit is within 7% of the Underwriter's database-derived estimate of \$4,103 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 payroll (\$26K lower).

<u>Conclusion</u>: The Applicant's estimated operating expense is inconsistent with the Underwriter's expectations and the Applicant's net operating income (NOI) estimate 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 payroll & payroll tax, the Underwriter's estimated debt coverage ratio (DCR) of 1.03 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this project may be limited to \$1,010,842 by a reduction of the loan amount.

			ASS	ESSED VALUE					
Land: 14.69 acres	\$275,	\$275,010 Assessment for the Year of:			2004	2004			
Building:	\$27,0	70		Valuation by:	Harris Coun	ty Appraisal District			
Total Assessed Value:	\$302,	080		Tax Rate: 3.45					
		EVIDE	NCE of SIT	E or PROPERTY CO	ONTROL				
Type of Site Control:	Comme	ercial Cor	ntract- Uni	mproved Property	(14.69acres)				
Contract Expiration Date:	12/	31/	2005	Anticipated Clo	sing Date:	6/	15/	2005	
Acquisition Cost:	\$1,631,	,735.80		Other Terms/Co	onditions:				
Seller: Chand Khan				 Rela	ted to Developn	ient Tea	m Membe	r: No	

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The site cost of \$1,631,735 (\$2.55/SF, \$111,077.94/acre, or \$6,526.94/unit) is five times the tax assessed value of \$302,080. The acquisition price is assumed to be reasonable, however, since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant claimed sitework costs of over \$8,570K per unit and provided sufficient third party certification through a detailed certified cost estimate by Mucasey & Associates to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Reznick Group, to preliminarily opine that \$2,142,500 of the total \$2,142,500 will be considered eligible. The CPA has not indicated that this opinion of eligibility has taken into account the effect of the recent IRS Technical Advisory Memorandums on the eligibility of sitework costs.

<u>Direct Construction Cost</u>: The Applicant's costs are more than 5% 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.

<u>Fees:</u> The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Underwriter moved housing consultant fees to developer's fees since the Applicant claimed these fees as eligible.

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable.

	FINANCING STRUCTURE						
	INTERIM TO PERMANENT BOND FINANCING						
Source:	Source: GMAC Commercial Mortgage Contact: Lloyd Griffin						

Tax-Exem	ot Amount	\$15,	000,000		Interes	t Rate:	6.00%	6					
Amortizati	on: 30	yrs	Term:	30	yrs	Comm	nitment:	\boxtimes	LOI		Firm		Conditional
Annual Pag	yment:	\$1,079	,772		Lien Prio	ority:	1	Date:	3/	8/	2005	5	
					TAX CR	EDIT SY	'NDICAT	ION					
Source:	Boston C	Capital P	artners					Cont	act:	Ton	n Dixon		
Net Procee	ds:	6,873,4	71]	Net Syndi	cation I	Rate (per	\$1.00 c	of 10-yr	HTC)		90¢	
Commitme	ent:		LOI		Firm		Condition	onal	Date:	2.	/ 23/	′ 2	005
					APF	PLICAN	T EQUITY	,					
Amount:		•	200,000 ir iod cash fl		income a	nd		Sourc	e:	Defe	erred Dev	velop	er Fee
				F18	LANIOINI	O CTDLLC	STUDE AL		10				

FINANCING STRUCTURE ANALYSIS

<u>Interim to Permanent Bond Financing</u>: The tax-exempt bonds are to be issued by TDHCA and purchased by GMAC. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$2,044,865 were increased by the Underwriter to \$3,194,865 to include the Applicant's claimed GIC income and after the potential reduction in debt amount. This figure amounts to 117% of the total fees.

Financing Conclusions: Based on the Applicant's estimate of eligible basis and in line with the Applicant's request, the HTC allocation should not exceed \$763,719 annually for ten years, resulting in syndication proceeds of approximately \$6,873,471. Due to the difference in estimated net operating income, the Underwriter's debt coverage ratio (DCR) of 1.03 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this development is not likely to exceed \$1,010,842, either by a reduction of the permanent loan amount or a reduction in the interest rate. Since the initial pay rate on this variable rate transaction will be much less than the Underwriting rate, the actual serviceable debt in the short run may be greater than the Underwritten amount. 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 not be available to fund those development cost overruns. To compensate for the reduction in loan funds the Applicant's deferred developer fee will be increased to \$3,194,865, which amounts to approximately 117% of the total fee and which should be repayable in approximately 15 years. Because there is a related party general contractor, additional fee may be deferred in the form of deferred contractor fees. Receipt, review, and acceptance of a commitment from the related party general contractor to defer fees as necessary to fill a potential gap in permanent financing is a condition of this report.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant, Developer, General Contractor, and Property Management firm are all related entities. These are common relationships for HTC-funded developments.

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

Financial Highlights:

- The Applicant and Managing General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The Member and 45% owner of the Managing General Partner, Dwayne Henson Investments, Inc., submitted an unaudited financial statement as of December 31, 2004, reporting total assets of \$14,846K and consisting of \$1,119K in cash, \$0 in real property, \$15.74K in machinery, equipment, and fixtures, and \$3,444.97K in partnership interests. Liabilities totaled \$525.77 resulting in a net worth of \$14,321K.
- The Member and 45% owner of the Managing General Partner, Resolution Real Estate Services, LLC,

submitted an unaudited financial statement as of December 31, 2004, reporting total assets of \$3,955K, and consisting of \$255K in cash, \$3,600K in receivables, and \$25K in Machinery & Equipment. Liabilities totaled \$110K, resulting in a net worth of \$3,845K.

- The Member and 10% owner of the Managing General Partner, MSD Development, LLC, submitted an unaudited financial statement as of December 31, 2004, reporting total assets of \$1K. Liabilities totaled \$0, resulting in a net worth of \$1K.
- The principals of these members of the General Partner that submitted unaudited financial statements are: Pamela, Laura, Cheryl, and William D. Henson, J. Steve and Cynthia Ford, and M. Scot and Billie H. Davis. Some or all of these principals are anticipated to be guarantors of the development, particularly the Managers of the General Partner: William D. Henson, J. Steve Ford, and M.Scot Davis.

Background & Experience:

Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's operating expenses and operating income are more than 5% outside of the Underwriter's verifiable ranges.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- Significant environmental risks exist regarding the site's partial position in floodplain AE.
- 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.

Underwriter:		Date:	May 17, 2005
	Phillip Drake		
Director of Real Estate Analysis:		Date:	May 17, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

(Lafayette Village Apts., Houston, 4% HTC #05607, MFB 2005-006)

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 60%	52	1	1	760.3077	\$686	\$621	\$32,292	\$0.82	\$65.00	\$13.31
TC 60%	110	2	2	995.1455	823	\$742	81,620	0.75	81.00	13.31
TC 60%	2	2	2.5	1,204.0000	823	\$742	1,484	0.62	81.00	13.31
TC 60%	80	3	2	1,226.4000	951	854	68,320	0.70	97.00	13.31
TC 60%	6	3	2.5	1,315.0000	951	854	5,124	0.65	97.00	13.31
TOTAL:	250		AVERAGE:	1,030	\$839	\$755	\$188,840	\$0.73	\$83.18	\$13.31
INCOME		Tatal Nat Da	atabla Ca Etc	257.412		TDHCA	APPLICANT		anntrollaria Danian	6
	LODOCC		entable Sq Ft:	<u>257,412</u>				CC	mptroller's Region	
POTENTIA		KENI			645.00	\$2,266,080	\$2,266,080	645.00	IREM Region	Houston
Secondary Other Supp	ort Income:	(describe)	,	Per Unit Per Month:	\$15.00	45,000 0	45,000	\$15.00	Per Unit Per Month	
POTENTIA						\$2,311,080	\$2,311,080			
	Collection L		% of Poter	ntial Gross Income:	-7.50%	(173,331)	(173,328)	-7.50%	of Potential Gross Re	nt
-			ts or Conces			0	(110,000)			
EFFECTIV						\$2,137,749	\$2,137,752			
EXPENSES			% OF EGI	PER UNIT	PER SQ FT	, , , ,	, , , , ,	PER SQ FT	PER UNIT	% OF EGI
	— Administrativ	VP.	5.81%	\$497	0.48	\$124,152	\$106,500	\$0.41	\$426	4.98%
Manageme			5.00%	428	0.48	106,887	106,887	0.42	428	5.00%
-						-	230.625			
Payroll & Pa			12.02%	1,028	1.00	256,998	,	0.90	923	10.79%
•	Maintenance		5.74%	491	0.48	122,660	106,250	0.41	425	4.97%
Utilities			1.84%	157	0.15	39,270	42,500	0.17	170	1.99%
Water, Sew	ver, & Trash		2.95%	252	0.24	63,042	45,000	0.17	180	2.11%
Property In:	surance		3.01%	257	0.25	64,353	63,018	0.24	252	2.95%
Property Ta	ax	3.4454	8.01%	685	0.66	171,154	172,000	0.67	688	8.05%
Reserve for	r Replaceme	ents	2.34%	200	0.19	50,000	50,000	0.19	200	2.34%
Other: com	pl fees		1.27%	109	0.11	27,220	27,220	0.11	109	1.27%
TOTAL EX	PENSES		47.98%	\$4,103	\$3.98	\$1,025,737	\$950,000	\$3.69	\$3,800	44.44%
NET OPER	RATING IN	С	52.02%	\$4,448	\$4.32	\$1,112,012	\$1,187,752	\$4.61	\$4,751	55.56%
DEBT SER						, , , , , , , , , , , , , , , , , , ,	* , - , -		* * * * * * * * * * * * * * * * * * * *	
First Lien Mo			50.48%	\$4,317	\$4.19	\$1,079,191	\$1,079,772	\$4.19	\$4,319	50.51%
Additional Fi			0.00%	\$0	\$0.00	0	ψ.,σ.σ, <u>z</u>	\$0.00	\$0	0.00%
Additional Fi	-		0.00%	\$0	\$0.00	0		\$0.00	\$0	0.00%
NET CASH	•		1.54%	\$131	\$0.13	\$32,821	\$107,980	\$0.42	\$432	5.05%
AGGREGAT		WEDAGE		ψισι	ψ0.10	1.03	1.10	ψ0.42	ψ+0 2	0.0070
RECOMMEN						1.10	1.10			
			L KATIO			1.10				
CONSTRU	CTION CC	<u>ost</u>								
Descri	ription_	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	Cost (site o	r bldg)	6.46%	\$6,527	\$6.34	\$1,631,736	\$1,631,736	\$6.34	\$6,527	6.77%
Off-Sites			0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework			8.48%	8,570	8.32	2,142,500	2,142,500	8.32	8,570	8.88%
Direct Cons	struction		48.62%	49,142	47.73	12,285,499	11,417,500	44.35	45,670	47.34%
Contingend		3.47%	1.98%	2,000	1.94	500,000	500,000	1.94	2,000	2.07%
General Re	•	5.64%	3.22%	3,254	3.16	813,600	813,600	3.16	3,254	3.37%
Contractor's		1.88%	1.07%	1,085	1.05	271,200	271,200	1.05	1,085	1.12%
Contractor's										
		5.64%	3.22%	3,254	3.16	813,600	813,600	3.16	3,254	3.37%
Indirect Co			3.89%	3,928	3.81	982,000	982,000	3.81	3,928	4.07%
Ineligible C			2.58%	2,606	2.53	651,500	651,500	2.53	2,606	2.70%
Developer's	s G & A	1.01%	0.79%	800	0.78	200,000	200,000	0.78	800	0.83%
Developer's	s Profit	12.85%	10.05%	10,160	9.87	2,540,000	2,540,000	9.87	10,160	10.53%
Interim Fina	ancing		7.74%	7,819	7.59	1,954,700	1,954,700	7.59	7,819	8.10%
Reserves			1.90%	1,921	1.87	480,205	200,000	0.78	800	0.83%
TOTAL CO	ST		100.00%	\$101,066	\$98.16	\$25,266,540	\$24,118,336	\$93.70	\$96,473	100.00%
Recap-Hard	l Construct	ion Costs	66.60%	\$67,306	\$65.37	\$16,826,399	\$15,958,400	\$62.00	\$63,834	66.17%
SOURCES								RECOMMENDED		
First Lien Mo		_	59.37%	\$60,000	\$58.27	\$15,000,000	\$15,000,000	\$14,050,000	Developer Fee	Δvailable
GIC Income	Ji iyaye					200,000	200,000	ψ14,000,000	\$2,740	
	otion Proces	ndo.	0.79%	\$800	\$0.78			6 972 474		
HTC Syndica			27.20%	\$27,494	\$26.70	6,873,471	6,873,471	6,873,471	% of Dev. Fee	
Deferred Dev	•		8.09%	\$8,179	\$7.94	2,044,865	2,044,865	3,194,865	117	
Additional (E		ds Req'd	4.54%	\$4,593	\$4.46	1,148,204	0	0	15-Yr Cumulativ	e Cash Flow
TOTAL SO	URCES					\$25,266,540	\$24,118,336	\$24,118,336	\$4,081,	569
								-		

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MULTIFAMILY COMPARATIVE ANALYSIS(continued)

(Lafayette Village Apts., Houston, 4% HTC #05607, MFB 2005-006)

DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$43.78	\$11,269,292
Adjustments				
Exterior Wall Finish	2.39%		\$1.05	\$269,178
9-Ft. Ceilings	4.00%		1.75	450,772
Roofing			0.00	0
Subfloor			(0.68)	(174,182)
Floor Cover			2.02	520,008
Porches/Balconies	\$17.74	3,728	0.26	66,135
Plumbing	\$605	618	1.45	373,890
Built-In Appliances	\$1,650	250	1.60	412,500
Stairs/Fireplaces	\$1,475	4	0.02	5,900
Enclosed Corridors	\$38.44	13,244	1.98	509,089
Heating/Cooling			1.53	393,840
Garages/Carports	\$17.15	51,438	3.43	882,256
Comm &/or Aux Bldgs	\$59.87	5,000	1.16	299,370
Other:			0.00	0
SUBTOTAL			59.35	15,278,049
Current Cost Multiplier	1.11		6.53	1,680,585
Local Multiplier	0.88		(7.12)	(1,833,366)
TOTAL DIRECT CONSTRU	CTION COST	S	\$58.76	\$15,125,268
Plans, specs, survy, bld prm	3.90%		(\$2.29)	(\$589,885)
Interim Construction Interes	3.38%		(1.98)	(510,478)
Contractor's OH & Profit	11.50%		(6.76)	(1,739,406)
NET DIRECT CONSTRUCT	ION COSTS		\$47.73	\$12,285,499

PAYMENT COMPUTATION

Primary	\$15,000,000	Amort	360
Int Rate	6.00%	DCR	1.03
Secondary	\$200,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.03
Additional	\$6,873,471	Amort	
Int Rate		Aggregate DCR	1.03

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$1,010,842
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$101,170

Int Rate

Primary	\$14,050,000	Amort	360
Int Rate	6.00%	DCR	1.10
Secondary	\$200,000	Amort	0

0.00%

Additional	\$6,873,471	Amort	0
Int Data	0.00%	Assessed DCD	4.40

Subtotal DCR

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 GROS	S RENT	\$2,266,080	\$2,334,062	\$2,404,084	\$2,476,207	\$2,550,493	\$2,956,720	\$3,427,649	\$3,973,585	\$5,340,166
Secondary Income		45,000	46,350	47,741	49,173	50,648	58,715	68,067	78,908	106,045
Other Support Inco	me: (describ	0	0	0	0	0	0	0	0	0
POTENTIAL GROS	S INCOME	2,311,080	2,380,412	2,451,825	2,525,380	2,601,141	3,015,435	3,495,716	4,052,493	5,446,211
Vacancy & Collecti	on Loss	(173,331)	(178,531)	(183,887)	(189,403)	(195,086)	(226,158)	(262,179)	(303,937)	(408,466)
Employee or Other	Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROS	SINCOME	\$2,137,749	\$2,201,881	\$2,267,938	\$2,335,976	\$2,406,055	\$2,789,278	\$3,233,537	\$3,748,556	\$5,037,746
EXPENSES at	4.00%									
General & Adminis	trative	\$124,152	\$129,118	\$134,283	\$139,655	\$145,241	\$176,708	\$214,992	\$261,570	\$387,188
Management		106,887	110,094	113,397	116,799	120,303	139,464	161,677	187,428	251,887
Payroll & Payroll Ta	ax	256,998	267,278	277,969	289,088	300,651	365,788	445,037	541,456	801,487
Repairs & Mainten	ance	122,660	127,567	132,669	137,976	143,495	174,584	212,408	258,427	382,535
Utilities		39,270	40,841	42,474	44,173	45,940	55,893	68,003	82,736	122,469
Water, Sewer & Tr	ash	63,042	65,564	68,186	70,914	73,750	89,728	109,168	132,820	196,606
Insurance		64,353	66,927	69,604	72,388	75,284	91,594	111,439	135,582	200,695
Property Tax		171,154	178,000	185,120	192,525	200,226	243,605	296,383	360,596	533,770
Reserve for Replac	ements	50,000	52,000	54,080	56,243	58,493	71,166	86,584	105,342	155,933
Other		27,220	28,309	29,441	30,619	31,844	38,743	47,136	57,348	84,890
TOTAL EXPENSES		\$1,025,737	\$1,065,698	\$1,107,225	\$1,150,380	\$1,195,227	\$1,447,273	\$1,752,827	\$2,123,305	\$3,117,459
NET OPERATING II	NCOME	\$1,112,012	\$1,136,184	\$1,160,713	\$1,185,596	\$1,210,829	\$1,342,004	\$1,480,710	\$1,625,251	\$1,920,287
DEBT SER\	/ICE									
First Lien Financing		\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842	\$1,010,842
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		\$101,170	\$125,342	\$149,871	\$174,754	\$199,986	\$331,162	\$469,868	\$614,408	\$909,444
DEBT COVERAGE	RATIO	1.10	1.12	1.15	1.17	1.20	1.33	1.46	1.61	1.90

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,631,736	\$1,631,736		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$2,142,500	\$2,142,500	\$2,142,500	\$2,142,500
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$11,417,500	\$12,285,499	\$11,417,500	\$12,285,499
(4) Contractor Fees & General Requirements				
Contractor overhead	\$271,200	\$271,200	\$271,200	\$271,200
Contractor profit	\$813,600	\$813,600	\$813,600	\$813,600
General requirements	\$813,600	\$813,600	\$813,600	\$813,600
(5) Contingencies	\$500,000	\$500,000	\$500,000	\$500,000
(6) Eligible Indirect Fees	\$982,000	\$982,000	\$982,000	\$982,000
(7) Eligible Financing Fees	\$1,954,700	\$1,954,700	\$1,954,700	\$1,954,700
(8) All Ineligible Costs	\$651,500	\$651,500		
(9) Developer Fees				
Developer overhead	\$200,000	\$200,000	\$200,000	\$200,000
Developer fee	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000
(10) Development Reserves	\$200,000	\$480,205		
TOTAL DEVELOPMENT COSTS	\$24,118,336	\$25,266,540	\$21,635,100	\$22,503,099

Deduct from Basis:		
All grant proceeds used to finance costs in eligible basis		
B.M.R. loans used to finance cost in eligible basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units [42(d)(3)]		
Historic Credits (on residential portion only)		
TOTAL ELIGIBLE BASIS	\$21,635,100	\$22,503,099
High Cost Area Adjustment	100%	100%
TOTAL ADJUSTED BASIS	\$21,635,100	\$22,503,099
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$21,635,100	\$22,503,099
Applicable Percentage	3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS	\$763,719	\$794,359

Syndication Proceeds 0.9000 \$6,873,471 \$7,149,235

Total Credits (Eligible Basis Method) \$763,719 \$794,359
Syndication Proceeds \$6,873,471 \$7,149,235

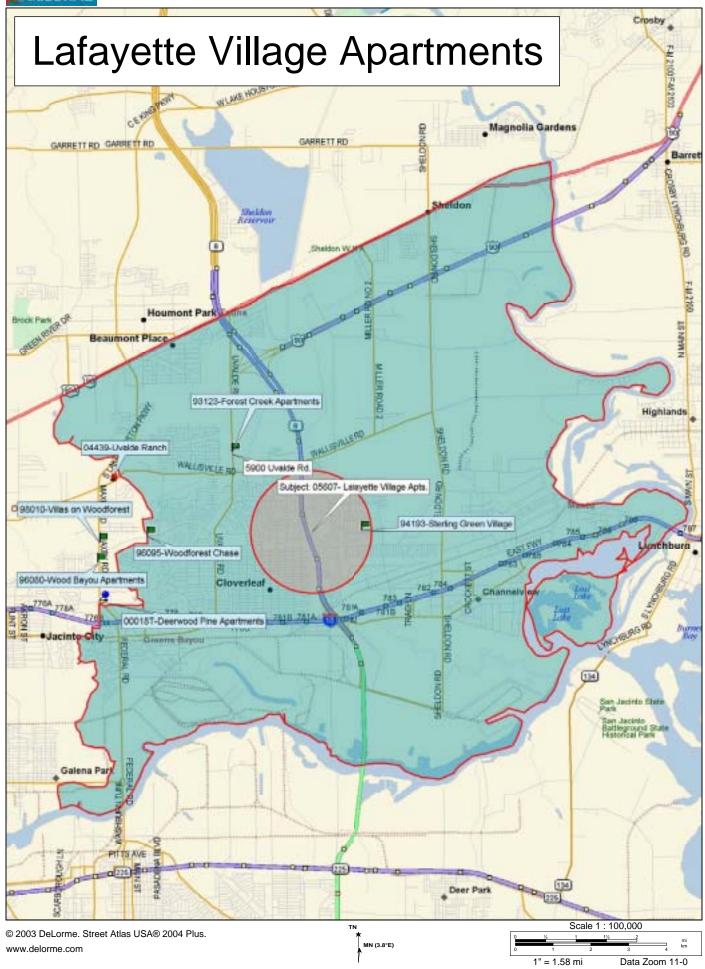
Requested Credits \$763,719

Syndication Proceeds \$6,873,471

Gap of Syndication Proceeds Needed \$10,068,336

Credit Amount \$1,118,704





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) - 2004

MSA/County: Houston Area Median Family Income (Annual): \$61,000

	A NINII	TIATT X7								MO	N	TTIII V						
		UALLY									Τ	THLY						
Maximu	Maximum Allowable Household Income			Maxim				_	-			Utility	M	laximu	m ŀ	Rent tha	ıt O	wner
to Qu	alify for Se	t-Aside units	under	Allowed	base	d on H	Iouse	ehold l	Inco	ome		Allowance	is	Allow	ed t	o Charg	ge o	n the
	the Prog	gram Rules		(Inc						Aside Units (Rent Cap)								
# of		At or Below		Unit		1	At or	Belov	v			(provided by			At o	r Belov	V	
Persons	50%	60%	80%	Type	5	0%	6	0%	:	80%		the local PHA)	4	50%		60%	8	30%
1	\$ 21,350	\$ 25,620	34,150	Efficiency	\$	533	\$	640	\$	853			\$	533	\$	640	\$	853
2	24,400	29,280	39,050	1-Bedroom		571		686		915		65		506		621		850
3	27,450	32,940	43,900	2-Bedroom		686		823		1,097		81		605		742		1,016
4	30,500	36,600	48,800	3-Bedroom		793		951		1,268		97		696		854		1,171
5	32,950	39,540	52,700															
6	35,400	42,480	56,600	4-Bedroom		885		1,062		1,415				885		1,062		1,415
7	37,800	45,360	60,500	5-Bedroom		975		1,170		1,561				975		1,170		1,561
8	40,250	48,300	64,400															
	FIG	URE 1				FIGU	RE 2					FIGURE 3			FIG	SURE 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 \$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.

Revised: 5/19/2005

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 \$32,940 could not pay more than \$823 for rent and utilities under the affordable definition.

- 1) \$32,940 divided by 12 = \$2,745 monthly income; then,
- 2) **\$2,745** monthly income times 30% = **\$823** 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.

Lafayette Village Apartments

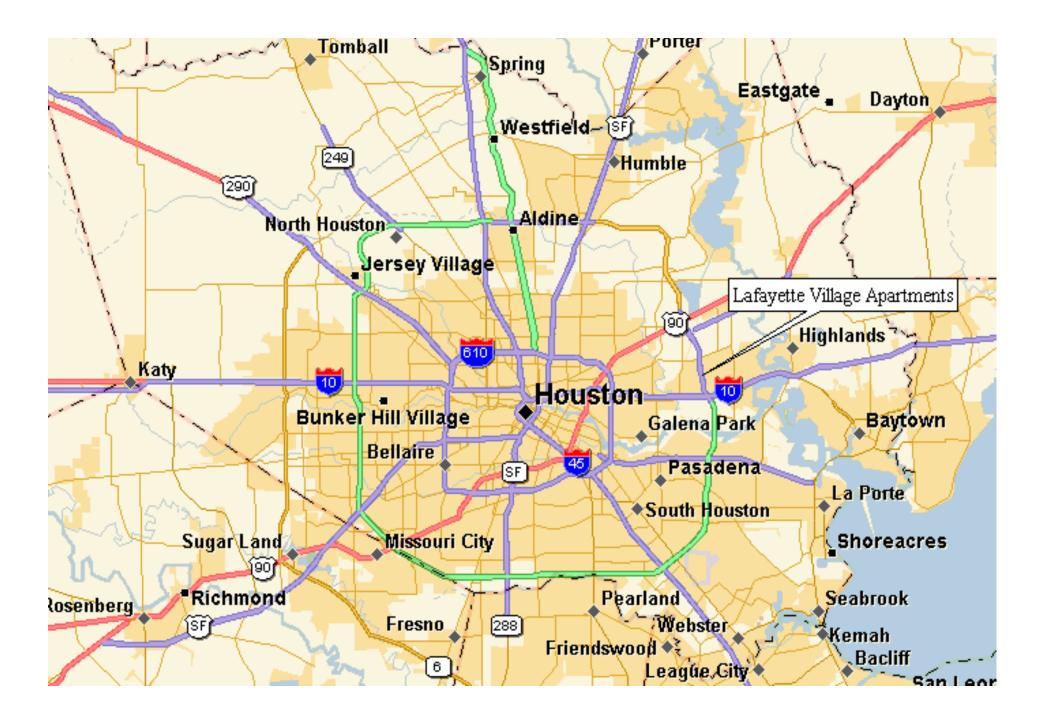
RESULTS & ANALYSIS: for 60% AMFI units

Tenants in the 60% AMFI bracket will **save** \$100**to \$208** per month (leaving **4.1**% to **7.6**% more of their monthly income for food, child care and other living expenses). This is a monthly savings off the market rents of **13.9% to 21.9%**.

PROJECT INFORMATION			
		Unit Mix	
Unit Description	1-Bedroom	2-Bedroom	3-Bedroom
Square Footage	700	1,000	1,200
Rents if Offered at Market Rates	\$721	\$950	\$1,056
Rent per Square Foot	\$1.03	\$0.95	\$0.88

SAVINGS ANALYSIS FOR 60% AMFI GROUPING			
Rent Cap for 60% AMFI Set-Aside	\$621	\$742	\$854
Monthly Savings for Tenant	\$100	\$208	\$202
Rent per square foot	\$0.89	\$0.74	\$0.71
Maximum Monthly Income - 60% AMFI	\$2,440	\$2,745	\$3,173
Monthly Savings as % of Monthly Income	4.1%	7.6%	6.4%
% DISCOUNT OFF MONTHLY RENT	13.9%	21.9%	19.1%

Information provided by: o"Conner and Associates, 2200 North Loop West, Suite 200, Houston, Texas 77018. Report dated March 10, 2005



Applicant Evaluation

Project ID # 05607 Name:	Lafayette Village	City: Houston
LIHTC 9% ☐ LIHTC 4% ☑ H	HOME □ BOND ✓ HTF □	SECO ☐ ESGP ☐ Other ☐
\square No Previous Participation in Texas	\square Members of the development	pment team have been disbarred by HUD
\square Members of the application did not r	eceive the required Previous Participation	n Acknowledgement
National Previous Participation Ce	ertification Received:	\square Yes \square No
·	onal Previous Participation Certification:	☐ Yes ☐ No
	D (6) M	
	Portfolio Management and Compliance	e
Total # of Projects monitored: 11	Projects in Material Noncompliance	# in noncompliance: 0
	Yes No 🗸	Projects not reported Yes
Projects zero to nine: 11 grouped ten to nineteen: 0	# monitored with a score less than thirty:	in application No 🗸
by score twenty to twenty-nine: 0	# not yet monitored or pending review:	15 # of projects not reported 0
Portfolio Monitoring	Single Audit	Contract Administration
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Issues found regarding late cert	Unresolved issues found
Unresolved issues found that	Issues found regarding late audit	Unresolved issues found that
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	warrant disqualification (Comments attached)
	(Comments attached)	
	(Comments attached)	
Reviewed by Patricia Murphy	T	Date
Reviewed by Patricia Murphy Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis
Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis (Cost Certification and Workout)
	T	Real Estate Analysis
Multifamily Finance Production Not applicable	Single Family Finance Production Not applicable	Real Estate Analysis (Cost Certification and Workout) Not applicable
Multifamily Finance Production Not applicable Review pending	Single Family Finance Production Not applicable Review pending	Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending
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Executed:

Executive Director:

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

Lafayette Village Apartments

Public Hearin	q	
	3	
	Total Number Attended	4
	Total Number Opposed	0
	Total Number Supported	3
	Total Number Neutral	0
	Total Number that Spoke	0
Public Officia	Is Letters Received	
	Opposition	0
	Support	0
General Publi	c Letters and Emails Received	
	Opposition	6
	Support	0
Summary of I	Public Comment	
Summary of t	ubiic Comment	
1	No comments received	

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY REVENUE BONDS LAFAYETTE VILLAGE APARTMENTS HOUSTON, TEXAS

PUBLIC HEARING

Cloverleaf Elementary School 1035 Frankie Houston, Texas

> April 12, 2005 6:20 p.m.

BEFORE:

SHANNON ROTH, Multifamily Bond Administrator

PROCEEDINGS

MS. ROTH: We're going to go ahead and get started. We're here for the public hearing for Lafayette Village Apartments. They've applied with the Texas Department of Housing and Community Affairs for the private activity bond program as well as the housing tax credit program.

As Mr. Henson's explained a lot of it to you, we'll kind of do a shorter version here. Both of those programs were created to encourage private industry to build safe, quality housing that's affordable to individuals and families with lower than average income.

The development's going to be located at approximately the 4800 block of East Sam Houston Parkway North, Harris County, Texas. It will consist of 25, two-and three-story residential buildings and one nonresidential building.

The units will be broken down between one-bedroom one-bath, two-bedroom two-bath, two-bedroom two-and-a-half bath, three-bedroom two-bath, three-bedroom two-and-a-half bath. 100 percent of the units will serve families at 60 percent of the area median family income. For the Houston MSA that is \$61,000.

A family of two at the 60 percent level could

ON THE RECORD REPORTING (512) 450-0342

earn no more than a combined income of \$29,280 to qualify to live at the development. And a family of four at the 60 percent level could earn no more than \$36,600. The one-bedroom rents will be approximately \$686. The two-bedroom rents will be approximately \$823, and the three-bedroom rents will be approximately \$951.

The TDHCA board meeting is scheduled for June 27, which is when a decision will be made on the development. You're more than welcome to submit public comment in writing. You can fax, email, letter up until June 10, 2005.

VOICE: Mr. Henson, we're going to the May board meeting with this one, aren't we?

MR. HENSON: Say again.

VOICE: Are we going to the May board meeting on May 12?

MR. HENSON: I'm sorry.

VOICE: That's okay. I just wanted to correct it. So just correct the date.

MS. ROTH: So the board meeting date will be May 12. So the deadline for comment will actually be Friday, April 28. I'm sorry about that. I'm just going to read the speech.

Good evening. My name is Shannon Roth. I

ON THE RECORD REPORTING (512) 450-0342

would like to proceed with the public hearing. Let the record show it's 6:25 p.m. on Tuesday, April 12, 2005. We're at the Cloverleaf Elementary School located at 1035 Frankie, Houston, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to the issue of tax-exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to provide a reasonable opportunity for interested individuals to express their views regarding the development in the proposed bond issue.

No decisions regarding the development will be made at this hearing. The Department's board is scheduled to meet to consider the transaction on May 12. In addition to providing your comments at this hearing, the public is also invited to provide comment directly to the board at any of their meetings.

The Department staff will also accept written comments from the public up until 5:00 p.m. on April 28.

The Bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed

\$15,000,000 and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the "Issuer."

The proceeds of the Bonds will be loaned to
Lafayette Village Apartments, LP -- or a related person or
affiliate entity thereof -- to finance portion of the
costs of acquiring, constructing and equipping a
multifamily rental housing community described as follows:
a 250-unit multifamily residential rental development to
be constructed on approximately 15 acres of land located
at approximately the 4800 block of East Sam Houston
Parkway North, on the east side of East Sam Houston
Parkway North, Harris County, Texas.

The proposed multifamily rental housing community will initially be owned and operated by the borrower or a related person or affiliate thereof.

I would now like to open the floor for public comment. I don't believe anyone has signed up to speak.

Does anybody wish to make a comment?

(No response.)

MS. ROTH: No. Let the record show no one wants to make a comment.

Thank you for attending this hearing. The

ON THE RECORD REPORTING (512) 450-0342

meeting will now be adjourned at 6:27 p.m.

(Whereupon, at 6:27 p.m., the meeting was adjourned.)

<u>C E R T I F I C A T E</u>

MEETING OF: TDHCA Public Hearing

Lafayette Village Apartments

LOCATION: Houston, Texas

DATE: April 12, 2005

I do hereby certify that the foregoing pages, numbers 1 through 7, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Sue J. Brindley before the Texas Department of Housing and Community Affairs.

(Transcriber) 4/21/2005 (Date)

On the Record Reporting, Inc. 3307 Northland, Suite 315 Austin, Texas 78731

Housing Tax Credit Program Board Action Request May 26, 2005

Action Item

Request review and board determination of four (4) four percent (4%) tax credit application with another issuer for tax exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of four (4) four percent (4%) Tax Credit Determination Notices with <u>other issuers</u> for the tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed	Requested Credit	Recommended Credit
							Tax Exempt	Allocation	Allocation
							Bond Amount		
05415	Langwick Senior Apartments	Houston	Houston HFC	248	248	\$21,300,072	\$12,660,000	\$873,610	\$873,610
05401	The Homes of Mountain Creek	Dallas	Dallas HFC	200	200	\$18,338,893	\$12,567,800	\$747,872	\$729,317
05404	Sea Breeze Seniors Apartments	Corpus Christi	Sea Breeze (a public facility corp.)	200	200	\$14,847,299	\$7,855,000	\$594,675	\$585,999
05402	Desert Pines	El Paso	El Paso County HFC	180	1804	\$8,786,490	\$5,050,000	\$270,871	\$267,938



HOUSING TAX CREDIT PROGRAM 2005 HTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY

Texas Department of Housing and Community Affairs

Development Name: Langwick Senior Apartments TDHCA#: 05415

DEVELOPMENT AND OWNER INFORMATION

Development Location: Houston QCT: Y DDA: N TTC: N

Development Owner: Langwick Seniors, LP

General Partner(s): Langwick Seniors Apartments, LLC, 100%, Contact: Cherno M. Njie

Construction Category: New Construction

Set-Aside Category: Tax Exempt Bond Bond Issuer: City of Houston HFC

Development Type: Elderly

Annual Tax Credit Allocation Calculation

Applicant Request: \$873,610 Eligible Basis Amt: \$876,068 Equity/Gap Amt.: \$993,310

Annual Tax Credit Allocation Recommendation: \$873,610

Total Tax Credit Allocation Over Ten Years: \$8,736,100

PROPERTY INFORMATION

Unit and Building Information

Total Units: 248 HTC Units: 248 % of HTC Units: 100 Gross Square Footage: 217,029 Net Rentable Square Footage: 212,300

Average Square Footage/Unit: 856 Number of Buildings: 5 Currently Occupied: N

Development Cost

Total Cost: \$21,300,072 Total Cost/Net Rentable Sq. Ft.: \$100.33

Income and Expenses

Effective Gross Income: \$1,886,532 Ttl. Expenses: \$925,127 Net Operating Inc.: \$961,405

Estimated 1st Year DCR: 1.11

DEVELOPMENT TEAM

Consultant: Not Utilized Manager: Crossroads Management Services

Attorney: Shackleford, Melton & McKinley Architect: Architeture Demarest Accountant: Novogradac & Company, LLP Engineer: RG Miller Engineering, Inc.

Market Analyst: O'Connor & Associates Lender: Charter Mac

Contractor: Odyssey Residential Construction, LP Syndicator: Related Capital Company

PUBLIC COMMENT ²	
From Citizens:	From Legislators or Local Officials:
# in Support: 6	Sen. John Whitmire, District 15 - NC
# in Opposition: 1	Rep. Senfronia Thompson, District 141 - S
	Mayor Bill White - NC
	El Franco Lee, Harris County Commissioner, Precinct 1 – S
	Daisy Stiner, Director, Housing and Community Development Department; The proposed development is consistent with the City of Houston's Consolidated Plan. Sheila Jackson Lee, US Congresswoman, District 18- S Gene Green, US Congressman, 29 - O Nadine Kujawa, Superintendent of Aldine ISD - O
	Tradite Trajarra, Supermendent of Tradite 1919

^{1.} Gross Income less Vacancy

05415.doc 5/19/2005 11:34 AM

^{2.} NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development 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 copy of the release of lien on the property or an updated title commitment showing clear title, prior to the initial closing on the property.
- 3. Receipt, review, and acceptance of evidence of compliance with the recommendations of the Phase I Environmental Site Assessment report regarding the two on-site wells and the on-site pipeline.
- 4. Receipt, review, and acceptance of a final site plan reflecting at least one parking space per unit or documentation from the authorized local government responsible for zoning and permitting that specificailly describes their standard that allows less th
- Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted. 6. 7. 8. 9. 10. 11. 12. 13. 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). Date ON: Tax Exempt Bond Score Utilization of Set-Aside Geographic Distrib.

Robbye Meyer, Mgr. of Multifamily Finance Production Date Brooke Boston, Dir. of Multifamily Finance Production DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED Housing Type Other Comments including discretionary factors (if applicable). Edwina P. Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee TDHCA Board of Director's Approval and description of discretionary factors (if applicable). Chairperson Signature: _ Elizabeth Anderson. Chairman of the Board Date

Applicant Evaluation

Project ID # 05415 Name:	Langwick Seniors Apartments	City: Houston
LIHTC 9% ☐ LIHTC 4% ✓	HOME ☐ BOND ☐ HTF ☐	SECO ESGP Other
☐ No Previous Participation in Texas	☐ Members of the develo	opment team have been disbarred by HUD
National Previous Participation Concompliance Reported on Nation	ertification Received: N/A onal Previous Participation Certification:	□ Yes □ No
, , , , , , , , , , , , , , , , , , ,	<u> </u>	
	Portfolio Management and Complianc	e
Total # of Projects monitored:0 Projects zero to nine:0	Projects in Material Noncompliance Yes □ No ✓	# in noncompliance: 0 Projects not reported Yes
grouped ten to nineteen: 0	# monitored with a score less than thirty:	0 in application No ✓
by score twenty to twenty-nine: 0	# not yet monitored or pending review:	# of projects not reported 0
Portfolio Monitoring	Single Audit	Contract Administration
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Issues found regarding late cert	Unresolved issues found
Unresolved issues found that	Issues found regarding late audit	Unresolved issues found that \Box
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	warrant disqualification (Comments attached)
Reviewed by Patricia Murphy	(Comments attached)	Date4/29/2005
Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis (Cost Certification and Workout)
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)
Reviewer S. Roth	Reviewer	Reviewer
Date <u>5 /2 /2005</u>	Date	Date
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship	Not applicable	No delinquencies found
Review pending	Review pending	Delinquencies found
No unresolved issues	No unresolved issues	
Unresolved issues found	Unresolved issues found	
		1
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	
warrant disqualification	warrant disqualification	Reviewer Stephanie A. D'Couto

Executive Director: Edwina Carrington Executed: Monday, May 09, 2005

DATE: May 18, 2005 **PROGRAM**: 4% HTC **FILE NUMBER**: 05415

DEVELOPMENT NAME

Langwick Senior Apartments

	APP	LICANT					
Name:	Langwick Seniors, L.P.	Type:	For-profit	t			
Address:	1024 Clayton Lane, Suite 524W	City:	Austin			State	: TX
Zip:	78723 Contact: Cherno Njie	Phone:	(512)	458-5575	Fax:	(512)	458-5565
	PRINCIPALS of the APP	LICANT/ H	(EY PARTIC	IPANTS			
Name:	Langwick Seniors Apartments, LLC	(%):	.005	Title:	Managi	ng Gener	al Partner
Name:	Langwick Seniors SLP, LLC (LS SLP)	(%):	Special Class B Limited Partner	Title:	Co-General Partner		
Name:	LULAC Village Park Trust (LVPT)	(%):	N/A	Title:	Non-profit sole member o		
Name:	ORH Development, LLC (ORH-D)	(%):	N/A	Title:	Co-Developer		
Name:	Songhai Development Company, LLC (SDC)	(%):	N/A	Title:	Co-Developer		
Name:	1029 Family Limited Partnership (1029 FLP)	(%):	N/A	Title:	Sole member of ORH-D & ORGP, 99% LP of ORH		
Name:	Odyssey Residential Holdings, LP (ORH)	(%):	N/A	Title:	50% owner of LS SLP		
Name:	Songhai Langwick, LLC (SL)	(%):	N/A	Title:	50% owner of LS SLP		S SLP
Name:	Odyssey Residential GP, LLC (ORGP)	(%):	N/A	Title:	1% GP of ORH		
Name:	Saleem Jafar	(%):	N/A	Title:	90% owner of 1029 FLP		
Name:	Saleem Jafar II	(%):	N/A	Title:	10% owner of 1029 FLP		
Name:	Cherno Njie	(%):	N/A	Title:	Sole me	ember of	SDC & SL
Name:	Henry Gorham	(%):	N/A	Title:	Preside	nt of LVI	Т

		PRO	OPERTY LO	CATION			
Location:	900 Langwic	k Drive				QCT	□ DDA
City:	Houston		County:	TX		Zip:	77060
			REQUES	ST			
<u> </u>	Amount	<u>Interest Rate</u>		Amortization		<u>Te</u>	<u>rm</u>
\$	873,610	N/A		N/A		N	/A
Other Requ	ested Terms:	Annual ten-year allocati	on of housin	g tax credits			
Proposed U	se of Funds:	New construction	Prop	erty Type:	Multifamily		
Special Purpose (s): Elderly							

RECOMMENDATION

 \boxtimes

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$873,610 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of a final site plan reflecting at least one parking space per unit or documentation form the authorized local government responsible for zoning and permitting that specifically describes their standard that allows less than one space per unit, to the level proposed by the Applicant, for this type of property.
- 2. Receipt, review, and acceptance of a copy of the release of lien on the property or an updated title commitment showing clear title, prior to the initial closing on the property;
- 3. Receipt, review, and acceptance of evidence of compliance with the recommendations of the Phase I Environmental Site Assessment report regarding the two on-site wells and the on-site pipeline.
- 4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports. The Applicant previously requested and was approved by Board action in April of 2005 to waive the QAP rule under Section 49.12(a)(2) regarding the submission of all documentation at least 60 days prior to the scheduled Board meeting at which the decision to issue a determination notice would be made.

DEVELOPMENT SPECIFICATIONS IMPROVEMENTS								
Total Units: 248	# Rental Buildings 5	# Non-Res. Buildings	1 # of Floors	<u>3</u> Age:	<u>0</u> yrs	Vacant:	<u>N/A</u> at	/ /
Net Rentable	SF: 212,300	Av Un SF:	856	Common Area	SF:	4,729 Gi	ross Bldg SF:	217,029
STRUCTURAL MATERIALS								

The structures will be wood frame on post-tensioned concrete slabs on grade. According to the plans provided in the application the exterior will be comprised as follows: 75% stucco/15% masonry veneer/10% cement fiber siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, individual heating & air conditioning, & 9-foot ceilings.

ONSITE AMENITIES

A 4,729-square foot community building will include activity rooms, management offices, fitness, maintenance, & laundry facilities, a kitchen, restrooms, a library, media center, & a central mailroom. The community building, swimming pool, & a community garden are to be located at the entrance to/middle of the property. In addition, perimeter fencing with a limited access gate is planned for the site.

Uncovered Parking: 230 spaces Carports: 0 spaces Garages: 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

<u>Description</u>: Langwick Seniors' Apartments is a new construction development of 248 units of affordable elderly housing located in north Houston. The development is comprised of five large, two- and three-story, evenly distributed, garden style, elevator-served residential buildings as follows:

• Two two-story Building Type IA with 12 one-bedroom/one-bath units, 24 two-bedroom/one-bath units,

and eight two-bedroom/two-bath units;

- Two Building Type IB with 18 one-bedroom/one-bath units, 36 two-bedroom/one-bath units, and 12 two-bedroom/two-bath units; and
- One Building Type II with six one-bedroom/one-bath units, 18 two-bedroom/one-bath units, and four two-bedroom/two-bath units.

Architectural Review: The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with simple fenestration. The development as proposed does not have sufficient parking indicated to supply at least one parking space per unit which is a typical minimum level for all TDHCA funded multifamily developments. Receipt, review, and acceptance of a final site plan reflecting at least one parking space per unit or documentation form the authorized local government responsible for zoning and permitting that specifically describes their standard that allows less than one space per unit, to the level proposed by the Applicant, for this type of property is a condition of this report.

	SITE ISSUES SITE DESCRIPTION							
Size:	14.5204 acres	632,509	square feet	Zoning/ Permitted Uses:	No zoning in Houston			
Flood Zone Designation:		Zones AE (100- Shaded X, Unsh	•	Status of Off-Sites:	Partially improved			

SITE and NEIGHBORHOOD CHARACTERISTICS

<u>Location</u>: The site is a nearly rectangularly-shaped parcel located in the northern area of Houston, approximately 13 miles from the central business district. The site is situated on the north side of Langwick Drive, the east side of Wayforest Drive, and the west side of West Hardy Road.

Adjacent Land Uses:

- North: multifamily residential, an office/warehouse facility/business park, and commercial facilities;
- South: Langwick Drive immediately adjacent and multifamily residential and undeveloped land beyond;
- East: Wayforest Drive immediately adjacent and commercial facilities, railroad tracks, and the Hardy Tollroad beyond; and
- West: West Hardy Road immediately adjacent and multifamily residential and undeveloped land beyond.

<u>Site Access</u>: Access to the property is from the east or west along Langwick Drive or the north or south from Wayforest Drive or West Hardy Road. The development is to have a single entry from the south from Langwick Drive. Access to Interstate Highway 45 is two miles west, which provides connections to all other major roads serving the Houston area.

<u>Public Transportation</u>: Public transportation to the area is provided by the city bus system, with a route along Greens Road approximately one-quarter mile south of the site.

Shopping & Services: Numerous small neighborhood retail centers are scattered throughout the area, and Greenspoint Mall is located 1.5 miles southwest of the site. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Special Adverse Site Characteristics: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

• **Floodplain:** Approximately the eastern one-third of the site, along with a 30-50-foot wide portion along the southern and western boundaries of the site, is located within flood Zone AE of the 100-year floodplain. The remainder of the property lies within Shaded Zone X, which is areas of 500-year flood or areas of 100-year flood with average depths of less than one foot. The Applicant provided a letter from the project engineer which indicates that all buildings will be elevated at least one foot above the base flood elevation (BFE) and all parking areas will be elevated at least six inches above the BFE.

After the site elevation a Letter of Map Revision will be applied for to remove the site from the designated floodplain.

• **Site Control/Title:** The title commitment lists a vendor's lien and a deed of trust that must be cleared by the closing. Receipt, review, and acceptance of documentation verifying the resolution of these issues is a condition of this report.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on February 7, 2005 and found the location to be acceptable for the proposed development. The inspector noted the site is surrounded by family apartment complexes, and there is a new single-family development two blocks away.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated December 16, 2004 was prepared by Associated Environmental Consultants, Inc. (AEC) and contained the following findings and recommendations:

<u>Findings</u>: "This assessment has revealed no evidence of recognized environmental conditions in connection with the property. However, the following were noted:

- A dry pond/bermed area was located on the eastern section of the site. Additionally, an oil and gas well survey was reviewed for the subject site. The oil and gas well survey identified two wells on the subject site. The wells were located on the eastern section of the site near the bermed area. The two wells were both dry wells that were plugged and abandoned. According to a Phase II ESA Subsurface Investigation AEC conducted for the 14.5-acre subject site in July 2003, no obvious signs or indications of contamination were detected, and no immediate response actions or further actions were required.
- A pipeline marker was located on the southwest corner of the subject site. The pipeline marker was labeled as a gas pipeline by CenterPoint Energy. There was no evidence of stressed vegetation or chemical odors associated with the pipeline. No environmental impacts were observed at the subject site along the pipeline." (p. 25)

Recommendations: "Based on investigations of the subject property, Associated Environmental Consultants, Inc. found no recognized environmental conditions in connection with the subject property. Therefore, no immediate response actions are necessary at this time. However, AEC recommends the following:

- Although no indications of significant contamination from oil/gas exploration activities were identified as part of this investigation, the exact location of the two on-site wells (dry holes) should be identified on the boundary survey. Future development plans should consider these well locations and evaluate their potential impact on the proposed development, if any.
- As a safety precaution, the exact location of the on-site pipeline should be identified in the field and marked by survey prior to development/construction activities occurring on-site, in the area of the pipeline easement. Additionally, the pipeline should be continuously monitored for any leaks, releases, or other reported incidents that could affect the subject site. Monitoring can be accomplished by periodically contacting the pipeline company for a status report of the pipeline in the area of the subject site." (p. 27)

Receipt, review, and acceptance of documentation of completion of these two recommendations is a condition of this report.

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside, although as a Priority 1A private activity bond lottery development the Applicant has elected the 50% at 50% / 50% at 60% option.

MAXIMUM ELIGIBLE INCOMES									
1 Person 2 Persons 3 Persons 4 P					5 Persons	6 Persons			
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480			

MARKET HIGHLIGHTS

A market feasibility study dated January 7, 2005 was prepared by O'Connor & Associates ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): "The subject's primary market is defined as that area within zip codes 77037, 77038, 77039, 77060, 77067, and 77088" (p. 10). This area encompasses approximately 61.5 square miles and is equivalent to a circle with a radius of 4.4 miles.

Population: The estimated 2004 total population of the PMA was 188,565 and is expected to increase by 7.2% to approximately 202,065 by 2009. Although this population exceeds the 2005 TDHCA maximum PMA population guideline of 100,000, the Market Analyst stated that "We utilized a PMA larger than 100,000 population due to the limited supply of seniors housing projects in Houston, which results in their being able to draw from a larger PMA area." (April 21, 2005 letter). The estimated 2004 elderly (age 55+) population of the PMA was 36,450 and is expected to increase to approximately 39,059 by 2009. Within the primary market area there were estimated to be 11,114 elderly households in 2004.

<u>Total Primary Market Demand for Rental Units</u>: The Market Analyst calculated a total demand of 563 qualified households in the PMA, based on the current estimate of 57,497 total households, the projected annual household growth rate of 1.1%, renter households estimated at 47% of the population, incomequalified households estimated at 11.18%, and an annual renter turnover rate of 60%. (p. 69). The Market Analyst used an income band of \$17,130 to \$32,940.

The Underwriter regards both the Market Analyst's renter percentage and renter turnover factors to likely be overstated for elderly renters, but as neither the Market Analyst nor the Underwriter was able to access age-specific data for this market, the general population rates were used as proxies.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY								
	Market	Analyst	Under	writer				
Type of Domand	Units of	% of Total	Units of	% of Total				
Type of Demand	Demand	Demand	Demand	Demand				
Household Growth	24*	4%	13	2%				
Resident Turnover	447	80%	561	98%				
Other Sources: Sec. 8, from outside PMA	92	16%	0	0%				
TOTAL ANNUAL DEMAND	563	100%	574	100%				

Ref: p. 69

<u>Inclusive Capture Rate</u>: The Market Analyst calculated an acceptable inclusive capture rate of 88.14% based upon 563 units of demand and 496 unstabilized affordable housing in the PMA (the subject and the 248-unit Primrose at Aldine Bender Apartments) (p. 69). The Underwriter calculated an inclusive capture rate of 86.6% based upon a slightly higher demand estimate of 574 households. The Department allows an inclusive capture rate of up to 100% for developments that target senior populations.

<u>Local Housing Authority Waiting List Information</u>: "The waiting list for Section 8 vouchers was closed in 1994, when the list had grown to more than 26,000 households. The waiting list has been reopened at times, but is currently closed. According to the Housing Authority of the City of Houston's *PHA Plans 5-Year Plan for fiscal Years 2004-2008*, *Annual Plan for Fiscal Year 2003*, the goal is to add 5,000 vouchers to the 17,013 existing vouchers. The most recently published waiting list totals 18,526 families."(p. 43)

<u>Market Rent Comparables</u>: The Market Analyst surveyed five comparable apartment projects totaling 1,064 units in the market area. "It is our conclusion that the subject property will have a competitive advantage in its micro-market area into the near future...The amenities at the subject property will be highly competitive with most other good-quality projects in the subject's neighborhood. Further, the subject property will be very competitive due to its superior condition." (p. 71)

^{* 18} months of growth demand

RENT ANALYSIS (net tenant-paid rents)									
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differential									
1-Bedroom (50%)	\$529	\$529	\$0	\$690	-\$161				
1-Bedroom (60%)	\$644	\$644	\$0	\$690	-\$46				
2-Bedroom (50%)	\$634	\$632	+2	\$825-\$865	-\$191-\$231				
2-Bedroom (60%)	\$771	\$769	+\$2	\$825-\$865	-\$54-\$94				

(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)

Primary Market Occupancy Rates: "The overall occupancy rate for projects in this primary market area was 84.39% as of December 2004. Occupancy rates for Class B projects was slightly higher at 84.79%. The occupancy within the PMA is skewed downward by several complexes which have experienced flooding of units (three times in the past four years). 75% of the vacant units within the PMA are previously flooded units. Additionally, 62.4% of the vacant units are one-bedroom units, of which the subject has a limited number (only 25%)." (p. 35)

<u>Absorption Projections</u>: "Considering the strong absorption history of similar properties and the lack of available quality affordable units in this market, we project that the subject property will lease an average of 25-30 units per month until achieving stabilized occupancy. We anticipate that he subject property will achieve stabilized occupancy within six to eight months following completion." (p. 75).

Known Planned Development: "We are aware of no market rate apartment developments in the subject's primary market under construction, one seniors HTC project and two family HTC projects under construction in the primary market area." (p. 32)

Effect on Existing Housing Stock: "Because of the high occupancy levels [sic] of the existing properties in the market, along with the strong recent absorption history, we project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration." (p. 75)

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's rent projections are the maximum rents allowed under HTC program guidelines, and are achievable according to the Market Analyst. The Applicant's tenant-paid utility allowances were understated by \$2 on the two-bedroom units, which results in a \$4,368 overstatement of potential gross rent. Although the Applicant's secondary income estimate is in line with TDHCA underwriting guidelines, a slightly lower vacancy and collection loss factor of 7% was used, resulting in the Applicant's loss estimate being \$9,816 lower than the Underwriter's. As a result of these differences the Applicant's effective gross income estimate is \$14,184 (0.8%) greater than the Underwriter's estimate.

Expenses: The Applicant's estimate of total operating expense is less than 1% higher than the Underwriter's 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 general and administrative (\$15.2K lower), management (\$19.5K higher), repairs and maintenance (\$12.6K higher), utilities (\$17.2K higher), insurance (\$10.9K higher), property tax (\$40.2K lower). The Applicant is anticipating a 50% CHDO tax exemption under Section 11.1825(b) of the Texas Tax Code and provided an attorney's opinion affirming that the property should be eligible for such an exemption. On the basis of this opinion, the Underwriter has assumed a 50% property tax exemption in this analysis.

<u>Debt Service</u>: The Applicant has included \$16.9K in bond issuer fees, which will be subordinate to the first lien debt service. As TDHCA is not the bond issuer, the Underwriter has not included these fees.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. Due primarily to the Applicant's inclusion of the bond issuer fees, the Applicant's estimated debt coverage ratio (DCR) of 1.09 is slightly less than the program minimum standard of 1.10. However, as the Applicant's income and expense estimates are acceptable, and without these fees the Applicant's proforma indicates a DCR of 1.11, the Applicant's DCR estimate is acceptable.

		AC		<u>valuation infor</u> Sessed value	MAHON			
Land: 14.5204 acres	\$474	1,380		Assessment for the Year of: 2004		4		
Building:	N/A		Valuation by:	Harris County Appraisal District			ict	
Total Assessed Value:	\$474,380		Tax Rate:	3.23732				
		EVI	DENCE of S	ITE or PROPERTY CO	ONTROL			
Type of Site Control:	Purch	ase and	sale agreem	ent (14.5204 acres)				
Contract Expiration Date:	7/	1/	2005	Anticipated Closing Date:		6/	30/	2005
Acquisition Cost:	\$1,200,000		Other Terms/Conditions: \$45,000 earnest mon		t money			
Seller: Texas Blackstar	Seller: Texas Blackstar Investments, Inc.				ted to Develop	ment Tea	m Membe	r: No

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The site cost of \$1,200,000 (\$1.90/SF, \$82,642/acre, or \$4,839/unit), although over 250% of the tax assessed value, is assumed to be reasonable since the acquisition is an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$7,500 per unit are the maximum allowable under the Department's guidelines for multifamily developments without requiring additional justifying documentation.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is \$217K or 2.1% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

<u>Interim Financing Fees</u>: The Underwriter reduced the Applicant's eligible interim financing fees by \$317 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 reduction to the Applicant's eligible basis estimate.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all set within the maximums allowed by TDHCA guidelines, but with the reduction in eligible basis due to the misapplication of eligible basis discussed above the eligible basis portion of the developer fees now exceed the maximum by \$317 and have been reduced by the same amount in order to recalculate the appropriate requested credit 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 by the Underwriter, is used to calculate eligible basis and estimate the HTC allocation. As a result, an eligible basis of \$19,036,678 is used to estimate a credit allocation of \$876,068 from this method. The resulting syndication proceeds will be used to compare to the Applicant's request and to the gap of need using the Applicant's costs to determine the recommended credit amount.

FINANCING STRUCTURE
INTERIM TO PERMANENT BOND FINANCING

Source: CharterMa	c	Contact: Jim Spound					
Construction Amount:	\$12,660,000 Interest Ra	te: 5%					
Permanent Amount:	\$12,660,000 Interest Ra	te: 6.3%					
Additional Information	n: Interest-only during 2-yr const	ruction period					
Amortization: 40	Amortization: 40 yrs Term: 42 yrs Commitment: LOI Firm Conditional						
Annual Payment:	Annual Payment: \$867,870 Lien Priority: 1st Date: 4/ 20/ 2005						
	TAX CREDI	T SYNDICATION					
Source: Related Ca	apital Company	Contact: Justin Ginsberg					
Net Proceeds: \$7	7,600,407 Net Syndicati	on Rate (per \$1.00 of 10-yr HTC) 87¢					
Commitment:	LOI Firm	Conditional Date: 3/ 11/ 2005					
Additional Information	Commitment in amount of \$7	7,748,000 based on allocation of \$890,650					
APPLICANT EQUITY							
Amount: \$787,166	Source: D	Deferred developer fee					
	FINANCING ST	RUCTURE ANALYSIS					

<u>Interim to Permanent Bond Financing</u>: The tax-exempt bonds are to be issued by the Houston Housing Finance Corporation and purchased by Charter Mac. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

<u>GIC Income</u>: The Applicant included \$252,501 in anticipated income from investment of the bond proceeds in a guaranteed investment contract (GIC) during the construction phase; the Underwriter has included this amount in deferred developer fee in the recommended financing structure.

<u>Deferred Developer's Fees</u>: The Applicant's proposed deferred developer's fees of \$787,166 amount to approximately 32% of the total fees.

Financing Conclusions: Based on the Applicant's adjusted estimate of eligible basis, the HTC allocation would not exceed \$873,610 annually for ten years, resulting in syndication proceeds of approximately \$876,068. However, as the Applicant used an applicable percentage of 3.53% (slightly lower than the underwriting rate of 3.54% used for applications received in April 2005), the Applicant's credit request of \$873,610 will be used to determine the allocation amount, resulting in syndication proceeds of approximately \$7,598,887. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to \$1,041,185, which represents approximately 42% of the eligible fee and which should be repayable from cash flow within ten years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee should be available to fund those development cost overruns.

DEVELOPMENT TEAM IDENTITIES OF INTEREST

The Applicant, Co-Developers, and General Contractor firm are all related entities. These are common relationships for HTC-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.
- Audited financial statements as of June 30, 2004 were provided for LULAC Village Park Apartments, which the Applicant indicates are the same as for LULAC Village Park, the non-profit sole member of the General Partner. These statements report total assets of \$1.38M, consisting of \$93K in cash,

- receivables, and prepaids, \$342K in restricted deposits and funded reserves, and \$943K in net real property and other fixed assets. Liabilities total \$781K, resulting in net assets of \$598K.
- Odyssey Residential Holdings, L.P., 50% member of the Special Class B Limited Partner, submitted an unaudited financial statement as of October 1, 2004 reporting total assets of \$10.7M and consisting of \$450K in cash, \$2.7M in receivables, \$3.7M in development in progress, and \$3.8M in partnership interests. Liabilities totaled \$4.1M, resulting in a net worth of \$6.6M.
- Odyssey Residential Construction, L.P., the General Contractor, submitted an unaudited financial statement as of October 22, 2004 reporting total assets of \$16.6M and consisting of \$720K in cash, \$15.3M in receivables, and \$587K in work in progress and retainage. Liabilities totaled \$13.5M, resulting in a net worth of \$3M.
- The principals of the Co-Developers, Saleem Jafar, Saleem Jafar II, and Cherno Njie submitted unaudited financial statement and are anticipated to be guarantors of the development.

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Items identified in previous reports/ or analysis have not been satisfactorily addressed.
- Significant environmental/locational risks exist regarding the site's partial location within the 100-year floodplain and the underground pipeline traversing the site.
- The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:		Date:	May 18, 2005
	Jim Andrson	_	
Director of Real Estate Analysis:		Date:	May 18, 2005
	Tom Gouris	_	

MULTIFAMILY COMPARATIVE ANALYSIS

Langwick Seniors Apartments, Houston, 4% HTC #05415

	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
TO SUM 33							i i	·		1	
Comparison Co											
TOTAL 28											
TOTAL			1					,		+	
NOTINE	TC 50%	22	2	2	961	686	632	·	0.66	+	43.31
NCOME Tool Net Bereals Si P 212-300 TOHOLA APPULCANT Si 1996, 768 Si 1996, 769 Si 1996, 768 Si 1996, 768 Si 1996, 769	TC 60%	22	2	2	961	823	769	16,918	0.80	54.00	43.31
NCOME Tool Net Reveale Se Pt 212-300 TOHICA APPLICANT S1,998,768 S1,909,768 S1,909,768 S1,909,768 S1,909,769 S1,9											
POTENTIAL GROSS RETAIL Stage	TOTAL:	248		AVERAGE:	856	\$721	\$670	\$166,200	\$0.78	\$50.81	\$40.12
POTENTIAL GROSS RETAIL Stage	INCOME		Total Not Po	ntable Sa Et	212 200	· · · · · · · · · · · · · · · · · · ·					6
Secondary Norme		I GROSS		mable Sq Ft.	212,300				C	•	
Object Company Compa			IXLINI	Р	er Unit Per Month:	\$10.00	· · · · · · ·		\$10.00	_	riouston
Paccagning Pac	•						· · · · · ·				
Employee or Other Non-Famel Units of Concession FEFECTIVE GOSS INCOME EXPENSES SUBLESI SU	POTENTIA	L GROSS	INCOME				\$2,024,160	\$2,028,528			
EFFECTIVE GROSS INCOME						-7.50%	` ' '	, , ,	-7.00%	of Potential Gross R	ent
Personal S				s or Concess	sions						
General & Administrative			INCOME	av of for	DEDT	DED 00 FT	\$1,872,348	\$1,886,532	DED 00 FT	252 11117	or or co.
Management							POE 000	¢70,620			
Payroll & Payroll Tax			re								
Ropairs & Maintenance	•						/				
UBlifields 2,02% 152 0.18 37,800 55,000 0.26 222 2,02% Water, Sever, & Trash 4,60% 349 0.41 86,554 87,792 0.41 364 4,65% Property Tax 3,23% 2,43% 466 0.57 120,428 80,220 0.38 323 4,25% Coher, spr. spr. spr. spr. spr. spr. spr. spr.											
Water, Sewer, & Trash		Maintenance	•				·				
Property Insurance		C =									
Property Tax							,	- , -			
Reserve for Replacements	. ,						, i				
Other spt sycs, see, compl fees, cable ToTAL EXPENSES 49.0% \$3,722 \$4.36 \$3,230 \$49.0% \$53,722 \$4.36 \$3,720 \$49.0% \$50.0% \$33,828 \$4.47 \$949,314 \$961,405 \$4.58 \$4.50 \$59.0% \$50.0% \$50.0% \$50.0% \$50.0% \$50.00 \$0.0 \$0.0 \$50.00 \$50.00 \$0.00 \$5											
TOTAL EXPENSES 46.30% \$3.722 \$4.35 \$923,034 \$925,127 \$4.36 \$3.730 \$40.04% NET OPERATING INC 90.70% \$3.828 \$4.47 \$949.314 \$961.405 \$4.53 \$3.877 \$0.96% DEBT SERVICE First Len Mortgage (Charler/MAC) 46.35% \$3.499 \$4.09 \$867,870 \$687,870 \$4.09 \$3.499 \$4.00% GIC Income 0.00% \$0 \$0.00 0 16,900 \$0.00 \$50 \$0.00 NET CASH FLOW 4.35% \$328 \$0.38 \$81,444 \$76,635 \$0.36 \$50.90 \$4.06% NET CASH FLOW 4.35% \$328 \$0.38 \$81,444 \$76,635 \$0.36 \$50.90 \$4.06% NET CASH FLOW 4.35% \$328 \$0.38 \$81,444 \$76,635 \$0.36 \$50.90 \$4.06% NET CASH FLOW 5.56% \$5.06% \$5.95% \$5.060 \$5.00% \$5.00							· · · · · · · · · · · · · · · · · · ·				
NET OPERATING INC DEST SERVICE Systam Syst			i fees, cable i			-					
DEBT SERVICE First Liem Mortgage (CharlerMAC) 46.35% \$3.499 \$4.09 \$867,870 \$867,870 \$60 \$0.0			<u> </u>				1				
First Lien Mortgage (CharterMAC)				50.70%	Φ3,020	\$4.4 <i>1</i>	φ949,314	\$901,403	\$4.53	Ф3,077	50.96%
GIC Income GIC Income Additional Financing OLOW'S SO SOLOD OLOW'S SOLOD OLOW'S SOLOD			rtorMAC)	46 35%	\$3 400	\$4.00	\$867.870	\$867.870	20.12	\$3.400	46.00%
Additional Financing 0.00% \$0 \$0.00 \$0.00% \$		ingage (Cha	itteriviAC)				· · · · · ·				
AGREGATE DEBT COVERAGE RATIO RECOMMENDED DEBT COVERAGE RATIO CONSTRUCTION COST Description Factor Sessiption Factor Factor Factor TOHCA APPLICANT PER SOFT PER UNIT Sessiption Sessiptio		nancing					0				
1.11	NET CASH	I FLOW	•	4.35%	\$328	\$0.38	\$81,444	\$76,635	\$0.36	\$309	4.06%
Description Factor Section Factor Section Factor Section Factor Section Factor Section Sect	AGGREGAT	E DEBT CO	VERAGE RA	ATIO			1.094	1.087			
Description Factor Scription Factor Scription Factor Scription Factor Scription Sc				E RATIO				1.11			
Acquisition Cost (site or bidg) 5.89% \$5.086 \$5.94 \$1,261,400 \$1,261,400 \$0.00 \$0.00 \$0.00% \$1 \$1,261,400 \$1,2											
Off-Sites 0.00% 0 0.00 0 0 0 0 0 0 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 0 0.00% 8.73% % 42.00% 1.1860,001 1.860,001 1.860,001 8.76 7,500 8.73% 2.92% Contingency 5.00% 2.87% 2.475 2.89 613,837 624,703 2.94 2.519 2.93% Contractor's G & A 2.00% 1.15% 990 1.16 2.455,535 2.49,881 1.18 1,008 1.17% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3.023 3.52% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553<				% of TOTAL	PER UNIT	PER SQ FT		APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Sitework 8.69% 7,500 8.76 1,860,001 1,860,001 8.76 7,500 8.73% Direct Construction 48.67% 42,003 49.07 10,416,748 10,634,047 50.09 42,879 49.92% Contingency 5.00% 2.87% 2,475 2.89 613,837 624,703 2.94 2,519 2.93% General Req'ts 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3,023 3.52% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 1.18 1,008 1.17% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 1.18 1,008 1.17% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553 3,023 3,52% Developer's Profit 13.00% 4,68% 4,040 4.72 1,001,945 1,001,945 1,001,945 4,72	•	Cost (site o	r bldg)	5.89%	\$5,086	\$5.94			\$5.94	\$5,086	5.92%
Direct Construction 48.67% 42.003 49.07 10,416,748 10,634,047 50.09 42,879 49.92% Contingency 5.00% 2.87% 2,475 2.89 613,837 624,703 2.94 2,519 2.93% General Req'ts 6.00% 3.44% 2.970 3.47 736,605 749,643 3.53 3,023 3.52% Contractor's Profit 6.00% 3.44% 2.970 3.47 736,605 749,643 3.53 3,023 3.52% Contractor's Profit 6.00% 3.44% 2.970 3.47 736,605 749,643 3.53 3,023 3.52% Indirect Construction 4.12% 3.553 4.15 881,116 881,116 4.15 3,553 4.14% Ineligible Costs 4.68% 4,040 4.72 1,001,945 1,001,945 4.72 4,040 4.70% Developer's Profit 13.00% 9.90% 8.542 9.98 2,118,356 2,483,093 11.70 10,012 11.66%											
Contingency 5.00% 2.87% 2.475 2.89 613,837 624,703 2.94 2.519 2.93% General Req'ts 6.00% 3.44% 2.970 3.47 736,605 749,643 3.53 3.023 3.52% Contractor's G & A 2.00% 1.15% 990 1.16 245,535 249,881 1.18 1,008 1.17% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3,023 3.52% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553 4.14% Ineligible Costs 4.68% 4,040 4.72 1,001,945 1,001,945 4.72 4,040 4.70% Developer's G & A 2.00% 1.52% 1,314 1.54 325,901 0 0.00 0 0.00% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>, ,</td><td>, ,</td><td></td><td></td><td></td></td<>							, ,	, ,			
General Req'ts 6.00% 3.44% 2.970 3.47 736,605 749,643 3.53 3,023 3.52% Contractor's G & A 2.00% 1.15% 990 1.16 245,535 249,881 1.18 1,008 1.17% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3,023 3.52% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553 4.14% Ineligible Costs 4.68% 4,040 4.72 1,001,945 1,001,945 4.72 4,040 4.70% Developer's Profit 13.00% 9.90% 8,542 9.98 2,118,356 2,483,093 11.70 10,012 11.66% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST											
Contractor's G & A 2.00% 1.15% 990 1.16 245,535 249,881 1.18 1,008 1.17% Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3,023 3.52% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553 4.14% Ineligible Costs 4.68% 4,040 4.72 1,001,945 1,001,945 4.72 4,040 4.70% Developer's G & A 2.00% 1.52% 1,314 1.54 325,901 0 0.00 0 0.00% Developer's Profit 13.00% 9.90% 8,542 9.98 2,118,356 2,483,093 11.70 10,012 11.66% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST	•	•					· · · · · ·				
Contractor's Profit 6.00% 3.44% 2,970 3.47 736,605 749,643 3.53 3,023 3.52% Indirect Construction 4.12% 3,553 4.15 881,116 881,116 4.15 3,553 4.14% Ineligible Costs 4.68% 4,040 4.72 1,001,945 1,001,945 4.72 4,040 4.70% Developer's G & A 2.00% 1.52% 1,314 1.54 325,901 0 0.00 0 0.00% Developer's Profit 13.00% 9.90% 8,542 9.98 2,118,356 2,483,093 11.70 10,012 11.66% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST 100.00% \$86,309 \$100.82 \$21,404,727 \$21,300,072 \$100.33 \$85,887 100.00% Recap-Hard Construction Costs<		•				3.47		•			
Indirect Construction				1.15%			· · · · · ·				
Ineligible Costs			6.00%	3.44%	2,970	3.47		·	3.53	3,023	3.52%
Developer's G & A 2.00% 1.52% 1,314 1.54 325,901 0 0.00 0 0.00% Developer's Profit 13.00% 9.90% 8,542 9.98 2,118,356 2,483,093 11.70 10,012 11.66% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST 100.00% \$86,309 \$100.82 \$21,404,727 \$21,300,072 \$100.33 \$85,887 100.00% Recap-Hard Construction Costs 68.25% \$58,909 \$68.81 \$14,609,331 \$14,867,918 \$70.03 \$59,951 69.80% SOURCES OF FUNDS Recommended First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$12,660,000 \$12,660,000 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80				4.12%	3,553	4.15			4.15	3,553	4.14%
Developer's Profit 13.00% 9.90% 8.542 9.98 2,118,356 2,483,093 11.70 10,012 11.66% Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78% Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST 100.00% \$86,309 \$100.82 \$21,404,727 \$21,300,072 \$100.33 \$85,887 100.00% Recap-Hard Construction Costs 68,25% \$58,909 \$68.81 \$14,609,331 \$14,867,918 \$70.03 \$59,951 69,80% SOURCES OF FUNDS	•			4.68%	4,040	4.72			4.72	4,040	4.70%
Interim Financing 3.76% 3,244 3.79 804,600 804,600 3.79 3,244 3.78%	•										
Reserves 1.88% 1,621 1.89 402,078 0 0.00 0 0.00% TOTAL COST 100.00% \$86,309 \$100.82 \$21,404,727 \$21,300,072 \$100.33 \$85,887 100.00% Recap-Hard Construction Costs 68.25% \$58,909 \$68.81 \$14,609,331 \$14,867,918 \$70.03 \$59,951 69.60% SOURCES OF FUNDS RECOMMENDED First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$12,660,000 \$12,660,000 Developer Fee Available GIC Income 1.18% \$1,018 \$1.19 252,501 252,501 0 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,500,407 7,598,887 % of Dev. Fee Deferred Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 10 15-Yr Cumulative Cash F	•		13.00%	9.90%	8,542	9.98			11.70	10,012	11.66%
TOTAL COST 100.00% \$86,309 \$100.82 \$21,404,727 \$21,300,072 \$100.33 \$85,887 100.00% **Recap-Hard Construction Costs** 68.25% \$58,909 \$68.81 \$14,609,331 \$14,867,918 \$70.03 \$59,951 69.80% **SOURCES OF FUNDS** First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$		ancing		3.76%	3,244	3.79	·		3.79	3,244	3.78%
Recap-Hard Construction Costs 68.25% \$58,909 \$68.81 \$14,609,331 \$14,867,918 \$70.03 \$59,951 69.60% SOURCES OF FUNDS RECOMMENDED First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$12,660,000 \$12,660,000 Developer Fee Available GIC Income 1.18% \$1,018 \$1.19 252,501 0 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,500,407 7,598,887 % of Dev. Fee Deferred Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow		o=									
SOURCES OF FUNDS RECOMMENDED First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$12,660,000 \$12,660,000 Developer Fee Available GIC Income 1.18% \$1,018 \$1.19 252,501 252,501 0 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,598,887 % of Dev. Fee Deferred Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow			:								
First Lien Mortgage (CharterMAC) 59.15% \$51,048 \$59.63 \$12,660,000 \$12,660,000 \$12,660,000 Developer Fee Available GIC Income 1.18% \$1,018 \$1.19 \$252,501 \$252,501 \$0 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,600,407 7,598,887 % of Dev. Fee Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow	•			68.25%	\$58,909	\$68.81	\$14,609,331	\$1 <i>4</i> ,867,918		\$59,951	69.80%
GIC Income 1.18% \$1.018 \$1.19 252,501 252,501 0 \$2,483,045 HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,600,407 7,598,887 % of Dev. Fee Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow										T	
HTC Syndication Proceeds (Related) 35.51% \$30,647 \$35.80 7,600,407 7,600,407 7,598,887 % of Dev. Fee Deferred Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow		ortgage (Cha	arterMAC)								
Deferred Developer Fees 3.68% \$3,174 \$3.71 787,165 787,165 1,041,185 42% Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow							·				
Additional (Excess) Funds Req'd 0.49% \$422 \$0.49 104,654 (1) 0 15-Yr Cumulative Cash Flow	•		, ,				1				
							· · · · · ·				
TOTAL SOURCES \$21,404,727 \$21,300,072 \$21,300,072 \$3,402,399			ds Req'd	0.49%	\$422	\$0.49	1			-	
	TOTAL SO	URCES					\$21,404,727	\$21,300,072	\$21,300,072	\$3,402	2,399

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Langwick Seniors Apartments, Houston, 4% HTC #05415

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$44.73	\$9,496,811
Adjustments				
Exterior Wall Finish	1.20%		\$0.54	\$113,962
Elderly & 9-Ft. Ceilings	6.00%		2.68	569,809
Roofing			0.00	0
Subfloor			(0.83)	(177,253)
Floor Cover			2.00	424,600
Porches/Balconies	\$16.53	15,150	1.18	250,407
Plumbing	\$605	132	0.38	79,860
Built-In Appliances	\$1,650	248	1.93	409,200
Stairs/Fireplaces	\$1,475	14	0.10	20,650
Enclosed Corridors	\$16.53	53,636	4.18	886,496
Heating/Cooling			1.53	324,819
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$73.38	4,729	1.63	346,990
Other: Elevators	\$41,550	5	0.98	207,750
SUBTOTAL			61.02	12,954,099
Current Cost Multiplier	1.11		6.71	1,424,951
Local Multiplier	0.88		(7.32)	(1,554,492)
TOTAL DIRECT CONSTRU	S	\$60.41	\$12,824,558	
Plans, specs, survy, bld prm	3.90%		(\$2.36)	(\$500,158)
Interim Construction Interest	3.38%		(2.04)	(432,829)
Contractor's OH & Profit	11.50%		(6.95)	(1,474,824)
NET DIRECT CONSTRUCT	ION COSTS		\$49.07	\$10,416,748

PAYMENT COMPUTATION

Primary	\$12,660,000	Amort	480
Int Rate	6.30% DCR		1.09
_			
Secondary	\$252,501	Amort	
Int Rate	0.00%	0.00% Subtotal DCR	
Additional	\$7,600,407	Amort	
Int Rate		Aggregate DCR	1.09

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NC

Primary Debt Service	\$867,870
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$93,535

Primary	\$12,660,000	Amort	480
Int Rate	6.30%	DCR	1.11
Secondary	\$252,501	Amort	0
Int Rate	0.00%	Subtotal DCR	1.11
Additional	\$7,600,407	Amort	0
Int Rate	0.00%	Aggregate DCR	1.11

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	\$1,998,768	\$2,058,731	\$2,120,493	\$2,184,108	\$2,249,631	\$2,607,939	\$3,023,316	\$3,504,852	\$4,710,228
Secondary Income		29,760	30,653	31,572	32,520	33,495	38,830	45,015	52,184	70,131
Contractor's Profit		0	0	0	0	0	0	0	0	0
POTENTIAL GROSS	INCOME	2,028,528	2,089,384	2,152,065	2,216,627	2,283,126	2,646,769	3,068,331	3,557,036	4,780,359
Vacancy & Collection	n Loss	(141,996)	(156,704)	(161,405)	(166,247)	(171,234)	(198,508)	(230,125)	(266,778)	(358,527)
Developer's G & A		0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS	INCOME	\$1,886,532	\$1,932,680	\$1,990,660	\$2,050,380	\$2,111,892	\$2,448,261	\$2,838,206	\$3,290,258	\$4,421,832
EXPENSES at	4.00%									
General & Administra	ative	\$70,620	\$73,445	\$76,383	\$79,438	\$82,615	\$100,514	\$122,291	\$148,786	\$220,239
Management		94,327	96633.9514	99532.96992	102518.959	105594.5278	122412.9985	141910.2155	164512.8337	221091.4918
Payroll & Payroll Tax	x	244,647	254,433	264,610	275,195	286,202	348,209	423,649	515,434	762,969
Repairs & Maintenar	nce	118,888	123,644	128,589	133,733	139,082	169,215	205,876	250,479	370,770
Utilities		55,000	57,200	59,488	61,868	64,342	78,282	95,242	115,877	171,526
Water, Sewer & Tras	sh	87,792	91,304	94,956	98,754	102,704	124,955	152,027	184,965	273,793
Insurance		63,984	66,543	69,205	71,973	74,852	91,069	110,800	134,805	199,544
Property Tax		80,220	83,429	86,766	90,237	93,846	114,178	138,915	169,011	250,178
Reserve for Replace	ements	49,600	51,584	53,647	55,793	58,025	70,596	85,891	104,500	154,685
Other		60,049	62,451	64,949	67,547	70,249	85,468	103,985	126,514	187,272
TOTAL EXPENSES		\$925,127	\$960,666	\$998,126	\$1,037,056	\$1,077,513	\$1,304,900	\$1,580,587	\$1,914,883	\$2,812,067
NET OPERATING INC	COME	\$961,405	\$972,014	\$992,534	\$1,013,324	\$1,034,379	\$1,143,361	\$1,257,619	\$1,375,375	\$1,609,765
DEBT SERVI	CE									
First Lien Financing		\$867,870	\$867,870	\$867,870	\$867,870	\$867,870	\$867,870	\$867,870	\$867,870	\$867,870
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		\$93,535	\$104,144	\$124,664	\$145,454	\$166,508	\$275,490	\$389,748	\$507,505	\$741,895
DEBT COVERAGE R	ATIO	1.11	1.12	1.14	1.17	1.19	1.32	1.45	1.58	1.85

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,261,400	\$1,261,400		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,860,001	\$1,860,001	\$1,860,001	\$1,860,001
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$10,634,047	\$10,416,748	\$10,634,047	\$10,416,748
(4) Contractor Fees & General Requirements				
Contractor overhead	\$249,881	\$245,535	\$249,881	\$245,535
Contractor profit	\$749,643	\$736,605	\$749,643	\$736,605
General requirements	\$749,643	\$736,605	\$749,643	\$736,605
(5) Contingencies	\$624,703	\$613,837	\$624,702	\$613,837
(6) Eligible Indirect Fees	\$881,116	\$881,116	\$881,116	\$881,116
(7) Eligible Financing Fees	\$804,600	\$804,600	\$804,600	\$804,600
(8) All Ineligible Costs	\$1,001,945	\$1,001,945		
(9) Developer Fees			\$2,483,045	
Developer overhead		\$325,901		\$325,901
Developer fee	\$2,483,093	\$2,118,356		\$2,118,356
(10) Development Reserves		\$402,078		
TOTAL DEVELOPMENT COSTS	\$21,300,072	\$21,404,727	\$19,036,678	\$18,739,304
	<u>'</u>		·	
Deduct from Basis:				
All grant proceeds used to finance costs in eligit	ole basis			
B.M.R. loans used to finance cost in eligible bas	iis			
Name and different management for a series				·

Deduct from Basis:		
All grant proceeds used to finance costs in eligible basis		
B.M.R. loans used to finance cost in eligible basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units [42(d)(3)]		
Historic Credits (on residential portion only)		
TOTAL ELIGIBLE BASIS	\$19,036,678	\$18,739,304
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$24,747,682	\$24,361,095
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$24,747,682	\$24,361,095
Applicable Percentage	3.54%	3.54%
TOTAL AMOUNT OF TAX CREDITS	\$876,068	\$862,383

Syndication Proceeds 0.8698 \$7,620,267 \$7,501,229

Total Credits (Eligible Basis Method) \$876,068 \$862,383 \$7,501,229

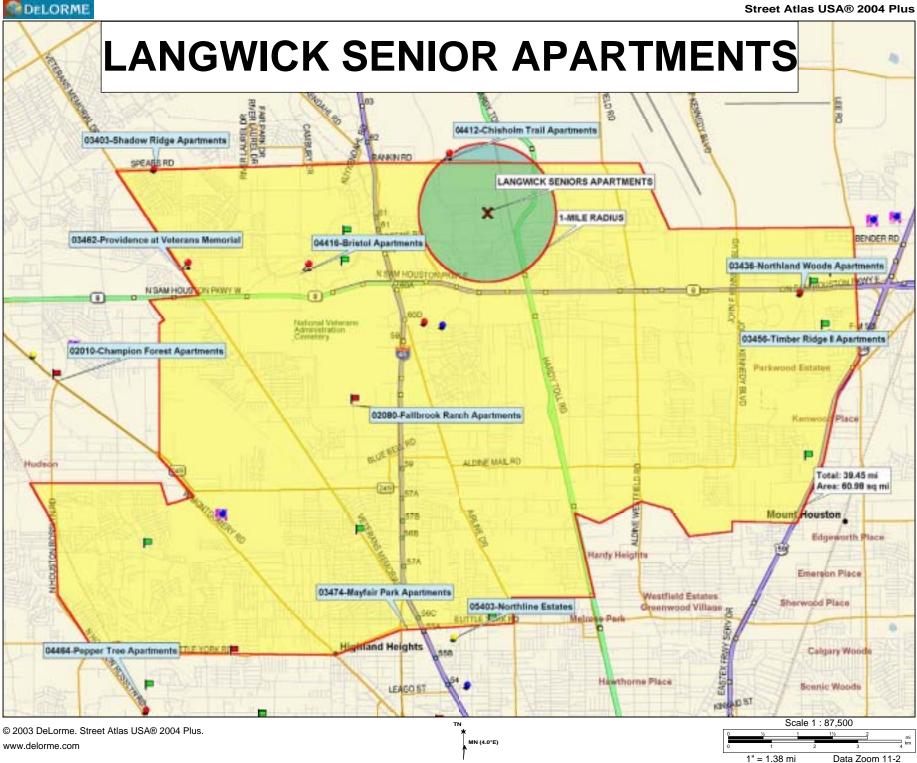
Syndication Proceeds \$7,620,267

Requested Credits \$873,610

Syndication Proceeds \$7,598,887

Gap of Syndication Proceeds Needed \$8,640,072

> **Credit Amount** \$993,310





Texas Department of Housing and Community Affairs

Development Name: The Homes of Mountain Creek TDHCA#: 05401

DEVELOPMENT AND OWNER INFORMATION

Development Location: Dallas OCT: Y DDA: N TTC: N

Development Owner: Mountain Creek Apartments, LP

General Partner(s): MCGP Homes, Inc., 100%, Contact: Hal T. Thorne

Construction Category: **New Construction**

Set-Aside Category: Tax Exempt Bond Bond Issuer: Dallas HFC

Development Type: General

Population

Annual Tax Credit Allocation Calculation

Applicant Request: \$747,872 Eligible Basis Amt: Equity/Gap Amt.: \$729,317 \$838,279

Annual Tax Credit Allocation Recommendation: \$729,317 Total Tax Credit Allocation Over Ten Years: \$ 7,293,170

PROPERTY INFORMATION

Unit and Building Information

Total Units: 200 HTC Units: 200 % of HTC Units: 100 Gross Square Footage: 199,706 Net Rentable Square Footage: 194,878

Average Square Footage/Unit: 974 Number of Buildings: 10 Currently Occupied: N

Development Cost

Total Cost: \$18,338,893 Total Cost/Net Rentable Sq. Ft.:

Income and Expenses

Effective Gross Income:1 \$1,684,709 Ttl. Expenses: \$802,836 Net Operating Inc.: \$881,873

Estimated 1st Year DCR: 1.10

DEVELOPMENT TEAM

To Be Determined Consultant: Manager: To Be Determined Shackleford, Melton & McKinley Attorney: Architect: RPGA Design Group, Inc. Accountant: To Be Determined Engineer: Kimley Horn and Associates, Inc. Market Analyst: Butler Burgher, Inc. Lender: Malone Mortgage Company To Be Determined Syndicator: Paramount Financial Group, Inc. Contractor:

PUBLIC COMMENT ²	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. Chris Harris, District 9 - NC
# in Opposition: 0	Rep. Ray Allen, District 106 - NC
	Mayor Laura Miller - NC
	Patricia Smith-Harrington, Community Development Director The development is
	consistent with the City of Dallas' Consolidated Plan.

5/19/2005 11:35 AM 05401 doc

^{1.} Gross Income less Vacancy

^{2.} NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT

Chairperson Signature:

Chairman of the Board

Date

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development 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").
- use as planned.
- 2. Receipt, review, and acceptance of documentation verifying the appropriate re-zoning of the site for the 3. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit/allocation amount may be warranted. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. DEVELOPMENT'S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON: Utilization of Set-Aside Geographic Distrib. Tax Exempt Bond. Housing Type Score Other Comments including discretionary factors (if applicable). Robbye Meyer, Mgr. of Multifamily Finance Production Date Brooke Boston, Dir. of Multifamily Finance Production 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 Date Chairman of Executive Award and Review Advisory Committee TDHCA Board of Director's Approval and description of discretionary factors (if applicable).

Elizabeth Anderson,

Applicant Evaluation

Project ID # 05401 Nam	City: Dallas	
LIHTC 9% ☐ LIHTC 4% 🗹	HOME \square BOND \square HTF \square	SECO ESGP Other
☐ No Previous Participation in Texas	\square Members of the develop	pment team have been disbarred by HUD
National Previous Participation	Certification Received: N/A tional Previous Participation Certification:	□ Yes □ No
Troncompnance Reported on Tra	tional Frevious Farticipation Certification.	
	Portfolio Management and Compliance	
Total # of Projects monitored:0_	Projects in Material Noncompliance Yes No	# in noncompliance: 0
Projects zero to nine: 0 grouped ten to nineteen: 0	# monitored with a score less than thirty:	Projects not reported Yes Unit in application No V
by score twenty to twenty-nine: 0	# not yet monitored or pending review:	1 # of projects not reported 0
Portfolio Monitoring	Single Audit	Contract Administration
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Issues found regarding late cert	Unresolved issues found
Unresolved issues found that	Issues found regarding late audit	Unresolved issues found that \Box
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	warrant disqualification (Comments attached)
Reviewed by Patricia Murphy	(Comments attached)	Date 3/30/2005
Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis (Cost Certification and Workout)
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)
Reviewer S. roth	Reviewer	Reviewer
Date 3 /29/2005	Date	Date
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached)	Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached)	No delinquencies found Delinquencies found
Reviewer EEF 3 /31/2005	Reviewer	Reviewer Stephanie A. D'Couto 3/31/2005
Liste 3/31/2005	Lighte	1 Date 3/31/2005

Executive Director: Edwina Carrington Executed: Monday, May 09, 2005

DATE: May 17, 2005 **PROGRAM**: 4% HTC **FILE NUMBER**: 05401

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		I	Jomes (LOPMEN		partments					
		1		J1 1V10	untain C	ICCK A	partificitis					
					APPLICA	NT						
Name:	Mountain Cr	eek Apartmei	nts, LP		Type:	For-pro	ofit					
Address:	PO Box 530591 City: Grand Prairie State: TX											
Zip:	75053 Co	75053 Contact: Hal T. Thorne Phone: (972) 262-2608 x108 Fax: (972) 263-5220								3-5220		
		PRIN	ICIPALS	of the	APPLICA	NT/ KEY	PARTICIPANTS					
Name:	MCGP Hom	es, Inc	(%):	1.00	Title:	Mana	aging General P	artner				
Name:	Hal T. Thorne (%): N/A Title: 60% owner of GP and sole owner of One Prime Property, Inc.								y, Inc.			
Name:	Dean I. Dauley (%): N/A Title: 40% owner of GP											
Name:	One Prime, LP (%): N/A Title: Developer											
Name:	One Prime Property, Inc. (%): N/A Title: Seller and GP of One Prime, LP											
				PROF	PERTY LO	CATION	V					
Location:	Skyline Driv	re and SE 14 th	Street						QC	Т [DDA
City:	Dallas				County:	Da	llas		2	Zip:	750	51
					REQUES							
_	Amount	<u>I</u>	nterest R	<u>late</u>			ortization			<u>Term</u>		
	747,872		N/A				N/A			N/A		
_	uested Terms:	Annual ten		ocation								
-	Jse of Funds:	New constr			Prop	erty Typ	oe: Mul	tifamil	y			
Special Pur	rpose (s): G	eneral popula	tion									
				REC	OMMEND	ATION						
R R	ECOMMENI	D APPROV	AL OF	A HC	USING '	TAX C	REDIT ALLO	CATI	ON N	OT TO	EX	CEED

CONDITIONS

\$729,317 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

 \boxtimes

- 1. Receipt, review, and acceptance of documentation verifying the appropriate re-zoning of the site for the use as planned.
- 2. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit/allocation amount may be warranted.

	REVIEW of PREVIOUS UNDERWRITING REPORTS	
No previous reports.		

DEVELOPMENT SPECIFICATIONS

	IMPROVEMENTS																
Total Units:	200	# Re Buil	ental dings	<u>10</u>	# Non-Res. Buildings	1	# of Floors	<u>3</u>	Age:	<u>N/A</u> s	Vacan	t:	N/A	at	/	/	
Net Re	ntable	SF:	194,8	378	Av Un SF:	_	974	Comm	ion Area	a SF:	4,828	Gr	oss Bld	g SF:	19	9,706	_
							CTDLICT	IDAL M	ATEDIA	ıc							

The structure will be wood frame/post-tensioned concrete slab. According to the plans provided in the application the exterior will be comprised as follows: 90% masonry and 10% siding. The interior wall surfaces will be drywall and the pitched roof will be finished with asphalt composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, individual heating and air conditioning, and high-speed internet access.

ONSITE AMENITIES

A 4,828-square foot community building will include an community room, management offices, fitness and laundry facilities, a kitchen, restrooms, a computer/business center, and a central mailroom. The community building, swimming pool, and equipped children's play area are located at the entrance of the property. In addition, sports courts & perimeter fencing with limited access gates are planned for the site.

Uncovered Parking: 194 spaces Carports: 100 spaces Garages: 64 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

<u>Description</u>: The Homes of Mountain Creek is a new construction development of 200 units of affordable housing located in Dallas The development is comprised of 10 evenly/sporadically distributed large garden style, walk-up, low-rise residential buildings as follows:

- Two Building Type 1 with 21 two-bedroom/two-bath units;
- Three Building Type 2 with 12 two-bedroom/two-bath units and 8 three-bedroom/two-bath units;
- Two Building Type 3 with 10 one-bedroom/one-bath units, 5 two-bedroom/two-bath units and 4 three-bedroom/two-bath units;
- Three Building Type 4 with 8 one-bedroom/one-bath units and 12 three-bedroom/two-bath units;

<u>Architectural Review</u>: The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

	SITE ISSUES										
SITE DESCRIPTION											
Size:	13.01	acres	46.89	square feet	Zoning/ Per	mitted Uses:	R-7.5 Single Family				
Flood Zone Designation: Zone X Status of Off-Sites: Unknown											
SITE and NEIGHRORHOOD CHARACTERISTICS											

<u>Location</u>: The site is an irregularly-shaped parcel located in the western area of Dallas, approximately 13 miles from the central business district. The site is situated on the western side of 14th Street.

Adjacent Land Uses:

- North: Skyline Drive adjacent and single family homes beyond;
- South: vacant land immediately adjacent and electrical substation beyond;
- East: SE 14th Street immediately adjacent and Vought Aircraft facility beyond; and
- West: vacant land immediately adjacent and Grand Prairie elementary school beyond.

Site Access: Access to the property is from the east or west along Skyline Drive or the north or south from 14th Street. The development is to have 2 entries. Access to Interstate Highway 30 is 3 miles north, which provides connections to all other major roads serving the Dallas/Forth Worth area.

Public Transportation: Public transportation is not available in the cities of Arlington and Grand Prairie.

Shopping & Services: The site is within 1 mile of shopping facilities.

<u>Special Adverse Site Characteristics</u>: The following issues have been identified as potentially bearing on the viability of the site for the proposed development:

• **Zoning:** The site is currently zoned R-7.5 Single Family. The developer is in the process of applying for a change in zoning to Multifamily. Receipt, review, and acceptance of documentation verifying the appropriate re-zoning of the site for the use as planned is a condition of this report.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on January 25, 2005 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 September 27, 2004 was prepared by Environmental Property Investigations, Inc. and contained the following findings and recommendations:

Findings: No environmental concerns.

Recommendations: "It is my opinion that no environmental concerns are applicable to the subject property at this time. This is my professional opinion and summary of findings and recommendations" (p. 4).

POPULATIONS TARGETED

<u>Income Set-Aside</u>: 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 the Applicant has elected the 50% at 50% / 50% at 60% option.

Two-hundred of the units (100% of the total) will be reserved for low-income tenants. One-hundred units (50%) will be reserved for households earning 50% or less of AMGI, and 100 units (50%) will be reserved for households earning 60% or less of AMGI.

4 Persons	5 Persons	6 Persons
· I CISOIIS	S I CI SOIIS	U I CI SUIIS
\$39,900	\$43,080	\$46,260
	\$39,900	\$39,900 \$43,080

MARKET HIGHLIGHTS

A market feasibility study dated December 15, 2004 was prepared by Butler Burgher, Inc ("Market Analyst") and highlighted the following findings:

<u>Definition of Primary Market Area (PMA)</u>: "The subject's primary market area is defined as the area located north of IH 20, south of IH 30, east of SH 360 and west of Loop 12 and Spur 408" (p. 8). This area encompasses approximately 47.47 square miles and is equivalent to a circle with a radius of 3.9 miles.

Population: The estimated 2004 population of the primary market area was estimated as 107,796 and is expected to increase by 9.5% to approximately 118,085 by 2009. Within the primary market area there were estimated to be 34,596 households in 2004.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 3,343 qualified households in the PMA, based on the current estimate of 34,596 households, the projected annual growth rate of 1.7% (with 2 years growth until placed in service), renter households estimated at 46% of the population, income-qualified households estimated at 29%, and an annual renter turnover rate of 70% (p. 72). The Market Analyst used an income band of \$21,360 to \$43,080.

The development includes four Walker units with unique rent and income restrictions. The rents charged for the Walker units depend on the income of the occupant. The minimum rent is 20% of 30% AMI for 1 and 2 bedrooms and 25% of 30% AMI for 3 bedrooms and the maximum rent is 20% of 50% AMI for 1 and 2 bedrooms and 25% of 50% AMI for 3 bedrooms. "As the Walker units will allow qualification at lower rent-to-income ratios (20% and 25%) than the other income and rent restricted units (35% per TDHCA rules), although still under the 50% of AMI maximum income requirements, the lower portions of the Walker

income qualified segments (\$13,056 to \$21,359) were not included in the Overall Capture rate as this would skew the income qualified percentage at a disproportionate rate compared to the number of units offered under the program (2% of property)" (p. 73).

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY										
	Market	Analyst	Underwriter							
Type of Demand	Units of	% of Total	Units of	% of Total						
Type of Benfana	Demand	Demand	Demand	Demand						
Household Growth	78	2%	78	3%						
Resident Turnover	3,186	95%	3,031	97%						
Other Sources: Another year's growth	78	2%	0	N/A						
TOTAL ANNUAL DEMAND	3,343	100%	3,110	100%						

Ref: p. 72

<u>Inclusive Capture Rate</u>: The Market Analyst calculated an inclusive capture rate of 20.0% based upon 3,343 units of demand and 670 unstabilized affordable housing in the PMA (including the subject) (p. 72). The Underwriter calculated an inclusive capture rate of 21.5% based upon a supply of unstabilized comparable affordable units of 670 divided by a revised demand of 3,110.

<u>Market Rent Comparables</u>: The Market Analyst surveyed 5 comparable apartment projects totaling 1,770 units in the market area (p. 76).

RENT ANALYSIS (net tenant-paid rents)											
Unit Type	Proposed	Program Max	Differential	Est. Market	Differential						
1-BR (50%/741 SF)	\$558	\$558	\$0	\$705	-\$147						
1-BR (60%/741 SF)	\$683	\$683	\$0	\$705	-\$22						
1-BR (50%/766 SF)	\$558	\$558	\$0	\$720	-\$162						
1-BR (60%/766 SF)	\$683	\$683	\$0	\$720	-\$37						
2-BR (50%/967 SF)	\$654	\$654	\$0	\$860	-\$206						
2-BR (60%/967 SF)	\$804	\$804	\$0	\$860	-\$56						
2-BR (50%/992 SF)	\$654	\$654	\$0	\$895	-\$241						
2-BR (60%/992 SF)	\$804	\$804	\$0	\$895	-\$91						
3- BR (50%/1,096 SF)	\$748	\$748	\$0	\$1,055	-\$307						
3- BR (60%/1,096 SF)	\$921	\$921	\$0	\$1,055	-\$134						
3- BR (50%/1,121 SF)	\$748	\$748	\$0	\$1,070	-\$322						
3- BR (60%/1,121 SF)	\$921	\$921	\$0	\$1,055	-\$134						

(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)

Primary Market Occupancy Rates: "The developer has planned a high percentage of two-bedroom units (44%), which presently have an occupancy rate of 88.9%. One-bedroom units have the strongest demand within the submarket [91% occupancy rate]..." Three-bedroom units have an occupancy rate of 90.2% (p.75).

Absorption Projections: "An absorption rate ranging from 15 to 20 units/month is reasonable for the subject considering the desirability of the units, the demand in the market, and the competition level with older product and new housing...Based on the absorption assumptions, the subject community should achieve stabilization by February 2007 [seven months after completion in July 2006]..." (p. 74).

Known Planned Development: "We have included all of the planned, approved, or affordable family units under construction, located within the PMA other than the subject in addition to those family HTC properties that have not been stabilized for 12 months that are comparable to the subject..." (p.73). The only developments included in the capture rate were Timber Oaks, a 264-unit development from 2003 that is currently in lease up; and Providence at Prairie Oaks, a 206-unit development from 2004, that is currently under construction.

Effect on Existing Housing Stock: "Demand is expected to exceed the new supply in the future and the residents will demand proximity to employment and transportation linkages, such as provided by the subject

property" (p. 74).

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's rent projections are the maximum rents allowed for the units that are strictly under the tax credit program; the 2005 net tax credit rents are achievable according to the Market Analyst. For the Walker units, the Applicant has assumed \$420 for the one-bedroom unit, \$529 for the two-bedroom units, and \$449 for the three bedroom units. According to research conducted by the Market Analyst, the actual Walker rents are based on the household income of the resident. There is a minimum rent (20% of 30% AMI for 1 and 2 bedrooms and 25% of 30% AMI for 3 bedrooms) and a maximum rent (20% of 50% AMI for 1 and 2 bedrooms and 25% of 50% AMI for 3 bedrooms). The Underwriter assumed the maximum rents for the Walker units resulting in \$443 for the one-bedroom unit, \$499 for the two-bedroom units, and \$748 for the three bedroom unit. Due to the difference in Walker rent assumptions, the Applicant's potential gross rent projection is \$3K less than the Underwriter's estimate.

The Applicant's secondary income estimate of \$38/unit/month exceeds the Department's \$15/unit/month guideline. The Underwriter could support up to \$20/unit/month based on data from the Department's database for similar projects within the same metro area. Overall, the Underwriter's effective gross income estimate is \$36K (2%) less than the Applicant's estimate.

Expenses: The Applicant's total expense estimate of \$3,819 per unit is 5% lower than the Underwriter's database-derived estimate of \$4,014 per unit for comparably-sized developments. The Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, particularly: general and administrative (\$23K lower) and property tax (\$12K higher). In addition, the Applicant indicated \$250/unit for replacement reserves; however, the Underwriter used \$266/unit as indicated in the loan commitment, a \$3K difference.

Conclusion: Although the Applicant's effective gross income and annual operating expense are within 5% of the Underwriter's estimate, the net operating income differs by more than 5%. Therefore, the Underwriter's proforma is used to determine the development's debt service capacity. The analysis indicates the development cannot support the proposed debt structure with an initial year minimum debt coverage ratio of 1.10. The maximum debt service for this project will likely be limited to approximately \$799K by a reduction of the loan amount and/or a reduction in the interest rate and/or an extension of the term. The Underwriter has therefore completed this analysis assuming a likely redemption of bonds at conversion to permanent financing resulting in a final bond-financed loan amount of \$11,800,000.

		AC		<u>valuation infori</u> Sessed value	MATION			
Land: 67.045 acres	\$2	13,080 Assessment for the Year of: 2003						
One Acre:	\$3,	,178	Valuation by: Dallas County Appraisal District				rict	
Total - Prorated 13.01 acres:	\$41,347		Tax Rate:	Tax Rate: 2.968				
		EVI	DENCE of S	ITE or PROPERTY CO	ONTROL			
Type of Site Control:	Unim	proved o	commercial	property contract (1	3 acres)			
Contract Expiration Date:	10/	1/	2005	Anticipated Clos	sing Date:	4/	1/	2005
Acquisition Cost:	\$1,100	0,000		Other Terms/Conditions: N/A				
Seller: One Prime Property, Inc. Related to Development Team Member: Ye							m Membe	er: Yes

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The subject 13.01 acres is a subdivided plot of a larger 110.124 acre tract. The 110.124 acre tract is comprised of approximately 66 acres located in the 100-year flood plain, 31.11 acres to be used

for single-family development, and the subject site. The Applicant submitted site control documents indicating a sales price of \$1,100,000 for the subject 13.01 acres.

The Underwriter identified the land sale as an identity of interest transaction; Hal T. Thorne is the president of the proposed General Partner and owner of One Prime Property, Inc. (seller). As required by the 2005 QAP, an Applicant requesting tax credits for a development that includes an identity of interest transaction must provide an appraisal; a current tax assessment; identification of the selling Person; documentation of the original acquisition cost; and identification of holding costs. Upon request the Applicant submitted the requested documentation including:

- an incomplete copy of an appraisal dated April 11, 2005 concluding a market value of the fee simple interest of the subject property (13.01 acres), "fully improved" (ready for development to highest and best use) of \$1,100,000;
- tax assessments for 16.2306 acres and 93.8894 acres with a total land value of \$297,670 and indicating ownership by One Prime Property, Inc.;
- a purchaser's statement between TXU Generation Company LP and LandAmerica Exchange Company, a qualified intermediary for One Prime Property, Inc. indicating a price of \$1,129,728.28 for 110.124 acres; and
- a holding cost schedule and corresponding invoices identifying costs associated with the entire 110.124 acre tract and those associated with only the subject 13.01 acres.

The Underwriter identified the selling Person and related entities based on the organization chart submitted as required for application.

Because only 13.01 acres of the total 110.124 acre tract will be used for the subject development and the related seller is going to sell the other portions of the property, only the pro rata share of the original cost of \$1,129,728.28 should be considered in the underwriting analysis. The flood plain acreage was subtracted from the total 110.124 acre tract resulting in 44.124 acres of developable land. Therefore the original acquisition cost is \$25,603 per acre, or \$333,101 for the subject 13.01 acres. To the pro rata original acquisition cost the Underwriter added the total \$4,558 in holding costs attributable only to the subject and \$181,945, the pro rata share of holding costs attributable to all the developable acreage. The result is an underwriting acquisition cost of \$519,604, which is \$580K less than the Applicant's figure.

The appraisal is required to limit the identity of interest acquisition cost at no more than market value. In this case, the underwriting acquisition cost is not higher than the appraised value and, therefore, an adjustment is not necessary.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$7,058 per unit are within the Department's allowable guidelines for multifamily developments without requiring additional justifying documentation.

<u>Direct Construction Cost</u>: The Applicant's costs are over 5% less than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. The Underwriter requested support for the lower costs. In response, the Applicant provided a new cost schedule and a statement indicating the cost schedule was based on a contractor's bid. However, the contractor's bid documentation was not submitted. The Underwriter would have pursued this issue, but found that it was unnecessary because the Applicant's cost schedule will be used for this analysis, as described below.

<u>Fees:</u> The Applicant's eligible contractor general and administrative fee exceeds the maximum HTC guideline of 6% of site work and direct construction cost. The majority of the overage (\$221,091) can be attributed to a line item cost within the contractor fee group identified in the Applicant's third iteration of the development cost schedule as "Insurance and Bonds" by the Applicant. The development cost schedule has a separate line item for performance bonds which was left blank on all of the Applicant's versions of the development cost schedule. Contractor insurance is generally accounted for in general requirements for the specific project and in G&A for the contractor's operation. Thus, the Underwriter added the cost to other fees. As a result, contractor G&A was overstated by an additional \$15,236. The Applicant also overstated the eligible portion of contractor general requirements. The total of \$698,812 includes \$445K for field supervision costs and exceeded the maximum HTC guideline of 6% of site work and direct construction cost by \$131,026. The Applicant also overstated eligible contingency (5% of site work and direct construction

cost for new construction developments) by \$65K. Consequently the Applicant's eligible fees in these areas have been reduced by the Underwriter with the overage effectively moved to ineligible costs. Contractor profit appears to be within the current guideline of 2% of site work and direct construction costs.

As a result of the excess contractor and contingency fees, the Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis by \$64,853 and, therefore, the eligible portion of the Applicant's developer fee must be reduced by the same amount.

Conclusion: The Applicant's total development cost estimate is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to calculate eligible basis and the development's permanent financing needs. After the Underwriter's adjustments for overstated fees and contingency, the eligible basis is estimated at \$15,892,716. The application was submitted in December of 2004; therefore the underwriting applicable percentage rate of 3.53% was used to calculated the eligible tax credits rather than the applicable percentage used in the application (3.51%). The result is tax credits based on eligible basis of \$729,628 annually. This figure will be compared to Applicant's request and the tax credits calculated based on the development's gap in need for permanent funds to determine the recommended allocation (see conclusions to the Financing Structure Analysis section, below).

FINANCING STRUCTURE										
	INTERIM TO PERMANENT BOND FINANCING									
Source: Malone Mortgage Comp	any Contact: Jeff Rogers									
Tax-Exempt Amount: \$12,567,80	0 Interest Rate: 5.6% (plus 0.5% MIP)									
Additional Information:										
Amortization: 40 yrs Term	a: 40 yrs Commitment: LOI Firm Conditional									
Annual Payment: \$850,980	Lien Priority: 1 st Date: 12/ 22/ 2004									
TAX CREDIT SYNDICATION										
Source: Paramount Financial Gr	Source: Paramount Financial Group, Inc Contact: Dale Cook									
Net Proceeds: \$6,351,489	Net Syndication Rate (per \$1.00 of 10-yr HTC) \$0.85									
Commitment:	Firm Conditional Date: 12/ 22/ 2004									
Additional Information:										
	ADDITO ANT FOURTY									
	APPLICANT EQUITY									
Amount: \$0	Source: Deferred Developer Fee									
	FINANCING STRUCTURE ANALYSIS									

<u>Interim to Permanent Bond Financing</u>: The tax-exempt bonds are to be issued by City of Dallas HFC and purchased by Malone Mortgage Company. The permanent financing commitment is inconsistent with the amount reflected in the sources and uses of funds listed in the application. The Applicant's use of a lower interest rate than indicated by the lender's stated debt service resulted in a lower annual debt service by the Applicant.

HTC Syndication: The tax credit syndication amount is inconsistent with the terms reflected in the sources and uses listed in the application. The syndication commitment indicates total proceeds of \$6,351,489 and an annual credit amount of \$747,872. The sources and uses form indicates syndication proceeds of \$7,478,722 and an annual amount of \$635,149.

<u>Deferred Developer's Fees:</u> The Applicant has indicated that no developer fee will be deferred based on their statement of sources and uses.

<u>Financing Conclusions</u>: As stated in the conclusion to the Proforma Analysis section of this report, the Underwriter completed this analysis assuming a likely redemption of bonds at conversion to permanent financing resulting in a final bond-financed loan amount of \$11,800,000. The reduction was made, based on the proposed financing terms, to meet the Department's minimum debt coverage ratio guideline of 1.10.

The Applicant's cost schedule was used to calculate eligible basis resulting in annual tax credits of \$729,317. This figure is less than both the Applicant's request and the tax credits resulting from the development's gap in need; therefore, the Underwriter recommends an annual tax credit allocation of \$729,317, \$18,555 less than requested.

Although the Applicant's cost schedule is used to determine the development's permanent financing needs, the Applicant's total development cost was reduced by \$580,396. The reduction is required to account for the difference in the acquisition cost claimed by the Applicant and that verified by the Underwriter based on the identity of interest with the Seller. The reduced permanent loan amount and the resulting syndication proceeds indicate the developer will defer \$344,989 in fees, assuming the reduced acquisition cost. The anticipated deferred developer fees appear to be repayable from cashflow within four (4) years of stabilized operation.

DEVELOPMENT TEAM IDENTITIES OF INTEREST

The Applicant, Developer and Seller are related entities. These are common relationships for HTC-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.
- Hal T. Thorne and Dean I. Dauley, the principals of MCGP Homes, Inc., submitted unaudited financial statements.

<u>Background & Experience</u>: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's estimated operating expenses and net operating income are more than 5% outside of the Underwriter's verifiable ranges.
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The seller of the property has an identity of interest with the Applicant.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:		Date:	May 17, 2005
	Brenda Hull	_	
Underwriter:		Date:	May 17, 2005
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	May 17, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Homes of Mountain Creek, #05401

Type of the	Number	Podrassa	No of Boths			Not Bent per Unit		Pont SF	Tot Dalliel	Mer Com Tank
Type of Unit <tc50% td="" walker<=""><td>Number 1</td><td>Bedrooms 1</td><td>No. of Baths</td><td>Size in SF 741</td><td>Gross Rent Lmt. \$623</td><td>Net Rent per Unit \$443</td><td>Rent per Month \$443</td><td>Rent per SF \$0.60</td><td>\$65.00</td><td>\$62.00</td></tc50%>	Number 1	Bedrooms 1	No. of Baths	Size in SF 741	Gross Rent Lmt. \$623	Net Rent per Unit \$443	Rent per Month \$443	Rent per SF \$0.60	\$65.00	\$62.00
TC50%/Walker	9	1	1	741	623	\$443 \$558	5,022	0.75	65.00	62.00
TC60%	10	1	1	741	748	\$683	6,830	0.92	65.00	62.00
TC50%	12	1	1	766	623	\$558	6,696	0.73	65.00	62.00
TC60%	12	1	1	766	748	\$683	8,196	0.89	65.00	62.00
<tc50% td="" walker<=""><td>2</td><td>2</td><td>2</td><td>967</td><td>\$748</td><td>\$499</td><td>\$998</td><td>\$0.52</td><td>94.00</td><td>75.00</td></tc50%>	2	2	2	967	\$748	\$499	\$998	\$0.52	94.00	75.00
TC50%	19	2	2	967	748	\$654	12,426	0.68	94.00	75.00
TC60%	21	2	2	967	898	\$804	16,884	0.83	94.00	75.00
TC50%	23	2	2	992	748	\$654	15,042	0.66	94.00	75.00
TC60%	23	2	2	992	898	\$804	18,492	0.81	94.00	75.00
<tc50% td="" walker<=""><td>1</td><td>3</td><td>2</td><td>1,096</td><td>\$864</td><td>\$748</td><td>\$748</td><td>\$0.68</td><td>116.00</td><td>88.00</td></tc50%>	1	3	2	1,096	\$864	\$748	\$748	\$0.68	116.00	88.00
TC50%	15	3	2	1,096	864	\$748	11,220	0.68	116.00	88.00
TC60% TC50%	16 18	3	2	1,096 1,121	1,037 864	\$921 \$748	14,736 13,464	0.84 0.67	116.00 116.00	88.00 88.00
TC60%	18	3	2	1,121	1,037	\$921	16,578	0.82	116.00	88.00
TOTAL:	200		AVERAGE:	974	\$836	\$739	\$147,776	\$0.76	\$95.10	\$76.56
INCOME		Total Not P	entable Sq Ft:	194,878		TDHCA	APPLICANT	Com	nptroller's Region	3
POTENTIA	I GROSS		entable 5q Ft:	194,070		\$1,773,307	\$1,770,156	Con	IREM Region	
Secondary I		IXEIVI	,	Per Unit Per Month:	\$15.00	36,000	48,000	\$20.00	Per Unit Per Mont	
-		64 Garages	and 100 Carpor		\$5.00	12,000	42,000	\$17.50	Per Unit Per Mont	
POTENTIA	L GROSS	INCOME				\$1,821,307	\$1,860,156			
Vacancy & 0	Collection L	oss	% of Pote	ntial Gross Income:	-7.50%	(136,598)	(139,512)	-7.50%	of Potential Gross	Rent
			s or Concession	is		0	0 \$1,720,644			
EXPENSES		INCOME	0/ OF FOI	DED LINIT	DED OO ET	\$1,684,709	\$1,720,644	DED OO ET	DEDUNIT	°′ 05 501
	<u> </u>		% OF EGI	PER UNIT	PER SQ FT	\$04 F00	¢ E0 000	PER SQ FT	PER UNIT	% OF EGI
General & A		/e	4.84%	408	0.42	\$81,598	\$59,000	\$0.30	\$295	3.43%
Managemer			4.00%	337	0.35	67,388 185,862	69,756 191,201	0.36	349	4.05%
Payroll & Pa			11.03%	929	0.95	79,137	69,120	0.98	956	11.11%
Utilities	viairiteriarice	;	4.70% 2.11%	396 177	0.41 0.18	35,488	43,200	0.35 0.22	346 216	4.02% 2.51%
Water, Sew	or & Trach		4.41%	371	0.38	74,299	71,500	0.37	358	4.16%
Property Ins			2.89%	244	0.25	48,720	45,000	0.23	225	2.62%
Property Ta		2.968	10.22%	861	0.88	172,144	160,000	0.82	800	9.30%
Reserve for			3.16%	266	0.27	53,200	50,000	0.26	250	2.91%
Other: comp			0.30%	25	0.03	5,000	5,000	0.03	25	0.29%
TOTAL EXI	PENSES		47.65%	\$4,014	\$4.12	\$802,836	\$763,777	\$3.92	\$3,819	44.39%
NET OPER	RATING IN	С	52.35%	\$4,409	\$4.53	\$881,873	\$956,867	\$4.91	\$4,784	55.61%
DEBT SER	VICE									
First Lien Mo	ortgage		50.51%	\$4,255	\$4.37	\$850,980	\$793,644	\$4.07	\$3,968	46.12%
Additional Fire	•		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Fir	-		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH			1.83%	\$154	\$0.16	\$30,893	\$163,223	\$0.84	\$816	9.49%
AGGREGAT		OVERAGE RA COVERAGE				1.04	1.21			
CONSTRU										
Descri		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition			2.66%	\$2,598	· · · · · · · · · · · · · · · · · · ·	\$519,604	1,100,000		\$5,500	5.81%
Off-Sites	COSt (site t	or blug)	0.00%	\$2,596 0	\$2.67 0.00	0	1,100,000	\$5.64 0.00	\$5,500 0	0.00%
Sitework			7.67%	7,493	7.69	1,498,512	1,498,512	7.69	7,493	7.92%
Direct Cons	struction		47.92%	46,821	48.05	9,364,274	7,964,594	40.87	39,823	42.10%
Contingenc		4.95%	2.75%	2,691	2.76	538,158	538,158	2.76	2,691	2.84%
General Re	•	6.00%	3.34%	3,259	3.34	651,767	698,812	3.59	3,494	3.69%
Contractor's	•	2.00%	1.11%	1,086	1.11	217,256	425,589	2.18	2,128	2.25%
Contractor's		5.23%	2.91%	2,839	2.91	567,786	567,786	2.91	2,839	3.00%
Indirect Cor			3.67%	3,587	3.68	717,380	717,380	3.68	3,587	3.79%
Ineligible C			5.24%	5,118	5.25	1,023,697	965,264	4.95	4,826	5.10%
Developer's		1.95%	1.54%	1,500	1.54	300,000	300,000	1.54	1,500	1.59%
Developer's		11.94%	9.40%	9,189	9.43	1,837,816	1,837,816	9.43	9,189	9.71%
Interim Fina			9.42%	9,206	9.45	1,841,277	1,841,277	9.45	9,206	9.73%
Reserves			2.37%	2,321	2.38	464,101	464,101	2.38	2,321	2.45%
TOTAL CO	ST		100.00%	\$97,708	\$100.28	\$19,541,628	\$18,919,289	\$97.08	\$94,596	100.00%
	Construct	ion Costs	65.69%	\$64,189	\$65.88	\$12,837,752	\$11,693,451	\$60.00	\$58,467	61.81%
Recap-Hard								RECOMMENDED		
•	OF FUND				PC4 40	\$12,567,800	\$12,567,800	\$11,800,000	Developer F	ee Available
SOURCES First Lien Mo			64.31%	\$62,839	\$64.49	φ12,307.000 I		Ψ11,000.000		
SOURCES	ortgage		64.31% 0.00%	\$62,839 \$0	\$0.00	\$12,567,800	0	0	\$2,07	
SOURCES First Lien Mo	ortgage nancing	_						0		2,963
SOURCES First Lien Mo Additional Fir	ortgage nancing ation Procee	eds	0.00%	\$0	\$0.00	0	0		\$2,072 % of Dev. F	2,963
SOURCES First Lien Mo Additional Fir HTC Syndica Deferred Dev	ortgage nancing ation Procee veloper Fee	eds s	0.00% 32.50% 0.00%	\$0 \$31,757 \$0	\$0.00 \$32.59 \$0.00	0 6,351,489 0	0 6,351,489	6,193,904	\$2,073 % of Dev. F	2,963 ee Deferred
SOURCES First Lien Mo Additional Fir HTC Syndica	ortgage nancing ation Procee veloper Fee excess) Fund	eds s	0.00% 32.50%	\$0 \$31,757	\$0.00 \$32.59	0 6,351,489	0 6,351,489 0	0 6,193,904 344,989	\$2,073 % of Dev. F	2,963 see Deferred 7% tive Cash Flow

TCSheet Version Date 10/6/04tg

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MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Homes of Mountain Creek, #05401

DIRECT CONSTRUCTION COST ESTIMATE Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$43.68	\$8,512,348
Adjustments				
Exterior Wall Finish	7.20%		\$3.14	\$612,889
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.71)	(138,808)
Floor Cover			2.00	389,756
Balconies/Breezeways	\$14.35	49,139	3.62	705,046
Plumbing	\$605	468	1.45	283,140
Built-In Appliances	\$1,650	200	1.69	330,000
Exterior Stairs	\$1,450	80	0.60	116,000
Carports	\$8.20	16,000	0.67	131,200
Heating/Cooling			1.53	298,163
Garages	\$15.43	25,651	0.00	0
Comm &/or Aux Bldgs	\$59.87	4,828	1.48	289,072
Other:			0.00	0
SUBTOTAL			59.16	11,528,807
Current Cost Multiplier	1.11		6.51	1,268,169
Local Multiplier	0.89		(6.51)	(1,268,169)
TOTAL DIRECT CONSTRU	CTION COSTS	3	\$59.16	\$11,528,807
Plans, specs, survy, bld prm	3.90%		(\$2.31)	(\$449,623)
Interim Construction Interes	3.38%		(2.00)	(389,097)
Contractor's OH & Profit	11.50%		(6.80)	(1,325,813)
NET DIRECT CONSTRUCT	ION COSTS		\$48.05	\$9,364,274

PAYMENT COMPUTATION

Primary	\$12,567,800	Amort	480
Int Rate	6.20%	DCR	1.04
Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.04
Additional	\$6,351,489	Amort	
Int Rate		Aggregate DCR	1.04

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$798,991	
Secondary Debt Service	0	
Additional Debt Service	0	
NET CASH FLOW	\$82,882	
		1
Primary \$11,800,000	Amort	

	. ,,		
Int Rate	6.20%	DCR	1.10
	r		

Int Rate	0.00%	Subtotal DCR	1.10
Additional	CC 254 400	Amort	0

Additional	\$6,351,489	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at	t 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL G	GROSS RENT	\$1,773,307	\$1,826,506	\$1,881,301	\$1,937,740	\$1,995,873	\$2,313,763	\$2,682,286	\$3,109,505	\$4,178,914
Secondary In	ncome	36,000	37,080	38,192	39,338	40,518	46,972	54,453	63,126	84,836
Other Suppor	rt Income: 64 Gara	12,000	12,360	12,731	13,113	13,506	15,657	18,151	21,042	28,279
POTENTIAL G	GROSS INCOME	1,821,307	1,875,946	1,932,225	1,990,191	2,049,897	2,376,393	2,754,890	3,193,673	4,292,029
Vacancy & C	Collection Loss	(136,598)	(140,696)	(144,917)	(149,264)	(153,742)	(178,229)	(206,617)	(239,525)	(321,902)
Employee or	Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE G	GROSS INCOME	\$1,684,709	\$1,735,250	\$1,787,308	\$1,840,927	\$1,896,155	\$2,198,163	\$2,548,273	\$2,954,147	\$3,970,127
EXPENSES a	at 4.00%									
General & Ad	dministrative	\$81,598	\$84,862	\$88,256	\$91,787	\$95,458	\$116,139	\$141,301	\$171,915	\$254,476
Management	t	67,388	69,410	71,492	73,637	75,846	87,927	101,931	118,166	158,805
Payroll & Pay	yroll Tax	185,862	193,297	201,029	209,070	217,432	264,540	321,853	391,584	579,639
Repairs & Ma	aintenance	79,137	82,303	85,595	89,019	92,580	112,637	137,040	166,731	246,802
Utilities		35,488	36,907	38,384	39,919	41,516	50,510	61,453	74,767	110,674
Water, Sewer	r & Trash	74,299	77,271	80,362	83,576	86,919	105,750	128,661	156,536	231,712
Insurance		48,720	50,668	52,695	54,803	56,995	69,343	84,366	102,645	151,939
Property Tax	1	172,144	179,030	186,191	193,639	201,384	245,015	298,098	362,681	536,857
Reserve for F	Replacements	53,200	55,328	57,541	59,843	62,236	75,720	92,125	112,084	165,912
Other		5,000	5,200	5,408	5,624	5,849	7,117	8,658	10,534	15,593
TOTAL EXPE	NSES	\$802,836	\$834,276	\$866,952	\$900,916	\$936,216	\$1,134,698	\$1,375,488	\$1,667,643	\$2,452,410
NET OPERAT	ING INCOME	\$881,873	\$900,975	\$920,355	\$940,011	\$959,939	\$1,063,465	\$1,172,785	\$1,286,504	\$1,517,717
DEBT	SERVICE									
First Lien Fina	incing	\$798,991	\$798,991	\$798,991	\$798,991	\$798,991	\$798,991	\$798,991	\$798,991	\$798,991
Second Lien		0	0	0	0	0	0	0	0	0
Other Financin	ng	0	0	0	0	0	0	0	0	0
NET CASH FL	_OW	\$82,882	\$101,983	\$121,364	\$141,020	\$160,947	\$264,474	\$373,794	\$487,513	\$718,726
DEBT COVER	RAGE RATIO	1.10	1.13	1.15	1.18	1.20	1.33	1.47	1.61	1.90

LIHTC Allocation Calculation - Homes of Mountain Creek, #05401

	APPLICANT'S TOTAL	TDHCA TOTAL	APPLICANT'S REHAB/NEW	TDHCA REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,100,000	\$519,604		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,498,512	\$1,498,512	\$1,498,512	\$1,498,512
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$7,964,594	\$9,364,274	\$7,964,594	\$9,364,274
(4) Contractor Fees & General Requirements				
Contractor overhead	\$425,589	\$217,256	\$189,262	\$217,256
Contractor profit	\$567,786	\$567,786	\$567,786	\$567,786
General requirements	\$698,812	\$651,767	\$567,786	\$651,767
(5) Contingencies	\$538,158	\$538,158	\$473,155	\$538,158
(6) Eligible Indirect Fees	\$717,380	\$717,380	\$717,380	\$717,380
(7) Eligible Financing Fees	\$1,841,277	\$1,841,277	\$1,841,277	\$1,841,277
(8) All Ineligible Costs	\$965,264	\$1,023,697		
(9) Developer Fees			\$2,072,963	
Developer overhead	\$300,000	\$300,000		\$300,000
Developer fee	\$1,837,816	\$1,837,816		\$1,837,816
(10) Development Reserves	\$464,101	\$464,101		
TOTAL DEVELOPMENT COSTS	\$18,919,289	\$19,541,628	\$15,892,716	\$17,534,225

Deduct from Basis:		
All grant proceeds used to finance costs in eligible basis		
B.M.R. loans used to finance cost in eligible basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units [42(d)(3)]		
Historic Credits (on residential portion only)		
TOTAL ELIGIBLE BASIS	\$15,892,716	\$17,534,225
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$20,660,530	\$22,794,493
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$20,660,530	\$22,794,493
Applicable Percentage	3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS	\$729,317	\$804,646

Syndication Proceeds 0.8493 \$6,193,904 \$6,833,653

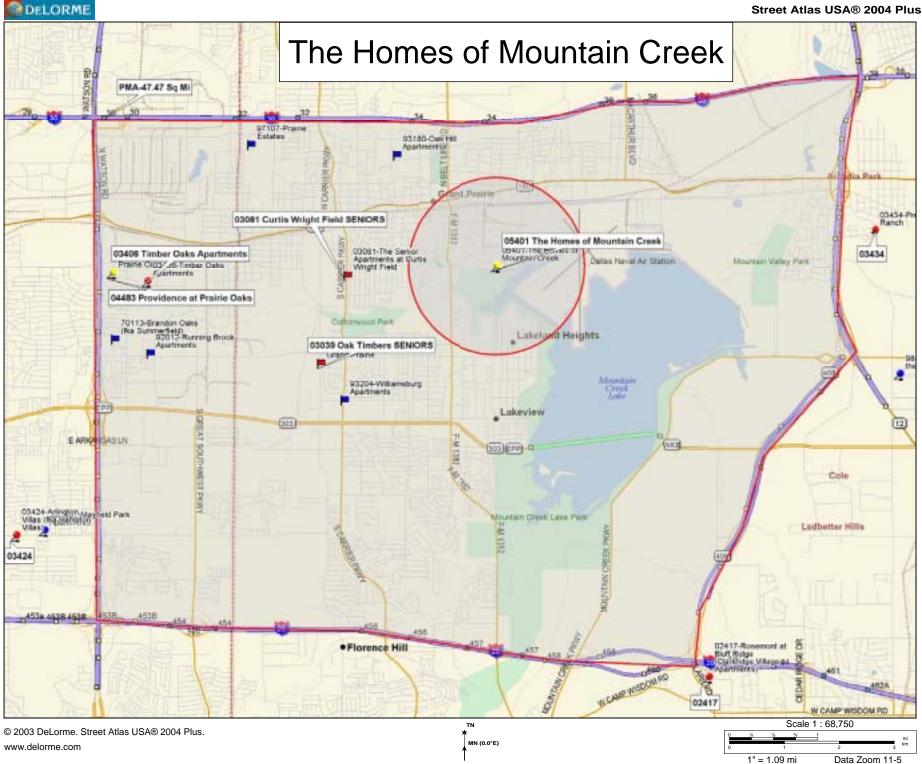
 Total Credits (Eligible Basis Method)
 \$729,317
 \$804,646

 Syndication Proceeds
 \$6,193,904
 \$6,833,653

Requested Credits \$747,872 Syndication Proceeds \$6,351,489

Gap of Syndication Proceeds Needed \$7,119,289

Credit Amount \$838,279





HOUSING TAX CREDIT PROGRAM 2005 HTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY

Texas Department of Housing and Community Affairs

Development Name: Sea Breeze Senior Apartments TDHCA#: 05404

DEVELOPMENT AND OWNER INFORMATION

Development Location: Corpus Christi QCT: Y DDA: N TTC: N

Development Owner: Sea Breeze Seniors, LP

General Partner(s): Sea Breeze GP, LLC, 100%, Contact: Richard J. Franco

Construction Category: New Construction

Set-Aside Category: Tax Exempt Bond Bond Issuer: Sea Breeze (a Public Facility Corp.)

Development Type: Elderly

Annual Tax Credit Allocation Calculation

Applicant Request: \$594,675 Eligible Basis Amt: \$585,999 Equity/Gap Amt.: \$677,719

Annual Tax Credit Allocation Recommendation: \$585,999

Total Tax Credit Allocation Over Ten Years: \$5,859,990

PROPERTY INFORMATION

Unit and Building Information

Total Units: 200 HTC Units: 200 % of HTC Units: 100 Gross Square Footage: 171,178 Net Rentable Square Footage: 167,200

Average Square Footage/Unit: 836 Number of Buildings: 50 Currently Occupied: N

Development Cost

Total Cost: \$14,847,299 Total Cost/Net Rentable Sq. Ft.: \$88.80

Income and Expenses

Effective Gross Income: \$1,198,884 Ttl. Expenses: \$548,300 Net Operating Inc.: \$650,584

Estimated 1st Year DCR: 1.16

DEVELOPMENT TEAM

Consultant: Madhouse Development Services, Inc. Manager: Corpus Christi Housing Authority

MSA Architects, LLC Attorney: Edel Ruiseco Architect: Accountant: Pat Huwel Engineer: Naismith Engineers, Inc. **RBC** Dain Rauscher Market Analyst: The Seigal Group Lender: PNC Multifamily Capital Contractor: CMC Construction Management Corp. Syndicator:

PUBLIC COMMENT ²	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. Juan Hinojosa, District 20 - NC
# in Opposition: 0	Rep. Abel Herrero, District 34 - NC
	Mayor Loyd Neal - NC
	Jonathan Wagner, City of Corpus Christi, Acting Director of Neighborhood
	Services Dept.; The proposed development is consistent with the City of Corpus
	Christi's Consolidated Plan.

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^{1.} Gross Income less Vacancy

^{2.} NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT

- 1. Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development 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 documentation by cost certification confirming that the Applicant complied with all recommendations of the Phase I ESA.
- 3. Receipt, review, and acceptance of an executed lease agreement for the suject property between CCHA and the Applicant is a condition of this report.
- 4. Receipt, review, and acceptance of documentation verifying the existence of this portion of Skyline Dr. is a condition of this report. If the street does not exist, an explanation including identification of the party responsible for construction of the street and documentation of the related cost must be provided. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted. 6. 7. 8. 9. 10. 11. 12. 13. 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). Robbye Meyer, Mgr. of Multifamily Finance Production Date Brooke Boston, Dir. of Multifamily Finance Production Date DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON: Tax Exempt Bond Score Utilization of Set-Aside Geographic Distrib. Housing Type Other Comments including discretionary factors (if applicable). Edwina P. Carrington, Executive Director Date Chairman of Executive Award and Review Advisory Committee TDHCA Board of Director's Approval and description of discretionary factors (if applicable). Chairperson Signature: _ Elizabeth Anderson. Chairman of the Board Date

Applicant Evaluation

Project ID # 05404 Name:	Sea Breeze Seniors	City: Corpus Christi
LIHTC 9% ☐ LIHTC 4% ✔ H	HOME □ BOND □ HTF □	SECO ESGP Other
✓ No Previous Participation in Texas	Mambars of the dayals	opment team have been disbarred by HUD
— No Flevious Faithcipation in Texas	intellibers of the develo	opinent team have been disbarred by 110D
National Previous Participation Ce	ertification Received: N/A	\square Yes \square No
Noncompliance Reported on Natio	onal Previous Participation Certification:	\square Yes \square No
	Portfolio Management and Complianc	e
Total # of Projects monitored: 0	Projects in Material Noncompliance	# in noncompliance: 0
Projects zero to nine: 0	Yes No V	Projects not reported Yes
grouped ten to nineteen: 0	# monitored with a score less than thirty:	0 in application No
by score twenty to twenty-nine: 0	# not yet monitored or pending review:	0 # of projects not reported 0
Portfolio Monitoring	Single Audit	Contract Administration
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Issues found regarding late cert \Box	Unresolved issues found
Unresolved issues found that	Issues found regarding late audit	Unresolved issues found that \Box
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	warrant disqualification (Comments attached)
	(Comments attached)	
Reviewed by Patricia Murphy	(Comments attached)	Date 4/29/2005
Reviewed by Patricia Murphy Multifermily Finance Production	т	Date 4/29/2005 Page Fetata Applysis
Reviewed by Patricia Murphy Multifamily Finance Production	Single Family Finance Production	Date 4/29/2005 Real Estate Analysis (Cost Certification and Workout)
	т	Real Estate Analysis
Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis (Cost Certification and Workout)
Multifamily Finance Production Not applicable	Single Family Finance Production Not applicable	Real Estate Analysis (Cost Certification and Workout) Not applicable
Multifamily Finance Production Not applicable Review pending	Single Family Finance Production Not applicable Review pending	Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending
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Multifamily Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached) Reviewer S. Roth Date 5/2/2005 Community Affairs	Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached) Reviewer Date Office of Colonia Initiatives	Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached) Reviewer Date Financial Administration
Multifamily Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found (Comments attached) Reviewer S. Roth Date 5/2/2005 Community Affairs No relationship Review pending	Single Family Finance Production Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached) Reviewer Date Office of Colonia Initiatives Not applicable Review pending	Real Estate Analysis (Cost Certification and Workout) Not applicable Review pending No unresolved issues Unresolved issues found Unresolved issues found that warrant disqualification (Comments attached) Reviewer Date Financial Administration
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Executive Director: Edwina Carrington Executed: Monday, May 09, 2005

DATE: May 16, 2005 **PROGRAM**: 4% HTC **FILE NUMBER**: 05404

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			DE\	/ELOPMI	ENT N	AME						
			Sea Bree	eze Seni	ors A	partment	ts					
				APPLIC	CANT							
Name:	Sea Breeze	Seniors L	.P	Ту	vpe:	For-prof	it contr	olled by	nonpro	ofit		
Address:	3701 Ayers	Street		Ci	ity:	Corpus	s Christ	i		State	e:	TX
Zip:	78415 C	ontact:	Richard J Franco	Ph	one:	(361)	889-	3349	Fax:	(361)	88	39-3326
			PRINCIPALS of th	e APPLIC	ANT/ I	KEY PARTI	CIPAN	S				
Name:	Sea Breeze	GP, LLC			(%):	0.01	Title:	Mana	iging G	eneral F	artn	er
Name:	Bluebonnet	Partners			(%):	N/A	Title:	Nonp	rofit ov	wner of	MGI	
Name:	Corpus Chr	isti Housi	ng Authority		(%):	N/A	Title:	Paren	t of Bl	uebonne	t Pa	rtners
Name:	Madhouse l	Developm	ent Services, Inc		(%):	N/A	Title:	Hous	ing Co	nsultant		
			PRC	OPERTY L	OCA1	ION						
Location:	5751 I-37 A	Access Ro							QC	T		DDA
City:	Corpus Chr	risti		County:		Nueces			2	Zip:	78	408
					•							
				REQL	JEST							
<u>A</u>	<u>Amount</u>		Interest Rate		;	Amortizati	<u>ion</u>			Tern	<u>1</u>	
\$3	594,675		N/A			N/A				N/A		
Other Requ	ested Terms:	Annua	al ten-year allocation	on of hous	sing ta	x credits						
Proposed U	se of Funds:	New c	construction	Pı	operty	Type:	M	ultifami	ly			

RECOMMENDATION

Elderly, Urban/Exurban

Special Purpose (s):

 \boxtimes

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$585,999 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of documentation by cost certification confirming that the Applicant complied with all recommendations of the Phase I ESA.
- 2. Receipt, review and acceptance of an executed lease agreement for the subject property between CCHA and the Applicant is a condition of this report.
- 3. Receipt review and acceptance of documentation verifying the existence of this portion of Skyline Drive is a condition of this report. If the street does not exist, an explanation including identification of the party responsible for construction of the street and documentation of the related cost must be provided.
- 4. Should the terms and rates of the proposed debt or syndication change, the transaction should be reevaluated and an adjustment to the credit/allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS
No previous reports.
DEVELOPMENT SPECIFICATIONS
IMPROVEMENTS
Total Units: 200 #Rental Buildings 50 #Non-Res. 1 #of Floors 1 Age: N/A yrs Vacant : Age: N/A yrs :
Net Rentable SF: 167,200 Av Un SF: 836 Common Area SF: 3,978 Gross Bldg SF: 171,178
STRUCTURAL MATERIALS
The structure will be wood frame on a slab on grade. According to the plans provided in the application of exterior will be comprised as follows: 10% masonry/brick veneer and 90% cement fiber siding. The interiwall surfaces will be drywall and the pitched roof will be finished with composite shingles.
APPLIANCES AND INTERIOR FEATURES
The interior flooring will be vinyl. Each unit will include: range & oven, hood & fan, garbage disposarefrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminate counter tops, individual water heaters, individual heating and air conditioning, and 8-foot ceilings. ONSITE AMENITIES
A 3,978-square foot community building, located at the center of the property, will include an activity room management offices, fitness, laundry facilities, a kitchen, restrooms, a computer/business center, and a librar In addition, gazebos, community gardens, horseshoe area, putting green, shuffleboard court, and perimet fencing with limited access gate(s) are planned for the site.
Uncovered Parking: 190 spaces Carports: 0 spaces Garages: 0 spaces
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION
<u>Description:</u> Sea Breeze Seniors is a +9-unit per acre new construction development of affordable housin located in Corpus Christi. The development is comprised of 50 evenly distributed fourplex residenti buildings.
<u>Architectural Review</u> : The building and unit plans appear to be of sufficient size and are comparable to oth modern apartment developments. Acceptable access and storage space are planned. The elevations reflesimple one-story buildings.
SITE ISSUES
SITE DESCRIPTION
Size: 21.36 acres 930,442 square feet Flood Zone Designation: Zone C
Zoning: B4/Retail & Multifamily
SITE and NEIGHBORHOOD CHARACTERISTICS
<u>Location</u> : The proposed is located in north Corpus Christi. Specifically, the site is located on the south sit of Interstate Highway 37, between the Corn Products Road exit and the Lantana Street exit.
Adjacent Land Uses: According to the Market Analyst, "The proposed Sea Breeze Senior Apartments will located in a neighborhood that includes industrial and commercial development, with small areas of interi development of single family residences and mobile homes." According to the submitted Phase I ESA, "The proposed Sea Breeze Senior Apartments will be located in a neighborhood that includes industrial and commercial development, with small areas of interidevelopment of single family residences and mobile homes."

• North: IH-37 immediately adjacent and single family residential neighborhood, 44-unit Section 8

portion of it), CITGO Refining and Chemical is about three quarters of a mile to the northwest."

subject property is located in an area of Corpus Christi that has been developed as a commercial corridor into the city. Many businesses in the area support the large petroleum-refining district located along the Port of Corpus Christi...Even though extensive heavy industry is nearby, the subject property and much of the immediate surrounding acreage has been developed as residential since the 1940's. The nearest refinery (or

development, two churches and a school beyond;

- **South:** Skylark Drive and platted lots for manufactured homes immediately adjacent and mobile home development, single family residential, churches, elementary school and light industrial beyond;
- East: Motel 6 immediately adjacent and Airport Inn and Suites, Lantana Street, and single family residential beyond; and
- West: north-south (9) pipeline easement immediately adjacent and Corn Products Road, motel and entrances to industrial plants beyond.

<u>Site Access</u>: Access to the property appears to be directly from an extension of Skyline Drive via Lantana Street. Access to Interstate Highway 37 is adjacent, which provides connections to all other major roads serving the area.

<u>Public Transportation</u>: Public transportation to the area is provided by the Corpus Christi Regional Transportation Authority. The nearest stop is located 0.5 miles south of the subject at Leopard and Lantana.

Shopping & Services: The closest hospital is located 3.1 miles southeast of the subject. Nine senior centers are located throughout the City with Zavala Senior Center only 2.6 miles south of the proposed site. Services including grocery and drug stores, retail shops, fast food chains and banks are within 2.5 miles.

<u>Special Adverse Site Characteristics</u>: The following issues have been identified as potentially bearing on the viability of the site for the proposed development in the ESA:

• Other: "...eight pipelines occupy a common easement on the west side of the property. However, a single high-pressure gas transmission line appears to exit the marked pipeline easement and transects the northwest corner of Lot 1 Block 4. Under the scope of work for this report, SEM cannot verify the easement boundaries at this time, but a survey stake observed at the northwest property corner would suggest the gas line is interior to the property" (p. 4).

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on February 15, 2005 and found the location to be unacceptable for the proposed development based on a strong odor and personal past experience from residing in the area. The inspector noted the site is near oil refineries and the area has been the subject of local news reports on illness of residents. No issues were discovered by the Environmental Site Assessment submitted at application. Staff's unacceptable rating for the development due to environmental issues may not be defendable. However, a Phase I ESA does not usually encompass air quality. This is discussed in more detail in the Highlights of Soils and Hazardous Materials Report section below.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment (ESA) report dated February 2005 was prepared by Southern Ecology Management, Inc.

The ESA was performed generally under ASTM E 1527, "Standard Practice for Environmental Site Assessments: Phase 1 Environmental Site Assessment Process," ASTM International. The scope of the standard includes petroleum products "because they are of concern with respect to many parcels of commercial real estate and current custom and usage is to include an inquiry into the presence of petroleum products when doing an environmental site assessment of commercial real estate." The goal of the standard is to identify Recognized Environmental Conditions which is defined as "the presence or likely presence of Hazardous Substances or petroleum products on a property under conditions that indicate an existing release, past release, or a material threat of release of any Hazardous Substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property." Hazardous Substance is defined to include "any hazardous air pollutant listed under section 112 of the Clean Air Act (42 USC 7412)." (For referenced ASTM standards, visit the ASTM website, www.astm.org.) However, it does not appear likely that the level of Hazardous Substances in the air is part of the scope of a Phase I ESA.

Findings:

• **Pipeline Easement:** "A pipeline easement adjoins the property boundary. In this easement, there are nine (9) buried pipelines...The El Paso high-pressure gas transmission line appears to exit the marked pipeline easement and transects the northwest corner of Lot 1 Block 4. SEM cannot verify (by survey) the easement boundaries at this time, but a survey stake observed at the northwest property corner would

suggest the gas line is interior to the property boundary" (p. 10).

- Leaking Underground Storage Tank (LUST): "Four sites are listed on the database for the common reason that they all have leaking underground storage tanks. They are: Times Market No. 18; the former B&P Rental, currently Dix Fairway Terminals, LLC; the former Coastal No. 3056, currently Circle K No. 7056...and the former Maverick Market, currently the site of Acetylene Oxygen Company (AOC)" (p. 6). "However, all of these sites are too distant for migration of contaminated groundwater to impact the subject property" (p. 9).
- **Miscellaneous Debris and Equipment:** "There is approximately 12 to 15 cubic yards of broken concrete...wooden pallets, large plastic water pipe, and steel pipes" (p. 9). "An apparently inoperative 'oiler' truck is parked near the east property line. The tank on the truck held tar, or 'tack coat' for road construction. No attempt was made to determine if the tank had any contents. In addition to the truck, a 6-foot diameter shredder and a set of two-row disks remain at the site" (pp. 9-10).
- **Storage Container:** "Although no hazardous materials were seen onsite, it should be noted that a cargo box (approximately 6 ft. by 18 ft.) from a commercial truck is located on the subject property and appears to have recently been used as a storage building. The content of this storage 'shed' is unknown and unidentified" (p. 9).
- Corrective Action Activity Site (CORRACTS): "CITGO Refining and Chemical, West Plant is listed as a RCRA [Resource Conservation and Recovery Act] corrective action activity site (CORRACTS). Cargo's west plant management office referred to and identified in the EDR [Environmental Data Resources, Inc.] radius search report is actually located over two miles from the subject site. However, CITGO is a large refinery and covers many hundreds of acres, some of which are within one-mile of the site. The corrective action referenced in the database refers to CITGO's inaction to contain a known plume of contaminated groundwater. However, after additional remedial plans and the implementation of those plans, the TCEQ [Texas Commission on Environmental Quality] now considers the migration of contaminants under control. CITGO's contaminated groundwater odes not impact the subject site. This is due to the location of the refineries on or below the 'bluff' above Nueces Bay and the Port of Corpus Christi where groundwater gradient is toward to bay, directly away from the subject site" (p. 6).

Recommendations: "...the truck [that appears to have held tar] should be removed from the property so that fuel, oil or antifreeze does not eventually contaminate the soil. None of the RCRA sites from EDR's radius search impact the subject property in any manner. Surface or groundwater migration of contaminants known to exist at several refineries will not impact the subject property. However, it is reasonable to expect that regulated air emissions, at times, could be a cause of annoyance to people. [In the case of the high-pressure gas transmission line] SEM can only suggest confirmation of the line's location against construction plans in that area of the property" (p. 12). "The overall assessment of the property indicates there are no significant environmental concerns" (p. 1).

It appears from the site inspection conducted by TDHCA staff that a noticeable odor is apparent in the area. As stated above, the standards to which the Phase I ESA was performed may not encompass hazardous air pollutants unless it is found from testing that the normally airborne contaminant has affected the ground, groundwater or surface water found on the property. No testing is conducted for air quality. However, current program rules do not require testing of air quality. The unresolved issues from the Phase I ESA (Pipeline easement, Debris and Equipment and the Storage Container) appear to be easily addressed or mitigated by the Developer during the construction period. Therefore, receipt, review and acceptance of documentation confirming that the Applicant complied with all recommendations of the submitted Phase I ESA is a condition of this report.

The Texas Commission on Environmental Quality was contacted by TDHCA staff to research possible air quality issues associated with close proximity to operating oil refineries identified by the TDHCA Inspector. Vincent Leopold, a TCEQ toxicologist familiar with the subject area, has reviewed up to seven years of volatile organic compound (VOC) data from air monitoring stations in the general area. Concentrations of VOCs were acceptable. Concentrations of sulfur compounds at monitoring sites available in 2004 and through March 2005 were reviewed. Sulfur dioxide levels were acceptable. The concentration of hydrogen sulfide exceeded the acceptable level during part of one day at one monitoring site in 2004. At two monitoring

stations that began operating on November 29, 2004 and December 1, 2004, respectively, hydrogen sulfide concentrations exceeded acceptable levels during part of two days in January 2005. These monitoring sites appear to be closer to and more predominantly downwind of industrial sources than is the proposed building site

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside; as a Priority 1 private activity bond lottery development the Applicant has also elected the 100% at 60% option. As a condition of permanent financing to be provided by the Corpus Christi Housing Authority, 20 of the units will also be considered replacement public housing with tenants paying only 30% of their monthly income for rent.

MAXIMUM ELIGIBLE INCOMES									
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons			
60% of AMI	\$19,740	\$22,560	\$25,380	\$28,200	\$30,480	\$32,700			

MARKET HIGHLIGHTS

A market feasibility study dated March 7, 2004 and updated April 29, 2005 at the request of the Underwriter was prepared by The Siegel Group ("TSG" or "Market Analyst") and highlighted the following findings:

<u>Definition of Primary Market Area (PMA)</u>: "The Primary Market Area (PMA) is defined as a 10-mile radius around the subject property. [This area encompasses approximately 314 square miles.] As with many senior housing developments, the PMA is slightly larger than would be typical of family-oriented developments in the area...It is anticipated that approximately 70% of the tenants will originate from this area" (p. 34).

"The secondary market area [SMA] is defined as the entire City of Corpus Christi...It is anticipated that approximately 30% of the tenants will originate from this area" (p. 34). "According to the manager [of Cimmaron Senior Apartments, an LIHTC development], prospective tenants come from all over the city and region" (p. 35).

Population: The estimated 2004 age 55+ population of Primary Market Area was 46,094 and is expected to increase to approximately 51,196 by 2009.

Total Primary Market Demand for Rental Units: "The target market consists primarily of one to two-person senior households in the Corpus Christi area who earn at or below 60% of the area median income. The income range is estimated to be from a minimum of \$14,400 for a one-person household to a maximum income of \$22,560 for a two-person household" (p. 34). "In both the PMA and SMA, only 61.5% of adults ages 55 and older own their homes...[In addition,] there is an increasing number of older adults age 85 and over living in personal care and health facilities...[However,] the cost is typically not affordable to the targeted low-income senior household" (pp. 35-36).

"...it is projected that 70% of the tenants will originate from within the PMA and the remaining 30% will come from outside the PMA but within the SMA. There are 1,026 income qualified renter households in the SMA. To estimate demand, the analyst multiplied the number of income qualified renter households (1,026) by the projected turnover rate (62%). The resulting estimate (636) was then multiplied by the estimated percentage of units that will be occupied by tenants from outside the PMA (30%). As a result, an additional 191 units was added to the Total Demand" (p. 57, revised).

ANNUAL TARGETED INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY									
	Market	Analyst	Underwriter						
Type of Domand	Units of	% of Total	Units of	% of Total					
Type of Demand	Demand	Demand	Demand	Demand					
Household Growth	114 (2 yrs)	13%	22	3%					
Resident Turnover	550	64%	651	97%					

Other Sources: Secondary Market	191	23%	N/A	N/A
TOTAL ANNUAL DEMAND	855	100%	673	100%

Ref: p. 57

<u>Inclusive Capture Rate</u>: "There are no unstabilized comparable units in the PMA; therefore, the *Inclusive Capture Rate* is identical to the *Simple Capture Rate* at 23%" (p. 57, revised). The Underwriter calculated an inclusive capture rate of 29.7% based upon a revised demand of 673 (based on demand from one year of growth and a turnover rate of 57.6%). A capture rate of up to 100% is acceptable for a development targeting senior households.

<u>Market Rent Comparables</u>: The Market Analyst surveyed ten comparable apartment projects totaling 2,114 units; however, only nine were included in the rent analysis. "Most of the growth underway in Corpus Christi is in the southern sector of the City. As a result, the newer, quality developments that would be comparable to the proposed subject property are located outside the immediate neighborhood. In addition, very few properties target seniors specifically. Most of those existing properties that do target seniors are so inferior to the subject that they are not suitable for comparative purposes" (p. 34).

RENT ANALYSIS (net tenant-paid rents)								
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential			
1-Bedroom (60%)	\$480	\$480	\$0	\$697	-\$217			
2-Bedroom (60%)	\$573	\$573	\$0	\$857	-\$284			

(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)

Primary Market Occupancy Rates: "Occupancy rates at properties surveyed are averaging 97%" (p. 3).

Absorption Projections: "It is the analyst's opinion that on the lack of quality senior housing choices in the area and the high demand for housing, lease-up rate of eleven units per month (18 months) is achievable" (p. 57).

<u>Known Planned Development</u>: "To date, there are no pending senior oriented applications for Tax Credits that may have priority over the subject property. There were two LIHTC [9%] Applications in the City of Corpus Christi that were submitted during the Pre-Application round. Neither property is located within one-mile of the subject and both properties target families" (p. 3).

Existing LIHTC Stock: "There are no senior LIHTC properties located within one-mile of the subject property. There is only one other senior LIHTC property in Corpus Christi with similar amenities, design and construction as the subject property, Cimmaron Senior Apartments. This property, located 12.2 miles southeast of the subject in the Secondary Market Area, opened in 1999...units [are] set aside for households at or below 50% and 60% of AMGI...The occupancy rate for this property is currently 98%...The 180-unit development reached stabilized occupancy within six-to-nine months, of completion. There are four additional family-oriented LIHTC properties in the City of Corpus Christi (South Point, Holly Park, Riversquare, and LULAC Village Park)" (pp. 2-3).

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's gross potential rent, secondary income and vacancy and collection loss assumptions are comparable to the Underwriter's estimates. The Applicant's effective gross income is only \$5 less than the Underwriter's estimate, most likely due to rounding.

Expenses: The Applicant's total annual expense projection is within 5% of the Underwriter's estimate based on current database information for similarly-sized properties located in the Corpus Christi region. However, the Applicant's line item expense estimate for repairs and maintenance is \$28K less than the Underwriter's estimate. This difference is offset by the Applicant's property insurance figure, which is \$22K higher than the Underwriter's estimate. It should be noted, both the Applicant's and the Underwriter's proformas assume the development will be 100% tax-exempt due to the ownership interest of the Corpus Christi Housing Authority.

<u>Conclusion</u>: Because the Applicant's gross income, total annual operating expense, net operating income are each within 5% of the Underwriter's estimates, the Applicant's proforma is used to determine the development's debt capacity. The proposed permanent financing structure results in an initial year's debt coverage ratio (DCR) of 1.16, which is within the Department's DCR guideline of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION								
			ASSESSED \	VALUE				
Land: 23.493 acres	\$360,151		Assessment for the Year of:		ar of:	2005 (Working)		
1 acre:	\$15,330		Valuation by: Nueces Co		Nueces County	y Appraisal District		
Total: prorated 21.36 acres	\$327,449		Tax Rate:	-	3.138901			
	EVI	DENCE o	f SITE or PR	OPERTY CC	NTROL			
Type of Site Control:	Unimproved co	ommercia	al property o	contract (21	36 acres)			
Contract Expiration Date:	06/ 30/	2005	Anticipate	ed Closing D	ate: 06/ 15	5/ 2005		
Acquisition Cost:	\$961,200		Other:	Buyer (CC	HA) will lease t	to Partnership for \$1		
Seller: D&J Land Comp	Seller: D&J Land Company, Inc			Relate	d to Developmen	nt Team Member: No		

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The transaction between the Corpus Christi Housing Authority (CCHA) and the seller is a third party land sale and, therefore, the acquisition cost is assumed to be reasonable. It should be noted CCHA plans to lease the property to the Applicant, but no lease agreement was provided. The Underwriter does not consider this to be a risk in underwriting the development since CCHA is the parent company of the owner of the Managing General Partner. Also, CCHA plan to contribute funds to the development in the form of a 2nd lien loan with payments due from cashflow in an amount equivalent to the sales price noted in the third party contract. However, receipt, review and acceptance of an executed lease agreement for the subject property between CCHA and the Applicant is a condition of this report.

Off-Site Costs: No off-site costs were included in the Applicant's cost schedule. However, an extension of Skyline Drive, which provides access to the site from Lantana Street, may not currently exist. Receipt review and acceptance of documentation verifying the existence of this portion of Skyline Drive is a condition of this report. If the street does not exist, an explanation including identification of the party responsible for construction of the street and documentation of the related cost must be provided. Offsite costs related to construction of the street should not negatively impact the development's financial feasibility as developer fee and related-party contractor fees totaling \$2.8M are available to be deferred.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$6.4K per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is \$708K, or more than 5%, lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

<u>Interim Financing Fees:</u> The Underwriter reduced the Applicant's eligible interim financing fees by \$141K to reflect an apparent overestimation of eligible construction loan interest and to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

<u>Fees:</u> The Applicant exceeded the five percent eligible contingency cost by \$23K which also impacted the Applicant's eligible developer fees which exceeded 15% of the Applicant's eligible costs; therefore, the Applicant's eligible basis must be reduced by a total of \$48,225.

<u>Conclusion</u>: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant cost schedule will be used to calculate the development's eligible basis and permanent financing needs. Adjustments to the Applicant's characterization of line-item costs as eligible for tax credit purposes (as described above) result in an eligible basis of \$12,769,640 and tax credits of \$585,999. This figure will be

compared to the Applicant's request and the tax credits calculated based on the development's gap in need to determine the recommended allocation.

FINANCING STRUCTURE
INTERIM TO PERMANENT BOND FINANCING
Source: RBC Dain Rauscher Contact: Helen Haugh Feinberg
Tax-Exempt Amount: \$7,855,000 Interest Rate: 6.60%, lender's underwriting rate
Additional Information: Bonds issued by Sea Breeze (A Public Facility Corp.); 3-year interim period
Amortization: 40 yrs Term: 43 yrs Commitment: LOI Firm Conditional
Annual Payment: \$558,580 Lien Priority: 1 st Date: 01/ 26/ 2005
GRANT
Source: Corpus Christi Housing Authority Contact: Richard J Franco
Principal Amount: \$961,200 Commitment: None None Firm Conditional
Supported by Annual Contributions Contract with HUD (\$1,053,106 over 3 years); Additional Information:
20 units will be designated as replacement public housing
TAX CREDIT SYNDICATION
Source: PNC Multifamily Capital Contact: Bradley J Bullock
Net Proceeds: \$5,187,087 Net Syndication Rate (per \$1.00 of 10-yr HTC) 89¢
Commitment:
Additional Information: Based on an annual tax credit allocation of \$582,877
APPLICANT EQUITY
Amount: \$844,012 Source: Deferred Developer Fee
<u> </u>
FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by Sea Breeze (A Public Facility Corp.) and purchased by RBC Dain Rauscher. The permanent financing commitment is inconsistent with the terms reflected in the sources and uses of funds listed in the application. The annual debt service utilized by the Applicant in the application forms is not correct based on the proposed terms.

Although no commitment was provided, the Corpus Christi Housing Authority, parent of the controlling nonprofit, will provide \$961,200 to be funded from an existing HUD Annual Contribution Contract. A condition to the funding is the provision of 20 replacement public housing units with tenants paying only 30% of their monthly income towards rent. This type of funding typically provides for the rent difference between the tenants portion and the prorata operating expenses plus debt service for the units covered. Should this be the way that the subject transaction is structured, the actual income for the development may be less than projected. The potential reduction in income, however, is not interpreted by the Underwriter to have a significant impact on the debt service capacity of the transaction.

<u>HTC Syndication</u>: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. However, the Applicant has requested \$594,675 in annual tax credits while the commitment is based an annual allocation of \$582,877.

<u>Deferred Developer's Fees</u>: The Applicant's deferred developer's fees of \$844,012 amount to 50% of the proposed developer fees.

<u>Financing Conclusions</u>: As stated above, the Applicant cost schedule, as adjusted by the Underwriter for overstated eligible costs, was used to calculate the development's eligible basis and recommended annual tax credit allocation of \$585,999. The recommended allocation is less than the tax credits calculated based on the gap in need for permanent funds and \$8,676 less than the Applicant's request. However, the resulting syndication proceeds are slightly higher than the amount included in the Applicant's sources and uses;

therefore, anticipated deferred developer fee is reduced to \$739,021. Deferred fees in this amount appear to be repayable from cashflow within 10 years of stabilized operation.

DEVELOPMENT TEAM IDENTITIES of INTEREST

The Applicant, General Contractor, Attorney, Accountant, Property Manager and Supportive Services firm are all related entities. These are common relationships for HTC-funded developments. A developer was not specifically named in the application materials.

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.
- Bluebonnet Partners, the owner of General Partner, is also a newly formed entity.
- Corpus Christi Housing Authority, parent of Bluebonnet Partners, submitted an unaudited financial statement as of 12/31/2004 reporting total assets of \$25.5M and consisting of \$2.5M in cash, \$26K in receivables, \$394K in other current assets, \$583K in machinery equipment, and \$19.9M in fixtures. Liabilities totaled \$532K and contingent liabilities of \$429K, resulting in net assets of \$24.5M.

<u>Background & Experience</u>: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- Significant environmental risk exists regarding
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:		Date:	May 17, 2005
	Lisa Vecchietti		
Director of Real Estate Analysis:		Date:	May 17, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Sea Breeze, Corpus Christi, 4% HTC #05404

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%	100	1	1	755	\$528	\$480	\$48,000	\$0.64	\$48.00	\$57.00
TC 60%	100	2	1	917	634	\$573	57,300	0.62	61.00	63.00
	200				A :				A-	****
TOTAL:	200		AVERAGE:	836	\$581	\$527	\$105,300	\$0.63	\$54.50	\$60.00
INCOME		Total Net Re	entable Sq Ft:	167,200		TDHCA	APPLICANT	Com	ptroller's Region	10
POTENTIA		RENT				\$1,263,600	\$1,263,600		_	Corpus Christi
Secondary			Р	er Unit Per Month:	\$13.54	32,496	32,496	\$13.54	Per Unit Per Mont	n
Other Supp POTENTIA		INCOME				\$1,296,096	\$1,296,096			
Vacancy &			% of Poten	tial Gross Income:	-7.50%	(97,207)	(97,212)	-7.50%	of Potential Gross	Rent
-			ts or Conces		1.0070	0	0	1.0070	or r otoritian or ooo	· tont
EFFECTIVI	E GROSS	INCOME				\$1,198,889	\$1,198,884			
EXPENSES	<u>3</u>		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & A	Administrativ	ve	3.79%	\$227	0.27	\$45,471	\$43,600	\$0.26	\$218	3.64%
Manageme	nt		5.00%	300	0.36	59,944	59,900	0.36	300	5.00%
Payroll & Pa	ayroll Tax		14.16%	849	1.02	169,780	158,000	0.94	790	13.18%
Repairs & N	Maintenance	e	6.71%	402	0.48	80,459	52,600	0.31	263	4.39%
Utilities			2.73%	164	0.20	32,700	28,000	0.17	140	2.34%
Water, Sew	er, & Trash		5.20%	312	0.37	62,365	66,200	0.40	331	5.52%
Property Ins	surance		3.49%	209	0.25	41,800	64,000	0.38	320	5.34%
Property Ta	ax	3.138901	0.00%	0	0.00	0	0	0.00	0	0.00%
Reserve for	Replaceme	ents	4.17%	250	0.30	50,000	50,000	0.30	250	4.17%
Other: comp	pl fees		2.17%	130	0.16	26,000	26,000	0.16	130	2.17%
TOTAL EXI	PENSES		47.42%	\$2,843	\$3.40	\$568,519	\$548,300	\$3.28	\$2,742	45.73%
NET OPER		С	52.58%	\$3,152	\$3.77	\$630,369	\$650,584	\$3.89	\$3,253	54.27%
DEBT SER										
First Lien Mo			46.59%	\$2,793	\$3.34	\$558,580	\$560,143	\$3.35	\$2,801	46.72%
Housing Autl	•		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Fit	-		5.99%	\$0 \$359	\$0.00 \$0.43	\$71,789	\$90,441	\$0.00 \$0.54	\$0 \$452	0.00% 7.54%
)/EDACE D		φοσσ	ψ0.43		. ,	ψυ.υ-	ψ43Z	7.5476
AGGREGAT RECOMMEN						1.13	1.16			
CONSTRU			LIVATIO			ı	1.10			
				DED	DED 00 FT	TDHCA	APPLICANT	DED 00 FT	555	
Descri	•	Factor	% of TOTAL	PER UNIT	PER SQ FT		APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition	COSt (site o	ir blag)	6.36%	\$4,950	\$5.92	\$990,036	\$990,036	\$5.92	\$4,950	6.67%
Off-Sites			0.00%	0	0.00	0	1,281,528	0.00	0	0.00%
Sitework	struction		8.24%	6,408	7.66	1,281,528	6,578,434	7.66	6,408	8.63%
Direct Cons		4.000/	46.84%	36,431	43.58	7,286,169		39.34	32,892	44.31%
Contingend General Re	•	4.86%	2.68%	2,083	2.49	416,564 468,958	416,564	2.49	2,083	2.81%
	•	5.47%	3.01%	2,345	2.80		468,958	2.80	2,345	3.16%
Contractor's		1.82% 5.47%	1.00%	782	0.93	156,319 468,958	156,319 468,958	0.93	782	1.05%
		5.47%	3.01%	2,345	2.80		•	2.80	2,345	3.16%
Indirect Cor Ineligible C			3.83%	2,980 3,697	3.56	596,000 739,398	596,000 739,398	3.56	2,980 3,697	4.01% 4.98%
Ü		A 700/	4.75%		4.42		563,421	4.42		
Developer's Developer's		4.76% 9.52%	3.62%	2,817 5,634	3.37	563,421 1,126,843	1,126,843	3.37	2,817 5,634	3.79%
Interim Fina		შ.ე∠70	7.24% 7.46%	5,804	6.74	1,160,840	1,160,840	6.74 6.94	5,804	7.59% 7.82%
Reserves	anoniy		1.93%	1,500	6.94 1.79	300,000	300,000	1.79	1,500	2.02%
TOTAL CO	ST		100.00%	\$77,775	\$93.03	\$15,555,034	\$14,847,299	\$88.80	\$74,236	100.00%
Recap-Hard		ion Costs	64.79%	\$50,392	\$60.28	\$10,078,496	\$9,370,761	\$56.05	\$46,854	63.11%
SOURCES				,=		,,	,	RECOMMENDED	,	
First Lien Mo		<u></u>	50.50%	\$39,275	\$46.98	\$7,855,000	\$7,855,000	\$7,855,000	Developer F	ee Available
Housing Aut			6.18%	\$4,806	\$5.75	961,200	961,200	961,200	\$1,66	
HTC Syndica	•	eds	33.35%	\$25,935	\$31.02	5,187,087	5,187,087	5,292,078	% of Dev. F	
Deferred Dev			5.43%	\$4,220	\$51.02 \$5.05	844,012	844,012	739,021		ee Delerred ·%
Additional (E	•		5.43% 4.55%	\$4,220 \$3,539	\$5.05 \$4.23	707,735	044,012	739,021	15-Yr Cumulat	
TOTAL SO		ao noqu	7.00 /0	ψο,σσσ	ψτ.Δ3	\$15,555,034	\$14,847,299	\$14,847,299	\$2,94	
101AL 30	ONOES					ψ10,000,004	ψ14,041,299	ψ14,047,299	φ2,94	,020

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MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Sea Breeze, Corpus Christi, 4% HTC #05404

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$46.05	\$7,699,788
Adjustments				
Exterior Wall Finish	4.80%		\$2.21	\$369,590
Seniors	5.00%		2.30	384,989
Roofing			0.00	0
Subfloor			(2.03)	(339,416
Floor Cover			2.00	334,400
Porches/Balconies	\$16.36	16050	1.57	262,578
Plumbing	\$605	0	0.00	0
Built-In Appliances	\$1,650	200	1.97	330,000
Stairs/Fireplaces			0.00	0
Enclosed Corridors			0.00	C
Heating/Cooling			1.53	255,816
Garages/Carports			0.00	C
Comm &/or Aux Bldgs	\$61.64	3,978	1.47	245,184
Other:			0.00	C
SUBTOTAL			57.07	9,542,929
Current Cost Multiplier	1.11		6.28	1,049,722
Local Multiplier	0.83		(9.70)	(1,622,298
TOTAL DIRECT CONSTRUC	CTION COST	rs	\$53.65	\$8,970,353
Plans, specs, survy, bld prm	3.90%		(\$2.09)	(\$349,844
Interim Construction Interest	3.38%		(1.81)	(302,749
Contractor's OH & Profit	11.50%		(6.17)	(1,031,591
NET DIRECT CONSTRUCTI	ON COSTS		\$43.58	\$7,286,169

PAYMENT COMPUTATION

Primary	\$7,855,000	Amort	480
Int Rate	6.60%	DCR	1.13
•			
Secondary	\$961,200	Amort	
Int Rate	0.00%	Subtotal DCR	1.13
Additional	\$5,187,087	Amort	
Int Rate		Aggregate DCR	1.13

		33 - 3	
COMMENDED FI	NANCING STR	UCTURE APPL	ICANT'S N
Primary Debt Service	\$558,580		
Secondary Debt Se	0		
Additional Debt Ser	0		
NET CASH FLOV	\$92,004		
Primary	\$7,855,000	Amort	480
Int Rate	6.60%	DCR	1.16
Secondary	\$961,200	Amort	0
Secondary	Int Rate 0.00%		
	0.00%	Subtotal DCR	1.16
	0.00%	Subtotal DCR	1.16
	0.00% \$5,187,087	Subtotal DCR Amort	0

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

INCOME a	t 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL O	GROSS RENT	\$1,263,600	\$1,301,508	\$1,340,553	\$1,380,770	\$1,422,193	\$1,648,711	\$1,911,308	\$2,215,730	\$2,977,756
Secondary In	ncome	32,496	33,471	34,475	35,509	36,575	42,400	49,153	56,982	76,579
Contractor's P	rofit	0	0	0	0	0	0	0	0	0
POTENTIAL O	GROSS INCOME	1,296,096	1,334,979	1,375,028	1,416,279	1,458,767	1,691,111	1,960,461	2,272,712	3,054,335
Vacancy & C	Collection Loss	(97,212)	(100,123)	(103,127)	(106,221)	(109,408)	(126,833)	(147,035)	(170,453)	(229,075)
Developer's G	8 & A	0	0	0	0	0	0	0	0	0
EFFECTIVE G	GROSS INCOME	\$1,198,884	\$1,234,855	\$1,271,901	\$1,310,058	\$1,349,360	\$1,564,278	\$1,813,427	\$2,102,259	\$2,825,260
EXPENSES a	at 4.00%									
General & Ad	dministrative	\$43,600	\$45,344	\$47,158	\$49,044	\$51,006	\$62,056	\$75,501	\$91,859	\$135,973
Management	t	59,900	61,697	63,548	65,455	67,418	78,156	90,604	105,035	141,159
Payroll & Pay	yroll Tax	158,000	164,320	170,893	177,729	184,838	224,883	273,605	332,882	492,747
Repairs & Ma	aintenance	52,600	54,704	56,892	59,168	61,535	74,866	91,086	110,820	164,041
Utilities		28,000	29,120	30,285	31,496	32,756	39,853	48,487	58,992	87,322
Water, Sewe	er & Trash	66,200	68,848	71,602	74,466	77,445	94,223	114,637	139,473	206,455
Insurance		64,000	66,560	69,222	71,991	74,871	91,092	110,827	134,838	199,594
Property Tax		0	0	0	0	0	0	0	0	0
Reserve for F	Replacements	50,000	52,000	54,080	56,243	58,493	71,166	86,584	105,342	155,933
Other		26,000	27,040	28,122	29,246	30,416	37,006	45,024	54,778	81,085
TOTAL EXPE	NSES	\$548,300	\$569,633	\$591,802	\$614,838	\$638,777	\$773,302	\$936,355	\$1,134,021	\$1,664,308
NET OPERAT	TING INCOME	\$650,584	\$665,222	\$680,100	\$695,220	\$710,583	\$790,976	\$877,072	\$968,238	\$1,160,952
DEBT	SERVICE									
First Lien Fina	ancing	\$558,580	\$558,580	\$558,580	\$558,580	\$558,580	\$558,580	\$558,580	\$558,580	\$558,580
Second Lien		0	0	0	0	0	0	0	0	0
Other Financir	ng	0	0	0	0	0	0	0	0	0
NET CASH FL	LOW	\$92,004	\$106,642	\$121,519	\$136,640	\$152,002	\$232,396	\$318,491	\$409,658	\$602,371
DEBT COVER	RAGE RATIO	1.16	1.19	1.22	1.24	1.27	1.42	1.57	1.73	2.08

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
quisition Cost				
chase of land	\$990,036	\$990,036		
chase of buildings	-			
habilitation/New Construction Cost				
-site work	\$1,281,528	\$1,281,528	\$1,281,528	\$1,281,528
-site improvements				
nstruction Hard Costs				
w structures/rehabilitation hard costs	\$6,578,434	\$7,286,169	\$6,578,434	\$7,286,169
ntractor Fees & General Requirements	•		_	
ntractor overhead	\$156,319	\$156,319	\$156,319	\$156,319
ntractor profit	\$468,958	\$468,958	\$468,958	\$468,958
neral requirements	\$468,958	\$468,958	\$468,958	\$468,958
ntingencies	\$416,564	\$416,564	\$392,998	\$416,564
gible Indirect Fees	\$596,000	\$596,000	\$596,000	\$596,000
gible Financing Fees	\$1,160,840	\$1,160,840	\$1,160,840	\$1,160,840
Ineligible Costs	\$739,398	\$739,398		
veloper Fees			\$1,665,605	
veloper overhead	\$563,421	\$563,421		\$563,421
veloper fee	\$1,126,843	\$1,126,843		\$1,126,843
evelopment Reserves	\$300,000	\$300,000		
DEVELOPMENT COSTS	\$14,847,299	\$15,555,034	\$12,769,640	\$13,525,600
uct from Basis:		\$15,555,034	\$12,769,640	\$13,5

Deduct from Basis:		
All grant proceeds used to finance costs in eligible basis		
B.M.R. loans used to finance cost in eligible basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units [42(d)(3)]		
Historic Credits (on residential portion only)		
TOTAL ELIGIBLE BASIS	\$12,769,640	\$13,525,600
High Cost Area Adjustment	130%	130%
TOTAL ADJUSTED BASIS	\$16,600,532	\$17,583,281
Applicable Fraction	100%	100%
TOTAL QUALIFIED BASIS	\$16,600,532	\$17,583,281
Applicable Percentage	3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS	\$585,999	\$620,690

Syndication Proceeds 0.8899 \$5,214,868 \$5,523,587

Total Credits (Eligible Basis Method) \$585,999 \$620,690

> **Syndication Proceeds** \$5,214,868 \$5,523,587

> > \$6,031,099

Requested Credits \$594,675

Syndication Proceeds \$5,292,078

Credit Amount \$677,719

Gap of Syndication Proceeds Needed





HOUSING TAX CREDIT PROGRAM 2005 HTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY

Texas Department of Housing and Community Affairs

Development Name: **Desert Pines** TDHCA#: 05402

DEVELOPMENT AND OWNER INFORMATION

Development Location: El Paso QCT: N DDA: N TTC: N

Development Owner: SAAHC Desert Pines Apartments, LP

General Partner(s): SAAHC Desert Pines Apartments GP, LLC, 100%, Contact: Rod Radle

Construction Category: Acqui/Rehab

Set-Aside Category: Tax Exempt Bond Bond Issuer: El Paso County HFC

Development Type: General

Annual Tax Credit Allocation Calculation

Applicant Request: \$270,871 Eligible Basis Amt: \$267,938 Equity/Gap Amt.: \$342,817

Annual Tax Credit Allocation Recommendation: \$267,938

Total Tax Credit Allocation Over Ten Years: \$2,679,380

PROPERTY INFORMATION

Unit and Building Information

Total Units: 180 HTC Units: 180 % of HTC Units: 100

Grees Square Footage: 122,927 Not Poptable Square Footage: 120,480

Gross Square Footage: 122,927 Net Rentable Square Footage: 120,480

Average Square Footage/Unit: 669 Number of Buildings: 22 Currently Occupied: Y

Development Cost

Total Cost: \$8,786,490 Total Cost/Net Rentable Sq. Ft.: \$72.93

Income and Expenses

Effective Gross Income: \$946,175 Ttl. Expenses: \$547,894 Net Operating Inc.: \$398,281

Estimated 1st Year DCR: 1.10

DEVELOPMENT TEAM

Consultant: Not Utilized Manager: Alpha-Barnes Real Estate Services

Attorney: Holland & Knight,LLP Architect: McCormick Architecture

Accountant: Novogradac & Company, LLP Engineer: Not Utilized

Market Analyst: Ipser & Associates Lender: Washington Mutual Contractor: Not Utilized Syndicator: National Equity Fund

PUBLIC COMMENT ²	
From Citizens:	From Legislators or Local Officials:
# in Support: 0	Sen. Eliot Shapleigh, District 29 - NC
# in Opposition: 3	Rep. Chente Quintanilla, District 75 - NC
	Mayor Joe Wardy - NC
	Joe Wardy, Mayor of El Paso; Development is consistent with the Consolidated
	Plan of the City of El Paso.

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^{1.} Gross Income less Vacancy

^{2.} NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT								
Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development 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 and rates of the proposed debt or syndication change, the transaction should be re-								
evaluated and an adjustment to the credit amounty may be warranted.								
3.								
$\frac{4}{5}$								
5.								
6. 7.								
7. 8.								
9.								
10.								
11.								
12.								
13.								
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).								
Robbye Meyer, Mgr. of Multifamily Finance Production Date Brooke Boston, Dir. of Multifamily Finance Production Date								
DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED								
ON:								
Score Utilization of Set-Aside Geographic Distrib. X Tax Exempt Bond Housing Type								
Other Comments including discretionary factors (if applicable).								
Educina D. Caminatan Engartina Director								
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).								

Elizabeth Anderson,

Chairperson Signature:

Date

Chairman of the Board

Applicant Evaluation

Project ID # 05402 Nam	e: Desert Pines	City: El Paso
LIHTC 9% ☐ LIHTC 4% ✓	HOME ☐ BOND ☐ HTF ☐	SECO ☐ ESGP ☐ Other ☐
☐ No Previous Participation in Texas	\square Members of the development	pment team have been disbarred by HUD
National Previous Participation	Certification Received: ✓ N/A	□ Yes □ No
Noncompliance Reported on Na	tional Previous Participation Certification:	☐ Yes ☐ No
	Portfolio Management and Compliance	e
Total # of Projects monitored:4	Projects in Material Noncompliance	# in noncompliance: 0
Projects zero to nine: 2	Yes No V	Projects not reported Yes
grouped ten to nineteen: 0	# monitored with a score less than thirty:	4 in application No 🗸
by score twenty to twenty-nine: 2	# not yet monitored or pending review:	1 # of projects not reported 0
Portfolio Monitoring	Single Audit	Contract Administration
Not applicable	Not applicable ✓	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Issues found regarding late cert	Unresolved issues found
Unresolved issues found that	Issues found regarding late audit	Unresolved issues found that
warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification	warrant disqualification (Comments attached)
Reviewed by Patricia Murphy	(Comments attached)	Date 4/28/2005
Multifamily Finance Production	Single Family Finance Production	Real Estate Analysis (Cost Certification and Workout)
Not applicable	Not applicable	Not applicable
Review pending	Review pending	Review pending
No unresolved issues	No unresolved issues	No unresolved issues
Unresolved issues found	Unresolved issues found	Unresolved issues found
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)
Reviewer S. roth	Reviewer	Reviewer
Date 3 /29/2005	Date	Date
Community Affairs	Office of Colonia Initiatives	Financial Administration
No relationship	Not applicable	No delinquencies found
Review pending	Review pending	Delinquencies found
No unresolved issues	No unresolved issues	•
Unresolved issues found	Unresolved issues found	
Unresolved issues found that warrant disqualification (Comments attached)	Unresolved issues found that warrant disqualification (Comments attached)	
Reviewer EEF	Reviewer	Reviewer Stephanie A. D'Couto
Date 3 /31/2005	Date	Date 3 /31/2005

Executive Director: Edwina Carrington Executed: Monday, May 09, 2005

DATE: May 17, 2005 **PROGRAM**: 4% HTC **FILE NUMBER**: 05402

	DEVELOPMENT NAME									
		De	esert Pines Ap	artments						
			APPLICA	NT						
Name:	SAAHC Dese	ert Pines Apartments, I	LP Type:	For-prof	it					
Address:	1215 South T	rinity	City:	San Ar	ntonio	Sta	te: TX			
Zip:	78207 Con	ntact: Rod Radle	Phon	: (210)	224-2349	Fax: (210)	224-9686			
		PRINCIPALS o	f the APPLICAN	T/ KEY PARTIO	CIPANTS					
Name:	SAAHC Dese	ert Pines Apartments G	P, LLC (%	6): 0.01	Title:	Managing Gen	eral Partner			
Name:	San Antonio	Alternative Housing C	orporation (%	o): N/A	Title:	Developer				
Name:	Diana Mclver	r and Associates, Inc.	(%	o): N/A	Title:	Consultant				
			PROPERTY LOG	CATION						
Location:	1450 George	Dieter Drive				QCT	□ DDA			
City:	El Paso		County:	El Paso		Zip:	79936			
			REQUES	Γ						
_	<u>Amount</u>	Interest Ra	<u>te</u>		<u>Amortization</u>		<u>m</u>			
1)	\$270,871	N/A		N/A		N/A	A			
Other Requ	iested Terms:	Annual ten-year alloc	cation of housing	tax credits						
_	se of Funds:	Acquisition/rehab	Prop	Property Type: Multifamily						
Special Pur	rpose (s): Ge	eneral population								
			RECOMMEND	ATION						
IXI		O APPROVAL OF A					O EXCEED			
\$2	267,938 ANN	UALLY FOR TEN			NDITIONS	S.				
1. S	hould the term	ns and rates of the pro	CONDITIO		shanga tha	transaction sho	uld be re			
		n adjustment to the c				transaction sho	uiu be ie-			
		3	REVIOUS UNDEF	•						
No previo	ous reports.									
DEVELOPMENT SPECIFICATIONS										
		DEVEL	IMPROVEME							
Total Units:	# Rental Buildings	22 # Non-Res. Buildings 1	# of	age: <u>22</u> yrs	Vacant:	<u>29</u> at 11/	3/ 2004			
Net Rentab	Net Rentable SF: 120,480 Av Un SF: 669 Common Area SF: 2,447 Gross Bldg SF: 122,927									

STRUCTURAL MATERIALS

The structure is wood frame on a concrete slab on grade. According to the plans provided in the application the exterior is comprised as follows: 60% brick veneer, 22% cement fiber siding, and 18% wood trim. The interior wall surfaces is drywall and the pitched roof is finished with asphalt composite shingles.

APPLIANCES AND INTERIOR FEATURES

The interior flooring is a combination of carpeting & vinyl tile. Each unit will include: range & oven, hood & fan, dishwasher, refrigerator, tile tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters and individual evaporative coolers.

ONSITE AMENITIES

A 2,447-square foot community building will include a community room, maintenance, laundry facilities and a computer center. The community building, swimming pool, and equipped children's play area are located at the middle of the property.

Uncovered Parking: 325 spaces Carports: N/A spaces Garages: N/A spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

<u>Description</u>: Desert Pines is a 24.7-unit per acre acquisition and rehabilitation development of 180 units of affordable housing located in east El Paso. The development was built in 1983 and is comprised of 22 evenly distributed medium garden style residential buildings as follows:

- 7 Building Type A with 8 one-bedroom/one-bath units;
- 14 Building Type B with 8 two-bedroom/one-bath units;
- 1 Building Type C with 12 one-bedroom/one-bath units;

Existing Subsidies:

The property currently has a total of 29 units that are occupied with Section 8 Vouchers.

Development Plan: The buildings are currently 84% occupied and the proposed renovation is planned to improve the complex to good or better quality Multiple Residences. The Developer plans to repair sidewalks, the asphalt driveways, the pool area and replace playground equipment. The exterior work includes repair/replacement of balconies and second floor sub floors, cleaning and repair of existing brick, replacement of wood siding with hardiplank siding and trim, new gutters and roof repair, and replacement of all windows with energy efficient units. Electrical work includes installation of GFCI's in all kitchens, installation of ceiling fans in all bedroom and living areas, and replacement of all smoke detectors. Plumbing work includes repair/replacement of sinks, sink and tub hardware, and water heaters. All evaporative coolers will be replaced along with repair/replacement of copper lines and cleaning of ducts. The interior will be improved with new carpet, repair/replacement of vinyl flooring, and replacement of interior doors with more attractive 6-panel colonist doors. Damaged appliances, including refrigerators, stoves, vent-a-hood and dishwashers, will be repaired or replaced along with cabinetry and counter tops. Existing disposals will be removed. Wallpaper will be removed and sheetrock will be repaired, taped, textured and painted.

Tenants will be able to remain in their units during the rehabilitation.

<u>Architectural Review:</u> The building and unit plans are of good design, sufficient size and are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings with nice fenestration.

	SITE ISSUES							
	SITE DESCRIPTION							
Size:	7.29	acres	317,552	square feet Zoning/ Permitted Uses: A-O				
Flood Zone Designation:		Zone C	Status of Off-Sites: Fully improved					

SITE and NEIGHBORHOOD CHARACTERISTICS

<u>Location</u>: The site is a rectangularly-shaped parcel located in the east area of El Paso, approximately fifteen miles from the central business district. The site is situated on the east side of George Dieter Drive.

Adjacent Land Uses:

- North: St. Martin Funeral Home immediately adjacent and Dieter Village Plaza beyond;
- South: vacant land immediately adjacent and Stone Ridge residential development beyond;
- East: residential development immediately adjacent and more residential development beyond; and
- West: George Dieter Drive immediately adjacent and residential development beyond.

<u>Site Access</u>: Access to the property is from the north or south from George Dieter Drive. The development has one main entry off of George Dieter Drive. Access to Interstate Highway 10 is just over one mile south, which provides connections to all other major roads serving the El Paso area.

<u>Public Transportation</u>: The availability of public transportation was not identified in the application materials.

Shopping & Services: The site has good access to schools and employment, as well as a wide variety of shopping for convenience and specialty goods. Access to medical facilities is somewhat more distant, but easily accessible via the Interstate 10.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on February 8, 2005 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated December 21, 2004 was prepared by Licon Engineering Co. which indicates that no issues of environmental concern exist with regard to the site and that there is no condition or circumstance that warrants further investigation or analysis.

POPULATIONS TARGETED

<u>Income Set-Aside</u>: 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 the Applicant has elected the 100% of units at 60% AMGI due to the fact that they are located in census tract with median income higher than surrounding MSA, PMSA, or county. All of the units will be reserved for low-income tenants.

	MAXIMUM ELIGIBLE INCOMES							
1 Person 2 Per				3 Persons	4 Persons	5 Persons	6 Persons	
	60% of AMI	\$17,820	\$20,340	\$22,920	\$25,440	\$27,480	\$29,520	

MARKET HIGHLIGHTS

A market feasibility study dated December 9, 2004 was prepared by Ipser & Associates, Inc. ("Market Analyst") and highlighted the following findings:

<u>Definition of Primary Market Area (PMA)</u>: The boundaries are Highway 62 to the north, Zaragoza and Joe Battle and city limits of Socorro to the east, the Texas border to the south and Catnip to Balsam to the west. This area encompasses approximately 59 square miles and is equivalent to a circle with a radius of 4.3 miles.

Population: The estimated 2000 population of the PMA was 228,583 and is expected to increase by 8% to approximately 246,983 by 2005. Within the primary market area there were estimated to be 75,001

households in 2005. The primary market area exceeds the 100,000 limit under the Department's market study requirements.

<u>Total Primary Market Demand for Rental Units</u>: The Market Analyst calculated a total demand of 1,594 qualified households in the PMA, based on the current estimate of 75,001 households, the projected annual growth rate of 2%, renter households estimated at 31% of the population, income-qualified households estimated at 13%, and an annual renter turnover rate of 47 %. (Ex. N-1). The Market Analyst used an income band of \$13,611 to \$22,900. The Underwriter considered a market area with the same characteristics but reduced in size to include only 100,000 persons.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY						
Market Analyst Underwriter						
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand		
Household Growth	51	3%	19	3%		
Resident Turnover	1,399	88%	568	97%		
Other Sources: 10% from other sources	145	9%	0	0%		
TOTAL ANNUAL DEMAND	1,594	100%	587	100%		

Ref: Ex. M-1

Inclusive Capture Rate: "With the 298 newly built and approved 1 & 2 bedroom HTC units in the market area, the total of 353 unstabilized HTC units represents 22.1% of the income qualified households. This total excludes 3 and 4 bedroom units in unstabilized HTC locations. The subject included only 55 units which included 28 vacant units, less three pre-leased units and the 30 units which are presently occupied by tenants who will be overqualified for tax credit rents." (p. 3-4 & 3-5). The Market Analyst calculated an inclusive capture rate of 22.1% based upon 1,594 units of demand and 353 unstabilized affordable housing in the PMA (including the subject). The Underwriter generally has concerns about the large primary market area and limits used to derive unstabilized supply. However, the subject development is currently 84% occupied and it is "safe to anticipate that between 60% and 70% of the occupied units contain families that are at or below the 60% Income Limits" (Appendix 1), and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development. The proposed rehabilitation development is also within one mile of two developments funded in the last three years; however, the subject is not new construction, nor is it located in a county that requires application of the one mile, three year rule.

<u>Market Rent Comparables</u>: The Market Analyst surveyed five comparable apartment projects totaling 976 units in the market area.

RENT ANALYSIS (net tenant-paid rents)							
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differential							
1-Bedroom (50%)	\$335	\$335	\$0	\$445	-\$110		
1-Bedroom (60%)	\$395	\$415	-\$20	\$445	-\$50		
2-Bedroom (60%)	\$502	\$502	\$0	\$550	-\$48		

(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)

<u>Primary Market Occupancy Rates</u>: "The market area's 14,543 multi-family units were 91.2% occupied" (p. 3-2)

<u>Absorption Projections</u>: "Average absorption for the subject is estimated at eight to ten units per month. It is expected that a five to six month lease-up period will be required to fill a total of 55 units." (p. 3-5)

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the information provided by the Market Analyst to provide sufficient market information on which to base a funding recommendation

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's rent projections are slightly lower than the maximum rents allowed under HTC guidelines due to the Applicant using a lower maximum gross rent figure in his rent schedule. There is the potential for additional income (approximately \$13.9K) if the Applicant chooses to increase rents to the maximum allowed, and the market study information suggests that the market could support rents at the rent limit maximums. Therefore, the Underwriter used the higher maximum rents for this analysis. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result of these differences the Applicant's effective gross income estimate is \$12.9 less than the Underwriter's estimate.

Expenses: The Applicant's total expense estimate of \$2,906 per unit compares favorably with the Underwriter's estimate of \$3,044 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 (\$11.4K lower), payroll (\$35.9K lower), repairs and maintenance (\$27.6K higher), water, sewer, and trash (\$23.2K higher), insurance (\$13.3K higher). The Property Condition Assessment (PCA) provider (EMG) estimated the required reserve for replacement cost after the rehabilitation is complete to be \$382 per unit per year. The Applicant also anticipates receiving a 50% property tax exemption, which is a reasonable assumption based upon the city loans and non-profit status of the General Partner.

<u>Conclusion</u>: The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's 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 the TDHCA underwriting guidelines of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION					
	APPRAISED VALUE				
Land Only: (7.29) acres	\$555,000	Date of Valuation:	12/	28/	2004
Existing Building(s): "as is"	\$4,185,000	Date of Valuation:	12/	28/	2004
Total Development: "as is"	\$4,740,000	Date of Valuation:	12/	28/	2004
Appraiser: Novogradac & Compa	nny City: Austin	Phone:	(512)	231-0)158

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Kevin W. Watkins, Certified General Real Estate Appraiser and dated December 16, 2004. The appraisal provides three values: "as-is", "prospective value" (as completed), and land value. For the "as-is" valuation, the primary approach used was the sales comparison approach. In this case the value and purchase price are different. Based upon the solid quality comparable land sales the value of the underlying land was valued at \$555,000 or 12% of the total appraised value. Due to the quality of the comparable sales the appraisal provides a reasonable estimation of land value.

ASSESSED VALUE					
Land: (7.29) acres	\$406,634	Assessment for t	he Year of: 2004		
Building:	\$3,203,901	Valuation by:	El Paso County Appraisal District		
Total Assessed Value:	\$3,610,535	Tax Rate:	3.090401		

EVIDENCE of SITE or PROPERTY CONTROL						
Type of Site Control: Commercial Contract – Improved Property (7.29 acres)						
Contract Expiration Date:	ct Expiration Date: 5/ 3/ 2005 Anticipated Closing Date: 5/ 3/ 2005					
Acquisition Cost:	\$5,000,000 Other Terms/Conditions: Earnest Money: \$85,000					
Seller: La Mesa Grande, Inc. Related to Development Team Member: No						

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant claimed eligible basis based upon a building value percentage of 90% applied to the contract price or \$4,500,000. The appraisal concluded the "as-is" market value of the land to be \$555,000 or 11.7% of the total appraised value leaving 88.3% for the buildings. When this percentage is applied to the arm's length sales price a prorata building value of \$4,414,557 is calculated. The prorata \$585,443 land value is greater than to the assessed value for the land. Thus, the Underwriter has used the most conservative building value approach of using prorata appraised value for the eligible acquisition cost of the existing buildings of \$4,414,557, or 88.3% of the total value of the subject property. This results in an \$85,443 reduction in basis as compared to the Applicant's budget.

<u>Off-Site Costs</u>: The Applicant claimed off-site costs of \$2,500 for off-site concrete and provided sufficient third party certification through a Registered Engineer's statement to justify these costs.

<u>Sitework Cost</u>: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$233,200, which is slightly higher than the estimate in the PCA which totaled \$221,588.

<u>Direct Construction Cost</u>: The Applicant's scope of work is detailed and consistent with the cost breakdown. The PCA costs appear reasonable but provide slightly higher direct construction cost total of \$1,073,697 and this is the basis of the Underwriter's cost analysis.

<u>Interim Financing Fees</u>: Underwriter reduced the Applicant's eligible interim financing fees by \$7,350 to reflect an apparent overestimation of eligible construction loan interest and to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent reduction to the Applicant's eligible basis estimate.

<u>Fees:</u> The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: As is the case with most rehabilitation transactions the Applicant's total development cost estimate is within 5% of the Underwriter's estimate due to the use of the PCA supplied by the Applicant for verification of the Applicant's costs. Therefore, the Underwriter's costs are in essence the Applicant's costs adjusted for any miscalculated eligible basis. In this case the PCA costs provide a slightly higher eligible basis but the lower eligible acquisition basis overwhelms this increase. As a result an eligible basis of \$7,590,322 is used to determine a credit allocation of \$267,938 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

INTERIM TO PERMANENT BOND FINANCING					
Source: Washington Mutual Contact: Mahesh Aiyer					
Tax-Exempt Amount: \$5,050,000 Interest Rate: 5.30%					
Additional Information: Rate will be based on the applicable FHLB CIP rate à 175% adjusted to a tax-exempt rate					
Amortization: 30 yrs Term: 20 yrs Commitment: LOI Firm Conditional					
Annual Payment: \$342,500 Lien Priority: 1st Date: 12/ 29/ 2004					
PERMANENT FINANCING					
Source: City of El Paso Contact: Jaime Herrera					
Principal Amount: \$720,000 Interest Rate: 0%					
Additional Information:					
Amortization: 30 yrs Term: 30 yrs Commitment: LOI Firm Conditional					
Annual Payment: \$24,000 Lien Priority: 2nd Date: 12/ 29/ 2004					
GRANT					
Source: City of El Paso Contact: Jaime Herrera					
Principal Amount: \$180,000 Commitment: LOI Firm Mark Conditional					
Additional Information: Commitment Date 12/ 29/ 2004					
TAX CREDIT SYNDICATION					
Source: National Equity Fund Contact: Dan Wendle					
Net Proceeds: \$2,383,426 Net Syndication Rate (per \$1.00 of 10-yr HTC) 88¢					
Commitment:					
APPLICANT EQUITY					
Amount: \$453,064 Source: Deferred Developer Fee					
FINANCING STRUCTURE ANALYSIS					
Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by the County of El Paso					
Housing Finance Corporation and purchased by Washington Mutual. The permanent financing commitment					
is consistent with the terms reflected in the sources and uses of funds listed in the application.					

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

HOME Loan: The City of El Paso HOME loan in the amount of \$900,000 will carry no interest for a term of 30 years, amortization of 30 years for \$720,000 and forgiveness of the remaining \$180,000.

<u>Deferred Developer's Fees:</u> The Applicant's proposed deferred developer's fees of \$453,064 amount to 47% of the total fees.

<u>Financing Conclusions</u>: Based on the Underwriter's adjusted estimate of eligible basis, the HTC allocation should not exceed \$267,938 annually for ten years, resulting in syndication proceeds of approximately \$2,357,622. Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to \$478,868, which represents approximately 50% of the eligible fee and which should be repayable from cash flow within ten years. 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.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and Supportive Services firm are all related entities. These are common relationships for HTC-funded developments.

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

Financial Highlights:

• The Developer, San Antonio Alternative Housing Corporation, submitted an unaudited financial statement as of October 31, 2004 reporting total assets of \$7.5M and consisting of \$5.4M in current assets, \$1.1M in fixed assets, and \$1.0M in other assets. Liabilities totaled \$2.2M, resulting in a net worth of \$5.2M.

Background & Experience:

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The Developer has completed five HTC/affordable housing developments totaling 948 units since 1992.
- Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

• The anticipated ad valorem property tax exemption may not be received or may be reduced, which could affect the financial feasibility of the development.

Underwriter:		Date:	May 17, 2005
	Carl Hoover		
Director of Real Estate Analysis:		Date:	May 17, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

				De	esert Pines, I	El Paso, HTC #0	54UZ			
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, Trs
TC (50%)	10	1	1	520	\$397	\$335	\$3,350	\$0.64	\$62.00	\$24.17
TC (60%)	58	1	1	520	477	415	24,070	0.80	62.00	24.17
TC (60%)	112	2	1	760	573	502	56,224	0.66	71.00	27.17
TOTAL:	180		AVERAGE:	669	\$532	\$465	\$83,644	\$0.69	\$67.60	\$26.04
INCOME		Total Net Re	entable Sq Ft:	120,480		TDHCA	APPLICANT	Con	nptroller's Region	13
POTENTIAL	GROSS	RENT				\$1,003,728	\$989,808		IREM Region	El Paso
Secondary I	ncome		Р	er Unit Per Month:	\$8.87	19,164	19,164	\$8.87	Per Unit Per Month	
Other Suppo		'				0				
POTENTIAL						\$1,022,892	\$1,008,972			_
Vacancy & C			of Poten s or Concess	tial Gross Income:	-7.50%	(76,717)	(75,672)	-7.50%	of Potential Gross	Rent
EFFECTIVE			is of Concess	510115		\$946,175	\$933,300			
EXPENSES		IIVOONL	% OF EGI	PER UNIT	PER SQ FT	ψ540,170	ψ300,000	PER SQ FT	PER UNIT	% OF EGI
General & A	-	/e	4.29%	\$226	0.34	\$40,604	\$29,160	\$0.24	\$162	3.12%
Managemen			5.92%	311	0.46	55,996	37,354	0.31	208	4.00%
Payroll & Pa			16.47%	866	1.29	155,836	119,959	1.00	666	12.85%
Repairs & M	-		5.26%	276	0.41	49,759	77,400	0.64	430	8.29%
Utilities	annonanoe	•	3.23%	170	0.41	30,584	22,274	0.18	124	2.39%
	ar & Trook					41,328	64,566			
Water, Sewe			4.37% 3.18%	230 167	0.34 0.25	30.120	43,380	0.54 0.36	359 241	6.92% 4.65%
Property Ins		3.090401				49,708	49,708			
Property Tax Reserve for			5.25% 7.27%	276 382	0.41 0.57	68,760	54,000	0.41 0.45	276 300	5.33% 5.79%
Other: comp		71110	2.66%	140	0.37	25,200	25,200	0.43	140	2.70%
TOTAL EXF			57.91%	\$3,044	\$4.55	\$547,894	\$523,001	\$4.34	\$2,906	56.04%
NET OPERA		C	42.09%	\$2,213	\$3.31	\$398,281	\$410,299	\$3.41	\$2,900	43.96%
DEBT SER		O	42.0376	φ2,213	φυ.υ ι	ψ330,201	ψ+10,299	\$3.41	\$2,219	43.90 /6
Washington N			35.57%	\$1,870	\$2.79	\$336,515	\$342,500	\$2.84	\$1,903	36.70%
City of El Pas			2.54%	\$1,870	\$0.20	24,000	24,000	\$0.20	\$1,903	2.57%
City of El Pas			0.00%	\$0	\$0.00	0	21,000	\$0.00	\$0	0.00%
NET CASH			3.99%	\$210	\$0.31	\$37,766	\$43,799	\$0.36	\$243	4.69%
AGGREGATE		VFRAGE R			• • • • • • • • • • • • • • • • • • • •	1.10	1.12			
RECOMMEN							1.14			
CONSTRUC	CTION CC	<u>IST</u>								
Descrip	otion	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition (Cost (site o	r bldg)	56.84%	\$27,778	\$41.50	\$5,000,000	\$5,000,000	\$41.50	\$27,778	56.91%
Off-Sites			0.03%	14	0.02	2,500	2,500	0.02	14	0.03%
Sitework			2.52%	1,231	1.84	221,588	233,200	1.94	1,296	2.65%
Direct Cons	truction		12.21%	5,965	8.91	1,073,697	1,052,370	8.73	5,847	11.98%
Contingency		9.65%	1.42%	694	1.04	125,000	125,000	1.04	694	1.42%
General Red		5.75%	0.85%	414	0.62	74,465	74,465	0.62	414	0.85%
Contractor's	G&A	1.93%	0.28%	139	0.21	25,000	25,000	0.21	139	0.28%
Contractor's		5.75%	0.85%	414	0.62	74,465	74,465	0.62	414	0.85%
Indirect Con	struction		2.91%	1,424	2.13	256,400	256,400	2.13	1,424	2.92%
Ineligible Co			3.73%	1,822	2.72	327,940	327,940	2.72	1,822	3.73%
Developer's		1.48%	1.11%	545	0.81	98,058	0	0.00	0	0.00%
Developer's Developer's		13.00%	9.80%	4,789	7.15	861,942	960,000	7.97	5,333	10.93%
nterim Fina		13.00 /0	4.15%	2,029	3.03	365,150	365,150	3.03	2,029	4.16%
Reserves	o.ig		3.30%			290,000	290,000	2.41	2,029 1,611	3.30%
Reserves TOTAL COS	ST		100.00%	1,611 \$48,868	2.41 \$73.01	\$8,796,205	\$8,786,490	\$72.93	\$48,814	100.00%
Recap-Hard		ion Costs	18.12%	\$8,857	\$13.23	\$1,594,215	\$1,584,500	\$13.15	\$8,803	18.03%
SOURCES			10.1270	40,007	ų.u.	Ţ.,00-1,Z 10	Ţ.,30 - ,000	RECOMMENDED	40,000	.3.0078
		<u> </u>	E7 //10/	\$20 AFE	\$44.00	\$5,050,000	\$5,050,000	\$5,050,000	Dovelene: F	no Aveilahl-
Washington N			57.41%	\$28,056	\$41.92 \$5.00				Developer F	
City of El Pas			8.19%	\$4,000	\$5.98	720,000	720,000	720,000	\$960	JUU
City of El Pas		do	07.1001	640.04 :	040.70	180,000	180,000	180,000	0/ /5 =	- D. (
HTC Syndicat			27.10%	\$13,241	\$19.78	2,383,426	2,383,426	2,357,622	% of Dev. Fo	
Deferred Dev	•		5.15%	\$2,517	\$3.76	453,064	453,064	478,868	50	
Additional (Ex	,	as Req'd	0.11%	\$54	\$0.08	9,715	0	0	15-Yr Cumulat	
TOTAL SOL	JKCES					\$8,796,205	\$8,786,490	\$8,786,490	\$1,493	5.b2()

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\$8,796,205

\$8,786,490

\$1,493,620

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Desert Pines, El Paso, HTC #05402

PAYMENT COMPUTATION

Primary	\$5,050,000	Amort	360
Int Rate	5.30%	DCR	1.18

Secondary	\$720,000	Amort	360
Int Rate	0.00%	Subtotal DCR	1.10

Additional	\$2,383,426	Amort	
Int Rate		Aggregate DCR	1.10

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

 Primary Debt Service
 \$336,515

 Secondary Debt Service
 24,000

 Additional Debt Service
 0

 NET CASH FLOW
 \$49,784

Primary	\$5,050,000	Amort	360
Int Rate	5.30%	DCR	1.22

Secondary	\$720,000	Amort	360
Int Rate	0.00%	Subtotal DCR	1.14

Additional	\$2,383,426	Amort	0
Int Rate	0.00%	Aggregate DCR	1.14

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		\$1,003,728	\$1,033,840	\$1,064,855	\$1,096,801	\$1,129,705	\$1,309,637	\$1,518,229	\$1,760,043	\$2,365,351
Secondary Income		19,164	19,739	20,331	20,941	21,569	25,005	28,987	33,604	45,161
Other Support Income: (describ		0	0	0	0	0	0	0	0	0
POTENTIAL GR	ROSS INCOME	1,022,892	1,053,579	1,085,186	1,117,742	1,151,274	1,334,642	1,547,216	1,793,647	2,410,512
Vacancy & Col	llection Loss	(76,717)	(79,018)	(81,389)	(83,831)	(86,346)	(100,098)	(116,041)	(134,524)	(180,788)
Employee or C	Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GR	ROSS INCOME	\$946,175	\$974,560	\$1,003,797	\$1,033,911	\$1,064,928	\$1,234,544	\$1,431,175	\$1,659,124	\$2,229,724
EXPENSES at	4.00%									
General & Administrative		\$40,604	\$42,228	\$43,917	\$45,674	\$47,501	\$57,792	\$70,313	\$85,547	\$126,630
Management		55,996	57,676	59,406	61,188	63,024	73,062	84,699	98,189	131,958
Payroll & Payro	Payroll & Payroll Tax		162,069	168,552	175,294	182,306	221,803	269,857	328,323	485,998
Repairs & Mair	ntenance	49,759	51,749	53,819	55,972	58,211	70,822	86,166	104,834	155,180
Utilities		30,584	31,808	33,080	34,403	35,779	43,531	52,962	64,437	95,382
Water, Sewer	& Trash	41,328	42,981	44,700	46,488	48,347	58,822	71,566	87,071	128,886
Insurance		30,120	31,325	32,578	33,881	35,236	42,870	52,158	63,458	93,934
Property Tax		49,708	51,696	53,764	55,915	58,151	70,750	86,078	104,727	155,022
Reserve for Replacements		68,760	71,510	74,371	77,346	80,439	97,867	119,070	144,867	214,438
Other		25,200	26,208	27,256	28,347	29,480	35,867	43,638	53,093	78,590
TOTAL EXPENSES		\$547,894	\$569,250	\$591,443	\$614,507	\$638,475	\$773,187	\$936,508	\$1,134,545	\$1,666,018
NET OPERATING INCOME		\$398,281	\$405,310	\$412,354	\$419,404	\$426,453	\$461,357	\$494,667	\$524,579	\$563,706
DEBT S	SERVICE									
First Lien Financing		\$336,515	\$336,515	\$336,515	\$336,515	\$336,515	\$336,515	\$336,515	\$336,515	\$336,515
Second Lien		24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Other Financing		0	0	0	0	0	0	0	0	0
NET CASH FLOW		\$37,766	\$44,796	\$51,839	\$58,890	\$65,938	\$100,843	\$134,153	\$164,064	\$203,191
DEBT COVERAGE RATIO		1.10	1.12	1.14	1.16	1.18	1.28	1.37	1.46	1.56

LIHTC Allocation Calculation - Desert Pines, El Paso, HTC #05402

Applicable Fraction

	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA	APPLICANT'S	TDHCA
	TOTAL	TOTAL	ACQUISITION	ACQUISITION	REHAB/NEW	REHAB/NEW
CATEGORY	AMOUNTS	AMOUNTS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS	ELIGIBLE BASIS
(1) Acquisition Cost	1					******************************
Purchase of land	\$500,000	\$585,443				
Purchase of buildings	\$4,500,000	\$4,414,557	\$4,500,000	\$4,414,557		
(2) Rehabilitation/New Construction Cost						
On-site work	\$233,200	\$221,588			\$233,200	\$221,588
Off-site improvements	\$2,500	\$2,500				
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$1,052,370	\$1,073,697			\$1,052,370	\$1,073,697
(4) Contractor Fees & General Requirements						
Contractor overhead	\$25,000	\$25,000			\$25,000	\$25,000
Contractor profit	\$74,465	\$74,465			\$74,465	\$74,465
General requirements	\$74,465	\$74,465			\$74,465	\$74,465
(5) Contingencies	\$125,000	\$125,000			\$125,000	\$125,000
(6) Eligible Indirect Fees	\$256,400	\$256,400			\$256,400	\$256,400
(7) Eligible Financing Fees	\$365,150	\$365,150			\$365,150	\$365,150
(8) All Ineligible Costs	\$327,940	\$327,940				
(9) Developer Fees						
Developer overhead		\$98,058		\$65,288		\$32,770
Developer fee	\$960,000	\$861,942	\$644,194	\$573,892	\$315,806	\$288,049
(10) Development Reserves	\$290,000	\$290,000				
TOTAL DEVELOPMENT COSTS	\$8,786,490	\$8,796,205	\$5,144,194	\$5,053,738	\$2,521,856	\$2,536,584
Deduct from Basis:						
All grant proceeds used to finance costs in eligit	nle hasis					
B.M.R. loans used to finance cost in eligible bas						
Non-qualified non-recourse financing	513					
Non-qualified portion of higher quality units [42(
Historic Credits (on residential portion only)	u)(3)]					
TOTAL ELIGIBLE BASIS			\$5,144,194	\$5,053,738	\$2,521,856	\$2,536,584
		φυ, 144, 194	φυ,υυυ,7 30	100%	φ2,536,564 100%	
High Cost Area Adjustment		PE 111 101	¢ E 0E2 700	,.		
TOTAL ADJUSTED BASIS		\$5,144,194	\$5,053,738	\$2,521,856	\$2,536,584	

TOTAL QUALIFIED BASIS		\$5,144,194	\$5,053,738	\$2,521,856	\$2,536,584
Applicable Percentage		3.53%	3.53%	3.53%	3.53%
TOTAL AMOUNT OF TAX CREDITS		\$181,590	\$178,397	\$89,022	\$89,541
Syndication Proceeds	0.8799	\$1,597,833	\$1,569,736	\$783,311	\$787,886
Total Credits (Eligib			\$270,612	\$267,938	
Sync			\$2,381,144	\$2,357,622	

100%

100%

100%

100%

\$270,871 **Requested Credits Syndication Proceeds** \$2,383,426 \$3,016,490 **Gap of Syndication Proceeds Needed** Credit Amount \$342,817

1" = 1.58 mi

Data Zoom 11-0



MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST May 26, 2005

Action Items

Request approval of the proposed Qualified Contract Policy (10 TAC §1.9) to be released as a rule in draft form for public comment.

Required Action

Approve the proposed Qualified Contract Policy for release as a rule (10 TAC §1.9) in draft form for public comment.

Background and Recommendations

The Omnibus Budget Reconciliation Act of 1989 required that all properties that received an allocation of Housing Tax Credits (HTC) after January 1, 1990 were subject to an extended use period that lengthened the time that HTC properties were required to maintain affordability from 15 to 30 years. In an effort to ease concerns of owners about the economic viability of maintaining affordability without additional subsidy, the Act provided a vehicle for owners to exit the program after the initial 15 year compliance period. Pursuant to §42(h)(6)(E) of the Internal Revenue Code, after the end of the 14th year of the compliance period, the owner of a development utilizing housing tax credits can request that the allocating agency find a buyer at the qualified contract price. If a buyer can not be located by the allocating agency within one year, the extended use commitment will expire. Because neither the Code nor Qualified Allocation Plan and Rules include the details of how these requests would be handled, this rule is necessary to provide the procedures for the submittal and review of these requests.

Prior to drafting this rule, staff conducted a review of the qualified contract policies published by several states. Generally, there are two different means by which states are administering the qualified contract process. States that are requiring extensive documentation so that a qualified contract price can be calculated by a third party accounting firm hired by the state include North Carolina, Virginia and Colorado. The cost associated with the calculation of the price is paid by the owner. This method allows the state to be confident that the price is accurately calculated.

States that are providing worksheets to the owner to calculate the qualified contract price include Washington, Florida, North Dakota and South Dakota. The owner's CPA must certify to the price and the state will not perform their own calculation or hire a third party to do so unless the documentation does not support the price indicated. This would alleviate the burden of the state administering the request for qualifications/proposals process. However, there may be a risk in the reliance of the qualified contract price because the CPA completing the calculation is hired by the owner. There may be chance of price inflation and the state may still want to perform its own evaluation of the price.

Staff believes that the best practice would be to rely on a CPA hired by the owner to calculate the qualified contract price. The CPA hired by the owner must be a third party and must certify that they are

not receiving compensation for a predetermined outcome. The CPA must also certify that they have reviewed all partnership tax returns, partnership agreements and loan documents in the calculation.

The Department will reserve the right to request all documentation used by the CPA in calculating the qualified contract price. If the documentation does not support the price indicated by the CPA, the Department may engage its own CPA to perform a QC Price calculation. As proposed in this rule, cost of such service will be paid for by the owner. If an owner is unsatisfied with the price calculated by the Department, the owner will have an opportunity to appeal. In any case, the one year period for the Department to locate a qualified contract will not commence until the owner and Department have agreed to the qualified contract price in writing. This determination of when the one year period begins has been affirmed and approved with the Department's tax counsel.

The Department has collaborated with federal tax counsel in the creation of this rule.

This rule is subject to modification to comply with IRS rules and guidance, if and when issued. Upon approval by the Board, the draft Qualified Contract Policy will be published in the *Texas Register* and released to the public for comment. The final rule will come before the Board no later than August 2005.



Housing Tax Credit (HTC) Program Qualified Contract Policy Title 10, Part 1, Chapter 1, Subchapter A, Section 1.9 Texas Administrative Code

- (a) **Purpose.** Pursuant to §42(h)(6)(E) of the Internal Revenue Code, after the end of the 14th year of the compliance period, the owner of a development utilizing housing tax credits can request that the allocating agency find a buyer at the qualified contract price. If a buyer can not be located within one year, the extended use commitment will expire. This rule provides the procedures for the submittal and review of the qualified contract requests.
- (b) **Definitions.** Many of the terms used in this section are defined in the Department's Housing Tax Credit Program Qualified Allocation Plan and Rules, known as the "QAP". Those terms that are not defined in the QAP or which may have another meaning when used in this section shall have the meaning set forth in this subsection unless the context clearly indicates otherwise.
- (1) **Code** The Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued thereunder by the United States Department of Treasury or the Internal Revenue Service.
- (2) **Compliance Period** With respect to a building, the period of 15 taxable years, beginning with the first taxable year of the credit period pursuant to the Code, §42(i)(1).
 - (3) **Department** The Texas Department of Housing and Community Affairs.
- (4) **Extended Use Period** The period beginning with the first day of the Compliance Period and ending on the date which is 15 years after the end of the Initial Affordability Period.
- (5) **Initial Affordability Period** The Compliance Period or such longer period as shall have been elected by the owner as the minimum period for which units in the development shall be retained for low-income tenants and rent restricted, as set forth in the LURA.
- (6) Land Use Restriction Agreement (LURA) An agreement between the Department and the owner which is binding upon the owner's successors in interest, that encumbers the development with respect to the requirements of Chapter 2306, Texas Government Code, and the requirements of the Code, §42.
- (7) One Year Period (1YP) Period commencing on the date on which the Department and the owner agree to the Qualified Contract price in writing and lasting twelve calendar months.
- (8) **Qualified Contract (QC)** A bona fide contract to acquire the non-low-income portion of the building for fair market value and the low-income portion of the building for an amount not less than the applicable fraction (specified in the LURA) of the calculation as defined within \$42(h)(6)(F) of the Code.

- (9) **Qualified Contract Price (QC Price)** Calculated purchase price of the development as defined within §42(h)(6)(F) of the Code and as further delineated in subsection (g) hereof.
- (10) **Qualified Contract Request (Request)** A request containing all information and items required by the Department.
- (11) **Qualified Purchaser** Proposed purchaser of the development who meets all eligibility and qualification standards stated in the QAP of the year the request is received. The purchaser must also attend, or assign another individual to attend, the Department's Property Compliance Training.
- (c) **Eligibility.** An owner may submit a Qualified Contract Request at any time after the end of the year preceding the last year of the Initial Affordability Period, following the Department's determination that the owner is eligible, as hereinafter provided in subsection (f). The Initial Affordability Period starts concurrently with the credit period; therefore, beginning at placement in service or deferred until the beginning of the next tax year, if there is an election. Unless the owner has elected an Initial Affordability Period longer than the Compliance Period, this can commence at any time after the end of the 14th year of the Compliance Period. References in this section to actions which can occur after the 14th year of the Compliance Period shall refer, as applicable, to the year preceding the last year of the Initial Affordability Period, if the owner shall have elected an Initial Affordability Period longer than the Compliance Period.
- (1) If there are multiple buildings placed in service in different years, the end of the Initial Affordability Period will be based upon the date the last building placed in service. For example, if five buildings in the development began their credit periods in 1990 and one began in 1991, the 15th year would be 2005.
- (2) If a development received an allocation in multiple years, the end of the Initial Affordability Period will be based upon the last year of a multiple allocation. For example, if a development received its first allocation in 1990 and a subsequent allocation and began the credit period in 1992, the 15th year would be 2006.
- (d) **Preliminary Qualified Contract Request.** An owner may file a preliminary Qualified Contract Request (Pre-request) any time after the end of the year preceding the last year of the Initial Affordability Period.
- (1) In addition to determining the basic eligibility described in subsection (c), the Prerequest will be used to determine the following:
- (A) the property does not have any outstanding instances of noncompliance, with the exception of the physical condition of the property;
 - (B) there is not a right of first refusal connected to the property;
 - (C) the Compliance Period has not been extended in the LURA; and
 - (D) the owner has all of the necessary documentation to submit a Request.
 - (2) In order to assess the validity of the pre-request, the Owner must submit:
 - (A) Preliminary Request Form;
 - (B) \$250 nonrefundable processing fee;
 - (C) copy of recorded LURA;
 - (D) first years 8609s for all buildings showing Part II completed;
- (E) documentation from original application regarding right of first refusal, if applicable; and

- (F) local code compliance report within the last 12 months or HUD certified UPCS inspection.
- (3) The Pre-request will not bind the owner to submit a Request and does not start the 1YP. A review of the pre-request will be conducted by the Department within 90 days of receipt of all documents described in paragraph (2). If the Department determines that this stage is satisfied, a letter will be sent to the owner stating that they are eligible to submit a Request.
- (e) **Right of First Refusal.** If the owner elected at the time of application to provide a right of first refusal, all requests for right of first refusal submitted to Department, regardless of existing regulations, must adhere to this process.
- (1) If at any time following the end of the Compliance Period or Initial Affordability Period, as applicable, the owner shall determine to sell the development and the owner has agreed to provide a right of first refusal to purchase the property for the minimum purchase price provided in, and in accordance with the requirements of, §42(i)(7) of the Code (the "Minimum Purchase Price"), to a Qualified Nonprofit Organization, the Department, or either an individual tenant with respect to a single family building, or a tenant cooperative, a resident management corporation in the Development or other association of tenants in the Development with respect to multifamily developments (together, in all such cases, including the tenants of a single family building, a "Tenant Organization"), the right of first refusal shall be subject to the following terms.
 - (A) Upon the earlier to occur of:
 - (i) the owner's determination to sell the Development, or
- (ii) the owner's request to the Department, pursuant to §42(h)(6)(E)(II) of the Code, to find a buyer who will purchase the Development pursuant to a "qualified contract" within the meaning of §42(h)(6)(F) of the Code, the owner shall provide a notice of intent to sell the Development ("Notice of Intent") to the Department and to such other parties as the Department may direct at that time. If the owner determines that it will sell the Development at the end of the Compliance Period or Initial Affordability Period, as applicable, the Notice of Intent shall be given no later than two years prior to expiration of the Compliance Period or Initial Affordability Period, as applicable. If the owner determines that it will sell the Development at some point later than the end of the Compliance Period, the Notice of Intent shall be given no later than two years prior to date upon which the owner intends to sell the Development. If the Development is already within two years of the expiration of the Compliance Period or Initial Affordability Period, as applicable, and the owner intends to sell the Development at the end of the Compliance Period or Initial Affordability Period, as applicable, the two year period referenced in subparagraph (B) will begin when the owner files a Notice of Intent.
- (B) During the two years following the giving of Notice of Intent, the Sponsor may enter into an agreement to sell the Development only in accordance with a right of first refusal for sale at the Minimum Purchase Price with parties in the following order of priority:
- (i) during the first six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization that is also a community housing development organization, as defined for purposes of the federal HOME Investment Partnerships Program at 24 C.F.R. § 92.1 (a "CHDO") and is approved by the Department,
- (ii) during the second six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization or a Tenant Organization; and

- (iii) during the second year after the Notice of Intent, only with the Department or with a Qualified Nonprofit Organization approved by the Department or a Tenant Organization approved by the Department.
- (iv) If, during such two-year period, the owner shall receive an offer to purchase the Development at the Minimum Purchase Price from one of the organizations designated in clauses (i) through (iii) of this subparagraph (within the period(s) appropriate to such organization), the owner shall sell the Development at the Minimum Purchase Price to such organization. If, during such period, the owner shall receive more than one offer to purchase the Development at the Minimum Purchase Price from one or more of the organizations designated in clauses (i) through (iii) of this subparagraph (within the period(s) appropriate to such organizations), the owner shall sell the Development at the Minimum Purchase Price to whichever of such organizations it shall choose.
 - (C) After whichever occurs the later of:

or

- (i) the end of the Compliance Period or Initial Affordability Period, as applicable,
- (ii) two years from delivery of a Notice of Intent, the owner may sell the Development without regard to any right of first refusal established by the LURA if no offer to purchase the Development at or above the Minimum Purchase Price has been made by a Qualified Nonprofit Organization, a Tenant Organization or the Department, or a period of 120 days has expired from the date of acceptance of all such offers as shall have been received without the sale having occurred, provided that the failure(s) to close within any such 120-day period shall not have been caused by the owner or matters related to the title for the Development.
- (D) At any time prior to the giving of the Notice of Intent, the owner may enter into an agreement with one or more specific Qualified Nonprofit Organizations and/or Tenant Organizations to provide a right of first refusal to purchase the Development for the Minimum Purchase Price, but any such agreement shall only permit purchase of the Development by such organization in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.
- (E) The Department shall, at the request of the owner, identify in the LURA a Qualified Nonprofit Organization or Tenant Organization which shall hold a limited priority in exercising a right of first refusal to purchase the Development at the Minimum Purchase Price, in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.
- (F) The Department shall have the right to enforce the owner's obligation to sell the Development as herein contemplated by obtaining a power-of-attorney from the owner to execute such a sale or by obtaining an order for specific performance of such obligation or by such other means or remedy as shall be, in the Department's discretion, appropriate.
- (2) The owner must submit evidence of the calculation of the Minimum Purchase Price with the Notice of Intent.
- (f) **Qualified Contract Request.** An owner may file a Qualified Contract Request (Request) anytime after approval that the owner is eligible to submit a Request has been received in writing from the Department.
 - (1) The documentation that must be submitted with a Request includes:
 - (A) A completed application and certification.

- (B) The qualified contract price calculation worksheets completed by a third party certified public accountant (CPA). The CPA shall certify that they have reviewed annual partnership tax returns for all years of operation, loan documents for all secured debt, and partnership agreements. They shall also certify that they are not being compensated for the assignment based upon a predetermined outcome.
 - (C) A thorough description of the Development, including all amenities.
- (D) A description of all income, rental and other restrictions, if any, applicable to the operation of the Development.
 - (E) A current title report.
 - (F) A current appraisal consistent with 10 TAC §1.34.
- (G) A current Phase I Environmental Site Assessment (Phase II if necessary) consistent with 10 TAC §1.35.
 - (H) A current property condition assessment consistent with 10 TAC §1.36.
- (I) A copy of the monthly operating statements for the Development for the most recent 12 consecutive months.
 - (J) The three most recent consecutive annual operating statements.
- (K) A detailed set of photographs of the development, including interior and exterior of representative units and buildings, and the property's grounds (including digital photographs that may be easily displayed on the Department's website).
 - (L) A current and complete rent roll for the entire property.
- (M) A certification that all tenants in the Development have been notified in writing of the request for a Qualified Contract. A copy of the letter used for the notification must also be included.
 - (N) If any portion of the land or improvements are leased, copies of the leases.
- (O) Nonrefundable processing fee of one fourth of one percent of the QC Price determined by the CPA.
 - (P) Additional information deemed necessary by the Department.
- (2) Unless otherwise directed by the Department pursuant to subsection (i), the owner shall contract with a broker approved by the Department to market and sell the property. The fee for this service will be paid by the seller, not to exceed 6% of the QC Price.
- (3) Within 90 days of the submission of a complete Request, the Department will notify the owner in writing of the acceptance or rejection of the owner's QC Price calculation. The Department will have one year from the date of the acceptance letter to find a Qualified Purchaser and present a Qualified Contract. The Department's rejection of the owner's QC Price calculation will be processed in accordance with subsection (h) and the 1YP will commence as provided therein.
- (g) **Determination of Qualified Contract Price.** The CPA contracted by the owner will determine the QC Price in accordance with §42(h)(6)(F) of the Code and the following guidelines.
- (1) Distributions to the owner include any and all cash flowing to the owner, including incentive management fees and reserve balance distributions or future anticipated distributions, but excluding payments of any eligible deferred developer fee. These distributions can only be confirmed by a review of all prior year tax returns for the development.
- (2) All equity contributions will be adjusted based upon the lesser of the consumer price index or five percent (5%) for each year, from the end of the year of the contribution to the end

of year 14 or the end of the year of the request for a Qualified Contract Price if requested at the end of the year or the year prior if the request is made earlier than the last year of the month.

- (3) These guidelines are subject to change based upon future IRS Rulings and/or guidance on the determination of owner distributions, equity contributions and/or any other element of the QC Price.
- (4) The QC Price calculation is not the same as the Minimum Purchase Price calculation for the right of first refusal.
- (h) **Appeal of Qualified Contract Price.** The Department reserves the right, at any time, to request additional information to document the QC Price calculation or other information submitted. If the documentation does not support the price indicated by the CPA hired by the owner, the Department may engage its own CPA to perform a QC Price calculation. Cost of such service will be paid for by the owner. If an owner disagrees with the QC Price calculated by the Department, an owner may appeal in writing. A meeting will be arranged with representatives of the owner, the Department and the CPA contracted by the Department to attempt to resolve the discrepancy. The 1YP will not begin until the Department and owner have agreed to the QC Price in writing.

(i) Marketing of Property.

- (1) By submitting a Request, the owner grants the Department the authority to market the development and provide development information to interested parties. Development information will consist of pictures of the development, location, amenities, number of units, age of building, etc. Owner contact information will also be provided to interested parties. The owner is responsible for providing staff to assist with site visits and inspections. Marketing of the development will continue until such time that a Qualified Contract is presented or the 1YP has expired.
- (2) Notwithstanding subsection (f)(3), the Department reserves the right to contract directly with a third party in marketing of the development. Cost of such service, including a broker's fee not to exceed 6%, will be paid for by the existing owner.
- (3) The Department must have continuous cooperation from the owner. Lack of cooperation will cause the process to cease and the owner will be required to comply with requirements of the LURA for the remainder of the Extended Use Period. Responsibilities of the owner include but are not limited to:
 - (A) allowing access to the property and tenant files;
 - (B) keeping the Department informed of potential purchasers; and
 - (C) notifying the Department of any offers to purchase.
- (4) A prospective purchaser must complete all exhibits required for an ownership transfer request. The Department will then assess if the prospective purchaser is a Qualified Purchaser.

(j) Presentation of a Qualified Contract.

- (1) If the Department finds a Qualified Purchaser willing to present an offer to purchase the property for an amount at the QC Price, the owner must agree to enter into a commercially reasonable form of earnest money agreement or other contract of sale for the property and provide a reasonable time for necessary due diligence and closing of the purchase.
- (2) Although the owner is obligated to sell the development for the QC Price pursuant to a Qualified Contract, the consummation of such a sale is not required for the LURA to continue to bind the development for the remainder of the extended use period. Once the Department

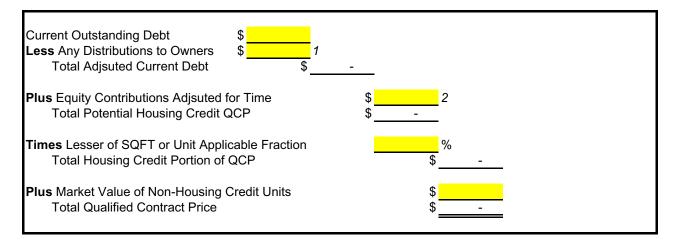
presents a Qualified Contract to the owner, the possibility of terminating the extended use period is removed forever and the property remains bound by the provisions of the LURA.

- (3) The Department will attempt to procure a QC for the acquisition of the low income portion of any project only once during the extended use period.
- (4) If the transaction closes under the contract, the new owner will be required to fulfill the requirements of the LURA for the remainder of the extended use period.
- (5) If the Department fails to present a QC before the end of the 1YP, the Department will file a release of the LURA and the development will no longer be restricted to low-income requirements and compliance. However, in accordance with §42(h)(6)(E)(ii) of the Code, for a three-year period commencing on a the termination of the extended use period, the owner may not evict or displace tenants of low-income units for reasons other than good cause and will not be permitted to increase rents beyond the maximum tax credit rents. Additionally, the owner should submit evidence, in the form of a signed certification and a copy of the letter to be created by the Department, that the tenants in the Development have been notified in writing that the LURA has been terminated and have been informed of their protections during the three-year time frame.
- (6) Prior to the Department filing a release of the LURA, the owner must correct all instances of noncompliance with the physical condition of the property.
- (k) Compliance Monitoring during Extended Use Period. For developments that continue to be bound by the LURA and remain as affordable after the end of the Compliance Period, the Department will implement modified compliance monitoring policies and procedures. Refer to the Extended Use Period Compliance Policy for more information.

(1) Waiver and Amendment of Rules.

- (1) The Board, in its discretion, may waive any one or more of these Rules if the Board finds that a waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as determined by the Board.
- (2) The Department may amend this Rule to comply with IRS guidance, if and when issued.

Texas Department of Housing and Community Affairs Example of Qualified Contract Price (QCP) Calcualtion



1 Distributions to owner are anticipated to include any and all cash flowing to the owner including incentive management fees and reserve balance distributions or future anticipated distributions but not repayment of eligible deferred developer fee. These distributions can only be confirmed by a review of all prior year tax returns for the development.

2 All equity contributions will be adjusted for based upon the consumer price index from the end of the year of the contribution to the end of year 14 or the end of the year of the request for a Qualified Contract Price if requested a the end of the year or the year prior if the request is made earlier than the last year of the month.

Note: These guidelines are subject to change based upon future IRS Rulings and/or guidance on the determination of owner distributions and equity contributions. Also note that the Qualified Contract Price calculation is not the same as the minimum Purchase Price calculation for a first right of refusal.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Presentation, Discussion and Possible Approval of the Draft 2006 Multifamily Housing Revenue Bond Rules to be published for public comment.

Background

Due to the deadline for Pre-Applications for the 2006 Private Activity Bond Program (September 6, 2005), the program rules need to be in effect no later than August 1, 2005 in order to give Applicants sufficient time to prepare their applications for submission and to get the proper public notifications mailed.

Changes to the draft rules include added language that makes the 2006 Multifamily Housing Revenue Bond Rules (the "Bond Rules") consistent with the 2005 Qualified Allocation Plan (the "QAP"). These rules will give the developer more flexibility and choices and be more consistent with the QAP and other multifamily program rules. Staff clarified and made some changes to mirror the 2005 QAP. Staff also added language that explains that the 2006 QAP, once approved by the Board, may have changes that would affect the Housing Tax Credit applications that coincide with the Bond program, and would take precedence over the 2006 Bond Rules. The draft rules will be posted on the Department's website and published in the *Texas Register*. Public comment will be taken via mail, email or facsimile. One public hearing will be scheduled and conducted in Austin to garner public comment on the rules. The rules will be brought before the Board in July for final approval.

Recommendation

Staff recommends the Board approve the Draft 2006 Multifamily Housing Revenue Bond Rules for publication to receive public comment and conduct the public hearing in Austin.



Multifamily Finance Production Division

PROPOSED 2006 MULTIFAMILY HOUSING REVENUE BOND RULES TITLE 10, PART 1, CHAPTER 3533, TEXAS ADMINISTRATIVE CODE

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§3533.1. Introduction

The purpose of this Chapter 35–33 is to state the Texas Department of Housing and Community Affairs (the "Department") requirements for issuing Bonds, the procedures for applying for multifamily housing revenue Bond financing, and the regulatory and land use restrictions imposed upon Developments financed with the issuance of Bonds for the 2005–2006 Private Activity Bond Program Year. The rules and provisions contained in Chapter 3533, of this title are separate from the rules relating to the Department's administration of the Housing Tax Credit Program. Applicants seeking a housing tax credit allocation should consult the Department's Qualified Allocation Plan and Rules ("QAP"), in effect for the program year for which the Housing Tax Credit application will be submitted. If the applicable QAP contradicts rules set forth in this chapter, the applicable QAP will take precedence over the rules in the chapter.

§3533.2. Authority

The Department receives its authority to issue Bonds from Chapter 2306 of the Texas Government Code (the "Act"). All Bonds issued by the Department must conform to the requirements of the Act. Notwithstanding anything herein to the contrary, tax-exempt Bonds which are issued to finance the Development of multifamily rental housing are specifically subject to the requirements of the laws of the State of Texas, including but not limited to the Act, Chapter 1372 of the Texas Government Code relating to Private Activity Bonds, and to the requirements of the Code (as defined in this chapter).

§3533.3. Definitions

The following words and terms, when used in the chapter, shall have the following meaning, unless context clearly indicates otherwise.

- (1) Applicant--means any Person or Affiliate of a Person who is a member of the General Partner, who files a Pre-Application or full Application with the Department requesting the Department issue Bonds to finance a Development.
- (2) Application--means-an Application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material.
 - (3) Board--means-the Governing Board of the Department.
- (4) Bond--means an evidence of indebtedness or other obligation, regardless of the sources of payment, issued by the Department under the Act, including a bond, note, or bond or revenue anticipation note, regardless of whether the obligation is general or special, negotiable, or nonnegotiable, in bearer or registered form, in certified or book entry form, in temporary or permanent form, or with or without interest coupons.
- (5) Code--means—the Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued by the United States Department of the Treasury or the Internal Revenue Service.
- (6) Development--means property or work or a development, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation, that meets or is designed to meet minimum property standards required by the Department for the primary purpose of providing sanitary, decent, and safe dwelling accommodations for rent, lease, or use by individuals and families of Low Income and Very Low Income and Families of Moderate Income in need of housing. The term includes:
- (A) buildings, structures, land, equipment, facilities, or other real or personal properties that are necessary, convenient, or desirable appurtenances, including streets, water, sewage facilities, utilities, parks, site preparation, landscaping, stores, offices, and other non-housing facilities, such as administrative, community, and recreational facilities the Department determines to be necessary, convenient, or desirable appurtenances; and
 - (B) multifamily dwellings in rural and urban areas.
- (7) Development Owner--means—an Applicant that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a Development subject to the regulatory powers of the Department and other terms and conditions required by the Department and the Act.
 - (8) Eligible Tenants--means
 - (A) individuals and families of Extremely Low, Very Low and Low Income,

- (B) Families of Moderate Income (in each case in the foregoing subparagraph (A) and (B) of this paragraph as such terms are defined by the Issuer under the Act), and
- (C) Persons with Special Needs, in each case, with an Anticipated Annual Income not in excess of 140% of the area median income for a four-person household in the applicable standard metropolitan statistical area; provided that all Low-Income Tenants shall count as Eligible Tenants.
- (9) Extremely Low Income--means the income received by an individual or family whose income does not exceed thirty percent (30%) of the area median income or applicable federal poverty line, as determined by the Act.
 - (10) Family of Moderate Income--means a family:
 - (A) that is determined by the Board to require assistance taking into account
 - (i) the amount of total income available for the housing needs of the individuals and family,
 - (ii) the size of the family,
 - (iii) the cost and condition of available housing facilities,
- (iv) the ability of the individuals and family to compete successfully in the private housing market and to pay the amounts required by private enterprise for sanitary, decent, and safe housing, and
 - (v) standards established for various federal programs determining eligibility based on income;
 - (B) that does not qualify as a family of Low Income.
- (11) Ineligible Building Type--as defined in the Department's QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted.

(12) Institutional Buyer--means

and

- (A) an accredited investor as defined in Regulation D promulgated under the Securities Act of 1933, as amended (17 CFR §230.501(a)), but excluding any natural person or any director or executive officer of the Department (17 CFR §§230.501(a)(4) through (6)) or
- (B) a qualified institutional buyer as defined by Rule 144A promulgated under the Securities Act of 1935, as amended (17 CFR §230.144A).
- (13) Low Income--means—the income received by an individual or family whose income does not exceed eighty percent (80%) of the area median income or applicable federal poverty line, as determined by the Act.
- (14) Land Use Restriction Agreement (LURA)--means—an agreement between the Department and the Development Owner which is binding upon the Development Owner's successors in interest that encumbers the Development with respect to the requirements of law, including this title, the Act and Section 42 of the Code.
- (15) Owner--means an Applicant that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a Development subject to the regulatory powers of the Department and other terms and conditions required by the Department and the Act.
 - (16) Persons with Special Needs--means-persons who
 - (A) are considered to be disabled under a state or federal law,
- (B) are elderly, meaning 60 years of age or older or of an age specified by an applicable federal program,
- (C) are designated by the Board as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise, or
- (D) are legally responsible for caring for an individual described by subparagraph (A), (B) or (C) of this paragraph above and meet the income guidelines established by the Board.
 - (17) Private Activity Bonds--means-any Bonds described by §141(a) of the Code.
- (18) Private Activity Bond Program Scoring Criteria--means—the scoring criteria established by the Department for the Department's Multifamily Housing Revenue Bond Program, §35.6(d) of this title.
- (19) Private Activity Bond Program Threshold Requirements--means—the threshold requirements established by the Department for the Department's Multifamily Housing Revenue Bond Program, §35.6(c) of this title.
 - (20) Program--means-the Department's Multifamily Housing Revenue Bond Program.
- (21) Proper Site Control--Regarding the legal control of the land to be used for the Development, means the earnest money contract is in the name of the Applicant (principal or member of the General Partner); fully executed by all parties and escrowed by the title company.

- (22) Property--means-the real estate and all improvements thereon, whether currently existing or proposed to be built thereon in connection with the Development, and including all items of personal property affixed or related thereto.
 - (23) Qualified 501(c)(3) Bonds--means-any Bonds described by §145(a) of the Code.
- (24) Tenant Income Certification--means—a certification as to income and other matters executed by the household members of each tenant in the Development, in such form as reasonably may be required by the Department in satisfaction of the criteria prescribed by the Secretary of Housing and Urban Development under §8(f)(3) of the Housing Act of 1937 ("the Housing Act") (42 U.S.C. 1437f) for purposes of determining whether a family is a lower income family within the meaning of the §8(f)(1) of the Housing Act.
- (25) Tenant Services--means-social services, including child care, transportation, and basic adult education, that are provided to individuals residing in low income housing under Title IV-A, Social Security Act (42 U.S.C. §601 et seq.), and other similar services.
- (26) Tenant Services Program Plan--means—the plan, subject to approval by the Department, which describes the Tenant Services to be provided by the Development Owner in a Development.
- (27) Trustee--means—a national banking association organized and existing under the laws of the United States, as trustee (together with its successors and assigns and any successor trustee).
- (28) Unit--means any residential rental Unit in a Development consisting of an accommodation, including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation.
- (29) Very Low Income--means the income received by an individual or family whose income does not exceed sixty percent (60%) of the area median income or applicable federal poverty line as determined under the Act.

§3533.4. Policy Objectives & Eligible Developments

The Department will issue Bonds to finance the preservation or construction of decent, safe and affordable housing throughout the State of Texas. Eligible Developments may include those which are constructed, acquired, or rehabilitated and which provide housing for individuals and families of Low Income, Very Low Income, or Extremely Low Income, and Families of Moderate Income.

§3533.5. Bond Rating and Investment Letter

- (a) Bond Ratings. All publicly offered Bonds issued by the Department to finance Developments shall have and be required to maintain a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. If such rating is based upon credit enhancement provided by an institution other than the Applicant or Development Owner, the form and substance of such credit enhancement shall be subject to approval by the Board, which approval shall be evidenced by adoption by the Board of a resolution authorizing the issuance of the credit-enhanced Bonds. Remedies relating to failure to maintain appropriate credit ratings shall be provided in the financing documents relating to the Development.
- (b) Investment Letters. Bonds rated less than "A," or Bonds which are unrated must be placed with one or more Institutional Buyers and must be accompanied by an investment letter acceptable to the Department. Subsequent purchasers of such Bonds shall also be qualified as Institutional Buyers and shall sign and deliver to the Department an investment letter in a form acceptable to the Department. Bonds rated less than "A" and Bonds which are unrated shall be issued in physical form, in minimum denominations of one hundred thousand dollars (\$100,000), and shall carry a legend requiring any purchasers of the Bonds to sign and deliver to the Department an investment letter in a form acceptable to the Department.

§3533.6. Application Procedures, Evaluation and Approval

(a) Application Costs, Costs of Issuance, Responsibility and Disclaimer. The Applicant shall pay all costs associated with the preparation and submission of the Application--including costs associated with the publication and posting of required public notices--and all costs and expenses associated with the issuance of the Bonds, regardless of whether the Application is ultimately approved or whether Bonds are ultimately issued. At

any stage during the Application process, the Applicant is solely responsible for determining whether to proceed with the Application, and the Department disclaims any and all responsibility and liability in this regard.

- (b) Pre-application. An Applicant who requests financing from the Department for a Development shall submit a pre-application in a format prescribed by the Department. Within fourteen (14) days of the Department's receipt of the pre-application, the Department will be responsible for federal, state, and local community notifications of the proposed Development. Upon review of the pre-application, if the Development is determined to be ineligible for Bond financing by the Department, the Department will send a letter to the Applicant explaining the reason for the ineligibility. If the Development is determined to be eligible for Bond financing by the Department, the Department will score and rank the pre-application based on the Private Activity Bond Program Scoring Criteria as described in subsection (d) of this section. The Department will score and rank the pre-application with higher scores ranking higher within each priority defined by §1372.0321, Texas Government Code. All Priority 1 Applications will be ranked above all Priority 2 Applications which will be ranked above all Priority 3 Applications, regardless of score, reflecting a priority structure which gives consideration to the income levels of the tenants and the rent levels of the units consistent with Section 2306.359. This priority ranking will be used throughout the calendar year. In the event two or more Applications receive the same score, the Department will use, as a tie-breaking mechanism, a priority first for Applications involving rehabilitation; then if a tie still exists, the Application with the greatest number of points awarded for Quality and Amenities for the Development; then Hif a tie still exists, the Department will grant preference to the preapplication with the lower number of net rentable square feet per bond amount requested. Pre-Applications must meet the threshold requirements as stated in the Private Activity Bond Program Threshold Requirements as set out in subsection (c) of this section. The Private Activity Bond Program Threshold Requirements will be posted on the Department's website. After scoring, the Development and the proposed financing structure will be presented to the Department's Board for consideration of a resolution declaring the Department's intent to issue Bonds (the "inducement resolution") with respect to the Development. Department staff, for good cause, may recommend that the Board not approve an inducement resolution for an Application. After Board approval of the inducement resolution, the scored and ranked Applications will be submitted to the Texas Bond Review Board for its lottery, waiting list or carryforward processing. The Texas Bond Review Board will draw the number of lottery numbers that equates to the number of eligible Applications submitted by the Department for participation in lottery. The lottery numbers drawn will not equate to a specific Development. The Texas Bond Review Board will thereafter assign the lowest lottery number drawn to the highest scored and ranked Application as previously determined by the Department. The Texas Bond Review Board will issue reservations of allocation for Applications submitted for the waiting list or carryforward in the order determined by the Department. The criteria by which a Development may be deemed to be eligible or ineligible are explained below in subsection (g) of this section, entitled Evaluation Criteria. The Private Activity Bond Program Scoring Criteria will be posted on the Department's website. The pre-application shall consist of the following information:
 - (1) Completed Current Uniform Application forms in the format required by the Department;
 - (2) Texas Bond Review Board's Residential Rental Attachment;
 - (3) Relevant Development Information;
- (4) <u>Certification of Local Elected Official request for neighborhood organization information and Public Notification Information;</u>
 - (5) Certification and agreement to comply with the Department's rules;
 - (6) Agreement of responsibility of all cost incurred;
- (7) An organizational chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant;
- (8) Evidence that the Applicant and principals are registered with the Texas Secretary of State, or if the Applicant has not yet been formed, evidence that the name of the Applicant is reserved with the Secretary of State:
- (9) Organizational documents such as partnership agreements and articles of incorporation, as applicable, for the Applicant and its principals;
- (10) Documentation of non-profit status if applicable; Evidence of good standing from the Comptroller of Public Accounts of the State of Texas for the Applicant and its principals; Corporate resumes and individual resumes of the Applicant and any principals;
- (11) A copy of an executed earnest money contract between the Applicant and the seller of the Property. For all Applications submitted This the earnest money contract must be in effect at the time of submission of the application and expire no earlier than December 1 of the year preceding the applicable program year for lottery Applications and expire no earlier than 120 days after the date of submission for waiting list and carryforward Applications. The earnest money contract must stipulate and provide for the Applicant's option to extend the contract expiration date through March 1 of the program year for lottery Applications or

option to extend an additional 120 days from the initial expiration for waiting list and carryforward Applications, subject only to the seller's receipt of additional earnest money or extension fees, so that the Applicant will have site control at the time a reservation of allocation is granted. If the Applicant owns the Property, a copy of the recorded warranty deed is required;

- (12) Evidence of zoning appropriate for the proposed use, application for the appropriate zoning or statement that no zoning is required;
 - (13) A local map showing the location of the proposed Property site;
- (14) A boundary survey or subdivision plat which clearly identifies the location and boundaries of the subject Property;
 - (15) Name, address and telephone number of the Seller of the Property;
 - (16) Construction draw and lease-up proforma for Developments involving new construction;
 - (17) Past two years' operating statements for existing Developments;
 - (18) Current market information which includes rental comparisons;
 - (19) Documentation of local Section 8 utility allowances;
 - (20) Verification/Evidence of delivery of federal, state, and local community notifications;
 - (21) Self-Scoring Criteria; and
 - (22) Such other items deemed necessary by the Department per individual application.

(c) Pre-Application Threshold Requirements.

- (1) As the Department reviews the Application, the Department will use the following assumptions, even if not reflected in the Application. Pregualification Assumptions:
 - (A) Development Feasibility:
 - (i) Debt Coverage Ratio must be greater than or equal to 1.10;
 - (ii) Annual Expenses must be at least \$3,800 per Unit or \$3.75 per square foot;
 - (iii) Deferred Developer Fees are limited to 80% of Developer's Fees;
 - (iv) Contractor Fee are limited to 6% of direct costs plus site work cost;
 - (v) Overhead are limited to 2% of direct costs plus site work cost;
 - (vi) General Requirements are limited to 6% of direct costs plus site work cost;
 - (vii) Developer Fees cannot exceed 15% of the project's Total Eligible Basis
- (B) Construction Costs Per Unit Assumption. The acceptable range is \$47<u>55</u> to \$61<u>65</u> per Unit for general population developments and \$55 to \$75 for elderly developments (Acquisition / Rehab developments are exempt from this requirement);
 - (C) Interest Rate Assumption. 6.00% for 30 year financing and 6.75% for 40 year financing;
 - (D) Size of Units (Acquisition / Rehab developments are exempt from this requirement);
- (i) One bedroom Unit must be greater than or equal to 650 square feet for family and 550 square feet for senior Units.
- (ii) Two bedroom Unit must be greater that or equal to 900 square feet for family and 750 square feet for senior Units.
 - (iii) Three bedroom Unit must be greater than or equal to 1,000 square feet for family.
- (2) Appropriate Zoning. Evidence of appropriate zoning for the proposed use or evidence of application made and pending decision:
- (3) Executed Site Control. Properly executed and escrow receipted site control through 12/1/04-05 with option to extend through 3/1/0506 for lottery Applications or 120 days from date of Application submission with option to extend an additional 120 days from the initial expiration for waiting list and carryforward Applications;
- (4) Previous Participation and Authorization to Release Credit Information (located in the uniform application);
 - (5) Current Market Information (must support affordable rents);
 - (6) Completed <u>current</u> TDHCA Uniform Application and application exhibits;
 - (7) Completed Multifamily Rental Worksheets;
- (8) <u>Certification of Local Elected Official request for neighborhood organization information and Public Notification Information (see application package)</u>;
 - (9) Relevant Development Information (see application package);
 - (10) Completed 2004-2006 Bond Review Board Residential Rental Attachment;
 - (11) Signed letter of Responsibility for All Costs Incurred;
 - (12) Signed Mortgage Revenue Bond Program Certification Letter;
- (13) Evidence of Paid Application Fees (\$1,000 to TDHCA, \$1,500 to Vinson and Elkins and \$5,000 to Bond Review Board):
 - (14) Boundary Survey or Plat;
- (15) Local Area map showing the location of the Property and Community Services / Amenities within a three (3) mile radius;

- (16) Utility Allowance from the Appropriate Local Housing Authority;
- (17) Organization Chart with evidence of Entity Registration or Reservation with the Secretary of State; and
- (18) Required Notification. Evidence of notifications shall include a copy of the exact letter and other materials that were sent to the individual or entity and proof of delivery in the form of a signed certified mail receipt, signed overnight mail receipt or confirmation letter from each official. Each notice must include the information required for "Community Notification" within the Application Package, a sworn affidavit stating that they made all the required notifications prior to the deadlines and a copy of the entire mailing list (including names and complete addresses) of all the recipients. Proof of notification must not be older than three months prior to the date of Application submission date. Notification must be sent to all the following individuals and entities (If the QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted reflect a notification process that is different from the process listed below, then the QAP and Rules will override the notification process listed below):
 - (A) State Senator and Representative that represents the community containing the development;
- (B) Presiding Officer of the governing body of any municipality containing the development and all elected members of that body (Mayor, City Council members);
- (C) Presiding Officer of the governing body of the county containing the development and all elected members of that body (County Judge and/or Commissioners);
 - (D) School District Superintendent of the school district containing the development;
- (E) Presiding Officer of the School Board of Trustees of the school district containing the development; $\underline{\text{and}}$
- (F) City and County Clerks (Evidence must be provided that a letter, meeting the requirements of the "Clerk Notification" letter in the application materials, was sent to the city clerk and county clerk no later than August 9, 2004. A copy of the return letter from the city and county clerks must be provided) Evidence must be provided that a letter requesting information on neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site and meeting the requirements of "Local Elected Official Notification" as outlined in the Application was sent no later than twenty-one (21) days prior to the Application submission to the local elected official for the city or if located outside of a city, then the county where the Development is proposed to be located. If the Development is located in a jurisdiction that has district based local elected officials, or both at-large and district based local elected officials, the notification must be made to the city council member or county commissioner representing that district; if the Development is located in a jurisdiction that has only at-large local elected official, the notification must be made to the mayor or county judge for the jurisdiction. A copy of the reply letter or other official third-party documentation from the local elected official must be provided. For urban/exurban areas, entities identified in the letters from the local elected official whose listed address has the same zip code as the zip code for the Development must be provided with written notification, and evidence of the notification must be provided. If any other zip codes exist within a half mile of the Development site, then all entities identified in the letters with adjacent zip codes must also be provided with written notification, and evidence of that notification must be provided. For rural areas, all entities identified in the letters whose listed address is within a half mile of the proposed Development site must be provided with written notification, and evidence of that notification must be provided. If no response is received from the local elected official by seven (7) days prior to Application submission then the Applicant must submit a statement attesting to that fact in the format provided by the Department as part of the Application.; and
- (G) Neighborhood Organizations on record with the state or county whose boundaries contain the development (All entities identified in the letters from the city and county clerks must be provided with written notification and evidence of that notification must be provided. If the Applicant can provide evidence that the proposed Development is not located within the boundaries of an entity on a list from the clerk(s), then such evidence in lieu of notification may be acceptable. If no letter is received from the city or county clerk by seven (7) days prior to the date of Application submission, the Applicant must submit a statement attesting to the fact that no return letter was received. If the Applicant has knowledge of neighborhood organizations on record with the state or county within whose boundaries the development is located, written notification must be provided to them. If the Applicant has no knowledge of such neighborhood organizations within whose boundaries the Development is located, they must submit a statement to that effect with the Application).

(d) Pre-Application Scoring Criteria.

(1) Construction Cost Per Unit includes: site work, contractor profit, overhead, general requirements and contingency. Calculation will be hard costs per square foot of net rentable area. Must be greater than or equal to \$60 per square foot (1 point) (Acquisition / Rehab will automatically receive (1 point)).

- (2) Size of Units. Average size of all Units combined in the development must be greater than or equal to 950 square foot for family and must be greater than or equal to 750 square foot for elderly (5 points). (Acquisition / Rehab developments will automatically receive 5 points).
- (3) Period of Guaranteed Affordability for Low Income Tenants. Add 10 years of affordability after the extended use period for a total affordability period of 40 years (1 point).
- (4) Quality and Amenities ((maximum 34–35 points) Acquisition / Rehab (with no demolition / new construction) will receive double points not to exceed 34–35 points)). (If there are changes to the Application prior to closing that have an adverse affect on the score and ranking order and that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points). Substitutions in amenities will be allowed as long as the overall score is not affected). Applications in which Developments provide specific qualities and amenities at no extra charge to the tenant will be awarded points as follows:
 - (A) Washer / DryerLaundry Connections (1-2 points);
 - (B) Self-cleaning or continuous cleaning ovens (1 point);
 - (BC) Microwave Ovens (in each Unit) (1 point);
 - (D) Refrigerator with icemaker (1 point);
 - (E) Laundry equipment (washer and dryers) for each Unit (3 points);
- (GF) Storage Room of approximately nine (9) square feet or greater (does not have to be in the unit but must be on the propertyoutside the Unit) (1 point);
 - (G) Covered entries (1 point);
 - (H) Nine foot ceilings (1 point);
 - (I) Covered patios or covered balconies (1 point);
 - (DJ) Covered Parking (at least one per Unit) (3 points);
 - (EK) Garages (equal to at least 35% of Units) (5 points);
- (FL) Ceiling Fans <u>in all rooms except bathrooms and kitchens</u> (living rooms and bedrooms) <u>light with ceiling fan in all bedrooms</u>) (1 point);
 - (G) Ceramic Tile Flooring (entry way and all bathroom) (2 points);
- (HM) 75% or Greater Masonry (includes rock, stone, brick, stucco and cementious board product; excludes EFIS) (5 points);
 - (N) Thirty year architectural shingle roofing (1 point);
- (0) Use of energy efficient alternative construction materials (structurally insulated panels) with wall insulation at a minimum of R-20 (3 points);
 - (P) R-15 Walls / R-30 Ceilings (rating of wall system) (3 points);
- (Q) 14 SEER HVAC or evaporative coolers in dry climates for new construction or radiant barrier in the attic for the rehabilitation (3 points);
 - (R) Energy Star or equivalently rated kitchen appliances (2 points);
 - (4S) Playground and Equipment or Covered Community Porch (3 points);
- (JT) BBQ Grills and Tables (one each per 50 Units) or Walking Trail (minimum length of 1/4 mile) (3 points);
 - (KU) Full Perimeter Fencing and Gatedwith controlled gate access (3 points);
 - (LV) Computers with internet access / Business Facilities (8 hour availability) (2 points);
 - (MW) Game Room or TV Lounge (2 points);
 - (X) Furnished and staffed children's activity center (3 points);
- (Y) Horseshoe pit, putting green or shuffleboard court (only qualified elderly developments) (2 points);
 - (NZ) Workout Facilities or Library (with comparable square footage as workout facilities) (2 points).
- (5) Tenant Services (Tenant Services shall include only direct costs (tenant services contract amount, supplies for services, internet connections, initial cost of computer equipment, etc.—). Indirect costs such as overhead and utility allocations may not be included).
 - (A) \$10.00 per Unit per month (10 points);
 - (B) \$7.00 per Unit per month (5 points);
 - (C) \$4.00 per Unit per month (3 points).
- (6) Zoning appropriate for the proposed use or no zoning required (appropriate zoning for the intended use must be in place at the time of application submission date, August 30, 2004September 6, 2005 (Applications submitted for lottery) or first Monday of each month (Applications submitted for waiting list and carryforward), in order to receive points) (5 points).
- (7) Proper Site Control (as defined in $\S3533.3(21)$ of this title control through 12/01/04-05 with option to extend through 03/01/05-06 (Applications submitted for lottery) or 120 days after the applicable submission date

with option to extend an additional 120 days after the initial expiration (Applications submitted for waiting list and carryforward)and—(all information must be correct at the time of the application—Application—submission date, August 30, 2004September 6, 2005 (Applications submitted for lottery) or first Monday of each month (Applications submitted for waiting list or carryforward), in order to receive points) (5 points).

- (8) Development Support / Opposition (Maximum net points of +12-24 to -1224. Each letter will receive a maximum of +1.53 to -1.53. All letters received by 5:00 PM, October 22, 20047, 2005 (Applications submitted for lottery) or fourteen (14) days prior to the date of the Board meeting at which the Application will be considered (Applications submitted for waiting list and carryforward) will be used in scoring).
 - (A) Texas State Senator and Texas State Representative (maximum +3-6 to -3-6 points);
- (B) Presiding officer of the governing body of any municipality containing the Development and the elected district member of the governing body of the municipality containing the Development (maximum +3-6 to -3-6 points);
- (C) Presiding officer of the governing body of the county containing the Development and the elected district member of the governing body of the county containing the Development (if the site is not in a municipality, these points will be doubled) (maximum +3-6 to -3-6 points);
- (D) Local School District Superintendent and Presiding Officer of the Board of Trustees for the School district containing the Development (maximum +3-6 to -3-6 points).
- (9) Penalties for Missed Deadlines in the Previous Year's Bond and / or Tax Credit program year. (This includes approved and used extensions) (-1 point with maximum 3 point deduction).
- (10) Local Political Subdivision Development Funding Commitment that enables additional Units for the Very Low Income (CDBG, HOME or other funds through local political subdivisions) (must be greater than or equal to 2% of the bond amount requested and must provide at least 5% of the total Development Units at or below 30% AMFI or an additional 5% of the total Development Units if the Applicant has chosen category Priority 1B on the residential rental attachment) (2 points).
- (11) Proximity to Community Services / Amenities (Community services / amenities within three (3) miles of the site. A map must be included with the Application showing a three (3) mile radius notating where the services / amenities are located) (maximum 12 points)
 - (A) Full service Grocery grocery Store store or supermarket (1 point);
 - (B) Pharmacy (1 point);
 - (C) Convenience store / mini-market(1 point);
 - (D) Retail Facilities (Target, Wal-Mart, Home Depot, etc.—) (1 point);
 - (E) Bank / Financial Institution (1 point);
 - (F) Restaurant (1 point);
 - (G) Indoor public recreation facilities (parkcommunity center, civic center, YMCA) (1 point);
 - (H) Outdoor public recreation facilities (park, golf course, public swimming pool) (1 point)
 - (HI) Fire / Police Station (1 point);
 - (J) Medical Facilities (hospitals, minor emergency, etc...doctor or dentist offices) (1 point);
 - (JK) Public Library (1 point);
 - (KL) Public Transportation (1/2 mile from site) (1 point);
- (<u>LM</u>) Public School (only one school required for point and only eligible with general population developments) (1 point) .
- (12) Proximity to Negative Features (<u>adjacent to or</u> within 300 feet of any part of the Development site boundaries). A map must be included with the application showing where the feature is located. Developer must provide a letter stating there are none of the negative features listed below within the stated area if that is correct. (maximum -20 points)
 - (A) Junkyards (5 points);
 - (B) Active Railways (excluding light rail) (5 points);
 - (C) Interstate Highways / Service Roads Heavy industrial / manufacturing plants (5 points);
 - (D) Solid Waste / Sanitary Landfills (5 points);
 - (E) High Voltage Transmission Towers (5 points).
- (13) Acquisition / Rehabilitation Developments will receive ten_thirty (1030) points. This will include the demolition of old buildings and new construction of the same number of units if allowed by local codes or less units to comply with local codes (not to exceed 250-252 total units).
- (14) Preservation Developments will receive ten (10) points. This includes rehabilitation proposals on properties which are nearing expiration of an existing affordability requirement within the next two years or for which the there has been a rent restriction requirement in the past ten years. Evidence must be provided.
- (e) Financing Commitments. After approval by the Board of the inducement resolution, and before submission of a final application, the Applicant will be solely responsible for making appropriate arrangements with financial institutions which are to be involved with the issuance of the Bonds or the financing of the

Development, and to begin the process of obtaining firm commitments for financing from each of the financial institutions involved.

- (f) Final Application. An Applicant who elects to proceed with submitting a final Application to the Department must provide submit the Volumes I and II of the Application prior to receipt of a reservation of allocation from the Texas Bond Review Board and a finalthe Volumes III and VI of the Application and such supporting material as is required by the Department at least sixty (60) days prior to the scheduled meeting of the Board at which the Development and the Bond issuance are to be considered, unless the Department directs the Applicant otherwise in writing. The final application must adhere to the Department's QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted. The Department may determine that supporting materials listed in paragraphs (1) through (42) of this subsection shall be provided subsequent to the final Application deadline in accordance with a schedule approved by the Department. Failure to provide any supporting materials in accordance with the approved schedule may be grounds for terminating the Application and returning the reservation to the Texas Bond Review Board. The final application and supporting material shall consist of the following information:
- (1) A Public Notification Sign shall be installed on the proposed Development site no later than fourteen (14)thirty (30) days after the submission of Volume I and II of the Tax Credit Application to the Department (pictures and invoice receipts must be submitted as evidence of installation within fourteen (14)thirty (30) days of the submission). The sign must be at least four (4) feet by eight (8) feet in size and be located within twenty (20) feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day the TDHCA Board takes final action on the Application for the development. The information and lettering on the sign must meet the requirements identified in the Application. As an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's Option, mail written notification to all addresses located within the footage distance required by the local municipality zoning ordinance or 1,000 feet, if there is no local zoning ordinance or if the zoning ordinance does not require notification, of any part of the proposed Development site. This written notification must include the information otherwise required for the sign. If the Applicant chooses to provide this mailed notice in lieu of signage, the final Application must include a map of the proposed Development site and mark the 1,000 foot or local ordinance area showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. In addition (within the 14 days), tThe Applicant must mail notice tonotify any public official that has changed since from the submission of the pre-application to the submission of the final application and any neighborhood organizations that are-is known and were-was not notified at the time of the pre-application submission. No additional notification is required unless the Applicant submitted a change in the Application that reflects a total Unit increase greater than 10%, an increase greater than 10% for any given AMFI, or a change in the population being served (elderly, general population or transitional);
 - (2) Completed Uniform Application forms in the format required by the Department;
- (3) Certification of no changes from the pre-application to the final application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the application being placed below another application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points);
 - (4) Certification and agreement to comply with the Department's rules;
 - (5) A narrative description of the Development;
 - (6) A narrative description of the proposed financing;
- (7) Firm letters of commitment from any lenders, credit providers, and equity providers involved in the transaction;
 - (8) Documentation of local Section 8 utility allowances;
 - (9) Site plan:
 - (10) Unit and building floor plans and elevations;
 - (11) Complete construction plans and specifications;
 - (12) General contractor's contract;
 - (13) Completion schedule;
- (14) Copy of a recorded warranty deed if the Applicant already owns the Property, or a copy of an executed earnest money contract between the Applicant and the seller of the Property if the Property is to be purchased;
 - (15) A local map showing the location of the Property;
 - (16) Photographs of the Site;
 - (17) Survey with legal description;
 - (18) Flood plain map;

- (19) Evidence of zoning appropriate for the proposed use from the appropriate local municipality that satisfies one of these subparagraphs (A) through (C) of this paragraph:
- (A) no later than fourteen (14) days before the Board meets to consider the transaction, the Applicant must submit to the Department written evidence that the local entity responsible for initial approval of zoning has approved the appropriate zoning and that they will recommend approval of the appropriate zoning to the entity responsible for final approval of zoning decisions;
- (B) provide a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance;
- (C) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating the Development is permitted under the provision of the zoning ordinance that apply to the location of the Development or that there is not a zoning requirement.
 - (20) Evidence of the availability of utilities;
 - (21) Copies of any deed restrictions which may encumber the Property;
- (22) A Phase I Environmental Site Assessment performed in accordance with the Department's Environmental Site Assessment Rules and Guidelines (§1.35 of this title);
 - (23) Title search or title commitment;
 - (24) Current tax assessor's valuation or tax bill;
 - (25) For existing Developments, current insurance bills;
 - (26) For existing Developments, past two (2) fiscal year end development operating statements;
 - (27) For existing Developments, current rent rolls;
- (28) For existing Developments, substantiation that income-based tenancy requirements will be met prior to closing;
- (29) A market study performed in accordance with the Department's Market Analysis Rules and Guidelines (§1.33 of this title);
- (30) Appraisal of the existing or proposed Development performed in accordance with the Department's Underwriting Rules and Guidelines (§1.32 of this title);
- (31) Statement that the Development Owner will accept tenants with Section 8 or other government housing assistance;
- (32) An organizational chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant;
- (33) Evidence that the Applicant and principals are registered with the Texas Secretary of State, as applicable;
- (34) Organizational documents such as partnership agreements and articles of incorporation, as applicable, for the Applicant and its principals;
 - (35) Documentation of non-profit status if applicable;
- (36) Evidence of good standing from the Comptroller of Public Accounts of the State of Texas for the Applicant and its principals;
 - (37) Corporate resumes and individual resumes of the Applicant and any principals;
- (38) Latest two (2) annual financial statements and current interim financial statement for the Applicant and its principals;
 - (39) Latest income tax filings for the Applicant and its principals;
- (40) Resolutions or other documentation indicating that the transaction has been approved by the general partner;
 - (41) Resumes of the general contractor's and the property manager's experience; and
 - (42) Such other items deemed necessary by the Department per individual application.
- (g) Evaluation Criteria. The Department will evaluate the Development for eligibility at the time of preapplication, and at the time of final Application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition point). The Development and the Applicant must satisfy the conditions set out in paragraphs (1) through (6) of this subsection in order for a Development to be considered eligible:
- (1) The proposed Development must further the public purposes of the Department as identified in the Act.
- (2) The proposed Development and the Applicant and its principals must satisfy the Department's Underwriting Rules and Guidelines (§1.32 of this title). The pre-application must include sufficient information for the Department to establish that the Underwriting Guidelines can be satisfied. The final Application will be thoroughly underwritten according to the Underwriting Rules and Guidelines (§1.32 of this title).

- (3) The Development must not be located on a site determined to be unacceptable for the intended use by the Department.
- (4) Any Development in which the Applicant or principals of the Applicant have an ownership interest must be found not to be in Material Non-Compliance under the compliance Rules in effect at the time of preapplication submission. Any corrective action documentation affecting the Material Non-compliance status score must be submitted to the Department no later than thirty (30) days prior to final application submission.
 - (5) Neither the Applicant nor any principals of the Applicant is, at the time of Application:
- (A) barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs; or
- (B) has been convicted of a state or federal crime involving fraud, bribery, theft, misrepresentation, misappropriation of funds, or other similar criminal offenses within fifteen (15) years; or
- (C) is subject to enforcement action under state or federal securities law, action by the NASD, subject to a federal tax lien, or the subject of an enforcement proceeding with any governmental entity; or
- (D) neither applicant nor any principals of the applicant have a development under their ownership or control with a Material Non-compliance score of 30 or more; or
 - (E) otherwise disqualified or debarred from participation in any of the Department's programs.
- (6) Neither the Applicant nor any of its principals may have provided any fraudulent information, knowingly false documentation or other intentional or negligent misrepresentation in the Application or other information submitted to the Department.
- (h) Bond Documents. After receipt of the final Application, bond counsel for the Department shall draft Bond documents which conform to the state and federal laws and regulations which apply to the transaction.
- (i) Public Hearings; Board Decisions. For every Bond issuance, the Department will hold a public hearing in accordance with §2306.0661, Texas Government Code and §147(f) of the Code, in order to receive comments from the public pertaining to the Development and the issuance of the Bonds. Publication of all notices required for the public hearing shall be at the sole expense of the Applicant. The Board's decisions on approvals of proposed Developments will consider all relevant matters. Any topics or matters, alone or in combination, may or may not determine the Board's decision. The Department's Board will consider the following topics in relation to the approval of a proposed Development:
 - (1) The Development Owner market study;
 - (2) The location, including supporting broad geographic dispersion;
 - (3) The compliance history of the Development Owner;
 - (4) The financial feasibility;
 - (5) The inclusive capture rate as described under Chapter 10, Texas Administrative Code, §1.32(g)(2);
- (56) The Development's proposed size and configuration in relation to the housing needs of the community in which the Development is located and the needs of the area, region and state;
- (67) The Development's proximity to other low income Developments—including avoiding over concentration:
 - (78) The availability of adequate public facilities and services;
- (89) The anticipated impact on local school districts, giving due consideration to the authorized land use;
 - (910) Zoning and other land use considerations;
 - (1011) Fair Housing law, including affirmatively furthering fair housing;
 - (12) The Applicant and/or Developer's efforts to engage the neighborhood;
 - (13) The housing needs of the community, area, region and state;
 - (14) Consistency with local needs, including consideration of revitalization or preservation needs;
 - (15) Providing integrated, affordable housing for individuals and families with different levels of income;
 - (16) Meeting a compelling housing need:
- (4117) Any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code.

(j) Approval of the Bonds.

(1) Subject to the timely receipt and approval of commitments for financing, an acceptable evaluation for eligibility, the satisfactory negotiation of Bond documents, and the completion of a public hearing, the Board, upon presentation by the Department's staff, will consider the approval of the Bond issuance, final Bond documents and, in the instance of privately placed Bonds, the pricing of the Bonds. The process for appeals and grounds for appeals may be found under §§1.7 and 1.8 of this title. The Department's conduit housing transactions will be processed in accordance with the Texas Bond Review Board rules Title 34, Part 9, Chapter 181, Subchapter A and Chapter 1372, Texas Government Code. The Bond issuance must receive an approving

opinion from the Department's bond counsel with respect to the legality and validity of the Bonds and the security therefore, and in the case of tax-exempt Bonds, with respect to the excludability from gross income for federal income tax purposes of interest on the Bonds.

- (2) Alternative Dispute Resolution Policy. In accordance with Section 2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator (fax: (512) 475-3978). For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.
- (k) Local Permits. Prior to the closing of the Bonds, all necessary approvals, including building permits, from local municipalities, counties, or other jurisdictions with authority over the Development must have been obtained or evidence that the permits are obtainable subject only to payment of certain fees must be provided to the Department.
- (I) Closing. Once all approvals have been obtained and Bond documents have been finalized to the respective parties' satisfaction, the Bond transaction will close. Upon satisfaction of all conditions precedent to closing, the Department will issue Bonds in exchange for payment thereof. The Department will then loan the proceeds of the Bonds to the Applicant and disbursements of the proceeds may begin.

§3533.7 Regulatory and Land Use Restrictions

- (a) Filing and Term of LURA. A Regulatory and Land Use Restriction Agreement or other similar instrument (the "LURA"), will be filed in the property records of the county in which the Development is located for each Development financed from the proceeds of Bonds issued by the Department. For Developments involving new construction, the term of the LURA will be the longer of 30 years, the period of guaranteed affordability or the period for which Bonds are outstanding. For the financing of an existing Development, the term of the LURA will be the longer of the longest period which is economically feasible in accordance with the Act, or the period for which Bonds are outstanding.
- (b) Development Occupancy. The LURA will specify occupancy restrictions for each Development based on the income of its tenants, and will restrict the rents that may be charged for Units occupied by tenants who satisfy the specified income requirements. Pursuant to §2306.269, Texas Government Code, the LURA will prohibit a Development Owner from excluding an individual or family from admission to the Development because the individual or family participates in the housing choice voucher program under Section 8, United States Housing Act of 1937 (the "Housing Act"), and from using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than two and one half (2.5) times the individual's or family's share of the total monthly rent payable to the Development Owner of the Development. Development occupancy requirements must be met on or prior to the date on which Bonds are issued unless the Development is under construction. Adequate substantiation that the occupancy requirements have been met, in the sole discretion of the Department, must be provided prior to closing. Occupancy requirements exclude Units for managers and maintenance personnel that are reasonably required by the Development.

(c) Set Asides.

- (1) Developments which are financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds must be restricted under one of the following two set-asides:
- (A) at least twenty percent (20%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed fifty percent (50%) of the area median income, or
- (B) at least forty percent (40%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed sixty percent (60%) of the area median income.

- (2) The Development Owner must designate at the time of Application which of the two set-asides will apply to the Development and must also designate the selected priority for the Development in accordance with §1372.0321, Texas Government Code. Units intended to satisfy set-aside requirements must be distributed evenly throughout the Development, and must include a reasonably proportionate amount of each type of Unit available in the Development.
- (3) No tenant qualifying under either of the set-asides shall be denied continued occupancy of a Unit in the Development because, after commencement of such occupancy, such tenant's income increases to exceed the qualifying limit; provided, however, that, should a tenant's income, as of the most recent determination thereof, exceed 140% of the then applicable income limit and such tenant constitutes a portion of the set-aside requirement of this section, then such tenant shall only continue to qualify for so long as no Unit of comparable or smaller size is rented to a tenant that does not qualify as a Low-Income Tenant. (These are the federal set-aside requirements)
- (d) Global Income Requirement. All of the Units that are available for occupancy in Developments financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds shall be occupied or held vacant (in the case of new construction) and available for occupancy at all times by persons or families whose income does not exceed one hundred and forty percent (140%) of the area median income for a four-person household.
- (e) Qualified 501(c)(3) Bonds. Developments which are financed from the proceeds of Qualified 501(c)(3) Bonds are further subject to the restriction that at least seventy-five percent (75%) of the Units within the Development that are available for occupancy shall be occupied (or, in the case of new construction, held vacant and available for occupancy until such time as initial lease-up is complete) at all times by individuals and families of Low Income (less than or equal to 80% of AMFI).
- (f) Taxable Bonds. The occupancy requirements for Developments financed from the issuance of taxable Bonds will be negotiated, considered and approved by the Department on a case by case basis.
- (g) Special Needs. At least five percent (5%) of the Units within each Development must be designed to be accessible to Persons with Special Needs and hardware and cabinetry must be stored on site or provided to be installed on an as needed basis in such Units. The Development will comply with accessibility requirements in the Fair Housing Act Design manual. The Development Owner will use its best efforts (including giving preference to Persons with Special Needs) to:
- (1) make at least five percent (5%) of the Units within the Development available for occupancy by Persons with Special Needs;
 - (2) make reasonable accommodations for such persons; and
- (3) allow reasonable modifications at the tenant's sole expense pursuant to the Housing Act. During the term of the LURA, the Development Owner shall maintain written policies regarding the Development Owner's outreach and marketing program to Persons with Special Needs.
- (h) Fair Housing. All Developments financed by the Department must comply with the Fair Housing Act which prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, religion, sex, national origin, familial status, and disability. The Fair Housing Act also mandates specific design and construction requirements for multifamily housing built for first occupancy after March 13, 1991, in order to provide accessible housing for individuals with disabilities.
- (i) Tenant Services. The LURA will require that the Development Owner offer a variety of services for residents of the Development through a Tenant Services Program Plan which is subject to annual approval by the Department.
 - (j) The LURA will require the Development Owner:
- (1) To obtain, complete and maintain on file Tenant Income Certifications from each Eligible Tenant, including:
- (A) a Tenant Income Certification dated immediately prior to the initial occupancy of each new Eligible Tenant in the Development; and
- (B) thereafter, annual Tenant Income Certifications which must be obtained on or before the anniversary of such Eligible Tenant's occupancy of the Unit, and in no event less than once in every 12-month period following each Eligible Tenant's occupancy of a Unit in the Development. For administrative convenience, the Development Owner may establish the first date that a Tenant Income Certification for the Development is received as the annual recertification date for all tenants. The Development Owner will obtain such additional information as may be required in the future by §142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures,

Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are tax-exempt private activity bonds described in §142(d) of the Code. The Development Owner shall make a diligent and good-faith effort to determine that the income information provided by an applicant in a Tenant Income Certification is accurate by taking steps required under §142(d) of the Code pursuant to provisions of the Housing Act.

- (C) The Development shall comply with Title 10, Part 1, Chapter 60, Subchapter A.
- (2) As part of the verification, such steps may include the following, provided such action meets the requirements of §142(d) of the Code and the gross income of individuals shall be determined in a manner consistent with the determinations of low income families under section 8 of the United States Housing Act of 1937:
 - (A) obtain pay stubs sufficient to annualize income;
 - (B) obtain third party written verification of income;
 - (C) obtain an income verification from the applicant's current employer;
 - (D) obtain an income verification from the Social Security Administration; or
- (E) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not reasonably able to provide other forms of verification as required above, obtain another form of independent verification as would, in the Development Owner's reasonable commercial judgment, enable the Development Owner to determine the accuracy of the applicant's income information. The Development Owner shall retain all Tenant Income Certifications obtained in compliance with this subsection (b) of this section until the date that is six years after the last Bond is retired.
- (3) To obtain from each tenant in the Development, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance in such form as provided by the Department to the Development Owner from time to time that
 - (A) such lease is subordinate to the Mortgage and the LURA;
 - (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate;
- (C) the family income and eligibility requirements of the LURA and the Loan Agreement are substantial and material obligations of tenancy in the Development;
- (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Development Owner, the Trustee and the Department; and
- (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Development;
- (4) To maintain complete and accurate records pertaining to the Low-Income Units and to permit, at all reasonable times during normal business hours and upon reasonable notice, any duly authorized representative of the Department, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Development Site to examine and inspect the Development and to inspect the books and records of the Development Owner pertaining to the Development, including those records pertaining to the occupancy of the Low-Income Units:
- (5) On or before each February 15 during the qualified development period, to submit to the Department (to the attention of the Portfolio Management and Compliance Division) a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Development continues to meet the requirements of §142(d) of the Code and on or before each March 31 during the qualified development period, to submit such completed form to the Secretary of the Treasury and the Department;
- (6) To prepare and submit the compliance monitoring report. To cause to be prepared and submitted to the Department and the Trustee on the first day of the state restrictive period, and thereafter by the tenth calendar day of each March, June, September, and December, or other quarterly schedule as determined by the Department with written notice to the Development Owner, a certified compliance monitoring report and Development Owner's certification in such form as provided by the Departments to the Development Owner from time to time; and
 - (7) To provide regular maintenance to keep the Development sanitary, decent and safe.
- (8) To establish a reserve account consistent with the requirements of §2306.186, Texas Government Code.
- (9) To prepare and submit the Housing Sponsor Report to the Department no later than March 1st of each year.

§3533.8 Fees

- (a) Application and Issuance Fees. The Department shall set fees to be paid by the Applicant in order to cover the costs of pre-application review, Application and Development review, the Department's expenses in connection with providing financing for a Development, and as required by law. (§1372.006(a), Texas Government Code)
- (b) Administration—and_ Portfolio Management and Compliance, and Asset Management Fees. The Department shall set ongoing fees to be paid by Development Owners to cover the Department's costs of administering the Bonds—and_ portfolio management and compliance with the program requirements applicable to each Development and asset management applicable requirements.

§3533.9 Waiver of Rules

Provided all requirements of the Act, the Code, and any other applicable law are met, the Board may waive any one or more of the Rules set forth in §§3533.3 through 3533.8 of this title relating to the Multifamily Housing Revenue Bond Program in order to further the purposes and the policies of Chapter 2306, Texas Government Code; to encourage the acquisition, construction, reconstruction, or rehabilitation of a Development that would provide decent, safe, and sanitary housing, including, but not limited to, providing such housing in economically depressed or blighted areas, or providing housing designed and equipped for Persons with Special Needs; or for other good cause, as determined by the Board.

§3533.10 No Discrimination

The Department and its staff or agents, Applicants, Development Owners, and any participants in the Program shall not discriminate under this Program against any person or family on the basis of race, creed, national origin, age, religion, handicap, family status, or sex, or against persons or families on the basis of their having minor children, except that nothing herein shall be deemed to preclude a Development Owner from selecting tenants with Special Needs, or to preclude a Development Owner from selecting tenants based on income in renting Units to comply with the set asides under the provisions of this Chapter.

COMMUNITY AFFAIRS DIVISION SECTION 8 PROGRAM

BOARD ACTION REQUEST May 26, 2005

Action Item

Approval of Section 8 5-Year and 2005 Annual Public Housing Agency (PHA) Plans.

Required Action

Staff recommends approval of the proposed 5-Year and 2005 PHA Plans for the Texas Department of Housing and Community Affairs (Department) Section 8 Program written in compliance with 42 U.S.C.1437(c-1)(a) and (b). These plans will be submitted to HUD following the Board's review and approval.

Background

The PHA Plan is a comprehensive guide to public housing agency (PHA) policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the Five-Year Plan, which each PHA submits to HUD once every fifth PHA fiscal year, and the Annual Plan, which is submitted to HUD every year.

Section 511 of the Quality Housing and Work Responsibility Act (QHWRA), (Public Law No. 105-276), signed into law on October 21, 1998, made several changes to the requirements for entities which administer the Section 8 housing choice voucher program. The 5-Year Plan describes the mission of the agency and the long range goals and objectives for achieving the mission over the subsequent 5 years. 42 U.S.C. 1437(c-1)(b) requires public housing agencies such as the Department to submit an Annual Plan which provides information about program operations and services, the strategy for handling operational concerns, residents' concerns and needs, and services for the upcoming fiscal year. Any local, regional, or state agency that receives funds to operate a Section 8 tenant-based assistance (voucher) program must submit a PHA Plan.

To ensure public participation, the Department appointed a Resident Advisory Board, which consists of all tenants with active Section 8 contracts, to review and comment on the proposed 5 Year/2005 Annual Plan. In addition, the Department made available for review the PHA Plan, including attachments and supporting documents, at the Department's Administration Office on weekdays between 8:00 am and 4:30 pm; the Local Operator offices; and the Department's website at: www.tdhca.state.tx.us.

The Department held a Public Hearing on February 9, 2005. Advocates for persons with disabilities attended the hearing. All written comments are included in the plan.

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

PHA Plans

5 Year Plan for Fiscal Years 2005 - 2009 Annual Plan for Fiscal Year 2005

NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES

PHA Plan Agency Identification

PHA Name: Texas Department of Housing and Community Affairs PHA Number: TX901 PHA Fiscal Year Beginning: (07/2005) **Public Access to Information** Information regarding any activities outlined in this plan can be obtained by contacting: (select all that apply) Main administrative office of the PHA PHA development management offices PHA local offices **Display Locations For PHA Plans and Supporting Documents** The PHA Plans (including attachments) are available for public inspection at: (select all that apply) Main administrative office of the PHA PHA development management offices PHA local offices Main administrative office of the local government Main administrative office of the County government Main administrative office of the State government Public library PHA website Other (list below) PHA Plan Supporting Documents are available for inspection at: (select all that apply) Main business office of the PHA PHA development management offices Other (list below)

5-YEAR PLAN PHA FISCAL YEARS 2005 - 2009

[24 CFR Part 903.5]

A. N	<u> Iission</u>
	ne PHA's mission for serving the needs of low-income, very low income, and extremely low-income in the PHA's jurisdiction. (select one of the choices below)
	The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.
	The PHA's mission is: (state mission here)
B. G	Goals als and objectives listed below are derived from HUD's strategic Goals and Objectives and those
emphasidentify PHAS SUCC	sized in recent legislation. PHAs may select any of these goals and objectives as their own, or y other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF ESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS. ifiable measures would include targets such as: numbers of families served or PHAS scores ed.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.
HUD housi	Strategic Goal: Increase the availability of decent, safe, and affordable ng.
	PHA Goal: Expand the supply of assisted housing Objectives: Apply for additional rental vouchers: Reduce public housing vacancies: Leverage private or other public funds to create additional housing opportunities: Acquire or build units or developments Other (list below)
	PHA Goal: Improve the quality of assisted housing Objectives: Improve public housing management: (PHAS score) Improve voucher management: (SEMAP score) Increase customer satisfaction: Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections) Renovate or modernize public housing units: Demolish or dispose of obsolete public housing: Provide replacement public housing: Provide replacement vouchers:

		Other: (list below)			
	Objecti	Provide voucher mobility counseling: Conduct outreach efforts to potential voucher landlords Increase voucher payment standards Implement voucher homeownership program: Implement public housing or other homeownership programs: Implement public housing site-based waiting lists: Convert public housing to vouchers: Other: (list below)			
HUD	Strategi	c Goal: Improve community quality of life and economic vitality			
	PHA G Objecti	Goal: Provide an improved living environment lives: Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments: Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments: Implement public housing security improvements: Designate developments or buildings for particular resident groups (elderly, persons with disabilities) Other: (list below)			
	Strategi dividua	c Goal: Promote self-sufficiency and asset development of families			
househ Object	olds	Fromote self-sufficiency and asset development of assisted Increase the number and percentage of employed persons in assisted families: Provide or attract supportive services to improve assistance recipients' employability: Provide or attract supportive services to increase independence for the elderly or families with disabilities. Other: (list below)			
HUD S	HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans				
\boxtimes	PHA G	Goal: Ensure equal opportunity and affirmatively further fair housing ives:			

\boxtimes	Undertake affirmative measures to ensure access to assisted housing
	regardless of race, color, religion national origin, sex, familial status, and
	disability:
\boxtimes	Undertake affirmative measures to provide a suitable living environment
	for families living in assisted housing, regardless of race, color, religion
	national origin, sex, familial status, and disability:
\boxtimes	Undertake affirmative measures to ensure accessible housing to persons
	with all varieties of disabilities regardless of unit size required:
	Other: (list below)

Other PHA Goals and Objectives: (list below)

- 1. To provide improved living conditions for very low income families while maintaining their rent payments at an affordable level.
- 2. To provide decent, safe and sanitary housing for eligible participants.
- 3. To promote freedom of housing choice and integrated housing for low income and minority families.
- 4. To provide an incentive to private property owners to rent to lower income families or individuals by providing timely assistance payments.
- 5. Continue to assess and improve administrative processes and procedures to minimize audit findings.
- 6. Continue to evaluate the quality and performance of Local Operators.

Annual PHA Plan PHA Fiscal Year 2005

[24 CFR Part 903.7]

<u>i. A</u> i	nnual .	<u>Plan Type:</u>
Select v	which typ	e of Annual Plan the PHA will submit.
	Stand	ard Plan
Strear	mlined	Plan:
		High Performing PHA
		Small Agency (<250 Public Housing Units)
	$\overline{\boxtimes}$	Administering Section 8 Only
	Troub	oled Agency Plan

Executive Summary of the Annual PHA Plan

[24 CFR Part 903.7 9 (r)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

The Department will continue to work for the maximum utilization of its Section 8 vouchers. The Department will continue to work with various Public Housing Authorities, Lenders, Builders, the U. S. Department of Agriculture, Rural Development Program and HUD, to implement a demonstration project for Section 8 Homeownership. The Department will continue to administer its Project Access vouchers to serve the disability community impacted by the Olmstead Decision. The Department will continue to work closely with other programs, such as the Texas Health and Human Services Commission administering the Temporary Assistance to Needy Families (TANF) Program, and the State's local PHAs to improve the living conditions of Section 8 residents and to address the affordable housing needs of the citizens of Texas.

iii. Annual Plan Table of Contents

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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Ar	nnual Plan	
i.	Executive Summary	1
ii.	Table of Contents	1
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	2. Financial Resources	13
	3. Policies on Eligibility, Selection and Admissions	14
	4. Rent Determination Policies	25
	5. Operations and Management Policies	29
	6. Grievance Procedures	31
	7. Capital Improvement Needs	N/A

8.	Demolition and Disposition	N/A
9.	Designation of Housing	N/A
10.	Conversions of Public Housing	N/A
11.	Homeownership	36
12.	Community Service Programs	38
13.	Crime and Safety	N/A
14.	Pets (Inactive for January 1 PHAs)	N/A
15.	Civil Rights Certifications (included with PHA Plan Certifications)	42
16.	Audit	42
17.	Asset Management	N/A
18.	Other Information	43

Attachments

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Req	uired	At	tacl	hm	ent	s:

	Admissions Policy for Deconcentration
	FY 2005 Capital Fund Program Annual Statement
	Most recent board-approved operating budget (Required Attachment for PHAs
	that are troubled or at risk of being designated troubled ONLY)
(Optional Attachments:
	PHA Management Organizational Chart
	FY 2005 Capital Fund Program 5 Year Action Plan
	Public Housing Drug Elimination Program (PHDEP) Plan

Other (List below, providing each attachment name)

included in PHA Plan text)

Supporting Documents Available for Review

Indicate which documents are available for public review by placing a mark in the "Applicable & On Display" column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

Comments of Resident Advisory Board or Boards (must be attached if not

	List of Supporting Documents Available for Review				
Applicable & On Display	Supporting Document	Applicable Plan Component			
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans			
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans			
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair	5 Year and Annual Plans			

List of Supporting Documents Available for Review			
Applicable &	Supporting Document	Applicable Plan Component	
On Display		-	
	housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.		
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI))) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs	
N/A	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;	
N/A	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies	
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies	
N/A	 Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 Quality Housing and Work Responsibility Act Initial Guidance; Notice and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis 	Annual Plan: Eligibility, Selection, and Admissions Policies	
N/A	Public housing rent determination policies, including the methodology for setting public housing flat rents check here if included in the public housing A & O Policy	Annual Plan: Rent Determination	
N/A	Schedule of flat rents offered at each public housing development check here if included in the public housing A & O Policy	Annual Plan: Rent Determination	
X	Section 8 rent determination (payment standard) policies check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination	
N/A	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance	
N/A	Public housing grievance procedures check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures	
X	Section 8 informal review and hearing procedures check here if included in Section 8	Annual Plan: Grievance Procedures	

Applicable &	List of Supporting Documents Available for Supporting Document	Applicable Plan Component
On Display		
	Administrative Plan	
N/A	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
N/A	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
N/A	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
N/A	Policies governing any Section 8 Homeownership program check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
N/A	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
N/A	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
N/A	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
N/A	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

1. Statement of Housing Needs

[24 CFR Part 903.7 9 (a)]

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

Houston District - Housing Needs of Families in the Jurisdiction							
		by	Family T	ype			
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	4,410	N/A	N/A	N/A	N/A	N/A	N/A
Income >30% but <=50% of AMI	3,071	N/A	N/A	N/A	N/A	N/A	N/A
Income >50% but <80% of AMI	1,502	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	1,228	N/A	N/A	N/A	N/A	N/A	N/A
Families with Disabilities	1,683	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	White 4,503	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Black 2,107	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Hisp. 3,136	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Other 234	N/A	N/A	N/A	N/A	N/A	N/A

TDHCA Houston District:

<u>Cities</u>	Counties
Sealy	Austin
Sweeny	Brazoria
Anahuac	Chambers
Columbus, Eagle Lake, Weimar	Colorado
Needville	Ft. Bend
Dickinson, Hitchcock, League City	Galveston
Kemah & County	Galveston
Hearne	Robertson
Hempstead, Waller, Prairie View	Waller
El Campo, Wharton	Wharton

Da	Dallas - Housing Needs of Families in the Jurisdiction						
		by	Family T	Гуре			
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	2,171	N/A	N/A	N/A	N/A	N/A	N/A
Income >30% but <=50% of AMI	1,503	N/A	N/A	N/A	N/A	N/A	N/A
Income >50% but <80% of AMI	1,033	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	980	N/A	N/A	N/A	N/A	N/A	N/A
Families with Disabilities	1,206	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	White 2,520	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Black 1,163	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Hisp. 1,460	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Other 123	N/A	N/A	N/A	N/A	N/A	N/A

TDHCA Dallas (Ft. Worth) Jurisdiction:

<u>Cities</u>	Counties
Clifton, China Spring & County	Bosque
Comanche, DeLeon, Gustine	Comanche
Ozona	Crockett
Pilot Point, Sanger	Denton
Ennis, Italy, Waxahachie	Ellis
Dublin	Erath
Marlin, Rosebud & County	Falls
Fairfield, Teague & County	Freestone
Alvarado, Keene	Johnson
Kosse	Limestone
Mason	Mason
McGregor	McLennan
Menard	Menard
Blooming Grove, Kerens	Navarro
El Dorado	Schleicher

San Antonio - Housing Needs of Families in the Jurisdiction							
		by	Family 1	уре			
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	1,900	N/A	N/A	N/A	N/A	N/A	N/A
Income >30% but <=50% of AMI	1,278	N/A	N/A	N/A	N/A	N/A	N/A
Income >50% but <80% of AMI	927	N/A	N/A	N/A	N/A	N/A	N/A
Elderly	1,050	N/A	N/A	N/A	N/A	N/A	N/A
Families with Disabilities	1,123	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	White 2,604	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Black 292	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Hisp. 1,745	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	Other 82	N/A	N/A	N/A	N/A	N/A	N/A

San Antonio TDHCA Jurisdiction:

<u>Cities</u>	Counties
Rockport	Aransas
Lytle	Atacosa
Bertram, Marble Falls	Burnet
Luling, Lockhart & County	Caldwell
Marion	Guadalupe
Alice & County	Jim Wells
Kerrville	Kerr
Giddings, Lexington & County	Lee
George West	Live Oak
Llano	Llano
Hondo, Natalia	Medina
Bishop, Robstown & County	Nueces

2000 U. S. Census

What sources of information did the PHA use to conduct this analysis? (Check all that

B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA's waiting list/s. Complete one table for each type of PHA-wide waiting list administered by the PHA. PHAs may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

Housing Needs of Families on the Waiting List				
Waiting list type: (select one) ☐ Section 8 tenant-based assistance ☐ Public Housing ☐ Combined Section 8 and Public Housing ☐ Public Housing Site-Based or sub-jurisdictional waiting list (optional) ☐ If used, identify which development/subjurisdiction:				
	# of families	% of total families	Annual Turnover	
Waiting list total	897		No demographics in data base	
Extremely low income <=30% AMI	N/A	N/A		
Very low income (>30% but <=50% AMI)	N/A	N/A		
Low income (>50% but <80% AMI)	N/A	N/A		
Families with children	691	77%		
Elderly families	21	2%		
Families with	85	9%		

Housing Needs of Families on the Waiting List				
Dis-1:1141	1			
Disabilities	XX/1-:4- NI/II:			
Race/ethnicity	White Non/Hisp.	2.40/		
D / 11 : 14	307	34%		
Race/ethnicity	Black Non/Hisp.	400/		
D / 11 1 1 1	361	40%		
Race/ethnicity	White/Hispanic	250/		
	224	25%		
Race/ethnicity	Other – 5	1%		
	list figure is a compos	ite of several state	wide jurisdictional waiting	
lists.		T		
Characteristics by				
Bedroom Size				
(Public Housing				
Only)				
1BR	N/A	N/A	N/A	
2 BR	N/A	N/A	N/A	
3 BR	N/A	N/A	N/A	
4 BR	N/A	N/A	N/A	
5 BR	N/A	N/A	N/A	
5+ BR	N/A	N/A	N/A	
	losed (select one)?			
If yes:		<u></u>		
_	as it been closed (# of a	months) 12 or mor	·e.	
_	A expect to reopen the			
			onto the waiting list, even if	
	osed? No Yes	C	2	
			sing needs of families in the he Agency's reasons for	
(1) Strategies	affordable housing f	or all eligible pop	oulations	
Strategy 1. Maximits current resource		fordable units av	ailable to the PHA within	
Select all that apply				
 Employ effective maintenance and management policies to minimize the number of public housing units off-line Reduce turnover time for vacated public housing units Reduce time to repoyate public housing units 				

	Seek replacement of public housing units lost to the inventory through mixed
	finance development Seek replacement of public housing units lost to the inventory through section
$\overline{\square}$	8 replacement housing resources
	Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
	Undertake measures to ensure access to affordable housing among families
\boxtimes	assisted by the PHA, regardless of unit size required Maintain or increase section 8 lease-up rates by marketing the program to
	owners, particularly those outside of areas of minority and poverty
\square	concentration Maintain or increase section 8 lease-up rates by effectively screening Section 8
	applicants to increase owner acceptance of program
	Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
	Other (list below)
Strate	gy 2: Increase the number of affordable housing units by:
	Il that apply
	Apply for additional section 8 units should they become available
	Leverage affordable housing resources in the community through the creation
	of mixed - finance housing Pursue housing resources other than public housing or Section 8 tenant-based
	assistance.
	Other: (list below)
Need:	Specific Family Types: Families at or below 30% of median
	gy 1: Target available assistance to families at or below 30 % of AMI lthat apply
	Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
	Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
	Employ admissions preferences aimed at families with economic hardships
	Adopt rent policies to support and encourage work Other: (list below)
Need:	Specific Family Types: Families at or below 50% of median
	gy 1: Target available assistance to families at or below 50% of AMI ll that apply
	Employ admissions preferences aimed at families who are working

	Adopt rent policies to support and encourage work Other: (list below) Housing Assistance – In addition to the Department's own efforts to address the affordable housing needs of extremely low income Texans, the 78 th Texas Legislature passed an appropriations rider to TDHCA's enabling legislation that requires the housing finance division to "adopt an annual goal to apply a minimum of \$30,000,000 of the division's total housing funds toward housing assistance for individuals and families earning less than the following: 1 person household: \$13,000 2 person household \$16,000 3 person household \$17,000 4 person household \$19,000 5 person household \$21,000
Need:	Specific Family Types: The Elderly
	gy 1: Target available assistance to the elderly:
	Seek designation of public housing for the elderly Apply for special-purpose vouchers targeted to the elderly, should they become available Other: (list below)
Need:	Specific Family Types: Families with Disabilities
	gy 1: Target available assistance to Families with Disabilities:
	Seek designation of public housing for families with disabilities Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing Apply for special-purpose vouchers targeted to families with disabilities, should they become available Affirmatively market to local non-profit agencies that assist families with disabilities Other: (list below)
Need: needs	Specific Family Types: Races or ethnicities with disproportionate housing
	gy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs: f applicable
	Affirmatively market to races/ethnicities shown to have disproportionate housing needs

	Other: (list below)
	gy 2: Conduct activities to affirmatively further fair housing
Select al	ll that apply
	Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units Market the section 8 program to owners outside of areas of poverty /minority concentrations Other: (list below)
Other	Housing Needs & Strategies: (list needs and strategies below)
	easons for Selecting Strategies
	factors listed below, select all that influenced the PHA's selection of the
strategi	ies it will pursue:
	Funding constraints Staffing constraints Limited availability of sites for assisted housing Extent to which particular housing needs are met by other organizations in the community
	Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
\boxtimes	Influence of the housing market on PHA programs
	Community priorities regarding housing assistance
	Results of consultation with local or state government
	Results of consultation with residents and the Resident Advisory Board
	Results of consultation with advocacy groups Other: (list below)
	other. (list ociow)

2. Statement of Financial Resources

[24 CFR Part 903.7 9 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

Financial Resources: Planned Sources and Uses					
Sources Planned \$ Planned Uses					
1. Federal Grants (FY 2005 grants)	N/A	Timined Oses			
a) Public Housing Operating Fund	N/A				
b) Public Housing Capital Fund	N/A				
c) HOPE VI Revitalization	N/A				
d) HOPE VI Demolition	N/A				
e) Annual Contributions for Section 8 Tenant-Based Assistance	\$7,817,645				
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A				
g) Resident Opportunity and Self- Sufficiency Grants	N/A				
h) Community Development Block Grant	N/A				
i) HOME	N/A				
Other Federal Grants (list below)	N/A				
2. Prior Year Federal Grants (unobligated funds only) (list below)	N/A				
3. Public Housing Dwelling Rental Income	N/A				
4. Other income (list below)	N/A				
4. Non-federal sources (list below)	N/A				
Total resources	\$7,817,645				

3. PHA Policies Governing Eligibility, Selection, and Admissions [24 CFR Part 903.7 9 (c)]

A.	Public	Housing	
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Exemptions: PHAs that do not administer public housing are not required to complete subcomponent

JA.	
(1) Eligibility	(*N/A to AGENCY)
that apply) When familie number)	A verify eligibility for admission to public housing? (select all s are within a certain number of being offered a unit: (state s are within a certain time of being offered a unit: (state time) be)
admission to publi	
d. Yes No: I	Does the PHA request criminal records from local law enforcement agencies for screening purposes? Does the PHA request criminal records from State law enforcement agencies for screening purposes? Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
(2)Waiting List Org	<u>anization</u>
a. Which methods do (select all that app	vide list onal lists iting lists
PHA main ad	sted persons apply for admission to public housing? ministrative office ment site management office ow)

answer each of the following questions; if not, skip to subsection (3) Assignment
1. How many site-based waiting lists will the PHA operate in the coming year?
2. Yes No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)? If yes, how many lists?
3. Yes No: May families be on more than one list simultaneously If yes, how many lists?
 4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)? PHA main administrative office All PHA development management offices Management offices at developments with site-based waiting lists At the development to which they would like to apply Other (list below)
3) Assignment
How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one) One Two Three or More
o. Yes No: Is this policy consistent across all waiting list types?
e. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:
4) Admissions Preferences
. Income targeting: Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?
o. Transfer policies: n what circumstances will transfers take precedence over new admissions? (list pelow) Emergencies

Overhoused Underhoused Medical justification Administrative reasons determined by the PHA (e.g., to permit modernization work) Resident choice: (state circumstances below) Other: (list below)
c. Preferences 1. Yes No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If "no" is selected, skip to subsection (5) Occupancy)
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)
Former Federal preferences: Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition) Victims of domestic violence Substandard housing Homelessness High rent burden (rent is > 50 percent of income)
Other preferences: (select below) Working families and those unable to work because of age or disability Veterans and veterans' families Residents who live and/or work in the jurisdiction Those enrolled currently in educational, training, or upward mobility programs Households that contribute to meeting income goals (broad range of incomes) Households that contribute to meeting income requirements (targeting) Those previously enrolled in educational, training, or upward mobility programs Victims of reprisals or hate crimes Other preference(s) (list below)
3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc.
Date and Time
Former Federal preferences:

(\ S H	Owner, Inaccessibility, Property Disposition) Victims of domestic violence Substandard housing Homelessness High rent burden
	references (select all that apply) Working families and those unable to work because of age or disability Veterans and veterans' families Residents who live and/or work in the jurisdiction Those enrolled currently in educational, training, or upward mobility programs Households that contribute to meeting income goals (broad range of incomes) Households that contribute to meeting income requirements (targeting) Those previously enrolled in educational, training, or upward mobility programs Victims of reprisals or hate crimes Other preference(s) (list below)
	tionship of preferences to income targeting requirements: The PHA applies preferences within income tiers Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements
(5) Occi	<u>upancy</u>
about	reference materials can applicants and residents use to obtain information the rules of occupancy of public housing (select all that apply) The PHA-resident lease The PHA's Admissions and (Continued) Occupancy policy PHA briefing seminars or written materials Other source (list)
	often must residents notify the PHA of changes in family composition? Let all that apply) At an annual reexamination and lease renewal Any time family composition changes At family request for revision Other (list) Independent of the phase of the
a. Y	Tes No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b. 🗌	Yes No: Did the PHA adopt any changes to its admissions policies based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?
c. If th	e answer to b was yes, what changes were adopted? (select all that apply) Adoption of site-based waiting lists If selected, list targeted developments below:
	Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments If selected, list targeted developments below:
	Employing new admission preferences at targeted developments If selected, list targeted developments below:
	Other (list policies and developments targeted below)
d. 🗌	Yes No: Did the PHA adopt any changes to other policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?
e. If the app	ne answer to d was yes, how would you describe these changes? (select all that ly)
	Additional affirmative marketing Actions to improve the marketability of certain developments Adoption or adjustment of ceiling rents for certain developments Adoption of rent incentives to encourage deconcentration of poverty and income-mixing Other (list below)
	ed on the results of the required analysis, in which developments will the PHA special efforts to attract or retain higher-income families? (select all that apply) Not applicable: results of analysis did not indicate a need for such efforts List (any applicable) developments below:
_	sed on the results of the required analysis, in which developments will the PHA special efforts to assure access for lower-income families? (select all that apply) Not applicable: results of analysis did not indicate a need for such efforts List (any applicable) developments below:
	ction 8 ions: PHAs that do not administer section 8 are not required to complete sub-component 3B.
- nompt	The state of the administration of the first required to complete sub-component 3B.

Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).

(1) Eligibility

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LOCAL OPERATOR LIST				
Location	LO First	LO Phone #	LO Address	Hrs of Operation
Alton	Willie Tenorio	(512) 475- 2634	507 Sabine St, Austin, Tx 78701	Monday-Friday 8:00-5:00pm
Alvarado	Sharon Vass	(817) 790- 3351	104 W.College, Alvarado ,Tx 76009	Monday-Friday 8:00-5:00pm
Anahuac	Jessica Laskoskie	(409) 267- 8306	P.O. Box 489, Anahuac,Tx 77514	Tuesday & Thursday 1:30- 4:30pm
Bertram	Dorothy Johnson	(830) 693- 3109	P.O. Box 703, Marble Falls, Tx 78654	Monday-Friday 8:00-5:00pm
Blooming Grove	Linda Bray	(930) 695- 2711	P.O. Box 237 Blooming Grove,Tx 76633	Monday-Friday 8:00-4:00pm
Bosque Co.	Luci Bishop	(254) 836- 4796	538 County Rd 3570, China Springs,Tx 76633	Monday-Friday By Appt
Caldwell Co.	Frank Cantu	(512) 392- 1161	P.O. Box 748 San Marcos,Tx 78667	Monday-Friday 8:00-5:00pm
Colorado Co.	Jennifer Braneff	(979)540- 2984	165 W. Austin Giddings,Tx 78942	Monday-Friday 8:00-5:00pm
Comanche Co.	Dolly Rhodes	(254) 879- 2931	4732 Hwy 1496, Dublin,Tx 76446	Wed & Fridays 1:00-5:00
Crockett Co.	Edith Maxwell	(512) 475- 3884	507 Sabine St, Austin Tx 78701	Monday-Friday 8:00-5:00pm
Dublin HA	Dee Zachary	(254) 445- 2165	201 E. May, Dublin, Tx 76446	Mon-Friday 9:00-12pm 1:00- 3:00pm
El Campo HA	Charlene Smith	(979) 543- 7143	1303 Delta El Campo, Tx 77437	Wednesdays 8:00-5:00pm
El Dorado	Edith Maxwell	(512) 475- 3884	507 Sabine St, Austin Tx 78701	Monday-Friday 8:00-5:00pm
Ennis	Vickie McCoy	(972) 875- 1234	P.O.Box 220, Ennis, Tx 75119	Monday-Friday 8:00-5:00pm
Fairfield	Quilla Johnson	(254) 739- 5756	616 Pine St, League, Tx 75680	Monday-Wednesday 9:00- 12:00pm
Falls Co.	Carlene Mack	(254) 883- 6550	P.O. Box 231, Marlin, Tx 76661	Thursdays 1:00-4:30pm
Freestone Co.	Quilla Johnson	(254) 739- 5733	616 Pine St, League, Tx 75680	Monday-Friday 8:00-5:00pm
Galveston Co.	Glenda Cagen	(409) 935- 8002	714 Bayou Dr, La Marque,Tx 77568	Monday & Tuesday 8:30- 5:00pm

LOCAL OPERATOR LIST (cont)				
Location	LO First	LO Phone #	LO Address	Hrs of Operation
George West	Jacquelyn Harborth	(361) 449- 1556	P.O. Box 2250 George West, Tx 78022	Tuesday 1:00-4:00pm
Giddings	Jennifer Braneff	(979) 540- 2984	165 W. Austin Giddings,Tx 78942	Monday-Friday 8:00-5:00pm
Hearne	Erica Garcia	(979) 595- 2800	P.O. Box Drawer 4128 Bryan, Tx 77805	Monday-Friday 8:00-5:00pm
Hempstead	Gloria Richardson	(979) 826- 7695	646 9 th Street Hempstead, TX 76445	Monday-Friday 9:00 – 12:00 pm
Hondo	Shannon Muniz	(830) 741- 6130	804 Harper Hondo,Tx 78861	Monday-Thursday 8:00-5:00pm
Italy	Debra Bryant	(972) 483- 7329	P.O. Box 840, Italy,Tx 76651	Monday-Wednesday 8:00- 5:00pm
Jim Wells Co	Rosa Zamarripa	(361) 664- 3453	P.O.Box 1407 Alice,Tx 78333	Wednesday 9:00-12:00pm
Keene	Diann Wilmart	((817) 202- 8110	P.O.Box 257, Keene,Tx 76059	Monday-Friday 10:00-5:00pm
Kerens	Cindy Scott	(903) 396- 2971	P.O.Box 160, Kerens,Tx 75144	Monday-Friday 7:30-4:30pm
Kerrville	Comelia Rue	(830) 896- 2124	200 B Guadalupe Plaza, Kerrville,Tx 78028	Monday, Wed,Fri 8:00-12pm &1-5pm
Kosse	Carlene Mack	(254) 803- 5748	P.O.Box 231, Marlin,Tx 76661	Thursdays 1:00-4:30pm
Lee	Jennifer Braneff	(979) 540- 2984	165 W. Austin Giddings,Tx 78942	Monday- Friday 8:00-5:00pm
Lexington	Jennifer Braneff	(979) 540- 2984	165 W. Austin Giddings,Tx 78942	Monday- Friday 8:00-5:00pm
Llano	Tiffany Saylor	(915) 247- 4931	1110 Berry St, Llano, Tx 78643	Monday-Friday 9:00-3:00pm
Lytle	Elda Perez	(830) 709- 3692	P.O.Box 39, Lytle,Tx 78052	Tuesday & Wednesday 9:00- 12:00pm
Marble Falls	Dorothy Johnson	(830) 693- 3109	P.O.Box 703, Marble Falls,Tx 78654	Monday-Friday 8:00-5:00pm
Marion	Ernest Leal	(830) 379- 3022	300 Laurel Lane, New Braunfels,Tx 78155	Monday-Friday 8:30—4:30pm
Marlin	Carlene Mack	(254) 883- 6550	P.O. Box 231, Marlin, Tx 76661	Thursdays 1:00-4:30pm
Mart	Carlene Mack	(254) 883- 6550	P.O. Box 231, Marlin, Tx 76661	Thursdays 1:00-4:30pm
Mason	Dorothy Brannies	(915) 347- 5853	P.O.Box B, Mason,Tx 76856	Monday-Friday Appt Only

LOCAL OPERATOR LIST (cont)				
Location	LO First	LO Phone #	LO Address	Hrs of Operation
McGregor	Sandy Tijerina	(254) 840- 2806	P.O. Box 192, McGregor, Tx 76656	Monday-Friday 8:00-5:00pm
Menard	Edith Maxwell	(512) 475- 3884	507 Sabine St, Austin, Tx 78701	Monday-Friday 8:00-5:00pm
Natalia	Shannon Muniz	(830) 741- 6130	205 A E Court St, Seguin,Tx 78155	Monday-Friday Appt Only
Needville	Glenda Gagen	(409) 935- 8002	714 Bayou Dr, La Marque,Tx 77568	Monday & Tuesday 8:30- 5:00pm
Nueces Co	Diane Flores	(361) 387- 1527	998 Ruben Chavez, Robstown,Tx 78380	Monday-Friday 8:00-5:00pm
Pilot Point	Sandra Gray	(940) 868- 2193	P.O.Box 457, Pilot Point, Tx 76258	Monday-Friday Appt Only
Prairie View	Willie Faye Hurd	(512) 475- 3892	507 Sabine St, Austin, Tx 78701	Monday-Friday 8:00-5:00pm
Rockport	Willie Tenorio	(512) 475- 3130	507 Sabine St, Austin, Tx 78701	Monday-Friday 8:00-5:00pm
Rosebud	Carlene Mack	(254) 883- 6550	P.O.Box 231, Marlin,Tx 76661	Thursdays 1:00-4:30pm
Sanger	Samantha Renz	(940) 458- 7930	P.O.Box 578 Sanger,Tx 76266	Monday-Friday 8:00-5:00pm
Sealy	Jennifer Braneff	(940) 540- 2984	165 W. Austin Giddings,Tx 78942	Monday-Friday 8:00-5:00pm
Sweeny	Reatta Minshew	(979) 548- 3321	P.O.Box 248, Sweeny,Tx 77480	Monday-Wednesday 9:00- 12:00pm
Teague	Quilla Johnson	(254) 739- 5756	616 Pine St, League, Tx 75680	Monday & Wednesday 9:00- 12:00pm
Waller	Willie Faye Hurd	(512) 475- 3892	507 Sabine St, Austin, Tx 78701	Monday-Fridays 8:00-5:00pm
Waxahachie	Felicia Warner	(972) 937- 7330	P.O.Box 173, Waxahachie,Tx 75165	Wednesdays 9:00-5:00pm
Weimar	Jennifer Braneff	(979) 540- 2984	165 W. Austin Giddings,Tx 78942	Monday-Friday 8:00-5:00pm
West Columbia	Margaret Dixon	(979) 864- 1427	313 W. Mulberry, Angleton, Tx 77515	Monday-Friday 8:00-5:00pm
Wharton	Jo Knezek	(979) 532- 4811	1924 North Fulton,Tx 77488	Monday-Friday 8:00-5:00pm

(3) Search Time

a. X Yes No: Does the PHA give extensions on standard 60-day period to search for a unit?

TDHCA grants extensions if: Safe, decent and sanitary housing is unavailable; or Decent and sanitary housing is not affordable; or An applicant shows concerted effort to find a suitable unit and is unsuccessful; An applicant cannot find a unit because of rental history. (4) Admissions Preferences a. Income targeting Yes No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the Section 8 program to families at or below 30% of median area income? b. Preferences 1. Yes No: Has the PHA established preferences for admission to Section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent (5) Special purpose section 8 assistance programs) 2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences) Former Federal preferences Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition) Victims of domestic violence Substandard housing Homelessness High rent burden (rent is > 50 percent of income) Other preferences (select all that apply) Working families and those unable to work because of age or disability Veterans and veterans' families Residents who live and/or work in your jurisdiction Those enrolled currently in educational, training, or upward mobility programs Households that contribute to meeting income goals (broad range of incomes) Households that contribute to meeting income requirements (targeting) Those previously enrolled in educational, training, or upward mobility programs Victims of reprisals or hate crimes Other preference(s) (list below)

If yes, state circumstances below:

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use "1" more than once, "2" more than once, etc. Date and Time Former Federal preferences Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition) Victims of domestic violence Substandard housing Homelessness High rent burden Other preferences (select all that apply) Working families and those unable to work because of age or disability Veterans and veterans' families Residents who live and/or work in your jurisdiction Those enrolled currently in educational, training, or upward mobility programs Households that contribute to meeting income goals (broad range of incomes) Households that contribute to meeting income requirements (targeting) Those previously enrolled in educational, training, or upward mobility programs Victims of reprisals or hate crimes Other preference(s) (list below) 4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one) Date and time of application Drawing (lottery) or other random choice technique 5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction" (select one) This preference has previously been reviewed and approved by HUD The PHA requests approval for this preference through this PHA Plan 6. Relationship of preferences to income targeting requirements: (select one) The PHA applies preferences within income tiers Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply) The Section 8 Administrative Plan Briefing sessions and written materials

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

Through published notices

Other (list below)

Other (list below)

TDHCA website

4. PHA Rent Determination Policies

a. Use of discretionary policies: (select one)

[24 CFR Part 903.7 9 (d)]

A. Public Housing

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

(*N/A to AGENCY)

(1) Income Based Rent Policies

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

The PHA will not employ any discretionary rent-setting policies for income
based rent in public housing. Income-based rents are set at the higher of 30%
of adjusted monthly income, 10% of unadjusted monthly income, the welfare
rent, or minimum rent (less HUD mandatory deductions and exclusions). (If
selected, skip to sub-component (2))

The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

---Or---

1. What amount best reflects the PHA's minimum rent? (select one) \$0 \$1-\$25 \$26-\$50
2. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?
3. If yes to question 2, list these policies below:
c. Rents set at less than 30% than adjusted income
1. Yes No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?
2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:
 d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply) For the earned income of a previously unemployed household member For increases in earned income Fixed amount (other than general rent-setting policy) If yes, state amount/s and circumstances below:
Fixed percentage (other than general rent-setting policy) If yes, state percentage/s and circumstances below:
 □ For household heads □ For other family members □ For transportation expenses □ For the non-reimbursed medical expenses of non-disabled or non-elderly families □ Other (describe below)
e. Ceiling rents
1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)
Yes for all developments Yes but only for some developments No

2.	For which kinds of developments are ceiling rents in place? (select all that apply)
	For all developments For all general occupancy developments (not elderly or disabled or elderly only) For specified general occupancy developments For certain parts of developments; e.g., the high-rise portion
H	For certain size units; e.g., larger bedroom sizes Other (list below)
3.	Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply) Market comparability study
	Fair market rents (FMR)
	95 th percentile rents
\mathbb{H}	75 percent of operating costs 100 percent of operating costs for general occupancy (family) developments
	Operating costs plus debt service
H	The "rental value" of the unit
Ш	Other (list below)
f. R	Lent re-determinations:
1.	Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)
H	Never At family option
	Any time the family experiences an income increase
	Any time a family experiences an income increase above a threshold amount or
	percentage: (if selected, specify threshold) Other (list below)
g. [Yes No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?
<u>(2)</u>	Flat Rents
1.	In setting the market-based flat rents, what sources of information did the PHA use
1,	to establish comparability? (select all that apply.)
	The section 8 rent reasonableness study of comparable housing
Ш	Survey of rents listed in local newspaper

	Survey of similar unassisted units in the neighborhood Other (list/describe below)
Exempte comple the ten	ection 8 Tenant-Based Assistance tions: PHAs that do not administer Section 8 tenant-based assistance are not required to the sub-component 4B. Unless otherwise specified, all questions in this section apply only to the ant-based section 8 assistance program (vouchers, and until completely merged into the ter program, certificates).
(1) Pa	syment Standards
	be the voucher payment standards and policies.
a. What standar	At or above 90% but below100% of FMR 100% of FMR
H	Above 100% but at or below 110% of FMR Above 110% of FMR (if HUD approved; describe circumstances below)
Ш	Above 110% of FMR (If HOD approved, describe circumstances below)
	he payment standard is lower than FMR, why has the PHA selected this indard? (select all that apply) FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area The PHA has chosen to serve additional families by lowering the payment
	standard Reflects market or submarket Other (list below)
	ne payment standard is higher than FMR, why has the PHA chosen this level? lect all that apply) FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area Reflects market or submarket To increase housing options for families Other (list below)
d. Hov	w often are payment standards reevaluated for adequacy? (select one) Annually Other (list below)
	at factors will the PHA consider in its assessment of the adequacy of its payment ndard? (select all that apply) Success rates of assisted families Rent burdens of assisted families Other (list below) Availability of HUD funds.

Review of rental market in served areas.

(2) Minimum Rent

a. What amount best reflects the PHA's minimum rent? (select one)
□ \$1-\$25
□ \$0 □ \$1-\$25 □ \$26-\$50
b. Yes No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)
5. Operations and Management
[24 CFR Part 903.7 9 (e)]
Exemptions from Component 5: High performing and small PHAs are not required to complete this
section. Section 8 only PHAs must complete parts A, B, and C(2)
A. PHA Management Structure
Describe the PHA's management structure and organization.
(select one)
An organization chart showing the PHA's management structure and organization is attached.
A brief description of the management structure and organization of the PHA follows:

B. HUD Programs Under PHA Management

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

Program Name	Units or Families Served at Year	Expected Turnover
D 11: 11	Beginning	37/4
Public Housing	N/A	N/A
Section 8 Vouchers	1540*	44
Section 8 Certificates	N/A	N/A
Section 8 Mod Rehab	N/A	N/A
Special Purpose Section 8 Certificates/Vouchers (list individually)	N/A	N/A
Public Housing Drug Elimination Program (PHDEP)	N/A	N/A

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Other Federal Programs(list individually)	N/A	N/A

^{*}Includes Project Access Vouchers

C. Management and Maintenance Policies

List the PHA's public housing management and maintenance policy documents, manuals and handbooks that contain the Agency's rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

- (1) Public Housing Maintenance and Management: (list below)
- (2) Section 8 Management: (list below) Administrative Plan

6. PHA Grievance Procedures

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

(N/A to AGENCY)	
A. Public Housing	
1. Yes No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?	
If yes, list additions to federal requirements below:	
 2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply) PHA main administrative office PHA development management offices Other (list below) 	

B. Section 8 Tenant-Based Assistance 1. Yes No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?
If yes, list additions to federal requirements below:
 Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply) PHA main administrative office Other (list below)
7. Capital Improvement Needs [24 CFR Part 903.7 9 (g)]
Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.
(*N/A to AGENCY)
A. Capital Fund Activities
Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.
skip to component 7B. An other FIA's must complete 7A as instructed.
(1) Capital Fund Program Annual Statement
Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template OR , at the PHA's option, by completing and attaching a properly updated HUD-52837.
Select one: The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name) -Or-
The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)
(2) Optional 5-Year Action Plan Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement
can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template OR by completing and attaching a properly updated HUD-52834.
a. Yes No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If ye	If yes to question a, select one: The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name or-	
	The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)	
	OPE VI and Public Housing Development and Replacement ities (Non-Capital Fund)	
HOPE V	bility of sub-component 7B: All PHAs administering public housing. Identify any approved /I and/or public housing development or replacement activities not described in the Capital ogram Annual Statement.	
☐ Ye	(*N/A to AGENCY) a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary) b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)	
	 Development (project) number: Development (project) number: Status of grant: (select the statement that best describes the current status) Revitalization Plan under development Revitalization Plan submitted, pending approval Revitalization Plan approved Activities pursuant to an approved Revitalization Plan underway 	
☐ Ye	es No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year? If yes, list development name/s below:	
☐ Ye	es No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year? If yes, list developments or activities below:	
Ye	es No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement? If yes, list developments or activities below:	

8. Demolition and Disposition (*N/A to AGENCY) [24 CFR Part 903.7 9 (h)] Applicability of component 8: Section 8 only PHAs are not required to complete this section. 1. Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If "No", skip to component 9; if "yes", complete one activity description for each development.) 2. Activity Description Yes No: Has the PHA provided the activities description information in the optional Public Housing Asset Management Table? (If "yes", skip to component 9. If "No", complete the Activity Description table below.) **Demolition/Disposition Activity Description** 1a. Development name: 1b. Development (project) number: 2. Activity type: Demolition Disposition 3. Application status (select one) Approved Submitted, pending approval Planned application 4. Date application approved, submitted, or planned for submission: (DD/MM/YY) 5. Number of units affected: 6. Coverage of action (select one) Part of the development Total development 7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity: 9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with **Disabilities** (*N/A to AGENCY) [24 CFR Part 903.7 9 (i)] Exemptions from Component 9; Section 8 only PHAs are not required to complete this section. 1. Yes No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families

and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If "No", skip to component 10. If "yes", complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

info Asse	the PHA provided all required activity description rmation for this component in the optional Public Housing et Management Table? If "yes", skip to component 10. If ", complete the Activity Description table below.
Designa	tion of Public Housing Activity Description
1a. Development name:	
1b. Development (project)	number:
2. Designation type:	_
Occupancy by only	
	ilies with disabilities
	elderly families and families with disabilities
3. Application status (selec	
	d in the PHA's Designation Plan
Submitted, pending	
Planned application	
	oproved, submitted, or planned for submission: (DD/MM/YY)
New Designation Plan	esignation constitute a (select one)
	ely-approved Designation Plan?
6. Number of units affect	
7. Coverage of action (se	
Part of the development	
Total development	
10. Conversion of Pul [24 CFR Part 903.7 9 (j)]	olic Housing to Tenant-Based Assistance (*N/A to AGENCY) 0; Section 8 only PHAs are not required to complete this section.
	nable Revitalization Pursuant to section 202 of the HUD
dev	ve any of the PHA's developments or portions of velopments been identified by HUD or the PHA as covered der section 202 of the HUD FY 1996 HUD Appropriations

Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

2. Activity Description Yes No: Has the PHA provided all required activity description information for this component in the optional Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.	
Conversion of Public Housing Activity Description	
1a. Development name:	
1b. Development (project) number:	
2. What is the status of the required assessment?	
Assessment underway Assessment results submitted to HUD	
Assessment results approved by HUD (if marked, proceed to next	
question)	
Other (explain below)	
3. Yes No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)	
4. Status of Conversion Plan (select the statement that best describes the current	_
status)	
Conversion Plan in development	
Conversion Plan submitted to HUD on: (DD/MM/YYYY)	
Conversion Plan approved by HUD on: (DD/MM/YYYY)	
Activities pursuant to HUD-approved Conversion Plan underway	
5 Description of Learner in the Continue 202 and Line artistical languages	_
5. Description of how requirements of Section 202 are being satisfied by means other	•
than conversion (select one) Units addressed in a pending or approved demolition application (date	
submitted or approved:	
Units addressed in a pending or approved HOPE VI demolition application	n
(date submitted or approved:)	
Units addressed in a pending or approved HOPE VI Revitalization Plan	
(date submitted or approved:)	
Requirements no longer applicable: vacancy rates are less than 10 percent	t
Requirements no longer applicable: site now has less than 300 units	
U Other: (describe below)	

B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937		
C. Reserved for Co	onversions pursuant to Section 33 of the U.S. Housing Act of	
11. Homeownership Programs Administered by the PHA [24 CFR Part 903.7 9 (k)]		
A. Public Housing	(*N/A to AGENCY)	
Exemptions from Compo	onent 11A: Section 8 only PHAs are not required to complete 11A.	
1. Yes No:	Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If "No", skip to component 11B; if "yes", complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to small PHA or high performing PHA status. PHAs completing streamlined submissions may skip to component 11B.)	
2. Activity Descripts Yes No:	Has the PHA provided all required activity description information for this component in the optional Public Housing Asset Management Table? (If "yes", skip to component 12. If "No", complete the Activity Description table below.)	
Pub	olic Housing Homeownership Activity Description	
	(Complete one for each development affected)	
1a. Development nar		
1b. Development (pr	• /	
2. Federal Program authority: HOPE I 5(h) Turnkey III Section 32 of the USHA of 1937 (effective 10/1/99)		

Public Housing Homeownership Activity Description (Complete one for each development affected)						
3. Application status: (select one)						
Approved; included in the PHA's Homeownership Plan/Program						
Submitted, pending approval						
Planned application						
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)						
5. Number of units affected:						
6. Coverage of action: (select one)						
Part of the development						
Total development						
B. Section 8 Tenant Based Assistance						
1. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982? (If "No", skip to component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. High performing PHAs may skip to component 12.)						
· · · · · · · · · · · · · · · · · · ·						
2. Program Description: The Department's goal is to implement a Section 8 Homeovenership						
The Department's goal is to implement a Section 8 Homeownership						
program.						
a. Size of Program ☐ Yes ☐ No: Will the PHA limit the number of families participating in the section 8 homeownership option?						
If the answer to the question above was yes, which statement best describes the number of participants? (select one) 25 or fewer participants 26 - 50 participants 51 to 100 participants more than 100 participants						
 b. PHA-established eligibility criteria Yes No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria? If yes, list criteria below: 						

12. PHA Community Service and Self-sufficiency Programs

[24 CFR Part 903.7 9 (1)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

A. PHA	Coordination with the Welfare (TANF) Agency
	erative agreements*: No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?
	If yes, what was the date that agreement was signed? DD/MM/YY
apply apply CI In ot pr Jo Pa Jo V W W	coordination efforts between the PHA and TANF agency (select all that) lient referrals formation sharing regarding mutual clients (for rent determinations and herwise) coordinate the provision of specific social and self-sufficiency services and rograms to eligible families cointly administer programs artner to administer a HUD Welfare-to-Work voucher program coint administration of other demonstration program ther (describe) While there is no formal cooperative agreement, Section 8 program staff orks closely with the local TANF offices to share TANF client information or rent determinations.
B. Servi	ices and programs offered to residents and participants
<u>(1</u>) General
w en	Self-Sufficiency Policies Thich, if any of the following discretionary policies will the PHA employ to shance the economic and social self-sufficiency of assisted families in the sllowing areas? (select all that apply) Public housing rent determination policies Public housing admissions policies Section 8 admissions policies Preference in admission to section 8 for certain public housing families Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA Preference/eligibility for public housing homeownership option

participation

Preference/elig	•		nership option partic	ipation		
b. Economic and Soc	ial self-suff	iciency programs				
pro su tal Su	ograms to e fficiency of ole; if "no" officiency P	nhance the econoresidents? (If "yeskip to sub-comp	mote or provide any omic and social self- es", complete the follo onent 2, Family Self sition of the table may	_		
Services and Programs						
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing of section 8 participants or both)		
(2) Family Self Sufficiency program/s a. Participation Description Family Self Sufficiency (FSS) Participation						
Program	Required Nu	umber of Participants	Actual Number of Par			
Public Housing	(start of	FY 2005 Estimate)	(As of: DD/MN	<u>4/YY)</u>		
Section 8			*			
b. Yes No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size? If no, list steps the PHA will take below:						

C. Welfare Benefit Reductions

Hous welfs	PHA is complying with the statutory requirements of section 12(d) of the U.S. sing Act of 1937 (relating to the treatment of income changes resulting from are program requirements) by: (select all that apply) Adopting appropriate changes to the PHA's public housing rent determination policies and train staff to carry out those policies Informing residents of new policy on admission and reexamination Actively notifying residents of new policy at times in addition to admission and reexamination. Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services Establishing a protocol for exchange of information with all appropriate TANF agencies Other: (list below)
	served for Community Service Requirement pursuant to section 12(c) of 5. Housing Act of 1937
13. Pl	HA Safety and Crime Prevention Measures Part 903.7 9 (m)] (*N/A to AGENCY)
Exemption 8	ons from Component 13: High performing and small PHAs not participating in PHDEP and 8 Only PHAs may skip to component 15. High Performing and small PHAs that are ting in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-
A. Nee	ed for measures to ensure the safety of public housing residents
	cribe the need for measures to ensure the safety of public housing residents ect all that apply)
	High incidence of violent and/or drug-related crime in some or all of the PHA's developments
	High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
	Residents fearful for their safety and/or the safety of their children Observed lower-level crime, vandalism and/or graffiti
	People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime Other (describe below)
	at information or data did the PHA used to determine the need for PHA actions improve safety of residents (select all that apply).
	Safety and security survey of residents Analysis of crime statistics over time for crimes committed "in and around" public housing authority

Analysis of cost trends over time for repair of vandalism and removal of graffiti
Resident reports
PHA employee reports
Police reports
Demonstrable, quantifiable success with previous or ongoing anticrime/anti
drug programs
Other (describe below)
Unit (describe below)
3. Which developments are most affected? (list below)
B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year
1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)
Contracting with outside and/or resident organizations for the provision of
crime- and/or drug-prevention activities
Crime Prevention Through Environmental Design
Activities targeted to at-risk youth, adults, or seniors
Volunteer Resident Patrol/Block Watchers Program
Other (describe below)
2. Which developments are most affected? (list below)
•
C. Coordination between PHA and the police
1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)
Police involvement in development, implementation, and/or ongoing
evaluation of drug-elimination plan
Police provide crime data to housing authority staff for analysis and action
Police have established a physical presence on housing authority property (e.g.,
community policing office, officer in residence)
Police regularly testify in and otherwise support eviction cases
Police regularly meet with the PHA management and residents
Agreement between PHA and local law enforcement agency for provision of
above-baseline law enforcement services
Other activities (list below)
2. Which developments are most affected? (list below)

D. Additional information as required by PHDEP/PHDEP Plan PHAs eligible for FY 2005 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.
Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
Yes No: Has the PHA included the PHDEP Plan for FY 2005 in this PHA Plan?
Yes No: This PHDEP Plan is an Attachment. (Attachment Filename:)
14. RESERVED FOR PET POLICY
[24 CFR Part 903.7 9 (n)]
15. Civil Rights Certifications [24 CFR Part 903.7 9 (o)]
Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.
16. Fiscal Audit [24 CFR Part 903.7 9 (p)]
1. Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U S.C. 1437c(h))?
(If no, skip to component 17.) 2. Yes No: Was the most recent fiscal audit submitted to HUD?
3. Yes No: Were there any findings as the result of that audit?
4. Yes No: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? 5. Yes No: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?
17. PHA Asset Management (*N/A to AGENCY)
[24 CFR Part 903.7 9 (q)]
[24 CFR Part 903.7 9 (q)] Exemptions from component 17: Section 8 Only PHAs are not required to complete this component. High performing and small PHAs are not required to complete this component.

including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?

	That types of asset management activities will the PHA undertake? (select all that oply)
	Not applicable
	Private management
	Development-based accounting
Ц	Comprehensive stock assessment
	Other: (list below)
3.	Yes No: Has the PHA included descriptions of asset management activities in the optional Public Housing Asset Management Table?
	Other Information FR Part 903.7 9 (r)]
A. R	esident Advisory Board Recommendations
1.	Yes No: Did the PHA receive any comments on the PHA Plan from the
	Resident Advisory Board/s?
2. If	yes, the comments are: (if comments were received, the PHA MUST select one)
	Attached at Attachment (File name)
	Provided below: (8 comments)
	 More Project Access vouchers are needed and TDHCA must support more affordable and accessible housing for the aged and
	disabled.
	 The waiting list numbers are very low.
	 Encourage the department to keep up the good work.
	 Thank you for being a big help.
	• Appreciate the program and how much it is a help.
	Don't know what I would do if HUD did not help me.
	• Appreciate program, if not for this program, a lot of the elderly would be out of housing.
	 Our help is greatly appreciated.
	Our neip is greatly appreciated.
3. In	what manner did the PHA address those comments? (select all that apply)
\boxtimes	Considered comments, but determined that no changes to the PHA Plan were
	necessary.
	The PHA changed portions of the PHA Plan in response to comments
	List changes below:

	Other: (list below	w)
B. De	escription of Elec	tion process for Residents on the PHA Board
1.	Yes 🛛 No:	Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
NOTI		Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to subcomponent C.) of this plan, the Governor of Texas has not appointed a Section
	dent to the Board of the state	of Directors. The Appointments Office of the Governor s issue.
3. De	escription of Resid	ent Election Process
a. Noi	Candidates were Candidates coul	dates for place on the ballot: (select all that apply) e nominated by resident and assisted family organizations d be nominated by any adult recipient of PHA assistance: Candidates registered with the PHA and requested a place on
b. Eli	Any head of hou Any adult recipi	(select one) FPHA assistance asehold receiving PHA assistance ent of PHA assistance per of a resident or assisted family organization
c. Eli	based assistance	nts of PHA assistance (public housing and section 8 tenant-
	ch applicable Consolie	istency with the Consolidated Plan dated Plan, make the following statement (copy questions as many times as
1. Co	•	risdiction: (provide name here) Texas Consolidated Plan
		the following steps to ensure consistency of this PHA Plan with n for the jurisdiction: (select all that apply)

\boxtimes		based its statement of needs of families in the jurisdiction on the sed in the Consolidated Plan/s.
\boxtimes		participated in any consultation process organized and offered by
\boxtimes	The PHA has	tted Plan agency in the development of the Consolidated Plan. consulted with the Consolidated Plan agency during the of this PHA Plan.
	Activities to b	be undertaken by the PHA in the coming year are consistent with contained in the Consolidated Plan. (list below)
	Other: (list be	elow)
4. The		Plan of the jurisdiction supports the PHA Plan with the following ommitments: (describe below)
A.	PHA Goal: TDHCA:	Expand the supply of assisted housing The Department may apply for additional vouchers, including special purpose vouchers, if HUD makes them available.
B.	PHA Goal: TDHCA:	Improve the quality of assisted housing The Department will continue to assess and improve administrative processes and procedures to improve voucher management.

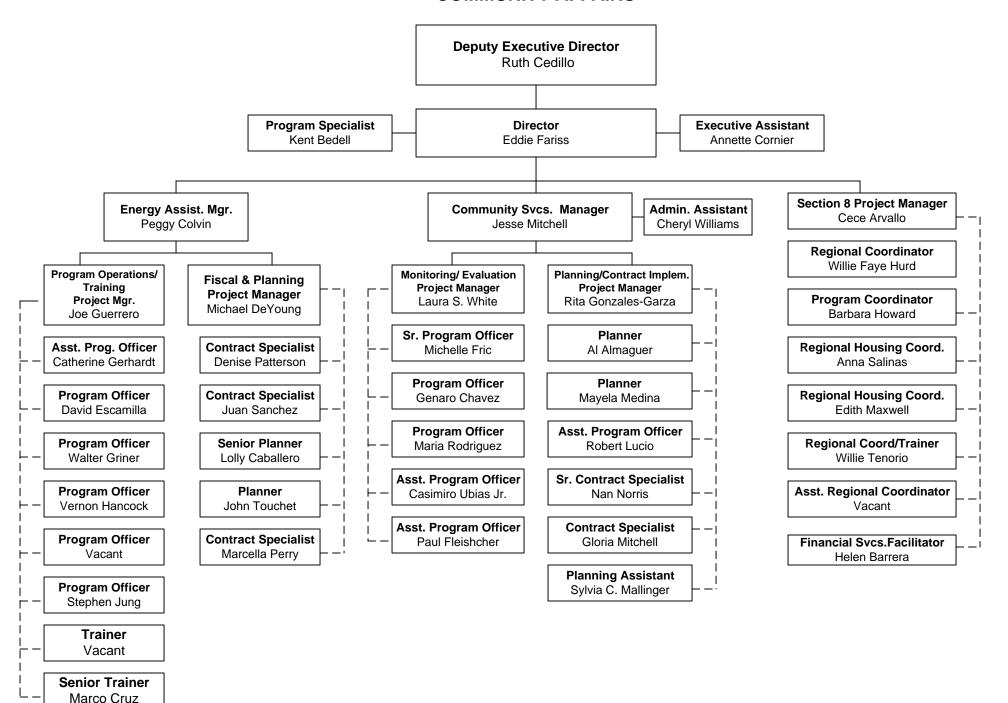
D. Other Information Required by HUD

Use this section to provide any additional information requested by HUD.

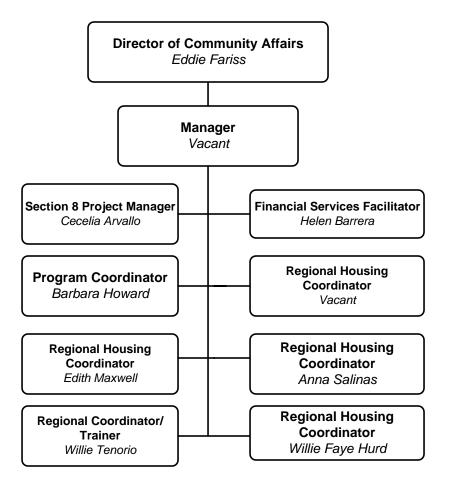
Attachments

Use this section to provide any additional attachments referenced in the Plans.			

COMMUNITY AFFAIRS



Community Affairs Division Section 8



PHA Plan Table Library

Component 7 Capital Fund Program Annual Statement Parts I, II, and II

Annual	Statement	
Capital	Fund Program (CFP)	Part I: Summary

Capital Fund Grant Number	FFY of Grant Approval:	(MM/YYYY)

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	
11	1465.1 Dwelling Equipment-Nonexpendable	
12	1470 Nondwelling Structures	
13	1475 Nondwelling Equipment	
14	1485 Demolition	
15	1490 Replacement Reserve	
16	1492 Moving to Work Demonstration	
17	1495.1 Relocation Costs	
18	1498 Mod Used for Development	
19	1502 Contingency	
20	Amount of Annual Grant (Sum of lines 2-19)	
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	
23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

Annual Statement Capital Fund Program (CFP) Part II: Supporting Table

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost

Annual Statement Capital Fund Program (CFP) Part III: Implementation Schedule

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)

Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

	Optional 5-Year Action Plan Tables			
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
Description of No Improvements	eeded Physical Improvements or I	Management	Estimated Cost	Planned Start Date (HA Fiscal Year)
Total astimated a	ost over next 5 years			

Optional Public Housing Asset Management Table

See Technical Guidance for instructions on the use of this table, including information to be provided.

	Public Housing Asset Management							
	Development Activity Description							
Ident	ification							
Name, Number, and Location	Number and Type of units	Capital Fund Program Parts II and III Component 7a	Development Activities Component 7b	Demolition / disposition Component 8	Designated housing Component 9	Conversion Component 10	Home- ownership Component 11a	Other (describe) Component 17

SINGLE FAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Items

Proposed program design for Colonia Model Subdivision.

Required Action

Review and approve program design and provide comment.

Background and Recommendations

Originally passed by the 77th legislature, the Colonia Model Subdivision program mandated that the Texas Department of Housing and Community Affairs (TDHCA or the Department) establish a colonia model subdivision revolving loan fund in the department. The purpose of the program is to promote the development of new, high-quality, residential subdivisions that provide alternatives to substandard colonias and housing options affordable to individuals and families of extremely low and very low income who would otherwise move into substandard colonias. Since revolving loans are allowed under the Community Development Block Grant Program, that program was originally planned to be used as the funding source. However, with CDBG moving to ORCA, the program lay dormant for several years. In an effort to meet the intent of the legislation, TDHCA is proposing to use the HOME Program as a funding source to implement the proposed legislation. Currently four (\$4) million is available for this program due to annual set-asides of \$1 million each program year since 2001.

Proposed Changes:

In an effort to implement the program, program changes are recommended:

- Encouraging development in existing colonias that have been assisted under the EDAP/CDBG program(s) instead of creating new subdivisions
- Limiting funding to colonias that already meet certain standards
- Using CHDO funds instead of the proposed revolving loan fund in the legislation

The Department is focusing on CDBG assisted colonias. Many of the colonias that have received assistance through CDBG remain sparsely populated (some colonias range from 67%-81% unoccupied) and have compliance requirements to add units in order to meet CDBG program rules. Infill housing in existing colonias could strengthen neighborhood development and encourage improved service delivery through the process of densification.

Conversely, new single family development increases the Department's exposure to risks, lengthens the implementation process and adds expense. The provision of services to existing colonias acknowledges the opportunities that are 'ready to proceed'. Finally, revolving loans are not allowed under the HOME Program.

Program Goals:

- To help the poorest Texans along the Texas/Mexico border own their own homes
- To strengthen Colonia neighborhoods where buyers have already invested
- To find a benchmark that gauges affordability, requires family buy-in and does not create a 'give away' program

Proposed Program:

- Up to (\$1.5) million per applicant in CHDO set aside funds will be made available on a first come first serve basis
- Single family CHDO development activity can pay for land acquisition, infrastructure, lot development (if required), interim construction and purchase subsidy
- A per unit limit of \$60K (Bootstrap limit) or HOME Program 221(d)-3 low cost area limits will be used to define affordability. The 221(d)-3 limits are adjusted annually and should reflect market changes
- As with the Bootstrap program, TDHCA would be the first lien holder, however, unlike the Bootstrap program the family's loan amount (0% for 30 years) would be calculated based on actual adjusted income. This would allow minor adjustments for family size and other factors that are used to calculate affordability in other programs. Also, the Colonia Model Subdivision program will require a review of credit. This way, families who access this program will not be encouraged to overextend their credit. TDHCA expects the purchasing family to share responsibility for repayment but use no more than 30% of their adjusted income as a house payment. Consequently, this would require the creation of two mortgages the first mortgage would be repayable and the second would be a deferred forgivable mortgage loan.
 - First mortgage based on ability to pay. Interest Rate 0%, 30 years
 - **Second mortgage** deferred forgivable loan 15 year term to capture affordability period, also mirrors Section 8 Homeownership Program

Example: A family of four (The Soto family) in Starr County with an income of \$16,900 (below 40% AMFI) would be allowed to deduct \$480 for each child from their gross income based on a model used under the TBRA Program. This model has also been used by national non-profits such as LISC.

- \$16,900-2(\$480) = \$15,940 (adjusted income)
- \$15,940(30%) = \$4,782/12 = \$398.50/month
- \$398.50 is the maximum affordable monthly housing cost.
- Rent/ or <u>principle</u> and <u>interest</u> are included as part of this payment. <u>Insurance</u> and <u>taxes</u> should also be included. Because these "fixed costs" affect a poor family as a higher percentage of overall income a utility allowance should be included to ensure that the family can afford to maintain the home. In Rio Grande City, Starr County, the total tax levy is about \$2.40/hundred.
- A \$60,000 home would have an annual property tax of \$1,440 or \$120/month.

• Insurance estimates are approximately \$750/year according to the Texas Dept. of Insurance or \$62.50/month. An estimated utility allowance (using the City of Mission) is \$88.00.

\$398.50 (30% of Annual Income)
-\$120.00 (taxes)
-\$62.50 (insurance)
-\$88.00 (util. allow)
= \$128.00 buyer payment for principle and interest

Based on a \$60,000 median purchase price, at 0% interest, the amount a homebuyer could afford to pay over the life of the loan would be **\$46,080.00** for a 30 year loan - \$128 (360 payments) = \$46,080.00. The second lien would be a deferred forgivable loan of **\$13,020** and the term would match the HOME Program affordability (15 year) period requirement. If homes prices were allowed to exceed \$60,000, borrowers at 40% -50% AMFI might require additional subsidy.

We are seeking the Board's guidance and approval on the program design and look forward to discussion and questions.

§ 2306.759. Reporting Duties

Text of section effective until September 1, 2005

The department shall:

- (1) prepare a report that evaluates the repayment history of owner-builders who receive loans under this subchapter, including for each owner-builder:
- (A) the owner-builder's income;
- (B) the date on which the owner-builder completed building or improving the residential housing for which the loan was made;
- (C) the county in which the residential housing is located;
- (D) the identity of the owner-builder housing program through which the housing was constructed; and
- (E) a description of the type of construction or improvement made; and
- (2) deliver a copy of the report to the governor, the lieutenant governor, and the speaker of the house of representatives not later than November 15, 2000.

Added by Acts 1999, 76th Leg., ch. 1548, § 1, eff. Aug. 30, 1999.

§ 2306.760, Repealed by Acts 2001, 77th Leg., Ch. 1367, §2.16, eff. Sept. 1, 2001.

SUBCHAPTER GG. COLONIA MODEL SUBDIVISION PROGRAM

Subchapter GG, Colonia Model Subdivision Program, consisting of §§2306.781 to 2306.786, was added by Acts 2001, 77th Leg., ch. 1367. §2.13.

Another Subchapter GG, Interagency Council for the Homeless, consisting of §§2306.781 to 2306.789, as redesignated by Acts 2001, 77th Leg., ch. 432, §3 was relettered as Subchapter KK, V.T.C.A., Government Code §§2306.901 to 2306.909 by Acts 2003, 78th Leg., ch. 1275, §2(88), eff. Sept. 1, 2003.

§ 2306.781. Definition

In this subchapter, "program" means the colonia model subdivision program established under this subchapter.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 2001.

§ 2306.782. Establishment of Program

The department shall establish the colonia model subdivision program to promote the development of new, high-quality, residential subdivisions that provide:

(1) alternatives to substandard colonias; and

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(2) housing options affordable to individuals and families of extremely low and very low income who would otherwise move into substandard colonias.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 2001.

§ 2306.783. Colonia Model Subdivision Revolving Loan Fund

- (a) The department shall establish a colonia model subdivision revolving loan fund in the department. Money in the fund may be used only for purposes of the program.
- (a-1) The department may transfer money into the colonia model subdivision revolving fund using any available source of revenue.
- (a-2) On application, the department may provide a loan under this subchapter through an eligible political subdivision using money from the portion of community development block grant that is set aside under federal law to provide financial assistance to colonias. In a state fiscal year, the department may not provide loans under this subchapter using more than \$2 million from the set-aside for colonias.
- (a-3) Subsections (a-1) and (a-2) and this subsection expire August 31, 2010.
- (b) The department shall deposit money received in repayment of loans under this subchapter to the colonia model subdivision revolving loan fund.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 2001.

§ 2306.784. Subdivision Compliance

Any subdivision created with assistance from the colonia model subdivision revolving loan fund must fully comply with all state and local laws, including any process established under state or local law for subdividing real property.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 2001.

§ 2306.785. Program Loans

- (a) The department may make loans under the program only to:
- (1) colonia self-help centers established under Subchapter Z; and
- (2) community housing development organizations certified by the department.
- (b) A loan made under the program may be used only for the payment of:
- (1) costs associated with the purchase of real property:
- (2) costs of surveying, platting, and subdividing or resubdividing real property:
- (3) fees, insurance costs, or recording costs associated with the development of the subdivision:

- (4) costs of providing proper infrastructure necessary to support residential uses;
- (5) real estate commissions and marketing fees; and
- (6) any other costs as the department by rule determines to be reasonable and prudent to advance the purposes of this subchapter.
- (c) A loan made by the department under the program may not bear interest and may not exceed a term of 36 months.
- (d) The department may offer a borrower under the program one loan renewal for each subdivision.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 2001.

§ 2306.786. Administration of Program; Rules

- (a) In administering the program, the department by rule shall adopt:
- (1) any subdivision standards in excess of local standards the department considers necessary;
- (2) loan application procedures;
- (3) program guidelines; and
- (4) contract award procedures.
- (b) The department shall adopt rules to:
- (1) ensure that a borrower under the program sells real property under the program only to an individual borrower, nonprofit housing developer, or for-profit housing developer for the purposes of constructing residential dwelling units; and
- (2) require a borrower under the program to convey real property under the program at a cost that is affordable to:
- (A) individuals and families of extremely low income; or
- (B) individuals and families of very low income.

Added by Acts 2001, 77th Leg., ch. 1367, § 2.13, eff. Sept. 1, 200%.

§ 2306.787 to 2306.789. Renumbered as V.T.C.A., Government Code §§2306.907 to 2306.909 by Acts 2003, 78th Leg., ch. 1275, §2(88), eff. Sept. 1, 2003.

SUBCHAPTER HH. AFFORDAELE HOUSING PRESERVATION

§ 2306.801. Definition

BOND FINANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Items

Study Feasibility of Increasing Area Median Family Income (AMFI) for the First Time Home Buyer Program from 80% AMFI to 115%. AMFI for borrowers obtaining assisted mortgage loans.

Required Action

Approve further review and study of increasing Area Median Family Income (AMFI) for the First Time Home Buyer Program from 80% AMFI to 115% AMFI for borrowers obtaining assisted mortgage loans.

Background

At its April 7, 2005 meeting, the Finance Committee instructed the Director of Bond Finance, along with the Division of Policy and Public Affairs, to explore raising the Area Median Family Income (AMFI) for the First Time Home Buyer Program from 80% AMFI to 115% AMFI for borrowers obtaining assisted mortgage loans. The Bond Finance, Single Family Finance Production, and Policy and Public Affairs Divisions propose conducting further study with regard to increasing the post set-aside AMFI ceiling from 80% to 115%. TDHCA currently has a balance of approximately \$10 million in assisted funds that would benefit from this change.

This study will include a review of borrower incomes and median purchase prices for housing located throughout the state and the ability of borrowers to access TDHCA's assisted programs.

Rider Nine requires that at least 30% of TDHCA's lendable bond proceeds are set-aside for a period of one year for individuals and families at 60% and below the AMFI, while assuring the highest bond rating. Rider Nine also requires TDHCA to utilize down payment and closing cost assistance or other assistance methods in conjunction with this set-aside.

After the one year set-aside expires, TDHCA's policy has been to restrict assisted mortgage loans to borrowers at 80% AMFI or less.

The increase in housing prices limits the ability of individuals and families at 60% and below AMFI to purchase houses. TDHCA's recent single family bond programs have realized non-existent to extremely slow originations within this 60% AMFI assisted mortgage loan segment, and originations have also been very slow at the 80% AMFI level. TDHCA's bond issues incur significant costs in negative arbitrage over the course of one year during the time TDHCA complies with the set-aside's requirements.

Recommendation

Approve further review and study of increasing Area Median Family Income (AMFI) for the First Time Home Buyer Program from 80% AMFI to 115%. AMFI for borrowers obtaining assisted mortgage loans.

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

February 10, 2005

Action Items

Request for forgiveness of repayment for a Housing Trust Fund Predevelopment Loan.

Required Action

Reject or grant forgiveness of Housing Trust Fund Predevelopment Loan.

Background and Recommendations

Accessible Communities, Inc. – Loan # 851020-0001

On March 1, 2002 the Department entered into a loan agreement with Accessible Communities, Inc. to provide \$32,287 in predevelopment costs for a four unit transitional housing development for persons with disabilities. The loan was due upon completion of the development, or March 1, 2004, whichever date came first.

On June 7, 2004 the Department received a request from Accessible Community, Inc. (ACI) regarding a notice sent to them about the delinquency status of their Housing Trust Fund predevelopment loan. The letter noted that the predevelopment loan had been used to develop two units of transitional housing for persons with disabilities. The letter also noted that because the units did not produce income, the repayment of the loan would be limited and that ACI was formally requesting forgiveness of the predevelopment loan.

After further review by staff it was determined that the original predevelopment loan agreement included funding for a two-phased development. The first phase included \$10,080 in predevelopment costs associated with the acquisition and rehabilitation of two transitional units. The second phase included \$22,207 in predevelopment costs associated with the acquisition of land and new construction of two additional transitional units.

ACI was awarded \$104,325 in HOME funds from the City of Corpus Christi for phase one of the development, which has been completed. After reviewing draw requests to the City, it appears that ACI did not request reimbursement for any predevelopment costs, nor were the costs included in the total grant amount from the City's HOME grant. Phase two of the development was not completed due to difficulties in securing permanent financing.

Recommendation

While staff is sympathetic to the limited income generated by phase one of the development, and has found no reason to believe that the failure of phase two was due on any part of the applicant, we can not recommend forgiveness of the entire predevelopment loan. It has been the rule and understanding that predevelopment loans

may be forgiven in cases where a development did not reach completion by no fault of the Developer. However, phase one was completed by ACI, and their failure to request reimbursement from the City of Corpus Christi for such expenses is not a justifiable reason to recommend full forgiveness.

Staff recommends that the Board grant forgiveness in the amount of \$22,207 to Accessible Communities, Inc., for phase two of the development given it was unable to progress into development, and give notice of default on the remaining \$10,080, used to complete phase one of the development. If the Board accepts staff's recommendation, the Department will demand payment of the predevelopment loan balance in full.

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Items

Consideration of three awards of Housing Trust Fund Predevelopment Loan Applications.

Required Action

Approve or deny funding recommendations for three Housing Trust Fund Predevelopment Loan Applicants.

Background

In July 2002 the Department awarded a contract to Texas Community Capital to administer the Housing Trust Fund Predevelopment Loan program. The contract runs through August 2005 and makes available approximately \$530,000 for predevelopment loans to nonprofit applicants. Under the contract agreement, Texas Community Capital is responsible for processing applications, underwriting and making recommendations for awards to the Department. Housing Trust Fund staff also reviews recommendations for consistency with the Department's rule and regulations. In April, 2005, the Board requested that staff bring all future awards before them for consideration. The awards presented in this action item are the first group of applications to be forwarded to the Board for consideration under the Texas Community Capital contract. The Board is considering awards to the following three applicants.

- ∉ #853200-01 United Cerebral Palsy of Texas Austin, Texas for \$17,700
- ∉ #853200-02 United Cerebral Palsy of Texas El Paso, Texas for \$40,500
- ∉ #853200-03 Denton Affordable Housing Denton, Texas for \$100,000

Recommendations

#853200-1 United Cerebral Palsy of Texas – Austin - \$17,700

United Cerebral Palsy of Texas (UCPT) is a member of the national network of over 100 UCP organizations that provide direct services and advocacy for persons with disabilities. UCPT serves over 1,000 persons annually in the state of Texas and is the founding member and lead organization for the Texas HOME of Your Own Coalition. UCPT has promoted homeownership and architectural barrier removal through trainings and workshops. Applications for Section 811 funds from the U.S. Department of Housing and Urban Development (HUD) to develop scattered site rental properties for persons with disabilities is the organization's latest effort to expand services to their clients.

UCPT applied to the Housing Trust Fund Predevelopment Loan program in September of 2004. The proposed development includes the purchase of 6 accessible condominium units scattered

throughout a 120 unit Development located in Austin, Texas, serving persons at or below 50% AMFI. The units will include one and two bedroom floor plans, all located on the ground level. UCPT has purchase contracts for all 6 units and received a commitment from HUD's Section 811 program for capital grant funds in the amount of \$413,088.

Predevelopment loan proceeds will cover the cost of appraisal, surveys, environmental reviews and all other third party reports required to close on the Section 811 commitment. UCPT has also requested additional funding from the City of Austin in the amount of \$181,717 for acquisition and permanent financing.

UCPT has offered to guarantee the repayment of the loan with HUD's Section 811 Capital Advance. Staff has been assured by HUD and the Applicant that predevelopment expenses are eligible for repayment under the Section 811 guidelines.

Recommendation

Staff recommends that the Board approve a loan in the amount of \$17,700 with an interest rate of 0%. The repayment of the loan will be due in full upon closing of permanent financing or 2 years from the date of the predevelopment loan closing, whichever comes first. The Department will also require that a Land Use Restriction Agreement be placed on the property for a term of no less than 20 years.

#853200-02 United Cerebral Palsy of Texas – El Paso - \$40,500

United Cerebral Palsy of Texas (UCPT) is a member of the national network of over 100 UCP organizations that provide direct services and advocacy for persons with disabilities. Applications for Section 811 funds from the U.S. Department of Housing and Urban Development (HUD) to develop scattered site rental properties for persons with disabilities is the organization's latest effort to expand services to their clients.

UCPT applied to the Housing Trust Fund Predevelopment Loan program in September of 2004. The proposed development includes the purchase of 10 accessible single-family homes scattered throughout the city of El Paso, Texas, serving persons at or below 50% AMFI. UCPT has identified a number of 3 and 4 bedroom homes that would be suitable with the assistance of a real-estate firm under contract with HUD to place HUD foreclosed properties on the market. UCPT has not yet secured purchase options on any properties. All homes purchased will be rehabilitated to meet federal accessibility guidelines. UCPT has received a commitment from HUD's Section 811 program for capital grant funds in the amount of \$969,752.

Predevelopment loan proceeds will cover the cost of appraisal, surveys, environmental reviews and all other third party reports required to close on the Section 811 commitment, and to secure purchase option contracts.

UCPT has offered to guarantee the repayment of the loan with HUD's Section 811 Capital Advance. Staff has been assured by HUD and the Applicant that predevelopment expenses are eligible for repayment under the Section 811 guidelines.

Recommendation

Staff recommends that the Board approve a loan in the amount of \$40,500 with an interest rate of 0%. The repayment of the loan will be due in full upon closing of permanent financing or 2 years

from the date the predevelopment loan closing, whichever comes first. The Department will also require that a Land Use Restriction Agreement be placed on the property for a term of no less than 20 years.

#853200-3 Denton Affordable Housing

Denton Affordable Housing Corporation (DAHC) was established in 1995 with the purpose of increasing the supply of affordable housing in Denton County, Texas. DAHC has focused it efforts on providing first-time homebuyer assistance using both government and private financing. DAHC has built up nearly \$5 million in assets through their development activities and manages a portfolio of 74 rental homes for special needs populations.

DAHC applied to the Housing Trust Fund Predevelopment Loan program in October, 2004. The planned development will consist of 5 duplex homes, each having two 2-bedroom units, and reserved for persons with disabilities. The homes will be located within a larger subdivision that includes an additional 14 single-family homes. Each unit will be occupied by up to four unrelated persons with disabilities and managed by DAHC.

The applicant has received a commitment of funding from HUD's Section 811 program in the amount of \$756,900. DAHC has also made application to Wells Fargo CDC for the amount of \$250,000 to cover site improvement costs. DAHC has already purchased land for the development and zoning has been approved by the City of Denton. Predevelopment loan proceeds will cover the cost of architectural plans, appraisals, surveys, environmental reviews and all other third party reports required to close on the Section 811 commitment. The Department's Board has also previously granted this application a waiver to the Integrated Housing Rule (10 TAC §1.15).

Denton Affordable Housing has offered to guarantee the repayment of the loan with HUD's Section 811 Capital Advance. Staff has been assured by HUD and the Applicant that predevelopment expenses are eligible for repayment under the Section 811 guidelines.

Recommendation

Staff recommends that the Board approve a loan in the amount of \$100,000 with an interest rate of 0%. The repayment of the loan will be due in full upon closing of permanent financing or 2 years from the date of the predevelopment loan closing, whichever comes first. The Department will also require that a Land Use Restriction Agreement be placed on the property for a term of no less than 20 years.

TDHCA-Housing Trust Fund Predevelopment Loan Fund Program Administered by Texas Community Capital

CREDIT RECOMMENDATION

Date Proposal Received:	September 9, 2004, October 15, 2004						
Date First Reviewed:		Sept 23, 2004					
Reviewed by:		Reed	MEIN	al Grada karang parang karang pa	ender var flyske i Laskaber flysk fillig.		
Project Name:	Renta	PROJECT OVERVIEW Rental Housing – 6 units					
Development Location:	Austin	, Texas					
Applicant Name:	United	l Cerebra	I Palsy of T	exas (UC	PT)		
Applicant Address:	5555 N	l. Lamar I	Blvd., Suite	L-139, Au	stin Texas 78751		
Organizational Type:	501(c)	3 corpora	ation		Date of Incorp	. 01/07/1988	
	Tax ID	#: 74-1	364723		Number of FTE	s : 8	
	Annua \$930,0		lget: 2003		Total Assets: a \$227,218		
Contact Person:	Jean I	angendo	rf		Title: Executive	e Director	
	Phone	e:	(512) 472-	12) 472-8696			
	Fax:		512 472-8	026	Email: Jeanl@)ucptexas.org	
Type of Loan:	Pre-de	evelopmer	nt				
Loan Request:		\$17,700 for 24 months. Interest Free. The applicant requested a "forgivable loan", but was advised that loans must be repaid.					
Use of Loan Funds:	prior to	o release so cover tl	of the loan will cover option extension expenses to be incurred or release of permanent financing. Pre-development loan proceeds to cover the costs of appraisals, surveys, Phase I environmental as, and a third-party budget review,			ent loan proceeds	
Target Population:			abled at or b				
Total No. Of Units:	6						
Low income (80% AMI)				Market Rate:			
Very Low income (60% AMI)		6 (disab	oled) Elderly:				
Extremely Low Income (30%	AMI)			Other:			
Guaranteed set-asides for the	urget population? Units restricted to very-low income with disabilities						
Project Description:	UCPT has an option to purchase six condominiums scattered over a 9 acre development of 120 condominium units. The 6 units will serve as affordable RENTAL housing for very low-income disabled persons at c below 50% AMI. Two two-bedroom and four one-bedroom units will be fully accessible to disabled persons and will be located on the first floo The units include wider door-widths, grab bars, lower kitchen counters and roll-in showers. A copy of the option agreement has been provided			nits will serve as bled persons at or oom units will be d on the first floor. kitchen counters,			

Project Status	of \$ repl assi app bud reim follo	luly 2004, the applicant submitted a financing proposal in the amount 6413, 088 to the HUD Section 811 program and received a positive ly in December 2004. The request includes funds for 5 years of rental sistance. Pre-development loan proceeds will cover the costs of oraisals, surveys, Phase I environmental reviews, and a third-party dget review, all required by HUD. While the costs are fully inbursable, HUD will make no cash disbursements until 9-12 months owing announcement of awarding of funds. application has been submitted to the City of Austin for permanent quisition funding in the amount of \$181,717 contingent on the HUD ard. UCP is confident that City funds will be awarded if the HUD				
Total Project Budget:	award is made. \$594,805		Target Completion Date: (occupancy)	June 2005 Dec 2005		
Pre-Development/Pre Con	structi	on Budget:	\$18,585 (Request is \$17,700)			
Form of Match and Amour	nt:	Prior expenditu	res of \$938. Documentation to be	e provided.		
Available Collateral:		None				
of payme			HUD's Section 811 Capital Adva he pre-development loan. The Covember, if the Section 811 grant	apital Advance will		
Other Loans Requests:			nas submitted a pre-development – 10 units in El Paso.	loan request for a		
Prior TDHCA Pre-development		None				

Borrower Ownership Structure:					
Ownership Entity Type:	501(c)3				
Name if Different from Borrower:	n/a				
Partnership Info, if Applicable:	no partners				
General Partner:	n/a				
Partners and Interest in Project:	n/a				

Borrower and Partner Background and Experience:

Founded in 1954, UCPT is a member of a national network of 106 affiliated organizations that provide direct services and advocacy on behalf of disabled persons. UCPT annually serves about 1000 disabled persons. UCPT is the founder and lead organization of Texas Home of Your Own Coalition, a collaborative of 50 groups from across Texas, organized to improve access to affordable housing for the disabled. UCP promotes homeownership through trainings and workshops and operates a capacity-building project to help consumers make home modifications that remove barriers for the disabled. Applications to the HUD Section 811 program to acquire rental units in Austin and El Paso is the agency most recent effort to promote affordable housing for the disabled. It is their first such venture.

ZNIS COTTE

Development Team:					
Team Role	Name/Contact Info	Prior Relationship with Borrower?			
General Contractor	· ·				
Architect/Designer					
Property Manager					
Attorney					
Real Estate Inspector					
Surveyor					
Development Consultant					
Housing Consultant	Mandy De Mayo	Recently hired as staff			
Engineer		·			
Other					

Development Team Background and Experience:

Development team members, including housing consultant, Ms. De Mayo, are members of the UCP staff. UCPT Ex. Dir. Jean Langendorf has extensive experience managing and consulting on programs that create access to housing for the disabled. Ms. Langendorf has served as Ed for 2/1/2 years and was head of UCPs housing program prior to becoming ED. Ms. De Mayo is a housing development consultant, specializing in housing for special needs populations. She also has extensive fund-raising experience, having raised \$20 million for special-needs housing projects. Other staff members are trained and licensed housing counselors.

Credit Check and References:		
Source	Date	Response
Credit Check		
·		
Financial Reference:		
Professional Reference		
	1	

Reasons for Support/ Risks

- ✓ Applicant meets borrower eligibility requirements.
- ✓ The loan is consistent with TDHCA Predevelopment Loan Program objectives.
- Application is complete and all application requirements have been fulfilled. (Match documentation needed
- Favorable references have been provided.
- Credit check is favorable.
- ✓ The applicant is requesting funds for a feasible project.
- ✓ Guarantees, if required, can be provided.
- ✓ All other terms, conditions, and requirements of the loan have been or will be met by closing.

1) Social Impact

Project is 100% reserved for very-low income disabled persons at or below 50% AMI.
 The proposal includes substantial documentation on the need for affordable low-income housing for the disabled in Austin.

Number of housing units produced and/or improved	6
Percent of local population at 80% MAI or below	
Percent of local population Hispanic, African American, or other minority	
Jobs created or retained by project	
Homeownership opportunities created	0
Amount of other funding leveraged	\$600k

2) Borrower Capacity and Financial Position

The applicant provided audited financial statements for 2002 and 2003. Overall, the agency appears financially sound, with no audit findings. UPC's cash position is good, with about 90 days of operating capital. The current ratio is 4.6. Total assets are \$227k and total liabilities are \$48k. The agency showed gains in unrestricted net assets in both 2002 and 2003. UCP has a \$90k line of credit with Frost bank. The acquisition of the planned units will substantially increase the agency's assets by nearly \$600,000 and may establish a source of earned income for the agency. As the agency's YE is September 31, financials for 2004 should soon be available.

UCP has an annual operating budget of about \$930,000, of which, 47% is direct assistance to clients in the form of pass-though rental assistance. Annual salary expense is about \$275,000. UCP has generated a moderate excess of revenues over expenses in both 2002 and 2003.

3) Loan Grade (1 = Highest rating)

Loan Grade:	Grade
Ability to Pay	2
Financial Condition	1
Management Ability	2
Collateral & Guarantors	2
TOTAL	7 = "B"

A (4-6); B (7-9); C (10-13); D (14-16)

3) Likelihood of Permanent Financing

The applicant will know in November 2004, if it will receive a permanent financing grant from HUD. If HUD financing is not secured in 2004, the applicant will reapply in 2005. All of the predevelopment costs are reimbursable under the HUD Section 811 program, and as such, the predevelopment loan can be re-paid from the HUD award. While the costs are fully reimbursable, HUD will make no cash disbursements until 9-12 months following announcement of awarding of funds.

An application has been submitted to the City of Austin for permanent acquisition funding in the amount of \$181,717 contingent on the HUD award. UCP is confident that City funds will be awarded if the HUD award is made..

4) Risks and Mitigating Factors

Applications to the HUD Section 811 program to acquire rental units in Austin and El Paso is the agency most recent effort to promote affordable housing for the disabled and is their first such venture.

While, the development team has considerable experience as housing counselors and advocates, no specific rental housing management experience is noted. Nonetheless, the creation of permanent housing for the disabled fits well with the agency's mission and may even generate revenue for the agency.

The loan will be contingent upon receipt of the HUD award, and as such, is very low risk.

Recommendation:

Award pre-development loan contingent upon notice of funding from HUD Section 811 program. Loan to be secured by HUD capital advance.

Attachments: Project and Loan Use Budgets, Financial Spreadsheet, Loan Grading

UCP Project and Loan Request Worksheets PROJECT BUDGET WORKSHEET

AUSTIN PROJECT

	OTAL BUDGET	-		
Use:	Use of Funds	Source of Funds	Funding Source 1	Funding Source 2
Pre-Development **	18,585	\$938	HUD	UCP
Pre-Construction **				
Purchase Land and Buildings				
Acquisition -Land				
Acquisition -Building	550,805	\$413,088	HUD	
Acquisition -Building		\$181,717		Austin
Site Work				
On-Site Work				
Of-site work (ie. streets , curbs)				
Rehab/Construction				
Rehabilitation Costs				
New Construction				
Construction Contingency (%)				
Other Depreciable (FFE)				:
Professional Fees (not included in pre-				
development or pre-construction budget)	and the second			
Architect Design/Supervision				
Impact Fees				
Engineering				
Accounting/RE Attorney	7500		HUD	
Consulting	3,500		HUD	
Other Contingency				
Other Professional				
Developer's Fees				
Developer's Fees				
General Partner's Fees		,		
Interim Costs	1000			
Construction Interest				
Construction Loan Fee		1		
Insurance, Title, etc.	5000		HUD	
Taxes, Performance Premium, etc.				
Permanent Financing Fees				
Start-up Expenses	2.10 (3888) 7.10			
Organizational	4300		HUD	
Marketing		1	HUD	
Syndication costs			* " ***	
Project Reserves	-			1

Other Costs		A Waish	
Cost Certification	3500	HUD	
Total Project Budget:	\$ 595,690 \$ 5	95,743 Per Unit Cost:	\$ 99,282

PRE-DEVELOPMENT LOAN WORKSHEET

Pre-Development Uses:	Total \$	Match	Amount from TDHCA	Other Source - UCP
Consulting fees	6,500	3	6,500	
Cost of Preliminary Financial applications	885	(650)		650
Legal Fees				
Architectural Fees				
Environmental Studies				
Engineering Fees				
Site Control (Option Payments)	3,900		3,900	
Engagement of Development Team				
Title Clearance				
Appraisals	1,800		1,800	
Organizational Expenses	1,000	(288)	1,000	288
As-built Surveys	3,000		3,000	
Construction Cost Analysis	1,500		1,500	
Total	\$ 18,585.00	\$ 938.00	\$ 17,700.00	\$ 938.00
Number Units	(<u>5</u>		- 1100
Cost per Unit	\$ 3,098			
Match Requirement	\$ 929.25			

United Cerebral Palsy Statement of Financial Position

	ΥE	Sept 30	ΥE	Sept 30	Υ٦	D June
Current Assets		2002		2003		2004
Cash and equivalents		111,659		163,491		166,033
Accounts receivable		1,084		2,279		52,633
Grants receivable		51,549		22,485		02,000
Other current assets		2,389		3,109		990
Total Current Assets	\$	166,681	\$	191,364		219,656
Total Culterit Assets	Ψ	100,001	Ψ	191,504	,	219,000
Property & Equip Net of Depreciation		58,118		33,618		58,119
Other non-current assets		2,236		2,236		3,635
TOTAL ASSETS		\$227,035		\$227,218	\$	281,410
Current Liabilities						
Accounts Payable		23,095		38,753		15,348
Accrued Liabilities		2,595		2,655		36,500
Line of Credit		37,200		0		· -
Total Current Liabilities	\$	62,890		41,408	\$	51,848
Notes Payable		0		0		_
Compensated absences payable		13,103	;	6,878		13,103
Total Liabilities	\$	75,993	\$	48,286	\$	64,951
Net Assets						
Unrestricted Net Assets		138,151		126,536		190,395
Temporarily restricted assets		12,891		52,396		12,798
Net Income						13,266
Total Net Assets	\$	151,042	\$	178,932	\$	216,459
TOTAL LIABILITIES & NET ASSETS		\$227,035	5	\$227,218		\$281,410

Agency has a \$90k line of credit with Frost Bank - At YE 2003 no balance

United Cerebral Palsy Statement of Activities

	YE Sept 30 2002	YE Sept 30 2003	YTD June 2004
Support and Revenue			
Grants - Federal Pass-Through	783,824	775,839	687,505
Grants - Non-Federal	89,200	82,631	85,710
Donations	115,171	98,069	102,836
Earned income	-	-	-
Interest income	685	757	697
Net Assets Released from Restrictions	-	_	<u>-</u>
Unrealized Gain (Loss) on Investments	(802)	720	-
Total Support & Revenue	\$988,078	\$958,016	876,748
Expenses			
Program Services	821,099	836,177	
Supporting Services	114,673	93,949	
Total Expenses	\$935,772	\$930,126	863,481
Change in Net Assets from OP	\$52,306	\$27,890	\$13,266
Net Assets Beginning of the Period	98,736	151,042	178,932
Net Assets End of the Period	\$151,042	\$178,932	\$192,198

Approx. half of federal funds are direct support payments to clients. Salary expense is approx \$275k per annum.

Liquidity				
1 Current Ratio	2.7	4.6	4.2	
2 Days' Cash	43.6	64.2	70.2	
3 Days' Receivable	19.4	9.4	21.9	
Capital				
4 Cash Flow to Total Debt	1.99	3.71	3.33	
5 Total Debt to Assets	0.33	0.21	0.23	
Profitability				
6 Margin	5%	3%	2%	
Liquidity				
1 Current Ratio	Current Assets / Current Liabilities			
2 Days' Cash	Cash / (Op Expenses - Depreciation / 365)			
3 Days' Receivable	(Accts Receivable * 365)/ OP Revenue			
Capital				
4 Cash Flow to Total Debt	Net Income + Depreciation / Total Liabilities			
5 Total Debt to Total Assets	Total Liabilities /Total Assets			
Profitability				
6 Margin	Change in Net Assests / Total Support and Revenues			

Texas Community Capital Loan Grading for United Cerebral Palsy

The Four Factors Used in Loan Grading

The following factors are used to rate the loan: (1) ability to pay, (2) financial condition, (3) management capacity, and (4) collateral. Each of these factors is scored 1 through 4, with 1 being the best score possible and 4 being the worst score possible.

As a policy, TCC will not underwrite a loan with a total score greater than 13.

Use the score that has the most relevant characteristics to grade the loan.

Loan Grade:	Grade
Ability to Pay	2
Financial Condition	1
Management Ability	3
Collateral & Guarantors	2
TOTAL	11 = "B"

I. Ability to Pay

The ability to pay is primarily an income statement factor. It is a measure of the organization's ability to generate revenues that exceed expenses, sufficient cash flows to service debts, and meet all internal needs for cash while continuing routine operations.

Score Description

1

- Organization has an excellent track record of servicing debt based on recent credit report findings.
- Organization has adequate cash flows to service debt based on projections provided by the applicant for the project.
- Organization has no debt.
- Project equity is 20% or more.
- Take-out financing is evidenced by written letters of commitment.
- Organization has a good borrowing history with TCC /TDHCA
- Loan is current and payments are on time.

2

- Organization has adequate cash flows to service debt.
- Organization has a good track record of servicing debt based on recent credit report findings.
- Project equity is 10 20%.
- Written letters of interest for take-out financing have been provided. <u>Applicant has applied for permanent financing.</u>
- Loan is current but payments are frequently 10 days past due.

3

- Organization's ability to generate sufficient cash flows to service existing debt and the loan being rated is questionable.
- Project equity is less than 10%.
- Take-out financing is questionable with only verbal statement of interest.
- Loan is not current and payment is less than or equal to 30 days past due.

4

- Organization will not be able to make loan payments. TCC will have to rely on collateral to repay debt or at least part of the debt will have to be charged off.
- No project equity.
- There will be no take-out financing.
- Loan is not current and payment is more than 30 days past due.

II. Financial Condition

Financial condition is a measure of the financial strength of the organization as shown on the balance sheet. It is a measure of liquidity, capital, and leverage. Indicators used to rate this factor include working capital, the current ratio, and the debt to worth ratio.

Score

Description

1

- Debt to equity ratio is decreasing/improved.
- Current ratio greater than 1.
- Net worth at least 10% of net assets.
- Fund balance is stable or increasing.

2

- Debt to equity ratio is stable.
- Current ratio between .80 1.
- Fund balance is stable.

3

- Debt to equity ratio is fluctuating.
- Current ratio between .60- .79.
- Fund balance fluctuations are explained in the auditor's notes or by the applicant.

4

- Debt to equity ratio is decreasing.
- Current ratio less than .60.
- Fund balance is declining or at a deficit.

III. Management Ability

Management ability includes staff experience, seasoned Board of Directors, commitment of Executive Director/President, strength and depth of technical assistance offered by the Development Team, if applicable. In general, it is to measure the organization's understanding of finance and financial planning, ability to operate the business by following a business plan, leadership, organization skills, and backup management succession.

Score

Description

- Executive Director has been in the field and/or part of the current organization for at least 5 years.
- Executive Director has prior experience with 2 or more similar projects.
- Development Team is competent with a good track record for managing this type of project.

• Applicant produces good quality financial statements on time and operates under a financial plan and budget.

2

- Executive Director has been in the field and/or part of the current organization for at least 2 years.
- Executive Director has prior experience with at least one similar projects.
- Development Team is competent with a good track record for managing this type of project.
- Applicant produces financial statements on time and operates under a financial plan and budget.

3

- Executive Director has been in the field and/or part of the current organization fewer than 2 years.
- Executive Director has no prior experience with similar projects.
- Development Team lacks appropriate experience or is inexperienced.
- Applicant produces financial statements on an irregular basis.
- The project/organization is experiencing problems.

4

- Lacks Executive Director and/or has an interim director.
- Lacks Development Team but seeking one.
- Produces no financial statements, financial plan, or annual budget and unable to manage its financial resources.
- The project is not performing. There are known and serious organizational shortcomings. The loan is in workout.

IV. Collateral and Guarantors

The rating of collateral and guarantors determines the degree to which TCC can rely on collateral and guarantors to pay the loan, should the primary sources of repayment not materialize. Loan-to-Value is the ratio of money borrowed to fair market value of collateral.

Score

Description

1

- Collateral and guarantor positions are undoubtedly sufficient to pay the loan such as having first mortgage position (lien) or liquid assets in the form of CD's and securities and/or applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan-to-Value range from 0% to 80%.

2

- Collateral is sufficient, such as having second mortgage position (lien), so that even under foreclosure conditions TCC will probably not have to charge off any of the loan and/or applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan will be contingent upon notice of permanent financing.
- Loan-to-Value range from 81% to 100%.

3

- Collateral is insufficient although loan is secured and/or applicant is guaranteeing the loan, but does not demonstrates financial capacity to repay the note.
- Loan-to-Value range from 101% to 120%.

UCP Loan Grading

4

- Collateral is insufficient for loan and/or no guarantees are offered by the applicant.
- Organization may or may not be able to repay loan.
- Loan-to-Value is greater than 121%.

Calculating the Grade

The grading system is totally dependent on how the four factors are scored. To arrive at the final grade for the loan, follow the steps described below:

1. A	dd the scores given to the four factors		Category
•	A score of 4 to 6 infers an A	\Rightarrow	Excellent
•	A score of 7 to 9 infers B	\Rightarrow	Good
•	A score of 10 to 13 infers C	\Rightarrow	Average
•	A score of 14 to 16 infers D	\Rightarrow	Poor

2. This step gives a tentative grade. Take a close look at the four factors to check that they have been correctly scored.

In addition, there are a few rules that should also be included:

- A loan that has weakened to the point that TCC is dependent on collateral or guarantors as
 its source of repayment must be graded D. If the dependence is problematical, the score
 should be on the watchlist.
- If during the grading process definable weaknesses are detected that cause the credit to be scored a weak C, then write a memo putting the loan on the watch list.

If a credit being reviewed is found to be in an improving situation that scores a solid C, the loan should come off the watch list.

TDHCA-Housing Trust Fund Predevelopment Loan Fund Program Administered by Texas Community Capital

CREDIT RECOMMENDATION

Date Proposal Received:		September 9, 2004						
Date First Reviewed:		Sept 23, 2004						
Reviewed by:	wasta A. TUUM		Reed	1 71 pm 1 4 7		n san al deplor de colle de l'al de		
D1(N	Dont	PROJECT			o El Doco			
Project Name:		Rental Housing – 10 single-family units El Paso						
Development Location:	Scatte	ered Sites in El P	aso, Te	xas				
Applicant Name:		d Cerebral Pals	-					
Applicant Address:	5555	N. Lamar Blvd.,	Suite L-	139, Austir	1 Texas 78751			
Organizational Type:	501(c	c) 3 corporation			Date of Incorp	5. 01/07/1988		
	Tax I	D# : 74-136472	3		Number of FT	Es : 8		
	Annu \$930	al OP Budget: ,000	2003		Total Assets: \$227,218			
Contact Person:	Jean	Langendorf			Title: Executive	ve Director		
	Phon	ie:	(512)	472-8696				
	Fax:		512 47	72-8026	Email: Jeanl@	@ucptexas.org		
Type of Loan:	Pre-c	levelopment						
Loan Request:		500 for 24 mont vable loan", but v						
Use of Loan Funds:	prior also		manent f apprai	financing. sals, surve	Pre-development	s to be incurred t loan proceeds will conmental reviews,		
Target Population:		income disabled			1AI			
Total No. Of Units:	10							
Low income (80% MAI)				Market Ra	nte:			
Very Low income (60% MAI))	10 (disabled)		Elderly:				
Extremely Low Income (30%	MAI)			Other:				
Guaranteed set-asides for the target population?	Units	restricted to very	/-low inc	ome with o	disabilities			
Project Description	Paso disat not b with HUD fundi expe fundi perso	UCPT will purchase 10 scattered site single-family homes throughout El Paso to serve as affordable rental housing units for very low-income disabled persons at or below 50% MAI. The 3 and 4-bedroom homes have not been purchased or optioned, but UCPT identified desirable acquisitions with the aid of a real-estate firm under contract with HUD to administer HUD Homes for Sales in El Paso. For the purposes of an application for funding to HUD, 10 homes priced at \$50k to \$100k were identified. UCPT expects that comparable sites will be available for purchase if awarded funding. The homes will be renovated to be fully accessible to disabled persons including, wider door-widths, grab bars, lower kitchen counters, and roll-in showers						

Project Status: In July 2004, the applicant submitted a financing proposal in the \$969,752 to the HUD Section 811 program. A positive reply was December 2004. The request includes 5 years of rental assist development loan proceeds will cover the costs of appraisals, so Phase I environmental reviews, and a third-party budget review by HUD. While the costs are fully reimbursable, HUD will make disbursements until 9-12 months following announcement of avoiding funds.							
Total Project Budget:			Target Completion Date:	Dec 2005			
Pre-Development/Pre Construction Budget:			\$40,500				
Form of Match and Amoun	nt: P	Prior expenditures of \$7,632. Documentation to be provided.					
Available Collateral:	N	None					
Loan Guarantee:	р	UCP is offering HUD's Section 811 Capital Advance as a guarantee of payment of the pre-development loan. The Capital Advance will be issued in November, if the Section 811 grant is to be awarded to UCP					
Other Loans Requests:		he applicant has sub econd project – 6 un	omitted a pre-development loan its in Austin.	request for a			
Prior TDHCA Pre-develop Loans	ment	None					

Borrower Ownership Structur	e:
Ownership Entity Type:	501(c)3
Name if Different from Borrower:	n/a
Partnership Info, if Applicable:	no partners
General Partner:	n/a
Partners and Interest in Project:	n/a

Borrower and Partner Background and Experience:

Founded in 1954, UCPT is a member of a national network of 106 affiliated organizations that provide direct services and advocacy on behalf of disabled persons. UCPT annually serves about 1000 disabled persons. UCPT is the founder and lead organization of Texas Home of Your Own Coalition, a collaborative of 50 groups from across Texas, organized to improve access to affordable housing for the disabled. UCP promotes homeownership through trainings and workshops and operates a capacity-building project to help consumers make home modifications that remove barriers for the disabled. Applications to the HUD Section 811 program to acquire rental units in Austin and El Paso is the agency most recent effort to promote affordable housing for the disabled. It is their first such venture.

Development Team:						
Team Role	Name/Contact Info	Prior Relationship with Borrower?				
General Contractor						
Architect/Designer						
Property Manager		~				
Attorney		·				
Real Estate Inspector						
Surveyor						
Development Consultant						
Housing Consultant	Mandy De Mayo	Recently hired as staff				
Engineer						

property of the second

Development Team Background and Experience:

Development team members, including housing consultant, Ms. De Mayo, are members of the UCP staff. UCPT Ex. Dir. Jean Langendorf has extensive experience managing and consulting on programs that create access to housing for the disabled. Ms. Langendorf has served as Ed for 2/1/2 years and was head of UCPs housing program prior to becoming ED. Ms. De Mayo is a housing development consultant, specializing in housing for special needs populations. She also has extensive fund-raising experience, having raised \$20 million for special-needs housing projects. Other staff members are trained and licensed housing counselors.

Credit Check and References:		
Source	Date	Response
Credit Check		
Financial Reference:		
Professional Reference		
Sarah Dale Anderson, Director		
Center for Housing Research, Planning,		·
and Communications		
Texas Department of Housing and		
Community Affairs		
507 Sabine Street		
Austin, TX 78711-3941		
(512) 475-3976	·	
sarah.dale@tdhca.state.tx.us		
David M. Wood		
Vice President		
Community Investment Department		
Bank One		
910 Travis		
Houston, TX 77002-5860		
(713) 751-2261		
david m wood@bankone.com		
John Garvin		
Executive Director		
Texas Affiliation of Affordable Housing		
Providers		·
3101 Bee Caves Road		
Suite 270		
Austin, TX 78746		
(512) 330-9901		
jgarvin@taahp.org		
,		

Reasons for Support/ Risks

- ✓ Applicant meets borrower eligibility requirements.
- ✓ The loan is consistent with TDHCA Predevelopment Loan Program objectives.
- Application is complete and all application requirements have been fulfilled. (Request Match documentation)
- Favorable references have been provided.
- · Credit check is favorable.
- ✓ The applicant is requesting funds for a feasible project. St
- ✓ Guarantees, if required, can be provided
- ✓ All other terms, conditions, and requirements of the loan have been or will be met by closing.

1) Social Impact

Project is 100% reserved for very-low income disabled persons at or below 50% AMI.
 The proposal includes substantial documentation on the need for affordable low-income housing for the disabled in Austin.

Number of housing units produced and/or improved	6
Percent of local population at 80% MAI or below	
Percent of local population Hispanic, African American, or other minority	
Jobs created or retained by project	
Homeownership opportunities created	0
Amount of other funding leveraged	\$600k

2) Borrower Capacity and Financial Position

The applicant provided audited financial statements for 2002 and 2003. Overall, the agency appears financially sound, with no audit findings. UPC's cash position is good, with about 90 days of operating capital. The current ratio is 4.6. Total assets are \$227k and total liabilities are \$48k. The agency showed gains in unrestricted net assets in both 2002 and 2003. UCP has a \$90k line of credit with Frost bank. The acquisition of the planned units will substantially increase the agency's assets by nearly \$600,000 and may establish a source of earned income for the agency. As the agency's YE is September 31, financials for 2004 should soon be available.

UCP has an annual operating budget of about \$930,000, of which, 47% is direct assistance to clients in the form of pass-though rental assistance. Annual salary expense is about \$275,000. UCP has generated a moderate excess of revenues over expenses in both 2002 and 2003.

3) Loan Grade (1 = Highest rating)

Loan Grade:	Grade
Ability to Pay	2
Financial Condition	1
Management Ability	2
Collateral & Guarantors	2
TOTAL	7 = "B"

A (4-6); B (7-9); C (10-13); D (14-16)

3) Likelihood of Permanent Financing

The applicant will know in November 2004, if it will receive a permanent financing grant from HUD. If HUD financing is not secured in 2004, the applicant will reapply in 2005. All of the predevelopment costs are reimbursable under the HUD Section 811 program, and as such, the predevelopment loan can be re-paid from the HUD award. While the costs are fully reimbursable, HUD will make no cash disbursements until 9-12 months following announcement of awarding of funds.

4) Risks and Mitigating Factors

Applications to the HUD Section 811 program to acquire rental units in Austin and El Paso is the agency most recent effort to promote affordable housing for the disabled and is their first such venture.

While, the development team has considerable experience as housing counselors and advocates, no specific rental housing management experience is noted. Nonetheless, the creation of permanent housing for the disabled fits well with the agency's mission and may even generate revenue for the agency.

The loan will be contingent upon receipt of the HUD award, and as such, is very low risk.

Recommendation:

Award pre-development loan contingent upon notice of funding from HUD Section 811 program.— \(\lambda \lambda \lambda \rangle \lambda \lambda \lambda \rangle \lambda \rangle \lambda \rangle \lambda \rangle \lambda \rangle \rangle \lambda \rangle \rangle

Attachments: Project and Loan Use Budgets, Financial Spreadsheet, Loan Grading

UCP Project and Loan Request Worksheets PROJECT BUDGET WORKSHEET

EI PASO

PROJECT BODGET WORKSHEET	FINANCIAL SU	JMMARY	Brass おきままで - 11 種	
	OTAL BUDGET	-	1000	
Use:	Use of Funds	Source of Funds	Funding Source 1	Funding Source 2
Pre-Development **	42,525	\$ 7,632	HUD	UCP
Pre-Construction **				
Purchase Land and Buildings			44.2	
Acquisition -Land				
Acquisition -Building	640,000	\$969,500	HUD	
Site Work				
On-Site Work				
Of-site work (ie. streets , curbs)				
Rehab/Construction				
Rehabilitation Costs	250,000			
New Construction		-		
Construction Contingency (%)				
Other Depreciable (FFE)				
Professional Fees (not included in pre- development or pre-construction budget)				17,744
Architect Design/Supervision				
Impact Fees				
Engineering				
Accounting/RE Attorney	12500		HUD	
Consulting	5,500		HUD	
Other Contingency				
Other Professional				
Developer's Fees				
Developer's Fees				
General Partner's Fees				
Interim Costs	14			
Construction Interest				
Construction Loan Fee				
Insurance, Title, etc.	7500		HUD	
Taxes, Performance Premium, etc.				
Permanent Financing Fees				
Start-up Expenses				
Organizational	6500		HUD	
Marketing			HUD	
Syndication costs				
Project Reserves				
Other Costs				1

Cost Certifcation	4000		HUD	
Total Project Budget:	\$ 971,525	\$ 977,132	Per Unit Cost:	\$ 161,921

PRE-DEVELOPMENT LOAN WORKSHEET

Pre-Development Uses:	Total \$	Match	Amount from TDHCA	Other Source - UCP
Consulting fees	6,500	5925	6,500 √	5925
Cost of Preliminary Financial applications	2025	650		650
Legal Fees				
Architectural Fees				
Environmental Studies	15,000		15,000 🗸	
Engineering Fees				
Site Control (Option Payments)	10,000		10,000 🗸	
Engagement of Development Team				
Title Clearance				
Appraisals	3,000		3,000 √	
Organizational Expenses	1,000	(1057)	1,000 7,	1057
As-built Surveys	3,500		3,500 🗸	
Construction Cost Analysis	1,500		1,500 🗸	
Total	42,525	\$ 7,632	\$ 40,500	\$ 7,632.00
Number Units	10			
Cost per Unit	\$ 4,253			
Match Requirement	\$ 2,126	•		

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Line of Credit		37,200		0	_	<u>-</u>
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Notes Payable		. 0		0		-
Compensated absences payable		13,103		6,878		13,103
Total Liabilities	\$	75,993	\$	48,286	\$	64,951
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Unrestricted Net Assets		138,151		126,536		190,395
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	1 Current Ratio	2.7	4.6	4.2
	2 Days' Cash	43.6	64.2	70.2
	3 Days' Receivable	19.4	9.4	21.9
Capital	·			
•	4 Cash Flow to Total Debt	1.99	3.71	3.33
	5 Total Debt to Assets	0.33	0.21	0.23
Profitabi	ilitv			
	6 Margin	5%	3%	2%
	ŭ.			
Liquidity	,			
• •	1 Current Ratio	Current Assets / Cu	ırrent Liabilitie	es
	2 Days' Cash	Cash / (Op Expens	es - Deprecia	tion / 365)
	3 Days' Receivable	(Accts Receivable *	•	,
Capital	•	,	,	
	4 Cash Flow to Total Debt	Net Income + Depr	eciation / Tota	al Liabilities
	5 Total Debt to Total Assets	Total Liabilities /Tot		
Profitab				
	6 Margin	Change in Net Ass		

Texas Community Capital Loan Grading for United Cerebral Palsy

The Four Factors Used in Loan Grading

The following factors are used to rate the loan: (1) ability to pay, (2) financial condition, (3) management capacity, and (4) collateral. Each of these factors is scored 1 through 4, with 1 being the best score possible and 4 being the worst score possible.

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- Organization has adequate cash flows to service debt based on projections provided by the applicant for the project.
- Organization has no debt.
- Project equity is 20% or more.
- Take-out financing is evidenced by written letters of commitment.
- Organization has a good borrowing history with TCC /TDHCA
- Loan is current and payments are on time.

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- Organization has adequate cash flows to service debt.
- Organization has a good track record of servicing debt based on recent credit report findings.
- Project equity is 10 20%.
- Written letters of interest for take-out financing have been provided. <u>Applicant has applied for permanent financing.</u>
- Loan is current but payments are frequently 10 days past due.

3

- Organization's ability to generate sufficient cash flows to service existing debt and the loan being rated is questionable.
- Project equity is less than 10%.
- Take-out financing is questionable with only verbal statement of interest.
- Loan is not current and payment is less than or equal to 30 days past due.

- Organization will not be able to make loan payments. TCC will have to rely on collateral to repay debt or at least part of the debt will have to be charged off.
- · No project equity.
- There will be no take-out financing.
- Loan is not current and payment is more than 30 days past due.

II. Financial Condition

Financial condition is a measure of the financial strength of the organization as shown on the balance sheet. It is a measure of liquidity, capital, and leverage. Indicators used to rate this factor include working capital, the current ratio, and the debt to worth ratio.

Score

Description

1

- Debt to equity ratio is decreasing/improved.
- Current ratio greater than 1.
- Net worth at least 10% of net assets.
- Fund balance is stable or increasing.

2

- Debt to equity ratio is stable.
- Current ratio between .80 1.
- Fund balance is stable.

3

- Debt to equity ratio is fluctuating.
- Current ratio between .60- .79.
- Fund balance fluctuations are explained in the auditor's notes or by the applicant.

1

- Debt to equity ratio is decreasing.
- Current ratio less than .60.
- Fund balance is declining or at a deficit.

III. Management Ability

Management ability includes staff experience, seasoned Board of Directors, commitment of Executive Director/President, strength and depth of technical assistance offered by the Development Team, if applicable. In general, it is to measure the organization's understanding of finance and financial planning, ability to operate the business by following a business plan, leadership, organization skills, and backup management succession.

Score

Description

- Executive Director has been in the field and/or part of the current organization for at least 5 years.
- Executive Director has prior experience with 2 or more similar projects.
- Development Team is competent with a good track record for managing this type of project.

 Applicant produces good quality financial statements on time and operates under a financial plan and budget.

2

- Executive Director has been in the field and/or part of the current organization for at least 2 vears.
- Executive Director has prior experience with at least one similar projects.
- Development Team is competent with a good track record for managing this type of project.
- Applicant produces financial statements on time and operates under a financial plan and budget.

3

- Executive Director has been in the field and/or part of the current organization fewer than 2 years.
- Executive Director has no prior experience with similar projects.
- Development Team lacks appropriate experience or is inexperienced.
- Applicant produces financial statements on an irregular basis.
- The project/organization is experiencing problems.

4

- Lacks Executive Director and/or has an interim director.
- Lacks Development Team but seeking one.
- Produces no financial statements, financial plan, or annual budget and unable to manage its financial resources.
- The project is not performing. There are known and serious organizational shortcomings. The loan is in workout.

IV. Collateral and Guarantors

The rating of collateral and guarantors determines the degree to which TCC can rely on collateral and guarantors to pay the loan, should the primary sources of repayment not materialize. Loan-to-Value is the ratio of money borrowed to fair market value of collateral.

Score

Description

1

- Collateral and guarantor positions are undoubtedly sufficient to pay the loan such as having
 first mortgage position (lien) or liquid assets in the form of CD's and securities and/or
 applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan-to-Value range from 0% to 80%.

2

- Collateral is sufficient, such as having second mortgage position (lien), so that even under foreclosure conditions TCC will probably not have to charge off any of the loan and/or applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan will be contingent upon notice of permanent financing.
- Loan-to-Value range from 81% to 100%.

- Collateral is insufficient although loan is secured and/or applicant is guaranteeing the loan, but does not demonstrates financial capacity to repay the note.
- Loan-to-Value range from 101% to 120%.

4

- Collateral is insufficient for loan and/or no guarantees are offered by the applicant.
- Organization may or may not be able to repay loan.
- Loan-to-Value is greater than 121%.

Calculating the Grade

The grading system is totally dependent on how the four factors are scored. To arrive at the final grade for the loan, follow the steps described below:

1.	Add the scores given to the four factors		Category
•	A score of 4 to 6 infers an A	\Rightarrow	Excellent
•	A score of 7 to 9 infers B	\Rightarrow	Good
•	A score of 10 to 13 infers C	\Rightarrow	Average
•	A score of 14 to 16 infers D	\Rightarrow	Poor

2. This step gives a tentative grade. Take a close look at the four factors to check that they have been correctly scored.

In addition, there are a few rules that should also be included:

- A loan that has weakened to the point that TCC is dependent on collateral or guarantors as
 its source of repayment must be graded D. If the dependence is problematical, the score
 should be on the watchlist.
- If during the grading process definable weaknesses are detected that cause the credit to be scored a weak C, then write a memo putting the loan on the watch list.

If a credit being reviewed is found to be in an improving situation that scores a solid C, the loan should come off the watch list.

TDHCA-Housing Trust Fund Predevelopment Loan Fund Program Administered by Texas Community Capital

CREDIT RECOMMENDATION

Date Proposal Received:			ctober 4, 20			
Date First Reviewed:			October 14, 2004			
Reviewed by:	D. Reed					
			CT OVER		40 D1-II	1 14
Project Name:					ng – 10 Rental U	Jnits
Development Location:	Bloc	k A Lots 1	-5 Nevada (Crt, Dento	on, Tx 76209	
Applicant Name:	Paren	t Organiz	ation is De	nton Affo	HC Housing II, Ir ordable Housing	
Applicant Address:	604 N	orth Bell A	venue, Den	ton, TX 7	6209	
Organizational Type:	501(c)	3 corpora	ation		Date of Incorp	. 02/24/2004
	Tax ID	#: 30-02	240623		Number of FTE	is : 8
	Annua	al OP Bud	lget: \$2 m	llion	Total Assets: a \$5,564,226	
Contact Person:	Jane F	Provo			Title: Executive	e Director
	Phone	e:	(940) 484-	7048		
	Fax:		(940) 484	-7032	Email: janedah	c@aol.com
Type of Loan:	Pre-de	evelopmer	nt			
Loan Request:	\$100,0	\$100,000 for 24 months. Interest Free.				
Use of Loan Funds:	archite asses Exper	Loan funds will cover a wide range of pre-development costs including architectural fees, appraisals, impact fees, surveys and environmental assessments, a third-party budget review, and consulting costs. Expenses are detailed in the budget. These costs are fully reimbursable under the HUD 811 Program, the principal source of permanent financing.				
Target Population:					0% AMI and Disa	
Total No. Of Units:	10					
Low income (80% AMI)	•			Market F	Rate:	
Very Low income (60% AMI)				Elderly:		
Extremely Low Income (30%	AMI)	10 (disab	oled)	Other:		
Guaranteed set-asides for the	target po	opulation?	•	All units		
Project Description:	DAHC Housing II, Inc. was created by its parent organization, Denton Affordable Housing, to construct and own the 10-unit rental project. The subsidiary structure was a HUD Requirement. Denton Affordable Housing will manage the project. This is the first of a two-phased project constituting of 5 duplexes (this project) and 14 single-family homes. Each duplex will consist of two 2-bedroom units (900 sq. ft.) and fully handicapped accessible. Locations are convenient to service, stores, transportation etc. DAHC has partnered wit the University of N. Texas to make this a <i>Green and Sustainable Building Program</i> .					
·					011	

Project Status	from auth notice the auth DAH An a cover Ban The approximation	project has already received confirmation of permanent financing in the HUD 811 Program. DAHC will use HUD capital advance mority to guarantee the requested loan. A copy of the grant award ce, dated December 1, 2003, indicates capital advance authority in amount of \$756,900, rental assistance of \$28,000, and budget mority of \$144,500. There is long delay in release of HUD funding and HC needs pre-development funds until HUD releases funds. Application has been submitted to Wells Fargo CDC \$250,000 to er site improvement costs. If not funded by the CDC, Wells Fargo is will provide the financing.		
Total Project Budget:	ا ب	,151,922	Target Completion Date: (occupancy)	July 2005 August 2005
Pre-Development/Pre Const	ructi	on Budget:	\$100,000	
Form of Match and Amount		Prior expenditu	res of \$	
Available Collateral:		None		
Loan Guarantee: DAHC is offering HUD's Section 811 Capital Advance Authori guarantee of payment of the pre-development loan. The Capital Advance Authority has already been issued,				
		None		
Prior TDHCA Pre-developm Loans	ent	None		
Prior TDHCA Loans		10 prior loans and grants resulting in construction and/or administration of 69 housing units.		

Borrower Ownership Structure	
Ownership Entity Type:	501(c)3
Name if Different from Borrower:	n/a
Partnership Info, if Applicable:	no partners
General Partner:	n/a
Partners and Interest in Project:	n/a

Borrower and Partner Background and Experience:

DAHC was established in 1995 to increase the supply of affordable housing in Denton County. DAHC focuses on first-time homebuyers, the elderly, the disabled, and the homeless. Using both government and private financing, DAHC has built assets of over \$5 million in in a relatively short period of time. DAHC has 5.5 full-time staff charged with oversight, accounting, leasing of rental properties, home construction and renovation, and client services. In 2003, DAHC infused over \$56 million into the local economy through its development activities.

DAHC owns and manages a portfolio of 74 rental-housing units for special needs populations. DAHC acquires, renovates, and manages properties based market studies that identify need and opportunity in low-income neighborhoods. In addition, DAHC has acquired, renovated, and sold 125 homes to first-time homebuyer since inception. In 2003, DAHC built and sold two newly constructed single-family homes.

Development Team:				
Team Role	Name/Contact Info	Prior Relationship with Borrower?		
General Contractor	Denton Affordable Housing Corp.	Yes		
Architect/Designer	Alfred Alread, Architct, Inc.	Yes		
Builder	Lanham Construction	Yes		
Property Manager	Denton Affordable Housing Corp.	Yes		
Attorney	Robin H. Harbin, Attorney at Law	Yes		
Real Estate Inspector	W. Lynn Saling & Associates	Yes		
Surveyor	Alliance Area Surveyors	Yes		
Development Consultant				
Housing Consultant	Mandy De Mayo	Yes		
Engineer	Greg Edwards Engineering Services	Yes		
Other				

Development Team Background and Experience:

DAHC will act as general contractor on the proposed construction project. The development team will be headed by DAHC Executive Director, Jane Provo. Ms. Provo has over 20 years experience in administering housing and community development programs and is DAHC's founding director. DAHC has a worked with development team members on prior projects and anticipates good quality work from the team. Ms. Mandy De Mayo, an experienced housing consultant, will assist with financing and client services.

Credit Check and References:		
Source	Date	Response
Credit Check		
Financial Reference:		
Professional Reference		

Reasons for Support/ Risks

- ✓ Applicant meets borrower eligibility requirements.
- ✓ The loan is consistent with TDHCA Predevelopment Loan Program objectives.
- ✓ Application is complete and all application requirements have been fulfilled.
- ✓ Applicant BOD resolution provided.
- Favorable references have been provided.
- · Credit check is favorable.
- ✓ The applicant is requesting funds for a feasible project.
- ✓ Guarantees, if required, can be provided
- ✓ All other terms, conditions, and requirements of the loan have been or will be met by closing.

1) Social Impact

Project is 100% reserved for very-low income disabled persons at or below 30% AMI. The proposal includes substantial documentation on the need for affordable low-income housing for the disabled in Denton.

Number of housing units produced and/or improved	10
Percent of local population at 80% MAI or below	
Percent of local population Hispanic, African American, or other minority	
Jobs created or retained by project	
Homeownership opportunities created	0
Amount of other funding leveraged	

2) Borrower Capacity and Financial Position

The applicant provided audited financial statements for 2002 and 2003 and YE financials for 2004. The agency is financially sound, with no audit findings. DAFC's cash position is fair, with about 30 days of operating capital. Total assets are \$5.4 million and total liabilities are \$4.55 million. DAHC has an annual operating budget of about \$2 million, a majority of which is related to housing construction and rental housing related expenses. Annual salary expense is about \$300,000. The agency showed net asset gains in both 2002 and 2003 with a modest loss of \$16k in YE 2004 (unaudited). Annual grants and revenues were about \$2 million in 2002 and 2003 with support of \$2.5 million at year-end 2004. DAHC has nearly \$1 million in interim financing liability on the books, but the current ratio is positive at 1.4.

3) Loan Grade (1 = Highest rating)

Loan Grade:	Grade
Ability to Pay	1
Financial Condition	1
Management Ability	1
Collateral & Guarantors	1
TOTAL	4 = "A"

A (4-6); B (7-9); C (10-13); D (14-16)

The applicant received the highest loan grading rating possible.

3) Likelihood of Permanent Financing

The project has already received confirmation of permanent financing from the HUD 811 Program. DAHC will use HUD capital advance authority to guarantee the requested loan. A copy of the grant award notice, dated December 1, 2003, indicates capital advance authority in the amount of \$756,900, rental assistance of \$28,000, and budget authority of \$144,500.

4) Risks and Mitigating Factors

The loan will be contingent upon receipt of the HUD award, and as such, is very low risk.

Recommendation:

Award pre-development loan. Loan to be secured by HUD Section 811 Program Capital Advance Authority.

Attachments: Project and Loan Use Budgets, Financial Spreadsheet, Loan Grading

<u>Texas Community Capital Loan Grading for Denton Affordable Housing</u> Corp.

The Four Factors Used in Loan Grading

The following factors are used to rate the loan: (1) ability to pay, (2) financial condition, (3) management capacity, and (4) collateral. Each of these factors is scored 1 through 4, with 1 being the best score possible and 4 being the worst score possible.

As a policy, TCC will not underwrite a loan with a total score greater than 13.

Use the score that has the most relevant characteristics to grade the loan.

Loan Grade:	Grade
Ability to Pay	1
Financial Condition	1
Management Ability	1
Collateral & Guarantors	1
TOTAL	4 = "A"

A (4-6); B (7-9); C (10-13); D (14-16)

I. Ability to Pay

The ability to pay is primarily an income statement factor. It is a measure of the organization's ability to generate revenues that exceed expenses, sufficient cash flows to service debts, and meet all internal needs for cash while continuing routine operations.

Score Description

1

- Organization has an excellent track record of servicing debt based on recent credit report findings.
- Organization has adequate cash flows to service debt based on projections provided by the applicant for the project.
- Organization has no debt.
- Project equity is 20% or more.
- Take-out financing is evidenced by written letters of commitment.
- Organization has a good borrowing history with TCC /TDHCA
- Loan is current and payments are on time.

2

- Organization has adequate cash flows to service debt.
- Organization has a good track record of servicing debt based on recent credit report findings.
- Project equity is 10 20%.
- Written letters of interest for take-out financing have been provided. Applicant has applied for permanent financing.
- Loan is current but payments are frequently 10 days past due.

3

- Organization's ability to generate sufficient cash flows to service existing debt and the loan being rated is questionable.
- Project equity is less than 10%.
- Take-out financing is questionable with only verbal statement of interest.

TDHCA/TCC Predevelopment Loan Fund Underwriting Report

Loan is not current and payment is less than or equal to 30 days past due.

4

- Organization will not be able to make loan payments. TCC will have to rely on collateral to repay debt or at least part of the debt will have to be charged off.
- No project equity.
- There will be no take-out financing.
- Loan is not current and payment is more than 30 days past due.

II. Financial Condition

Financial condition is a measure of the financial strength of the organization as shown on the balance sheet. It is a measure of liquidity, capital, and leverage. Indicators used to rate this factor include working capital, the current ratio, and the debt to worth ratio.

Score

Description

1

- Debt to equity ratio is decreasing/improved.
- Current ratio greater than 1.
- Net worth at least 10% of net assets.
- Fund balance is stable or increasing.

2

- Debt to equity ratio is stable.
- Current ratio between .80 1.
- Fund balance is stable.

3

- Debt to equity ratio is fluctuating.
- Current ratio between .60- .79.
- Fund balance fluctuations are explained in the auditor's notes or by the applicant.

4

- Debt to equity ratio is increasing.
- Current ratio less than .60.
- Fund balance is declining or at a deficit.

III. Management Ability

Management ability includes staff experience, seasoned Board of Directors, commitment of Executive Director/President, strength and depth of technical assistance offered by the Development Team, if applicable. In general, it is to measure the organization's understanding of finance and financial planning, ability to operate the business by following a business plan, leadership, organization skills, and backup management succession.

Score

Description

1

• Executive Director has been in the field and/or part of the current organization for at least 5 years.

- Executive Director has prior experience with 2 or more similar projects.
- Development Team is competent with a good track record for managing this type of project.
- Applicant produces good quality financial statements on time and operates under a financial plan and budget.

2

- Executive Director has been in the field and/or part of the current organization for at least 2 years.
- Executive Director has prior experience with at least one similar project.
- Development Team is competent with a good track record for managing this type of project.
- Applicant produces financial statements on time and operates under a financial plan and budget.

3

- Executive Director has been in the field and/or part of the current organization fewer than 2 years.
- Executive Director has no prior experience with similar projects.
- Development Team lacks appropriate experience or is inexperienced.
- Applicant produces financial statements on an irregular basis.
- The project/organization is experiencing problems.

4

- Lacks Executive Director and/or has an interim director.
- Lacks Development Team but seeking one.
- Produces no financial statements, financial plan, or annual budget and unable to manage its financial resources.
- The project is not performing. There are known and serious organizational shortcomings. The loan is in workout.

IV. Collateral and Guarantors

The rating of collateral and guarantors determines the degree to which TCC can rely on collateral and guarantors to pay the loan, should the primary sources of repayment not materialize. Loan-to-Value is the ratio of money borrowed to fair market value of collateral.

Score

Description

1

- Collateral and guarantor positions are undoubtedly sufficient to pay the loan such as having first mortgage position (lien) or liquid assets in the form of CD's and securities and/or applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan-to-Value range from 0% to 80%.

- Collateral is sufficient, such as having second mortgage position (lien), so that even under foreclosure conditions TCC will probably not have to charge off any of the loan and/or applicant is guaranteeing the loan and demonstrates financial capacity to repay the note.
- Loan will be contingent upon notice of permanent financing.
- Loan-to-Value range from 81% to 100%.

3

- Collateral is insufficient although loan is secured and/or applicant is guaranteeing the loan, but does not demonstrates financial capacity to repay the note.
- Loan-to-Value range from 101% to 120%.

4

- Collateral is insufficient for loan and/or no guarantees are offered by the applicant.
- Organization may or may not be able to repay loan.
- Loan-to-Value is greater than 121%.

Calculating the Grade

The grading system is totally dependent on how the four factors are scored. To arrive at the final grade for the loan, follow the steps described below:

A score of 4 to 6 infers an A ⇒ Ex	xcellent
• A score of 7 to 9 infers B \Rightarrow G	ood
A score of 10 to 13 infers C ⇒ A ⁿ	verage
• A score of 14 to 16 infers D ⇒ Pe	oor

2. This step gives a tentative grade. Take a close look at the four factors to check that they have been correctly scored.

In addition, there are a few rules that should also be included:

- A loan that has weakened to the point that TCC is dependent on collateral or guarantors as
 its source of repayment must be graded D. If the dependence is problematical, the score
 should be on the watchlist.
- If during the grading process definable weaknesses are detected that cause the credit to be scored a weak C, then write a memo putting the loan on the watch list.

If a credit being reviewed is found to be in an improving situation that scores a solid C, the loan should come off the watch list.

	TOTAL BUDGE	Т				
Use:	Use of Funds	DAHC		ing Source HUD		e Wells
Pre-Development **	156,875	-	\$	156,875		
Pre-Construction **	35,735		\$	35,735		
Purchase Land and Buildings						
Acquisition -Land	75,045	75,045				
Acquisition -Building	,	,				
Site Work						
On-Site Work	83,101					79,00
Off-site improvemnts (ie. streets , curbs)	91,159				·	126,894
Rehab/Construction	/					,
Rehabilitation Costs						
New Construction	593,750		\$	593,750		
Construction Contingency (_3%)	20,183		\$	20,183		
Other Depreciable (FFE)			<u> </u>			
Professional Fees (not included in pre- development or pre-construction budget)		1077				
Architect Design/Supervision						
Contractor Fees and Profit	69,175		\$	69,175		
Impact Fees						
Engineering						
Accounting/RE Attorney						
Consulting						
Other Contingency						
Other Professional						
Developer's Fees						
Developer's Fees						
General Partner's Fees					1	
Interim Costs						
Construction Interest	7,650		\$	7,650		
Construction Loan Fee	,,500		+	.,000		
Insurance, Title, etc.	4,000	 	\$	4,000	<u> </u>	
Taxes, Performance Premium, etc.	10,250	 	\$	10,250		
Permanent Financing Fees	10,200		Ψ	10,200	 	
Start-up Expenses						
Organizational	6.00		-			
Marketing			-			
Syndication costs			-		 	
Project Reserves	F 000		6	E 000		
Other Costs	5,000		\$	5,000	\$	44.40
					Φ	44,10
Cost Certification						
Total Project Budget:	\$ 1,151,922	\$ 75,045	il \$	902,617	7 \$	250,00

PRE-DEVELOPMENT /PRE CONSTRUCTION LOAN WORKSHEET

Pre-Development Uses:	Total \$	Match	Amount from TDHCA	Other Source
Consulting fees	10,000		10,000	
Cost of Preliminary Financial applications				
Legal Fees	7,000		7,000	
Architectural Fees	29,955		29,955	·····
Environmental Studies	5,600		5,600	
Engineering Fees			-	
Site Control				:
Engagement of Development Team			 · · · · · · · · · · · · · · · · · 	·
Title Clearance				
Platting/ Surveying	5,110		5,110	·
Appraisals	1,200		1,200	
Organizational Expenses				
As-built Surveys	4,200		4,200	
Construction Cost Analysis	1,200		1,200	
PRE -CONSTRUCTION USES:				
Engineering	14,235		14,235	
Cost Certification Fees	4,000		4,000	
Impact Fees	15,000		15,000	
Construction Insurance	2,500		2,500	
Total	100,000	\$ -	100,000	\$ -
Number Units	10			
Cost per Unit	10,000			

Cost per Unit

Match Requirement

10,000 **5,000**

^{*} Match is provided by land acquisition costs.

Denton Affordable Housing Statement of Activities

	YE Sept 30 2002	YE Sept 30 2003	YE Sept 30 2004	
Support and Revenue				
House sale proceeds	1,452,005			
Grants -	188,273	284,898	208,042	
Management Fees	7,655	7,655	-	
Rental Revenue	541,564	463,577	626,466	
Interest income	316	106	285	
Other	414	1,850	5,926	
Gain on sale of properties	(7,664)	129,388	161,077	
Net Assets Released from Restrictions	-	0		
Deposit Forfeitures	50	0	-	
Total Support & Revenue	\$2,182,613	\$2,254,809	\$2,491,209	
Expenses				
Cost of House Sold	1,370,070	1,346,187	1,573,667	
Rental Expenses	266,928	264,306	454,167	
Salaries and benefits	238,945	275,933		
Other expenses	71,456			
Depreciation	102,257			
Total Expenses	\$2,049,656	-	· · · · · · · · · · · · · · · · · · ·	
Change in Net Assets from OP	\$132,957	\$158,972	(\$16,925)	
Net Assets Beginning of the Period	621,401	754,308	913,280	
Net Assets End of the Period	\$754,358	\$913,280	\$896,355	
Liquidity				
1 Current Ratio	14.7	18.7	1.4	
2 Days' Cash	3.6	23.6	29.9	
3 Days' Receivable	4.7	6.0	6.1	
Capital				
4 Cash Flow to Total Debt	0.05	0.06	0.00	
5 Total Debt to Assets	0.86			
6 Debt to Equity	6.01			
Profitability				
7 Margin	6%	7%	-1%	•
Liquidity				
1 Current Ratio	Current Assets	s / Current Liab	ilities	
2 Days' Cash	Cash / (Op Ex	penses - Depre	ciation / 365)	
3 Days' Receivable		able * 365)/ OP		
Capital				
4 Cash Flow to Total Debt		Depreciation / 1	otal Liabilities	
5 Total Debt to Total Assets		s /Total Assets		
6 Debt to Equity	Total Liabilities	s /Net Assets		
Profitability				
7 Margin	Change in Ne	t Assests / Tota	Support and Rever	nues

Denton Affordable Housing Statement of Financial Position

	ΥE	Sept 30	YE	Sept 30	YE	Sept 30
0		2002		2003		2004
Current Assets		40 440		407.005		005 400
Cash and equivalents		19,113		127,365		205,408
Grants receivable		14,336		28,289		34,623
Other receivables		13,874		8,533		6,781
Inventory		996,912		1,133,677		1,188,202
Pre-paid Expenses	Φ	16,856		16,917		13,782
Total Current Assets	\$	1,061,091	\$	1,314,781	\$	1,448,796
Property & Equip Net of Depreciation		4,223,888		4,247,240		4,004,590
Other non-current assets		1,800		2,205		1,000
TOTAL ASSETS		\$5,286,779	ı	\$5,564,226	\$	5,454,386
Current Liabilities						
Accounts Payable		36,549	ı	21,452		47,210
Accrued Liabilities		8,592		17,131		4,767
Tenant security deposits		27,252		31,549		37,519
Line of Credit/Interim Financing		_		-		937,981
Total Current Liabilities	\$	72,393	\$	70,132	\$	1,027,477
Mortgages Payable		4,460,078	;	4,580,814	•	3,530,576
Total Liabilities	\$	4,532,471	\$	4,650,946	\$	4,558,053
Net Assets						
Unrestricted Net Assets		480,461		537,632		537,610
Temporarily restricted assets		39,068	3			
Permanently restricted		234,779)	375,648	3	375,648
Net Income						(16,925)
Total Net Assets	\$	754,308	\$	913,280	\$	896,333
TOTAL LIABILITIES & NET ASSETS		\$5,286,779	•	\$5,564,226	3	\$5,454,386

MULTIFAMILY FINANCE PRODUCTION DIVISION BOARD ACTION REQUEST

May 26, 2005

Action Items

Consideration of a waiver of the 2004 HOME Rule maximum award limit and an award from the HOME Community Housing Development Organization Rental Development program.

Required Action

Approve or deny a waiver of the 2004 HOME Rule maximum award limit and recommendation for an award of HOME Community Housing Development Organization (CHDO) Rental Development Program to Housing Plus, Inc.

Background

Application #047-0006 – Star Village Apartments

The Department received an application for HOME CHDO Rental Development funds from Housing Plus, Inc. in November 2004, under the 2004 HOME CHDO Open Cycle NOFA for Rental Development. The application has been reviewed for CHDO certification, threshold criteria and underwriting

The Development is located in San Benito, Cameron County, Texas. The development will include 52 multifamily units of housing targeted to the general population. The Development will include 24 HOME assisted units for tenants with low and very-low incomes. The Development will be located adjacent to other residential neighborhoods and close to community services and employment opportunities.

The Development's estimated total costs are \$3,656,911, which will be financed through the Department's HOME CHDO funds and private financing through Prudential Mortgage Services. The applicant has requested \$1,675,000, and an additional \$88,000 in CHDO operating funds. The Department's 2004 HOME Rule (10 TAC §53.53[2]), which governs this application, limits the maximum award for development applications to \$1,500,000. However, the current 2005 HOME Rule does allow staff to recommend an amount higher than the limit for the Board's consideration (10 TAC §53.53[2]). Because the 2004 and 2005 Rules permit a waiver and the 2005 Rule allows staff to recommend awards above \$1,500,000, with support from Real Estate Analysis's final underwriting report, staff is recommending that the Board consider an award above the cap.

Recommendation

Staff recommends that the Board approve a waiver of the 2004 HOME Rule's maximum award limit for development activities (10 TAC §53.53[2]), and award \$1,675,000 in HOME CHDO Rental Development funds to Housing Plus, Inc. for Star Village Apartments, and \$88,000 in CHDO Operating Expense funds. The Real Estate Analysis Division recommends that the rental development funds be awarded as a second lien loan structured as a 40 year term, non-amortizing loan at 0% interest, with repayment from available cash flow, subject to conditions. The award of CHDO Operating Expenses, in the amount of \$88,000, will be in the form of a grant, which is consistent with HUD's HOME regulations.

DATE: May 15, 2005 PROGRAM: HOME FILE NUMBER: 047-0007

DEVELOPMENT NAME										
			Star	Village Apa	rtments					
APPLICANT										
Name:	Housing Plu	ıs, Inc.		Type:	Non-pro	fit CHDO				
Address:	518 E. Harr	ison Stre	eet	City:	Harlin	gen		Stat	e: TX	
Zip:	78550 C	ontact:	Alfredo Huerta	Phone	(956)	421-3290	Fax:	(956)	421-1084	
			PRINCIPALS of the	ne APPLICANT	/ KEY PARTI	CIPANTS				
Name:	Alfredo Hu	erta		(%)	: 0.00	Title:	Executi	ive Direc	ctor	
Name:	Robert Char	vira dba	SMi Consulting	(%)	: N/A	Title:	Consul	tant		
			PR	OPERTY LOC	ATION					
Location:	1500 N. Mc	Culloug	h Street				QC	CT	☐ DDA	
City:	San Benito			County:	Cameron	1		Zip:	78586	
				REQUEST						
_	<u>amount</u>		Interest Rate		<u>Amortizat</u>	<u>ion</u>	<u>Term</u>			
,	1,675,000		0%		30 yrs			30 yı	'S	
2)	\$88,000		N/A		N/A		N/A			
		1) De	ferred forgivable I	HOME loan						
			OME CHDO opera & will not be incl			funds are not	included	in the d	evelopment	
Proposed Use of Funds: New construction			construction	Proper	ty Type:	Multifa	mily			
Special Pur	pose (s):	General p	opulation							

RECOMMENDATION

RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$1,675,000, STRUCTURED AS A 40-YEAR TERM, NON-AMORTIZING LOAN AT 0% INTEREST, WITH REPAYMENT FROM AVAILABLE CASH FLOW, SUBJECT TO CONDITIONS.

- 1. Board acceptance of a waiver of the HOME Rule 10 TAC Section 53.53(2) limiting awards to \$1,500,000.
- 2. Board acceptance that sufficient cash flow may not be available to repay the proposed HOME funds by the end of the term and that a restructuring of this debt and/or possible forgiveness at the end of the term may be necessary.
- 3. Should the terms and rates of the proposed debt change, the transaction should be re-evaluated and an adjustment to the loan amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Star Village Apartments was submitted and underwritten in the 2003 HOME CHDO cycle. underwriting analysis recommended the project be declined due to the lack of sufficient committed funding sources to complete the development as proposed. The report further recommended that any Board approval be conditioned on the following conditions:

- The HOME award should not exceed \$1,000,000, structured as a five-year term, non-amortizing loan at 0% interest, to be restructured at the end of the term based upon operating cash flow history;
- 2. Receipt, review, and acceptance of evidence of successful rezoning of the site to a conforming use;
- 3. Receipt, review, and acceptance of evidence of commitment of at least \$363,165 in grant funds or other soft financing or fully committed first lien debt of at least \$1,953,165 (which is still subject to item 4 below) or some applicable combination of these;
- 4. Receipt, review, and acceptance of a revised permanent loan commitment(s) reflecting a maximum total debt service amount of \$140,000; and
- 5. Should the terms or rates of the permanent funding change or additional financing be secured this development should be reevaluated.

DEVELOPMENT SPECIFICATIONS

The development did not receive an award in the 2003 year cycle.

IMPROVEMENTS							
Total 52 #Rental 13 #Non-Res. 1 #of 14 Age: 0 yrs Vacant: N/A at //							
Net Rentable SF: 49,904 Av Un SF: 960 Common Area SF: 2,153 Gross Bldg SF: 52,057							
STRUCTURAL MATERIALS							
The structures will be wood frame on concrete slabs on grade. According to the plans provided in the application the exteriors will be comprised of 90% brick veneer & 10% cement fiber siding. The interior wall surfaces will be drywall & the pitched roofs will be finished with composite shingles.							
APPLIANCES AND INTERIOR FEATURES							
The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, & individual heating & air conditioning.							
ONSITE AMENITIES							
A 2,153-square foot community building will include activity & meeting rooms, management offices, maintenance & laundry facilities, a kitchen, & restrooms. The community building, swimming pool, & equipped children's play area are to be located at the entrance to the property. In addition, a basketball court is planned for the site.							
Uncovered Parking: 126 spaces Carports: 0 spaces Garages: 0 spaces							
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION							

Description: Star Village Apartments is a 7.2-unit per acre new construction development of 52 units of mixed-income housing located in northeast San Benito. The development is comprised of 13 evenly distributed, garden style, fourplex residential buildings as follows:

- Six Building Type A with four two-bedroom/two-bath units;
- Four Building Type B with four three-bedroom/two-bath units; and
- Three Building Type C with four one-bedroom/one-bath units.

Architectural Review: The building and unit plans are of good design, sufficient size, appear to provide acceptable access and storage. The elevations reflect modest buildings with simple fenestration.

SITE ISSUES									
	SITE DESCRIPTION								
Size:	7.25 ac	res 315,810	square feet Zoning/ Pe	ermitted Uses:	MF, Multifamily Residential				
Flood 2	Zone Designation:	Zone C, areas of minimal flooding (not within 100-yr floodplain)	Status of Off-Sites:	Partially impre	oved				

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: San Benito is located in far south Texas, approximately 15 miles northwest of Brownsville in Cameron County. The site is a rectangularly-shaped parcel located in the northeast area of the city, approximately one mile from the central business district. The site is situated on the southeast side of McCullough Street.

Adjacent Land Uses:

- Northwest: N. McCullough Street immediately adjacent and new single-family residential beyond;
- Northeast: open agricultural land with Line 17 Road and more agricultural land beyond
- **Southeast:** the former San Benito Municipal Airport facility, which is now closed and is used for training by a trucking school further southeast from the site; and
- **Southwest:** scattered single-family residential immediately adjacent and open agricultural land and Business U.S. Highway 77 beyond.

<u>Site Access</u>: Access to the property is from the northeast or southwest from N. McCullough, from which the property is to have two entries. Access to U.S. Highway 77 is one-half mile southwest, which provides connections to all other major roads serving the San Benito area as well as Harlingen, Brownsville, and other surrounding communities.

Public Transportation: Public transportation is only provided in the downtown area.

Shopping & Services: The site is within 2.5 miles of all the facilities, services, and amenities located in San Benito.

<u>Site Inspection Findings</u>: TDHCA staff performed a site inspection on January 26, 2005 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 June 8, 2004 was prepared by Environmental Risk Management, Inc. and contained the following findings and recommendations: "There are no apparent circumstances or issues of significant or immediate environmental concern, either on the subject property or on adjacent or nearby properties. No further environmental assessment ids recommended." (p. 11)

POPULATIONS TARGETED

<u>Income Set-Aside</u>: Twenty-four of the units (46% of the total) will be reserved for low-income tenants. Five of the units (21% of the HOME-assisted units) will be reserved for households earning 50% or less of AMGI, the other 19 HOME-assisted units will be reserved for households earning 80% or less of AMGI, and the remaining 28 units (53% of the total) will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES									
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons			
80% of AMI	\$23,750	\$27,150	\$30,550	\$33,900	\$36,650	\$39,350			

MARKET HIGHLIGHTS

A market feasibility study dated March 22, 2005 was prepared by Novogradac & Company, LLP ("Market

Analyst") and highlighted the following findings:

<u>Definition of Primary Market Area (PMA)</u>: "For the purpose of this study, the subject's primary market area is the [cities] of San Benito and Harlingen..." (p. 9). This area is equivalent to a circle with a radius of less than five miles.

Population: The estimated 2004 population of the PMA was 86,091 and is expected to increase by 12.3% to approximately 96,691 by 2009. Within the primary market area there were estimated to be 27,823 households in 2004.

<u>Total Primary Market Demand for Rental Units</u>: The Market Analyst calculated a total demand of 887 qualified households in the PMA, based on the current estimate of 27,823 households, the projected annual household growth rate of 2.5%, renter households estimated at 35.7% of the population, income-qualified households estimated at 22%, and an annual renter turnover rate of 35% (p. 59). The Market Analyst used an income band of \$13,611 to \$28,665.

ANNUAL* INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY								
	Market	Market Analyst Underwriter		writer				
Type of Domand	Units of	% of Total	Units of	% of Total				
Type of Demand	Demand	Demand	Demand	Demand				
Household Growth	120*	14%	56	6%				
Resident Turnover	767	86%	802	94%				
Other Sources:	0	0%	0	0%				
TOTAL ANNUAL DEMAND	887	100%	857	100%				

Ref: p. 59

<u>Inclusive Capture Rate</u>: The Market Analyst calculated an inclusive capture rate of 2.71% based upon 887 units of demand and no additional unstabilized affordable housing units in the PMA (p. 59). The Underwriter calculated an inclusive capture rate of 2.8% based upon a slightly lower demand estimate of 857 households.

Local Housing Authority Waiting List Information:

- "According to Mary-Alice Toores at the San Benito Housing Authority, families in San Benito are utilizing about 300 Section 8 vouchers. Ms. Toores reports that there are over 700 families on the waiting list for available Section 8 housing units, which is equivalent to approximately two years. Additionally, the demolition of an existing Section 8 property has begun, and its tenants are being added to the already extensive waiting list. Furthermore, a second existing Section 8 property is in the process of renovation and some tenants are being displaced, further adding to the current waiting list.
- "Mr. Marco Sanchez with the Harlingen Housing Authority reported current funding for 636 Section 8 vouchers; the limit is 698. Currently there is a waiting list of ten families. The current list for Harlingen is closed. However, the board has recently requested opening the waiting list again, and it is expected to open in April of 2005." (p. 24)

Market Rent Comparables: The Market Analyst surveyed five comparable apartment properties totaling 634 units in the market area. "The City of San Benito is a market currently characterized by no new or good quality market rate developments targeting families. Based on information provided by the 2000 census, less than 6% of the housing stock in the PMA is comprised of structures with 20 or more units and more than 80% of the housing stock in San Benito was constructed prior to 1980. Therefore, identifying 'true' comparables to the subject and completing the rental analysis was inherently challenging. As a consequence of these limitations, it was necessary to include several market rate comparables located in the adjoining City of Harlingen, which is considered a superior market location but still part of the subject's PMA." (p. 26)

RENT ANALYSIS (net tenant-paid rents)							
Unit Type (% AMI) Proposed Program Max Differential Est. Market Differential							

^{*}Analyst used 2.2 years of growth demand (from time of analysis to market entry)

1-Bedroom (50%)	\$358	\$358	\$0	\$525	-\$167
1-Bedroom (65%)	\$379	\$379	\$0	\$525	-\$146
1-Bedroom (MR)	\$410	N/A	N/A	\$525	-\$115
2-Bedroom (50%)	\$417	\$417	\$0	\$600	-\$183
2-Bedroom (65%)	\$419	\$419	\$0	\$600	-\$181
2-Bedroom (MR)	\$505	N/A	N/A	\$600	-\$95
3-Bedroom (50%)	\$480	\$480	\$0	\$650	-\$170
3-Bedroom (65%)	\$521	\$521	\$0	\$650	-\$129
3-Bedroom (MR)	\$600	N/A	N/A	\$650	-\$50

(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)

Primary Market Occupancy Rates: "Stabilized occupancy rates reported in the market ranged from 93% to 97%, with a weighted average occupancy rate of 94%...The most comparable LIHTC property in this survey, Canal Place Apartments, reported an occupancy rate of 93%. The other two comparable stabilized LIHTC properties, which are also proximate to the subject site, both reported occupancy rates of 94%." (p. 31)

Absorption Projections: "We estimate an absorption pace of four months for the subject, or an average rate of approximately 13 units per month." (p. 67)

Known Planned Development: "Based on information collected from conversations with the City of San Benito, no new LIHTC or HOME properties are scheduled for construction in the near future." (p. 24)

Effect on Existing Housing Stock: "Based on the results of our competitive supply analysis, we do not believe the subject will adversely impact existing affordable housing developments in the PMA due to its relatively small size (only 52 units), waiting lists at comparable properties, and particularly strong demand at Canal Place." (p. 68).

<u>Market Study Analysis/Conclusions</u>: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

<u>Income</u>: The Applicant's rent projections are the maximum rents allowed under HOME Program guidelines, and are achievable according to the Market Analyst. It is noted however, that the projected unrestricted rents are \$50 to \$115 less than the Market Analyst's adjusted market rate estimate potentially providing another \$29K per year in potential gross income. Estimates of secondary income and vacancy and collection losses are in line with TDHCA underwriting guidelines. As a result, the Applicant's effective gross income estimate is comparable to the Underwriter's estimate.

Expenses: The Applicant's total expense estimate of \$2,517 per unit is 3.7% lower than the Underwriter's database-derived estimate of \$2,613 per unit for comparably-sized developments in this area. The Applicant's payroll budget line item estimate deviates significantly when compared to the database averages, at \$5.2K lower. The Applicant has included no property taxes in the operating budget and provided correspondence from the Cameron County Appraisal District (CCAD) which indicates an intention to provide a 100% CHDO exemption. The Underwriter verbally confirmed this intention with the CCAD and has therefore likewise assumed a 100% exemption.

Conclusion: The Applicant's estimated income is consistent with the Underwriter's expectations, total operating expenses are within 5% of the database-derived estimate, and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. In the Applicant'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 the TDHCA underwriting guidelines of 1.10 to 1.30. There does not appear to be sufficient NOI to schedule service on any of the HOME funds unless the unrestricted units are able to achieve the Market Analyst's adjusted market rent estimate. Since these rents are significantly greater than the HOME rents it would be

speculative to require HOME debt repayment based upon them. The cash flow of the property should be monitored annually to ensure that if the Market Analysts higher rents are accepted, the HOME funds can be repaid.

	ACQU		/aluation info Praised value	DRIVIATION				
Land Only: 7 acres	\$92,000			Date of Valuation:	6/	10/	2004	
Appraiser: Tony Gutie Appraisals	errez, Rio Grande	City:	Harlingen	Phone:	(956)	428-	-9595	
	APP	RAISAL A	NALYSIS/CONC	LUSIONS				
Analysis: Although neport. The Appraiser The reports concluded	used only the mar	ket appr s unchar	oach as the pronged from the 2	perty is not curre	•		• •	
		AS	SESSED VALUE					
Land: 7.25 acres	\$36,250*		Assessment fo	Assessment for the Year of:		2003		
Building:	N/A	N/A		: Cameron Cou	on County Appraisal District			
Total Assessed Value:	\$36,250*	\$36,250*		2.7024				
*Market value only, 100	% CHDO exemption	n granted		_				
	EVIDE	NCE of SI	TE or PROPERTY	CONTROL				
Type of Site Control:	Special warranty deed with vendor's lien (7.25 acres)							
Acquisition Date:	12/ 19/	2003						
Acquisition Cost:	\$94,000							
Seller: Kenneth J. Be	nton dba Border Eco			elated to Developm			per: No	

CONSTRUCTION COST ESTIMATE EVALUATION

<u>Acquisition Value</u>: The site cost of \$94,000 (\$0.30/SF, \$12,966/acre, or \$1,808/unit) is substantiated by the appraisal value of \$92,000 and is assumed to be reasonable since the acquisition was an arm's-length transaction.

<u>Sitework Cost</u>: The Applicant's claimed sitework costs of \$7,000 per unit are within the Department's allowable guidelines for multifamily developments without requiring additional justifying documentation.

<u>Direct Construction Cost</u>: The Applicant's costs are \$122K or 5.8% 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.

<u>Fees</u>: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. Combined developer fees of 8.2% of eligible costs are well below the TDHCA maximum guideline of 15%.

<u>Conclusion</u>: The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. The Applicant's total development cost estimate is also within the 2005 HUD 221(d)(3) HOME subsidy limits of \$84,327, \$102,542, and 132,654 for one-, two-, and three-bedroom units, respectively. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost estimate will be used to size the total sources of funds needed for the development.

FINANCING STRUCTURE							
INTERIM to PERMANENT FINANCING							
Source:	Prudential Huntoon Paige Associates, Ltd.	Contact:	Paul Mogote				

Principal Amount: \$1,981,911		.1	Intere	st Rate:	6.15	6.15% (5.65% + 0.5% FHA insurance premium)					emium)
Additional Information: Commitment in amount of \$2					00,00						
Amortization: 40	yrs	Term:	40 yr	rs Co	ommitmen	ıt:	LOI		Firm	\boxtimes	Conditional
Annual Payment:	\$133,352		Lien P	riority:	1st	Date:	2/	17/	2005		
			P	APPLICA	NT EQUIT	Y					
Amount: \$0			Source:	De	ferred dev	eloper fe	ee				
FINANCING STRUCTURE ANALYSIS											

<u>Interim to Permanent Financing</u>: The interim to permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application except that the Applicant is intending to use \$18,089 less than the \$2M offered by the lender.

The Applicant initially requested \$1,675,000 in HOME funds however this exceeded the Department's \$1.5M limit for any single transaction. The TDHCA Board has the ability to waive this limit if recommended by staff and due to the gap in financing and CHDO nature of the transaction staff is recommending such a waiver in this case.

<u>Deferred Developer's Fees</u>: The Applicant's initially proposed no deferred developer's fees but if the HOME award is limited \$1.5M the Applicant will have to defer fees of \$175,000 which would amount to approximately 66% of the total fees.

Financing Conclusions: Based on the underwriting analysis, the Applicant's estimated NOI will allow servicing of the first lien permanent debt at an acceptable DCR of 1.13, but is not anticipated to permit any scheduled repayment of the TDHCA HOME funds. Therefore, the TDHCA HOME funds should be awarded as a 40-year term, non-amortizing loan at 0% interest, with repayment from cash flow following 100% repayment of any deferred developer fees. It should be noted that TDHCA would typically require that the first lien would be subordinated to our LURA, but this would not be the case as long as the loan remains an FHA-guaranteed Section 221(d)(4) loan. Should the first lien loan not be FHA-guaranteed, superiority of the TDHCA LURA would be required. While the Underwriter's proforma based upon the Applicant's income and expenses and using a 3% annual increase in income and a 4% increase in expenses suggest that there may be sufficient cash flow after 30 years to fully repay, such projections are tenuous at best.

Return on Equity: Nominal first year return on Applicant equity (deferred developer fees) would be 9.8%, but as 100% of cash flow will be dedicated to developer fee repayment and then diverted to repayment of the TDHCA HOME funds, no return on Applicant equity is projected.

DEVELOPMENT TEAM IDENTITIES OF INTEREST

The Applicant is also the Developer and cost estimator. These are common relationships for HOME-funded developments.

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

<u>Financial Highlights</u>: The Applicant and Developer, Housing Plus, Inc., submitted an unaudited financial statement as of September 30, 2004 reporting total assets of \$820.5K and consisting of \$77.2K in cash, \$48.6K in receivables, \$142K in other unspecified current assets, and \$552.6K in real property. Liabilities totaled \$849K, resulting in a negative net worth of (\$28.5K).

Background & Experience: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The anticipated ad valorem property tax exemption may not be received or may be reduced, which could

affect the financial feasibility of the development.

• The Applicant does not appear to have the financial capacity to support the development, if needed.

Underwriter:		Date:	May 15, 2005
Di a GD IF a A A I i	Jim Anderson		M. 15 2005
Director of Real Estate Analysis:		Date:	May 15, 2005
	Tom Gouris		

MULTIFAMILY COMPARATIVE ANALYSIS

Star Village Apartments, San Benito, HOME #047-0007

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, Trs
LH	2	1	1	734	\$397	\$358	\$716	\$0.49	\$39.00	\$23.00
НН	4	1	1	734	418	379	1,516	0.52	39.00	23.00
MR	6	1	1	734		410	2,460	0.56	39.00	23.00
LH	1	2	2	947	477	417	417	0.44	60.00	35.00
HH	9	2	2	947	479	419	3,771	0.44	60.00	35.00
MR	14	2	2	947		505	7,070	0.53	60.00	35.00
LH	2	3	2	1,148	551	480	960	0.42	71.00	45.00
HH	6	3	2	1,148	592	521	3,126	0.45	71.00	45.00
MR	8	3	2	1,148	002	600	4,800	0.52	71.00	45.00
TOTAL:	52	Ū	AVERAGE:	960	\$229	\$478	\$24,836	\$0.50	\$58.54	\$35.31
NCOME		Total Not Bo	ntable Sq Ft:	49.904	·	TDHCA	APPLICANT		omptroller's Region	ı
POTENTIA	I GPOSS		mable 34 Ft.	43,304		\$298,032	\$298,032	O.	IREM Region	" "
Secondary		KLINI	D	er Unit Per Month:	\$10.00	6,240	6,240	\$10.00	Per Unit Per Month	
•	ort Income:		r	er Offic Per World).	\$10.00	0,240	0,240	\$10.00	Per Offit Per Month	
POTENTIA		INCOME				\$304,272	\$304,272			
	Collection L		% of Potent	ial Gross Income:	-7.50%	(22,820)	(22,824)	-7.50%	of Potential Gross Re	nt
•			ts or Conces			0	0	0070		
	E GROSS					\$281,452	\$281,448			
EXPENSES			% OF EGI	PER UNIT	PER SQ FT	,	,	PER SQ FT	PER UNIT	% OF EGI
	= Administrativ	/e	6.19%	\$335	0.35	\$17,420	\$17,900	\$0.36	\$344	6.36%
Manageme			5.00%	271	0.28	14,073	14,060	0.28	270	5.00%
Payroll & Pa			11.10%	601	0.28	31,243	26,000	0.28	500	9.24%
							,			
•	Maintenance	;	9.01%	488	0.51	25,360	22,000	0.44	423	7.82%
Utilities			3.24%	176	0.18	9,132	9,800	0.20	188	3.48%
Water, Sew	ver, & Trash		5.61%	304	0.32	15,794	20,200	0.40	388	7.18%
Property In:	surance		4.43%	240	0.25	12,476	10,500	0.21	202	3.73%
Property Ta	ax	2.7024	0.00%	0	0.00	0	0	0.00	0	0.00%
Reserve for	r Replaceme	ents	3.70%	200	0.21	10,400	10,400	0.21	200	3.70%
Other:			0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EX	PENSES		48.28%	\$2,613	\$2.72	\$135,897	\$130,860	\$2.62	\$2,517	46.50%
NET OPER	RATING IN	С	51.72%	\$2,799	\$2.92	\$145,554	\$150,588	\$3.02	\$2,896	53.50%
DEBT SER	VICE		-							
irst Lien Mo	ortgage (Pru	dential)	47.38%	\$2,564	\$2.67	\$133,352	\$133,352	\$2.67	\$2,564	47.38%
TDHCA HO		•	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Fi	nancing		0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH	-		4.34%	\$235	\$0.24	\$12,202	\$17,236	\$0.35	\$331	6.12%
	E DEBT CO	VERAGE F				1.09	1.13			
RECOMMEN							1.13			
	CTION CO									
Descri		Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	Cost (site o		2.58%	\$1,875	\$1.95	\$97,500	\$97,500	\$1.95	\$1,875	2.67%
Off-Sites	200. (51.0 0	. 2.09/	0.00%	0	0.00	ψ97,500	φ97,300	0.00	0	0.00%
Sitework				7,000		364,000	364,000		7,000	
	- t t'		9.63%		7.29		-	7.29		9.95%
Direct Cons			55.54%	40,362	42.06	2,098,828	1,977,221	39.62	38,023	54.07%
Contingend	•	3.78%	2.46%	1,788	1.86	93,000	93,000	1.86	1,788	2.54%
General Re	•	5.70%	3.72%	2,701	2.81	140,473	140,473	2.81	2,701	3.84%
Contractor's	s G & A	1.90%	1.24%	900	0.94	46,824	46,824	0.94	900	1.28%
Contractor's	s Profit	5.70%	3.72%	2,701	2.81	140,473	140,473	2.81	2,701	3.84%
ndirect Co	nstruction		6.89%	5,003	5.21	260,170	260,170	5.21	5,003	7.11%
neligible C	osts		0.00%	0	0.00	0	0	0.00	0	0.00%
Developer's		1.86%	1.65%	1,198	1.25	62,300	62,300	1.25	1,198	1.70%
						-				
Developer's		6.04%	5.36%	3,898	4.06	202,700	202,700	4.06	3,898	5.54%
nterim Fina	ancing		5.59%	4,063	4.23	211,250	211,250	4.23	4,063	5.78%
Reserves	ОТ		1.62%	1,177	1.23	61,194	61,000	1.22	1,173	1.67%
TOTAL CO			100.00%	\$72,668	\$75.72	\$3,778,713	\$3,656,911	\$73.28	\$70,325	100.00%
•	l Construct		76.31%	\$55,454	\$57.78	\$2,883,598	\$2,761,991	\$55.35	\$53,115	75.53%
CHIDCES	OF FUND	S						RECOMMENDED		
DOUNCES										

1,675,000

121,802

\$3,778,713

0

0

1,675,000

\$3,656,911

0

0

1,675,000

\$3,656,911

0

0

0

\$0

% of Dev. Fee Deferred

0%

15-Yr Cumulative Cash Flow

\$616,179

047-0007 Star Village.xls Print Date5/19/2005 8:33 AM

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\$33.56

\$0.00

\$0.00

\$2.44

\$32,212

\$0

\$0

\$2,342

44.33%

0.00%

0.00%

3.22%

TDHCA HOME Funds

TOTAL SOURCES

HTC Syndication Proceeds

Additional (Excess) Funds Req'd

Deferred Developer Fees

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Star Village Apartments, San Benito, HOME #047-0007

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$44.78	\$2,234,940
Adjustments				
Exterior Wall Finish	7.20%		\$3.22	\$160,916
Elderly/9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.03)	(101,305)
Floor Cover			2.00	99,808
Porches	\$16.71	5,354	1.79	89,473
Plumbing	\$605	136	1.65	82,280
Built-In Appliances	\$1,650	52	1.72	85,800
Stairs/Fireplaces			0.00	0
Enclosed Corridors	\$34.86		0.00	0
Heating/Cooling			1.53	76,353
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$66.33	2,153	2.86	142,811
Other:			0.00	0
SUBTOTAL			57.53	2,871,076
Current Cost Multiplier	1.11		6.33	315,818
Local Multiplier	0.79		(12.08)	(602,926)
TOTAL DIRECT CONSTRUC	CTION COST	rs	\$51.78	\$2,583,968
Plans, specs, survy, bld prm	3.90%		(\$2.02)	(\$100,775)
Interim Construction Interest	3.38%		(1.75)	(87,209)
Contractor's OH & Profit	11.50%		(5.95)	(297,156)
NET DIRECT CONSTRUCTI	ION COSTS		\$42.06	\$2,098,828

PAYMENT COMPUTATION

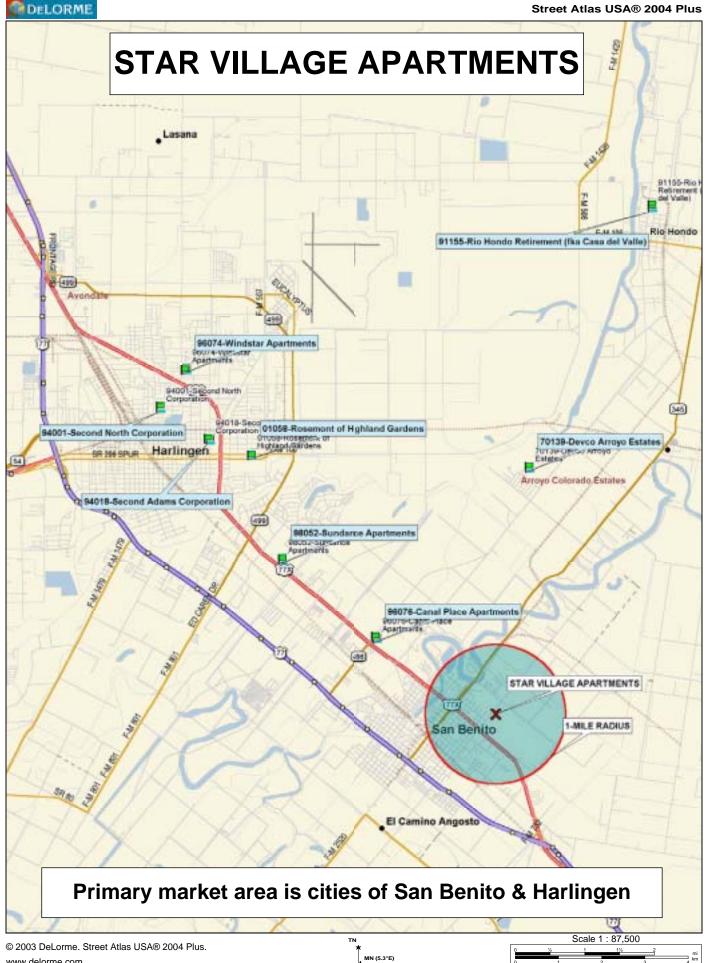
Primary	\$1,981,911	Amort	480
Int Rate	6.15%	DCR	1.09
Secondary	\$1,675,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.09
Additional	\$0	Amort	
Int Rate	•	Aggregate DCR	1.09

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NO

Primary Debt Service Secondary Debt Service Additional Debt Service NET CASH FLOW	rvice vice	\$133,352 0 0 \$17,236	
Primary	\$1,981,911	Amort	480
Int Rate 6.15%		DCR	1.13
Secondary	\$1,675,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.13
Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.13

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	\$298,032	\$306,973	\$316,182	\$325,668	\$335,438	\$388,864	\$450,800	\$522,601	\$702,332
Secondary Income	6,240	6,427	6,620	6,819	7,023	8,142	9,439	10,942	14,705
Contractor's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	304,272	313,400	322,802	332,486	342,461	397,006	460,239	533,543	717,037
Vacancy & Collection Loss	(22,824)	(23,505)	(24,210)	(24,936)	(25,685)	(29,775)	(34,518)	(40,016)	(53,778)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$281,448	\$289,895	\$298,592	\$307,550	\$316,776	\$367,231	\$425,721	\$493,527	\$663,259
EXPENSES at 4.00%									
General & Administrative	\$17,900	\$18,616	\$19,361	\$20,135	\$20,940	\$25,477	\$30,997	\$37,713	\$55,824
Management	14,060	14,482	14,916	15,364	15,825	18,345	21,267	24,655	33,134
Payroll & Payroll Tax	26,000	27,040	28,122	29,246	30,416	37,006	45,024	54,778	81,085
Repairs & Maintenance	22,000	22,880	23,795	24,747	25,737	31,313	38,097	46,351	68,610
Utilities	9,800	10,192	10,600	11,024	11,465	13,948	16,970	20,647	30,563
Water, Sewer & Trash	20,200	21,008	21,848	22,722	23,631	28,751	34,980	42,558	62,997
Insurance	10,500	10,920	11,357	11,811	12,284	14,945	18,183	22,122	32,746
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	10,400	10,816	11,249	11,699	12,167	14,802	18,009	21,911	32,434
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	\$130,860	\$135,954	\$141,247	\$146,748	\$152,464	\$184,588	\$223,527	\$270,735	\$397,392
NET OPERATING INCOME	\$150,588	\$153,941	\$157,345	\$160,802	\$164,312	\$182,642	\$202,194	\$222,792	\$265,867
DEBT SERVICE									
First Lien Financing	\$133,352	\$133,352	\$133,352	\$133,352	\$133,352	\$133,352	\$133,352	\$133,352	\$133,352
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	\$17,236	\$20,589	\$23,992	\$27,449	\$30,960	\$49,290	\$68,841	\$89,440	\$132,515
DEBT COVERAGE RATIO	1.13	1.15	1.18	1.21	1.23	1.37	1.52	1.67	1.99



1" = 1.38 mi

Data Zoom 11-2

SINGLE FAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Items

Request approval of five (5) 2004 Disaster Relief Program applications for Owner Occupied Assistance (OCC) utilizing deobligated HOME funds, for total awards in the amount of \$2,600,000.

Required Action

Approve the Disaster Relief Program applications.

Background and Recommendations

Summary

Five (5) Disaster Relief Program applications were submitted to the Department requesting funding under the Governor's December 10, 2004 State Declared disaster for severe storms and flooding which occurred on November 15, 2004 through December 4, 2004. All five applicants are requesting \$500,000 in project funds and \$20,000 in administrative funds. The applicants and recommended funding is summarized below:

Application Number	Applicant	Region	Activity	Project Funds Requested	Admin. Funds	Units Requested
				•	Requested	•
DR2004-0284	Haskell County	2	OCC	\$500,000	\$20,000	9
DR2004-0285	Pleasant Valley	2	OCC	\$500,000	\$20,000	9
DR2004-0286	San Saba County	8	OCC	\$500,000	\$20,000	9
DR2004-0287	Iowa Park	2	OCC	\$500,000	\$20,000	9
DR2004-0288	City of Seymour	2	OCC	\$500,000	\$20,000	9

\$2,500,000 \$100,000 45

Project Funds Recommended: \$2,500,000 <u>Administrative Funds Recommended:</u> \$100,000 Total Funds Recommended: \$2,600,000

Recommendation

Staff recommends approval of five (5) Disaster Relief Program applications for Owner Occupied Housing Assistance utilizing HOME deobligated funds. As of May 16, 2005 the Department had available \$3,777,131 in deobligated funds. The approval of these recommendations will result in a balance of \$1,277,131 in deobligated funds. These awards are in accordance with the TDHCA Deobligation Policy, adopted by the Board on January 17, 2002. Staff also recommends and requests approval of 4% administrative funds to all five applicants, based on the amount of project dollars recommended.

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Items

Request restructuring of four (4) HOME Investment Partnerships Program (HOME) Community Housing Development Organization (CHDO) Set-Aside Awards, resulting in a total requested increase of \$1,001,000 utilizing CHDO funds (\$948,000 of Project and \$53,000 of Operating Expense funds).

Required Action

Approve Restructuring of 4 HOME Program CHDO Awards.

CHDO Project Funds

Contract Number	Awardee	Original CHDO Proj. \$	Add. CHDO \$	Total CHDO Proj. \$	Org. Assisted Units	Total Assisted Units
1000192	Midland CDC	\$132,000	\$243,000	\$375,000	16	5
1000190	Denton Affordable Housing Corp.	\$286,000	\$694,000	\$980,000	34	16
542057	Futuro Communities	\$112,000	\$208,000	\$320,000	10	10
542009	Grayson County CDC	\$340,000	<\$197,000>*	\$143,000	45	2**
		\$870,000	\$948,000	\$1,818,000	105	33

^{*}Includes reclassifying \$187,500 to HBA activities (non-CHDO) and deobligating the remaining balance of \$9,500

CHDO Operating Funds

Contract Number	Awardee	Region	Counties Serving	Original Op. \$	Add. Op. \$	Total CHDO Op. \$
1000208	Midland CDC	12	Midland County	\$6,600	\$12,150	\$18,750
1000206	Denton Affordable Housing Corp.	3	Denton County	\$14,300	\$34,700	\$49,000
542057	Futuro Communities	11	Uvalde County	\$0	\$16,000	\$16,000
542009	Grayson County CDC	3	Grayson County	\$17,000 \$37,900	<\$9,850> \$53,000	\$7,150 \$90,900

Background and Recommendations

Summary

Contracts previously awarded under the Single Family Community Housing Development Organization (CHDO) Set-Aside were budgeted to include homebuyer assistance activities but not development activities. The HOME Final Rule requires that CHDO funding for homebuyer assistance be awarded only in conjunction with HOME funding for development activities.

During 2004, Department staff worked with existing Single Family CHDO awardees that did not have funds budgeted for development activities to submit contract modification proposals that would result

^{** 25} of the original proposed beneficiaries will be assisted with \$187,500 in reclassified HBA funds

in funding and subsidy levels needed for development. Of eleven (11) CHDO awardees fitting this criterion, the four (4) awardees listed above submitted restructure proposals requiring Board approval. (The remaining seven (7) awards will either be reclassified as HBA, be deobligated, or may approach the Department with modification proposals at a later date.) Pursuant to 10 TAC 53.62(b)(3), "Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval."

Restructuring of existing CHDO awards is not only necessary to ensure compliance with the HOME Final Rule, but participating in single family development activities creates several advantages for the Department, as summarized below.

• Meet CHDO expenditure requirements quickly. As of May 2005, the Department has approximately \$19.2 million available to commit to CHDO activities, including single and multifamily activities. The Department must commit \$1.1 million of those funds by July 31, 2005. Approximately \$948,000 of additional CHDO Project funds will be awarded as a result of the restructuring proposals.

In some of the restructuring proposals, a reduction in the original number of assisted households will occur; in others the number assisted will remain the same although the award amount will increase. This will allow HOME funds to be used for development activities in the form of construction financing. All HOME funds provided for construction will be recovered at closing (see bullet below). CHDOs seeking restructuring have indicated an intent to apply in the future for Single Family CHDO activities when an application is made available. (A Single Family CHDO application has not been available since the 2002/2003 funding round although an application is currently being developed and Single Family CHDO funding is included under the current CHDO NOFA.)

- Generate program income and additional administrative funds. The restructuring proposals will result in repayment to the Department upon sale of the property. The resulting program income can be used to fund other HOME eligible activities.
- <u>Increase the ability to record match.</u> Single family developments have the capability of generating large amounts of match. Small plots of land donated by taxing authorities, local infrastructure allocated by road frontage, homebuyer counseling, sweat equity, and donated materials and labor are likely to occur in single family development.
- <u>Incur less risk than with multifamily projects.</u> When subsidizing multifamily developments, the Department is at risk for the total amount of HOME funding provided for up to 20 years. When subsidizing single family development, risk is limited to individual units involving far less subsidy and the risk ends when the property is sold to a qualified homebuyer (typically during the 2 3 year contract period).

The restructuring proposals, involving a small number of CHDOs, provides an opportunity for the Department to engage in single family development on a small scale before an application is made available to a broader range of applicants. It also allows the Department to evaluate the performance of a small number of developers before evaluating funding proposals from a larger group. *More importantly, the situation provides a means to commit and expend CHDO funds independent of a Single Family CHDO application being made available.*

Recommendation

Staff recommends that the Board approve restructuring of four (4) CHDO awards utilizing \$948,000 of Project Funds and \$53,000 in Operating Expense funds from CHDO Set-Aside funds as follows:

Midland Community Development Corporation

Additional CHDO Project funds in the amount of \$243,000 for a total CHDO award of \$375,000; of which \$300,000 will be awarded as Interim Construction Loans with the terms of 0% interest for up to 2 years and \$75,000 will convert to downpayment assistance to assist five (5) homebuyers. Additional CHDO Operating Expenses in the amount of \$12,150 for a total CHDO Operating award of \$18,750 in the form of a grant. Additional conditions are detailed in the underwriting report.

Denton Affordable Housing Corporation

Additional CHDO Project funds in the amount of \$694,000 for a total CHDO award of \$980,000; of which \$820,000 will be awarded as Interim Construction Loans with the terms of 0% interest for up to 2 years and \$160,000 will convert to downpayment assistance to assist sixteen (16) homebuyers. Additional CHDO Operating Expenses in the amount of \$34,700 for a total CHDO Operating award of \$49,000 in the form of a grant. Additional conditions are detailed in the underwriting report.

Futuro Communities

Additional CHDO Project funds in the amount of \$208,000 for a total CHDO award of \$320,000; of which \$220,000 will be awarded as Interim Construction Loans with the terms of 0% interest for up to 2 years and \$100,000 will convert to downpayment assistance to assist ten (10) homebuyers. CHDO Operating Expenses in the amount of \$16,000 in the form of a grant. Additional conditions are detailed in the underwriting report.

Grayson County Community Development Corporation

Reclassification of \$187,500 from CHDO Project funds to Homebuyer Assistance funds and deobligation of \$9,500 in CHDO Project funds for a total CHDO award of \$143,000; of which \$128,000 will be awarded as Interim Construction Loans with the terms of 0% interest for up to 2 years and \$15,000 will convert to downpayment assistance to assist two (2) homebuyers. The reclassified Project funds will assist 25 beneficiaries with downpayment assistance. Reduction of CHDO Operating funds from \$17,000 to \$7,150 in the form of a grant. Additional conditions are detailed in the underwriting report.

DATE: May 15, 2005 PROGRAM: HOME FILE NUMBER: 1000192

DEVELOPMENT NAME

Old Pueblo Park and South Pueblo Park

APPLICANT								
Midland Communit	y Development Corp	Type:	Nonprofit (CHDO				
208 S Marienfeld, Suite 1123		City:	Midlan	d		Stat	te: TX	
78701 Contact:	David Diaz	Phone:	(432)	682-2520	Fax:	(432)	687-3972	
	208 S Marienfeld, S	Midland Community Development Corp 208 S Marienfeld, Suite 1123	Midland Community Development Corp Type: 208 S Marienfeld, Suite 1123 City:	Midland Community Development Corp Type: Nonprofit C 208 S Marienfeld, Suite 1123 City: Midland	Midland Community Development Corp Type: Nonprofit CHDO 208 S Marienfeld, Suite 1123 City: Midland	Midland Community Development Corp Type: Nonprofit CHDO 208 S Marienfeld, Suite 1123 City: Midland	Midland Community Development Corp Type: Nonprofit CHDO 208 S Marienfeld, Suite 1123 City: Midland State	

PROPERTY LOCATION									
Location:	1116 E. Dormard Avenue								
City:	Midland	County:	Midland	Zip:	79705				
Location:	502, 507, 509, 622 and 914 N. Fort Worth Street								
	504, 506, 508, 601, 602, 603 and 605 N	N. Dallas Street							
	700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710 and 711 S. Marshall Street								
City:	Midland	County:	Midland	Zip:	79701				

	REQUEST						
<u>Amount</u>	Interest Rate	Amortization	<u>Term</u>				
1) \$332,500	N/A	N/A	N/A				
2) \$42,500	0% N/A 10 yr						
Other Degree of d Terror	1) HOME grant						
Other Requested Terms:	2) Downpayment and closing of						
Proposed Use of Funds: New construction		Property Type:	Single-family				
Special Purpose (s): Go	eneral population						

RECOMMENDATION

RECOMMEND APPROVAL OF A HOME CHDO AWARD NOT TO EXCEED \$375,000, STRUCTURED AS AN INTERIM CONSTRUCTION LOAN FOR APPROXIMATELY FIVE HOMES AT 0% FOR UP TO TWO YEARS WITH UP TO \$15,000 PER HOME CONVERTING TO DOWNPAYMENT ASSISTANCE, AND THE REMAINING \$300,000 (ASSUMING FIVE HOMES FULLY FUNDED) TO BE REPAID UPON THE SALE OF EACH HOME, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of floorplan with an accurate and legible scale and elevation drawings for the specific proposed unit as draws are requested.
- 2. Receipt, review and acceptance of the following for each lot proposed:
 - i. Site control,
 - ii. Zoning verification,
 - iii. Property tax statement,

 \boxtimes

- iv. Floodplain map,
- v. Environmental review required under HOME program, and
- vi. Title commitment.
- 3. Receipt, review and acceptance of current financial statements including an income and loss statement and balance sheet for the Applicant.
- 4. Receipt, review, and acceptance of documentation indicating the proposed lot at 1116 E Dormard Avenue is not located in a floodplain or removal of this site form the potential list of sites.
- 5. Receipt, review, and acceptance of documentation indicating \$5K in donated architectural services; \$11,352 in waived fees; infrastructure work valued at \$30K; \$45K in outside HOME CHDO funds; donated land valued at \$6K; and a conventional interim loan by Community National Bank for \$10,692 have been committed to this development.
- 6. Should staff and/or the Board elect to move forward on the plan for 25 units without revolving the HOME funds, such an award should be conditioned upon receipt, review and acceptance of a commitment for additional interim financing of at least \$1,416,288.
- 7. Should staff and/or the Board elect to move forward on the plan for 25 units such an award should be conditioned upon receipt, review and acceptance of additional grant funds in the amount of \$372K.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports; however, the Applicant previously received a CHDO award for \$132,000. The funds were to be used for downpayment assistance activities at \$7,500 per unit. A CHDO operating subsidy of \$6,600 was also awarded in 2003. It was later determined that CHDO funds cannot be used exclusively for downpayment assistance and to date only \$7,500 of the original award appears to have been drawn. CHDO funds must first be used for the development of the unit to be sold before funding the downpayment assistance. The Applicant has requested that all of the original downpayment assistance funds be converted to interim and an additional \$243,000 be awarded for this purpose. It must be inferred that the \$7,500 already drawn also represents an increase and substitution in award of non-CHDO HOME downpayment and assistance, however this portion of the request has not been evaluated in this analysis.

			EVELOPMEN	T SPECIFICATI	IONS			
			IMPRO	OVEMENTS				
Total Number:	25 proposed	units	Stories:	1 to 2	floors	Avg Size:	1,300	sq ft
STRUCTURAL MATERIALS								
The structures are typically wood frame on a slab on grade with brick veneer exteriors. The interior wall surfaces are drywall and the pitched roofs are finished with composite shingles.							erior wall	
		Al	PPLIANCES AN	D INTERIOR FEA	ATURES			
The interior flooring is a combination of carpeting & vinyl. Each house will include: hood & fan, dishwasher, fiberglass tub/shower, washer & dryer, ceiling fans, laminated and cultured marble counter tops, and individual heating and air conditioning.								
Uncovered Parkin	g: Unknown	spaces	Carports:	Unknown	spaces	Garages:	Unknown	spaces
		PROPOS	AL and DEVELO	OPMENT PLAN I	DESCRIPT	ION		
Description: Midland Community Dayslanment Comparation has proposed construction of 25 single family								

Description: Midland Community Development Corporation has proposed construction of 25 single-family homes in Midland, Midland County. HOME funds are requested for acquisition of the lots and construction costs; repayment of the funds minus downpayment and closing cost assistance may occur at sale of the homes, though the Applicant requests that the residual funds be recirculated to construct the remaining homes. As will be discussed in greater detail below, the Applicant's proposal has many missing documentation details and the Department's funds would have to be recirculated at least 10 times in two years, or additional interim financing from an unidentified source would have to be secured, in order for the development to be successful as proposed.

The Applicant requested that the downpayment assistance for each home be increased from the current \$10,000 per unit to \$15,000 per unit.

<u>Architectural Review</u>: Sample floorplans were provided indicating typical layouts for three-bedroom/two-bath homes. Receipt, review and acceptance of floorplans specific to each site as draws are requested is a condition of this report.

	SITE ISSUES						
SITE DESCRIPTION							
Size:	e: Average of 50' x 120' per lot		Zoning/ Permitted Uses:	Unknown			
Flood Zone Designation:		Zone X (unverified)	Status of Off-Sites:	Fully improved			

SITE and NEIGHBORHOOD CHARACTERISTICS

The Applicant provided six settlement statements, but no description of the site and neighborhood characteristics in the application materials. The proposed sites appear to be in the south and east sections of town. Midland had a population of approximately 94,996 people according to the 2000 census.

Special Adverse Site Characteristics: The FEMA floodplain map panel 48329C0089E available online at http://store.msc.fema.gov/ indicates the lot located at 1116 E. Dormard Avenue may be located in a floodplain. Receipt, review, and acceptance of documentation indicating the proposed lot at 1116 E. Dormard Avenue is not located in a floodplain or is removed from the list of possible site is a condition of this report.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Information not available. A HOME environmental review of each site will have to take place prior to funding.

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has indicated two (2) houses will be sold to households at or below 50% of AMFI, four (4) houses will be sold to households at or below 60% of AMFI, and the remaining 19 houses will be sold to households with incomes at or below 80% of AMFI.

MAXIMUM ELIGIBLE INCOMES								
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons		
80% of AMI	\$27,150	\$31,050	\$34,900	\$38,800	\$41,900	\$45,000		

MARKET HIGHLIGHTS

In response to a request for market information, the Applicant provided an article dated March 14, 2005. Stewart Doreen of the Midland Reporter Telegram writes, "People are leaving their apartments, upgrading from one price range to another or migrating to Midland and buying a house upon arrival. The end result is a market far from well-balanced. The January 2005 West Texas Regional Multiple Listings Service report indicated 447 active listings, down from 550 in 2004 and 655 in 2002. According to Martha Manulik, of the Permian Basin Board of Realtors, a balanced market has 600 to 800 available. Not counting houses under contract, Midland's number is closer to 340...For sale signs are being taken down rapidly, especially for houses and townhomes at or below \$50,000 and \$100,000...Another hurdle lies in the lack of development in the south and east sides of Midland..." No other market information was provided.

(Intentionally left blank.)

FINANCING STRUCTURE								
INTERIM CONSTRUCTION FINANCING								
Source: Community National Bank	Contact: Unknown							
Principal Amount: \$10,692	Interest Rate: 2%							
Additional Information : For a total of 9 units in this development (loan total to Midland CDC for all projects is \$60K)								
Amortization: N/A yrs Term: Un	nknown Commitment: LOI Firm None							
GRANT								
Source: Community National Bank	Contact: Unknown							
Principal Amount: \$30,000	Commitment: LOI Firm None							
Additional Information: For 12 homes Commitment Date								
	GRANT							
Source: Permian Basin Area Foundation	Contact: Unknown							
Principal Amount: \$15,000	Commitment: LOI Firm None							
Additional Information: For 25 homes	Commitment Date							
	EQUITY							
Amount: \$6,552	Source: City of Midland – Building Permits (24 units)							
Amount: \$4,800	Source: City of Midland – Water & Sewer Taps Discount (24 units)							
Amount: \$2,000	Source: City of Midland – Main Sewer Line Replacement (2 units)							
Amount: \$6,000	Source: City of Midland – Residential Lots (2 units)							
Amount: \$6,000	Source: TXU/Oncor Electric – Underground Utility Lines (14 units)							
Amount: \$5,000 S	Source: Downtown Midland Inc. – Floor Plan Design (12 units)							
	EINIANCING STRUCTURE ANALYSIS							

<u>Interim Financing</u>: The Applicant plans to finance the acquisition of the lots and the construction of the houses with a combination of sources of funds including the requested HOME loan of \$375,000. After sale of the houses, the loan will convert to \$15K in downpayment and closing cost assistance for each of the 25 buyers.

The Applicant has also identified the following: \$5K in donated architectural services; \$11,352 in waived fees; infrastructure work valued at \$30K; \$45K in outside HOME CHDO funds; donated land valued at \$6K; and a conventional interim loan by Community National Bank for \$10,692. No additional documentation to support these funds was provided. Receipt, review, and acceptance of documentation indicating these sources of funds have been committed to this development is a condition of this report.

With or without these funds, the home funds would have to be recirculated in order to provide sufficient construction financing to complete the development. If the average HOME draw for interim construction is \$75,000, five homes could be constructed in the first cycle and, after subtraction of down payment assistance, enough funds would be left for four homes in the second cycle. There would be enough funds for three homes in the third cycle but only two homes could be funded in the fourth and fifth recycling of funds. After that and absent any additional interim financing, the remaining funds could only be recycled one home at a time for five additional homes before the funds are insufficient to complete one home. Thus only 21 homes could be completed and it would take ten complete cycles of funding and refunding to build those homes. Given a minimum four-month window from closing to closing for recycling these funds, this scenario would take over three years to complete.

Without revolving the HOME funds as described above, the total sources of funds indicated in the application fail to cover the budgeted cost (\$1,899,322) by \$1,416,288. Should staff and/or the Board elect to move forward on the plan for 25 units without revolving the HOME funds, such an award should be conditioned

upon receipt, review and acceptance of a commitment for additional interim financing of at least \$1,416,288.

In addition and as describe in more detail below in the Construction Cost Estimate Proforma Evaluation section, the proposed sales prices coupled with the projected costs for all 25 units indicate the Applicant will lose a total of approximately \$372K on the proposed transactions. Should staff and/or the Board elect to move forward on the plan for 25 units such an award should be conditioned upon receipt, review and acceptance of additional grant funds in the amount of \$372.

Homebuyer Permanent Financing: The Applicant provided no documentation to support the availability of mortgage loans to prospective homebuyers, and therefore the rates and terms used in this analysis have not been verified. The Department is currently offering First Time Homebuyer loans through its network of lenders at a 5.5% interest rate. Therefore, the 7.5% permanent rate as proposed by the Applicant and used in this analysis appears to be conservative.

Financing Conclusions: The recommendation includes a HOME CHDO award not to exceed \$375,000, structured as an interim construction loan at 0% interest for up to two years with up to \$15,000 per home converting to downpayment and closing cost assistance. Under the Dream Downpayment Initiative's interim rules, only \$10,000 in downpayment assistance can be allocated to a household; however, the request is for HOME CHDO funds, which do not have a maximum limit for downpayment and closing cost assistance per household. Therefore, the Board may choose to approve the \$15,000 per household downpayment and closing cost assistance. The HOME award amount is well below the 221(d)(3) limit for this project. As proposed there are insufficient sources of funds to complete 25 homes. In order to ensure that sufficient funds are available to construct homes of the quality proposed in a timely manner, the Underwriter recommends that the HOME funds not revolve but be returned (less the downpayment assistance) to the Department after their first use. This would allow up to an estimated five homes to be constructed and the return of \$300,000 in program income to the Department. If successful with these first five homes, the Applicant will be eligible to apply for additional CHDO HOME funds in the Department's open funding cycle.

		VALUATION INFOR	RMATION	
Land:	\$3,500 Assessment for the Year of: 2004			
Building:	N/A	Valuation by:	Midland Central Appraisal Distric	:t
Total Assessed Value: \$3,500		Tax Rate:	2.92 (Unverified)	
_	EVIDENCE of S	SITE or PROPERTY C	ONTROL	
Type of Site Control:	Closing Statement (506,	508, 510 N Dallas	Street)	
Acquisition Cost:	\$9004.78	Closing Date:	01/30/2004	
Seller: Midland CDC		Rela	ated to Development Team Member:	Yes
Type of Site Control:	Closing Statement (507,	509, 511 Fort Wor	th)	
Acquisition Cost:	\$10,986.84	Closing Date:	11/08/2004	
Seller: Annie Wright		Rela	ated to Development Team Member:	No
Type of Site Control:	Closing Statement (701	S Mineola Street)		
Acquisition Cost:	\$30,218	Closing Date:	10/29/2004	
Seller: Marvin Wigley		Rela	ated to Development Team Member:	No

Type of Site Control:	Closing Statement	(914 N Fort Worth)			
Acquisition Cost:	\$2,500	Closing Dat	te:	01/14/2005	
Seller: Carmen M Roble	edo		Rela	ted to Development Team Member:	No
Type of Site Control:	Closing Statement	(601, 603, 605 N Dal	llas S	Street)	
Acquisition Cost:	\$10,710.61	Closing Dat	te:	11/03/2004	
Seller: James C Carter			Rela	ted to Development Team Member:	No
Type of Site Control:	Closing Statement	(604 Dallas Street)			
Acquisition Cost:	\$2,967.70	Closing Dat	te:	09/21/2004	
Seller: Leslie Jackson, J	ſr		Rela	ted to Development Team Member:	No
·	·	<u></u>			

CONSTRUCTION COST ESTIMATE PROFORMA EVALUATION

The Applicant's development cost budget was prepared on a form that is inconsistent with the Department's format and considerably more complicated than necessary due to the mixing of costs and sources and uses. Moreover, the calculations on the original document appeared to be internally inconsistent. The Underwriter worked with the Applicant to obtain additional information regarding the proposed development cost budget.

<u>Acquisition Value</u>: The Applicant has projected an acquisition cost of \$2,920 per lot, which is supported by average cost based on the submitted closing statements for 12 of the 25 lots.

Sitework Cost: The Applicant's cost schedule includes \$2,500 per unit in sitework costs.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is 6% less than the Underwriter's estimate based on fair quality construction as defined by Marshall & Swift *Residential Cost Handbook*. The simple single family design proposed is sufficient cause to use a lower cost standard than typical for multifamily development.

<u>Fees</u>: The Applicant has included a total developer fee of \$180K or \$7,203 per unit which is 11% of their proposed acquisition, sitework and direct construction costs. The Applicant's original budget plan appears to include using a portion of the requested \$15K per unit in downpayment and closing cost assistance to pay the developer fee which would be deferred until closing. This would suggest that this portion should be netted out of the development cost or the sales price reduced and at the same time reduce the amount of available downpayment assistance for the Homebuyer.

The Applicant estimated \$30K or \$1,181 per unit for contractor fee which amounts to roughly a two percent fee on contractor work and is unusually low. If an unrelated contractor is hired, the Applicant may be required to forgo a portion of the proposed developer fee to provide a higher contractor fee. The Underwriter also included the low 1% contingency as indicated in the Applicant's cost schedule, this leaves little margin for error.

Finally, the underwriting analysis assumes that an unrelated broker will not be used to sell the houses; therefore, no sales commission is included in the Underwriter's estimate of costs.

The Applicant's revised budget remained internally miscalculated as an additional \$122,511 in total costs is concluded above the amount calculated by the individual line items.

Conclusion: The Applicant's construction budget, is generally considered reasonable as the total cost is within 5% of the Underwriter's estimate. However, based on the Applicant's proposed sales prices, the Applicant's budget reflects a net loss of \$372K or \$14,893 per unit on the proposed Development. The Applicant's affordability analysis subtracts the entire \$15K TDHCA downpayment assistance from these sale prices indicating that the TDHCA funds are not a source of compensation for this deficit. While the Underwriter does not recommend funding the plan as provided by the Applicant, should staff and/or the Board elect to move forward on the plan for 25 units, such an award should be conditioned upon receipt,

review and acceptance of additional grant funds in the amount of \$372K.

The Underwriter recommends simplifying the proposed development by moving forward with an award based on the expectation that up to five units will be constructed. The requested funds would amount to \$75,000 per home in total development cost which is within 5% of the Applicant's average recalculated total development costs of \$75,973 (\$1,899,332/25). This amount is still significantly less than the HOME 221(d)3 limits for Midland.

AFFORDABILITY ANALYSIS

The Applicant originally indicated: sales prices of \$57,500, \$67,500, and \$70,000 for the homes; closing costs estimated at \$4,000; and a developer fee of approximately \$6,800 per unit (\$177,101 total). With downpayment and closing cost assistance of \$2,500 from the City, \$15,000 from TDHCA, and a \$1,000 contribution by the buyer, the Applicant initially estimated the homeowner's mortgage would be \$49,800, \$59,800, or \$62,300. The Applicant subsequently prepared an affordability analysis that assumes the same sales prices but only the \$15,000 in TDHCA downpayment and closing cost assistance resulting in mortgages ranging from \$42,500 to \$55,000. The Underwriter has made an estimate of monthly mortgage payment of principal, interest, taxes and insurance based on the Applicant's conservative estimate of 7.5% for the interest rate, 1.30% for property insurance, 0.50% for mortgage insurance and a \$2.92 per \$100 property tax rate with a 100% assessment value.

<u>Conclusion</u>: At the proposed terms and under both sets of mortgage assumptions, the homes will be affordable to households with one or more individuals and incomes at 80% of AMI, two-person or more households at 60% of AMI, and three-person or more households at 50% of AMI.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant is also the proposed general contractor and cost estimator. This is a common relationship for TDHCA-funded developments.

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

<u>Financial Highlights</u>: The Applicant provided no financial statement. Receipt, review and acceptance of current financial statements for the Applicant is a condition of this report.

<u>Background & Experience</u>: Multifamily Production Finance Staff will verify that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- Significant inconsistencies in the application could affect the financial feasibility of the development.
- Significant environmental/locational risk(s) exist regarding the potential flood plain at the Dormard site
- The Applicant's financial statements have not been reviewed and may not have the financial capacity to support the project if needed.
- The seller of the property has an identity of interest with the Applicant.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant.

Underwriter:		Date:	May 15, 2005
	Lisa Vecchietti	_	
Director of Real Estate Analysis:		Date:	May 15, 2005
	Tom Gouris	_	

SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

Midland Community Development Corporation

HBA #1000192

FLOOR PLAN NUMBER		Α	В	С	D	E	AVERAGE	TDHCA TOTAL	APPLICANT
NUMBER PLOTTED		2	9	2	8	4		25	25
SQUARE FOOTAGE		1,066	1,258	1,294	1,258	1,294	1,251	31,282	31,282
DESCRIPTION	Max.	3 BD 2 BA	3 BD 2 BA	3 BD 2 BA	3 BD 2 BA	3 BD 2 BA			
Raw Land Acquisition Cost		\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$2,920	\$73,000	\$73,000
Off-Sites									
Site Work		2,500	2,500	2,500	2,500	2,500	2,500	62,500	62,500
Direct Construction Costs		50,675	63,676	64,460	63,686	64,239	62,792	1,569,799	1,475,840
Indirect Construction Costs		1,500	1,500	1,500	1,500	1,500	1,500	37,500	37,500
General Requirements & Overhe	:								
Contractor's Profit	2.0%	1,063	1,324	1,369	1,354	1,365	1,323	33,066	29,517
Developer's Overhead	5.0%	146	146	146	146	146	146	3,650	2,986
DEVELOPER'S PROFIT	10.0%	5,609	6,910	6,988	6,911	6,966	6,821	170,530	177,101
Contingency	1.0%	532	662	670	662	667	653	16,323	12,500
Financing		886	886	886	886	886	886	22,138	22,138
Other:		250	250	250	250	250	250	6,250	6,250
SUBTOTAL COSTS		\$66,081	\$80,772	\$81,688	\$80,814	\$81,438	\$79,790	\$1,994,756	\$1,899,332
EXCESS USES NOT ACOUNTED	FOR	ELSEWHERE							122,511
Buyer's closing csts pd by Dev.		5,000	5,000	5,000	5,000	5,000	5,000	125,000	125,000
TOTAL COST		\$71,081	\$85,772	\$86,688	\$85,814	\$86,438	\$84,790	\$2,119,756	\$2,146,843
Less: Grants & Gifts In-Kind		(4,800)	(4,800)	(4,800)	(4,000)	(4,000)	(4,416)	(110,400)	(112,000)
NET COST		\$66,281	\$80,972	\$81,888	\$81,814	\$82,438	\$80,374	\$2,009,356	\$2,034,843
GROSS SALES PROCEEDS		\$57,500	\$67,500	\$70,000	\$67,500	\$70,000	\$67,300	1,682,500	\$1,662,500
NET PROFIT		(\$8,781)	(\$13,472)	(\$11,888)	(\$14,314)	(\$12,438)	(\$13,074)	(\$326,856)	(\$372,343)
DIRECT CONSTRUCTION COST	per SI	\$47.54	\$50.62	\$49.81	\$50.63	\$49.64	\$50.18	\$50.18	\$47.18
SUBTOTAL COST per SQ FT		\$61.99	\$64.21	\$63.13	\$64.24	\$62.94	\$63.77	\$63.77	\$60.72
TOTAL COST per SQ FT		\$66.68	\$68.18	\$66.99	\$68.21	\$66.80	\$67.76	\$67.76	\$68.63
SALES PRICE per SQ FT		\$53.94	\$53.66	\$54.10	\$53.66	\$54.10	\$53.78	\$53.78	\$53.15
DEVELOPER PROFIT to COST R	ATIO	-300.73%	-461.39%	-407.12%	-490.21%	-425.97%	-447.75%	-447.75%	-510.06%
TOTAL PROFIT to COST RATIO		-11.68%	-15.04%	-12.88%	-16.04%	-13.60%	-14.73%	-14.73%	-18.05%

HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

\$15K DOWNPAYMENT ASSUMPTION

Midland Community Development Corporation

		ASSUMPTIONS	
Interest Rate:	7.50%	Tax Rate per \$100:	2.92
Loan Term (mos):	360	Property Insurance:	1.30%
Assessed Value (est.):	100%	Mortgage Insurance:	0.50%

LOAN CALCULATIONS							
				AVG			
Sales Price:	\$57,500	\$67,500	\$70,000	\$64,000			
Closing Cost:	4,000	4,000	4,000	\$4,000			
Developer Fee:	6,800	6,800	6,800	\$6,800			
Buyer Contr	(1,000)	(1,000)	(1,000)	(\$1,000)			
City Asst	(2,500)	(2,500)	(2,500)	(\$2,500)			
\$15K Downpmt Asst	(15,000)	(15,000)	(15,000)	(\$15,000)			
Loan Amount:	\$49,800	\$59,800	\$62,300	\$56,300			

MONTHLY PAYMENT							
P & I	\$348.21	\$418.13	\$435.61	\$393.66			
Taxes	139.92	164.25	170.33	155.73			
Insurance	62.29	73.13	75.83	69.33			
MIP	20.75	24.92	25.96	23.46			
TOTAL PAYMENT	\$571.17	\$680.42	\$707.74	\$642.18			

	QUALIFY	ING INCOME										
	1-Person	2-Person	3-Person	4-Person	<u>5-Person</u>							
30% of Median Annual Income	\$10,800	\$12,350	\$13,900	\$15,400	\$16,650							
Monthly Income	\$900	\$1,029	\$1,158	\$1,283	\$1,388							
PITI Affordability @ 30%	\$270	\$309	\$348	\$385	\$416							
50% of Median Annual Income	\$18,000	\$20,550	\$23,150	\$25,700	\$27,750							
Monthly Income	\$1,500	\$1,713	\$1,929	\$2,142	\$2,313							
PITI Affordability @ 30%	\$450	\$514	\$579	\$643	\$694							
60% of Median Annual Income	\$21,600	\$24,660	\$27,780	\$30,840	\$33,300							
Monthly Income	\$1,800	\$2,055	\$2,315	\$2,570	\$2,775							
PITI Affordability @ 30%	\$540	\$617	\$695	\$771	\$833							
80% of Median Annual Income	\$28,800	\$32,900	\$37,000	\$41,100	\$44,400							
Monthly Income	\$2,400	\$2,742	\$3,083	\$3,425	\$3,700							
PITI Affordability @ 30%	\$ 720	\$823	\$ 925	\$1,028	\$1,110							

HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

\$15K DOWNPAYMENT ASSUMPTION

Midland Community Development Corporation

		ASSUMPTIONS	
Interest Rate:	7.50%	Tax Rate per \$100:	2.92
Loan Term (mos):	360	Property Insurance:	1.30%
Assessed Value (est.):	100%	Mortgage Insurance:	0.50%

	LOAN CALCULATIONS										
						AVG					
Sales Price:	\$57,500	\$67,500	\$70,000			\$64,000					
\$15K Downpmt Asst	(15,000)	(15,000)	(15,000)			(\$15,000)					
Loan Amount:	\$42,500	\$52,500	\$55,000			\$49,000					

	MONTHLY PAYMENT										
P & I	\$297.17	\$367.09	\$384.57	\$342.62							
Taxes	139.92	164.25	170.33	155.73							
Insurance	62.29	73.13	75.83	69.33							
MIP	17.71	21.88	22.92	20.42							
TOTAL PAYMENT	\$517.08	\$626.34	\$653.65	\$588.10							

	QUALIFY	ING INCOME										
	1-Person	2-Person	3-Person	4-Person	<u>5-Person</u>							
30% of Median Annual Income	\$10,800	\$12,350	\$13,900	\$15,400	\$16,650							
Monthly Income	\$900	\$1,029	\$1,158	\$1,283	\$1,388							
PITI Affordability @ 30%	\$270	\$309	\$348	\$385	\$416							
50% of Median Annual Income	\$18,000	\$20,550	\$23,150	\$25,700	\$27,750							
Monthly Income	\$1,500	\$1,713	\$1,929	\$2,142	\$2,313							
PITI Affordability @ 30%	\$450	\$514	\$579	\$643	\$694							
60% of Median Annual Income	\$21,600	\$24,660	\$27,780	\$30,840	\$33,300							
Monthly Income	\$1,800	\$2,055	\$2,315	\$2,570	\$2,775							
PITI Affordability @ 30%	\$540	\$617	\$695	\$771	\$833							
80% of Median Annual Income	\$28,800	\$32,900	\$37,000	\$41,100	\$44,400							
Monthly Income	\$2,400	\$2,742	\$3,083	\$3,425	\$3,700							
PITI Affordability @ 30%	\$ 720	\$823	\$925	\$1,028	\$1,110							

SINGLE FAMILY RESIDENCE DEVELOPMENT SOURCES and USES OF FUNDS EXHIBIT

Midland Community Development Corporation

	SOUR				
		RECYCLE	TDHCA	APPLICANT	
	TYPE OF CREDIT FACILITY	FACTOR	AMOUNT	AMOUNT	SOURCE/PRIORITY
1	HOME Loan	1		\$42,500	TDHCA
2	HOME Loan (Development)	1	375,000	332,500	TDHCA
3	Housing Trust Fund Loan	1	-		TDHCA
4	TX Community Dev. Program	1	-		TDHCA
5	Other TDHCA Program	1	-		TDHCA
6	Donated Services	1	5,000	5,000	Downtown Midland Inc
7	Permits and Fees	1	11,352	11,352	City of Midland
8	Infrastructure	1	30,000	30,000	City of Midland
9	Other CDBG	1	-		
					Permian Basin Area
					Foundation & Community
10	Outside CHDO	1	45,000	45,000	National Bank
11	Other Federal Loan or Grant	1	-		
12	Donated Land	1	6,000	6,000	City of Midland
13	Principal Reduction	1	-		Federal Home Loan Bank
14	Conventional Loan	1	10,692	10,692	Community National Bank
15	Conventional Loan	1	1,416,288	1,416,288	
TOT	AL SOURCES OF FUNDS		\$1,899,332	\$1,899,332	

	USES OF FU	NDS	
		TDHCA	APPLICANT
	DESCRIPTION	AMOUNT	AMOUNT
1	Raw Land Acquisition Cost	\$73,000	\$73,000
2	Off-Sites	-	-
3	Site Work	62,500	62,500
4	Direct Construction Costs	1,569,799	1,475,840
5	Indirect Construction Costs	37,500	37,500
6	General Requirements & Overhead	-	-
7	Contractor's Profit	33,066	29,517
8	Developer's Overhead	3,650	2,986
9	Developer's Profit	170,530	177,101
10	Contingency	16,323	12,500
11	Financing	22,138	22,138
12	Other:	6,250	6,250
13	Other (describe):		
TOT	AL USES OF FUNDS	\$1,994,756	\$1,899,332



DATE: May 15, 2005 PROGRAM: HOME FILE NUMBER: 1000190

DEVELOPMENT NAME

Denton Affordable Housing Corporation

	APPLICANT										
Name:	Denton Affordable	Housing Corp		Type:	Nonprofit C	CHDO					
Address:	604 North Bell Ave	enue		City:	Denton			State	: TX		
Zip:	76209 Contact:	Jane Provo		Phone:	(940)	484-7048	Fax:	(940)	484-7032		
				•		-	_				

PROPERTY LOCATION

Location: Scattered

 \boxtimes

City: Non-Participating Jurisdictions* County: Denton Zip: Multiple

^{*} All areas of Denton County outside the city limits of the City of Denton are considered Non-Participating Jurisdictions

REQUEST									
<u>Amount</u>	Interest Rate	<u>Amortizatio</u>	<u>n</u>	<u>Term</u>					
1) \$764,846	0%	N/A		N/A					
2) \$150,000*	0%	N/A		10 yrs					
3) \$65,154	0%	N/A		N/A					
4) \$49,000*	N/A	N/A		N/A					
	1) Acquisition and rehabilita	ation							
O41 P4 . 1 T	2) Downpayment and closing cost assistance*								
Other Requested Terms:	3) Direct project manageme	nt costs							
	4) HOME CHDO operating	expenses*							
	* NOTE: 2) and 4) are not typically	y underwritten by the Real Esta	ate Analysis Division						
Proposed Use of Funds:	Acquisition/Rehab	Property Type:	Single-family						
Special Purpose (s): G	eneral population								

RECOMMENDATION

RECOMMEND APPROVAL OF CONVERSION OF A HOME CHDO AWARD AT THE REQUESTED \$980,000, STRUCTURED AS AN INTERIM CONSTRUCTION LOAN AT 0% FOR UP TO TWO YEARS WITH UP TO \$10,000 PER HOME CONVERTING TO DOWNPAYMENT ASSISTANCE AND THE REMAINING \$820,000 TO BE REPAID UPON THE SALE OF EACH HOME, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review and acceptance of the following as draws are requested for each unit:
 - i. Site control,
 - ii. Detailed rehabilitation budget estimate,
 - iii. Zoning verification,
 - iv. Property tax statement,
 - v. Floodplain map, and

vi. Title commitment.

2. Receipt, review and acceptance of current financial statements including an income and loss statement and balance sheet for the Applicant.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports; however, the Applicant previously received a CHDO award for \$286,000. The funds were to be used for downpayment assistance activities at \$5,000 per unit. A CHDO operating subsidy of \$14,300 was also awarded in 2003. It was later determined that CHDO funds cannot be used exclusively for downpayment assistance. CHDO funds must first be used for the development of the unit to be sold before funding the downpayment assistance. The Applicant has requested that all of the original downpayment assistance funds be converted to interim financing and an additional \$694,000 be awarded for this purpose.

DEVELOPMENT SPECIFICATIONS

		L	E V ELOPIVIE	INI SPECIFICAT	ION2			_			
IMPROVEMENTS											
Total Number:	16	units	Stories:	1 to 2	floors	Avg Size:	1,300	sq ft			
			STRUCTU	JRAL MATERIALS							
The structures a exteriors. The in	• •	•		_			_	_			
		Al	PPLIANCES A	ND INTERIOR FE	ATURES						
fan, garbage dis	The interior flooring is a combination of carpeting & vinyl. Each house will include: range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters, and individual heating and air conditioning.										
Uncovered Parking	: Unknow	n spaces	Carports:	Unknown	spaces	Garages:	Unknown	spaces			
		DDODOG	AL LDEVE	LODBAENIT DI ANI	DECODIDE	1011					

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Denton Affordable Housing Corporation (DAHC) has proposed acquisition and rehabilitation of 16 single-family homes in the non-participating jurisdictions of Denton County. HOME funds are requested for acquisition of the homes and construction costs; repayment of the funds minus \$10,000 in downpayment and closing cost assistance will occur upon sale of each home. The Applicant initially identified seven homes but did not provide supporting documentation for each such as: proof of site control, detailed rehabilitation estimate, survey, zoning verification, property tax statement, flood zone verification or title commitment. The Applicant subsequently provided a settlement statement for several of the already acquired properties and a revised list of proposed units including 13 homes. Since some of the homes on the original list had already been rehabilitated and sold a current list of over 100 foreclosed properties from the Denton County Taxing Authority was produced which reflected that 32 were within the targeted range for this program.

The Applicant has operated the Affordable Homeownership Opportunity Program in the Denton County Area for over nine years, acquiring and selling over 140 single family homes. Since the Applicant has already acquired, rehabilitated and/or sold several homes that were included in this application, those home may not qualify for full HOME funding. For example, those homes already in the DAHC inventory will not qualify for HOME funds to pay acquisition costs since reimbursement is not believed to be an eligible activity, but any rehabilitation yet to be completed may be funded with the requested interim loan.

The Applicant requested that the downpayment assistance for each home be increased from the current \$5,000 per unit to \$10,000 per unit and that in addition to CHDO operating expenses to administer the program, an additional \$65,154 in direct project management funds be provided as a grant. The effect of also granting the project management costs would be to increase the final per unit grant subsidy for each home to \$14,072 with no ability to recapture the last \$4,072 should the ultimate occupant attempt to profit from a sale immediately after purchase. Moreover, as will be discussed below, the affordability of these units is fairly significant even without the additional downpayment assistance and since there will be significant program income as a result of the sale of the home, this report is based upon all such program income (less

downpayment assistance and the CHDO operating expenses) be returned to the Department.

Architectural Review: Information not available.

		SITE ISSUES		
		SITE DESCRIPTION		
Size: Unknown		Zoning	y/ Permitted Uses:	Unknown
Flood Zone Designation:	Unknown	Status of Off-Sites:	Unknown	
	SITE and NE	GHBORHOOD CHARAC	TERISTICS	
The Applicant provide in the application mate		ments or description of	f the site and nei	ghborhood characteristics
	HIGHLIGHTS of SOI	LS & HAZARDOUS MATE	RIALS REPORT(S)	
Information not provi funding.	ded. A HOME envir	onmental review of ea	ach site will ha	ve to take place prior to

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has indicated all 16 of the rehabilitated single family homes will be sold to households with incomes between 61% and 80% of AMI.

MAXIMUM ELIGIBLE INCOMES										
1 Person 2 Persons 3 Persons 4 Persons 5 Persons 6 Persons										
80% of AMI	\$37,250	\$42,550	\$47,900	\$53,200	\$57,450	\$61,700				

MARKET HIGHLIGHTS

The Applicant provided the following market information:

"In 2004, 4,109 homes were listed and sold through Multiple Listing System in Denton County. The average sales price of homes sold was \$185,000, exceeding the statewide average by over \$20,000.

The Texas Housing Affordability Index (THAI) is the ratio of median household income to the income required to buy the median-priced home using currently available mortgage financing. Between the fourth quarter of 2001 and the fourth quarter of 2002, the THAI for the Denton metropolitan area increased from 1.39 to 1.45." Through research, the Underwriter has found the THAI for the fourth quarter 2004 is at 1.35.

FINANCING STRUCTURE							
	INTERIM CONSTRUCTION FINANCING						
Source:	Conventional		Contact:	Unknown			
Additional Information:		The Applicant plans to obtain a portion of the	ough conventional means as necessary				
		APPLICANT EQUI	TY				
Amount:	\$64,000	Source: In-Kind Eq	uity				
FINANCING STRUCTURE ANALYSIS							

<u>Interim Financing</u>: The Applicant plans to finance the acquisition and rehabilitation of the houses with the requested HOME funds of up to \$80,000 per unit at a 0% interest rate. After sale of each house, the related HOME funds used for acquisition and construction minus \$10K in downpayment and closing cost assistance will be repaid to TDHCA.

The Applicant has also indicated that conventional interim financing will be obtained as needed. A letter from Wells Fargo, dated March 26, 2003, indicates the bank "has been providing banking services to the Denton Affordable Housing Corporation (DAHC) since their inception in 1995" and a "commitment to continue to offer interim financing for acquisition, renovation and/or new construction of affordable homes

through DAHC's Affordable Homeownership Opportunity Program." A letter from Northstar Bank of Texas, also dated March 26, 2003, indicates the bank "will continue to provide banking serves to [DAHC] as they carry out [AHOP]...[and] anticipates lending DAHC a minimum of \$800,000 over an 18 month to two year period." A similar letter from First State Bank indicates "total financing to equal or exceed \$60,000 for an estimated eight loans."

<u>Homebuyer Permanent Financing</u>: Although, the Applicant provided no documentation to support the mortgage terms available to prospective homebuyers, the letter from Wells Fargo, noted above, also states, "Wells Fargo will continue to offer permanent financing to the first-time homebuyers participating in the AHOP program." The Department is currently offering First Time Homebuyer loans through its network of lenders at a 5.5% interest rate. Therefore, the 6.5% permanent rate as proposed by the Applicant and used in this analysis appears to be reasonable.

Financing Conclusions: The recommendation includes a HOME CHDO award at the requested \$980,000, structured as an interim construction loan at 0% interest for up to two years with up to \$10,000 per home converting to downpayment and closing cost assistance. The remaining \$820,000 in HOME CHDO funds are to be repaid in installments upon the sale of each home. Draws should be made available to the Applicant upon receipt of site control and a third party contractor construction cost estimate, along with other program requirements, for each house. Based on the Applicant's acquisition and rehabilitation history, approximately \$80,000 will be needed for each house. However, only an average of \$61,250 in HOME funds will be available for each unit, though some units already acquired may only require rehabilitation funds. Even so, the targeted price range of the acquired HOME considered in this analysis is \$100,000 and therefore, it is likely the Applicant will have to utilize the long-term line of credit available through conventional sources as detailed above to complete all 16 homes.

The recommended HOME award amount is well below the 221(d)(3) limit for this project. The Applicant should be made fully aware that the HOME funds must be drawn during the construction phase for each house in order to convert \$10K to downpayment assistance.

	ACQUISITION VALUATION INFORMATION						
			SSED VALUE				
Land:		Various	Various Assessment for the Year of: 2005				
Building:			Valuation by:	Denton County	Appraisal District		
Total As	sessed Value:	Unavailable	Tax Rate:	Various in a range from 2.33 to 2.74			
		EVIDENCE of SITE	or PROPERTY CC	ONTROL			
Type of S	Site Control:	Various sites, site control for each site will be required as part of the draw process					
Contract Expiration Date:		Anticipated Closing Date:					
Acquisition Cost:		Typically \$60,000 to \$100,	000 Other Ter	rms/Conditions:	Foreclosed property		
Seller:	Typically HUD		Related to Development Team Member:				
					·		

CONSTRUCTION COST ESTIMATE EVALUATION

A construction cost estimate evaluation cannot be performed because the cost of acquiring and rehabilitating existing homes cannot be predetermined without identifying each home. Under normal circumstances, the Department would require evidence of site control in the form of a closing statement or executed purchase contract in the application. However, the Applicant provided evidence of their ongoing business of acquiring and rehabilitating single family homes which results in an ever changing inventory of homes to be acquired and made ready for sale. The Underwriter's recommendation, as detailed in the conclusion to the Financing Structure Analysis section (above), takes the Applicant's mode of operation into consideration. The Underwriter performed multiple "what if" scenarios to conclude that the Applicant's business plan, while lacking specific project detail, appears to be generally achievable. As each draw is requested, a full review of the site and proposed rehabilitation should be conducted to ensure that the homes to be purchased are

viable candidates under this program and meet the review requirements more typically associated with the application stage of a TDHCA-funded development.

AFFORDABILITY ANALYSIS

The Applicant cannot provide a fixed sales price for the homes at this time. The cost of acquiring and rehabilitating existing homes cannot be predetermined though a range of acquisition and rehabilitation costs has been suggested. Therefore, the Underwriter has performed an affordability analysis for home pricing ranging from \$60K to \$100K. The Underwriter has made an estimate of monthly mortgage payment of principal, interest, taxes and insurance based on the Applicant's conservative estimate of 7.5% for the interest rate, 1.30% for property insurance, 0.50% for mortgage insurance, property tax at a rate in the range of 2.33 to 2.74 (depending on specific actual location) per unit with a 100% assessment value, and downpayment and closing cost assistance of \$10,000, as requested. Based upon these assumptions, the Underwriter's analysis reflects that some of the \$60,000 homes appear to be affordable to two person families at as low as the 40% AMI and that even the \$100,000 sales price is affordable to the three person family with incomes at 60% of AMI.

<u>Conclusion</u>: given the sales price ranges provided and the \$10,000 downpayment assistance, all of the houses will be affordable to households in Denton County with incomes at 80% of AMI.

DEVELOPMENT TEAM IDENTITIES of INTEREST

None noted as the members of the development team have yet to be selected.

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

<u>Financial Highlights</u>: Receipt, review and acceptance of current financial statements for the Applicant is a condition of this report.

<u>Background & Experience</u>: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant locational risk may exist, but at this time all of the sites have not been committed.
- The principals of the Applicant may not have the financial capacity to support the project if needed.
- The seller of the property is not confirmed.

Underwriter:		Date:	May 15, 2005
	Lisa Vecchietti	=	
Director of Real Estate Analysis:		Date:	May 15, 2005
	Tom Gouris		



Participating Jurisdiction by County/City/Place

	County PJ in		City/Place PJ in
O N	04?	O'I /DI N	04?
County Name		City/Place Name	
Denton	No	Argyle	No
Denton	No	Aubrey	No
Denton	No	Bartonville	No
Denton	No	Carrollton	No
Denton	No	Copper Canyon	No
Denton	No	Corinth	No
Denton	No	Corral City	No
Denton	No	Cross Roads	No
Denton	No	Denton	Yes
Denton	No	Double Oak	No
Denton	No	Flower Mound	No
Denton	No	Hackberry	No
Denton	No	Hebron	No
Denton	No	Hickory Creek	No
Denton	No	Highland Village	No
Denton	No	Justin	No
Denton	No	Krugerville	No
Denton	No	Krum	No
Denton	No	Lake Dallas	No
Denton	No	Lakewood Village	No
Denton	No	Lewisville	No
Denton	No	Lincoln Park	No
Denton	No	Little Elm	No
Denton	No	Marshall Creek	No
Denton	No	Northlake	No
Denton	No	Oak Point	No
Denton	No	Pilot Point	No
Denton	No	Ponder	No
Denton	No	Roanoke	No
Denton	No	Sanger	No
Denton	No	Shady Shores	No
Denton	No	The Colony	No
Denton	No	Trophy Club	No

DATE: May 15, 2005 PROGRAM: HOME FILE NUMBER: 542057

DEVELOPMENT NAME

Stardust Subdivision (aka FUTURO Communities)

APPLICANT									
Name:	FUTURO Communities, Inc.			Type:	Nonprofit C	CHDO			
Address:	330 East Main			City:	Uvalde			State	: TX
Zip:	78801	Contact:	Laurie Kaufmann	Phone:	(830)	278-6817	Fax:	(830)	278-6905
		<u>-</u>		<u>-</u>			- '		

PROPERTY LOCATION					
Location:	Northeast Quadrant of Brazos Street and US 83				
City:	Uvalde	County:	Uvalde	Zip:	78801
		_			
		DECLIECT	•		

REQUEST							
Amount Interest Rate		Amortization	<u>Term</u>				
1) \$320,000	0%	N/A	10 yrs				
Other Requested Terms: 1) HOME interim converted to downpayment and closing cost assistance.			sing cost assistance				
Proposed Use of Funds:	New construction	Property Type:	Single-family				
Special Purpose (s): G	eneral population	_					

RECOMMENDATION

RECOMMEND APPROVAL OF A HOME CHOO AWARD NOT TO EXCEED \$320,000, INTERIM CONSTRUCTION LOAN AT 0% FOR UP TO TWO YEARS CONVERTING TO DOWNPAYMENT ASSISTANCE OF \$10,000 PER UNIT UPON THE COMPLETION OF EACH OF TEN HOMES, SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review and acceptance of the following for each lot proposed:
 - i. Site control at \$12,000 per lot or less,
 - ii. Zoning verification,
 - iii. Property tax statement,
 - iv. Floodplain map,

 \boxtimes

- v. Environmental review required under HOME program, and
- vi. Title commitment.
- 2. Receipt, review and acceptance of current financial statements including an income and loss statement and balance sheet for the Applicant.
- 3. Receipt, review, and acceptance of documentation that the proposed additional sources of funds have been committed to this development.
- 4. Receipt, review and acceptance of a commitment for or clear identification of the availability of USDA 502 permanent financing for qualified buyers of this development.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports; however, the Applicant previously received a CHDO award for \$112,000. The funds were to be used for downpayment assistance activities at \$10,000 per unit. No CHDO operating subsidy was awarded in 2003. It was later determined that CHDO funds cannot be used exclusively for downpayment assistance and to date none of the original award appears to have been drawn. CHDO funds must first be used for the development of the unit to be sold before the funding downpayment assistance. The Applicant has requested that the original downpayment assistance funds be converted to interim financing and an additional \$208,000 of interim funds be provided to be used to develop ten homes. The Applicant is also now requesting CHDO operating expenses of \$12,400.

				NT SPECIFICAT	IONS			
			IMPI	ROVEMENTS				
Total Number:	10	units	Stories:	1	floors	Avg Size:	1,100	sq ft
			STRUCTU	JRAL MATERIALS				
• 1	The structures are typically wood frame on a concrete slab with wood exterior siding. Interior wall surfaces are drywall and the pitched roofs are finished with composite shingles.							
		Al	PPLIANCES A	ND INTERIOR FE	ATURES			
Compete details of the interior features were not provide. The application indicated that each house will include a refrigerator, range, microwave, and individual heating and air conditioning.								
Uncovered Parking: Ur	known	spaces	Carports:	Unknown	spaces	Garages:	2	spaces
		PROPOS.	AL and DEVE	LOPMENT PLAN	DESCRIP	TION		
Description: FUTUR Subdivision in the Cit assistance at the comp	y of Uv	alde. A	portion of			•		
•						.1 1 1	/ ₁ 1	.1 1
Architectural Review	: The flo	orplan j	provided ind	icates typical la	youts fo	or three-bedre	oom/two-ba	ith homes.
			SI	TE ISSUES				
				DESCRIPTION				
Size: To be determine	d		Zoni	ing/ Permitted Us	es: Unl	known		
Flood Zone Designation:	Unkn	iown	State	us of Off-Sites:	Unl	known		
		SITE a	nd NEIGHBO	RHOOD CHARA	CTERISTIC	CS		
The Applicant identified the lots as being on the north side of Brazos Street just east of US 83 on the north side of Uvalde. According to the latest census estimates Uvalde has a population of 14,929. Uvalde is located in south Texas about 80 miles west of San Antonio.								
Special Adverse Site Characteristics: None noted by the Applicant however documentation confirming								
such issues have not been provided and therefore receipt, review, and acceptance of documentation								
confirming the proposed lots are not located in a floodplain is a condition of this report.								
HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)								
HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S) Information not available. A HOME environmental review of each site will have to take place prior to								
Information not availa							to take pla	ice prior to

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has indicated they plan to target households at or below 80% of AMI. The Applicant has further indicated that the five of the homebuyers would be low income and five would be very low income.

		MAXIMUN	M ELIGIBLE	INCOMES		
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons

80% of AMI \$23,750 \$27,150 \$30,550 \$33,900 \$36,650	\$39,350
	* *

	MARKET HIGHLIGHTS	
No market information was provided.		

FINANCING STRUCTURE					
	INTERIM CONSTRUCTION FINANCING				
Source: USDA EZ	Contact: Unknown				
Principal Amount: \$12,100	Interest Rate: Unknown				
Additional Information:					
Amortization: N/A Yrs Term: 1	Unknown Commitment: LOI Firm None				
	INTERIM CONSTRUCTION FINANCING				
Source: USDA Section 523	Contact: Unknown				
Principal Amount: \$30,000	Interest Rate: Unknown				
Additional Information:					
Amortization: N/A Yrs Term: 1	Unknown Commitment: LOI Firm None				
	INTERIM CONSTRUCTION FINANCING				
Source: USDA 525	Contact: Unknown				
Principal Amount: \$750	Interest Rate: Unknown				
Additional Information:					
Amortization: N/A yrs Term: 1	Unknown Commitment: LOI Firm None				
	EINANCING STRUCTURE ANALYSIS				

<u>Interim Financing</u>: The Applicant plans to finance the acquisition of ten lots and the construction of four homes with the other six homes to be built with undetermined sources of funds. After sale of each of the homes, \$10,000 of the TDHCA HOME loan will convert to downpayment and closing cost assistance.

The Applicant has indicated that the four homes whose construction costs will be funded with TDHCA funds will be part of FUTURO's self help program and will be required to contribute sweat equity toward the completion of the home. The homebuyers for the other six homes will be required to secure their own construction financing. It is unclear to the Underwriter if these six homes will qualify under the Departments new interpretation of CHDO HOME funding for downpayment assistance since it appears that FUTURO will only be warehousing the six lots to be sold to an income qualified buyer rather than owning and developing affordable housing on the lots. The Applicant has indicated that additional interim financing identified as three different USDA funding programs will be available however no documentation to support these sources was provided. Receipt, review, and acceptance of documentation that the proposed additional sources of funds have been committed to this development is a condition of this report.

Homebuyer Permanent Financing: The Applicant indicated that all of the prospective homebuyers would be pre-qualified for USDA 502 loans. The Applicant further indicated that such loans typically have a 6% stated rate but up to 5% of that rate can be subsidized based upon the homebuyer's income level. The Applicant provided no commitment documentation to support the availability of these mortgage loans to prospective homebuyers, and therefore the rates and terms used in this analysis have not been verified. The Department is currently offering First Time Homebuyer loans through its network of lenders at a 5.5% interest rate. The Underwriter used the 6% permanent rate proposed by the Applicant for this analysis.

<u>Financing Conclusions</u>: The recommendation includes a HOME CHDO award not to exceed \$320,000, structured as an interim construction loan at 0% interest for up to two years with up to \$10,000 per home converting to downpayment and closing cost assistance. The HOME award amount is well below the

221(d)(3) limit for this project. As proposed there are insufficient proposed sources of funds to complete six of the ten homes. Since the Applicant intends to acquire the six lots and hold them until qualified buyers are identified the Department will be unlikely to insure that sufficient interim financing will be available prior to funding the draw for the lot purchase.

ACQUISITION VALUATION INFORMATION						
ASSESSED VALUE						
Land:	Unknown	Assessment for the Year of: 2004		2004		
Building:	N/A	Valuation by: Uvalde County Appraisal Distri		rict		
Total Assessed Value:	Unknown	Tax Rate:	Unknown			
	EVIDENCE of S	SITE or PROPERTY C	ONTROL			
Type of Site Control:	None provided. Applican	nt is said to own 4 lo	ts and have the	other six under co	ontract	
Acquisition Cost:	\$120,000	Closing Date:	To be determ	ined		
Seller: Unknown		Related to Develo	opment Team M	lember:	Unknown	

CONSTRUCTION COST ESTIMATE PROFORMA EVALUATION

The Applicant's development cost budget was minimal and included only four lines of information: acquisition cost, direct construction costs, soft costs and sweat equity.

<u>Acquisition Value</u>: The Applicant has projected an acquisition cost of \$12,000 per lot, however documentation to confirm this acquisition price was not provided. Receipt, review, and acceptance of site control documentation consistent with the assumptions herein is a condition of this report.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is 3.4% less than the Underwriter's estimate based on fair quality construction as defined by Marshall & Swift *Residential Cost Handbook*. The simple single family design proposed is sufficient cause to use a lower cost standard than typical for multifamily development.

<u>Fees</u>: The Applicant has included no contractor or developer fees or contingency in the total development cost budget and this provides no cushion for construction cost increases and leaves little margin for error.

The Applicant indicated that they would be selling the homes and lots themselves and therefore the underwriting analysis assumes that an unrelated broker will not be used to sell the homes and no sales commission is included in the Underwriter's estimate of costs.

<u>Conclusion</u>: The Applicant's construction budget is generally considered reasonable as the total cost is within 5% of the Underwriter's estimate. The Applicant provides little cushion for error, however, this may be a result of the self help nature of the development.

AFFORDABILITY ANALYSIS

The Applicant indicated a sales price of \$76,375 for each of the homes and closing costs born buy the buyer of \$3,500. With downpayment and closing cost assistance of \$10,000 from TDHCA, estimated homeowner's mortgage would be \$69,875. The Underwriter's affordability analysis reflects an estimate of monthly mortgage payment of principal, interest, taxes and insurance based on the conservative estimate of 6% for the interest rate on a 33 year term, 1.30% for property insurance, 0.50% for mortgage insurance and a \$2.5 per \$100 property tax rate with a 100% assessment value.

<u>Conclusion</u>: At the proposed terms and Applicant's mortgage assumptions and excluding mortgage insurance, the homebuyers all in monthly payment would be \$605. At this payment the homes will be affordable to households with four or more individuals and incomes at 60% of AMI. However with the Underwriter's higher mortgage assumptions (including mortgage insurance resulting in a monthly payment of \$676) only five person or greater households at 60% of AMI could afford these units. However, if the section USDA 502 permanent financing can be confirmed as proposed the deeper income target indicated by the Applicant can be achieved. Receipt, review and acceptance of a commitment for or clear identification of

the availability of USDA 502 permanent financing for qualified buyers of this development is a condition of this report.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant is anticipated to be the general contractor and cost estimator. This is a common relationship for TDHCA-funded developments.

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

<u>Financial Highlights</u>: The Applicant provided no financial statement. Receipt, review and acceptance of current financial statements for the Applicant is a condition of this report.

<u>Background & Experience</u>: Multifamily Production Finance Staff will verify that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

• The Applicant's financial statements have not been reviewed and may not have the financial capacity to support the project if needed.

Director of Real Estate Analysis:		Date:	May 15, 2005
	Tom Gouris	•	

SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

FUTURO Communities

HBA #542057

FLOOR PLAN NUMBER		Α	В	С	D	E	AVERAGE	TDHCA TOTAL	APPLICANT
NUMBER PLOTTED		10						10	10
SQUARE FOOTAGE		1,100					1,100	11,000	11,000
DESCRIPTION	Max.	3 BD 2 BA							
Raw Land Acquisition Cost		\$12,000					\$12,000	\$120,000	\$120,000
Off-Sites									
Site Work									
Direct Construction Costs		52,768					52,768	527,685	500,000
Indirect Construction Costs		14,375					14,375	143,750	143,750
General Requirements & Overhe	:								
Contractor's Profit									
Developer's Overhead							-		
DEVELOPER'S PROFIT									
Contingency									
Financing									
Other: Sweat Equity		3,200					3,200	32,000	32,000
SUBTOTAL COSTS		\$82,343					\$82,343	\$823,435	\$795,750
Buyer's closing csts pd by Dev.									
TOTAL COST		\$82,343					\$82,343	\$823,435	\$795,750
Less: Sweat Equity		(3,200)					(3,200)	(32,000)	(32,000)
NET COST		\$79,143					\$79,143	\$791,435	\$763,750
GROSS SALES PROCEEDS		\$76,375					\$76,375	763,750	\$763,750
NET PROFIT		(\$2,768)					(\$2,768)	(\$27,685)	\$0
DIRECT CONSTRUCTION COST	per S	F \$47.97					\$47.97	\$47.97	\$45.45
SUBTOTAL COST per SQ FT		\$74.86					\$74.86	\$74.86	\$72.34
TOTAL COST per SQ FT		\$74.86					\$74.86	\$74.86	\$72.34
SALES PRICE per SQ FT		\$69.43					\$69.43	\$69.43	\$69.43
DEVELOPER PROFIT to COST R	RATIO	-3.36%					-3.36%	-3.36%	0.00%
TOTAL PROFIT to COST RATIO		-3.36%					-3.36%	-3.36%	0.00%

HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

\$10K DOWNPAYMENT ASSUMPTION

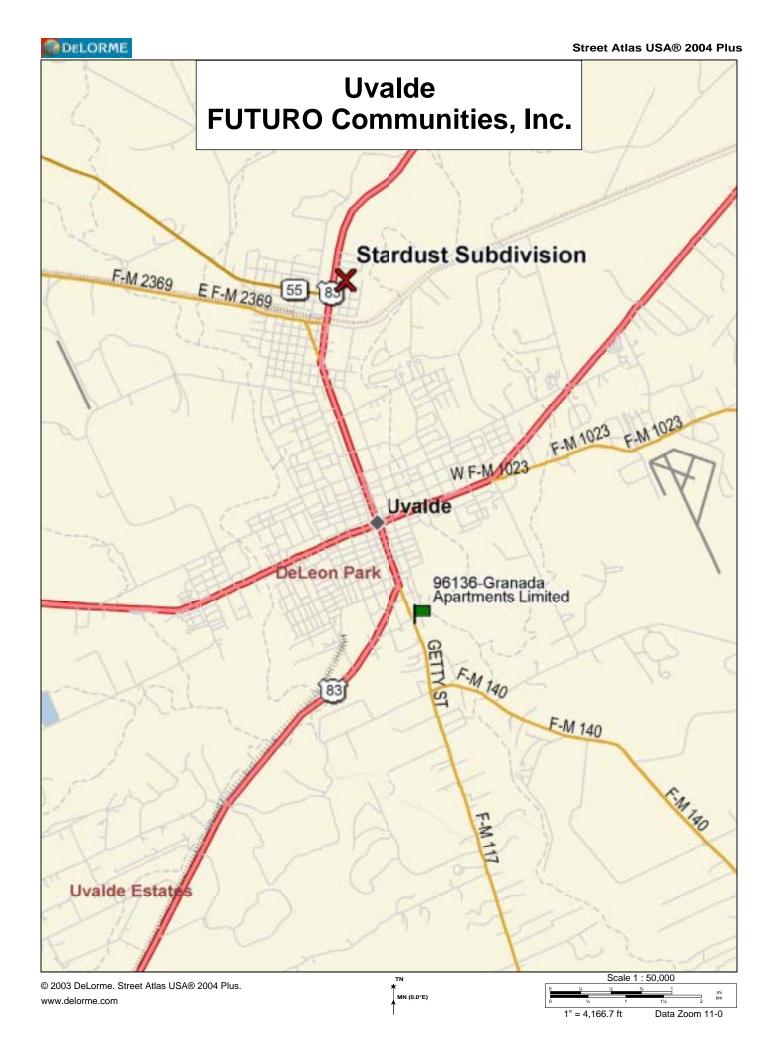
FUTURO Communities

		ASSUMPTIONS		
Interest Rate:	6.00%	Tax Rate per \$100:	2.5	
Loan Term (mos):	396	Property Insurance:	1.30%	
Assessed Value (est.):	100%	Mortgage Insurance:	0.50%	

LOAN CALCULATIONS						
Sales Price:	\$76,375					
Closing Cost:	3,500					
\$10K Downpmt Asst	(10,000)					
Loan Amount:	\$69,875					

		MONTH	ILY PAYMENT	
P & I	\$405.66			
Taxes	159.11			
Insurance	82.74			
MIP	29.11			
TOTAL PAYMENT	\$676.63			

	QUALIFYING INCOME						
	1.0	4 D		1.5	. D		
	1-Person	2-Person	3-Person	4-Person	<u>5-Person</u>		
30% of Median Annual Income	\$8,900	\$10,200	\$11,450	\$12,700	\$13,750		
Monthly Income	\$742	\$850	\$954	\$1,058	\$1,146		
PITI Affordability @ 30%	\$223	\$255	\$286	\$318	\$344		
50% of Median Annual Income	\$14,850	\$16,950	\$19,100	\$21,200	\$22,900		
Monthly Income	\$1,238	\$1,413	\$1,592	\$1,767	\$1,908		
PITI Affordability @ 30%	\$371	\$424	\$478	\$530	\$573		
60% of Median Annual Income	\$17,820	\$20,340	\$22,920	\$25,440	\$27,480		
Monthly Income	\$1,485	\$1,695	\$1,910	\$2,120	\$2,290		
PITI Affordability @ 30%	\$446	\$509	\$573	\$636	\$687		
80% of Median Annual Income	\$23,750	\$27,150	\$30,550	\$33,900	\$36,650		
Monthly Income	\$1,979	\$2,263	\$2,546	\$2,825	\$3,054		
PITI Affordability @ 30%	\$594	\$679	\$764	\$848	\$916		



DATE: May 2, 2005 PROGRAM: HOME FILE NUMBER: 542009

DEVELOPMENT NAME

Grayson County Community Development Corporation

APPLICANT								
Name:	Grayson County Community Development Corp			Nonprof	it CHDO			
Address:	1117 Gallagher		City:	Sherman		State:	TX	
Zip:	75090 Contact:	Kevin M. Farley	Phone:	(903)	813-3520	Fax:	(903)	813-3539

PROPERTY LOCATION						
Location:	273 and 275 Oak Street					
City:	Whitewright	County:	Grayson	Zip:	75491	

REQUEST							
<u>Amount</u>	Interest Rate	Amortization	<u>Term</u>				
1) \$144,0001	0%	N/A	N/A				
2) \$187,500²	0%	N/A	10 yrs				
3) \$16,7252	0%	N/A	N/A				
Other Requested Terms:	1) HOME loan for new const	ruction and downpayment and	closing cost assistance (\$15,000)1				
	2) Downpayment and closing	cost assistance for 25 homebu	yers (\$7,500 each); Non-CHDO funds ²				
	3) CHDO operating fees ²						
	 The Applicant requested \$71,500 per home for a total of \$143,000 for two homes Neither 2) or 3) are typically underwritten by the Real Estate Analysis Division and are not evaluated in this report 						
Proposed Use of Funds:	New construction	Property Type:	Single-family				
Special Purpose (s):	Special Purpose (s): General population						

RECOMMENDATION

RECOMMEND APPROVAL OF A HOME CHOO AWARD NOT TO EXCEED \$143,000, STRUCTURED AS AN INTERIM CONSTRUCTION LOAN AT 0% FOR UP TO TWO YEARS WITH UP TO \$7,500 PER HOME CONVERTING TO DOWNPAYMENT ASSISTANCE AND THE REMAINING \$128,000 TO BE REPAID UPON THE SALE OF EACH HOME (\$64,000 EACH), SUBJECT TO CONDITIONS.

CONDITIONS

- 1. Receipt, review, and acceptance of floorplan with an accurate and legible scale and elevation drawings for the proposed units.
- 2. Receipt, review and acceptance of the following for each lot proposed:
 - i. Site control,

 \boxtimes

- ii. Zoning verification,
- iii. Property tax statement,
- iv. Floodplain map, and
- v. Title commitment.

- 3. Receipt, review and acceptance of documentation of the proposed use of the \$20K in Enterprise Foundation grant funds for this development.
- 4. Receipt, review and acceptance of confirmation that the proposed sites are located in the area reviewed by the Office of Rural Community Affairs (ORCA) regarding the National Environmental Policy Act.
- 5. Receipt, review and acceptance of current financial statements including an income and loss statement and balance sheet for the Applicant.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports; however, the Applicant previously received a CHDO award for \$340,000. The funds were used for downpayment assistance activities. A CHDO operating subsidy of \$17,000 was also awarded in 2003. It was later determined that CHDO funds cannot be used exclusively for downpayment assistance. CHDO funds must first be used for the development of the unit to be sold before the funding downpayment assistance. The Applicant has requested that \$187,500 of the original downpayment assistance funds be converted to non-CHDO use with \$8,500 de-obligated. The remaining \$144,000 is to remain CHDO-eligible and this source of funds is the subject of this analysis. The details of the application reflect \$71,500 per home for a total of \$143,000; therefore, the deobligated amount should equal \$9,500.

			DE'	VELOPMEI	NT SPECIFICATION	ONS			
				IMPF	ROVEMENTS				
Total N	lumber:	2	units S	Stories:	1	floor	Avg Size:	1,150	sq ft
				STRUCTU	RAL MATERIALS				
					rade with brick of roofs will be f				
			APP	LIANCES AI	ND INTERIOR FEA	TURES			
hood	& fan, gart		l, tub encl	osure, wa	peting & vinyl. sher & dryer co				
Uncove	ered Parking:	2	spaces	Carports:	0	spaces	Garages:	2	spaces
			PROPOSAL	and DEVE	LOPMENT PLAN D	ESCRIPT	ION		
single-	-family hom onstruction	nes in Whitev	wright, Gra	yson Cou	elopment Corpo nty. HOME fun inus \$7,500 in o	ds are re	equested for	acquisition	of the lots
bedroo	om/two-bath	home. The	e floorplan	did not ir	as provided in aclude a scale and n of this report.				
					TE ISSUES				
				SITE E	DESCRIPTION				
Size:	Approxima	tely 50' x 150	0' each	Zoni	ng/ Permitted Uses	s: Unk	nown		
Flood Z	Zone Designat	ion: Zone	X (unverif	ied) Statu	us of Off-Sites:	Fully	y improved		
			SITE and	NEIGHBO	RHOOD CHARAC	TERISTIC	S		
The A	pplicant pro	vided no site	e control d	ocuments	or description of	f the site	e and neighb	orhood char	acteristics

in the application materials. The proposed sites appear to be centrally located in town with older single-family homes in the immediate vicinity. An aerial map confirms the proposed sites are currently unimproved.

Whitewright has a population of approximately 1,740 people according to the 2000 census.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

Information not provided.

According to a statement by the Applicant, the two sites currently proposed (273 and 275 Oak Street, Whitewright) are located in an area that, as of July 19, 2004, satisfied the Office of Rural Community Affairs (ORCA) condition for funding regarding the National Environmental Policy Act. However, confirmation that the sites are located in the area reviewed by ORCA is required. Moreover, should the Applicant fail to obtain site control for the proposed lots, receipt, review and acceptance of documentation that the two lots acceptable for single family construction in Grayson County for which the Applicant gains site control meet the Department's environmental review guidelines is a condition of this report.

POPULATIONS TARGETED

<u>Income Set-Aside</u>: The Applicant has indicated the two single family homes will be sold to households with incomes between 61% and 80% of AMGI.

		MAXIMUN	1 ELIGIBLE	INCOMES		
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
80% of AMI	\$28,800	\$32,900	\$37,000	\$41,100	\$44,400	\$47,700

MARKET HIGHLIGHTS

Information not provided.

Waiting List: The Applicant has provided a waiting list with over 50 households that are income-qualified.

				FINANCING	STRUCT	TURE						
				GR <i>A</i>	ANT							
Source:	The Ente	rprise	e Foundation			Contact:	Unkn	own				
Principal .	Amount:	\$20	,000	Commitment:		LOI	\boxtimes	Firm			Conditional	
Additiona	l Informati	on:	Grant #04SG290	deposited on 3/1	5/2005	Commi	tment D	ate	03/	15/	2005	
			F	INANCING STRU	CTURE /	ANALYSIS						_

<u>Interim Financing</u>: The Applicant plans to finance the acquisition of the lots and the construction of the houses with the requested HOME funds of \$143,000 at a 0% interest rate. After sale of the houses, all but \$15K in downpayment and closing cost assistance will be repaid to TDHCA.

The Applicant has also provided evidence that \$20K in grant funds have been deposited into their bank account. Receipt, review, and acceptance of documentation of the purpose of this \$20K in grant funds is a condition of this report. If such purpose is to contribute to the construction cost without passing through savings in the form of a reduced sales price or additional downpayment assistance in an equal amount, a reduction in the proposed HOME award may be required.

<u>Homebuyer Permanent Financing</u>: The Applicant provided no documentation to support the availability of mortgage loans to prospective homebuyers, and therefore the rates and terms used in this analysis have not been verified. The Department is currently offering First Time Homebuyer loans through its network of lenders at a 5.5% interest rate. Therefore, the 7.5% permanent rate as proposed by the Applicant and used in this analysis appears to be conservative.

<u>Financing Conclusions</u>: The recommendation includes a HOME CHDO award not to exceed \$143,000, structured as an interim construction loan at 0% interest for up to two years with up to \$7,500 per home converting to downpayment and closing cost assistance. The remaining \$128,000 in HOME CHDO funds are to be repaid upon the sale of each home (\$64K repayment with each sale). The HOME award amount is well below the 221(d)(3) limit for this project.

	ACQUISITION VA	ALUATION INFORM	MATION
	ASSE	SSED VALUE	
Land:		Assessment for th	he Year of: 2005
Building:		Valuation by:	Grayson County Appraisal District
Total Assessed Value:	Unavailable	Tax Rate:	Unavailable
	EVIDENCE of SITE	or PROPERTY CC	DNTROL
Type of Site Control:	None		
Contract Expiration Date:		Anticipated Closi	ing Date:
Acquisition Cost:		Other Terms/Con	nditions:
Seller:		Relate	ed to Development Team Member:
·	·		

CONSTRUCTION COST ESTIMATE PROFORMA EVALUATION

<u>Acquisition Value</u>: The Applicant has projected an acquisition cost of \$2,500 per lot. Although site control indicating the actual price of the lots has not been provided, the underwriting analysis also assumes a total acquisition cost of \$5,000 for two lots.

<u>Sitework Cost</u>: A separate line-item site work cost projection was not included in the Applicant's cost schedule.

<u>Direct Construction Cost</u>: The Applicant's direct construction cost estimate is within 5% of the Underwriter's estimate based on 1,150 square feet of living area and fair quality construction as defined by Marshall & Swift *Residential Cost Handbook*. The simple design proposed is cause to use a lower cost standard than typical.

<u>Fees</u>: The Applicant has included a total developer fee of \$14K which is 11% of their proposed acquisition and direct construction costs. However, the Applicant did not include any profit or fee for contractor work. The Underwriter's estimate of developer and contractor fees total \$18K.

The Underwriter's cost schedule assumes a 6% fee for contractor general requirements and overhead rather than the maximum limit of 8%. If an unrelated contractor is hired, the Applicant may be required to forgo a portion of the proposed developer fee to compensate for a higher contractor fee. The Underwriter also assumes that no funds will be set-aside for contingency as indicated in the Applicant's cost schedule. Finally, the underwriting analysis assumes that an unrelated broker will not be used to sell the houses; therefore, no sales commission is included in the Underwriter's estimate of costs.

<u>Conclusion</u>: The Applicant's construction budget, while minimal, appears to be reasonable as the total cost is within 5% of the Underwriter's estimate.

AFFORDABILITY ANALYSIS

The Applicant has indicated a sales price of \$71,500 for the homes and closing costs estimated at \$2,000 for a total cost to the buyer of \$73,500. With downpayment and closing cost assistance of \$7,500 and a \$500 contribution by the buyer, the homeowner's mortgage will be \$65,500. The Underwriter has made an estimate of monthly mortgage payment of principal, interest, taxes and insurance based on the Applicant's conservative estimate of 7.5% for the interest rate, 1.30% for property insurance, 0.50% for mortgage insurance and a \$2.92 per \$100 property tax rate with a 100% assessment value.

<u>Conclusion</u>: At the proposed terms, the houses will be affordable to households with two or more individuals and incomes at 80% of AMGI and four-person or more households at 60% of AMGI.

DEVELOPMENT TEAM IDENTITIES of INTEREST

None noted as the members of the development team have yet to be selected.

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

<u>Financial Highlights</u>: Receipt, review and acceptance of current financial statements for the Applicant is a condition of this report.

<u>Background & Experience</u>: Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- ∉ Significant locational risk may exist, but at this time the sites have not been committed.
- ∉ The development could potentially achieve an additional, potentially excessive profit level if the Enterprise Foundation grant funds are not passed-through to the homebuyers.
- ∉ The principals of the Applicant may not have the financial capacity to support the project if needed.
- ∉ The seller of the property is not confirmed.

Underwriter:		Date:	May 2, 2005
	Lisa Vecchietti	-	
Director of Real Estate Analysis:		Date:	May 2, 2005
	Tom Gouris	-	

SINGLE FAMILY RESIDENCE DEVELOPMENT PROFORMA

Grayson County Community Development Corporation

HBA #542009

FLOOR PLAN NUMBER		Α	В	С	D	Е	F	AVERAGE	TDHCA	APPLICANT
NUMBER PLOTTED		2							2	
SQUARE FOOTAGE		1,150						1,150	2,300	2,300
DESCRIPTION	Max.	3 BD 2 BA	BD BA							
Raw Land Acquisition Cost		\$2,500						\$2,500	\$5,000	\$5,000
Off-Sites										
Site Work										
Direct Construction Costs		64,094						64,094	128,188	124,000
Indirect Construction Costs										
General Requirements & Overhea	6.0%	3,846						3,846	7,691	
Contractor's Profit	6.0%	3,846						3,846	7,691	
Developer's Overhead	5.0%	125						125	250	14,000
Contingency										
Financing										
Other:										
SUBTOTAL COSTS		\$74,410						\$74,410	\$148,821	\$143,000
Sales Commission										
Buyer's closing csts pd by Dev.										
TOTAL COST		\$74,410						\$74,410	\$148,821	\$143,000
Less: Grants & Gifts In-Kind		(10,000)							(20,000)	(20,000)
NET COST		\$64,410						\$64,410	\$128,821	\$123,000
GROSS SALES PROCEEDS		\$71,500						\$71,500	143,000	\$143,000
NET PROFIT		\$7,090						\$7,090	\$14,179	\$20,000
DIRECT CONSTRUCTION COST	per S	\$55.73						\$55.73	\$55.73	\$53.91
SUBTOTAL COST per SQ FT		\$64.70						\$64.70	\$64.70	\$62.17
TOTAL COST per SQ FT		\$64.70						\$64.70	\$64.70	\$62.17
SALES PRICE per SQ FT		\$62.17						\$62.17	\$62.17	\$62.17
DEVELOPER PROFIT to COST R	ATIO	283.58%						283.58%	283.58%	400.00%
TOTAL PROFIT to COST RATIO		14.70%						14.70%	14.70%	13.99%

HOMEBUYER AFFORDABILITY ANALYSIS EXHIBIT

\$7.5K DOWNPAYMENT ASSUMPTION

Grayson County Community Development Corporation

		ASSUMPTIONS	
Interest Rate:	7.50%	Tax Rate per \$100:	2.92
Loan Term (mos):	360	Property Insurance:	1.30%
Assessed Value (est.):	100%	Mortgage Insurance:	0.50%

		LOAN CALCULATIONS
	<u>Plan A</u>	
Sales Price:	\$71,500	
Closing Costs:	\$2,000	
Buyer Contr	(\$500)	
\$7.5K Downpmt Asst	(\$7,500)	
Loan Amount:	\$65,500	

		MONTH	ILY PAYMENT	
P & I	\$457.99			
Taxes	173.98			
Insurance	77.46			
MIP	27.29			
TOTAL PAYMENT	\$736.72			

	QUALIFY	YING INCOME			
	1-Person	2-Person	3-Person	4-Person	5-Person
30% of Median Annual Income	\$10,800	\$12,350	\$13,900	\$15,400	\$16,650
Monthly Income	\$900	\$1,029	\$1,158	\$1,283	\$1,388
PITI Affordability @ 30%	\$270	\$309	\$348	\$385	\$416
50% of Median Annual Income	\$18,000	\$20,550	\$23,150	\$25,700	\$27,750
Monthly Income	\$1,500	\$1,713	\$1,929	\$2,142	\$2,313
PITI Affordability @ 30%	\$450	\$514	\$579	\$643	\$694
60% of Median Annual Income	\$21,600	\$24,660	\$27,780	\$30,840	\$33,300
Monthly Income	\$1,800	\$2,055	\$2,315	\$2,570	\$2,775
PITI Affordability @ 30%	\$540	\$617	\$695	\$771	\$833
80% of Median Annual Income	\$28,800	\$32,900	\$37,000	\$41,100	\$44,400
Monthly Income	\$2,400	\$2,742	\$3,083	\$3,425	\$3,700
PITI Affordability @ 30%	\$720	\$823	\$925	\$1,028	\$1,110

SINGLE FAMILY RESIDENCE DEVELOPMENT SOURCES and USES OF FUNDS EXHIBIT

Grayson County Community Development Corporation

	SOURC	E OF FUNI	os		
		RECYCLE	TDHCA	APPLICANT	
	TYPE OF CREDIT FACILITY	FACTOR	AMOUNT	AMOUNT	SOURCE/PRIORITY
1	HOME Loan	1	\$143,000	\$143,000	TDHCA
2	Neighborhood Partnership	1			TDHCA
3	Housing Trust Fund Loan	1			TDHCA
4	TX Community Dev. Program	1			TDHCA
5	Other TDHCA Program Loan	1			TDHCA
6	Cash Equity	1			
7	In-Kind Equity	1			
8	Other CDBG	1			
9	Other HOME Loan	1			
10	RECD Loan(s)	1			
11	Other Federal Loan or Grant	1			
12	Local Municipality Loan or Grant	1			
13	Private Loan or Grant	1	20,000	20,000	The Enterprise Fund
14	Conventional Loan	1			
15	Conventional Loan	1			
TOT	AL SOURCES OF FUNDS		\$163,000	\$163,000	

	USES OF FUI	NDS	
		TDHCA	APPLICANT
	DESCRIPTION	AMOUNT	AMOUNT
1	Raw Land Acquisition Cost	\$5,000	\$5,000
2	Off-Sites	-	-
3	Site Work	-	-
4	Direct Construction Costs	128,188	124,000
5	Indirect Construction Costs	-	=
6	General Requirements & Overhead	7,691	-
7	Contractor's Profit	7,691	-
8	Developer's Overhead	250	14,000
9	Contingency	-	=
10	Financing	-	-
11	Other:	-	-
12	Other (describe):		
TOT	AL USES OF FUNDS	\$148,821	\$143,000

1" = 400.0 ft

Data Zoom 15-4



MN (4.5°E)

FINANCIAL DIVISION BOARD ACTION REQUEST MAY 26, 2005

Action Item

Second Quarter Investment Report

Required Action

Presentation of the Department's Second Quarter Investment Report

Background

Compliance with the Public Funds Investment Act

Recommendation

Approve the Investment Report

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING FEBRUARY 28, 2005

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT

Internal Management Report (Sec. 2256.023)

Quarter Ending February 28, 2005

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

INDENTURE	FAIR VALUE (MARKET) @ 11/30/04	CARRYING VALUE @ 11/30/04	ACCRETION/ PURCHASES	CHANGE IN CARRY AMORTIZATION/ SALES	(ING VALUE) MATURITIES	TRANSFERS	CARRYING VALUE @ 02/28/05	FAIR VALUE (MARKET) @ 02/28/05	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL 02/28/05	RECOGNIZED GAIN
			00 004 740 07	(75 ALA DOR 00)	(14,518,809,47)	0.00	666,304,799.18	670,300,412.32	(2,955,372.50)	1,478,144.47	0.00
Single Family	664,891,889.84	657,940,904.20		(75,942,008.22)			•	437,353,113.65	(1,658,474.69)	2,440,806.28	0.00
RMRB	481,972,745.37	472,112,417.37	12,786,300.84	(35,704,116.83)	(20,043,341.04)	0.00	429,151,260.34		, ,		0.00
CHMRB	29,363,082.83	27,651,150.86	2,534.25	(1,269,236.45)	{1,564,527.73}	0.00	24,819,920.93	26,292,112.55	(239,740.35)	136,104.74	
Multi Family	187,212,739.17	187,212,739.17	83,803,400.77	(66,297,569.13)	(1,500,311.56)	0.00	203,218,259.25	203,218,259.25	=	1,853.08	0.00.
SF CHMRB 1993	747,409,70	747,409.70	2,377.53	(1,145.36)	0.00	0.00	748,641.87	748,641.87	•	54.29	0.00
SF CHMRB 1994/1995	20,147,019.78	18,851,142.07	11,031,351.90	(18,850,856.74)	0.00	0.00	11,031,637.23	11,031,637.23	(1,295,877.71)	29,221.40	1,275,711.85
Commercial Paper	51,018,760.07	51,018,760,07	34,223,000.00	(10,098,128.72)	0.00	0.00	75,143,631.35	75,143,631,35	-	204,645.62	0.00
General Fund	9,876,282.45	9,876,282.45	1,002,317.15	(230,018.77)	0.00	0.00	10,648,580,83	10,648,580.83	-	766.11	0.00
Housing Trust Fund	7,248,686.83	7,248,686.83	110,129.66	(507,153.70)	0.00	0.00	6,851,662.79	6,851,662.79	-	492.94	0.00
Administration	136,456.26	136,456.26	725.54	0.00	0.00	0.00	137,181.80	137,181.80	-	9.87	0.00
Compliance	810,560.51	810,560.51	330,919.81	(129,144.80)	0.00	0.00	1,012,335.52	1,012,335.52		72.84	0.00
Housing Initiatives	2,802,565.30	2,802,565.30		(79.06)	0.00	Ω,00	3,502,226.39	3,502,226.39	-	251,95	0.00
				(200 200 457 72)	227 222 223	0.00	1,432,570,137.48	1,446,239,795.55	(6,149,465.25)	4,292,423.59	1,275,711.85
TOTAL	1,456,228,198.11	1,436,409,074.79	242,817,510.27	(209,029,457.78)	(37,626,989.80)	0.00	1,402,370,137.40	1,440,200,100.00	(0,140,400.20)	1,202,420.00	.,=. 0,1 11/44

- No relationship can be drawn between the "ACCRUED INT RECVBL @ 02/28/05" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$ 203,587,405 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.

Prepared By: Date: 15/05
Reviewed By: Date: Date

Beginning Carrying Value	1,436,409,074.79
Ending Carrying Value	1,432,570,137.48
Change in Carrying Value	3,838,937.31
Beginning Market Value	1,456,228,198.11
Ending Market Value	1,446,239,795.55
	9,988,402.56
Change in Carrying Value Less Change in FMV FMV Adjustment	3,838,937.31 9,988,402.56 (6,149,465.25) (0.00)

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT

Supplemental Schedule Quarter Ending February 28, 2005

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

		FAIR VALUE (MARKET)	CARRYING VALUE	ACCRETION/	CHANGE IN CARRY AMORTIZATION/	ING VALUE		CARRYING VALUE	FAIR VALUE (MARKET)	CHANGE IN FAIR VALUE	RECOGNIZED
INVESTMENT TYPE		@ 11/30/04	@ 11/30/04	PURCHASES	SALES	MATURITIES	TRANSFERS	@ 02/28/05	@ 02/28/05	(MARKET)	GAIN
Vortgage-Backed Securities		691.984.567.64	673.419.162.33	75,194,624.44	(18,184,596.05)	(37,626,989.80)	0.00	692,802,200.92	705,819,924.45	(5,547,681.78)	1,275,711.85
Guaranteed Inv Contracts		338,323,300,84	338,323,300.84	36,343,860.66	(99,785,479.42)	0.00	0.00	274,881,682.08	274,881,682.08	•	0.00
nvestment Agreements		283,492,176,00	283,492,176.00	49,494,647.69	(59,998,212.60)	0.00	0.00	272,988,611.09	272,988,611.09	-	0.00
Treasury-Backed Mutual Fund	is	35,449,331,79	35,449,331.79	9,927,859.17	(12,909,373.53)	0.00	0.00	32,467,817.43	32,467,817.43	-	0.00
Repurchase Agreements	- -	63,030,472.35	63,030,472.35	50,474,571.65	(14,982,849.13)	0.00	0.00	98,522,194.87	98,522,194.87	-	0.00
Money Markets		11.120.814.89	11,120,814.89	21,324,761.00	(2,477,297.09)	0.00	0.00	29,968,278.80	29,968,278.80	-	0.00
Treasury Bills		90,903,89	90,903.89	0.00	(42.96)	0.00	0.00	90,860.93	90,860.93	-	0.00
Treasury Bonds/Notes		32,736,630.71	31,482,912.70	57,185.66	(691,607.00)	0.00	0.00	30,848,491.36	31,500,425.90	(601,783.47)	0.00
	TOTAL	1,456,228,198.11	1,436,409,074,79	242.817,510.27	(209,029,457.78)	(37,626,989.80)	0.00	1,432,570,137,48	1,446,239,795.55	(6,149,465.25)	1,275,711.85

(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.

Prepared By:	MOURIAPP	Date: 9//5/05
Reviewed By:	Stalo	Date: 4/20/05
Approved By:		Date:

Beginning Carrying Value	1,436,409,074.79
Ending Carrying Value	1,432,570,137.48
Change in Carrying Value	3,838,937.31
Beginning Market Value	1,456,228,198.11
Ending Market Value	1,446,239,795.55
Ü	9,988,402.56
Change in Carrying Value	3,838,937.31
Less Change in FMV	9,988,402.56
FMV Adjustment	(6,149,465.25)
•	0.00

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION PUBLIC FUNDS INVESTMENT ACT

Internal Management Report (Sec. 2256.023)

Quarter Ending February 28, 2005

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

INDENTURE		FAIR VALUE (MARKET) @ 11/30/04	CARRYING VALUE @ 11/30/04	ACCRETION/ PURCHASES	CHANGE IN CARRY AMORTIZATION/ SALES	ING VALUE	TRANSFERS	CARRYING VALUE @ 02/28/05	FAIR VALUE (MARKET) @ 02/28/05	CHANGE IN FAIR VALUE (MARKET)	ACCRUED (NT RECVBL 02/28/05	RECOGNIZED GAIN
Single Family RMRB CHMRB Multi Family SF CHMRB 1993 SF CHMRB 1994/1995 Commercial Paper General Fund Housing Trust Fund Administration Compliance Housing Initiatives		664,891,889,84 481,972,745,37 29,363,082,83 187,212,739,17 747,409,70 20,147,019,78 51,018,760,07 9,876,282,45 7,248,686,83 136,456,26 810,560,51 2,802,565,30	657,940,904.20 472,112,417.37 27,651,150.86 187,212,739.17 747,409.70 18,851,142.07 51,018,760.07 9,876,282.45 7,248,686.83 136,456.26 810,560.51 2,802,565.30	98,824,712,67 12,786,300.84 2,534,25 83,803,400.77 2,377.53 11,031,351.90 34,223,000.00 1,002,317.15 110,129.66 725.54 330,919.81 699,740.15	(75,942,008,22) (35,704,116,83) (1,269,236,45) (66,297,569,13) (1,145,36) (18,850,856,74) (10,098,128,72) (230,018,77) (507,153,70) 0.00 (129,144,80) (79,06)	(14,518,809,47) (20,043,341,04) (1,564,527,73) (1,500,311,56) 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 0.0	666,304,799.18 429,151,260.34 24,319,920.93 203,218,259.25 748,641.87 11,031,637.23 75,143,631.35 10,648,580.83 6,851,662.79 137,181.80 1,012,335.52 3,502,226.39	670,300,412,32 437,353,113,65 26,292,112,55 203,218,259,25 748,641,87 11,031,637,23 75,143,631,35 10,648,580,83 6,851,662,79 137,181,80 1,012,335,52 3,502,226,39	(2,955,372.50) (1,658,474.69) (239,740.35) - (1,295,877.71) - - -	1,478,144.47 2,440,806.28 136,104.74 1,853.08 54.29 29,221.40 204,645.62 766.11 492.94 9.87 72.84 251.95	0.00 0.00 0.00 0.00 0.00 1,275,711.85 0.00 0.00 0.00 0.00 0.00
	TOTAL -	1,456,228,198.11	1,436,409,074.79	242,817,510.27	(209,029,457,78)	(37,626,989.80)	0,00	1,432,570,137.48	1,446,239,795.55	(6,149,465.25)	4,292,423.59	1,275,711.85

- * No relationship can be drawn between the "ACCRUED INT RECVBL @ 02/28/05" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying \$ 203,587,405 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.

Bill Dally, Chief of Agelicy Administration

Date 5//03

Byron Johnson, Director of Bond Finance

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT

Supplemental Schedule

Quarter Ending February 28, 2005

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

INVESTMENT TYPE		FAIR VALUE (MARKET) @ 11/30/04	CARRYING VALUE @ 11/30/04	ACCRETION/ PURCHASES	CHANGE IN CARRY AMORTIZATION/ SALES	ING VALUE MATURITIES	TRANSFERS	CARRYING VALUE @ 02/28/05	FAIR VALUE (MARKET) @ 02/28/05	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
Mortgage-Backed Securities Suaranteed Inv Contracts investment Agreements Treasury-Backed Mutual Fund Repurchase Agreements Money Markets Treasury Bills Treasury Bonds/Notes	is	691,984,567 64 338,323,300,84 283,492,176,00 35,449,331 79 63,030,472,35 11,120,814,89 90,903,89 32,736,630,71	673,419,162.33 338,323,300.84 283,492,176.00 35,449,331.79 63,030,472.35 11,120,814.89 90,903.89 31,482,912.70	49,494,647,69 9,927,859.17 50,474,571.65 21,324,761.00 0.00	(18,184,596.05) (99,785,479.42) (59,998,212.60) (12,909,373.53) (14,982,849.13) (2,477,297.09) (42.96) (691,607.00)	(37,626,989.80) 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	692,802,200.92 274,881,682.08 272,988,611.09 32,467,817.43 98,522,194.87 29,968,278.80 90,860.93 30,848,491.36	705,819,924.45 274,881,682.08 272,988,611.09 32,467.817.43 98,522,194.87 29,668,278.80 90,860.93 31,500,425.90	(5,647,681.78) - - - - - - (601,783.47)	1,275,711.85 0.00 0.00 0.00 0.00 0.00 0.00 0.00
	TOTAL	1,456,228,198.11	1,436,409,074.79	242,817,510.27	(209,029,457.78)	(37,626,989.80)	0.00	1,432,570,137.48	1,446,239,795.55	(6,149,465.25)	1,275,711.85

(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 Darly, Chief of Agency Administration

Byron Johnson, Director of Bond Finance

Date 5

4/20

Date 1/ VI

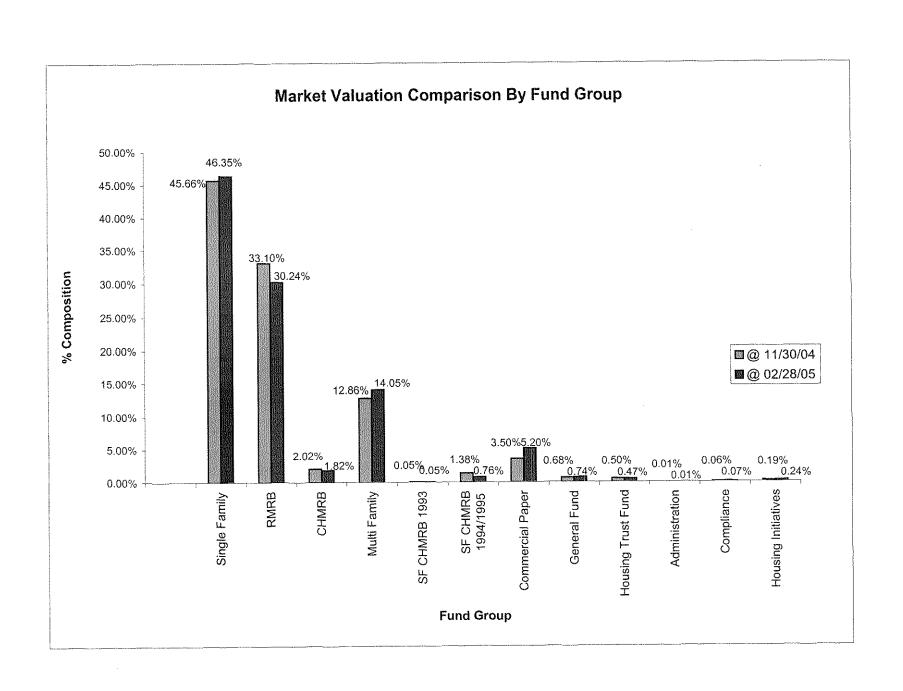
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING FEBRUARY 28, 2005

PUBLIC FUNDS INVESTMENT ACT INTERNAL MANAGEMENT REPORT (SEC. 2256.023) QUARTER ENDING FEBRUARY 28, 2005

Supplemental Information:

- 1) Bar Graph Comparison of Market by Fund Group between Quarters
- 2) Analysis of Portfolio Interest Rate Trends and Maturities
- 3) Bar Graph Comparison of Market Valuation by Investment Type between Quarters
- 4) Supplemental Public Funds Investment Act Report by Investment Type
- 5) Detail of Investments including maturity dates by Fund Group



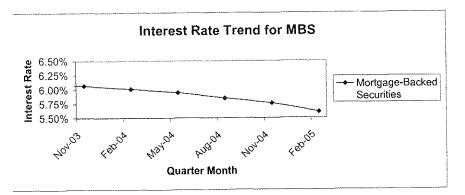
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

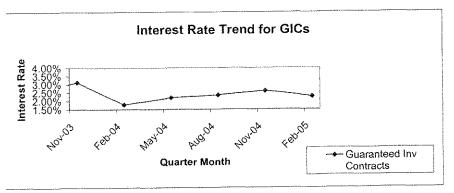
HOUSING FINANCE DIVISION

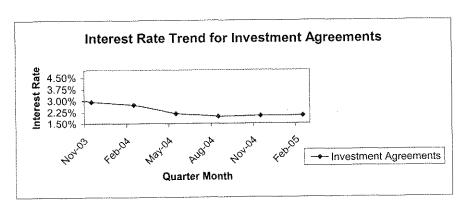
PUBLIC FUNDS INVESTMENT ACT

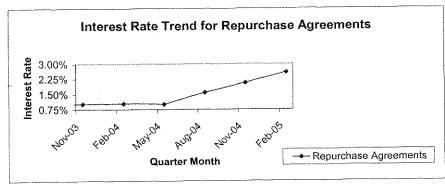
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities Quarter Ending February 28, 2005

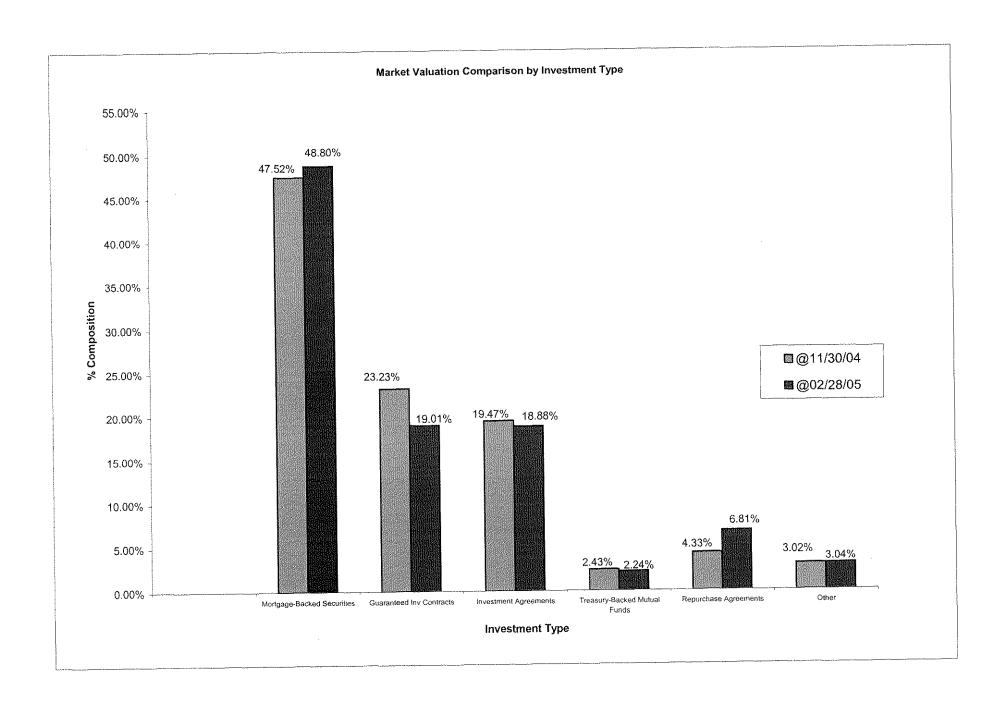
	Range of for Current	Quarter	Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 11/30/04	Weighted Avg Rate Beg Market Value @ 11/30/04	Weighted Avg Rate End Carrying Value @ 02/28/05	Weighted Avg Rate End Market Value @ 02/28/05	Weighted Av Beg Carryit @ 11/3	ig Value	Weighted Avg Beg Marke @ 11/30	t Value	Weighted Av End Carryi @ 02/2	ng Value	Weighted Av End Mark @ 02/2	cet Value 28/05
INVESTMENT TYPE	- HI	LOW	Composition	@ 1 110010-1				Months	Days	Months	Oays .	Months	Days	Months	Days
				C 700/	5.76%	5.58%	5.61%	308	1	307	0	315	9	314	7
fortgage-Backed Securities	8.75%	4.49%	48.80%	5.73%		2.27%	2,27%	140	2	140	2	90	12	90	12
Suaranteed Inv Contracts	6.51%	1.22%	19.01%	2.60%	2.60%			33	-	33	7	33	17	33	17
avestment Agreements	6.75%	1.00%	18.88%	2.01%	2.01%	2.03%	2.03%	33		30	,	n n		n.	1
	1.92%	1.08%	2.07%	1.27%	1.27%	1.82%	1.82%	0	1	U	1	·			
Aoney Markets				1.28%	1.28%	1.85%	1.85%	0	1	0	1	0	1	U	1
reasury-Backed Mutual Funds	2.16%	1.03%	2.24%			2.59%	2.59%	Ð	1	0	1	0	1	0	1
lepurchase Agreements	2.59%	2.59%	6.81%	2.06%	2.06%			^	0	0	9	0	9	0	9
reasury Bills	5.81%	5.81%	0.01%	5.81%	5.81%	5.81%	5.81%		3	72		27	18	28	29
reasury Bonds/Notes	13.88%	1.73%	2.18%	3.79%	4.17%	3.85%	3.85%	29	27	32	5	21	10	2.0	











Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs Single Family Investment Summary For Period Ending February 28, 2005

							3 · ·· - · · · · · , · - · ,							
Investment Type Repurchase Agreement Repurchase Agreement	issue 1980 Single Family Surplus Rev 1980 Single Family Surplus Rev	Current Interest Rate 2.59 2.59	Current Purchase Date 02/28/05 02/28/05	Current Maturity Date 03/01/05 03/01/05	Beginning Carrying Value 11/30/04 158,485.80 14,439.59	Beginning Market Value 11/30/04 158,485.80 14,439,59	Accretions/ Purchases 21,440.68 1,915,065.27	Amertizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05 179,926.48 1,929,504.86	Ending Market Value 02/28/05 179,926,48 1,929,504.86 626,301.82	Change in In Market Value	Recognized Gain
reasury Bond	1980 Single Family Surplus Rev	13.88	08/05/82	05/15/11	550,223.75	1,365,249.78	131.02				550,354.77		(130,070.00)	
Suaranto Inv Certificates	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	286,363.90	286,363.90		(268,938.00)			17,425.90 6.97	17,425.90 5.97	-	
Repurchase Agreement	1980 Single Family Surplus Rev	2.59	02/28/05	03/01/05	5.97	5.97	0.00 270.33				5,434.00	5,434.00	-	
Repurchase Agreement	1980 Single Family Surplus Rev	2.59 2.59	02/28/05 02/28/05	03/01/05 03/01/05	5,163.67 42,045.61	5,163.67 42,045.61	238.90				42,284.51	42,284.51	-	
Repurchase Agreement	1980 Single Family Surplus Rev 1980 Single Family Surplus Rev	2.59		03/01/05	320,653.05	320,653.05	49.226.03				369,879.08	369,879.08	-	
Repurchase Agreement	1980 Single Family Surplus Rev 1		0202,0100	00/01/00	1,377,381.34	2,192,407.37	1,986,372.23	(268,938,00)	0.00	0.00	3,094,815.57	3,170,762.62	(739,078.98)	0.00
	table dailight (anim) despera										440.44	440.46		
Repurchase Agreement	1982 A Single Family	2.59		03/01/05	2,750.35	2,750.35	18,714.84	(2,609.94)			140.41 41,881.75	140.41 41,881.75	-	
Suarantd Inv Certificates	1982 A Single Family	6.08	11/14/96	09/30/29	23,166.91 25,917.26	23,166.91 25,917.26	18,714.84	(2,609.94)	0.00	0.00	42.022.16	42,022.16	0.00	0.00
	1982 A Single Family Total				20,911.20	25,511.25	10,7 14.04	(E,000.5-1)	0.00	0.50	12:77			
Repurchase Agreement	1983 A&B Single Family	2.59	02/28/05	03/01/05	47,588.78	47,588.78	6,120.47				53,709.25	53,709.25	-	
Suarantd Inv Certificates	1983 A&B Single Family	6.08	11/14/96	09/30/29	1,654,146.64	1,654,146.64		(230,653.32)			1,423,493.32	1,423,493.32		
Freasury Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	715.29	1002,15	0.12	1000.000.00		0.00	715.41	977.06 1,478,179.63	(25.21)	0.00
	1983 A&B Single Family Total				1,702,450.71	1702737.57	6,120.59	(230,653,32)	0.00	0.00	1,477,917.98	1,470,179.03	(20.21)	0.00
2	4004 ARD Single Family	2.59	02/28/05	03/01/05	12,525.26	12,525,26		(6,583.84)			5,941.42	5,941.42	-	
Repurchase Agreement Freasury Bond	1984 A&B Single Family 1984 A&B Single Family	13.25		05/15/14	407.21	570.67	0.08	(0,000.01)			407.29	556.38	(14.37)	
Suarantd Inv Certificates	1984 A&B Single Family	70.20	00,00,00		162,707.48	162,707.48		(162,707.48)					_	
	1984 A&B Single Family Total			-	175,639.95	175,803.41	0.08	(169,291.32)	0.00	0.00	6,348.71	6,497.80	(14.37)	0.00
Repurchase Agreement	1985 A Single Family 1985 A Single Family	2.59	02/28/05	03/01/05	279.39 376,285.05	279.39 376,285.05	11,248.81	(376,285,05)			11,528.20	11,528.20		
Guarantd Inv Certificates	1985 A Single Family Total				376,564.44	376,564.44	11,248.81	(376,285.05)	0.00	0.00	11,528.20	11,528.20	0.00	0.00
Repurchase Agreement	1985 B&C Single Family	2.59	02/28/05	03/01/05	31,308.43 143,559.45	31,308.43 143.559.45		(27,401.13) (143,559.45)			3,907.30	3,907.30	-	
Guarantd Inv Certificates	1985 B&C Single Family 1985 B&C Single Family Total			-	174,867.88	174,867,88	0.00	(170,960.58)	0.00	0.00	3,907.30	3,907.30	0.00	0.00
	1900 Date Shirgle Fashiny Total				71 1,001 100	71 1,4-1744		(,,						
Repurchase Agreement	1987 B Single Family	2.59	02/28/05		225.51	225.51	35,846.56				36,072.07	36,072.07	-	
Guarantd Inv Certificates	1987 B Single Family	6.08		09/30/29	707,339.48	707,339.48		(102,233,62)			605,105.86 496.959.51	605,105.86 562,168.87	221,928.74	
Treasury Bond	1987 B Single Family	13.88	08/05/82	05/15/11	496,959.51 1,204,524.50	340,240.13 1,047,805.12	0.00 35,846.56	(102,233.62)	0.00	0.00	1,138,137.44	1,203,346.80	221,928.74	0.00
•	1987 B Single Family Total				1,204,524.50	1,041,000.12	55,540.50	(102,200.02)	0,00	0.00	1,100,107.17	7,230 0 10:00		
Repurchase Agreement	1995 A&B Single Family	2.59	02/28/05	03/01/05	40.666.84	40,666,84	5,465,925.77				5,506,592.61	5,506,592.61	-	
Guarantd Inv Certificates	1995 A&B Single Family	6.08		09/30/29	4,444,131.46	4,444,131.46		(3,378,709,88)			1,065,421.58	1,065,421.58	-	
Repurchase Agreement	1995 A&B Single Family	2.59			31.75	31.75	41.41				73.16	73.16	-	
Guarantd Inv Certificates	1995 A&B Single Family	6.08			2,441.39	2,441.39	31.75		(3,081.70	`	2,473.14 369,942.60	2,473.14 388,997.70	(3.402.94)	
FNMA FNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15			373,024.30 263,990.94	395,482,34 279,306,48			(1,927.66		262,063.28	274,992.51	(2,386.31)	
FNMA FNMA	1995 A&B Single Family	6.15			315.384.63	334.866.47			(3,791.04		311,593.59	328,127.30	(2,948.13)	
FNMA	1995 A&B Single Family	6.15			235,628.40	250,391.99			(1,665.57		233,962.83	246,582.57	(2,143.85)	
FNMA	1995 A&B Single Family	6.15	08/15/96	07/01/26	339,161.54	360,219.08			(3,359,53		335,802.01	353,725.29	(3,134.26)	
FNMA	1995 A&B Single Family	6.15			334,401.01	350,995.57			(2,629.22		331,771.79 243,670.37	345,378.97 253,215,06	(2,987.38) (2,258.69)	
FNMA	1995 A&B Single Family	6.15			247,106.53 583,195.78	258,909.91 610,872.59			(3,436,16 (30,746,69		552,449.09	573,919.36	(6,206.54)	
FNMA FNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15			430,398,26	451,111,21			(6,123.28		424.274.98	441,044.98	(3,942.95)	
FNMA	1995 A&B Single Family	6.15		01/01/27	274,205.60	287,106,77			(2,721.73		271,483.87	281,924.93	(2,460.11)	
FNMA	1995 A&B Single Family	6.15		03/01/27	72,143.02	75,593.94			(1,559.43		70,583.59	73,353.15	(681.36)	
FNMA	1995 A&B Single Family	6.15			328,576.76	345,491.60			(1,623.60		326,953.16	340,982.43	(2,885.57) (13,763,14)	
GNMA	1995 A&B Single Family	6.15			1,760,538.56	1,859,896.84			(78,039.77		1,682,498.79 573,814.30	1,768,093.93 603,188.93	(13,763.14)	
GNMA	1995 A&B Single Family	6.15 6.15			578,516.64 1,497,672.59	611,350.94 1,582,058.66			(4,702.34 (57,080.49		1,440,592.10	1.513,749.41	(11,228.76)	
GNMA GNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15			770,608.75	814,081.47			(5,838.71		764,770.04	803,659.48	(4,583.28)	
GNMA	1995 A&B Single Family	6.15			1,489,694.09	1,573,702.58			(62,663.28)	1,427,030.81	1,499,568.02	(11,471.28)	
GNMA	1995 A&B Single Family	6.15		05/20/26	1,029,831.52	1,088,280.36			(7,690.73		1,022,140.79	1,074,465.78	(6,123.85)	
GNMA	1995 A&B Single Family	6.15			2,204,812.20	2,329,453.55			(88,345,35		2,116,466.85	2,224,340.05	(16,768.15)	
GNMA	1995 A&B Single Family	6.15			633,469.01	669,068,51			(7,706.29		625,762.72 1,883,592.65	657,449.14 1.978.578.98	(3,913.08) (15,242.67)	
GNMA	1995 A&B Single Family	6.15			1,968,783.08	2,079,012.08 1,497,101.12			(85,190.43 (72,783.92		1,353,534.84	1,413,224.76	(11,092.44)	
GNMA GNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15			1,426,318.76 854,339.52	895,765.43			(175,982,38		678,357.14	707,504.89	(12,278.16)	

			Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value 11/30/04	Accretions/	Amortizations/ Sales	Maturities Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue	Rate 6.15	Date 09/26/96	Date 09/20/26	11/30/04 533,220.80	559,419.43	raionases	Sales	(4,457.24)	528,763.56	551,822.30	(3,139.89)	
SNMA	1995 A&B Single Family 1995 A&B Single Family	6,15	10/30/96	10/20/26	2,001,353.08	2.098.657.75			(168,271.26)	1,833,081.82	1,912,084.22	(18,302.27)	
GNMA GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	1,137,214.18	1,193,952.79			(52,933.14)	1,084,281.04	1,132,384.74	(8,634.91)	
SNMA	1995 A&B Single Family	6.15	12/23/96	12/20/26	642,023,68	672,915.20			(4,492.24)	637,531.44	664,688.49	(3,734.47)	
3NMA	1995 A&B Single Family	6.15	01/16/97	12/20/26	1,257,612.67	1,318,162.30			(16,050.72)	1,241,561.95 871.814.90	1,294,486.84 910,235.05	(7,624,74) (11,196,92)	
SNMA	1995 A&B Single Family	6.15	01/30/97	01/20/27	1,000,745.75	1,050,362.82			(128,930.85) (4,698.69)	721,884.18	753,647.94	(4,210.64)	
GNMA	1995 A&B Single Family	6.15	02/13/97	02/20/27	726,582.87	762,557.27			(2,488.99)	351,693.52	366,581.50	(2,054.00)	•
SNMA	1995 A&B Single Family	6.15	02/27/97	02/20/27	354,182.51	371,124.49			(3,968.16)	644,443,31	670.983.10	(3,726.91)	
GNMA	1995 A&B Single Family	6.15	03/27/97	03/20/27	648,411.47 366.037.25	678,678.17 382,724.90			(61,831.73)	304,205.52	316,404.17	(4,489,00)	
GNMA	1995 A&B Single Family	6.15	04/29/97 05/29/97	04/20/27 05/20/27	481,604.09	503,560.41			(2,781.95)	478,822.14	498,022,90	(2,755.56)	
GNMA	1995 A&B Single Family 1995 A&B Single Family	6,15 6.15	06/26/97	06/20/27	303,771,03	317,820.59			(1,627.28)	302,143.75	314,458.22	(1,735.09)	
GNMA GNMA	1995 A&B Single Family	6.15	08/18/97	07/20/27	583,803.36	616,378.86			(63,241.20)	520,562.16	546,723.09	(6,414.57)	
GNMA	1995 A&B Single Family	6.15	09/29/97	08/20/27	844,144.27	883,339.07			(69,377.69)	774,766.58	806,483.18	(7,478.20)	
GNMA	1995 A&B Single Family	6.15	02/26/98	02/20/28	198,035.40	206,915.29			(923.38)	197,112.02	204,866.39	(1,125.52)	
GNMA	1995 A&B Single Family	6.15	03/26/98	01/20/28	360,103.47	376,250.54			(2,779.92)	357,323,55	371,380.69	(2,089.93)	
GNMA	1995 A&B Single Family	6.15	04/29/98	04/20/28	346,229.61	361,754.52			(2,016.58)	344,213.03	357,754.34 565,659,86	(1,983.60) (3,123.59)	
GNMA	1995 A&B Single Family	6.15	06/25/98	05/20/28	547,153,14	571,687.51			(2,904.06) (3,053.89)	544,249.08 259,111.72	269,305.14	(1,562.05)	
GNMA	1995 A&B Single Family	6.15	07/16/98	06/20/28	262,165.61	273,921.08 561,800.41			(82.988.85)	454,701.48	472,589.48	(6,222.08)	
GNMA	1995 A&B Single Family 1995 A&B Single Family	6.15 6.15	09/10/98 11/19/98	07/20/28 10/20/28	537,690.33 903,665.94	944,186.33			(64,866.39)	838,799.55	871,797,94	(7,522.00)	
GNMA	1995 A&B Single Family Total	0,15	11719190	10/20/20	36,534,823,44	38,193,560.66	5,465,998.93	(3,378,709.88)	(1,453,373.51) 0.00	37,168,738.98	38,572,987.69	(254,488.51)	0.00
Repurchase Agreement	1996 A-C Single Family	2.59	02/28/05	03/01/05	1,589.99	1,589.99	83,924.94	(-1	, ,	85,514.93	85,514,93		
Investment Agreement	1996 A-C Single Family	6.13	11/15/96	09/01/28	757,583.16	757,583.16	,	(608,958.97)		148,624.19	148,624.19	-	
GNMA	1996 A-C Single Family	6.45	04/29/97	04/20/27	534,952.94	563,171.67		,	(2,603.60)	532,349.34	557,492.16	(3,075.91)	
GNMA	1996 A-C Single Family	6.45	05/29/97	05/20/27	134,927.29	142,044.72			(677.92)	134,249.37	140,589.99	(776.81)	
GNMA	1996 A-C Single Family	6.45	07/15/97	05/20/27	516,287,88	543,522.13			(3,349.22)	512,938.66	537,164.82	(3,008.09)	
GNMA	1996 A-C Single Family	6.45	08/28/97	08/20/27	348,627.67	367,017.75			(1,643.61)	346,984.06 225,046,60	363,372.09 235.675.54	(2,002.05) (1,301.16)	
GNMA	1996 A-C Single Family	6.45	10/15/97	08/20/27	226,163.19	238,093.29			(1,116.59) (1,799.72)	378,074.76	395,931.22	(2.181.90)	
GNMA	1996 A-C Single Family	6.45 6.45	11/25/97	10/20/27 12/20/27	379,874.48 321.870.37	399,912.84 338.849.08			(1,531.02)	320,339,35	335,469.03	(1.849.03)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.45	02/12/98 04/16/98	02/20/28	553,407,57	582,218.24			(3,700.37)	549,707.20	575,263.36	(3,254.51)	
GNMA	1996 A-C Single Family	6.45	08/13/98	06/20/28	351,616.62	369,921.79			(85,193.71)	266,422.91	278,808.92	(5,919.16)	
GNMA	1996 A-C Single Family	6.45	12/15/98	09/20/28	435,252.73	457,911.95			(73,350.84)	361,901.89	378,726.67	(5,834.44)	
GNMA	1996 A-C Single Family	6.45	01/28/99	11/20/28	87,503.94	92,059.39			(47,191.42)	40,312.52	42,186.65	(2,681.32)	
GNMA	1996 A-C Single Family	5.45	03/18/99	02/20/29	548,795.32	558,382.78			(2,763.61)	546,031.71	555,008.47	(610.70)	
GNMA	1996 A-C Single Family	5.45	06/24/99	05/20/29	605,860,24	616,444.61			(3,035.10)	602,825.14	612,735.57	(673.94)	
GNMA	1996 A-C Single Family	5,45	07/29/99	06/20/29	730,808.59	743,575.80			(3,435.30)	727,373.29 428,839.42	739,331.30 435,889,51	(809.20) (1,395.10)	
GNMA	1996 A-C Single Family	5.45		08/20/29	483,412.59	491,857.78			(54,573.17) (59,888.05)	455.029.59	462,510.26	(1,514.93)	
GNMA	1996 A-C Single Family	5.45 5.45		07/20/29 10/20/29	514,917.64 214,933.14	523,913.24 218,688.05			(49,620.99)	165.312.15	168.029.92	(1,037,14)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.45		12/20/29	1,150,259.56	1,170,354.58			(5,634.86)	1,144,624.70	1,163,442.32	(1,277.40)	
FNMA	1996 A-C Single Family	5.45		07/01/29	196,821,37	200,454.71			(939.77)	195,881.60	198,670.96	(843.98)	
Treasury Bond	1996 A-C Single Family	13,88		05/15/11	440,976,49	301,912.05	0.00		, ,	440,976.49	498,839,95	196,927.90	
Repurchase Agreement	1996 A-C Single Family	2.59	02/28/05	03/01/05	0.34	0.34		(0.33)		0.01	0.01	-	
Investment Agreement	1996 A-C Single Family	6.13		09/01/28	239,425.80	239,425.80	143,782.08		(85.0.10)	383,207.88	383,207.88	400 771	
GNMA	1996 A-C Single Family	5,45		02/20/29	113,025.84	115,000.38			(569.18)	112,456.66	114,305,43 126,194.49	(125.77) (138.80)	
GNMA	1996 A-C Single Family	5.45		05/20/29	124,778,48 150,511.89	126,958.38 153,141.36			(625.09) (707.50)	124,153.39 149,804.39	152,267,19	(166.67)	
GNMA	1996 A-C Single Family	5.45 5.45		06/20/29 08/20/29	99,560.04	101,299.38			(11,239.49)	88,320.55	89,772.57	(287.32)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.45		07/20/29	106,048.56	107,901.28			(12,334.10)	93,714,46	95,255,18	(312.00)	
GNMA	1996 A-C Single Family	5.45		10/20/29	44,266,07	45,039.37			(10,219.57)	34,046.50	34,606.20	(213.60)	
GNMA	1996 A-C Single Family	5.45		12/20/29	236,898.91	241,037.54			(1,160.51)	235,738.40	239,613.95	(263.08)	
GNMA	1996 A-C Single Family	6.15	11/12/02	11/20/32	13,390.61	14,107.00			(41.89)	13,348.72	6,227.18	(7,837.93)	
GNMA	1996 A-C Single Family	5.40		10/20/32	19,123,27	19,583.27			(68.91)	19,064.36	13,988.31	(5,526.05)	
GNMA	1996 A-C Single Family	6.15		09/20/32	13,811.57	14,550.14			(45.03)	13,766.54 12,089.52	19,488.25 14,425.82	4,983.14 2.044.40	
GNMA	1996 A-C Single Family	5.40		09/20/32	12,135.14	12,427.04			(45.62) (58.53)	16,834.11	12,364.81	(5,373.07)	
GNMA GNMA	1996 A-C Single Family	6.15 5.40		09/20/32 09/20/32	16,892.64 8,310,19	17,796.41 8,510.09			(33,48)	8,276.71	17,640.75	9,164.14	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.40 6.15		10/20/32	11,262.27	11,865.18			(37.62)	11,224.65	8,465.18	(3,362.38)	
GNMA	1996 A-C Single Family	6.15		10/20/32	6,619.93	6,974.12			(23.34)	6,596.59	11,762.87	4,812.09	
GNMA	1996 A-C Single Family	5.40			2,950.23	3,021.24			(10.84)	2,939.39	6,912.69	3,902.29	
GNMA	1996 A-C Single Family	6.15	11/05/02	10/20/32	5,682.55	5,986.63			(17.75)	5,664.80	3,006.35	(2,962.53)	
GNMA	1996 A-C Single Family	5.40			7,225.20	7,399.00			(34.09)	7,191.11	5,936.28	(1,428.63)	
GNMA	1996 A-C Single Family	6.15			4,191.07	4,415.30			(12.97)	4,178.10	7,354.85	2,952.52 (871.99)	
GNMA	1996 A-C Single Family	5.40			5,144.72	5,268.48			(18.18)	5,126.54 24,717.76	4,378.31 5,243.29	(21,203.70)	
GNMA	1996 A-C Single Family	6.15	1 11 10 07 00		32,321.18 13,958.13	34,050.41 14,293.86			(7,603.42) (50.28)	13,907.85	25,902.15	11,658.57	
GNMA	1996 A-C Single Family	5.40	11/26/02	11/20/32	13,900.13	14,230,00			100.00)	12,001.00	,	-,	

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	
		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Maturities	Transfers	Carrying Value 02/28/05	Market Value 02/28/05	in Market Value	Recognized Gain
Investment Type	Issue	Rate 6.15	Date 11/26/02	Date 11/20/32	11/30/04 12,387.05	11/30/04 13,049.77	Purchases	Sales	(41.54)	Halloicis	12,345.51	14,224.54	1,216.31	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.40	11/26/02	11/20/32	7,549.09	7,730.66			(56.18)		7,492.91	12,937.07 7,663.52	5,262.59 1,460.34	
GNMA	1996 A-C Single Family	6.15	12/12/02	12/20/32	5,905.47	6,221.38			(18.20) (20.15)		5,887.27 5,588.43	6,169.33	445.94	
GNMA	1996 A-C Single Family	5.40 6.15	12/12/02 12/30/02	12/20/32 12/20/32	5,608.58 14,669.38	5,743.54 15,454.20			(78.26)		14,591.12	5,715.73	(9,660.21)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5,40	12/30/02	12/20/32	10,614.38	10,869.68			(37.42)		10,576.96	15,290.28	4,458.02	
GNMA	1996 A-C Single Family	6.15	12/30/02	12/20/32	16,846.20	17,747.52			(4,675.23)		12,170.97	10,817.80	(2,254.49)	
GNMA	1996 A-C Single Family	5.40	12/30/02	12/20/32	10,178.18	10,423.00			(35.76)		10,142.42	12,754.19 10.373.37	2,366.95 4,111.99	
GNMA	1996 A-C Single Family	6.15	01/07/03	12/20/32	5,961.49	6,280.41			(19.03) (128.72)		5,942.46 25,098.41	10,373.37 26.343.41	4,111.99 (140.65)	
GNMA	1996 A-C Single Family	6.15 5.40	01/23/03 01/23/03	01/20/33 01/20/33	25,227.13 14,531.68	26,612.78 14,872.42			(54.24)		14,477.44	14,803.62	(14.56)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15	01/23/03	01/20/33	9,726.05	10,260.26			(29.74)		9,696.31	10,177.28	(53.24)	
GNMA	1996 A-C Single Family	5.40	01/23/03	01/20/33	5,301.32	5,425.61			(18.51)		5,282.81	5,401.82	(5.28)	
GNMA	1996 A-C Single Family	6.15	01/30/03	01/20/33	21,119.36	22,279.33			(70.16) (136.03)		21,049.20 22,229.62	22,093.29 22,730.46	(115.88) (23.63)	
GNMA	1996 A-C Single Family	5.40 6.15	01/30/03 02/12/03	01/20/33 02/20/33	22,365.65 24,641.89	22,890.12 25,995.35			(88.60)		24,553.29	25,771.21	(135.54)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15	02/20/03	02/20/33	11.151.81	11,764.33			(2,308.71)		8,843.10	9,281.76	(173.86)	
GNMA	1996 A-C Single Family	5.40	03/03/03	03/20/33	6,067.35	6,209.62			(20.93)		6,046.42	6,182.64	(6.05)	
GNMA	1996 A-C Single Family	6.15	02/27/03	02/20/33	25,877.34	27,298.68			(79.88)		25,797.46 5.489.62	27,077.12 5,613.29	(141.68) (5.49)	
GNMA	1996 A-C Single Family	5.40	02/27/03	01/20/33	5,508.85	5,638.01 22,733.34			(19.23) (87.43)		21,462.26	22,526.88	(119.03)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15 6.15	03/12/03	02/20/33	21,549.69 16,601.12	17,512.99			(50.40)		16,550.72	17,371.73	(90.86)	
GNMA	1996 A-C Single Family	5.40	03/24/03	02/20/33	5,681.17	5,814.37			(21.07)		5,660.10	5,787.61	(5.69)	
GNMA	1996 A-C Single Family	6.15	04/02/03	04/20/33	21,121.75	22,281.89			(62.30)		21,059.45	22,104.10	(115.49)	
GNMA	1996 A-C Single Family	6.15	04/02/03	03/20/33	8,231.24	8,683.32			(24.90)		8,206.34 16,378.19	8,613.39 17,190.60	(45.03) (90.60)	
GNMA	1996 A-C Single Family	6.15 6.15	04/10/03	03/20/33	16,440.87 3,641.38	17,343.88 3,841.34			(62.68) (10.96)		3,630,42	3,810.44	(19.94)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.40	04/10/03	03/20/33	4,691.38	4,801.42			(16.38)		4,675.00	4,780.37	(4.67)	
GNMA	1996 A-C Single Family	6.15	04/17/03	04/20/33	8,419.96	8,882.44			(25.44)		8,394.52	8,810.94	(46,06)	
GNMA	1996 A-C Single Family				5,621.35	5,753.14			(5,621.35)		n non 07	0.400.40	(131.79)	
GNMA	1996 A-C Single Family	6.15		04/20/33	8,725.64	9,204.88			(26.97) (14.37)		8,698.67 4,512.51	9,130.13 4,736.38	(47.78) (24.81)	
GNMA	1996 A-C Single Family	6.15 6.15	04/29/03 05/08/03	03/20/33 04/20/33	4,526.88 5,275.56	4,775.56 5,565.33			(16.32)		5,259.24	5,520.13	(28.88)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15	05/08/03	04/20/33	4,330.51	4,568.38			(13.39)		4,317.12	4,531.30	(23.69)	
GNMA	1996 A-C Single Family		44.74.74		5,716.70	5,850.77			(5,716.70)				(134.07)	
GNMA	1996 A-C Single Family	6.15		04/20/33	9,233.28	9,740.47			(28.29)		9,204.99	9,661.65	(50.53)	
GNMA	1996 A-C Single Family	6.15	05/22/03	05/20/33 06/20/33	3,289.50	3,470.21 3,442.76			(9.87) (9.90)		3,279.63 3,253.59	3,442.35 3,415.02	(17.99) (17.84)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15 6.15	06/10/03 06/10/03	06/20/33	3,263.49 4,716.67	4,975.76			(14.90)		4,701.77	4,935.01	(25.85)	
GNMA	1996 A-C Single Family	5.40		04/20/33	6,728.75	6,886.57			(23.04)		6,705.71	6,856.81	(6.72)	
GNMA	1996 A-C Single Family	6.15	06/19/03	05/20/33	4,209.49	4,440.68			(15.32)		4,194.17	4,402.20	(23.16)	
GNMA	1996 A-C Single Family				4,773.03	5,035.20			(4,773.03) (8.03)		2.664.21	2,796.35	(262.17) (14.63)	
GNMA	1996 A-C Single Family	6.15 6.15		07/20/33 07/20/33	2,672.24 4,892.78	2,819.01 5.161.52			(24.23)		4,868.55	5,110.04	(27.25)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15			8,193.16	8,643.16			(24.76)		8,168.40	8,573.57	(44.83)	
GNMA	1996 A-C Single Family	6.15			2,489.85	2,626.67			(7.43)		2,482.42	2,605.63	(13.61)	
GNMA	1996 A-C Single Family	6.15	09/04/03	08/20/33	2,843.19	2,999.31			(8.29)		2,834.90	2,975.47	(15.55) (276.37)	
GNMA	1996 A-C Single Family		20,000,000	09/20/33	5,032.22 11.828.07	5,308.59 12,477.69			(5,032.22) (34.65)		11.793.42	12,378.39	(276.37)	
GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15 6.15			7,865.78	8,297.84			(23.00)		7.842.78	8,231.83	(43.01)	
GNMA GNMA	1996 A-C Single Family	0.10	10100100	00/20/00	5,346.28	5,639.91			(5,346.28)		.,.	,	(293.63)	
GNMA	1996 A-C Single Family	6.15			3,369.62	3,554.70			(9.60)		3,360.02	3,526.69	(18.41)	
GNMA	1996 A-C Single Family	6.15	QE-2010.		2,473.09	2,608.99			(6.95)		2,466.14 5.319.69	2,588.54 5,583.69	(13.50) (29.13)	
GNMA	1996 A-C Single Family	6.15 5.40			5,334.62 24,295.12	5,627.75 24,876.68			(14.93) (76.93)		24.218.19	24.780.37	(19.38)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	6.15			2,052,98	2,165.77			(5.68)		2,047.30	2,148.88	(11.21)	
GNMA	1996 A-C Single Family	5.40			43,454.85	44,522.03			(142.33)		43,312.52	44,344.88	(34.82)	
GNMA	1996 A-C Single Family	5.40			44,538.12	45,563.93			(6.575.24)		37,962.88	38,809.83	(178.86)	
GNMA	1996 A-C Single Family	5.40			53,971.76	55,263.57			(201.93) (151.48)		53,769.83 48,699.03	55,019.37 49,783.90	(42.27) (38.90)	
GNMA	1996 A-C Single Family	5.40 5.40			48,850.51 18,489.12	49,974.28 18,954.25			(72.02)		18,417.10	18,867.15	(15.08)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.40			18,696.14	19,143.62			(96.13)		18,600.01	19,031.76	(15.73)	
GNMA	1996 A-C Single Family	5.40			24,879.46	25,474.83			(78.18)		24,801.28	25,376.78	(19.87)	
GNMA	1996 A-C Single Family	5.40			19,963.07	20,434.29			(75.19)		19,887.88	20,342.90 41,478.05	(16.20) (32.48)	
GNMA	1996 A-C Single Family	5.40 5.40			40,666.37 10.850.67	41,640.37 11,105.91			(129.84) (38.27)		40,536.53 10.812.40	41,478.03 11.058.90	(32.40)	
GNMA GNMA	1996 A-C Single Family 1996 A-C Single Family	5.40 6.40			10,850.67 6,952.43	7,115.61			(21.85)		6,930.58	7,088.22	(5.54)	
GNMA	1996 A-C Single Family	5.40			0,000.40	.,	24,327.52	!			24,327.52	24,869.47	541.95	
GNMA	1996 A-C Single Family	5.40	10/14/04	10/20/34	48,644.42	49,641.13			(163.88)		48,480.54	49,439.63	(37.62)	

Investment Type	ognized Gain
1986 A-C Single Family 5.40 10/21/04 10/20/34 22/931/31 95.069.13 (3,853.82) 89.277.49 91.2863.44 (148.97)	
1986 A-C Single Family	
ShMA 1996 A-C Single Family 540 10/280/4 10/20/34 23,763.51 24,290.42 12,801.52 12,901.64 17,201.64 10/20/34	
ShMA 1996 A-C Single Family 4.49 10/29/04 10/20/34 30,286.83 29,397.85 (780.32) 131,519.52 127,974.70 253.50	
ShMA 1996 A-C Single Family 5.40 11/04/04 11/20/34 23,632.66 24,176.32 (120.98) 23,511.68 24,035.46 (19.88) (19.79) (19.	
SMMA 1996 A-C Single Family 4.49 11/10/04 11/20/34 28,421.20 27,605.23 (194.79) 28,226.41 27,455.63 55.19	
Separation Sep	
1996 A-C Single Family 1996 A-C Single Family 5.40 12/23/04 12/23/0	
14,175.80 14,1	
Sepurchase Agreement 1996 A-C Single Family 5.40 08/14/03 08/01/32 5.906.26 5.993.73 (21.19) 5.695.05 (31.42) 3.363.42 3.499.84 (27.79) (27.99) (2	
FINMA 1996 A-C Single Family 5.15 08/14/03 12/01/31 3,394.84 3,599.05 (21.00) 7,242.75 7,337.25 (23.47) FINMA 1996 A-C Single Family 5.45 03/01/04 02/01/34 7,263.75 7,381.72 (21.00) 7,242.75 7,337.25 (23.47) FINMA 1996 A-C Single Family 5.40 02/01/34 5,295.86 5,559.65 (14.88) 5,280.98 5,503.14 (41.63) FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,699.53 15,910.59 (60.09) 15,639.44 15,799.40 (51.10) FINMA 1996 A-C Single Family 4.49 11/04/04 10/01/34 15,926.55 15,384.06 (60.58) 15,865.99 15,343.75 20.25 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.58) 15,865.99 15,343.75 20.25 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.58) 15,865.99 15,343.75 20.25 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.95) 0.12,394.00.91 266,210.34 (608,959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (608,959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (608,959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 FINMA 1996 A-C Single Family 5.40 10/28/04 10/01/34 15,926.55 15,384.06 (60.959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.02 151,280.71	
**NMA	
NMA 1996 A-C Single Family 5.15	
NMA 1996 A-C Single Family 4.49 11/04/04 10/01/34 15,926.55 15,384.06 (60.58) 15,865.99 15,343.75 20.25 NMA 1996 A-C Single Family Total 12,198,988.10 12,394,000.91 266,210.34 (608,959.30) (495,648.24) 0.00 11,360,590.90 11,766,884.42 151,280.71 Repurchase Agreement 1996 D&E Single Family 2.59 02/28/05 03/01/05 330,404.83 330,404.83 1,876.38 332,281.21 332,281.21 382,28	
1996 A-C Single Family Total 12,198,988.10 12,198,988.10 12,394,000.91 266,210.34 (608,959.30) (495,648.24) 0.00 11,360,590.90 11,706,884.42 151,280.71 332,281.21 332,281.21 332,281.21 322,81.21	
Repurchase Agreement 1996 D&E Single Family 2.59 02/28/05 03/01/05 330,404.83 330,404.83 1,876.38 332,281.21 332,281.21 - 322,007.007.007.007.007.007.007.007.007.007	0.00
Repurchase Agreement 1996 D&E Single Family 2.59 02/28/05 03/01/05 70,258.04 70,258.04 6,654,122.29 6,724,380.33 6,724,380.33 -	
2anurchase Agraement 1996 D.R.F. Single Family 2.59 02/28/05 03/01/05 /0.258.04 /0.258.04 5,004,122.29	
10 004 006 40)	
Sugrand in Certificates 1990 Data Single Form 936,087,99 1,278,145.85 (32,978.84)	
1996 Date Single Family 15.25 Odd/507 03/01/27 486 687 37 510 204.11 (3,048.71) 483,638.66 502,868.14 (4,287.26)	
50,434.91 550,435.25 (4,713.04) 50,000 DEF Single Family 6.25 05/29/97 05/01/27 533,182.54 558,945.92 (3,747.63) 529,434.91 550,485.25 (4,713.04)	
FNMA 1996 D&E Single Family 6.25 06/26/97 05/01/27 328,030.87 343,881.31 (1,975.71) 326,003.16 339,018.70 (2,698.43)	
FNMA 1996 D&E Single Family 6.25 08/18/97 06/01/27 301.553.46 317.626.27 (2,193.99) 269.09.01 319.09.01 319.09 50 401.870.00 419.837.63 (3.661.45)	
FNMA 1996 DRE Single Family 6.25 Usi/2997 GOUTEZ 403,790.05 421,421.07	
FNMA 1996 D&E Single Family 6.25 01/29/36 1/01/27 304/70/40 3 198 957 22 3 230 569 95 (26 575 92)	
CNMA 1996 D& Single Family 6.25 04/15/97 04/20/27 1.491.468.90 1.563,014.65 (70,618.69) 1.420,850.21 1,481,193.71 (11,202.25)	
CANAA 1996 D3F Single Family 6.25 04/29/97 04/20/27 1,383,512,09 1,449,879.10 (82,468.33) 1,301,043.76 1,356,299.02 (11,111.75)	
GNMA 1996 D&E Single Family 6.25 05/15/97 05/20/27 1,461,019.09 1,531,104.14 (52,400.23) 1,405,018.09 (40,500.03)	
GNMA 1990 D&E Strigge Parmity 0.25 Con 17/97 Co22027 2, 100,091,77 2200,001,77 200,001,7	
GNMA 1996 D&E Single Family 6.25 Colored Color	
GNMA 1996 D&E Single Family 6.25 07/1397 08/20/27 095 13/17 1926 (9.536.03)	
CANAA 1996 DE Single Family 6.25 08/18/97 07/20/27 1.934.534.03 2.027.333.67 (185,681.80) 1,748,852.23 1,823,126.04 (18,525.83)	
GNMA 1996 D&E Single Family 6.25 08/28/97 08/20/27 2,343,738.48 2,456,167.58 (316,004,28) 2,027,734.20 2,113,862.03 (26,311.27)	
GNMA 1996 D&E Single Family 6.25 09/18/97 09/20/27 650,624.91 681,835.37 (4,995.89) 640,229.05 07(3)77.00 (7) (9,707.73)	
GNMA 1996 D&E Single Family 0.25 09/2997 09/20/27 650,400.5 070,000.5 (61.951.23) 638.825.67 665.956 54 (6.456.55)	
GNMA 1996 D&E Single Family 6.25 10/15/97 09/20/27 700,170.00 755,700.02 (400.007.05) 694 646.07 696.347 18 (9.349.007.05)	
GNMA 1996 D&E Simile Family 0.25 10/3097 10/2027 705/02/02 745/05/05 (10.548.44)	
SNMA 1996 D&F Single Family 6.25 11/25/97 11/20/27 646,911.95 677,944.30 (3,608.94) 643,303.01 670,624.07 (3,711.29)	
GNMA 1996 D&E Single Family 6.25 12/17/97 11/20/27 1,065,492.54 1,116,604.22 (61,787.85) 1,003,704.69 1,046,332.02 (8,484.35)	
GNMA 1996 D&E Single Family 6.25 01/29/98 01/20/28 1,735,382.97 1,817,379.81 (171,713.81) 1,000,009.16 1,020,909.44 (10,710.81) 1,000,009.16 (10,710.81) 1,	
GNMA 1996 D&E Single Parilly 6.25 04/28/96 04/20/26 1,125,044.01 (1,102,000.05) (22,039,40) 268,692,67 279,902,23 (5,418,88)	
GNMA 1996 D&E SINGIE FAMILY 6.25 07/00/96 09/20/20 331,500.70 000,500.00	
GNIMA 1996 Date Single Family 0.23 03/2/98 08/2/98 08/2/98 338.307 01 354.291.98 (1,595.11) 336,711.90 350,759.48 (1,937.39)	
CNMA 1996 D&F Single Family 6.25 10/0198 08/20/28 352,597.61 369,257.84 (62,020.31) 290,577.30 302,700.18 (4,537.35)	
SNMA 1996 D&E Single Family 6.25 10/29/98 09/20/28 243,369.82 254,869.04 (1.125.77) 242,244.05 25/2,350.47 (1.392.80)	
GNMA 1996 D.E. Single Family 6.23 12129/96 10/20125 (37,505,000 42 (79,550,000 42	
GNMA 1996 USE: Single Pamily 0.25 10/20/99 07/20/29 250,504.20 250,504.20 (584.72)	
GNMA 1990 DAE Single Family 0.25 17/2019 10/2012 10/2013 10/20	
FANTA 1996 De F. Single Family 6.25 01/28/00 09/01/29 267.986.52 282.042.41 (1,486.11) 266,500.41 278,205.11 (2,351.19)	
Treasury Bond 1996 D&E Single Family 13.88 08/05/82 05/15/11 562,094.30 384,814.30 0.00 562,094.30 635,850.43 251,036.13	
Repurchase Agreement 1996 D&E Single Family 2.59 02/28/05 03/01/05 957.46 957.46 2,379.46 3,336.92 3,336.92 3,336.92	
Guarantd Inv Certificates 1996 D&E Single Family 6.08 04/06/98 09/30/29 3,010,003.06 3,010,003.06 (2,005,319.24) 1,004,003.02 (4,004,004.02 (4,004,003.02 (4,004,004,003.02 (4,004,003.02 (4,004,003.02 (4,004,003.02 (4,004,003.0	
FNMA 1996 D&E Single Family 5.45 01/29/00 07/01/29 40,555.90 41,256.17	
GNMA 1996 D&E Single Family 5.40 09/29/02 08/20/02 11,216.01 11,00.01 100.41 (10.38) 3.215.71 3,373.42 (18.55)	
GNMA 1996 D&F Single Family 6.15 09/12/02 09/20/32 7.661.71 8.100.43 (25.39) 7.666.32 8.030.84 (44.20)	
GNMA 1996 D&E Single Family 5.40 09/19/02 09/20/32 17,800.40 18,264.68 (75.56) 17,724.84 18,164.37 (24.75)	
GNMA 1996 D&E Single Family 104,655.84 101,651.18 (104,655.84) 3,004.65 (2750.06)	
GNMA 1996 D&E Single Family 4.49 12/09/04 12/20/34 1005/12.21	
GNMA 1996 D&E Single Family 4.49 12/16/04 12/20/34 93,849.65 93,849.65 93,849.65	

	4	Current Interest	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/36/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type 3NMA	Issue 1996 D&E Single Family	Rate 4.49	11/23/04	11/20/34	1 1130/04	11100104	104,037.53	4			104,037.53	101,233.46	(2,804.07)	
3NMA	1996 D&E Single Family	4.49	12/02/04	12/20/34			168,800.20				168,800.20	164,250.56	(4,549.64)	
SNMA	1996 D&E Single Family	4.49	12/23/04	12/20/34			99,155.86				99,155.86 114,712.70	96,483.32 111,620.87	(2,672.54) (3,091.83)	
3NMA	1996 D&E Single Family	4.49	12/29/04	12/20/34			114,712.70 205,361,98				205.361.98	199,758.47	(5,603.51)	
SNMA	1996 D&E Single Family	4.49	01/06/05	01/20/35			22,805.10				22,805.10	23,309.91	504.81	
GNMA	1996 D&E Single Family	5.40 4.49	01/06/05 01/13/05	01/20/35 01/20/35			112,836.06				112,836.06	109,757.21	(3,078.85)	
GNMA	1996 D&E Single Family 1996 D&E Single Family	5.40	01/13/05	01/20/35			9,705.10				9,705.10	9,919.93	214.83	
GNMA GNMA	1996 D&E Single Family	4.49	01/19/05	01/20/35			136,398.03				136,398.03	132,676.27	(3,721.76)	
GNMA	1996 D&E Single Family	5.40	01/19/05	01/20/35			13,410.86				13,410.86	13,707.72	296.86	
GNMA	1996 D&E Single Family	4.49	01/27/05	01/20/35			155,580.15				155,580.15	151,334.98	(4,245.17)	
GNMA	1996 D&E Single Family	4.49	02/03/05	02/20/35			233,819.86				233,819.86 75,102.78	227,439.84 73,053.52	(6,380.02) (2,049.26)	
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35			75,102.78				163,818.92	159,348,95	(4,469,97)	
GNMA	1996 D&E Single Family	4.49	02/10/05	02/20/35			163,818.92 9.895.59				9.895.59	10,116,03	220.44	
GNMA	1996 D&E Single Family	5.40 4.49	02/17/05 02/17/05	11/20/34 02/20/35			108,419.08				108,419.08	105,460,75	(2,958.33)	
GNMA	1996 D&E Single Family 1996 D&E Single Family	4,49	02/24/05	02/20/35			100.383.23				100,383.23	97,644.17	(2,739.06)	
GNMA FNMA	1996 D&E Single Family	4.49	12/23/04	12/01/34			16,869.41				16,869.41	16,314.12	(555.29)	
FNMA	1996 D&E Single Family	4.49	01/19/05	01/01/35			22,213.42				22,213,42	21,482.24	(731.18)	
FNMA	1996 D&E Single Family	4.49	01/27/05	01/01/35			22,662.52				22,662.52	21,917.00	(745.52)	0.00
	1996 D&E Single Family Total				39,975,245.29	41,707,879.68	8,749,386.55	(4,927,305.64)	(2,332,818.77)	0.00	41,464,507.43	43,084,253.31	(112,888.51)	0.00
Repurchase Agreement	1997 A-C Single Family	2.59	02/28/05	03/01/05	27.08	27.08	0.08				27.16	27.16	-	
Repurchase Agreement	1997 A-C Single Family	2.59	02/28/05	03/01/05	78,880.30	78,880.30	11,256,816.30				11,335,696.60	11,335,696.60	•	
Guarantd Inv Certificates	1997 A-C Single Family	6.14	09/17/97	08/31/29	7,003,539.41	7,003,539.41		(6,400,283.83)	14 CCD CO		603,255.58	603,255.58 330,280.09	(2,815,38)	
FNMA	1997 A-C Single Family	6.25	02/20/98	01/01/28	319,643.09	335,088.29			(1,992.82) (50,305.73)		317,650.27 336,406,88	349,516,68	(5,243.61)	
FNMA	1997 A-C Single Family	6.25 6.25	03/27/98	03/01/28 05/01/28	386,712.61 376,473.13	405,066.02 394,340.56			(105,646.18		270,826.95	281,381.09	(7,313.29)	
FNMA	1997 A-C Single Family 1997 A-C Single Family	6.25	02/20/98	01/20/28	2,891,336.89	3,027,952.54			(293,465.27		2,597,871,62	2,706,254.81	(28,232.46)	
GNMA FNMA	1997 A-C Single Family	6.25	11/30/98	09/01/28	480,209.91	503,000.70			(37,729.22		442,480.69	459,724.19	(5,547.29)	
GNMA	1997 A-C Single Family	6.25	03/27/98	03/20/28	4,622,324.10	4,840,728.94			(324,871.01		4,297,453.09	4,476,742.85	(39,115.08)	
GNMA	1997 A-C Single Family	6.25	05/19/98	05/20/28	3,266,439.63	3,420,778.88			(224,528.87		3,041,910.76	3,168,819.25	(27,430.76)	
GNMA	1997 A-C Single Family	5.45	07/28/00	06/20/30	1,844,776.36	1,875,897.72			(260,458.54		1,584,317.82 1,789.008.55	1,609,603.52 1,863,646.00	(5,835.66) (16,016.14)	
GNMA	1997 A-C Single Family	6.25	08/14/98	07/20/28	1,918,594.24	2,009,247.83			(129,585.69 (49,685,77		726,588.32	756,901.61	(6.365.68)	
GNMA	1997 A-C Single Family	6.25 6.25	06/29/98 09/18/98	06/20/28 09/20/28	776,274.09 1,335,658.93	812,953.06 1.398,768.81			(344,159.91		991,499.02	1,032,864.36	(21.744.54)	
GNMA	1997 A-C Single Family 1997 A-C Single Family	6.25		11/01/28	208,025.13	217,897.96			(56,552.29		151,472,84	157,375.69	(3,969.98)	
FNMA GNMA	1997 A-C Single Family	6.25		11/20/28	1,081,394.54	1.132,490.44			(75,888.63		1,005,505.91	1,047,455.63	(9,146.18)	
GNMA	1997 A-C Single Family	6.25		10/20/28	835,487.23	874,963.99			(140,476.02)	695,011.21	724,007.06	(10,480.91)	
GNMA	1997 A-C Single Family	6.25		10/20/28	443,914.41	464,889,40			(232,475.63		211,438.78	220,260.04	(12,153.73)	
FNMA	1997 A-C Single Family	6.25		11/01/28	232,018.37	243,229.48			(63,323.98		168,694.39	175,401.66	(4,503.84)	
GNMA	1997 A-C Single Family	6.25		02/20/29	2,035,661.56	2,130,380.91			(399,251.64		1,636,409.92 71,765.89	1,703,666.38 74,715.49	(27,462.89) (2,149.24)	
GNMA	1997 A-C Single Family	6.25		02/20/29	109,581.32	114,680.16			(37,815.43 (52,656.04		503,380,34	524,069.27	(5.183.45)	
GNMA	1997 A-C Single Family	6.25 5.45		05/20/29 07/20/29	556,036.38 1,221,946.92	581,908.76 1,243,294.33			(53,688.28		1,168,258.64	1,187,464.82	(2,141.23)	
GNMA GNMA	1997 A-C Single Family 1997 A-C Single Family	5.45 5.45		08/20/29	1,007,283.91	1,024,881.13			(108,892.16		898,391.75	913,161.28	(2,827.69)	
FNMA	1997 A-C Single Family	5.45		08/01/29	183,697.32	186,172.34			(1,152.86		182,544.46	184,240.91	(778.57)	
GNMA	1997 A-C Single Family	5.45		09/20/29	659,259.68	670,777.00			(143, 129.56		516,130.12	524,615.34	(3,032.10)	
FNMA	1997 A-C Single Family	5.45			528,074.87	535,188.06			(3,065.01		525,009.86	529,887.22	(2,235.83)	
FNMA	1997 A-C Single Family	5.45			323,377.56	327,733.43			(1,831.59		321,545.97	324,533.10	(1,368.74)	
GNMA	1997 A-C Single Family	5.45		10/20/29	1,821,644.93	1,853,469.01			(123,235.89 (82,069.05		1,698,409.04 285,870.75	1,726,330.83 290,570.47	(3,902.29) (1,728.19)	
GNMA	1997 A-C Single Family	5.45			367,939.80 3.831,012.21	374,367.71 3.897,939.98			(298,623.12		3,532,389.09	3.590.461.55	(8.855.31)	
GNMA	1997 A-C Single Family	5.45 5.45			1,051,489.13	1.069.227.76			(77,044.35		974,444.78	989,996.93	(2,186.48)	
GNMA GNMA	1997 A-C Single Family 1997 A-C Single Family	5.45			401,083.45	407,849,70			(68,314.30		332,769.15	338,080.12	(1,455.28)	
GNMA	1997 A-C Single Family	5.45			591,863.06	601,847.80			(3,537.15)	588,325.91	597,715.60	(595.05)	
FNMA	1997 A-C Single Family	5.45		03/01/30	323,923.11	328,192.40			(2,112.73		321,810.38	324,700.22	(1,379.45)	
GNMA	1997 A-C Single Family	5.45			1,059,381.47	1,077,253.25			(128,800.09		930,581.38	945,433.47	(3,019.69) (189.77)	
GNMA	1997 A-C Single Family	5.45			193,510.88	196,775.45			(856.64		192,654.24 761,890.27	195,729.04 774,049.98	(1,711.63)	
GNMA	1997 A-C Single Family	5.45			822,251.92	836,123.26 1,706,363,34			(60,361,65 (7,743.61		1,670,310.95	1,696,969.12	(1,650.61)	
GNMA	1997 A-C Single Family	5.45 5.45			1,678,054.56 315,079.80	319,232.55			(2.422.65		312,657.15	315,464.80	(1,345.10)	
FNMA	1997 A-C Single Family 1997 A-C Single Family Total	0.40	01124100	CONTRACT	47,183,883.29	48,523,399.74	11,256,816.38	(6,400,283.83)	(4,047,749.36		47,992,666.48	49,051,069.81	(281,113.12)	0.00
	4007 D # 0: #	A 50	02/00/07	00.004.00	40 070 00	16,272.28	92.43				16.364.71	16,364.71	-	
Repurchase Agreement	1997 D-F Single Family	2.59 2.59			16,272.28 68,784.32	68,784.32	10,151,572.36				10,220,356.68	10,220,356.68	_	
Repurchase Agreement Guarantd Inv Certificates	1997 D-F Single Family 1997 D-F Single Family	2.58	UZ/Z0/U3	03/0 1/03	1,742,247.97	1,742,247.97	10, 101,012.00	(1,742,247.97)					-	
Guaranto inv Certificates Guaranto inv Certificates	1997 D-F Single Family	5.91	12/04/97	03/01/30	6,171,480,48	6.171,480.48		(3,709,156.44)			2,462,324.04	2,462,324.04		
FNMA	1997 D-F Single Family	6.25			424,630.30	444,783.96			(3,257.57	7)	421,372.73	437,794.32	(3,732.07)	
	• •													

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Trans	fers	02/28/05	02/28/05 247,519.57	Value (2,077.65)	Gain
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	239,395.10	250,756.77			(1,159.55) (187,708.02)		238,235.55 1,342,476,26	1,398,484.41	(16,293.10)	
3NMA	1997 D-F Single Family	6.25 5.45	05/19/98 07/24/00	05/20/28 06/20/30	1,530,184.28 2,145,796,83	1,602,485.53 2,181,996,44			(232,284.85)		1,913,511.98	1,944,051.64	(5,659.95)	
3NMA 3NMA	1997 D-F Single Family 1997 D-F Single Family	6.25	08/14/98	07/20/28	390.943.43	409,415.52			(56,155.96)		334,787.47	348,754.82	(4,504.74)	
3NMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	347,388.76	353,249.22			(52,634.29)		294,754.47	299,458.75	(1,156.18)	
3NMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	942,082.96	986,596.39			(84,584.77)		857,498.19	893,273.02 1,574,441.76	(8,738.60) (12,343.74)	
SNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	1,595,741.90	1,671,140.77			(84,355.27) (1,034.86)		1,511,386.63 233,834.10	242.946.62	(2,034.36)	
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	234,868.96	246,015.84 1,355,158.87			(198,974.48)		1,095,042.14	1,140,727.26	(15,457.13)	
SNMA	1997 D-F Single Family 1997 D-F Single Family	6.25 6.25	11/30/98 11/30/98	11/20/28 10/20/28	1,294,016.62 883,012.71	924,735.06			(98,238.65)		784,774.06	817,514.83	(8,981.58)	
GNMA GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	177,817.30	186,219.17			(894.58)		176,922.72	184,303.94	(1,020.65)	
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	223,936.90	234,405.95			(1,075.65)		222,861.25	231,381.24	(1,949.06)	
3NMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	2,886,589.78	3,020,902.83			(537,681.66)		2,348,908.12	2,445,448.27 930.806.98	(37,772.90) (5,064.86)	
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	898,576.31	940,387.09			(4,515.25) (80,797.01)		894,061.06 788.087.81	820,478.21	(8,038,81)	
SNMA	1997 D-F Single Family 1997 D-F Single Family	6.25 5.45	05/27/99 06/22/99	04/20/29 06/20/29	868,884.82 1,049,231.80	909,314.03 1,067,561,87			(5,973.66)		1,043,258.14	1,060,409.29	(1,178.92)	
GNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	5.45	07/30/99	07/20/29	1,380,500.10	1,404,617.39			(119,033.49)		1,261,466.61	1,282,205.07	(3,378.83)	
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	1,084,028.53	1,102,966.48			(154,305.74)		929,722.79	945,007.41	(3,653.33)	
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	715,777.18	728,281.81			(48,918.57)		666,858.61	677,821.77	(1,541.47)	
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	494,161.54	500,817.89			(6,671.04)		487,490.50	492,019.28	(2,127.57)	
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,721,962.05	1,752,044.75			(186,933.39)		1,535,028.66 1,567,146.82	1,560,264.56 1,592,910,73	(4,846.80) (7,035.59)	
GNMA	1997 D-F Single Family	5.45 5.45	11/18/99 12/30/99	11/20/29 12/20/29	1,877,475.54 2,475,682.66	1,910,275.04 2,518,932,88			(310,328.72) (322,913.86)		2,152,768.80	2,188,160.36	(7,858.66)	
GNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	5.45	01/28/00	01/20/30	2,475,082.08	2,138,217,79			(120,999.81)		1,981,744.67	2,013,373.32	(3,844.66)	
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	1,310,973.08	1,333,089.19			(188,113.93)		1,122,859.15	1,140,779.97	(4,195.29)	
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	689,318.48	700,947.29			(63,808.04)		625,510.44	635,493.59	(1,645.66)	
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	193,747.93	196,357.70			(867.65)		192,880.28	194,672.12	(817.93) (1,747.72)	
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	818,518.75	832,327,16			(62,836.74) (5,167.33)		755,682.01 745,603,49	767,742.70 757,503.34	(765.67)	
GNMA GNMA	1997 D-F Single Family 1997 D-F Single Family	5.45 5.45	05/30/00 06/21/00	05/20/30 06/20/30	750,770.82 1,462,622.73	763,436.34 1,487,297.18			(183,311.71)		1,279,311.02	1,299,728.82	(4,256,65)	
ENMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	291,666,47	295,510.63			(1,393,71)		290,272.76	292,879.40	(1,237.52)	
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	327,008.23	332,524.89			(61,829.72)		265,178.51	269,410.78	(1,284.39)	
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	403,808,57	410,620.82			(57,810.18)		345,998.39	351,520.52	(1,290.12)	
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	698,952.00	708,164.18			(4,211.74)		694,740.26 119,450.82	700,979.02 121,357.22	(2,973.42) (117,59)	
GNMA	1997 D-F Single Family 1997 D-F Single Family	5,45 5,45	12/21/00 10/06/00	05/20/30 09/01/30	119,977.56 333.312.53	122,001.65 337,705.58			(526.74) (1,472.03)		331,840.50	334,820.41	(1,413.14)	
FNMA FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	365,974.16	370,797.71			(2,301.07)		363,673.09	366,938.88	(1,557.76)	
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	124,357.82	126,032.91			(572.66)		123,785.16	124,935,12	(525.13)	
Repurchase Agreement	1997 D-F Single Family	2.59	02/28/05	03/01/05	901,392.36	901,392.36	0.00				901,392.36	901,392.36		
	1997 D-F Single Family Total				44,776,617.38	45,758,269.88	10,151,664.79	(5,451,404.41)	(3,535,653.95)	0.00	45,941,223.81	46,728,757.11	(194,119.20)	0.00
Repurchase Agreement	2002A Single Family (JR Lien)	2.59	02/28/05	03/01/05	46,022.53	46,022.53	21,332.07	(004.050.00)			67,354.60	67,354.60 323.967.30	-	
Repurchase Agreement	2002A Single Family (JR Lien)	2.59	02/28/05	03/01/05	525,917.30	525,917.30 1,700,000.00		(201,950.00) (65,974.01)			323,967.30 1,634,025.99	1,634,025.99		
Repurchase Agreement Treasury Bond	2002A Single Family (JR Lien) 2002A Single Family (JR Lien)	2.59 13.88	02/28/05 03/27/02	03/01/05 05/15/11	1,700,000.00 300,000.00	836,268.78	0.00	(00,814.01)			300,000.00	336,689.94	(499,578,84)	
Repurchase Agreement	2002A Single Family (JR Lien)	2.59	02/28/05	03/01/05	15,420.16	15,420.16	12,113.08				27,533.24	27,533.24		
Repurchase Agreement	2002A Single Family (JR Lien)	2.59	02/28/05	03/01/05	115,591.24	115,591.24		(32,024.73)			83,566.51	83,566.51	_	
	2002A Single Family (JR Lien) Total				2,702,951.23	3,239,220.01	33,445.15	(299,948.74)	0.00	0.00	2,436,447.64	2,473,137.58	(499,578.84)	0.00
Repurchase Agreement	2004 A/B Single Family	2.59		03/01/05	517,600.45	517,600.45	156,589.13				674,189.58	674,189.58	-	
Repurchase Agreement	2004 A/B Single Family	2.59	02/28/05	03/01/05	1,263,397.95	1,263,397.95	1,690,065.47				2,953,463,42	2,953,463.42	-	
Repurchase Agreement	2004 A/B Single Family	2.59 1.49	02/28/05 04/28/04	03/01/05 09/01/06	1,262,431,91	1,262,431.91	529,328.88	(529,328.88)			529,328.88 733,103.03	529,328.88 733,103.03	-	
Guarantd Inv Certificates GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49	07/08/04	06/20/34	1,522,145.42	1,478,444.75		(323,320.00)	(6,469.68)		1,515,675.74	1,474,824.05	2,848.98	
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,150,503.18	1,117,472.32			(5, 163.97)		1,145,339.21	1,114,469,11	2,160.76	
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	971,560.40	943,666.98			(3,691.03)		967,869.37	941,782.60	1,806.65	
GNMA	2004 A/B Single Family	4.49		08/20/34	1,567.370.01	1,522,370.94			(5,999.65)		1,561,370.36	1,519,287.07	2,915.78	
GNMA	2004 A/B Single Family	4.49		09/20/34	2,178,781.17	2,116,228.54			(8,447.13) (13,519.19)		2,170,334.04 3,078,917.76	2,111,837.49 2,995,932.32	4,056.08 5,798.19	
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49 4.49		08/20/34 09/20/34	3,092,436.95 982,824,02	3,003,653,32 954,607,22			(3,622.19)		979,201.83	952,809.62	1,824.59	
GNMA	2004 A/B Single Family	4.49		09/20/34	1.670.112.84	1,622,164.04			(6,373.40)		1,663,739.44	1,618,897.03	3,106.39	
GNMA	2004 A/B Single Family	4.49		10/20/34	2,689,063.83	2,611,861.02			(11,539,29)		2,677,524.54	2,605,357.78	5,036.05	
GNMA	2004 A/B Single Family	4.49		07/20/34	2,418,172.35	2,348,746.81			(9,693.35)		2,408,479.00	2,343,563.77	4,510.31	
GNMA	2004 A/B Single Family	4.49		07/20/34	2,160,529.97	2,098,501.31			(9,970.32)		2,150,559.65	2,092,596.06	4,065,07 5,064.39	
GNMA	2004 A/B Single Family	4.49		07/20/34 08/20/34	2,690,589.98	2,613,343,36 3,531,977,40			(12,491.93) (14,580.80)		2,678,098.05 3,621,796.71	2,605,915.82 3,524,179.18	6,782.58	
GNMA GNMA	2004 A/B Single Family 2004 A/B Single Family	4.49 4.49		08/20/34	3,636,377.51 4,078,218.19	3,961,132.86			(17,369.95)		4,060,848.24	3,951,397.05	7,634.14	
GNMA	2004 AVB Single Family	4.49	08/19/04		3,914,418.67	3,802,036.02			(16,655.14)		3,897,763.53	3,792,707.93	7,327.05	
GNMA	2004 A/B Single Family	5.00		08/20/34	278,268.19	279,439.98			(937.14)		277,331.05	278,473.69	(29.15)	

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/		Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Transfer		02/28/05	Value	Gain
iNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,895,708.16	1,841,282.52			(7,433.49) (292.76)	1,888,274.67 86,959.54	1,837,380.41 87,317.82	3,531.38 (9.15)	
NMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	87,252.30	87,619.73	1,102,824.86		(292.70)	1,102,824,86	1,073,100.66	(29,724.20)	
iNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34 10/20/34			302,658.82			302,658.82	302,399.02	(259.80)	
INMA	2004 A/B Single Family	5.00 4.49	12/09/04 12/09/04	12/20/34			382,380.41			382,380.41	372,074.19	(10,306.22)	
OMA OMA	2004 A/B Single Family 2004 A/B Single Family	5.00	12/09/04	11/20/34			217,524.17			217,524.17	218,420.40	896.23 (296.51)	
NMA	2004 A/B Single Family	5.00	12/16/04	12/20/34			345,440.13			345,440.13 1,055,484.17	345,143.62 1,027,035.92	(28,448.25)	
INMA	2004 A/B Single Family	4,49	12/16/04	12/20/34			1,055,484.17		(0.067.06)	1,628,212.33	1.584.327.46	3.034.90	
MMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,634,270.29	1,587,350.52			(6,057.96) (4,612.07)	1,023,768.53	1.022.889.75	(27.20)	
AMMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	1,028,380.60 1,340,166.42	1,027,529.02 1,339,056.66			(6,333.06)	1,333,833.36	1,332,688.43	(35.17)	
AMMA	2004 A/B Single Family	5,00 4,49	10/21/04 10/21/04	10/20/34 10/20/34	1,340,100.42	1,439,435.93			(5,588.68)	1,476,394.88	1,436,601.92	2,754.67	
AMA AMA	2004 A/B Single Family 2004 A/B Single Family	5.00	10/28/04	10/20/34	489,446.97	489,041.67			(4,551.13)	484,895.84	484,479.63	(10.91)	
INMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	786,091.59	763,522.96			(5,928.82)	780,162.77	759,135.20	1,541.06	
SNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,884,307.12	1,830,208.81			(10,215.78)	1,874,091.34 1,184,607.05	1,823,579.34 1,152,678.58	3,586.31 2,236.85	
AMME	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,190,018.08	1,155,852.76			(5,411.03) (4,810.90)	538,615.52	538,153.19	(12.34)	
SNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	543,426.42	542,976.43 956,518.45			(4,638.26)	980,153,48	953,735.60	1,855.41	
BNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34 11/20/34	984,791.74 410,452.68	412,181.12			(1,356.38)	409,096,30	410,781.84	(42.90)	
SNMA	2004 A/B Single Family	5.00 4,49	11/23/04	11/20/34	1,934,768,27	1,879,221.23			(7,283.69)	1,927,484.58	1,875,533.50	3,595.96	
AMMA AMME	2004 A/B Single Family 2004 A/B Single Family	5.00		12/20/34	1,00-1,700,27	1,0,0,00	415,210.72		, , ,	415,210.72	414,854.31	(356.41)	
3NMA	2004 A/B Single Family	4.49		12/20/34			521,647.48			521,647.48	507,587.63	(14,059.85)	
SNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34			561,278.36			561,278.36	560,796.57	(481.79) (8,251.81)	
3NMA	2004 A/B Single Family	4.49		12/20/34			385,078.07			385,078.07 754,895.78	376,826.26 734,297.66	(20,598.12)	
AMMA	2004 A/B Single Family	4.49		01/20/35		•	754,895.78 900,430.31			900,430.31	875,861.13	(24,569.18)	
SNMA	2004 A/B Single Family	4.49 4.49		01/20/35 01/20/35			647,282.75			647,282.75	629,620.97	(17,661.78)	
3NMA 3NMA	2004 A/B Single Family 2004 A/B Single Family	4.49		01/20/35			507,979.56			507,979.56	494,118.81	(13,860.75)	
3NMA 3NMA	2004 A/B Single Family	4.49		02/20/35			2,076,794.88			2,076,794,88	2,020,127.37	(56,667.51)	
3NMA	2004 A/B Single Family	4,49		02/20/35			1,459,394.80			1,459,394.80	1,427,679.40	(31,715.40)	
SNMA	2004 A/B Single Family	5.00		02/20/35			1,987,284.20			1,987,284.20	1,985,317.49 556,359.72	(1,966.71) (15,606.70)	
3NMA	2004 A/B Single Family	4.49		02/20/35			571,966.42			571,966.42 605,335.86	604,736.79	(599.07)	
GNMA	2004 A/B Single Family	5.00		01/20/35 02/20/35			605,335.86 381,859.21			381,859.21	371,439.79	(10,419.42)	
3NMA	2004 A/B Single Family	4.49 4.49		07/01/34	480,336,74	463,975.61	001,000.21		(2.573.73)	477,763.01	462,036.80	634.92	
FNMA FNMA	2004 A/B Single Family 2004 A/B Single Family	4,49		08/01/34	375,230,20	362,449.18			(1,897.49)	373,332.71	361,043.96	492.27	
NMA	2004 A/B Single Family	4.49		08/01/34	351,141.88	339,181.36			(1,735.75)	349,406.13	337,904.95	459.34	
FNMA	2004 A/B Single Family	4.49		08/01/34	250,944.63	242,397.01			(924.78)	250,019.85	241,790.11	317.88 383.83	
FNMA	2004 A/B Single Family	4.49		10/01/34	303,195.94	292,868.54			(1,110.11) (860.71)	302,085,83 258,125.78	292,142,26 255,864,17	(260.49)	
=NMA	2004 A/B Single Family	5.00		10/01/34	258,986,49	256,985.37 370,348.55			(2,050.34)	381,357.78	368.804.87	506.66	
FNMA	2004 A/B Single Family	4,49 5.00		10/01/34 11/01/34	383,408.12 283,186.44	280,998.35			(935.00)	282,251.44	279,778.46	(284.89)	
ENMA ENMA	2004 A/B Single Family 2004 A/B Single Family	4.49		01/01/35	200, 100.44	200,000.00	274.040.10		(555.1-)	274,040.10	265,025,20	(9,014.90)	
FNMA	2004 A/B Single Family	5.00		02/01/35			465,261.46	-		465,261.46	461,185.02	(4,076.44)	
Repurchase Agreement	2004 A/B Single Family	2.59		03/01/05	41.85	41.85		(41.83)		0.02	0.02	-	
Guarantd Inv Certificates	2004 A/B Single Family	1.28	04/28/04	11/01/05	120,524,425.46	120,524,425.46		(16,294,499,35)	(233.126.08) 0.0	104,229,926.11 0 178,187,804.80	104,229,926.11 176,566,697.79	(208,888.34)	0.00
	2004 A/B Single Family Total				176,946,764.94	175,534,546.27	18,298,036.00	(16,823,870.06)	(233,126.08) 0.0	U 170,107,0U4.0U	170,000,001.18	(200,000,04)	5.50
to a share to Aurean	2004 CDEE Single English	2.17	10/28/04	08/02/05	00,000,000.88	88,000,000.00	0.00			00.000,000,88	00.000,000,88	-	
Investment Agreement Repurchase Agreement	2004 CDEF Single Family 2004 CDEF Single Family	2.17		03/01/05	00,000,000,00	00,000,000.00	31,330.25			31,330.25	31,330.25	-	
Repurchase Agreement	2004 CDEF Single Family	2.59			277,664.27	277,664.27	1,422,893.41			1,700,557.68	1,700,557.68	-	
Repurchase Agreement	2004 CDEF Single Family	2.59	02/28/05	03/01/05		•	620,620.00			620,620.00	620,620.00	-	
Guarantd Inv Certificates	2004 CDEF Single Family	3.80		03/01/36			136,756.76			136,756.76	136,756.76 1,562,432.42	-	
Investment Agreement	2004 CDEF Single Family	3.80		03/01/36	1,562,432.42	1,562,432.42	0.00		(2.138.77)	1,562,432.42 215,368.09	225,627.78	(1,964.44)	
FNMA	2004 CDEF Single Family	6.10		06/01/24 08/01/24	217,506.86 345,673.55	229,730.99 369,681.49			(3,449.14)	342,224.41	363,982.50	(2,249.85)	
FNMA	2004 CDEF Single Family	6.90 6.97		07/01/24	502,948.83	488,591.27			(6,197.17)	496,751.66	479,315,99	(3,078.11)	
FNMA FNMA	2004 CDEF Single Family 2004 CDEF Single Family	7.06		07/01/24	320,484,79	344,325.03			(40,388-92)	280,095.87	299,969.83	(3,966.28)	
FNMA	2004 CDEF Single Family	6.90		01/01/25	73,108.19	78,558.43			(422.80)	72,685.39	77,674.65	(460.98)	
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	145,277.40	156,431.17			(2,093.92)	143,183.48	153,832.59	(504.66)	
GNMA	2004 CDEF Single Family	6.10			2,556,734.03	2,583,379.97			(143,264.93)	2,413,469.10 1,718,230.34	2,421,006.06 1,772,836.56	(19,108.98) (22,319.95)	
GNMA	2004 CDEF Single Family	6.9			1,923,595.91	2,000,522.08 1,534,365.81			(205,365.57) (96,684.92)	1,392,818.96	1,423,896,42	(13,784.47)	
GNMA	2004 CDEF Single Family	6.9° 7.06			1,489,503.88 684,767.52	734,782.51			(201,931.35)	482,836.17	517,772.43	(15,078.73)	
GNMA	2004 CDEF Single Family 2004 CDEF Single Family	7.0t 6.1t			360,964.14	380,605.50			(2,444.25)	358,519.89	376,132.40	(2,028.85)	
GNMA GNMA	2004 CDEF Single Family	6.9			610,837.79	655,030.90			(4,203.26)	606,634.53	647,128.01	(3,699.63)	
GNMA	2004 CDEF Single Family	6.9	03/30/95	02/20/25	181,850,45	194,676.89			(1,057.20)	180,793.25	192,542.59 97,440.89	(1,077.10) (349.47)	
GNMA	2004 CDEF Single Family	7.0			92,057.91	98,820.05			(1,029.69)	91,028.22 39,172.49	41,747.01	(349.47)	
GNMA	2004 CDEF Single Family	6.9	7 06/01/95	05/20/25	39,489.01	42,303.08			(316.52)	55,112.48	· 741171.01	(200.00)	

	lagus	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type BNMA	1ssue 2004 CDEF Single Family	6.90	08/15/95	02/20/25	53,374.52	57,178.75			(386.79)	52,987.73	56,471.26	(320.70)	
SNMA	2004 CDEF Single Family	7.06	06/29/95	04/20/25	42,739.86	45,919.29			(266.14)	42,473.72	45,508.47 261,133.94	(144.68) (815.94)	
SNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	245,019.68	263,252.39			(1,302.51) (182.94)	243,717.17 35,020.81	37,504.77	(116.85)	
SNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	35,203.75 414,292.48	37,804.56 439,463.57			(15,201.90)	399,090.58	422,070.25	(2,191.42)	
GNMA	2004 CDEF Single Family	7.10 4,49	08/15/95 02/24/05	08/20/25 02/20/35	414,292.40	400,400,01	2,692,273.66		(10,20 1100)	2,692,273.66	2,623,448.41	(68,825.25)	
3NMA	2004 CDEF Single Family 2004 CDEF Single Family	1,49	10/28/04	09/01/06	75.000.000.00	75,000,000.00	M,002,41 0.00	(2,723,595.00)		72,276,405.00	72,276,405.00	-	
nvestment Agreement Repurchase Agreement	2004 CDEF Single Family	2.59	02/28/05	03/01/05	363,061.96	363,061.96		(218,069,95)		144,992.01	144,992.01	-	
Repurchase Agreement	2004 CDEF Single Family	2.59	02/28/05	03/01/05	155,587.03	155,587.03		(141,327,07)		14,259,96	14,259.96	(162,325.89)	0.00
, -	2004 CDEF Single Family Total				175,694,176.23	176,094,169.41	4,903,874.08	(3,082,992.02)	(728,328.69) 0.00	176,786,729.60	177,024,396.89	(102,020.09)	0.00
	0000 4 D 07 44DD	4.49	12/09/04	12/20/34			77,660.52			77,660.52	75,569.29	(2,091,23)	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	12/16/04	12/20/34			72,247.60			72,247.60	70,302.01	(1,945.59)	
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	6,215.85	6072.34			(23.15)	6,192.70	6,060.40	11.21	
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,919.57	12621.69			(48.47)	12,871.10	12,596.51	23.29 44.36	
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	23,300.39	22631.70			(93.79)	23,206.60 101.243.24	22,582.27 98,520.21	201.08	
GNMA	2002 A-D SF MRB	4.49 4.49	11/04/04	10/20/34 11/20/34	101,849.88 21,879.81	98925.77 21251.64			(606.64) (151.44)	21,728.37	21,144.17	43.97	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/18/04	11/20/34	39,344.73	38215.15			(326.41)	39,018.32	37,969.76	81.02	
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	11/23/04	11/20/34	80,568.38	78255.27			(480.66)	80,087.72	77,933.70	159.09	
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	**,*		129,945.69			129,945.69	126,446.86	(3,498.83)	
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34			76,332.10			76,332.10	74,276.85	(2,055.25)	
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34			88,307.52			88,307.52 158,094.12	85,930.35 153,782.32	(2,377.17) (4,311.80)	
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35			158,094,12 86,864.35			86,864.35	84,495.63	(2,368.72)	
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 5.40	01/13/05	01/20/35 01/20/35			7,471.31			7,471.31	7,636.77	165.46	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	01/19/05	01/20/35			105,002.99			105,002.99	102,139.67	(2,863.32)	
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35			10,324.12			10,324.12	10,552.76	228.64	
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35			119,769.84			119,769.84	116,503.91	(3,265.93) (4,911.60)	
GNMA	2002 A-D SF MR8	4.49	02/03/05	02/20/35			180,004.18			180,004.18 57,817.21	175,092.58 56,239.61	(4,911.60)	
GNMA	2002 A-D SF MRB	4.49 4.49	02/10/05 02/10/05	02/20/35 02/20/35			57,817.21 126,114.58			126,114.58	122,673.41	(3,441.17)	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	02/17/05	02/20/35			83,465,48			83,465.48	81,188.04	(2,277.44)	
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35			77,279.15			77,279.15	75,170.51	(2,108.64)	
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	12,260.92	11843.29			(46.83)	12,214.09	11,812.26	15.80	
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34			12,986.55			12,986.55	12,559.28 16,537.91	(427.27) (562.80)	
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35			17,100.71 17,446.44			17,100.71 17,446.44	16,872.62	(573.82)	
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4,49 2,59	01/27/05 02/28/05	01/01/35 03/01/05	635,495.95	635,495,95	896,990.92			1,532,486.87	1,532,486.87	(-1-0-10-2)	
Repurchase Agreement GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	10,576.79	10842.92	000,000,000		(33.86)	10,542.93	10,800.94	(8.12)	
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	18,902.80	19405.68			(62.65)	18,840.15	19,328.47	(14.56)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	19,412.49	19859.81			(2,894.15)	16,518.34	16,915.93	(49.73)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	23,603.26	24087.56			(88.88)	23,514.38 21,225.19	23,981.12 21,699.15	(17.56) (16.30)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	21,291.87 8,036.47	21782.13 8261.53			(66,68) (31,69)	8,004.78	8,223.57	(6.27)	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 5.40	07/01/04 07/01/04	07/20/34 07/20/34	8,139.32	8344.07			(42.31)	8.097.01	8,295.31	(6.45)	
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	10.831.30	11103.64			(34.42)	10,796.88	11,060.91	(8.31)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,694.58	8906.63			(33.10)	8,661.48	8,866.80	(6.73)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	17,703.63	18149.66			(57.15)	17,646.48	18,078.91	(13.60)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,726.33	4840.71			(16.84) (9.61)	4,709.49 3.018.86	4,820.22 3,089.52	(3.65) (2.33)	
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 5.40	08/01/04 10/14/04	08/20/34 10/20/34	3,028.47 21,202.26	3101.46 21636.93			(72.12)	21,130.14	21,549.10	(15.71)	
GNMA	2002 A-D SF MRB 2002 A-D SF MRB	2.59	02/28/05		303,295.84	303,295.84	56,156,14		(*)	359,451.98	359,451.98	-	
Repurchase Agreement Repurchase Agreement	2002 A-D SF MRB	2.59	02/28/05	03/01/05	3,085,846.78	3,085,846.78	00,100.11	(2,471,540.74)		614,306.04	614,306.04	-	
Repurchase Agreement	2002 A-D SF MRB	2.59	02/28/05	03/01/05	14,704.85	14,704.85	3,975,861.19	, ,		3,990,566.04	3,990,566.04	-	
Repurchase Agreement	2002 A-D SF MRB	2.59	02/28/05	03/01/05	65.46	65.46	532,595.93			532,661.39	532,661.39	-	
Guarantd Inv Certificates	2002 A-D SF MRB			2010410	1,800,275.74	1,800,275.74		(1,800,275.74)		138.119.36	138,119.36	-	
Guarantd Inv Certificates	2002 A-D SF MRB	4.51 2.59	06/26/02 02/28/05		332,028.00 99,836.01	332,028.00 99,836.01	566.96	(193,908.64)		100,402.97	100,402.97	-	
Repurchase Agreement Repurchase Agreement	2002 A-D SF MRB 2002 A-D SF MRB	2.59	02/28/05		480,692,62	480,692.62	555,90	(3,760.98)		476,931.64	476,931.64	-	
Repurchase Agreement	2002 A-D SF MRB	2.59	02/28/05		0.70	0.70	0.00			0.70	0.70		
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	226,531.73	231,980.85			(823.30)	225,708.43	230,848.26	(309.29)	
GNMA	2002 A-D SF MRB	6.15			266,747.07	281,018.49			(834.72)	265,912.35 379,572.03	278,654.14 388.215.65	(1,529.63) (519.83)	
GNMA	2002 A-D SF MRB	5.40			380,945.02	390,108.47 68.477.40			(1,372.99) (209.23)	379,572.03 64,790.58	67,895.15	(373.02)	
GNMA	2002 A-D SF MRB	6.15 6.15			64,999.81 154,753.56	163,033.11			(511.72)	154,241.84	161,632.67	(888.72)	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40			358,969.00	367,603.82			(1,523.80)	357,445.20	365,584.93	(495.09)	
GNMA	2002 A-D SF MRB	6.15			277,976.09	292,848.28			(906.38)	277,069.71	290,346.13	(1,595.77)	
GNMA	2002 A-D SF MRB	5.40	09/26/02		244,237.56	250,112.58			(918.43)	243,319.13	248,860.01	(334.14)	

		lanus.	Current Interest Rate		Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investme 3NMA	ent Type	Issue 2002 A-D SF MRB	6.15		09/20/32	336,509.68	354,513.49			(1,165.88)		335,343.80	351,412.54	(1,935.07) (227.49)	
3NMA		2002 A-D SF MRB	5.40	10/10/02	09/20/32	165,543.09	169,525.13			(667.14) (749.26)		164,875.95 223,602.29	168,630.50 234,316.68	(1,288.78)	
AMME		2002 A-D SF MRB	6.15		10/20/32	224,351.55	236,354.72 138.927.95			(464.91)		131,407.66	137,704.33	(758.71)	
AMME		2002 A-D SF MRB	6.15 5.40		10/20/32 09/20/32	131,872.57 58,771.87	60 184.55			(216.24)		58,555,63	59,888.01	(80.30)	
AMME AMME		2002 A-D SF MRB 2002 A-D SF MRB	6.15		10/20/32	113,200.20	119,256.56			(353.71)		112,846.49 143,250.18	118,253.73 146,512.29	(649.12) (200.05)	
SNIMA		2002 A-D SF MRB	5,40		09/20/32	143,929.57	147,391.73			(679.39) (258.31)		83,229.97	87,218.11	(478.61)	
AMM E		2002 A-D \$F MRB	6.1		11/20/32	83,488.28	87,955.03 104,950.76			(362.18)		102,123.36	104,448.90	(139.68)	
SNMA		2002 A-D SF MRB	5.40		11/20/32 11/20/32	102,485.54 643,853.96	678,301.20			(151,464.10)		492,389.86	515,983.79	(10,853.31)	
SNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.15 5.40		11/20/32	278,052.54	284,740.95			(1,001.46)		277,051.08	283,360.09	(379.40)	
SNMA SNMA		2002 A-D SF MRB	6.1		11/20/32	246,756.11	259,957.96			(827.41)		245,928.70	257,712.90 162,661.21	(1,417.65) (218.35)	
SNMA		2002 A-D SF MRB	5.40		11/20/32	150,381.27	153,998.66			(1,119.10) (362.40)		149,262.17 117,276.62	122,896.21	(674.33)	
3NMA		2002 A-D SF MRB	6.1			117,639.02	123,932.94 114,414.17			(401.57)		111,325.08	113.860.17	(152.43)	
SNMA		2002 A-D SF MRB	5,40 6,19			111,726.65 292,221.22	307,855.54			(1,558.92)		290,662.30	304,590.02	(1,706.60)	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	5.4			211,443.27	216,529.44			(745.29)		210,697.98	215,496.00	(288.15)	
GNMA		2002 A-D SF MRB	6.1			335,585.10	353,539.43			(93,132.98)		242,452.12	254,069.72	(6,336.73) (276.26)	
SNMA		2002 A-D SF MRB	5.4			202,754.20	207,631.35			(712.52) (378.92)		202,041.68 118,376.31	206,642.57 124,048.60	(681.34)	
3NMA		2002 A-D SF MRB	6.1			118,755.23	125,108.86 530,139.88			(2,564.23)		499,973.49	524,773.99	(2,801.66)	
GNMA		2002 A-D SF MRB	6.1			502,537,72 289,478,34	296,266.21			(1,080.30)		288,398.04	294,895.55	(290.36)	
GNMA		2002 A-D SF MRB 2002 A-D SF MRB	5.4 6.1			193,747.89	204,389.63			(592.62)		193,155.27	202,736.50	(1,060.51)	
GNMA GNMA		2002 A-D SF MRB	5.4			105,604.68	108,080.95			(368.52)		105,236.16	107,607.07	(105.36)	
GNMA		2002 A-D SF MRB	6.1		01/20/33	420,707.86	443,815.46			(1,397.73)		419,310.13	440,109.43 452,802,13	(2,308.30) (470.48)	
GNMA		2002 A-D \$F MRB	5.4			445,536.40	455,982.63			(2,710.02) (1,765.03)		442,825.38 489,113.70	513,375.51	(2,699,95)	
GNMA		2002 A-D SF MRB	6,1			490,878.73 222,149,57	517,840.49 234,351.26			(45,990.59)		176,158.98	184,897.22	(3,463.45)	
GNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.1 5.4			120,864.68	123,698.80			(416.99)		120,447.69	123,161.34	(120.47)	
GNMA GNMA		2002 A-D SF MRB	6.1			515,489.83	543,803.38			(1,591.12)		513,898.71	539,389.95	(2,822.31)	
GNMA		2002 A-D SF MRB	5.4	0 02/27/03	01/20/33	109,738.83	112,312.07			(382.96)		109,355.87	111,819.64 448,746,85	(109.47) (2,370.97)	
GNMA		2002 A-D SF MRB	6.1			429,280.99	452,859.47			(1,741.65) (1,004.17)		427,539,34 329,699,37	346,053.64	(2,370.97)	
GNMA		2002 A-D SF MRB	6.1			330,703.54 113,171.55	348,867.59 115,825.27			(419.71)		112,751.84	115,292.11	(113.45)	
GNMA		2002 A-D SF MRB 2002 A-D SF MRB	5.4 6.1			420,756.25	443,866.50			(1,240.98)		419,515.27	440,324.73	(2,300.79)	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.1			163,969.99	172,976.15			(495.99)	ı	163,474.00	171,582.92	(897.24)	
GNMA		2002 A-D SF MRB	6.1		03/20/33	327,510.13	345,498.81			(1,248.61)		326,261.52	342,445.29	(1,804.91) (396.87)	
GNMA		2002 A-D SF MRB	6.1			72,537.21	76,521.37			(218.66) (326.14)		72,318.55 93,129.21	75,905.84 95,227.39	(93.23)	
GNMA		2002 A-D SF MRB	5.4			93,455.35 167,730.01	95,646.76 176,942.64			(506.62)		167,223.39	175,518.26	(917.76)	
GNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.1	5 04/1//03	04/20/33	111,979.67	114,605.47			(111,979.67)				(2,625.80)	
GNMA GNMA		2002 A-D SF MRB	6.1	5 04/24/03	04/20/33	173,818.68	183,365.77			(537.32)		173,281.36	181,876.76	(951.69)	
GNMA		2002 A-D SF MRB	6.1	5 04/29/03		90,178.41	95,131.49			(286.30)		89,892.11	94,351.06 109,963.78	(494.13) (575.40)	
GNMA		2002 A-D SF MRB	6.1			105,091.89	110,864.13			(324.95) (266.41)		104,766.94 85,999.81	90,265.69	(472.32)	
GNMA		2002 A-D SF MRB	6.1	5 05/08/03	3 04/20/33	86,266,22 113,879.86	91,004.42 116,550.18			(113,879.86		00,000.01	00,200	(2,670.32)	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.1	5 05/15/03	3 04/20/33	183,932.55	194,035.12			(563.28		183,369.27	192,465.02	(1,006.82)	
GNMA		2002 A-D SF MRB	6.1			65,529.03	69,128.23			(196.46		65,332.57	68,573.29	(358.48)	
GNMA	,	2002 A-D SF MRB	6.1	5 06/10/03		65,010.80	68,581.55			(196.88		64,813.92	68,028,91 98,307.94	(355.76) (514.76)	
GNMA		2002 A-D SF MRB	6.1	5 06/10/03		93,958.84	99,119.58			(296.88 (459.36		93,661.96 133,581.40	136,590.92	(133.54)	
GNMA		2002 A-D SF MRB	5.4 6.1			134,040.76 83,854.86	137,183.82 88,460.62			(305.15		83,549.71	87,694.07	(461.40)	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	0.	10 00/19/0	3 00/20/33	95,081.47	100,303.89			(95,081.47				(5,222.42)	
GNMA		2002 A-D SF MRB	6.1	i5 07/17/0	3 07/20/33	53,232.25	56,156.04			(160.08		53,072.17	55,704.72	(291.24	
GNMA		2002 A-D SF MRB	6.1		3 07/20/33	97,466.69	102,820.07			(482.80		96,983.89 162,718.32	101,794.63 170,789.76	(542.64) (893.06)	
GNMA		2002 A-D SF MRB	6.			163,211.52	172,176.02			(493.20 (147.74		49,452.49	51,905.48	(271.30	
GNMA		2002 A-D SF MRB	6.1 6.1			49,600.23 56,636.83	52,324.52 59,747.65		•	(165.25		56,471.58	59,272.79	(309.61	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	Ο.	10 09/04/0	s (Idizuiss	100,243.84	105,749.81			(100,243.84				(5,505.97	
GNMA		2002 A-D SF MRB	6.	15 09/30/0	3 09/20/33	235,620.32	248,561.91			(690.01		234,930.31	246,583.74	(1,288.16	
GNMA		2002 A-D SF MRB	6.	15 10/09/0	3 08/20/33		165,297.10			(458.31		156,232.47	163,982.16	(856.63) (5,849.57)	
GNMA		2002 A-D SF MRB	_		4 4000000	106,500.25	112,349.82			(106,500.25 (191.18		66,933.34	70,253.49	(366.71	
GNMA		2002 A-D SF MRB	6.º 6.º			67,124.52 49,264,98	70,811.38 51,972.37			(138.24		49,126.74	51,565.08	(269.05	
GNMA GNMA		2002 A-D SF MRB 2002 A-D SF MRB	6.			106,267.63	112,107.67			(297.36	i)	105,970.27	111,229.99	(580.32	
GNMA		2002 A-D SF MRB 2002 A-D SF MRB	5			254,391.90	259,727.85			(803.04		253,588.86	258,722.33	(202.48	
GNMA		2002 A-D SF MRB	6.	15 04/01/0	4 04/20/34		43,143.29			(113.33		40,782.48	42,806.70 462.987.95	(223.26 (363.49	
GNMA		2002 A-D SF MRB	5				464,837.44			(1,486.00 (68,649.51		453,907.56 397,132.93	405,198.57	(1,867.43	
GNMA		2002 A-D SF MRB	5.	40 09/02/0	4 09/20/34	465,782.44	475,715.51			(00,040.0)	,	2211122122	,	• •	

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales		ansfers	02/28/05	02/28/05	Value	Gain
NMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	566,329.33	576,985,81			(2,108.24) (1,581.59)		564,221.09 508.447.88	574,436.19 519,774.67	(441.38) (406.08)	
AMMA	2002 A-D SF MRB	5.40	09/16/04 07/15/04	09/20/34 07/20/34	510,029.47 193,917.23	521,762.34 197,894.05			(751.96)		193,165,27	196,984.71	(157.38)	
NMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40 5.40	07/13/04	07/20/34	195,764.83	199,871.29			(1,003.52)		194,761.31	198,703.35	(164.42)	
INMA INMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	260,507.98	265,972.95			(816.39)		259,691.59	264,949.34 212,392.44	(207.22) (169.12)	
NMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	208,937.44	213,346.64			(785.08) (1,355.59)		208,152.36 423,622,79	433,056.39	(339.19)	
INMA	2002 A-D SF MRB	5.40 5.40	08/12/04 08/20/04	08/20/34 08/20/34	424,978.38 113,552,79	434,751.17 115,952.62			(399.50)		113,153.29	115,461.81	(91.31)	
3NMA 3NMA	2002 A-D SF MRB 2002 A-D SF MRB	5.40	08/26/04	08/20/34	72,752.55	74,291.33			(228.04)		72,524.51	74,005.42	(57.87)	
INMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	·		484,616.28				484,616.28 1,422,744.96	495,412.18 1,384,398.02	10,795.90 (38,346.94)	
3NMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34			1,422,744.96 1,323,577.95				1,422,744,90	1.287.903.84	(35,674.11)	
3NMA	2002 A-D SF MRB	4.49 5.40	12/16/04 10/14/04	12/20/34 10/20/34	507,877.70	518,283.99	1,020,011.00		(1,710.95)		506,166.75	516,180.18	(392.86)	
AMME AMMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	10/14/04	09/20/34	113,875.04	111,242.77			(419.76)		113,455.28	111,024.04	201.03	
3NMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,851,238.36	1,893,824.78			(72,785.92) (879.24)		1,778,452.44 235,816.16	1,818,071.38 230,762.86	(2,967.48) 418.01	
AMMA	2002 A-D SF MRB	4.49	10/21/04 10/28/04	10/20/34 10/20/34	236,695,40 473,381,22	231,224.09 483,080.69			(1,493.68)		471,887.54	481,222.83	(364.18)	
AMAE AMAE	2002 A-D SF MRB 2002 A-D SF MRB	5.40 4.49	10/29/04	10/20/34	426,858,51	414,603.43			(1,701.54)		425,156.97	413,697.79	795.90	
3NMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,865,847.71	1,812,279.37			(11,004.94)		1,854,842.77	1,804,849.59 478,798.40	3,575.16 (395.98)	
3NMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	470,774.41	481,604,24			(2,409.86) (2,747,15)		468,364.55 398,082.01	387,352.59	778.36	
AMMA	2002 A-D SF MRB	4.49	11/10/04 11/10/04	11/20/34 11/20/34	400,829.16 150,794.90	389,321.38 154,263.83			(487.80)		150,307.10	153,655.54	(120.49)	
AMME AMME	2002 A-D SF MRB 2002 A-D SF MRB	5.40 4.49	11/18/04	11/20/34	720,779.29	700.085.77			(5,921.48)		714,857.81	695,590.39	1,426.10	
ENMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,475,979.57	1,433,604.31			(8,719.62)		1,467,259.95	1,427,713.19	2,828.50	
SNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34			2,380,618.60				2,380,618.60 282,389.01	2,316,454.29 288,679.84	(64,164.31) 6,290.83	
AMME	2002 A-D SF MRB	5,40	12/23/04 12/23/04	12/20/34 12/20/34			282,389.01 1,398,412.28				1,398,412.28	1,360,721.17	(37,691.11)	
3NMA 3NMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49	12/29/04	12/20/34			1,617,813.19				1,617,813.19	1,574,208.61	(43,604.58)	
3NMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35			2,896,255.96				2,896,255.96	2,817,228.60 464,345.12	(79,027.36) 10,056.07	
SNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35			454,289.05				454,289.05 1,591,346.74	1,547,925.19	(43,421.55)	
3NMA	2002 A-D SF MRB	4.49 5.40	01/13/05 01/13/05	01/20/35 01/20/35			1,591,346.74 136,872.74				136,872.74	139,902.53	3,029.79	
3NMA 3NMA	2002 A-D SF MR8 2002 A-D SF MR8	4,49	01/19/05	01/20/35			1,923,645.31				1,923,645.31	1,871,156.65	(52,488.66)	
3NMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35			189,135.64				189,135.64	193,322.30	4,186.66 (59,870.50)	
3NMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35			2,194,174.08 3,297,602.26				2,194,174.08 3,297,602.26	2,134,303.58 3,207,623.76	(89,978.50)	
GNMA	2002 A-D SF MRB	4.49 4.49	02/03/05	02/20/35 02/20/35			1,059,187.52				1,059,187.52	1,030,286.49	(28,901.03)	
GNMA GNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49	02/10/05	02/20/35			2,310,366.95				2,310,366.95	2,247,326.19	(63,040.76)	
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34			197,125.08				197,125.08 1,529,053.09	201,516.48 1,487,331.29	4,391.40 (41,721.80)	
SNMA	2002 A-D SF MRB	4.49 4.49	02/17/05	02/20/35 02/20/35			1,529,053.09 1,415,722.16				1,415,722.16	1,377,092.71	(38,629.45)	
GNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 6.40	07/24/03	11/01/32	78,453.01	82,227.38	1,410,722.10		(210.03)		78,242.98	81,385.22	(632.13)	
FNMA	2002 A-D SF MRB	5.40		09/01/32	117,654.77	119,397.96			(421.85)		117,232.92	118,524.61	(451.50)	
FNMA	2002 A-D SF MRB	6.15		12/01/31	67,626.33	70,898.03			(625.46) (132.42)		67,000.87 49,332.24	69,718.54 51,313.42	(554.03) (398.56)	•
FNMA	2002 A-D SF MRB	6.40 5.45		11/01/32 02/01/34	49,464,66 85,003,68	51,844.40 85,821.74			(245.13)		84,758.55	85,304.73	(271.88)	
FNMA FNMA	2002 A-D SF MRB 2002 A-D SF MRB	6.15		02/01/34	105,496.68	110,751.09			(296.05)		105,200.63	109,625.33	(829.71)	
FNMA	2002 A-D SF MRB	5.40		10/01/34	312,742.55	316,947.01			(1,197.27)		311,545.28	314,731.95	(1,017.79)	
FNMA	2002 A-D SF MRB	4.49		10/01/34	224,614.99	216,964.20	237,912.05		(853.93)		223,761.06 237,912.05	216,395.66 230,080.85	285.39 (7,831.20)	
FNMA	2002 A-D SF MRB 2002 A-D SF MRB	4.49 4.49		12/01/34 01/01/35			313,279.75				313,279.75	302,967.72	(10,312.03)	
FNMA FNMA	2002 A-D SF MRB	4.49		01/01/35			319,613.48				319,613.48	309,099.39	(10,514.09)	
Repurchase Agreement	2002 A-D SF MRB	2.59		03/01/05	(0.02)	(0.02)	0.00				-0.02 36,624,667.61	-0.02 36,624,667.61	-	
Guarantd Inv Certificates	2002 A-D SF MRB	2.23		03/01/34	65,686,218.33	65,686,218.33 1,174,458.07	6,669.77	(29,061,550.72)			1,181,127.84	1,181,127.84		
Repurchase Agreement	2002 A-D SF MRB 2002 A-D SF MRB Total	2.59	02/28/05	03/01/05	1,174,458.07 101,811,441,27	102,473,928.03	35,948,829.50	(33,531,036.82)	(1,063,693.87)	0.00	103,165,540.08	102,984,314.89	(843,711.95)	0.00
								•			4,002.76	4,002.76	_	
Repurchase Agreement	2004 A Single Family (Jr Lien)	2.59 2.59		03/01/05	3,278.79 124,205.19	3,278.79 124,205.19	723.97 0.00				124,205.19	124,205.19	-	
Repurchase Agreement Repurchase Agreement	2004 A Single Family (Jr Lien) 2004 A Single Family (Jr Lien)	2.59		03/01/05	17,283.77	17,283.77	98.19				17,381.96	17,381.96	-	
Guarantd Inv Certificates	2004 A Single Family (Jr Lien)	1.28		11/01/05	4,004,199.15	4,004,199.15	0.00		0.00	0.00	4,004,199.15	4,004,199.15 4,149,789.06	0.00	0.00
	2004 A Single Family (Jr Lien) Total	ai			4,148,966.90	4,148,965.90	822,16	0.00	0.00	0.00	4,149,789.06		0.00	0.00
Repurchase Agreement	1991 A S/F (1980 A Refunding)	2.59			1,134.19	1,134.19	9,487.72				10,621.91	10,621.91	-	
Guarantd Inv Certificates	1991 A S/F (1980 A Refunding)	6.08			259,583.09	259,583,09	79,937.13				339,520.22 9,460.28	339,520.22 9,460.28	-	
Repurchase Agreement	1991 A S/F (1980 A Refunding)	2.59 6.08		03/01/05 09/30/29	55.31 383,961,27	55.31 383,961.27	9,404.97	(85.69)			383,875.58	383,875.58	_	
Guarantd Inv Certificates Repurchase Agreement	1991 A S/F (1980 A Refunding) 1991 A S/F (1980 A Refunding)	2.59			2.85	2.85	12,830.07	(22.20)			12,832.92	12,832.92	-	
Guarantd Inv Certificates	1991 A S/F (1980 A Refunding)	4.51			516,896.36	516,896.36	0.00				516,896.36	516,896.36	-	

investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Repurchase Agreement	1991 A S/F (1980 A Refunding)	2.59	02/28/05	03/01/05 03/01/05	0.08 0.54	0.08 0.54	0.00 0.27				0.08 0.81	0.08 0.81		
Repurchase Agreement Guarantd Inv Certificates	1991 A S/F (1980 A Refunding) 1991 A S/F (1980 A Refunding)	2.59 6.08	11/14/96	09/30/29	9.23	9.23	0.00				9.23	9.23		
Guaranto in e Connecteo	1991 A S/F (1980 A Refunding) T				1,161,642.92	1,161,642.92	111,660.16	(85.69)	0.00	0.00	1,273,217.39	1,273,217.39	0.00	0.00
Repurchase Agreement	1994 A&B SF (1983 Refunding)	2.59	02/28/05	03/01/05	1,682.83	1,682.83	667.97	(25.47)			2,350.80 0.23	2,350.80 0,23	-	
Repurchase Agreement Guarantd Inv Certificates	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	2.59 6.08	02/28/05 11/14/96	03/01/05 09/30/29	25.70 7,277.67	25.70 7,277.67	4,185.49	(20.41)			11,463.16	11,463.16	_	
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	18,396.76	19,504.38			(151.98)		18,244.78	19,184.57	(167.83)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	13,019.47	13,774.82			(95.07)		12,924.40 15,367.18	13,562.07 16,182.56	(117.68) (145.41)	
FNMA FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	07/15/96 07/01/96	06/01/26 06/01/26	15,554.14 11,620.71	16,514.93 12,348.82			(186.96) (82.14)		11.538.57	12,160.94	(105.74)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	16,726.73	17,765.27	*		(165.69)		16,561.04	17,445.01	(154.57)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	16,492.00	17,310.38			(129.67)		16,362.33	17,033.38	(147.33)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	12,186.77	12,768.90			(169.47)		12,017.30	12,488.05	(111.38)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96 12/23/96	10/01/26 11/01/26	28,762.29 21,225.65	30,126.92 22,247.88			(1,516,38) (301.98)		27,245.91 20,923.67	28,304.46 21,751.43	(306.08)	
FNMA FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	03/27/97	01/01/27	13,523.27	14,159.52			(134.23)		13,389.04	13,903,96	(121.33)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	3,558.06	3,728.13			(76.92)		3,481.14	3,617.62	(33,59)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	16,204.65	17,039.03			(80.07)		16,124.58	16,816.64	(142.32)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	86,826.16	91,726.30			(3,848.75)		82,977.41 28,298.71	87,198.77 29,748.22	(678.78) (170.63)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96 08/15/96	03/20/26 07/20/26	28,530.62 73,862.14	30,150.76 78,023.88			(231.91) (2,815.08)		28,298.71 71,047.06	74,655.01	(553,79)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	04/29/96	04/20/26	38,003.88	40,148.83			(287.95)		37,715.93	39,634.83	(226.05)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	73.468.57	77,611.81			(3,090.43)		70,378.14	73,955.64	(565.74)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	50,789.20	53,671.75			(379.29)		50,409.91	52,990.44	(302.02)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	108,736.71	114,883.86			(4,357.00)		104,379.71	109,699.88	(826.98)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	31,241.31	32,997.08 102,532.60			(380.06) (4,201.40)		30,861.25 92,894.90	32,424.03 97,579.45	(192.99) (751.75)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	07/15/96 08/29/96	06/20/26 08/20/26	97,096.30 70,343.16	73,833.95			(3,589.55)		66,753.61	69,697.34	(547.06)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	42,134.30	44,177.31			(8,679.09)		33,455.21	34,892.69	(605.53)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	26,297.32	27,589.42			(219.84)		26,077.48	27,214.74	(154.84)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	96,705.31	101,400.55			(8,130.86)		88,574.45	92,385.90	(883.79)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96 12/23/96	11/20/26 12/20/26	56,084,94	58,883.30 33,166.79			(2,610.54) (221.55)		53,474.40 31,441.76	55,846.89 32,781.07	(425.87) (184.17)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	01/16/97	12/20/26	31,663.31 62,022.97	65,009.06			(791.60)		61.231.37	63.841.43	(376.02)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	49,354.73	51,801.73			(6,358.61)		42,996.12	44,890.92	(552.20)	
GNMA	1994 A&B SF (1983 Refunding)	6,15	02/13/97	02/20/27	35,833.57	37,607.75			(231.74)		35,601.83	37,168.36	(207.65)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	17,467.63	18,303.09			(122.74)		17,344.89 31,782.59	18,079.04 33,091.51	(101.31) (183.80)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15 6.15	03/27/97 04/29/97	03/20/27 04/20/27	31,978.29 18,052.23	33,471.01 18,875.21			(195.70) (3,049.41)		15,002.82	15,604.40	(221.40)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	23,751.80	24,834.56			(137.20)		23,614.60	24,561.46	(135.90)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	14,981.33	15,674.26			(80.25)		14,901.08	15,508.43	(85.58)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	28,791.99	30,398.54			(3,118.93)		25,673.06	26,963.26	(316.35)	
GNMA	1994 A&B SF (1983 Refunding)	6.15 6.15	09/29/97 02/26/98	08/20/27 02/20/28	41,633.82 9,766.72	43,562.54 10,204.64			(3,421.75) (45.54)		38,212.07 9,721.18	39,772.33 10,103.59	(368.46) (55.51)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	17,759.56	18,555,90			(137.10)		17,622,46	18,315.73	(103.07)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	17,075.36	17,840.99			(99.45)		16,975.91	17,643.71	(97.83)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	26,984.46	28,194.45			(143.22)		26,841.24	27,897.18	(154.05)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	12,929.43	13,509.23			(150.61)		12,778.82	13,281.58	(77.04)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6,15 6,15	09/10/98 11/19/98	07/20/28 10/20/28	26,517.79 44,566.92	27,706.84 46,565.33			(4,092.84) (3,199.07)		22,424.95 41.367.85	23,307.14 42.995.28	(306.86) (370.98)	
Repurchase Agreement	1994 A&B SF (1983 Refunding)	2.59	02/28/05	03/01/05	128,158.07	128,158.07		(103,867.58)	(3, 199.07)	ļi	24.290.49	24,290.49	(070.00)	
Repurchase Agreement	1994 A&B SF (1983 Refunding)	2.59	02/28/05	03/01/05	810,196.48	810,196.48	0.00	(,,			810,196.48	810,196.48	-	
Repurchase Agreement	1994 A&B SF (1983 Refunding)	2.59	02/28/05	03/01/05	7.60	7.60	0.00				7.60	7.60	-	
Repurchase Agreement	1994 A&B SF (1983 Refunding)	2.59	02/28/05	03/01/05	10,099.33	10,099.33	57.36				10,156.69 1,492,641.66	10,156.69 1,492,641.66	*	
Repurchase Agreement FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	2.59 6.75	02/28/05 02/20/98	03/01/05 01/01/28	937,395.99 5.263.51	937,395.99 5,517.82	555,245.67		(32.82)	ı	5,230.69	5,438.64	(46.36)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	6,367.86	6,670.12			(828.37		5,539.49	5,755.41	(86.34)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	6,199.33	6,493.51			(1,739.65		4,459.68	4,633.43	(120.43)	
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	47,610.95	49,860.57			(4,832.43)		42,778.52	44,563.25	(464.89)	
FNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.25 6.25	11/30/98 03/27/98	09/01/28 03/20/28	7,907.45 76.114.72	8,282.79 79.711.13			(621.28) (5,349.58))	7,286.17 70,765.14	7,570.17 73,717.46	(91.34) (644.09)	
GNMA GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	53,787.70	56,329.15			(3,697.26	,)	50,090.44	52,180.19	(451.70)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	30,377.55	30,890.01			(4,288.91		26,088.64	26,505.00	(96.10)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	31,593.04	33,085.81			(2,133.86		29,459.18	30,688.22	(263.73)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	12,782.71	13,386.70			(818.17)		11,964.54 16,326.83	12,463.72 17,007,93	(104.81) (358.06)	
GNMA FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.25 6.25	09/18/98 03/31/99	09/20/28 11/01/28	21,994.03 3,425.49	23,033.19 3,588.07			(5,667.20) (931.24)		2,494.25	2,591.47	(65.36)	
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Investment Type	İssue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	17,807.08	18,648.45			(1,249.64)		16,557.44	17,248.20	(150.61)	
3NMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	13,757.75	14,407.82			(2,313.18)	,	11,444.57	11,922.05	(172.59)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	7,309.84	7,655.23			(3,828.12)		3,481.72	3,626.97	(200.14)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	3,820.58	4,005.20			(1,042.73)		2,777.85 26,946.37	2,888.30 28,053.87	(74.17) (452.23)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	33,520.75	35,080.48			(6,574.38) (622.70)		1,181.76	1,230.32	(35.39)	
SNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99 05/27/99	02/20/29 05/20/29	1,804.46 9,156.11	1,888.41 9,582.15			(867.07)		8,289.04	8,629.72	(85.36)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	6.25 5.45	07/30/99	07/20/29	20,121.54	20,473.07			(884.07)		19,237.47	19,553.73	(35.27)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	15,586.75	16,876.50			(1,793.10)		14,793.65	15,036.84	(46.56)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	3,024.98	3,065.39			(18.98)		3,006.00 8,498.99	3,033.59 8,638,73	(12.82) (49.94)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	10,855.87	11,045.55			(2,356.88) (50.47)		8,645.27	8,725.54	(36.82)	
FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	12/20/99 01/19/00	12/01/29 12/01/29	8,695,74 5,324.98	8,812.83 5,396.71			(30.16)		5,294.82	5,344.01	(22.54)	
FNMA GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	29,996.65	30,520,68			(2,029.29)		27,967.36	28,427.13	(64.26)	
GNMA	1994 A&B SF (1983 Refunding)	5,45	11/18/99	11/20/29	6,058.76	6,164.63			(1,351.41)		4,707.35	4,784.76	(28.46)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	63,084,52	64,186.56			(4,917.36)		58,167.16	59,123.37	(145.83) (36.00)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	17,314.61	17,606.75			(1,268.68) (1,124.91)		16,045.93 5,479.64	16,302.07 5,567.09	(23.97)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00 03/27/00	01/20/30 02/20/30	6,604.55 9,746.12	6,715.97 9,910.50			(58.25)		9,687.87	9,842.46	(9.79)	
GNMA FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	03/27/00	03/01/30	5,333.94	5,404.28			(34.79)		5,299.15	5,346.77	(22.72)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	17,444.62	17,738.90			(2,120.93)		15,323.69	15,568.25	(49.72)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	3,186.54	3,240.26			(14.11)		3,172.43	3,223.03	(3.12)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	13,539.85	13,768.27			(993.97)		12,545.88 27,504.65	12,746.12 27,943.63	(28.18) (27.18)	
GNMA	1994 A&B SF (1983 Refunding)	5,45	09/18/00	09/20/30	27,632.16	28,098.32			(127.51) (39.89)		5.148.51	5.194.69	(22.16)	
FNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	07/24/00 07/30/99	06/01/30 07/20/29	5,188.40 167.003.19	5,256.74 169.920.71			(7,337.56)		159,665.63	162,290.51	(292.64)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	137,665.17	140,070.24			(14,882.27)		122,782.90	124,801.51	(386.46)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	25,105.98	25,443.89			(157.57)		24,948.41	25,179.92	(106.40)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	90,100.88	91,674.92			(19,561.49)		70,539.39	71,699.04	(414.39)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	72,171.88	73,144.02			(418.90)		71,752.98	72,419.55 44,353.86	(305.57) (187.07)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00 10/28/99	12/01/29	44,195.95	44,791.25 253.313.13			(250.32) (16,842.61)		43,945.63 232,121.13	235,937.19	(533.33)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	11/18/99	10/20/29 11/20/29	248,963.74 50,286.25	51,164.74			(11,216.36)		39,069.89	39,712.19	(236.19)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	523,583.49	532,730.45			(40,812.74)		482,770.75	490,707.46	(1,210.25)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	143,706.71	146,131.08			(10,529.63)		133,177.08	135,302.62	(298.83)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	54,815.97	55,740.72			(9,336.50)		45,479.47 21,920.02	46,205.33 22,137.89	(198.89) (22.04)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	22,051.03	22,290.94 143,539.77			(131.01) (803.19)		140,271.97	142,578.06	(158.52)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45	06/22/99 07/30/99	06/20/29 07/20/29	141,075.16 185,616.05	188,858.80			(16,024.72)		169,591.33	172,399.76	(434.32)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	145,753.78	148,300.12			(20,747.28)		125,006.50	127,061.62	(491.22)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	96,240.32	97,921.63			(6,577.38)		89,662.94	91,136.99	(207.26)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	66,442.84	67,337.81			(896.96)		65,545.88 206,393,34	66,154.79 209,786.45	(286.06) (651.69)	
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45	10/29/99 11/18/99	10/20/29 11/20/29	231,527,59 252,437,24	235,572.39 256,847.34			(25,134.25) (41,725.46)		210,711.78	214,175.91	(945.97)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	332,869.61	338.684.85			(43,417.60)		289,452.01	294,210.61	(1,056.64)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	282,725.99	287,495.55			(16,269.12)		266,456.87	270,709.50	(516.93)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	176,267.82	179,241.43			(25,293.00)		150,974.82	153,384.36	(564.07)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		02/20/30	80,553.71	81,912.39			(7,456.58)		73,097.13	74,263.50	(192.31) (109.98)	
FNMA	1994 A&B SF (1983 Refunding)	5,45		01/01/30	26,050.50	26,401.41			(116.66) (35,596.81)		25,933.84 216,528.31	26,174.77 219.984.10	(797.55)	
GNMA GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45		06/20/30 02/20/30	252,125.12 58,838.74	256,378.46 59.963.44			(352.42)		58,486.32	59,551.74	(59.28)	
FNMA	1994 A&B SF (1983 Refunding)	5.45		03/01/30	44,270.49	44,853.97			(288.75)		43,981.74	44,376.70	(188.52)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		04/20/30	144,785.40	147,227.92			(17,603.08)		127,182.32	129,212.15	(412.69)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		04/20/30	26,447.09	26,893.25			(117.07)		26,330.02	26,750.24	(25.94) (233.93)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		05/20/30	112,376.99	114,272.75			(8,249.61) (1,058.32)		104,127.38 228,280.97	105,789.21 231,924.33	(225.59)	
GNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45		09/20/30 06/01/30	229,339.29 43,061.88	233,208.24 43,629.43			(331.11)		42,730.77	43,114.49	(183.83)	
FNMA GNMA	1994 A&B SF (1983 Refunding)	5.45		06/20/30	288,514.57	293,381.83			(31,232,02)		257,282.55	261,388.80	(761.01)	
GNMA	1994 A&B SF (1983 Refunding)	5,45		08/20/30	46,708.38	47,496.36			(7,076.98)		39,631.40	40,263.93	(155.45)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	12,129.10	12,333.96			(1,122.77)		11,006.33	11,182.23	(28.96)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		03/20/30	110,054.50	111,911.12			(8,448.75) (694.78)		101,605.75 100,250,61	103,227.37 101,850.63	(235.00) (102.95)	
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45		05/20/30	100,945.39	102,648.36 199,975.56			(594.78) (24,647.31)		172,010.63	174,755.93	(572.32)	
GNMA FNMA	1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	5.45 5.45		06/20/30 05/01/30	196,657.94 39,216.20	39,733.09			(187.39)		39,028.81	39,379.30	(166.40)	
GNMA	1994 A&B SF (1983 Refunding)	5.45		09/20/30	43,968.12	44,709.86			(8,313.36)		35,654.76	36,223.81	(172.69)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	54,294.42	55,210.31			(7,772.91)		46,521.51	47,263.93	(173.47)	
FNMA	1994 A&B SF (1983 Refunding)	5.45		06/01/30	93,978.11	95,216.70			(566.29) (70.83)		93,411.82 16,060.81	94,250.61 16,317.17	(399.80) (15.80)	
GNMA	1994 A&B SF (1983 Refunding)	5.45 5.45		05/20/30 09/01/30	16,131.64 44,815.75	16,403.80 45,406,43			(197.93)		44.617.82	45,018.51	(189.99)	
FNMA	1994 A&B SF (1983 Refunding)	5.40	10/00/00	00/01/00	44,010.70	40,400,40			(,	,	, ,	

Investment Type FNMA FNMA	Issue 1994 A&B SF (1983 Refunding) 1994 A&B SF (1983 Refunding)	Current Interest Rate 5.45 5.45		Current Maturity Date 08/01/30 02/01/30	Beginning Carrying Value 11/30/04 49,207.30 16,720.59	Beginning Market Value 11/30/04 49,855.86 16,945.84	Accretions/ Purchases	Amortizations/ Sales	Maturities (309.39) (76.99)	Transfers	Ending Carrying Value 02/28/05 48,897.91 16,643.60	Ending Market Value 02/28/05 49,337.02 16,798.24	Change in In Market Value (209.45) (70.61)	Recognized Gain
	1994 A&B SF (1983 Refunding) To	tal			9,755,505.35	9,953,650.60	560,156.49	(103,893.05)	(628,417.00)	0.00	9,583,351.79	9,749,148.01	(32,349.03)	0.00
Repurchase Agreement Guarantd Inv Certificates	1995 C SF (1985 A&B Refunding) 1995 C SF (1985 A&B Refunding)	2.59	02/28/05	03/01/05	4.25 5,159.00	4.25 5,159.00	1,011,903.34	(5,159.00)			1,011,907.59	1,011,907.59		
Repurchase Agreement Guarantd inv Certificates	1995 C SF (1985 A&B Refunding) 1995 C SF (1985 A&B Refunding)	2.59	02/28/05	03/01/05	0.58 7,387.95	0.58 7,387.95	7,605.69	(7,387.95)			7,606.27	7,606.27	-	
Oddiana niv Od madios	1995 C SF (1985 A&B Refunding)	l'otal		-	12,551.78	12,551.78	1,019,509.03	(12,546.95)	0.00	0.00	1,019,513.86	1,019,513.86	0.00	0.00
	Total Single Family	Investment	Summary		657,940,904.20	664,891,889.84	98,824,712.67	(75,942,008.22)	(14,518,809.47)	0.00	666,304,799.18	670,300,412.32	(2,955,372.50)	*

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds Investment Summary For Period Ending February 28, 2005

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
epurchase Agreement	1989 A&B RMRB	2.59 2.59	02/28/05	03/01/05 03/01/05	56,275.63 1,498,840.66	56,275.63 1,498,840.66		(36,595.62) (201,447.00)			19,680.01 1,297,393.66	19,680.01 1,297,393.66	-	
epurchase Agreement epurchase Agreement	1989 A&B RMRB 1989 A&B RMRB	2.59	02/28/05	03/01/05	19,683.72	19,683.72	111.76			· · · · · · · · · · · · · · · · · · ·	19,795.48	19,795,48		0.00
epurchase Agreement	1989 A&B RMRB Total	2.77			1,574,800.01	1,574,800.01	111.76	(238,042.62)	0.00	0.00	1,336,869.15	1,336,869.15	0.00	0.00
epurchase Agreement	1998 A/B RMRB	2.59	02/28/05	03/01/05	97,305.01	97,305.01		(14,970.48)			82,334.53 8,750,428.46	82,334.53 8,750,428.46	-	
uarantd Inv Certificates	1998 A/B RMRB	5.04	12/03/98	01/01/31 01/01/31	14,185,462.43	14,185,462.43	288,171.85	(5,435,033.97)			288,171.85	288,171.85		
uarantd Inv Certificates	1998 A/B RMRB 1998 A/B RMRB	5.04 5.35	12/03/98 07/28/00	07/20/30	2,060,219.89	2,086,776,10	200,111,00		(230,651.32	ŀ	1,829,568.57	1,851,486.78	(4,638.00)	
NMA NMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	3,480,919.28	3,525,788.33			(382,599.40		3,098,319.88	3,135,437.76	(7,751.17) (1,690.37)	
NMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	405,397.50	409,240.67			(2,252.00		403,145.50 1,208,399.55	405,298.30 1,223,444.11	(1,358.22)	
NMA	1998 A/B RMRB	5.35 5.35	04/16/99 06/22/99	04/20/29 05/01/29	1,215,021.36 346,703.42	1,231,424.14 349,990.13			(6,621.81) (110,984.40		235,719.02	236,977.72	(2,028.01)	
NMA NMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	05/25/99	05/01/29	4,398,832.60	4,458,216.84			(490,540.25		3,908,292.35	3,956,950.58	(10,726.01)	
NMA NMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	6,220,681.66	6,304,660.80			(752,711.56		5,467,970.10	5,536,046.26	(15,902.98) (643.70)	
NMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	154,374.18	155,837.63			(858.54 (943.45		153,515.64 147,817.89	154,335.39 148,607.24	(620.91)	
NMA	1998 A/B RMRB	5.35 5.35	08/24/99 07/30/99	08/01/29 07/20/29	148,761.34 4,950,555.19	150,171.60 5,017,387.67			(490,408.42		4,460,146.77	4,515,675.58	(11,303.67)	
NMA NMA	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35	08/26/99	08/20/29	3,813,160.72	3,864,638.44			(492,376.91		3,320,783.81	3,362,127.62	(10,133.91)	
NMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	247,842.28	250,191.82			(1,145.58		246,696.70	248,014.06	(1,032.18)	
NMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	3,190,472.23	3,233,543.62			(221,057.47		2,969,414.76 555,817.47	3,006,383.99 558,785,55	(6,102.16) (2,358.05)	
NMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	561,827.20	567,153.33 390,704.68			(6,009.73 (3,949.63		383,085.95	385,131.63	(1,623.42)	
NMA	1998 A/B RMRB	5.35 5.35	11/16/99 12/21/99	10/01/29 11/01/29	387,035.58 652,342.19	658,526.38			(4,664.46		647,677.73	651,136.31	(2,725.61)	
NMA INMA	1998 A/B RMRB 1998 A/B RMRB	5.35	10/29/99	10/20/29	4.722.391.68	4,786,143.96			(315,458.62)	4,406,933.06	4,461,799.36	(8,885.98)	
INMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	4,483,111.34	4,543,633.36			(274,965.75		4,208,145.59	4,260,537.01	(8,130.60) (17,245.08)	
INMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	7,642,857.16	7,746,035.71			(740,569.43 (494,492.68		6,902,287.73 3,207,885,95	6,988,221.20 3,246,316.42	(9,293.19)	
INMA	1998 A/B RMRB	5.35 5.35	01/28/00 02/22/00	01/20/30 01/20/30	3,702,378.63 4,205,068.43	3,750,102.29 4,259,271.75			(552,564.78		3,652,503.65	3,696,260.64	(10,446.33)	
AMA AMA	1998 A/B RMRB 1998 A/B RMRB	5.35	03/27/00	03/20/30	2,632,899.46	2,666,837.53			(580,226.70		2,052,672.76	2,077,263.78	(9,347.05)	
NMA	1998 A/B RMRB	5.35		01/01/30	626,428.98	632,367.49			(4,579.03		621,849.95	625,170.59	(2,617.87) (1,389.32)	
NMA	1998 A/B RMRB	5.35		02/01/30	324,773.30	327,754.72			(6,352.86 (1,803.37		318,420.44 320,804.55	320,012.54 322,408.57	(1,357.52)	
NMA	1998 A/B RMRB	5.35 5.35		04/01/30 04/20/30	322,607.92 3,181,519.29	325,569.46 3,222,529.09			(449,731.16		2,731,788.13	2,764,514.97	(8,282.96)	
INMA INMA	1998 A/B RMRB 1998 A/B RMRB	5.35		05/20/30	2,303,843.56	2,333,540.09	-		(278,173.50)	2,025,670.06	2,049,937.58	(5,429.01)	
)NMA	1998 A/B RMRB	5.35		06/20/30	1,722,067.66	1,744,265.16			(194,109.16		1,527,958.50	1,546,263.49	(3,892.51) (2,127.40)	
NMA	1998 A/B RMRB	5.35			503,667.41	508,291.09			(4,412.78 (1,909.87		499,254.63 297,275.45	501,750.91 298,761.83	(1,260,14)	
NMA	1998 A/B RMRB	5.35 5.35			299,185.32 2,646,871.86	301,931.84 2.680,990.04			(390,315.99		2,256,555.87	2,283,589.41	(7,084.64)	
AMAE AMAE	1998 A/B RMRB 1998 A/B RMRB	5.35			562,633.62	569,885.99			(4,015.83		558,617.79	565,310.05	(560.11)	
NMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	425,290.05	429,194.21			(2,856.32		422,433.73	424,545.90 218,089.48	(1,791.99) (921.81)	
NMA	1998 A/B RMRB	5.35			218,608.61	220,615.44			(1,604.15 (3,645.98		217,004.46 439,243.20	444,505.34	(446.70)	
3NMA	1998 A/B RMRB	5.35 5.35		12/20/30 12/20/30	442,889.18 277,550.44	448,598.02 281,128.06			(1,474.5)		276,075.91	279,383.30	(270.23)	
AMMA AMMA	1998 A/B RMRB 1998 A/B RMRB	5,35		08/20/30	118,433.56	119,960.12			(505.52		117,928.04	119,340.77	(113.83)	
ENMA	1998 A/B RMRB	5.35			516,441.23	523,098.16			(5,000.63		511,440.60	517,567.66	(529.87)	
AMMA	1998 A/B RMRB	5.35			988,302.86	1,001,042.07			(68,323.5)		919,979.33 177,315.33	931,000.67 179,439.57	(1,717.87) (191.28)	
3NMA	1998 A/B RMRB	5.35			179,636.93	181,952.45 310.464.14			(2,321.60 (1,282.8		305,230.37	308,887.03	(294.30)	
AMME	1998 A/B RMRB 1998 A/B RMRB	5.35 5.35			306,513.18 457,130.60	461,327.04			(2,346.7		454,783.81	457,057.71	(1,922.54)	
FNMA	1998 A/B RMRB	5.35			599,643.80	605,148.52			(3,183.2		596,460.52	599,442.80	(2,522.44)	
Repurchase Agreement	1998 A/B RMRB	2.59	02/28/05	03/01/05	1,220,631.24	1,220,631.24	67,265.91				1,287,897.15 186.11	1,287,897.15 186.11	·	
Repurchase Agreement	1998 A/B RMRB	2.59	02/28/05	03/01/05	186.11	186.11	0.00 355,437.76	(5,450,004.45)	(7,584,001.5	3) 0.00	79,471,909.20	80,272,235.56	(188,710.94)	0.00
	1998 A/B RMRB Total				92,150,477.47	93,139,514.77		(8,450,004.48)	(1,004,001.5	3) 0.00	1,644,162.93	1,644,162.93	(144)/ (4/4)/	
Repurchase Agreement	2000 BCDE RMRB	2.59 2.59			1,634,878.43 523,445.35	1,634,878.43 523,445.35	9,284.50 13,177.72				536,623.07	536,623.07		
Repurchase Agreement Repurchase Agreement	2000 BCDE RMRB 2000 BCDE RMRB	2.59			48,482.63	48,482.63	10,111.12	(937.10)			47,545.53	47,545.53		
nvestment Agreement	2000 BCDE RMRB	6.22	10/26/00	12/31/32	11,550,516.25	11,550,516.25		(6,446,410.08)			5,104,106.17	5,104,106.17		
Repurchase Agreement	2000 BCDE RMRB	2.59			443,260.12	443,260.12	440 400 10	(443,260.03)			0.09 410.420.46	0.09 410,420.46		
nvestment Agreement	2000 BCDE RMRB	2.48 2.59			1,228.19	1,228.19	410,420.46 0.00				1,228.19	1,228.19		
Repurchase Agreement GNMA	2000 BCDE RMRB 2000 BCDE RMRB	2.5			1,162,053.29	1,216,696.95	5.00		(5,635.3		1,156,417.95	1,204,533.79	(6,527.82)	
SNMA	2000 BCDE RMRB	6.10			235,626.56	246,706.48			(999.7	1)	234,626.85	244,389.10	(1,317.67)	

		Current	Current	Current	Beginning	Beginning	A 41 1	Amostivational			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
	_	interest	Purchase	Maturity	Carrying Value 11/30/04	Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	02/28/05	02/28/05	Value	Gain
Investment Type	Issue 2000 BCDE RMRB	Rate 6.10	Date 02/14/01	Date 01/20/31	121,476.56	127,188.81	r uranuses	Quico	(441.43)	,,	121,035,13	126,071.13	(676.25)	
VMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	321,106.73	336,206.26			(1,164.41)		319,942.32	333,254.38	(1,787.47)	
AMA AMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,541,126.58	1,613,595.54			(6,333.77)		1,534,792.81	1,598,651.91	(8,609.86) (553,56)	
MA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	99,256.49	103,923.84			(385.01)		98,871.48 367,343,85	102,985.27 382,628.14	(2,057.47)	
AMA	2000 BCDE RMRB	6.10		03/20/31	368,790.75	386,132.51			(1,446.90) (4,793.84)		969,771,67	1,010,121,57	(5,477.44)	
AMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	974,565.51	1,020,392.85			(308.78)		74,417.69	77,514.01	(417.54)	
NMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	74,726.47	78,240.33 443,290.06			(1,784.09)		421,597.16	439,138.82	(2,367.15)	
NMA	2000 BCDE RMRB	6.10	03/29/01 04/16/01	03/20/31 03/20/31	423,381.25 262,818.54	275.177.15			(962.87)		261,855.67	272,750.86	(1,463.42)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10	04/16/01	04/20/31	1,291,120.62	1,351,833.50			(78,137.45)		1,212,983.17	1,263,452.58	(10,243.47)	
NMA NMA	2000 BCDE RMRB	6.10		04/20/31	659,685.40	690,706.03			(2,812.88)		656,872.52	684,203.43	(3,689.72)	
NMA	2000 BCDE RMRB	6.10		04/20/31	1,201,835.11	1,258,349.46			(4,882.26)		1,196,952.85	1,246,755.25	(6,711.95) (9,542.84)	
NMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	290,645.21	304,312.33			(191,522.26) (207,241.93)		99,122.95 223.366.50	103,247.23 232,660.25	(10,954.89)	
NMA	2000 BCDE RMRB	6.10		05/20/31	430,608.43	450,857.07			(3,001.21)		688,704,06	717,359.44	(3,870.96)	
NMA	2000 BCDE RMRB	6.10 6.10	05/10/01 05/22/01	05/20/31 04/20/31	691,705.27 363.897.37	724,231.61 381,009.04			(158,334.66)		205,562.71	214,115.68	(8,558.70)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10		04/20/31	1.513.604.00	1,584,778.76			(6,054.91)		1,507,549.09	1,570,274.66	(8,449.19)	
NMA	2000 BCDE RMRB	6.10		05/20/31	236,640.25	247,767.87			(850.04)		235,790.21	245,600.89	(1,316.94)	
NMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	252,918.80	264,811.90			(950.32)		251,968.48	262,452,29	(1,409.29) (3,045.79)	
NMA	2000 BCDE RMRB	6.10		05/20/31	540,932.04	566,368.48			(2,793.90) (175.91)		538,138.14 49,432.25	560,528,79 51,489,00	(275.99)	
NMA	2000 BCDE RMRB	6.10		05/20/31 05/20/31	49,608.16 543,659.04	51,940.90 569,223.65			(8,193.78)		535,465,26	557,744,63	(3,285.24)	
NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10		05/20/31	1,596,477.07	1,671,548.78			(124,447,22)		1,472,029.85	1,533,277.53	(13,824.03)	
NMA NMA	2000 BCDE RMRB	6.10		05/20/31	85,764.20	89,797.14			(314.29)		85,449.91	89,005.30	(477.55)	
NMA	2000 BCDE RMRB	6.10		06/20/31	344,870.40	361,087.40			(1,321.55)		343,548.85	357,843.14	(1,922.71)	
NMA	2000 BCDE RMRB	6.10		06/20/31	1,447,175.74	1,515,226.83			(5,722.87)		1,441,452.87	1,501,428.33 349,342.13	(8,075.63) (1,949.30)	
NMA	2000 BCDE RMRB	6.10		06/20/31	338,214.59	354,118.58			(2,827.15) (2,115.39)		335,387,44 506,836,26	527,924,54	(2,844.36)	
NMA	2000 BCDE RMRB	6.10		06/20/31	508,951.65 1,372,449.28	532,884.29 1,436,986.44			(5,985.68)		1.366,463,60	1,423,318.90	(7,681.86)	
NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10		07/20/31 06/20/31	1,372,449.26	162.811.20			(908.91)		154,590.21	161,022.32	(879.97)	
NMA NMA	2000 BCDE RMRB	6.10		07/20/31	239,047.64	250,288,44			(953.07)		238,094.57	248,001.11	(1,334.26)	
NMA	2000 BCDE RMRB	6.10			2,116,520.99	2,216,046.93			(85,675.14)		2,030,845.85	2,115,344.55	(15,027.24)	
iNMA	2000 BCDE RMRB	6.10			236,515.38	247,637.12			(1,770.56)		234,744.82	244,511.98	(1,354.58) (6,383.19)	
INMA	2000 BCDE RMRB	6.10			540,414.80	565,826.95			(83,072.49)		457,342.31 1,340,671.02	476,371.27 1.396.453.18	(11,488,15)	
NMA	2000 BCDE RMRB	6.10			1,430,572.20	1,497,842.51 377.641.64			(89,901.18) (1,428.01)		359,253,19	374.200.87	(2,012.76)	
iNMA	2000 BCDE RMRB 2000 BCDE RMRB	6,10 6.10			360,681.20 426,741.04	446,979.35			(116,553.47)		310,187.57	322,476.64	(7,949.24)	
NMA NMA	2000 BCDE RMRB	6.10			292,271,13	306,014.71			(1,421.46)		290,849.67	302,951,25	(1,642.00)	
INMA	2000 BCDE RMRB	6.10			381,188.61	399, 113.37			(95,425.97)		285,762.64	297,652.54	(6,034.86)	
NMA	2000 BCDE RMRB	6.10			353,273.34	369,885.44			(86,263.10)		267,010.24 419,484.16	278,119.91 436,937.91	(5,502.43) (2,354.67)	
NMA	2000 BCDE RMRB	6.10			421,246.27	441,054.69 1,729,295.61			(1,762.11) (6.362.50)		1,645,267.90	1,713,723.59	(9,209.52)	
AMA AMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			1,651,630.40 345,542.85	361,791.43			(1,416.23)		344,126.62	358,444.91	(1,930.29)	
INMA	2000 BCDE RMRB	6.10			397,164.12	415,840.13			(1,782.49)		395,381.63	411,832.55	(2,225.09)	
3NMA	2000 BCDE RMRB	6.10			1,064,929.55	1,115,006.10			(66,966.01)		997,963.54	1,039,486.43	(8,553.66)	
NMA	2000 BCDE RMRB	6.10			251,213.37	263,026.26			(44,315.97)	1	206,897.40 97,215.35	215,505.90 101.260.25	(3,204.39)	
3NMA	2000 BCDE RMRB	6.10			97,551,47	102,138.67 299.147.17			(336.12) (1,282.59)		284,429,44	296,263.88	(1,600.70)	
AMA AMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			285,712.03 363,831.29	381.086.11			(1,853.13)		361,978.16	376,319.10	(2,913.88)	+
NMA SNMA	2000 BCDE RMRB	6.10			212,460.13	222,450.71			(2,401.07)		210,059.06	218,799.11	(1,250.53)	
NMA	2000 BCDE RMRB	6.10			420,416.42	440,354.78			(1,856.64)		418,559.78	435,142.36	(3,355.78)	
AMMA	2000 BCDE RMRB	6.10			457,589.64	479,070.22			(3,094.88)		454,494.76	473,313.85 246,552.96	(2,661.49) (1,892.76)	
AMA	2000 BCDE RMRB	6.10			238,027,12	249,315.64			(869.92) (1,195.00)		237,157,20 318,491,97	331,110.07	(2,543.16)	
INMA	2000 BCDE RMRB	6.10 6.10			319,686,97 764,509,99	334,848.23 800,398.34			(74,289.26		690,220.73	718,800.46	(7,308.62)	
3NMA	2000 BCDE RMRB 2000 BCDE RMRB	6,10			180,980,56	189,476.34			(66,604.71		114,375.85	119,111.79	(3,759.84)	}
3NMA 3NMA	2000 BCDE RMRB	6.10			320,550.44	335,598.01			(1,541.40)	319,009.04	332,218.12	(1,838.49)	
3NMA	2000 BCDE RMRB	6.1			270,731.46	283,440.40			(930.53		269,800.93	280,972.48	(1,537.39)	
SNMA	2000 BCDE RMRB	6.1	0 0 11 11 10 1		549,556.78	575,354.59			(71,046.05		478,510.73	498,324.24 323,401.30	(5,984.30) (3,154.97)	
3NMA	2000 BCDE RMRB	6.1			341,127.03	357,140.53			(30,584.26 (154.11		310,542.77 45,765.54	323,401.50 47,660.54	(3,154.97)	
3NMA	2000 BCDE RMRB	6.1 6.1	V 00. 10. D.		45,919.65 1,323,755.18	48,075.26 1,385,896.18			(4,505.79		1,319,249.39	1,373,875.13	(7,515.26	
3NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.1			610,386.22	639.039.54			(2,209.70		608,176.52	633,359.07	(3,470.77)
GNMA GNMA	2000 BCDE RMRB	6.1			626,578,00	655,991.40			(2,201.97)	624,376.03	650,229.33	(3,560.10	
3NMA	2000 BCDE RMRB	6.1		2 06/20/32	675,206.78	706,903.00			(2,516.79		672,689.99	700,543.85	(3,842.36	
3NMA	2000 BCDE RMRB	6.1			577,952.29	605,083.10			(72,757.87		505,194.42	526,112.84 1,259,660.11	(6,212.39 (11,918.13	
3NMA	2000 BCDE RMRB	6.1			1,320,807.50	1,382,810.14			(111,231.90 (61,196.23		1,209,575.60 267,031,16	278,088.04	(4,351.10	
3NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.1 6.1			328,227,39 802,509.56	343,635.37 840,181.72			(2,784.60		799,724.96	832,838.90	(4,558.22	
3NMA	という ひくひに こまいむ	0.1	U UIIZZIQ.	L 41120102	502,500.00	- 24, 101114			* *					

		Current	Current	Current	Beginning	Beginning					Ending	Ending	Change in	Recognized
		Interest	Purchase	Maturity	Carrying Value	Market Value	Accretions/	Amortizations/	Maturities	Transfers	Carrying Value 02/28/05	Market Value 02/28/05	In Market Value	Gain
Investment Type	Issue	Rate	Date	Date	11/30/04 326.037.85	11/30/04 341,343.05	Purchases	Sales	(1,074.74)	Transiers	324,963,11	338,418.76	(1,849.55)	Çanı.
NMA	2000 BCDE RMRB	6.10 6.10	07/29/02 08/01/02	07/20/32	350,235.35	366,676.44			(1,213.84)		349,021.51	363,473.33	(1,989.27)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,862,564.20	1,949,998.50			(52,141.06)		1,810,423.14	1,885,386.74	(12,470.70)	
NMA	2000 BCDE RMRB	6,10	08/23/02	08/20/32	1,852,199.09	1,939,146.83			(93,010.28)		1,759,188.81	1,832,030.98	(14,105.57)	
NMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	738,641.49	773,315.53			(2,760.90)		735,880.59 925,403.51	766,360.98 963.721.39	(4,203.65) (5,291.53)	
NMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	928,986.86	972,596.27			(3,583.35)		470,480.97	489.962.06	(5,937.47)	
NMA .	2000 BCDE RMRB	6.10	09/19/02	09/20/32	541,476.73	566,895.29			(70,995.76) (148,761.74)		1,560,900.84	1,625,532.60	(15,624.94)	
NMA	2000 BCDE RMRB	6.10 6.10	09/26/02 10/10/02	09/20/32 10/20/32	1,709,662.58 1,561,477.72	1,789,919.28 1,634,778.14			(118,944,16)		1,442,533.56	1,502,264.09	(13,569.89)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10	10/21/02	10/20/32	962,439.84	1,007,619.63			(47,550.30)		914,889.54	952,772.08	(7,297.25)	
NMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	648,734.98	679,188.52			(2,622.51)		646,112.47	672,865.83	(3,700.18)	
NMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	616,794.55	646,046.17			(2,595.79)		614,198.76	638,532.19 647,952,30	(4,918.19) (3,545.59)	
NMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	624,340.25	653,648.63			(2,150.74) (237.99)		622,189,51 74,509,26	77,594.43	(423.68)	
NMA	2000 BCDE RMRB	6.10 6.10	11/19/02 11/26/02	11/20/32 11/20/32	74,747.25 313,182.86	78,256.10 327,884.62			(31,273.81)		281,909.05	293,581.99	(3,028.82)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10		11/20/32	256,627.18	268,674.02			(93,699.13)		162,928.05	169,674.36	(5,300.53)	
NMA	2000 BCDE RMRB	6.10		11/20/32	126,372.83	132,305.14			(770.50)		125,602.33	130,803.10	(731.54)	
NMA	2000 BCDE RMRB	6.10		06/20/32	66,177.87	69,284.46			(225.22)		65,952.65 91,631,69	68,683.53 95,425.86	(375.71) (590.41)	
NMA	2000 BCDE RMRB	6,10		09/20/32	93,402.17	97,786.75			(1,770.48) (601.91)		35,511.24	36,981.64	(224.85)	
NMA	2000 BCDE RMRB	6.10 6.10	12/30/02 01/07/03	11/20/32 12/20/32	36,113.15 131,313.24	37,808.40 137,477.48			(644.78)		130,668.46	136,079.01	(753.69)	
inma inma	2000 BCDE RMRB 2000 BCDE RMRB	6.10		01/20/32	76,941.30	80,676.07			(46,568.34)		30,372.96	31,686.45	(2,421.28)	
iNMA	2000 BCDE RMRB	6.10		01/20/33	398,215.54	417,545.16			(1,542.83)		396,672.71	413,827.00	(2,175.33)	
INMA	2000 BCDE RMRB	6.10		02/20/33	246,433.35	258,395.36			(1,036.07)		245,397.28 352,562,90	256,009.58 366,644.17	(1,349.71) (3,038.43)	
NMA	2000 BCDE RMRB	6.10		09/01/31	354,966.16	372,085.86 441,102.96			(2,403.26) (1,482.84)		352,562.90 419,199.96	437,328.41	(2,291.71)	
INMA	2000 BCDE RMRB	6.10 6.10		02/20/33 02/20/33	420,682.80 105,833.39	110,970.61			(324.78)		105,508.61	110,071.38	(574.45)	
INMA INMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10		03/20/33	196,723.60	206,272,67			(619.76)		196,103.84	204,584.42	(1,068.49)	
INMA	2000 BCDE RMRB	6.10		03/20/33	153,382.59	160,827.87			(471.46)		152,911.13	159,523.84	(832.57)	
NMA	2000 BCDE RMRB	6.10			89,149.25	93,476.62			(282.19)		88,867.06	92,710.16	(484.27)	
SNMA	2000 BCDE RMRB	6.10			205,612.09	215,592.63			(769.73)		204,842.36 27,937.81	213,700.86 29,146.00	(1,122.04) (152.90)	
INMA	2000 BCDE RMRB	6.10			28,039.96 344,507.45	29,401.05 361,230.05			(102.15) (1,119.73)		343,387.72	358,237.68	(1,872.64)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			132,734.57	139,177.57			(1,030.53)		131,704.04	137,399.64	(747.40)	
SNMA	2000 BCDE RMRB	6.10			73,915.58	77,503.48			(223.33)		73,692.25	76,879.09	(401.06)	
NMA	2000 BCDE RMRB	6.10			151,714.98	159,079.31			(518.35)		151,196.63	157,735.19	(825.77)	
AMMA	2000 BCDE RMRB	6.10			104,914.66	110,007.31			(318.56)		104,596.10 137,982.56	109,119.43 143,949.68	(569.32) (751.37)	
NMA	2000 BCDE RMRB	6.10			138,409.83 202,110.17	145,128.32 211,920.69			(427.27) (1,019.07)		201,091.10	209,787.35	(1,114.27)	
3nma 3nma	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			62,145.80	65,162.39			(191.71)		61,954.09	64,633.32	(337.36)	
SNMA	2000 BCDE RMRB	6.10			163,745.49	171,693.78			(555.64)		163,189.85	170,247.05	(891.09)	
BNMA	2000 BCDE RMRB	6.10			74,414.53	78,026.65			(221.21)		74,193.32	77,401.84	(403.60)	
3 NM A	2000 BCDE RMRB	6.10			550,217.47	576,925.34			(1,741.48) (909.96)		548,475.99 296,846.78	572,195.06 309,684.03	(2,988.80) (1,616.03)	
3NMA	2000 BCDE RMR8	6.10			297,756.74 50,260.30	312,210.02 52,699.97			(148.93)		50,111.37	52,278.45	(272.59)	
AMMA AMMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			391,963.76	410,989.91			(1,368.56)		390,595.20	407,486.65	(2,134.70)	
SNMA	2000 BCDE RMRB	6.10			232,979.43	244,288.38			(713.54))	232,265.89	242,310.32	(1,264.52)	
SNMA	2000 BCDE RMRB	6.10			241,151.10	252,856.72			(712.61)		240,438.49	250,836.36	(1,307.75)	
NMA	2000 BCDE RMRB	6.10			234,754.73	245,888.04			(1,103.82) (638.36)		233,650.91 213,298.19	242,907.74 222,522.35	(1,876.48) (1,160.43)	
AMAE AMAE	2000 BCDE RMRB 2000 BCDE RMRB	6.10 6.10			213,936.55 351,003.12	224,321.14 368,041.03			(1,388.91)		349,614,21	364,733.44	(1,918.68)	
AMME	2000 BCDE RMRB	6.10			207,547.70	217,622.18			(44,920.18)		162,627.52	169,660.41	(3,041.59)	
BNMA	2000 BCDE RMRB	5.10			512,498.32	537,375.27			(1,562.45)		510,935.87	533,031.50	(2,781.32)	
AMMA	2000 BCDE RMRB	6.10			83,637.20	87,696.99			(247.18)		83,390,02	86,996.25	(453.56)	
AMMA	2000 BCDE RMRB	6.10			438,816.39	460,116.79			(1,337.30) (1,019.74)		437,479,09 330,000.53	456,398.06 344,271.55	(2,381.43) (1,796.89)	
SNMA	2000 BCDE RMRB	6.10 6.10			331,020.27 90,836.72	347,088.18 95,245.97			(266.80)		90,569.92	94,486.64	(492.53)	
anma Bana	2000 BCDE RMRB 2000 BCDE RMRB	5.40			341,254.32	347,501.64			(98,800.17)		242,454.15	246,671.05	(2,030.42)	
3NMA	2000 BCDE RMRB	6.10			249,808.65	261,934.50			(787.57))	249,021.08	259,790.09	(1,356.84)	
SNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	155,921.05	158,775.49			(515.41)		155,405.64	158,108.56	(151.52)	
3NMA	2000 BCDE RMRB	6.10			59,926.08	62,834.92			(191.94) (2,011.50)		59,734,14 543,535.10	62,317.36 552,988.58	(325.62) (533.80)	
3NMA	2000 BCDE RMRB	5.40 6.10			545,546.60 141,526.11	555,533.88 148,395.87			(2,011.50)		141,100.36	147,202.31	(767.81)	
3nma 3nma	2000 BCDE RMRB 2000 BCDE RMRB	5.10 5.40			513,999.86	523,409.64			(1,947.41)		512,052.45	520,958.38	(503.85)	
3NMA	2000 BCDE RMRB	6.10			48,666.19	51,028.49			(141.73))	48,524.46	50,622.93	(263.83)	
3NMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	336,239.68	342,395.20			(1,148.31		335,091.37	340,919.48	(327.41)	
AMME	2000 BCDE RMRB	5.40	,,,,,		420,535.14	428.233.88			(1,410.54		419,124.60 365,251,42	426,414.29 371,604.09	(409.05) (360.51)	
3NMA	2000 BCDE RMRB	5.40 5.40			366,701.45 1,002,572.54	373,414.63 1,020,926.57			(1,450.03) (4,205.44)		998.367.10	1,015,731.30	(989.83)	
SNMA	2000 BCDE RMRB	5.40	1 12110103	12120133	1,002,012.04	1,020,020.01			(1,400.74	,	,		, ,	

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/	EE C AIR . Wh	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Transfers (3,366.08)	1,015,860.16	1.033.528.64	(990.46)	Quiis
IMA .	2000 BCDE RMRB	5.40	12/23/03	12/20/33	1,019,226.24	1,037,885.18 206,558.75			(671.10)	202,262.27	205,729.34	(158.31)	
IMA	2000 BCDE RMRB	5.40 5.40	01/08/04 01/15/04	01/20/34 01/20/34	202,933.37 1,270,476.97	1,293,173.85			(5,566.21)	1,264,910.76	1,286,593.11	(1,014.53)	
IMA	2000 BCDE RMRB 2000 BCDE RMRB	5.40	01/22/04	01/20/34	298,080.91	302,660.35			(994.69)	297,086.22	301,441.43	(224.23)	
IMA IMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	51,417.72	52,336.29			(196.80)	51,220.92	52,098.93	(40.56)	
IMA	2000 BCDE RMRB	6.10		12/20/33	115,895.67	121.521.32			(360.52)	115,535.15	120,531.52	(629.28)	
IMA	2000 BCDE RMRB	5.75		03/20/34	40,529.47	41,856.24			(121.86)	40,407.61	41,627.28	(107,10)	
JMA	2000 BCDE RMRB	5.75		03/20/34	166,727.88	172,185.79			(501.28)	166,226.60	171,243.87	(440.64)	
IMA	2000 BCDE RMRB	5.75		07/20/34	801,545,59	827,784.57			(40,449.28)	761,096.31	784,068.76	(3,266.53)	
JMA	2000 BCDE RMRB	5.75		07/20/34	261,701.80	270,268.74			(1,443.46)	260,258.34	268,113.82	(711.46)	
4MA	2000 BCDE RMRB	5.75		04/20/34	219,178,14	226,353.07			(667.06)	218,511.08	225,106,49	(579.52)	
JMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	295,603.16	305,279.88			(887.09)	294,716.07	303,611,60	(781.19)	
AMA	2000 BCDE RMRB	5.75		04/20/34	132,286.64	136,617.11			(395.19)	131,891.45	135,872.37	(349.55)	
AMA .	2000 BCDE RMRB	5.75		04/20/34	265,647.39	274,343.49			(814.64)	264,832.75	272,826.31	(702.54) (1,327.33)	
4MA	2000 BCDE RMRB	5.75		05/20/34	219,255.16	226,432.58			(25,436.63) (64,520.35)	193,818.53 307,943,58	199,668.62 317,238.35	(2,898.00)	
√MA	2000 BCDE RMRB	5.75		05/20/34	372,463.93	384,656.70			(1,850.73)	617.568.36	636,208.66	(1,636.70)	
AMA	2000 BCDE RMRB	5.75		05/20/34	619,419.09 255.095.96	639,696.09 263,446.66			(762.51)	254,333,45	262,010.10	(674.05)	
NMA.	2000 BCDE RMRB	5.75 5.75		05/20/34 06/20/34	541,713.47	559,446.74			(1,616.02)	540,097.45	556,399,41	(1,431.31)	
AMP AMP	2000 BCDE RMRB 2000 BCDE RMRB	5.75		06/20/34	439,318.95	453,700.28			(1,305.49)	438,013.46	451,234.21	(1,160.58)	
AMA	2000 BCDE RMRB	5.75		06/20/34	331,188.51	342,030.14			(78,738.68)	252,449.83	260,069,63	(3,221.83)	
MA	2000 BCDE RMRB	5.75		06/20/34	495,145,27	511,354.09			(1,638.91)	493,506.36	508,402.03	(1,313.15)	
NMA	2000 BCDE RMRB	5.75		08/20/34	108,262.90	111,806.94			(329.03)	107,933.87	111,191.68	(286.23)	
VMA	2000 BCDE RMRB	5.75		08/20/34	107,634.42	111,157.89			(316.00)	107,318.42	110,557.64	(284.25)	
VMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	96,746.19	. 99,913.22			(316.17)	96,430.02	99,340.59	(256.46)	
\MA	2000 BCDE RMRB	5.75		08/20/34	221,072.61	228,309.54			(67,135.53)	153,937.08	158,583.43	(2,590.58)	
MMA	2000 BCDE RMRB	5.75		09/20/34	292,005.78	301,564.74			(905.78)	291,100.00	299,886.40	(772.56)	
NMA	2000 BCDE RMRB	5.75		10/20/34	147,754.91	152,591.73			(448.83)	147,306.08 615,217.01	151,752.27 633,786,34	(390.63) (1,646.46)	
NMA	2000 BCDE RMRB	5.75		07/20/34	617,549.76	637,765.55			(2,332.75) (3,285.60)	629,088.09	648,076,11	(1,713,06)	
NMA	2000 BCDE RMRB	5.75		07/20/34	632,373.69	653,074.77 482.226.44			(1,373.60)	465,567.29	479,619.70	(1,233.14)	
NMA	2000 BCDE RMRB	5.75 5.75		07/20/34 08/20/34	466,940.89 512,472.82	529,248.86			(2,973.41)	509,499.41	524,877.80	(1,397.65)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75		08/20/34	739,072.66	763,266.56			(3,764.39)	735,308,27	757,502.34	(1,999.83)	
NMA	2000 BCDE RMRB	5.75		08/20/34	289,863,30	299,713.26			(918.11)	288,945,19	298,026.53	(768.62)	
NMA	2000 BCDE RMRB	5.75		08/20/34	152,606.34	157,601.98			(74,341.68)	78,264.66	80,626,94	(2,633.36)	
NMA	2000 BCDE RMRB	5.75		11/20/34		,	91,063.09		, , ,	91,063.09	93,811.69	2,748.60	
NMA	2000 BCDE RMRB	5.75		12/20/34			195,537.10			195,537.10	201,439.06	5,901.96	
NMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	59,482.10	61,429.27			(171.85)	59,310.25	61,100.43	(156.99)	
NMA	2000 BCDE RMRB	5.75			178,402.22	184,242.31			(642.36)	177,759.86	183,125.26	(474.69)	
NMA	2000 BCDE RMRB	5.75			64,077.42	66,175.03			(184.04)	63,893.38	65,821.90	(169.09)	
NMA	2000 BCDE RMRB	5.7			62,193.66	64,229.60	0.077.000.50		(177.98)	62,015.68	63,887.53 316.306.98	(164.09) 9,267,48	
NMA	2000 BCDE RMRB	5.75					307,039.50			307,039.50 53,489.67	55,097,18	1,607.51	
NMA	2000 BCDE RMRB	5.75 6.10			179,771,84	188,297.57	53,489.67		(660.17)	179,111,67	186,207.75	(1,429.65)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	6.10			308,341.02	322,939.38			(1,532.96)	306,808.06	318,901.58	(2,504,84)	
NMA	2000 BCDE RMRB	6.10			354.498.83	371,282,54			(1,263.08)	353,235.75	367,159,33	(2,860.13)	
NMA	2000 BCDE RMRB	6.1			300,160,11	314,371,15			(1,026.91)	299,133,20	310,924.20	(2,420.04)	
NMA	2000 BCDE RMRB	6.1			270,896.35	284,171.01			(833.88)	270,062.47	281,141.74	(2,195.39)	
NMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	272,797.84	286,165.71			(821.58)	271,976.26	283,134,08	(2,210.05)	
NMA	2000 BCDE RMRB	6.1			254,578.54	267,053.60			(770.09)	253,808.45	264,220.91	(2,062.60)	
NMA	2000 BCDE RMRB	6.1			262,157.19	275,003.63			(2,864.72)	259,292.47	269,929.92	(2,208.99)	
NMA	2000 BCDE RMRB	6.1			150,519.08	157,894.91			(491.91)	150,027.17	156,181,99 261,353,16	(1,221.01)	
NMA	2000 BCDE RMRB	5.4			259,497.57	263,137.45			(865.22)	258,632.35	261,353,16	(919.07) (854.83)	
NMA	2000 BCDE RMRB	5.4			239,736,98	243,099.68			(1,345.69) (1,061.93)	238,391,29 266,390.80	273,242.96	(1,795.55)	
NMA	2000 BCDE RMRB	5.7 5.7			267,452.73	276,100.44 297.849.29			(2,124.47)	286,395.93	293,762.65	(1,962.17)	
NMA	2000 BCDE RMRB	5.7 5.7			288,520.40 305,608.47	315,489.89			(1,918.55)	303,689.92	311,501.49	(2,069.85)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.7			244,435.36	252.338.83			(716.14)	243,719,22	249,988,21	(1,634.48)	
NMA NMA	2000 BCDE RMRB	5.7			75,995.36	78,452.56			(255.68)	75,739.68	77,687.87	(509.01)	
NMA	2000 BCDE RMRB	5.7			47,288.41	48,817.42			(136.01)	47,152.40	48,365.28	(316,13)	
NMA	2000 BCDE RMRB	5,7				1515 1 175	237,395.45		• •	237,395.45	243,499.39	6,103.94	
westment Agreement	2000 BODE RMRB	2.4					1,943,411.97			1,943,411.97	1,943,411.97		
epurchase Agreement	2000 BCDE RMRB				2,833,995.56	2,833,995.56		(2,833,995.56)				Ē	=
tepurchase Agreement	2000 BCDE RMRB	2.5				8.58	0.00			8.58	8.58		-
3NMA	2000 BCDE RMRB	5.4			28,376.23	28,896.05			(8,215.61)	20,160.62	20,511.61	(168.83)	
AMMA	2000 BCDE RMRB	5.4			12,965.30	13,202.77			(42.84)	12,922.46	13,147.31	(12.62)	
NMA	2000 BCDE RMRB	5.4			45,363.99	46,194.71			(167.54)	45,196.45 42,579.05	45,983.06 43,319.62	(44.11) (41.89)	
NMA	2000 BCDE RMRB	5.4			42,740.99	43,523.45			(161.94)	42,579.05 27,864.06	28,348.72	(27.22)	
AMA	2000 BCDE RMRB	5.4	0 11/26/03	11/20/33	27,959.55	28,471.43			(95.49)	21,004,00	20,040.12	121.66	,

		Current	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/		Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Succeeding and Time	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Transfers	02/28/05	02/28/05 35,457.93	Value (34.03)	Gain
investment Type √MA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	34,969.04	35,609.24			(117.28) (120.57)	34,851.76 30,372.00	30,900.26	(29.98)	
MA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	30,492.57	31,050.81			(349.71)	83,017.91	84,461.83	(82.30)	
AMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	83,367.62	84,893.84 86.304.00			(279.91)	84,472.55	85,941.74	(82.35)	
4MA	2000 BCDE RMRB	5.40	12/23/03	12/20/33 01/20/34	84,752.46 16,874.65	17,176.13			(55.80)	16,818.85	17,107.16	(13.17)	
AM A	2000 BCDE RMRB	5.40 5.40	01/01/04 01/15/04	01/20/34	105,644.86	107,532.20			(462.86)	105,182.00	106,984.99	(84.35)	
AMA	2000 BCDE RMRB	5.40 5.40	01/13/04	01/20/34	24,786.54	25.167.33			(82.70)	24,703.84	25,065.97	(18.66)	
AMP AMP	2000 BCDE RMRB 2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,275.59	4,351.96			(16.35)	4,259.24	4,332.22	(3.39)	
*****	2000 BCDE RMRB	5.75	03/25/04	03/20/34	1.568.61	1,619.92			(4.71)	1,563.90	1,611.06	(4.15)	
AM/ AM/	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,452.71	6,663.95			(19.40)	6,433.31	6,627.49	(17.06)	
AMV	2000 BCDE RMRB	5.75	07/08/04	07/20/34	31,021.45	32,036.95			(1,565.46)	29,455.99	30,345.06 10,376.55	(126,43) (27,54)	
NMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	10,128.39	10,459.95			(55.86)	10,072.53 8,456.83	8,712.08	(22.42)	
NMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	8,482.65	8,760.32			(25.82) (34.33)	11,406.10	11,750.39	(30.24)	
NMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	11,440.43	11,814.96 5.287.36			(15.31)	5,104.43	5 258 54	(13.51)	
NMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	5,119.74 10,281.12	10,617.66			(31.52)	10,249.60	10,558.94	(27.20)	
NMA	2000 BCDE RMRB	5.75 5.75	04/29/04	04/20/34 05/20/34	8,485.62	8.763.40			(984.45)	7,501.17	7,727.58	(51.37)	
NMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	14,415.11	14,887.00			(2,497.07)	11,918.04	12,277.77	(112.16)	
NMA NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75	05/20/04	05/20/34	23,972.78	24,757.54			(71.64)	23,901.14	24,622.57	(63.33) (26.09)	
NMA	2000 BCDE RMRB	5.75		05/20/34	9,872.74	10,195.92			(29.50)	9,843.24	10,140.33 21,533.79	(55.40)	
NMA	2000 BCDE RMRB	5.75		06/20/34	20,965.44	21,651.73			(62.54) (50.52)	20,902.90 16,952.02	17,463.68	(44.92)	
NMA	2000 BCDE RMRB	5.75		06/20/34	17,002.54	17,559.12			(3,047.35)	9,770.33	10,065.23	(124.69)	
NMA	2000 BCDE RMRB	5,75		06/20/34	12,817.68	13,237.27 19,790.45			(63.43)	19,099.71	19,676.20	(50.82)	
NMA	2000 BCDE RMRB	5.75 5.75		06/20/34 08/20/34	19,163.14 4.189.99	4,327.15			(12.73)	4,177.26	4,303.34	(11.08)	
NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.75		08/20/34	4,165.67	4,302.03			(12.23)	4,153.44	4,278.80	(11.00)	
NMA	2000 BCDE RMRB	5.75		09/20/34	3.744.26	3,866.85			(12.24)	3,732.02	3,844.69	(9.92)	
NMA NMA	2000 BCDE RMRB	5,75		08/20/34	8,555.97	8,836.04			(2,598.28)	5,957.69	6,137.50	(100.26) (29.90)	
NMA	2000 BCDE RMRB	5.75		09/20/34	11,301.22	11,671.17			(35.06)	11,266.16 5,701.05	11,606.21 5,873.12	(29.90)	
NMA	2000 BCDE RMRB	5.75		10/20/34	5,718.41	5,905.61			(17.36) (90.28)	23,810.16	24,528.82	(63.72)	
NMA	2000 BCDE RMRB	5.75		07/20/34	23,900.44	24,682.82			(127.16)	24,346.99	25,081.86	(66.30)	
NMA	2000 BCDE RMRB	5.75		07/20/34	24,474.15 18.071.56	25,275.32 18,563.14			(53.17)	18,018.39	18,562.26	(47.71)	
NMA	2000 BCDE RMRB	5,75		07/20/34 08/20/34	19,833.74	20.483.01			(115.09)	19,718.65	20,313.84	(54.08)	
NMA	2000 BCDE RMRB	5,75 5,75		08/20/34	28.603.61	29,539.98			(145.68)	28,457.93	29,316.89	(77.41)	
NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75		08/20/34	11,218.31	11,599.51			(35.52)	11,182,79	11,534.23	(29.76)	
INMA INMA	2000 BCDE RMRB	5.75		08/20/34	5,906.19	6,099.52			(2,877.16)	3,029.03	3,120.43	(101.93)	
INMA	2000 BCDE RMRB	5.75		11/20/34			3,524.33			3,524.33	3,630.70 7,796.10	106.37 228.43	
INMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34			7,567.67		(6.66)	7,567.67 2,295,41	2,364.71	(6.07)	
INMA	2000 BCDE RMRB	5.75		10/20/34	2,302.07	2,377.44			(24.85)	6,879.68	7,087.32	(18.38)	
iNMA	2000 BCDE RMRB	5.75		10/20/34	6,904.53 2,479.92	7,130.55 2,561.11			(7.12)	2,472.80	2,547.44	(6.55)	
INMA	2000 BCDE RMRB	5.75		10/20/34 11/20/34	2,407.02	2,485.82			(6.89)	2,400.13	2,472.58	(6.35)	
INMA	2000 BCDE RMRB 2000 BCDE RMRB	5.75 5.75		12/20/34	2,907.02	2, 100.02	11.883.05		, ,	11,883.05	12,241.72	358.67	
NMA	2000 BCDE RMRB	5.75					2,070.16			2,070.16	2,132.37	62.21	
onma Oma	2000 BCDE RMRB	5.40			21,578.19	21,880.86			(71.94)	21,506.25	21,732.49	(76.43) (71.08)	
'NMA	2000 BCDE RMRB	5.40		01/01/34	19,935.00	20,214.64			(111.90)	19,823.10 10,309.89	20,031.66 10,575.06	(69.50)	
NMA	2000 BCDE RMRB	5.75			10,350.98	10,685.65			(41.09) (82.23)	10,309.89	11,369.22	(75.93)	
NMA	2000 BCDE RMRB	5.75			11,166.34 11,827.66	11,527.38 12,210.10			(74.25)	11,753.41	12,055.74	(80.11)	
NMA	2000 BCDE RMRB	5.75 5.75			11,827.66 9,460.10	9,766.02			(27.72)	9,432.38	9,675.05	(63.25)	
NMA	2000 BCDE RMRB 2000 BCDE RMRB	5.78 5.78			2,941.18	3,036.28			(9.91)	2,931.27	3,006.68	(19.69)	
'NMA 'NMA	2000 BCDE RMRB	5.7			1,830.16	1,889.33			(5.25)	1,824.91	1,871.83	(12.25)	
NMA	2000 BCDE RMRB	5.75			-1		9,187.69			9,187.69	9,423.93	236,24	
16817	2000 BCDE RMRB Total				102,409,476.23	106,046,284.99	3,295,052.36	(9,724,602.77)	(3,380,278.38) 0.00		95,715,371.89	(521,084.31)	J 0.00
Repurchase Agreement	2001 A-E RMRB	2.5	9 02/28/05	03/01/05	4,305.08	4,305.08	24.50			4,329.58	4,329.58 78,732.35	•	•
Repurchase Agreement	2001 A-E RMRB	2.59	9 02/28/05	03/01/05	78,287.77	78,287.77	444.58			78,732.35 3,017.50	78,732.35 3,017.50		-
Repurchase Agreement	2001 A-E RMRB	2.5			3,000.43	3,000.43	17.07			3,017.50 9,720.84	9,720.84		=
Repurchase Agreement	2001 A-E RMRB	2.5			9,665.93 2.057.060.33	9,665.93 2,057,060.33	54.91	(2,043,720,84)		13,339.49	13,339.49		-
Repurchase Agreement	2001 A-E RMRB	2.5 2.5			2,057,060.33	1.944.84		(1,944.54)		0.30	0.30		
Repurchase Agreement	2001 A-E RMRB	2.5			2.41	2.41		(2.37)		0.04	0.04		-
Repurchase Agreement	2001 A-E RMRB 2001 A-E RMRB	4.7			6,901,387,48	6,901,387.48		(2,976,868.18)		3,924,519.30			=
Suarantd Inv Certificates Suarantd Inv Certificates	2001 A-E RMRB	4.7			125,170.10	125,170.10	61,832.84			187,002.94	187,002.94		-
Guaranto inv Certificates	2001 A-E RMRB	4.7	1 10/30/01	07/01/33		23,834.06		(23,485,66)		348.40 0.50			•
Repurchase Agreement	2001 A-E RMRB	2.5			0.50	0.50	0.00			2,909,096.59			-
Suarantd Inv Certificates	2001 A-E RMRB	4.7				2,909,096.59 310,474.87	0.00		(4,728.80)	278,018.08	* * *	(4,585.01)
SNMA	2001 A-E RMRB	8.1	9 07/25/90	06/20/15	282,746.88	310,414,01			/	•	•		

		Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions <i>i</i> Purchases	Amortizations/ Sales	Maturities Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue 2001 A-E RMRB	Kate 8.19	10/28/91	01/20/16	38,311.21	42,099.34	rateriases	Quito	(515.88)	37,795.33	41,048.32	(535.14)	
SNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	71,799.42	77,082.80			(1,309.17)	70,490.25	75,210.19	(563.44)	
3NMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	130,805.76	143,633.34			(32,476.13) (6.091.66)	98,329.63 309,932.44	106,514.78 330,163.93	(4,642.43) (2,615.86)	
AMME	2001 A-E RMRB	7.19	01/22/90	11/20/14	316,024.10	338,871.45 73,436.14			(1,821.41)	65,198.87	70,425.95	(1.188.78)	
AMA	2001 A-E RMRB	8.19 7.19	01/22/90 01/01/90	11/20/14 11/20/14	67,020.28 179,454.86	192,428.72			(3,591.79)	175,863.07	187,342.85	(1,494.08)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	8.19	01/01/90	11/20/14	153,119.88	167,778.06			(18,827.38)	134 292.50	145,058.89	(3,891.79)	
anma Amma	2001 A-E RMRB	7.19	01/01/90	12/20/14	257,790.48	276,427.66			(49,913.70)	207,876.78	221,446.29	(5,067.67)	
ENMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	251,409.50	275,477.04			(10,621.12)	240,788.38	260,092.75	(4,763.17)	
BNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	321,695.66	345,367.68			(7,272.52)	314,423.14	335,476.53	(2,618.63)	
ENMA	2001 A-E RMRB	8,19	01/01/90	01/20/15	418,284.65	459,304.33			(7,506.03)	410,778.62	444,972.92 148,628.96	(6,825.38) (1,099.15)	
AMME	2001 A-E RMRB	7.19	02/27/90	01/20/15	141,694.50	152,121.11 204,143.41			(2,393.00) (5,074.73)	139,301.50 181,233.38	195,763.09	(3,305.59)	
3NMA	2001 A-E RMRB	8.19 7.19	02/27/90	12/20/14 01/20/15	186,308.11 160,370.70	172,171.57			(2,951.14)	157,419.56	167,960.16	(1,260.27)	
ENMA	2001 A-E RMRB 2001 A-E RMRB	8.19	02/27/90	01/20/15	240,550.53	264,140.50			(43,362.90)	197,187.63	213,602.08	(7,175.52)	
ENMA	2001 A-E RMRB	7.19		01/20/15	128,082.96	137,507.96			(3,003.02)	125,079.94	133,455.12	(1,049.82)	
3NMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	219,932.50	241,500.55			(3,480.28)	216,452.22	234,470.33	(3,549.94)	
3NMA	2001 A-E RMRB	7.19		02/20/15	118,168.13	126,863.57			(2,804.88)	115,363.25	123,087.85 346.422.25	(970.84) (8,321.03)	
3NMA	2001 A-E RMRB	8.19		02/20/15	356,310.71	391,252.88			(36,509.60) (12,158.61)	319,801.11 478,914.06	510,981.52	(4,068.17)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	7.19 8.19	04/26/90 04/26/90	03/20/15 03/20/15	491,072.67 264,601.75	527,208.30 290,550.33			(5,341.37)	259,260.38	280,841.93	(4,367.03)	
BNMA BNMA	2001 A-E RMRB	7.19		03/20/15	397,806.43	427,079.08			(8,408.18)	389,398.25	415,471.87	(3,199.03)	
SNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	935,799.50	1,027,570.00			(46,840.08)	888,959.42	962,958.76	(17,771.16)	
3NMA	2001 A-E RMRB	7.19		04/20/15	228,286.92	245,085.39			(7,299.66)	220,987.26	235,784.24	(2,001.49)	
3NMA	2001 A-E RMRB	8.19		03/20/15	40,402.31	44,364.41			(634.12) (8,330.43)	39,768.19 287,347.02	43,078.58 306,587.40	(651.71) (2,517.07)	
AMMA	2001 A-E RMRB	7.19 8.19		04/20/15 04/20/15	295,677.45 649,482.88	317,434.90 713,175.46			(59,639.06)	589,843.82	638,944.11	(14,592.29)	
3NMA 3NMA	2001 A-E RMRB 2001 A-E RMRB	7.19		05/20/15	94,710.32	101,679.56			(1,576.48)	93,133.84	99,369.93	(733.15)	
3NMA	2001 A-E RMRB	8.19		05/20/15	142,994.38	157,017.35			(33,809.11)	109,185.27	118,274.15	(4,934.09)	
3NMA	2001 A-E RMRB	7.19		05/20/15	117,273.92	125,903.59			(1,929.53)	115,344.39	123,067.77	(906.29)	
AMME	2001 A-E RMRB	8.19		05/20/15	459,895.17	504,995.47			(8,513.80)	451,381.37	488,955.59	(7,526.08)	
SNMA	2001 A-E RMRB	6.19		05/20/15	170,206.23	179,429.59			(44,790.76) (1,117.08)	125,415.47 62,660.59	131,537.21 66,856.28	(3,101.62) (497.41)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	7.19 7.19		06/20/15 06/20/15	63,777.67 51,555.88	68,470.77 55,349.67			(824.35)	50,731.53	54,128,50	(396.82)	
3nma 3nma	2001 A-E RMRB 2001 A-E RMRB	8.19		07/20/15	160,931.93	176,713,96			(40,282.21)	120,649.72	130,692.94	(5,738.81)	
3NMA	2001 A-E RMRB	7.19		07/20/15	121,358.98	130,289.19			(1,904.56)	119,454.42	127,452.93	(931,70)	
3NMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	267,497.31	293,729.80			(4,876.34)	262,620.97	284,482.21	(4,371.25)	
SNMA	2001 A-E RMRB	6.19		07/20/15	119,786.19	126,277.33			(2,114.82)	117,671.37	123,415.11	(747.40)	
SNMA	2001 A-E RMRB	8.19		08/20/15	171,740.66	188,582.65			(4,601.20) (5,215.47)	167,139.46 258,113.75	181,053.67 270,712.77	(2,927.78) (1,670.67)	
SNMA SNMA	2001 A-E RMRB 2001 A-E RMRB	6.19 7.19		08/20/15 08/20/15	263,329.22 265,474.75	277,598,91 285,009,79			(11,062.96)	254,411.79	271,446.92	(2,499.91)	
SNMA SNMA	2001 A-E RMRB	8.19		08/20/15	552,198.79	606 350,98			(9,128.72)	543,070.07	588,276.69	(8,945.57)	
SNMA	2001 A-E RMRB	7.19		08/20/15	44,345.05	47,608,18			(1,229.14)	43,115.91	46,002.89	(376, 15)	•
GNMA	2001 A-E RMRB	8.19		09/20/15	224,047.85	246,019,47			(82,649.74)	141,398.11	153,168.52	(10,201.21)	
SNMA	2001 A-E RMRB	6.19			228,526.34	240,910.03			(24,742.30) (1,936.52)	203,784.04 53,486.16	213,731.09 57,067.51	(2,436.64) (496.92)	
GNMA	2001 A-E RMRB	7.19 8.19		09/20/15 09/20/15	55,422.68 330,820.79	59,500.95 363,263.23			(5,933,16)	324,887.63	351,932,18	(5,397.89)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	6.19		10/20/15	187,161.27	197,303,40			(3,988.41)	183,172.86	192,113,81	(1,201.18)	
SNMA	2001 A-E RMRB	8.19		10/20/15	588,509.27	646,222.34			(8,501.80)	580,007.47	628,288.89	(9,431.65)	
GNMA	2001 A-E RMRB	7.19		10/20/15	84,293.41	90,496,16			(1,270.49)	83,022.92	88,582.04	(643.63)	
GNMA	2001 A-E RMRB	8.19		11/20/15	167,240.37	183,641.05			(2,440.60)	164,799.77 45.306.84	178,518.15 49,078.36	(2,682.30) (736.79)	
SNMA	2001 A-E RMRB	8.19 6.19		10/20/15 11/20/15	45,971.39 195,015.43	50,479.70 205.583.17			(664.55) (3,182.75)	191,832.68	201,196.34	(1,204.08)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	8.19		11/20/15	102,555.98	112.613.31			(55,403.93)	47,152.05	51,077.13	(6,132.25)	
GNMA	2001 A-E RMRB	8.19		01/20/16	244,226.13	268,375.72			(4,402.24)	239,823.89	260,466.11	(3,507.37)	
GNMA	2001 A-E RMRB	8.19		02/20/16	168,127.09	184,751.83			(2,396,39)	165,730.70	179,995.53	(2,359.91)	
GNMA	2001 A-E RMRB	8.75		02/20/20	203,498.05	228,327.74			(37,671.29)	165,826.76	184,303.23	(6,353.22)	
GNMA	2001 A-E RMRB	8.19		04/20/16	325,645.29	357,845.86			(40,052,58)	285,592.71	310,174.44 386,480.55	(7,618.84) (2,949.53)	
GNMA	2001 A-E RMRB	7.19 6.19		02/20/16 04/20/16	384,094.97 412,460.15	412,749.39 435,371.85			(23,319.31) (22,988.66)	360,775.66 389,471.49	409,019.61	(3,363.58)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	6.19 8.19		04/20/16	24,333.75	26,739.97			(355,06)	23,978.69	26,042.64	(342.27)	
GNMA	2001 A-E RMRB	7,19		04/20/16	125,315.64	134,664.53			(2,054,88)	123,260.76	132,043.00	(566.65)	
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	519,273.82	548,688.85			(8,451.34)	510,822.48	537,032.34	(3,205.17)	•
GNMA	2001 A-E RMRB	8.19			19,602.31	21,570.03			(269.42)	19,332.89	21,045.00	(255.61)	
GNMA	2001 A-E RMRB	7.19			542,316.61	584,134.51			(42,567.04)	499,749.57 444,520.10	536,740.09 463,608.11	(4,827.38) (1,624.30)	
GNMA	2001 A-E RMRB	6.00 5.45			450,739.98 587,936.87	471,452.29 603,284.68			(6,219.88) (2,283.20)	585,653.67	600,167.12	(834.36)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95			1,267,256.00	1,270,864.88			(6,700.05)	1,260,555.95	1,263,560.18	(604.65)	
GNMA	2001 A-E RMRB	5.45			455,425.46	467,314.13			(59,034,84)	396,390.62	406,213.82	(2,065.47)	ļ
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	l	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue 2001 A-E RMRB	4.95	05/15/02	05/20/32	1,282,933.97	1,286,587.43			(112,001.92)		1,170,932.05	1,173,722.61	(862.90)	
INMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	947,618.95	950,317.59			(3,805.25)		943,813.70 468,314.03	946,063.07 479,919.61	(449.27). (665.83)	
NMA	2001 A-E RMRB	5.45		05/20/32	470,087.92	482,359.33 1,415,309.07			(1,773.89) (5,195.77)		1,374,107.23	1,408,159.87	(1,953.43)	
INMA	2001 A-E RMRB	5.45		02/20/32 02/20/32	1,379,303.00 145,283.77	149,076,33			(39,807.78)		105,475.99	108,089.85	(1,178.70)	
INMA INMA	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95		02/20/32	997,863.70	1,000,705.38			(4,360.82)		993,502.88	995,870.62	(473.94)	
INMA	2001 A-E RMRB	5.45		04/20/32	1,874,774.94	1,923,715.01			(103,649.13)		1,771,125.81	1,815,017.14	(5,048.74)	
INMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	159,537.00	163,701.62			(590.42)		158,946.58	162,885.51	(225.69)	
)NMA	2001 A-E RMRB	4.95		04/20/32	1,845,951.64	1,851,208.48			(8,343.87)		1,837,607.77	1,841,987.23 65,365.76	(877.38) (90.53)	
AMA	2001 A-E RMRB	5.45		04/20/32	64,020,49	65,691,72			(235.43) (61,108.87)		63,785.06 2.372,350,42	2,378,004.33	(1,276.05)	
INMA	2001 A-E RMRB	4.95 5.45		04/20/32 04/20/32	2,433,459.29 830,635,86	2,440,389.25 852.319.19			(3,301.57)		827,334,29	847,836.95	(1,180.67)	
AMME AMME	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95		04/20/32	84,059.59	84,298.94			(350.73)		83,708.86	83,908.32	(39.89)	
3NMA	2001 A-E RMRB	5.45			414,285.17	425,099.89			(1,553.17)		412,732.00	422,960.17	(586.55)	
NMA	2001 A-E RMRB	4.95			333,875.96	334,826.76			(1,358.21)		332,517.75	333,310.21	(158.34)	
3NMA	2001 A-E RMRB	5.45			131,377.33	134,806.86			(491.70)		130,885.63 587,622.27	134,129.18 602,184.46	(185.98) (898.76)	
3NMA	2001 A-E RMRB	5,45		08/20/32	592,272.64	607,733.59			(4,650.37) (2,181.85)		547,470.05	548,774.82	(260.53)	
INMA	2001 A-E RMRB	4.95 5.45		08/20/32 05/20/32	549,651,90 392,854,39	551,217.20 403,109.67			(1,564.25)		391,290,14	400,986.95	(558.47)	
AMMA AMMA	2001 A-E RMRB 2001 A-E RMRB	4.95		05/20/32	1,204,577,39	1,208,007.72			(5,528.70)		1,199,048.69	1,201,906.28	(572.74)	
AMMA	2001 A-E RMRB	5.45			52,205.62	53,568.43			(193.60)		52,012.02	53,300.96	(73.87)	
AMA	2001 A-E RMRB	4.95			532,441.11	533,957.37			(2,909.90)		529,531.21	530,793.20	(254.27)	
3NMA	2001 A-E RMRB	5.45		06/20/32	102,899.74	105,585.90			(402.91)		102,496.83 288,688,85	105,036.87 289,376.86	(146.12) (423.23)	
3NMA	2001 A-E RMRB	4.95			390,215.12 266,851.02	391,326.36 273,817.04			(101,526.27) (58,955.40)		207,895.62	213,047,62	(1,814.02)	
AMA AMA	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95			198,377.99	198,942.93			(965.58)		197,412.41	197,882.90	(94.45)	
3NMA	2001 A-E RMRB	5.45			711,919,80	730,504.13			(2,593.70)		709,326.10	726,904.36	(1,006.07)	
INMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	1,063,340.59	1,066,368,75			(4,359.20)		1,058,981.39	1,061,505.20	(504.35)	
AMA	2001 A-E RMRB	5.45			122,323.01	125,516.18			(441.64) (84,413.45)		121,881.37 302,976.05	124,901.77 303.698.10	(172.77) (381.14)	
AMMA	2001 A-E RMRB	4.95			387,389.50 172,674.43	388,492,69 177,182,01			(715.25)		171,969.18	176,220.60	(246.16)	
AMA6 AMA6	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95			746,181.05	748,306.00			(3,450.08)		742,730.97	744,501.09	(354.83)	
SNMA	2001 A-E RMRB	5.45			165,618.25	169,941.66			(61,052.06)		104,566.19	107,157.53	(1,732.07)	
AMA	2001 A-E RMRB	5.45		06/20/32	118,641.72	121,738.78			(43,735.03)		74,906.69	76,762.98	(1,240.77)	
AMAE	2001 A-E RMRB	4.95			448,809.26	450,087.36			(1,778.73)		447,030.53	448,095.92 66,860.13	(212.71) (96.18)	
3NMA	2001 A-E RMRB	5.45			65,621,31	67,334.33			(378.02) (230.29)		65,243.29 57,741.29	57,878.90	(27.48)	
3NMA	2001 A-E RMRB	4.95 5.45			57,971.58 503.602.68	58,136.67 516,748.97			(1,864.10)		501,738.58	514,172.46	(712.41)	
3NMA 3NMA	2001 A-E RMRB 2001 A-E RMRB	4.95			250,555,16	251,268.68			(1,023,13)		249,532.03	250,126.72	(118.83)	
3NMA	2001 A-E RMRB	5.45			1,212,682,69	1,244,339.18			(4,769.73)		1,207,912.96	1,237,846.99	(1,722.46)	
3NMA	2001 A-E RMRB	4.95	08/23/02		1,521,364.09	1,525,696.58			(6,627.28)		1,514,736.81	1,518,346.79	(722.51)	
SNMA	2001 A-E RMRB	5.45			541,325.35	555,456.39			(64,443.76) (1,361.06)		476,881.59 347,138.45	488,699.49 355,741.07	(2,313.14) (494.78)	
SNMA	2001 A-E RMRB	5.45 4.95			348,499.51 655,593.66	357,596.91 657,460.64			(89,528.36)		566,065.30	567,414.38	(517.90)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.90 5.45			211,650.72	217,175.76			(752.45)		210,898.27	216,124.67	(298.64)	
3NMA	2001 A-E RMRB	4.96			570,239.01	571,862.90			(2,470.85)		567,768.16	569,121.27	(270.78)	
SNMA	2001 A-E RMRB	5,45			787,912.87	808,480.93			(108,106.82)		679,806.05	696,652.74	(3,721.37)	
SNMA	2001 A-E RMRB	4.95			395,733.17	396,860.11			(1,589.47) (368,834.57)		394,143.70 610,925.80	395,083.02 626,065.56	(187.62) (10,436.43)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	5.4! 4.9!			979,760.37 461,726.86	1,005,336.56 463,041.74			(308,834.57)		459,907.84	461,003.90	(218.82)	
SNMA SNMA	2001 A-E RMRB 2001 A-E RMRB	5.4			207,237.81	212,647.66			(51,002.48)		156,235.33	160,107.11	(1,538.07)	
GNMA	2001 A-E RMRB	4.9			441,266.52	442,523.14			(1,717.27)		439,549.25	440,596.80	(209.07)	
SNMA	2001 A-E RMRB	5.4			131,186.87	134,611.44			(465.26)		130,721.61	133,961.11	(185.07)	
SNMA	2001 A-E RMRB	4.9			325,097,73	326,023.53			(1,279.43) (1,636.78)		323,818.30 438.247.18	324,590.03 449,107.63	(154.07) (622.49)	
GNMA	2001 A-E RMRB	5.44 4.9			439,883,96 267,189,87	451,366.90 267,950.77			(1,035.81)		266,154.06	266,788.39	(126.57)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.9 5.4			172,329,25	176,827.82			(59,352.67)		112,976.58	115,776.32	(1,698.83)	
GNMA	2001 A-E RMRB	4.9			76,167.63	76,384.53			(294.12)		75,873.51	76,054.32	(36.09)	
GNMA	2001 A-E RMRB	5.4	5 11/26/02		434,442.75	445,783.70			(116,954.24)		317,488.51	325,356.41	(3,473.05)	
GNMA	2001 A-E RMRB	4.9			82,301.69	82,536.06			(316.73) (100,002.42)		81,984.96 194,172.73	82,180.36 198,984.65	(38.97) (2,867.38)	
GNMA	2001 A-E RMRB	5.4			294,175.15 196,678.14	301,854.45 197,238.22			(100,002.42)		195,902.92	196,369.79	(93.21)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4,9 5.4			377,055,77	386,898.62			(1,658.06)		375,397.71	384,700.67	(539.89)	
GNMA	2001 A-E RMRB	5.4			432,468.98	443,758.39			(3,743.01)		428,725.97	439,350.51	(664.87)	
GNMA	2001 A-E RMRB	4.9	5 12/19/02	11/20/32	67,798.67	67,991.75			(258.94)		67,539.73	67,700.70	(32.11)	
GNMA	2001 A-E RMRB	5.4			451,653.66	463,443.87			(1,789.12)		449,864.54	461,012.92	(641.83)	
GNMA	2001 A-E RMRB	5.4			44,944.01	46,117.24			(159.39) (517.81)		44,784.62 132,473.83	45,894.45 132,789.55	(63.40) (63.01)	
GNMA	2001 A-E RMRB 2001 A-E RMRB	4.9 5.4			132,991.64 113,828,56	133,370.37 116,799.98			(975.47)		112,853.09	115,649.76	(174.75)	
GNMA	ZUUT A-E KIMKU	5.4	- 0.009/03	12320132	(10,020,00	110,130.00			(0.0.41)				,,	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
inma	2001 A-E RMRB	5.45	01/23/03	01/20/33	396,617.91	406,723.12			(1,520.80)		395,097.11	404,800.50	(401.82)	
NMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	392,111.03	393,148.49			(1,819.49)		390,291.54	391,123,18	(205.82)	
AMMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	95,921.07	98,365.00			(334.45)		95,586.62	97,934.19	(96.36) (31.58)	
AMMA	2001 A-E RMRB	4,95	01/23/03	01/20/33	58,497.00	58,651,77 303,850.00			(684.73) (1,335.90)		57,812.27 294,784.02	57,936.46 302,089.26	(424.84)	
SNMA	2001 A-E RMR8	5.45 4.95	01/30/03 01/30/03	12/20/32 01/20/33	296,119.92 79,337.18	79,547.09			(473.58)		78,863.60	79,031.64	(41.87)	
AMA AMA	2001 A-E RMRB 2001 A-E RMR8	5.45	02/12/03	01/20/33	249,337.52	255.690.24			(1,050.55)		248,286.97	254,384.76	(254.93)	
NMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	247,992.41	248,648.55			(945.78)		247,046.63	247,573.04	(129.73)	
SNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	186,799.19	191,558.55			(975.56)		185,823.63	190,387.37	(195.62)	
INMA	2001 A-E RMRB	5.45	02/27/03	02/20/33	95,410.08	97,841.01			(340.80)		95,069.28	97,404.17	(96.04)	
SNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	146,063.47	146,449.90			(752.39)		145,311.08	145,620.69	(76.82)	
3NMA	2001 A-E RMRB	5.45	03/12/03	10/20/32	49,439.63	50,730.23			(174.18)		49,265.45 166,981.90	50,486.33 167,337,70	(69.72) (174.17)	
3NMA	2001 A-E RMRB	4,95 5,45	03/12/03 03/20/03	02/20/33 02/20/33	200,309.43 281,011.28	200,839.40 288,171.01			(33,327.53) (1,063.05)		279,948.23	286,823.62	(284.34)	
3NMA 3NMA	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95	03/20/03	02/20/33	215,197.75	215,767.12			(819.03)		214,378.72	214,835,51	(112.58)	
AMMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	171.267.00	175,630,63			(594.58)		170,672.42	174,864.06	(171.99)	
AMMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	129,341.15	132,636.57			(456.48)		128,884.67	132,050.01	(130.08)	
AMMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	58,977.04	60,479.68			(360.95)		58,616.09	60,055.68	(63.05)	
AMMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	229,811.34	235,666.58			(805.93)		229,005.41	234,629.66	(230.99)	
AMME	2001 A-E RMRB	5,45	05/08/03	04/20/33	214,684.92	220,154.75		•	(906.65)		213,778.27	219,028.55	(219.55)	
AMME	2001 A-E RMRB	4.95	05/08/03	04/20/33	151,322.09	151,722,46			(568.13) (844.08)		150,753.96 152,859.38	151,077.06 153,185.08	(77.27) (80.96)	
AMMA	2001 A-E RMRB 2001 A-E RMRB	4.95 5.45	05/15/03 05/22/03	04/20/33 04/20/33	153,703.46 159,323.08	154,110.12 163,382.36			(688.91)		158,634.17	162,530.12	(163.33)	
3NMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	295,679.67	303,213.13			(1,008.24)		294,671.43	301,908.41	(296.48)	
NMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	273,835.77	280,812,66			(936.43)		272,899.34	279,601.59	(274.64)	
AMMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	176,340.49	180,833.38			(58,040.96)		118,299.53	121,204.92	(1,587.50)	
AMA	2001 A-E RMRB	5,45	06/19/03	06/20/33	234,043.54	240,006.60			(1,425.16)		232,618.38	238,331.35	(250.09)	
3NMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	109,961.88	112,763.52			(728.85)		109,233.03	111,915.73	(118.94)	
AMA AMA	2001 A-E RMRB 2001 A-E RMRB	5.45 5.45	07/10/03	06/20/33 07/20/33	51,511.16 55,112.51	52,823.58 56,516.68			(172.85) (183.83)		51,338.31 54,928.68	52,599.15 56,277.69	(51.58) (55.16)	
3NMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	51,452.37	52,763.30			(173.55)		51,278.82	52,538,21	(51.54)	
ENMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	54,206.99	55,588,10		*	(180.80)		54.026.19	55,353.04	(54.26)	
3NMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	106,142.46	108,846.80			(365,32)		105,777.14	108,374.98	(106.50)	
AMMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	58,632.69	60,126.55			(343.99)		58,288.70	59,720.24	(62.32)	
3NMA	2001 A-E RMRB	5.45	09/04/03	08/20/33	84,455.94	86,607.74			(280.01)		84,175.93	86,243.25	(84.48)	
3NMA	2001 A-E RMRB	5.45	09/18/03	07/20/33	106,268.79	108,976,35			(354.46)		105,914.33 55,871.09	108,515.53	(106.36)	
AMA AMA	2001 A-E RMRB 2001 A-E RMRB	5.45 4.95	09/29/03	09/20/33 09/20/33	56,056.24 127.988.83	57,484.47 128.327.46			(185.15)		127,516.19	57,243.27 127,786.89	(56.05) (67.93)	
3NMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	51,665.18	52,981.52			(174.56)		51,490.62	52,755.19	(51.77)	
SNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	55,132.51	56,537.20			(180.56)		54,951.95	56,301,54	(55.10)	
3NMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	66,327.99	68,017.92			(235.49)		66,092.50	67,715.69	(66.74)	
AMMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	255,687.12	262,201.62			(832.51)		254,854.61	261,113.69	(255.42)	
AMME	2001 A-E RMRB	4.95	12/04/03	11/20/33	105,805.05	106,084,99			(380.96)		105,424.09	105,648.73	(55.30)	
AMMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	62,584.28	64,178.82			(202.55)		62,381.73	63,913.79	(62.48)	
AMAE AMAE	2001 A-E RMRB 2001 A-E RMRB	4.95 4.95	01/15/04 01/22/04	01/20/34 01/20/34	127,567.56 517,705.61	127,776.25 515,948.99			(449.54) (2,375.07)		127,118.02 515,330.54	127,311.85 513,550.76	(14.86) (23.16)	
3NMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	53,977.61	55.352.87			(174.71)		53,802.90	55.124.27	(53.89)	
ENMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	53,368.16	54,727.89			(173.97)		53,194.19	54,500.60	(53.32)	
3NMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	53,964.19	55,339.11			(175.70)		53,788.49	55,109.50	(53.91)	
AMME	2001 A-E RMRB	5.45	03/11/04	02/20/34	54,412.53	55,773.60			(174.00)		54,238.53	55,556.37	(43.23)	
SNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	133,440.44	133,658.74			(467.61)		132,972.83	133,175.60	(15.53)	
3nma 3nma	2001 A-E RMRB 2001 A-E RMRB	4.95 5,49	04/08/04 04/16/04	02/20/34 04/20/34	105,079.74 101,282.24	104,723.19 103,978,32			(368.21) (681.39)		104,711.53 100,600.85	104,349.89 103,208.68	(5.09) (88.25)	
-NWA	2001 A-E RMRB	5.45	04/17/02	03/01/32	300,279.31	305,342.05			(1,196.60)		299,082.71	302,977.33	(1,168.12)	
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	217,588.56	215,920.48			(1,461.65)		216,126,91	214,170.35	(288.48)	
INMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	178,723.51	177,353.35			(85,906.82)		92,816.69	91,976.44	529.91	
TNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	253,671.77	251,727.02			(1,446.97)		252,224.80	249,941.42	(338.63)	
FNMA.	2001 A-E RMRB	5.45	09/19/02	08/01/32	248,095.45	252,278.36			(904.01)		247,191.44	250,410,33	(964.02)	
INMA INMA	2001 A-E RMRB 2001 A-E RMRB	4.95 5.45	09/26/02	09/01/32 11/01/32	195,964.72 318.147.59	194,462.36 323,511.59			(765.19) (1,231.87)		195,199.53 316,915.72	193,432,37 321,042,56	(264.80) (1,237.16)	
-NMA	2001 A-E RMRB 2001 A-E RMRB	4,95	07/24/03	09/01/32	239,420.16	237,584,65			(1,726.64)		237,693.52	235,541,67	(316.34)	
*NMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	70,717.26	71,850.58			(244.63)		70,472.63	71,354.20	(251.75)	
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	97,278.37	98,837.35			(322.34)		96,956.03	98,168.87	(346.14)	
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	138,922.46	137,719.23			(832.59)		138,089.87	136,750,95	(135.69)	
NMA	2001 A-E RMR8	5.45	04/08/04	01/01/32	28,154.91	28,629,61	_		(1,286.27)		26,868.64	27,218.52	(124.82)	
Repurchase Agreement	2001 A-E RMRB	2.59	02/28/05	03/01/05	1,856.77	1,856.77	0.00				1,856.77	1,856.77	-	
Repurchase Agreement	2001 A-E RMRB	2.59 2.59	02/28/05	03/01/05 03/01/05	128,427.44 290.366.43	128,427.44 290,366.43	729.31	(166,847.73)			129,156.75 123,518.70	129,156.75 123,518.70	-	
Repurchase Agreement Repurchase Agreement	2001 A-E RMRB 2001 A-E RMRB	2.59	02/28/05	03/01/05	290,366.43 176,369.45	290,366.43 176,369.45	79,579,50	(100,047.73)			255.948.95	255.948.95	-	
rehmenase whisement	2001 A-L INNIGE	2.59	ATT OLOG	CON PRO	110,309.43	110,000,011	10,010.00				200,040.00	ಪ್ರವಿ, ೨೪೮.೨೮	-	

_		Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type sourchase Agreement	Issue 2001 A-E RMRB	2.59	02/28/05	03/01/05	594.84	594.84	362.77		(17.07)		957.61 5,018.52	957.61 5,149.92	(5.09)	
NMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	5,035.59	5,172.08			(17.07) (41.82)		12,164.48	12,483.02	(12.31)	
NMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	12,206.30	12,537.15 46,579.93			(6,209.98)		39,140.76	40,165.67	(204.28)	
NMA	2001 A-E RMRB	5.49	04/02/03	03/20/33 03/20/33	45,350.74 11,712.18	11,652.46			(45.62)		11,666.56	11,600.60	(6.24)	
NMA	2001 A-E RMRB	4.80 5.49	04/02/03	03/20/33	17,761.08	18,242,50			(60.98)		17,700.10	18,163.61	(17.91) (38.60)	
NMA NMA	2001 A-E RMRB 2001 A-E RMRB	4.80	04/10/03	04/20/33	72,324.47	71,955.64			(277.30)		72,047.17	71,639,74 78,348,56	(78.92)	
NMA	2001 A-E RMRB	5,49	04/17/03	04/20/33	76,672.22	78,750.35			(322.87)		76,349.35	9,797.54	(5.28)	
NMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,891.22	9,840.79			(37.97)		9,853.25	8,181.34	(338.19)	
NMA	2001 A-E RMRB				12,477.29	12,815,48 24,220,61			(12,477.29) (92.73)		24,252.02	24,114.88	(13.00)	
NMA	2001 A-E RMRB	4.80	04/24/03	04/20/33 04/20/33	24,344.75 13,444.64	13,809.05		•	(48.63)		13,396.01	13,746.79	(13.63)	
NMA	2001 A-E RMRB	5.49 4.80	04/29/03	03/20/33	10,085.85	10,034.41			(39.30)		10,046.55	9,989.73	(5.38)	
NMA NMA	2001 A-E RMRB 2001 A-E RMRB	5.49	05/08/03	05/20/33	41,320.92	42,440.91			(139.43)		41,181.49	42,259.86	(41.62) (15.74)	
NMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,622.98	16,046.45			(52.84)		15,570.14 39,819.99	15,977.87 39,594.78	(20.89)	
NMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	40,061.87	39,857.55			(241.88) (142.46)		38,631.41	39,643.00	(39.35)	
NMA	2001 A-E RMRB	5,49	05/22/03	05/20/33	38,773.87	39,824.81 27,047.29			(103.85)		27,082.08	26,928.92	(14.52)	
INMA	2001 A-E RMRB	4.80 5.49	05/22/03 05/29/03	04/20/33 05/20/33	27,185.93 32.927.00	33,819.47			(113.65)		32,813.35	33,672.59	(33.23)	
NMA	2001 A-E RMRB 2001 A-E RMRB	4.80	05/29/03	05/20/33	20,723.46	20,617.77			(79.23)		20,644.23	20,527.48	(11.06)	
inma inma	2001 A-E RMRB	5.49	06/10/03	05/20/33	21,421.27	22,001.88			(72.03)	1	21,349.24	21,908.27	(21.58) (19.77)	
INMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	37,039.06	36,850.17			(143.03)		36,896.03 11,814.84	36,687.37 12,124.19	(11.94)	
INMA	2001 A-E RMRB	5.49			11,854.72	12,176.01			(39.88) (41.03)		10,850.89	10,789.56	(5.81)	
INMA	2001 A-E RMRB	4.80	06/19/03		10,891.92 25,769.80	10,836.40 26,468.26			(110.12)		25,659.68	26,331.57	(26.57)	
INMA	2001 A-E RMRB	5.49 4.80			6,951.16	6,915,71			(26.61)		6,924.55	6,885.37	(3.73)	
INMA	2001 A-E RMRB 2001 A-E RMRB	5.49			5,255.74	5,398.17			(17.57)		5,238.17	5,375.31	(5.29)	
INMA INMA	2001 A-E RMRB	4.80			11,246.16	11,188.81			(42.88		11,203.28	11,139.92 15,996.30	(6.01) (320.84)	
NMA ·	2001 A-E RMRB	5.49	07/03/03	06/20/33	26,897.41	27,626.44			(11,309.30)		15,588.11 33,353.29	34,226.72	(33.71)	
3NMA	2001 A-E RMRB	5.49			33,466.73	34,373.87			(113.44) (56.19		14,774.59	14,691.04	(7.92)	
AMMA	2001 A-E RMRB	4.80			14,830.78 80,329.09	14,755.15 79,919.44			(501.09		79,828.00	79,376.57	(41.78)	
NMA	2001 A-E RMRB	4.80 5.49			52,811.82	54,243.25			(12,012.66		40,799.16	41,867.50	(363.09)	
AMA AMA	2001 A-E RMRB 2001 A-E RMRB	4.80			40,927.04	40,718.31			(173.69		40,753.35	40,522.86	(21.76)	
SNMA	2001 A-E RMRB	5.49			12,330.97	12,665.20		•	(41.36		12,289.61	12,611.41	(12.43) (29.74)	
BNMA	2001 A-E RMRB	5.49			28,686.95	29,464.50			(129.43 (42.54		28,557.52 11,252.43	29,305.33 11,188.77	(6.03)	
AMA	2001 A-E RMRB	4.80			11,294.97	11,237.34			(56.00		16.712.26	17,149.87	(16.86)	
SNMA	2001 A-E RMRB	5.49 4.80			16,768.26 32,904.48	17,222.73 32,736.67			(123.25		32,781.23	32,595.85	(17.57)	
AMMA	2001 A-E RMRB 2001 A-E RMRB	4.80 5.49			12,698.93	13,043.12			(42.47		12,656.46	12,987.86	(12.79)	
AMAE AMAE	2001 A-E RMRB	5,49			22,611.01	23,223.84			(515.48		22,095.53	22,674.08	(34.28)	
SNMA	2001 A-E RMRB	4.80		08/20/33	13,444.21	13,375.65			(57.08		13,387.13 16,427.61	13,311.41 16,857.79	(7.16) (16.90)	
GNMA	2001 A-E RMRB	5.49			16,494.57	16,941.65			(66,96 (42,92		11,539.57	11,474.28	(6.19)	
SNMA	2001 A-E RMRB	4.80			11,582.49 53,924.38	11,523.39 55,385.95			(179.72		53,744.66	55,151.98	(54.25)	
SNMA	2001 A-E RMRB	5.49 4.80			47,948.49	47,703.98			(181.31		47,767.18	47,497.05	(25.62)	
3NMA 3NMA	2001 A-E RMRB 2001 A-E RMRB	5.49			30,725.42	31,558.23			(102.97		30,622.45	31,424.32	(30.94)	
3NMA	2001 A-E RMRB	4.80			17,438.90	17,349.96			(64,79		17,374.11	17,275.86	(9.31) (69.33)	
3NMA	2001 A-E RMRB	5.49			68,387.46	70,241.07			(247.78 (182.05		68,139.68 47,552.02	69,923.96 47,283.11	(25.48)	
3NMA	2001 A-E RMRB	4.80			47,734.07	47,490.64 10,521.58			(33.65		10,210.28	10,477.63	(10.30)	
SNMA	2001 A-E RMRB	5.49			10,243.93 108,054.32	110,710.25			(25,296.07		82,758.25	84,718.03	(696.15	
GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49 4.80			281,585.06	278,744.32			(1,136.85		280,448.21	277,480.16	(127.31)	
GNMA GNMA	2001 A-E RMRB	5.49			21,427.22	21,953.92			(99.01		21,328.21	21,833.32	(21.59) (76.78)	
SNMA	2001 A-E RMRB	4.8			144,057.27	143,322.62			(572.65		143,484.62 5,637.91	142,673.19 5,785.55	(6.42)	
GNMA	2001 A-E RMRB	5.49			5,683.54	5,837.60			(45,63 (732,09		176,440.25	174.572.91	(79.93)	
GNMA	2001 A-E RMRB	4.8			177,172.34 6,775.74	175,384.93 6,959.40			(22.27		6,753.47	6,930.33	(6.80	
GNMA	2001 A-E RMRB	5.4 4.8			54,960.74	54,680.45			(227.8)		54,732.87	54,423.34	(29.24	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	4.8			89,383.41	88,481.67			(411.09		88,972.32	88,030.70	(39.88	
GNMA	2001 A-E RMRB	5.4		11/20/33	5,188.11	5,328.74			(19.19		5,168.92	5,304.27 53,567.60	(5.28 (24.51	
GNMA	2001 A-E RMRB	4.8	0 12/11/03	3 12/20/33	54,366.26	53,817.79			(225.68 (36.7°		54,140.58 11,182.58	53,567.60 11,475.37	(24.51	
GNMA	2001 A-E RMRB	5.4			11,219.29	11,523,35 5,985,57			(36.7		5,801.85	5,953.83	(6.01	
GNMA	2001 A-E RMRB	5.4			5,827.58 47,131,96	5,985.57 46,891.60			(182.4		46,949.52	46,684.03	(25.13	
GNMA	2001 A-E RMRB 2001 A-E RMRB	4.8 5.4			12.082.14	12,409.63			(41.2	3)	12,040.86	12,356.16	(12.19	
GNMA GNMA	2001 A-E RMRB	4.8			33,385.24	33,048.44			(121.8		33,263.35	32,911.32	(15.23	
GNMA	2001 A-E RMRB	4.8	0 01/08/04	4 12/20/33	10,350.49	10,297.71			(37.7)		10,312.79 55,176.65	10,254.49 56,606.96	(5.52 (44.36	
GNMA	2001 A-E RMRB	5.4	9 01/15/04	4 01/20/34	55,398.58	56,873.25			(221.9)	90, 170.00	50,000.00	(14.50	,

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations <i>i</i>		c	Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	lssue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Transf	ers	02/28/05	02/28/05	Value	Gain
∋NMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	41,638.49	42 641 79			(136.04)		41,502.45 40.101.56	42,474.39 39,850.08	(31.36) (6.39)	
AMME	2001 A-E RMRB	4.80	01/22/04	01/20/34	40,248.59 21,272.08	40,003.50 21,838.33			(147.03) (91.88)		21,180.20	21,729.26	(17.19)	
SNMA	2001 A-E RMRB	5.49 4.80	01/29/04 01/29/04	01/20/34 11/20/33	21,272.00 8,774.49	21,030.33 8,729.77			(32.12)		8,742.37	8,692.95	(4.70)	
AMME AMME	2001 A-E RMRB 2001 A-E RMRB	4.80	02/12/04	01/20/34	21.654.58	21 414 91			(101.16)		21,553.42	21,312.06	(1.69)	
SNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	44,975.03	46,172.26			(190.56)		44,784.47	45,945.42	(36.28)	
3NMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	43,507.39	43,025.86			(230.40)		43,276.99	42,792.32	(3.14)	
3NMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	22,640.79	23,185.28			(78.69)		22,562.10	23,089.44	(17.15)	
3NMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	26,481.45	26,188.36			(96.04)		26,385.41	26,089.91	(2.41)	
3NMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	75,039.48	77,036.99			(276.19)		74,763.29	76,701.35 30.330.36	(59.45) (22.32)	
SNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	29,730.13	30,446.48			(93.80) (41.32)		29,636.33 11,440.05	11,368.31	(1.84)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	4.80 5.49	03/30/04 07/09/04	03/20/34 07/20/34	11,481,37 16,013.60	11,411.47 16,439.88			(56.12)		15,957.48	16,371.14	(12.62)	
anma Amma	2001 A-E RMRB	4.80	07/08/04	06/20/34	10,189.50	10,076.70			(64.65)		10,124.85	10,011.44	(0.61)	
3NMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	32,392.85	32,195.60			(129.86)		32,262.99	32,060.67	(5.07)	
3NMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	26,405.11	27,108.00			(83.49)		26,321.62	27,003.96	(20.55)	
3NMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	23,550.12	23,289.48			(87.27)		23,462.85	23,200.09	(2.12)	
AMME	2001 A-E RMRB	5.49	04/29/04	04/20/34	11,075.05	11,369.86			(43.63)		11,031.42	11,317.39	(8.84)	
3NMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	18,256.55	18,145.39			(66.78)		18,189.77 7,205.12	18,075.71 7.391.92	(2.90) (5.61)	
3NMA	2001 A-E RMRB	5.49	05/06/04 05/13/04	04/20/34 04/20/34	7,227.80 11,362.04	7,420.21 11,664.50			(22.68) (103.85)		11,258.19	11,550.04	(10.61)	
3NMA	2001 A-E RMRB 2001 A-E RMRB	5.49 4.80	05/13/04	04/20/34	11,302.04	11,367.48			(41.03)		11,396.08	11,324.62	(1.83)	
3NMA 3NMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	19.548.20	20,068.59			(61.97)		19,486.23	19,991.38	(15.24)	
SNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	18,040.01	18,520.23			(72.84)		17,967.17	18,432.93	(14.46)	
ЭМА	2001 A-E RMRB	5.49	06/24/04	06/20/34	14,195.06	14,572.93			(43.99)		14,151.07	14,517.92	(11.02)	
SNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	40,629.04	41,607.99			(157.79)		40,471.25	41,419.00	(31.20)	
SNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	29,830.02	30,624.09			(94.44)		29,735.58 25,982.89	30,506.41 26,656.44	(23.24) (20.24)	
SNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	26,062.95	26,756.74 12,324.23			(80.06) (39.52)		25,982.69 11.965.16	12.275.32	(9.39)	
AMAE AMAE	2001 A-E RMRB 2001 A-E RMRB	5.49 4.80	09/23/04	09/20/34 09/20/34	12,004.68 14,409.10	14,321.37			(49.90)		14,359.20	14,269.17	(2.30)	
3NMA	2001 A-E RMRB	5.49		09/20/34	17,255.05	17,714.36			(53.56)		17,201.49	17,647.39	(13.41)	
SNMA	2001 A-E RMRB	5.49		09/20/34	20,261.47	20,800.82			(153.63)		20,107.84	20,629.08	(18.11)	
3NMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	14,258.34	14,171.51			(49.38)		14,208.96	14,119.86	(2.27)	
SNMA	2001 A-E RMRB	5.49		04/20/34	12,267.89	12,594.47			(38.71)		12,229.18	12,546.20	(9.56)	
GNMA	2001 A-E RMRB	5.49		07/20/34	11,902.78	12,219.63			(36.88)		11,865.90 6,753.05	12,173.50 6,928.09	(9.25) (5.26)	
GNMA GNMA	2001 A-E RMRB 2001 A-E RMRB	5.49 5.49		07/20/34 08/20/34	6,773.91 27,133.88	6,954.21 27,856.18			(20,86) (93,47)		27,040.41	27,741.39	(21.32)	
SNMA	2001 A-E RMRB	5.49		08/20/34	23,440.21	24,064.18			(72.28)		23,367.93	23,973.68	(18.22)	
SNMA	2001 A-E RMRB	5.49		08/20/34	13,880.01	14,249.47			(55.15)		13,824.86	14,183.21	(11.11)	
3NMA	2001 A-E RMRB	5.49	12/02/04	11/20/34			38,994.91				38,994.91	40,005.77	1,010.86	
GNMA	2001 A-E RMRB	4.80		11/20/34			26,578.11				26,578.11	26,411.44	(166.67)	
GNMA	2001 A-E RMRB	4.80		09/20/34	3,469.86	3,448.73			(12.66)		3,457.20	3,435.52	(0.55)	
SNMA	2001 A-E RMRB	5.49		06/20/34	10,757.26	11,016.46			(55.34)		10,701.92 10,741,13	10,952.55 10,620.84	(8.57) (0.79)	
GNMA GNMA	2001 A-É RMRB 2001 A-É RMRB	4,80 5,49		09/20/34 10/20/34	10,797.13 15,259.22	10,677.63 15,665.41			(56.00) (65.48)		15,193.74	15.587.59	(12.34)	
JINIA JNMA	2001 A-E RMRB	5.49		10/20/34	7,425.97	7,623.65			(49.65)		7,376.32	7,567.53	(6.47)	
SNMA	2001 A-E RMRB	5.49		12/20/34	1,720.01	,,520.00	48,366.18		(y		48,366.18	49,619.96	1,253.78	
SNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34			15,437.56				15,437.56	15,340.75	(96.81)	
SNMA	2001 A-E RMRB	5.49		01/20/35			11,441.68				11,441.68	11,736.79	295,11	
SNMA	2001 A-E RMRB	4.49		01/20/35			32,149.53				32,149.53	31,272.29	(877.24)	
GNMA	2001 A-E RMRB	5.49					18,363.00				18,363.00 59,567.60	18,839.03 60.954.75	476.03 1,387.15	
GNMA FNMA	2001 A-E RMRB 2001 A-E RMRB	5.49 5.49			29,646.08	30,168.85	59,567.60		(100.06)		59,567.60 29,546.02	29,963.11	(105,68)	
FNMA	2001 A-E RMRB	4,80			23,963.81	23,572.30			(10,234.34)		13,729.47	13,490.54	152.58	
FNMA	2001 A-E RMRB	5.49		11/01/33	16,704.14	16,998.72			(276.84)		16,427.30	16,659.25	(62.63)	•
FNMA	2001 A-E RMRB	4.80		11/01/33	35,625.87	35,043.82			(136.31)		35,489.56	34,871.93	(35.58)	
FNMA	2001 A-E RMRB	4.80		01/01/34	12,330.60	12,111.56			(76.05)		12,254.55	12,024.57	(10.94)	
FNMA	2001 A-E RMRB	5.49		06/01/33	7,970.49	8,111.04			(35.41)		7,935.08	8,047.10 28,730.84	(28.53) (94.44)	
FNMA	2001 A-E RMRB	5.49 4.80			28,386.12 7,137.74	29,014.19 7,010.95			(188.91) (25.13)		28,197.21 7,112.61	28,730.84 6,979.12	(94.44) (6.70)	
FNMA FNMA	2001 A-E RMRB 2001 A-E RMRB	4,80 4,80			7,137.74	6,971,27			(25.00)		7,112.01	6,939.60	(6.67)	
1.1319154	2001 A-E RMRB Total	4.00	11110/04	10/0/134	79,694,475.57	81,708,492.17	393,944.05	(5,212,869.32)		.00	71,821,542.41	73,518,596.09	(316,962.92)	0.00
Repurchase Agreement	2002 RMRB	2.59			36,077.19	36,077.19	23,002.28	/E0 450 000			59,079.47	59,079.47 157,204.05		
Repurchase Agreement	2002 RMRB 2002 RMRB	2.59 2.59			215,657.02 12,716.43	215,657.02 12,716.43	84,779.50	(58,452.97)			157,204.05 97,495.93	157,2U4.U5 97,495.93	-	
Repurchase Agreement Repurchase Agreement	2002 RMRB	2.59			484,728.96	484,728.96	Q+,175.00	(30,484.97)			454,243.99	454,243.99	-	
Guarantd Inv Certificates	2002 RMRB	4.20			1,506,700.99	1,506 700.99		(827,107.98)			679,593.01	679,593.01	-	
Mutual Fund	2002 RMRB	2.16			1.46	1.46	0.00				1.46	1.46	-	

Page	Investment Type		Issue	Current interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05 67.78	Ending Market Value 02/28/05 67.78	Change in In Market Value	Recognized Gain
Company Comp	Repurchase Agreement			2.59	02/28/05	03/01/05	67.62	67.62	0.16	(0.49)			07.70	01.10		
Output				5.40	03/12/03	03/20/33				(2.10)	(139.67)					
Company Comp																
DANA 2000 MBH 4-0 646/75 666/						03/20/33	370,711.02									
Common																
SAME																
COMMA 200 CANNER 4 0 091733 000033 0005410 177 000033 0005410 177 0005410 177 0005410 177 0	GNMA															
Column	GNMA															
Common				4.80	04/17/03	03/20/33							00,0-10.0-1	*********		
Common				4.90	04/24/03	0412003							198,243.69	197,122.57		
Common C														112,370.57		
Common C											(321.27)					
Common																
CHIMA 2002 RIMBRS 4-80 052000 4042033 207,478,000 30,588,000 (\$11,64.00) 40,500 207,776 (\$11,64.00) 40																
Change C				4.80												
Challer Chal																
Common																
Common																
China 2002 Filmer 4,89														179,084.96	(176.33)	
China 2002 Palies 6.69 60-1983 50-200 69,607-58 69,500-59 69,5											(1,169.16)				
Common C																
China 2002 Riving 5.49 091903 216,050 34 215,958 86 091903 216,050 34 091903							89,034.13									
GNMA 2002 RMRB 4.0 062003 602003 4.956.10 4.100.70 06003 7.000.00 1.000.00																
Chilary Chil	GNMA															
CHMA 2007 RMRB 480 670 0700003 680 0700003 680 0700003 680 070 070003 680 070003 670003																
GMMA 2002 RMRB 4.80 07/1003 0X2002 273,987 85 280,982.70 (927.19) 272,640.66 279,778.83 (275.68) (947.70) (947.																
CHMA 2002 RIMER 4 80 0714030 6 90030 5 905 6 905 6 11 6 532 2004 4 (4,980.00) 6 CMAA 2002 RIMER 5 4 9 0774030 6 0774														279,779.83		
CHMA 2002 RIMRB 6.49 0771/03 062033 656,565.11 653.286.44 (4.096.08) 662.593.03 648.848.63 (341.55) CHMAA 2002 RIMRB 6.49 0772403 377.00.30 43.71.00.30 43.01.21 (98.196.21) 332,505.02 342.286.01 (2.297.99) CHMAA 2002 RIMRB 6.49 0773003 0773003 334,550.21 332,2844.11 (1.118.68) 330.02.65.07 (101.49) CHMAA 2002 RIMRB 6.49 0773003 0773003 324,287.02 332,2844.11 (1.118.68) 330.02.65.07 (101.49) CHMAA 2002 RIMRB 6.49 080703 080203 377.668.94 140.55.05 (1.477.70) 91.980.09 91.400.54 (49.31) CHMAA 2002 RIMRB 6.49 080703 080203 377.668.84 140.783.99 (457.68) 136,611.61 140,183.7 (37.794) CHMAA 2002 RIMRB 6.49 080703 080203 377.668.84 140.783.99 (457.68) 136,611.61 140,183.7 (37.794) CHMAA 2002 RIMRB 6.49 080203 378.00 080203 381,816.75 (37.796.73 10.00 14.00											(459.31)	120,772.09			
GNMA 2002 RMRB 4.80 07/2403 07/2203 343/700.30 443,610.21 (98,198.21) 885,950.50 342,208.01 (207.79) 610,000 6																
SMAA 2002 FMRFB 5.49 0772013 100.797.29 103.829.32 100.456.07 103.088.62 (10.49)																
CAMMA 2002 EMBRB 4.89 0807/03 07/2003 224.09.62.00 240.082.05 (1,1057.94) 233.488.26 239.69.91 (243.20) CMMA 2002 EMBRB 4.80 0807/03 137.068.84 140.783.99 (457.86) 136.6911.16 140,188.37 (137.94) CMMA 2002 EMBRB 4.80 081/403 0802.033 137.068.84 140,783.99 (457.86) 136.6911.16 140,188.37 (137.94) CMMA 2002 EMBRB 5.49 081/403 0802.033 103.804.65 105.818.51 (347.16) 103.457.77 105.166.85 (144.70) CMMA 2002 EMBRB 5.49 082/2033 103.804.65 105.818.51 (347.16) 103.457.77 105.166.85 (144.70) CMMA 2002 EMBRB 5.49 082/2033 103.804.65 105.818.51 (347.16) 103.457.77 105.166.85 (144.70) CMMA 2002 EMBRB 5.49 082/2033 105.804.65 105.818.51 (347.16) 103.457.77 105.166.85 (144.70) CMMA 2002 EMBRB 5.49 082/2033 105.804.55 105.818.51 105.818.51 (347.16) 105.457.77 105.166.85 (144.70) CMMA 2002 EMBRB 5.49 086/2033 105.804.55 105.818.51 105.308.71 (466.72) 105.405.45 106.818.50 (83.93) CMMA 2002 EMBRB 5.49 086/2033 105.804.55 105.818.51 105.308.71 (466.72) 105.405.45 106.818.50 (83.93) CMMA 2002 EMBRB 5.49 086/2033 105.804.55 105.208.50 (84.75.75 (85.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.75.208) 105.208.50 (84.7	GNMA	2002 RMRB														
SAMA 2002 RMFB 5.46 081703 082023 12.028.9 51.97.55 (347.70) 91.98.09 9 14,69.5 (49.31) 081804 546 081703 082023 12.028.9 13.70.68.14 140.783.99 (457.69) 136.611.6 267.993.93 226.48.67 (14.370) 14.028.09 14.028.09 (14.370) 14.028.09 14.028.09 14.028.09 14.028.																
Chimax 2002 NimPB																
Chimax 2002 EMMEB 4.80 0814403 07/20/32 288.971.39 267.596.73 (14.070)														140,188.37		
GIMIA 2002 RMRB 5.49 08/21/03 08/20/33 103,804.95 108,618.51 (347.18) 103,467.77 105,166.85 (104.48) (267,963.93			
GMMA 2002 RMRB 5.49 082803 082033 108,899.21 180,938.87 (4.273.67) 180,915.94 180,945.02 (2.00.16) (56.35) (6MMA 2002 RMRB 5.49 090403 082033 108,887.15 109,356.71 (495.72) 104,400.43 137,800.81 108,281.02 (2.00.16) (56.35) (6MMA 2002 RMRB 5.49 091803 082033 94,785.99 94,185.70 (330.83) 94,327.73 (1.499.03) 493,325.43 (380.83) 94,327.73 (1.499.03) 493,325.43 (380.83) 94,327.73 (1.499.03) 493,325.43 (380.83) 94,327.73 (380.83) 9								106,618.51								
GNNA 200 RIMPB 4.80 09/18/03 09/20/03 4/878.59 94.155.76 (547.21) 134,284.53 137,800.81 (138.25) (548.45) (549.				5.49	08/28/03	08/20/33	184,829.21									
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GNMA 2002 RMRB 4.80 01/08/04 12/20/33 84,608.11 84,176.64 (306.05) 64,300.05 64,300.05 (40.25)	GNMA															
	GNMA	2002 RMRB		4.80	01/08/04	12/20/33	84,608.11	84,176.64			(300.00	<i>'</i>)	04,500.00	00,020.00	(40.20)	

				Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities Transfer	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognízed Gain
Investment Type	2002 RMRB	Issue	Rate 5.49	01/15/04	01/20/34	452,845.16	464,899.70	Futurases	54,05	(1,814.23)	451,030.93	462,722.91	(362.56)	
GNMA GNMA	2002 RMRB 2002 RMRB		5.49	01/22/04	01/20/34	340,366.17	348,567.26			(1,112.07)	339,254.10	347,198.87	(256.32)	
GNMA	2002 RMRB		4.80	01/22/04	01/20/34	329,004.60	327,001.16			(1,201.88)	327,802.72	325,747.02	(52.26) (140.63)	
GNMA	2002 RMRB		5.49	01/29/04	01/20/34	173,884.59	178,513.32			(750,99)	173,133.60 71,463.07	177,621.70 71,058.93	(38.36)	
GNMA	2002 RMRB		4.80	01/29/04	11/20/33	71,725.68	71,359.90			(262.61) (826.78)	176,184,46	174,211.36	(13.98)	
GNMA	2002 RMRB		4.80	02/12/04	01/20/34	177,011.24 367.640.06	175,052.12 377,426.46			(1,557.69)	366,082.37	375,572.21	(296.56)	
GNMA	2002 RMRB		5.49 4.80	02/12/04 02/26/04	02/20/34 02/20/34	355,642.94	351,706,72			(1,883.42)	353,759.52	349,797.70	(25.60)	
GNMA	2002 RMRB 2002 RMRB		5.49	02/26/04	02/20/34	185,064.54	189.523.66			(643.12)	184,421,42	188,740.25	(140.29)	
GNMA GNMA	2002 RMRB		4.80	03/11/04	03/20/34	216,467.62	214,071.77			(785.09)	215,682.53	213,267.04	(19.64)	
GNMA	2002 RMRB		5.49	03/11/04	03/20/34	613,396.07	629,724.40			(2,257.64)	611,138.43	626,980.82	(485.94)	
GNMA	2002 RMRB		5.49	03/25/04	03/20/34	243,023.33	248,878.97			(766.78)	242,256.55	247,929.80 92,928.08	(182.39) (14.93)	
GNMA	2002 RMRB		4.80	03/30/04	03/20/34	93,852.42	93,280.93			(337.92)	93,514.50 130,441.40	133.822.80	(103.10)	
GNMA	2002 RMRB		5.49	07/09/04	07/20/34	130,900.16	134,384.66			(458.76) (528.50)	82,763.47	81,836.60	(5.01)	
GNMA	2002 RMRB		4.80	07/08/04 04/22/04	06/20/34 04/20/34	83,291.97 264,789.21	82,370.11 263,176.82			(1,061.49)	263,727.72	262,073.85	(41.48)	
GNMA	2002 RMRB 2002 RMRB		4.80 5.49	04/22/04	04/20/34	215,843.61	221,589.27			(682.32)	215,161.29	220,738.85	(168.10)	
GNMA GNMA	2002 RMRB		4.80	04/29/04	04/20/34	192,506.13	190,375.49			(713.45)	191,792.68	189,644.77	(17.27)	
GNMA	2002 RMRB		5.49	04/29/04	04/20/34	90,530.86	92,940.74			(356,54)	90,174.32	92,511.88	(72.32)	
GNMA	2002 RMRB		4.80	05/06/04	04/20/34	149,234.86	148,326.09			(545.86)	148,689.00	147,756.53	(23.70)	
GNMA	2002 RMRB		5.49	05/06/04	04/20/34	59,082.32	60,655.07			(185.28)	58,897.04	60,423.81	(45.98) (86.71)	
GNMA	2002 RMRB		5.49	05/13/04	04/20/34	92,876.87	95,349.20			(848.92) (335.42)	92,027.95 93,155.21	94,413.57 92,571.02	(14.88)	
GNMA	2002 RMRB		4.80	05/13/04	04/20/34	93,490.63 159,793.29	92,921.32 164,046.92			(506.63)	159,286.66	163,415.82	(124.47)	
GNMA	2002 RMRB		5.49 5.49	05/27/04 06/03/04	05/20/34 05/20/34	147,464.74	151,390.18			(595.51)	146,869.23	150,676.50	(118.17)	
GNMA GNMA	2002 RMRB 2002 RMRB		5.49	06/24/04	06/20/34	116,034.92	119,123.72			(359.54)	115,675.38	118,674.00	(90.18)	
GNMA	2002 RMRB		5.49	09/02/04	08/20/34	332,114.46	340,116.73			(1,289.97)	330,824.49	338,571.87	(254.89)	
GNMA	2002 RMRB		5.49	09/01/04	09/20/34	243,839.92	250,330.83			(772.00)	243,067.92	249,368.90	(189.93)	
GNMA	2002 RMRB		5.49	09/16/04	09/20/34	213,046.68	218,717.88			(654.42)	212,392.26	217,898.05 100,342.30	(165.41) (76.75)	
GNMA	2002 RMRB		5.49	09/01/04	09/20/34	98,129.90	100,742.08			(323.03)	97,806.87 117,376.72	116,640.63	(18.85)	
GNMA	2002 RMRB		4.80	09/29/04	09/20/34	117,784.55 141,048.12	117,067.31 144,802.76			(407.83) (437.84)	140,610.28	144,255.29	(109.63)	
GNMA GNMA	2002 RMRB 2002 RMRB		5.49 5.49	09/29/04 10/07/04	09/20/34 09/20/34	165,623.52	170,032.33			(1,255.90)	164,367.62	168,628.48	(147.95)	
GNMA	2002 RMRB		4.80	10/07/04	09/20/34	116,552.11	115,842.38			(403.58)	116,148.53	115,420.15	(18.65)	
GNMA	2002 RMRB		5.49	07/15/04	04/20/34	100,281.71	102,951.16			(316.51)	99,965.20	102,556.58	(78.07)	
GNMA	2002 RMRB		5.49	07/22/04	07/20/34	97,297.06	99,887.06			(301.44)	96,995.62	99,510.01	(75.61)	
GNMA	2002 RMRB		5.49	07/29/04	07/20/34	55,371.92	56,845.90			(170.55)	55,201.37	56,632.35	(43.00) (174.34)	
GNMA	2002 RMRB		5.49	08/05/04	08/20/34	221,800.85	227,705.07			(763.99) (590.90)	221,036.86 191,016.71	226,766.74 195,968.37	(148.84)	
GNMA	2002 RMRB		5.49	08/19/04 08/26/04	08/20/34 08/20/34	191,607.61 113,459.34	196,708.11 116,479.58			(450.85)	113,008.49	115,938.00	(90.73)	
GNMA GNMA	2002 RMRB 2002 RMRB		5.49 5.49	12/02/04	11/20/34	113,435.34	110,419.30	318,756,55		(400.00)	318,756.55	327,019.60	8,263.05	
GNMA	2002 RMRB		4.80	12/02/04	11/20/34			217,257.81			217,257.81	215,895.34	(1,362.47)	
GNMA	2002 RMRB		4.80	10/14/04	09/20/34	28,363.73	28,191.01	,		(103.52)	28,260.21	28,082.98	(4.51)	
GNMA	2002 RMRB		5.49	10/21/04	06/20/34	87,933.23	90,051.97			(452.39)	87,480.84	89,529.48	(70.10)	
GNMA	2002 RMRB		4.80	10/28/04	09/20/34	88,259.18	87,282.33			(457.75)	87,801.43	86,818.12 127,417.82	(6.46) (100.78)	
GNMA	2002 RMRB		5.49	10/28/04	10/20/34	124,733.54	128,053.89			(535.29) (405.93)	124,198.25 60,296.31	61,859.34	(52.83)	
GNMA GNMA	2002 RMRB 2002 RMRB		5.49 5.49	11/04/04 12/29/04	10/20/34 12/20/34	60,702.24	62,318.10	395,360.25		(400.00)	395.360.25	405,609.07	10,248.82	
GNMA	2002 RMRB 2002 RMRB		4.80	12/29/04	12/20/34			126,191.44			126,191.44	125,400.08	(791.36)	
GNMA	2002 RMRB		5.49	01/06/05	01/20/35			93,527.94			93,527.94	95,940.16	2,412.22	
GNMA	2002 RMRB		4.49	01/13/05	01/20/35			262,800.24			262,800.24	255,629.47	(7,170.77)	
GNMA	2002 RMRB		5.49	01/13/05	12/20/34			150,104.95			150,104.95 486,924.06	153,996.08 498,263.08	3,891.13 11,339.02	
GNMA	2002 RMRB		5.49	01/27/05	01/20/35	040 000 04	246 600 62	486,924.06		(817.97)	241,518.24	244,927.78	(863.77)	
FNMA FNMA	2002 RMRB 2002 RMRB		5.49 4.80	05/29/03 09/18/03	04/01/33 07/01/33	242,336.21 195,887.69	246,609.52 192,687.35			(83,658.66)	112,229.03	110,275.93	1,247.24	
FNMA	2002 RMRB		5.49	12/04/03	11/01/33	136,545.05	138,952.86			(2,262.85)	134,282.20	136,177.87	(512.14)	
FNMA	2002 RMRB		4.80	01/15/04	11/01/33	291,216.90	286,459.11			(1,114.29)	290,102.61	285,054.06	(290.76)	
FNMA	2002 RMRB		4.80	02/26/04	01/01/34	100,794.18	99,003.64			(621.46)	100,172.72	98,292.56	(89.62)	
FNMA	2002 RMRB		5.49	04/08/04	06/01/33	65,153.28	66,302.18			(289.43)	64,863.85 230,492.88	65,779.54 234,854.84	(233.21) (772.03)	
FNMA	2002 RMRB		5.49	09/02/04	08/01/34	232,037.02	237,171.01			(1,544.14) (205.39)	230,492.88 58,140.76	234,854.64 57,049.51	(54.77)	
FNMA	2002 RMRB		4.80	09/01/04 11/10/04	08/01/34 10/01/34	58,346.15 58,015.89	57,309.67 56,985.27			(204.38)	57,811.51	56,726.43	(54.46)	
FNMA Repurchase Agreement	2002 RMRB 2002 RMRB		4.80 2.59	02/28/05	03/01/05	9,122,125.87	9,122,125.87		(2.075.534.61)	(201.00)	7,046,591.26	7,046,591.26		
Repurchase Agreement	2002 RMRB		2.59	02/28/05	03/01/05	8,156.33	8,156.33	41,823.21			49,979.54	49,979.54		,
. topos os acoo r igi o o morte	2002 RMRB	Total	2.50			40,655,998.05	40,901,228,10	2,200,528.39	(2,991,581,02)	(747,922.16) 0.0	39,117,023.26	39,355,067.78	(7,185.53)	0.00
								ATT **			000 400 40	pne 425 45		
Repurchase Agreement	1999 B-D RM		2.59	02/28/05	03/01/05	136,148.20	136,148.20	671,983.99	(3,958,305,16)		808,132.19 2.081,115.13	808,132.19 2.081,115.13	-	
Guaranto Inv Certificates	1999 B-D RM		6.40	12/02/99 02/28/05	07/01/32 03/01/05	6,039,420.29 1.19	6,039,420.29 1.19		(3,958,305,16)		2,061,115.13	0.32	-	
Repurchase Agreement	1999 B-D RM	IKB	2.59	いといとめいいち	03/01/05	1,19	1.19		(0.01)		0.02	2.02		

forest most Tons	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type Guarantd Inv Certificates	1999 B-D RMRB	6.40	12/02/99	07/01/32	82,927.08	82,927.08	680,602.31				763,529.39	763,529.39 34,405,29	(3,627,30)	
GNMA	1999 B-D RMRB	8.18	04/01/91	01/20/21	68,844.93	75,405.57			(37,372.98)		31,471.95 263,906.91	34,405.29 288.101.48	(3,627,30)	
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	266,333.05	291,917.08			(2,426,14) (36,212.13)		79,218.01	85.001.37	(2,988.21)	
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20 07/20/20	115,430.14 510,009.83	124,201.71 559,001.50			(6,047.95)		503,961.88	550,164.26	(2,789.29)	
GNMA	1999 B-D RMRB	8.18 8.18	09/04/90 07/02/90	05/20/20	101,710.95	111,481.34			(2,212.33)		99,498.62	108,620.51	(648.50)	
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	8.18	11/01/90	09/20/20	304,688.66	333,957.12			(56,547.08)		248,141.58	270,890.76	(6,519.28)	
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	358,022.98	392,414.78			(3,898.93)		354,124.05	386,589.57	(1,926.28)	
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	126,051.88	138,160.45			(1,744.83)		124,307.05	135,703.30	(712.32)	
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	255,525.45	280,071,23			(37,565.28)		217,960.17	237,942.34 159.053.16	(4,563.61) (6,587.20)	
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	207,623.52	227,567.87			(61,927.51) (1,797.32)		145,696.01 148,080.34	158,890.91	(578.58)	
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	149,877.66 119,938.68	161,266.81 131,459.96			(1,427,90)		118,510.78	129,375.61	(656, 45)	
GNMA	1999 B-D RMRB	8.18 8.75	12/03/90 12/28/89	10/20/20 09/20/18	1,512,693.03	1,690,567.49			(102,593.10)		1,410,099.93	1,558,394.27	(29,580.12)	
GNMA	1999 B-D RMRB 1999 B-D RMRB	8.75	11/30/89	10/20/18	108,513.57	121,273.49			(986,66)		107,526.91	118,835.10	(1,451.73)	
GNMA GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	109,983.78	122,916.56			(1,093.05)		108,890.73	120,342.33	(1,481.18)	
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	348,512.18	389,493.01			(21,456.83)		327,055.35	361,450.41	(6,585.77)	
GNMA	1999 B-D RMRB	8.75		12/20/18	179,273.93	200,354.32			(53,068.34)		126,205.59	139,478.05	(7,807.93) (2,602.29)	
GNMA	1999 B-D RMRB	8.75		01/20/19	210,390.26	235,364.37		•	(2,042.21)		208,348.05 159,280.92	230,719.87 176,384.02	(2,036.11)	
GNMA	1999 B-D RMRB	8.75			161,235.35	180,374.56 60.254.78			(1,954.43) (472.96)		53,388.29	59,120.98	(660.84)	
GNMA	1999 B-D RMRB	8.75		05/20/19 11/20/20	53,861.25 152,872.06	164.488.83			(2,327.25)		150,544.81	161,535.37	(626.21)	
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	7.18 8.18		11/20/20	140,779.03	154,302.24			(1,660,84		139,118.19	151,872.27	(769.13)	
GNMA	1999 B-D RMRB	7.18		02/20/21	217,760.35	234,415.18			(2,185.88)		215,574.47	231,420.81	(808.49)	
GNMA	1999 B-D RMRB	8.75		08/20/19	130,322.02	145,791.66			(1,278.70		129,043.32	142,899.55	(1,613.41)	
GNMA	1999 B-D RMRB	8.75		09/20/19	74,032.32	82,820.25			(1,497.23)		72,535.09	80,323.72 160,965.34	(999.30) (1,787.64)	
GNMA	1999 B-D RMRB	8.75		09/20/19	146,547.11	163,942.76			(1,189.78) (25,296.28)		145,357.33 56,041.82	62,059,43	(3,637.52)	
GNMA	1999 B-D RMRB	8.75		09/20/19 12/20/19	81,338.10 195,399.02	90,993.23 218,593.60			(4,005.14		191,393.88	211.945.18	(2,643.28)	
GNMA	1999 B-D RMRB 1999 B-D RMRB	8.75 8.75		12/20/19	29,124.82	32,582.01			(236.55		28,888.27	31,990.17	(355.29)	
GNMA GNMA	1999 B-D RMRB	8.75		02/20/20	55,098.67	61,697.25			(465.05		54,633.62	60,598.88	(633.32)	
GNMA	1999 B-D RMRB	8.75		12/20/19	61,211.13	68,477.11			(488.09		60,723.04	67,243.30	(745.72)	
GNMA	1999 B-D RMRB	8.18		03/20/21	216,655.68	237,302.19			(2,077.36		214,578.32 2,077,782.39	234,578.30 2.154,660.34	(646.53) (14.703.43)	
GNMA	1999 B-D RMRB	6.10			2,162,999.00	2.254,580.38			(85,216.61 (714.86		180,794.52	187,122.33	(1,522.47)	
FNMA	1999 B-D RMRB	6.10			181,509.38 1,668,123.09	189,359.66 1,738,761.42			(137,346.90		1,530,776.19	1,587,414.90	(13,989.62)	
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10 6.10			1,678,552.89	1,749,622.79			(9,158.68		1,669,394.21	1,731,161.76	(9,302.35)	
GNMA	1999 B-D RMRB	6.10			2,502,706.22	2,608,670.79			(161,815.82)	2,340,890.40	2,427,503,33	(19,351.64)	
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	3,021,396.63	3,149,322.60			(174,449.02		2,846,947.61	2,952,284.71	(22,588.87)	
FNMA	1999 B-D RMRB	6.10			296,980.05	309,824.42			(1,611.27		295,368.78	305,706.68 107,005.67	(2,506.47) (890.52)	
FNMA	1999 B-D RMRB	6.10			104,256.02	108,765.09			(868.90 (529,805.68		103,387.12 3,596,630.52	3,729,705.87	(41,637,98)	
GNMA	1999 B-D RMRB	6.10			4,126,436.20 1,129,036.35	4,301,149.53 1,176,839.78			(4,317.73		1,124,718.62	1,166,333.24	(6,188.81)	
GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10 6.10			453,002.80	472,182.92			(67,023.91		385,978.89	400,260.10	(4,898.91)	
GNMA GNMA	1999 B-D RMRB	6.10			274,655.61	286,284.52			(1,467.44)	273,188.17	283,296.12	(1,520.96)	
GNMA	1999 B-D RMRB	6.10			302,279.19	315,077.67			(28,858.33		273,420.86	283,537.41	(2,681.93)	
FNMA	1999 B-D RMRB	6.10			121,004.60	126,238.05			(524.20		120,480.40 115,192.30	124,697.22 119,454.42	(1,016.63) (6,036.56)	
GNMA	1999 B-D RMRB	6.10			243,237.47	253,536.15			(128,045.17 (724.43		141,764.99	147,010.29	(787.70)	
GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10 6.10			142,489.42 22,134.88	148,522.42 23,072.07			(5.744.11		16,390.77	16,997.23	(330.73)	
GNMA GNMA	1999 B-D RMRB	6.10			625,020.41	651,483.77			(3,680.11		621,340.30	644,329.88	(3,473.78)	
GNMA	1999 B-D RMRB	6.10			368,835.85	384,452.36			(2,417.69		366,418.16	379,975.63	(2,059.04)	
GNMA	1999 B-D RMRB	6.10	02/20/01		193,701.43	201,846.56			(716.97		192,984.46	200,059.25	(1,070.34)	
GNMA	1999 B-D RMRB	6.10			216,087.08	225,173.53			(780.13 (396.13		215,306.95 109,360.66	223,200.10 113,369.82	(1,193.30) (606.11)	
GNMA	1999 B-D RMRB	6.10			109,756.79	114,372.06			(87,526.28		815,793.75	845,700.76	(8,077.60)	
GNMA	1999 B-D RMRB	6.10 6.10			903,320.03 1.060.362.43	941,304.64 1,106,223.11			(8,644.45		1,051,717.98	1,088,528.11	(9,050.55)	
FNMA FNMA	1999 B-D RMRB 1999 B-D RMRB	6.10			124,709.48	130,103.17			(1,677.74	i)	123,031.74	127,337.85	(1,087.58)	
GNMA	1999 B-D RMRB	6.10			494,755.26	515,559.72			(1,894.70		492,860.56	510,928.83	(2,736.19)	
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	228,655.35	238,270.31			(2,083.82		226,571.53	234,877.64	(1,308.85)	
GNMA	1999 B-D RMRB	6.10			696,898.36	726,202.93			(2,928.74		693,969.62 724,486.03	719,410.54 751,045.68	(3,863.65) (4,017.30)	
GNMA	1999 B-D RMRB	6.10			727,157.30	757,734.25			(2,671.27 (960.07		160,981.48	166,615.82	(1,369.62)	
FNMA	1999 B-D RMRB	6.10			161,941.55 117,373.67	168,945.51 122,450.08			(602.90		116,770.77	120,857.75	(989.43)	
FNMA FNMA	1999 B-D RMRB 1999 B-D RMRB	6.10 6.10			312,710.77	326,235.51			(2,468.29		310,242.48	321,100.97	(2,666.25)	
FNMA GNMA	1999 B-D RMRB	6.10			67,665.15	70,510.47			(254.14		67,411.01	69,882.30	(374,03)	
GNMA	1999 B-D RMRB	6.10			423,948.41	441,775.43			(1,678.1		422,270.30	437,750.72	(2,346.60)	
GNMA	1999 B-D RMRB	6.10			76,897.84	80,131.39			(678.46		76,219.38	79,013.58 193,035.60	(439.35) (1,032.11)	
GNMA	1999 B-D RMRB	6.16	0 10/17/01	09/20/31	186,885.56	194,744.10			(676.39	7)	186,209.17	180,000.00	(1,002.11)	•

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/		Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities Transfers	02/28/05 43,783.47	02/28/05 45,388.57	Value (244.59)	Gain
GNMA	1999 B-D RMRB	6.10 6.10	10/30/01 03/15/01	05/20/31 02/01/31	43,987.82 373,985.14	45,837.51 390,160.00			(204.35) (1,549.80)	45,765.47 372.435.34	385,470,58	(3,139.62)	
FNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10		12/20/31	183,802,79	191,531.70			(742.33)	183,060.46	189,771.46	(1,017.91)	
GNMA	1999 B-D RMRB	6.10		01/20/32	177,726.98	185,186.18			(640.99)	177,085.99	183,542.54	(1,002.65)	
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	1,127,957.46	1,175,297.84			(54,357.52)	1,073,599.94	1,112,743.40	(8,196.92)	
GNMA	1999 B-D RMRB				77,306.38	80,550.93			(77,306.38)	240 450 45	055 404 14	(3,244.55)	
GNMA	1999 B-D RMRB	6.10		05/20/32	247,062.96	257,432.19			(903.81) (2,997.35)	246,159.15 794,749.51	255,134.11 823,726.13	(1,394.27) (4,504.86)	
GNMA	1999 B-D RMRB	6.10		03/20/32	797,746.86	831,228.34			(3,342.53)	908,787.03	941,921.39	(5,147.70)	
GNMA	1999 B-D RMRB	6.10		03/20/32 04/20/32	912,129.56 609,373.26	950,411.62 634.948.64			(3,342.33)	607,215.50	629,354.56	(3,436.32)	
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10 6.10		04/20/32	99,033.18	103,189.60			(323.64)	98,709.54	102,308.49	(557.47)	
GNMA	1999 B-D RMRB	6.10		05/20/32	403,247.63	420,171.93			(1,328.51)	401,919.12	416,573.09	(2,270.33)	
GNMA	1999 B-D RMRB	- 1,74			105,050.66	109,459.64			(105,050.66)			(4,408.98)	
GNMA	1999 B-D RMRB	6.10		04/20/32	308,174.86	321,108.96			(91,021.85)	217,153.01	225,070.41	(5,016.70)	
GNMA	1999 B-D RMRB	6.10		06/20/32	151,978.12	158,356.64			(524.62)	151,453.50	156,975.49	(856.53)	
GNMA	1999 B-D RMRB	6.10		09/20/32	85,635.63	89,229.76			(270.80)	85,364.83 99.332.23	88,477.23 102.953.88	(481.73) (560.55)	
GNMA	1999 B-D RMRB	6.10		09/20/32	99,647.36	103,829.56			(315.13)	72,138.05	74,768.20	(442.06)	
GNMA	1999 B-D RMRB	6.10		10/20/32 10/20/32	73,200.11 94,844.12	76,272.32 98.824.73			(1,062.06) (299.62)	94,544.50	97,991.59	(533.52)	
GNMA GNMA	1999 B-D RMRB 1999 B-D RMRB	6.10	11/12/02	10120132	95,848.75	99,871.52			(95,848.75)	U4,574.00	\$1,001.00	(4,022.77)	
GNMA	1999 B-D RMRB	6.10	12/19/02	12/20/32	111,041,37	115,701.78			(344.67)	110,696,70	114,732.70	(624.41)	
GNMA	1999 B-D RMRB	6.10			110 501.42	115,314.86			(340.45)	110,160.97	114,379.03	(595.38)	
FNMA	1999 B-D RMRB	6.10		09/01/31	125,255.41	130,572.50			(42,595.05)	82,660.36	85,527.02	(2,450.43)	
FNMA	1999 B-D RMRB	6.10		11/01/31	212,477.27	221,496.93			(742.66)	211,734.61	219,077.57	(1,676.70)	
FNMA	1999 B-D RMRB	6.10			36,300.49	37,838.54			(120.21)	36,180.28	37,427.78	(290.55)	
Repurchase Agreement	1999 B-D RMRB	2.59	02/28/05	03/01/05	2.69	2.69	18,791.14	(2.050.200.00)	(2.420.377.06) 0.00	18,793.83 40,211,653,30	18,793,83 41,932,954,44	(354,293,05)	0.00
	1999 B-D RMRB Total				45,218,958.95	47,294,553.14	1,371,377.44	(3,958,306.03)	(2,420,377.06) 0.00			(554,255,05)	0.00
Repurchase Agreement	2000 A RMRB	2.59		03/01/05	277,022.13	277,022.13	1,573,20	(143,214.91)		278,595.33 19,118.71	278,595.33 19,118.71		
Repurchase Agreement Guarantd Inv Certificates	2000 A RMRB 2000 A RMRB	2.59 6.51			162,333.62 3,432,321.42	162,333.62 3,432,321.42		(1,294,074.35)		2,138,247.07	2,138,247.07	_	
Repurchase Agreement	2000 A RMRB	2.59			0.79	0.79		(0.65)		0.14	0.14	-	
Guarantd Inv Certificates	2000 A RMRB	6.51	05/01/00		33,205.27	33,205.27	1,061.70	(5.50)		34,266.97	34,266.97		
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	979,249.99	1,029,113.36			(3,595.51)	975,654.48	1,020,066.24	(5,451.61)	
GNMA	2000 A RMRB	6.45			2,999,017.13	3,151,727.07			(140,797.13)	2,858,220.00	2,988,326.18	(22,603.76)	
GNMA	2000 A RMRB	6.45			875,129.48	919,691.06			(3,228.00)	871,901.48	911,590.43	(4,872.63)	
GNMA	2000 A RMRB	6.45			974,895.74	1,024,537.42			(161,135.14)	813,760.60 446,823.00	850,802.98	(12,599.30)	
GNMA	2000 A RMRB	6.45 6.45			534,591.36	561,812.76 287,213.72			(87,768.36) (1.034.18)	272,693.00	467,162.38 283,990.67	(6,882.02) (2,188.87)	
FNMA GNMA	2000 A RMRB 2000 A RMRB	6.45		12/20/30	273,727.18 290,131.32	304,904.80			(1,040.94)	289,090.38	302,249.77	(1,614.09)	
GNMA	2000 A RMRB	6.45		01/20/31	221,714.46	232,981.97			(1,058.14)	220,656.32	230,652.03	(1,271.80)	
GNMA	2000 A RMRB	6.45			1,147,783,14	1,206,228.28			(75,857.69)	1,071,925.45	1,120,719.52	(9,651.07)	
GNMA	2000 A RMRB	6.45			414,523.36	435,630.91			(1,645.12)	412,878.24	431,672.47	(2,313.32)	
GNMA	2000 A RMRB	6.45			809,248.25	850,455.15			(264,611.11)	544,637.14	569,429.00	(16,415.04)	
GNMA	2000 A RMRB	6.45			353,166.27	371,149.52			(1,259.35)	351,906.92	367,925.74	(1,964.43)	
GNMA	2000 A RMRB	6.45			304,108.45	319,563.23			(74,008.84)	230,099.61 378,181.88	240,523.11 395,313.50	(5,031.28) (2,193.26)	
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45 6.45			380,261.79 482,975,91	399,586.67 507,520.74			(2,079.91) (1,691.72)	481,284.19	503,086.36	(2,742.66)	
GNMA	2000 A RMRB 2000 A RMRB	6.45			179,962.84	189,108.55			(993.79)	178,969.05	187,076.35	(1,038.41)	
GNMA	2000 A RMRB	6.45			387,509.58	407,202.84			(1,542.42)	385,967.16	403,451.50	(2.208.92)	
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	573,890.67	602,166.27			(53,850.17)	520,040.50	541,585.78	(6,730.32)	
FNMA	2000 A RMRB	6.45			155,828.31	163,505.97			(60,278.12)	95,550.19	99,508.83	(3,719.02)	
FNMA	2000 A RMRB	6.45			287,937.66	302,124.35			(1,029.15)	286,908.51	298,795.13	(2,300.07)	
GNMA	2000 A RMRB	6.45 6.45			521,144.77	547,629.56 325,485.49			(1,845.75) (81,600.93)	519,299.02 228,143.36	542,823.47 238,478.25	(2,960.34) (5,406.31)	
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45			309,744.29 175,104.49	184,003.30			(42,249.63)	132,854.86	138,873.19	(2,880.48)	
GNMA	2000 A RMRB	6.45			280,511.90	294,767.52			(44,244.76)	236,267.14	246,970.04	(3,552.72)	
GNMA	2000 A RMRB	6.45			313,432.66	329,361.30			(101,294.32)	212,138.34	221,748.20	(6,318.78)	
FNMA	2000 A RMRB	6.45			282,059.82	295,956.92			(1.042.29)	281,017.53	292,660.10	(2,254.53)	
FNMA	2000 A RMRB	6.45			95,977.71	100,706.53			(658.59)	95,319.12	99,268.19	(779.75)	
GNMA	2000 A RMRB	6.45			603,517.12	634,187.83			(137,437.20)	466,079.92	487,193.31	(9,557.32)	
GNMA	2000 A RMRB	6.45			342,695.30	360,111.07			(1,492.44)	341,202.86	356,659.34	(1,959.29)	
GNMA	2000 A RMRB 2000 A RMRB	6,45 6,45			615,889.74 539,758.08	647,189.27 567,188.59			(2,422.22) (71,588.95)	613,467.52 468,169.13	641,257.61 489,377.20	(3,509.44) (6,222.44)	
GNMA GNMA	2000 A RMRB	6.45			824,463.72	866,362.95			(3,671.45)	820,792.27	857,974.15	(4,717.35)	
GNMA	2000 A RMRB	6.45			535,641.36	562,862.64			(3,035.92)	532,605.44	556,732.45	(3,094.27)	
GNMA	2000 A RMRB	6.45		10/20/31	543,193.59	570,798.70			(120,326.85)	422,866.74	442,022.62	(8,449.23)	
GNMA	2000 A RMRB	6.45			263,498.59	276,889.60			(880.79)	262,617.80	274,514.40	(1,494.41)	
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	233,476.44	244,979.82			(3,123.16)	230,353.28	239,896.82	(1,959.84)	

		Current	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales		Transfers	02/28/05	02/28/05	Value	Gain
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	643,705.25	676,399.01			(3,550.24)		640,155.01 135.386.03	669,057.98 141,519.02	(3,790.79) (771.09)	
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	135,853.55 1,759,961.80	142,757.63 1.849.350.24			(467.52) (95,727.03)		1,664,234.77	1,739,374.94	(14,248.27)	
GNMA	2000 A RMRB 2000 A RMRB	6,45 6.45	02/25/02 07/12/01	02/20/32 06/01/31	142,740.13	149.747.24			(479.58)		142,260.55	148,118.84	(1,148.82)	
FNMA GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	92,053.86	96,729.28			(295.59)		91,758.27	95,901.16	(532.53)	
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	218,392.13	229,484.27			(724.53)		217,667.60	227,495.29	(1,264.45) (2,524.23)	
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	436,514,55	458,685.14			(1,379.80) (2,182.16)		435,134.75 550,934.95	454,781.11 575,809.66	(3,218.11)	
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	553,117.11	581,209.93 148.402.41			(461.49)		140.767.88	147,123.55	(817.37)	
GNMA	2000 A RMRB	6.45 6.45	04/29/02 05/15/02	04/20/32 03/20/32	141,229,37 68,559.30	72,041.43			(221.80)		68,337.50	71,422.94	(396.69)	
GNMA GNMA	2000 A RMRB 2000 A RMRB	0.40	03/13/02	00/20/02	49,222.72	51,722.74			(49,222.72)				(2,500.02)	
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	65,836.01	69,179.82			(197.17)		65,638.84	68,602.43	(380.22)	
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	69,915.09	73,466.08			(559.32)		69,355.77 45,699.42	72,487.18 47,762.75	(419.58) (293.50)	
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32 05/20/32	46,403.41 62,893,74	48,760.24 66,088.11			(703.99) (192.27)		62,701.47	65,532.44	(363.40)	
GNMA	2000 A RMRB 2000 A RMRB	6.45 6.45	08/01/02 11/12/02	11/20/32	135,599.55	142,486.65			(402.75)		135,196.80	141,300.94	(782.96)	
GNMA GNMA	2000 A RMRB	6.45		08/20/32	59,983.24	63,029.79			(189.42)		59,793.82	62,493.51	(346.86)	
GNMA	2000 A RMRB	6.45		10/20/32	75,604.02	79,443.95			(224.36)		75,379.66	78,783.05	(436.54)	
GNMA	2000 A RMRB	6.45	10/29/02	10/20/32	65,917.63	69,265.59			(203.52)		65,714.11	68,681.10	(380.97)	
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	45,697.77	48,018.76			(1,717.04)		43,980.73	45,966.46	(335.26) (6,188.04)	
GNMA	2000 A RMRB		10100100	40 770 100	121,835.72	128,023.76			(121,835.72) (199.20)		68,215.02	71,294.93	(394.85)	
GNMA	2000 A RMRB	6.45 6.45		12/20/32 01/20/33	68,414.22 80,315.70	71,888.98 84,424.65			(251.14)		80.064.56	83,736.32	(437.19)	
GNMA GNMA	2000 A RMRB 2000 A RMRB	6.45	01/23/03	01/20/33	146,499,77	153,994.70			(92,724.93)		53,774.84	56,240.95	(5,028.82)	
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	166,643.87	174,824.42			(831.79)		165,812.08	172,640.22	(1,352.41)	
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	165,617.93	173,748.11			(546.64)		165,071.29 72,258.44	171,868.93 75,572.21	(1,332.54) (399.28)	
GNMA	2000 A RMRB	6.45	02/20/03	02/20/33	72,577.25	76,290.30 218,926,37			(318.81) (1,657.77)		207,024.39	215,549,65	(1,718.95)	
FNMA	2000 A RMRB	6,45 6.45		11/01/31 03/01/32	208,682.16 123,851.24	129,928.62			(407.01)		123,444.23	128,517.79	(1,003.82)	
FNMA Repurchase Agreement	2000 A RMRB 2000 A RMRB	2.59		03/01/05	14,729.24	14,729.24	26,756.06				41,485.30	41,485.30		
· ·	2000 A RMRB Total				29,049,013.03	30,322,636.42	29,390.96	(1,437,289.91)	(1,933,295.35)	0.00	25,707,818.73	26,749,726.18	(231,715.94)	0.00
Repurchase Agreement	2003A RMRB	2.59		03/01/05	453,811.54	453,811.54 788.574.79		(420,495.99) (48,255.35)			33,315.55 740,319.44	33,315.55 740.319.44	-	
Guarantd Inv Certificates	2003A RMRB 2003A RMRB	1.22 2.59		02/01/05 03/01/05	788,574.79 1,928,131.60	1,928,131.60		(1,919,613.91)			8,517.69	8,517,69	_	
Repurchase Agreement Guarantd Inv Certificates	2003A RMRB	4.13		06/28/34	1,020,101.00	1,020,101.00	849,536.52	(110101010101)			849,536.52	849,536.52	•	
Repurchase Agreement	2003A RMRB	2.59		03/01/05	95,85	95.85	1.02				96.87	96.87	-	
Guarantd Inv Certificates	2003A RMRB	4.13		07/01/34	1,826.24	1,826.24	1.39		(54 50 4 50)		1,827.63	1,827.63 12,014,223.71	23,176.30	
GNMA	2003A RMRB	4.49		03/20/34	12,398,594.08	12,042,631.43			(51,584.02) (7,701.44)		12,347,010.06 1,960,975.27	1,908,121.53	3,666.81	
GNMA	2003A RMRB 2003A RMRB	4.49 4.49		03/20/34 07/20/34	1,968,676.71 1,471,281.86	1,912,156.16 1,429,041.47			(6,184.06)		1,465,097.80	1,425,609.32	2,751.91	
GNMA GNMA	2003A RMRB	5.49			173,109,38	177,717.48			(538.54)		172,570.84	177,044.35	(134.59)	
GNMA	2003A RMRB	4.49		07/20/34	189,376.41	184,998.90			(1,244.03)		188,132.38	184,100.90	346.03	
GNMA	2003A RMRB	5.49	07/08/04		178,644.60	182,949.02			(550.66)		178,093.94	182,264.59	(133.77)	
GNMA	2003A RMRB	4.49			2,115,584.88	2,066,682.32			(146,712.31)		1,968,872.57 347,355.39	1,926,681.71 356,359.80	6,711.70 (1,515.89)	
GNMA	2003A RMRB	5.49	04/08/04	04/20/34	395,209.30 45,228.66	405,729.60 46,432.62			(47,853.91) (45,228.66)		347,300.39	330,338.60	(1,203.96)	
GNMA GNMA	2003A RMRB 2003A RMRB	4.49	04/15/04	04/20/34	1,328,732.29	1,298,018.16			(5,099.24)		1,323,633.05	1,295,269.01	2,350.09	
GNMA	2003A RMRB	5.49			64,709.00	66,431.53			(205.63)		64,503.37	66,175,48	(50.42)	
GNMA	2003A RMRB	4.49			1,521,359.06	1,486,192.30			(6,922.68)		1,514,436.38	1,481,983.65	2,714.03	
GNMA	2003A RMRB	5.49			90,687.91	93,101.98			(293.00) (4,319.59)		90,394.91 1.101.786.42	92,738.19 1,072,090,18	(70,79) 2,059,98	
GNMA	2003A RMRB	4.49 5.49			1,106,106.01 61,658.15	1,074,349.79 63,299,47			(195,34)		61.462.81	63,056,10	(48.03)	
GNMA GNMA	2003A RMRB 2003A RMRB	4.49			863,565.67	838,772.77			(3,362.04)		860,203.63	837,018.74	1,608.01	
GNMA	2003A RMRB	4.49			552,181.79	536,328.70			(2,483.03)		549,698.76	534,882.84	1,037.17	
GNMA	2003A RMRB	4.49			1,544,563.76	1,500,219.44			(128,778.79)		1,415,784.97	1,377,625,58 651,747,26	6,184.93 1,258.77	
GNMA	2003A RMRB	4.49			672,651.03	653,339.27			(2,850.78) (4,423.32)		669,800.25 1,089,278.11	1,059,919,03	2,040.99	
GNMA	2003A RMRB	4.49 4.49			1,093,701.43 569,540,14	1,062,301.36 553,188.69			(2,175.68)		567,364.46	552,072.39	1,059.38	
GNMA GNMA	2003A RMRB 2003A RMRB	4.49			1,314,066.54	1,276,339.79			(5,791.42)		1,308,275.12	1,273,013.45	2,465.08	
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,474,846.05	1,432,503.34			(5,798.78)		1,469,047.27	1,429,452,36	2,747.80	
GNMA	2003A RMRB	6.49	06/24/04	06/20/34	1,254,373.95	1,287,764.80			(4,095.64)		1,250,278.31	1,282,688.95	(980.21) 484.20	
GNMA	2003A RMRB	4.49			258,971.63	251,536.58			(1,081.78) (985.69)		257,889.85 239,126.21	250,939.00 245,325.03	484.20 (192.86)	
GNMA	2003A RMRB	5.49 4.49			240,111.90 318,542.08	246,503.58 309,396.76			(1,475.75)		317,066.33	308,520.51	599.50	
GNMA GNMA	2003A RMRB 2003A RMRB	4.43 5.49			173,102.99	177,710.91			(527.92)		172,575.07	177,048.70	(134.29)	
GNMA	2003A RMRB	4.49			1,273,627.63	1,237,061,89			(8,386.58)		1,265,241.05	1,231,139.28	2,463.97	
GNMA	2003A RMRB	5.49	9 09/23/04	09/20/34	131,980.47	135,493.72			(402.10)		131,578.37	134,989.23	(102.39)	
GNMA	2003A RMRB	4.4	9 09/23/04	09/20/34	205,217.97	200,474.28			(812.51)		204,405.46	200,025,26	363,49	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	684,336.27	664,689.03	, 4.0		(3,445.60)	680,890.67	662,538.77	1,295.34	•
GNMA	2003A RMRB	5.49		09/20/34	210,747.09	215,825.03			(780.09)	209,967.00	214,884.08	(160.86)	
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	140,037.80	143,765.54			(426.20)	139,611.60	143,230.71	(108.63)	
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	466,545.04	453,150.57			(2,005.02)	464,540.02	452,019.37	873.82	
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	54,315.44	55,761.29			(168.33)	54,147.11	55,550.75	(42.21)	
GNMA	2003A RMRB	4.49 5.49	07/15/04	07/20/34	509,070.06	494,454.69			(1,902.50) (197.22)	507,167.56 63,783.97	493,497.98 65,437.43	945.79 (49.69)	
GNMA	2003A RMRB 2003A RMRB	5.49 4.49	07/22/04 07/22/04	07/20/34 07/20/34	63,981.19 599,393.55	65,684.34 582,185.01			(2,234.34)	597,159.21	581,064,11	1,113.44	
GNMA GNMA	2003A RMRB	4.49	07/29/04	07/20/34	572,137.78	558,912.60			(2,265.27)	569,872.51	557,660,75	1.013.42	
FNMA	2003A RMRB	5.49	07/29/04	07/20/34	261,968.96	268,942.46			(809.09)	261,159.87	267,929.86	(203.51)	
GNMA	2003A RMRB	4.49		08/20/34	345,638.65	337,649.08			(1,433.34)	344,205.31	336,829.36	613.62	
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	111,602.95	114,573.77			(344.93)	111,258.02	114,142.13	(86.71)	
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	403,581.04	394,252.11			(1,500.54)	402,080.50	393,464.34	712.77	
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	87,578.74	89,910.05			(269.75)	87,308.99	89,572.27	(68.03)	
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	511,470.50	499,647.66			(1,908.28)	509,562.22	498,642.84	903.46	
GNMA	2003A RMRB	5.49		08/20/34	371,309.48	381,193.56			(1,411.94)	369,897.54	379,486.29	(295.33)	
GNMA	2003A RMRB	4.49	12/02/04	10/20/34			144,213.20			144,213.20	140,326.26	(3,886.94)	
GNMA	2003A RMRB	4.49	12/09/04	11/20/34			290,555.73			290,555.73	282,724.45	(7,831.28)	
GNMA	2003A RMRB	5.49		12/20/34			162,420.21			162,420.21	166,630.59	4,210.38	
GNMA	2003A RMRB	4.49		12/20/34			316,684.15			316,684.15	308,148.64	(8,535.51)	
GNMA	2003A RMRB	4.49		09/20/34	459,142.94	445,960.98			(2,047.32)	457,095.62	444,775.63	861.97	
GNMA	2003A RMRB	5.49		09/20/34	42,663.18	43,798.85			(310.06)	42,353.12	43,451.03	(37.76)	
GNMA	2003A RMRB	5.49		10/20/34	191,340.37	196,433.77			(847.65)	190,492.72	195,430.82	(155.30)	
GNMA GNMA	2003A RMR8 2003A RMR8	4,49 4,49		10/20/34 10/20/34	198,900.20 491,863.91	194,302.55 477,742.53			(726.19)	198,174.01 487,244.13	193,927.36 474,111.53	351.00 988.78	
GNMA	2003A RMRB	5.49		10/20/34	55,913.11	57,401.49			(4,619.78) (169.14)	55,743.97	57,189.00	(43.35)	
GNMA	2003A RMRB	5.49		11/20/34	641,002.69	656,447.60			(3,564.37)	637,438.32	652,366.06	(517.17)	
GNMA	2003A RMRB	4,49		10/20/34	604,558.52	587,201.69			(2,505.58)	602,052.94	585,825.94	1,129.83	
GNMA	2003A RMRB	5.49		11/20/34	67,692.50	69,494.44			(203.57)	67,488.93	69,238.43	(52.44)	
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	121,091.73	118,292.65			(480.30)	120,611.43	118,026.86	214,51	
GNMA	2003A RMRB	5.49		11/20/34	109,506.80	112,421.82			(339.89)	109,166.91	111,996.81	(85.12)	
GNMA	2003A RMRB	4.49		10/20/34	248,361.63	242,620.66			(983.99)	247,377.64	242,076.60	439.93	
GNMA	2003A RMRB	5.49		11/20/34	274,072.48	281,368.17			(980.97)	273,091.51	280,170,79	(216.41)	
GNMA	2003A RMRB	4.49		11/20/34	452,930.45	439,926.85	202 222 25		(4,249.50)	448,680.95	436,587.73	910.38	
GNMA GNMA	2003A RMRB 2003A RMRB	5.49		12/20/34			336,803.95			336,803.95	345,534.83	8,730.88	
GNMA	2003A RMRB	4.49 5.49		12/20/34 01/20/35			299,851.76 207,892.78			299,851.76 207,892.78	291,769.92 213,254.64	(8,081.84) 5,361.86	
GNMA	2003A RMRB	5.49		01/20/35			227,991.25			227,991.25	233,871.49	5,880.24	
GNMA	2003A RMRB	4.49		01/20/35			111,068.24			111,068,24	108,654.52	(2,413.72)	
GNMA	2003A RMRB	4.49		01/20/35			810,464.55			810,464,55	788,350,18	(22.114.37)	
GNMA	2003A RMRB	5.49	02/03/05	01/20/35			222,318.06			222,318,06	227,495,19	5.177.13	
GNMA	2003A RMRB	4.49	02/03/05	02/20/35			791,335.51			791,335.51	774,138.30	(17,197.21)	
GNMA	2003A RMRB	4.49	02/17/05	02/20/35			301,035.01			301,035.01	292,820.96	(8,214.05)	
GNMA	2003A RMRB	5.49		01/20/35			56,723.50			56,723.50	58,186.48	1,462.98	
FNMA	2003A RMRB	4.49		02/01/34	310,693.56	300,110.77			(1,446.96)	309,246.60	299,067.32	403.51	
FNMA	2003A RMRB	4.49		07/01/34	321,590.33	310,636.38			(1,203.10)	320,387.23	309,841.24	407.96	
FNMA	2003A RMRB	4.49		08/01/34	280,273.95	270,727.31			(1,035.08)	279,238.87	270,047.34	355.11	
FNMA FNMA	2003A RMRB 2003A RMRB	5.49 4.49	00,20,0	08/01/34 09/01/34	208,418.21 341,029.80	211,960.40 329,415.61			(645.58)	207,772.63 339,777.97	210,642.07 328,595.62	(672.75)	
FNMA	2003A RMRB	4.49		10/01/34	170,281.30	329,415.01 164,481.22			(1,251.83) (623.68)	339,777.97 169,657.62	328,995.62 164,073.11	431.84 215.57	
Guarantd Inv Certificates	2003A RMRB	2.88		01/31/06	24,059,377.49	24,059,377.49		(4,303,065.41)	(020.00)	19,756,322.08	19,756,322.08	210.07	
Repurchase Agreement	2003A RMRB	2.59		03/01/05	24,000,077.40	24,000,011.40	11,561.29	(4,000,000,41)		11,561.29	11,561.29	-	
Repurchase Agreement	2003A RMRB	2.59		03/01/05	34.08	34.08	,	(0.05)		34.03	34.03	_	
	2003A RMRB Total				73,266,897.12	72,291,862.23	5,140,458.12	(6,691,420.71)	(547,401.90) 0.00	71,168,532.63	70,218,956.01	25,458.27	0.00
CNIMA	4000 A DMDD		00104105	er mau -	*****	640 067 :-			(05 000 07)	/ 40 OTE - :			
GNMA GNMA	1999 A RMRB 1999 A RMRB	7.50 7.50		07/20/18	474,148.61	513,057.42			(25,069.97)	449,078.64	484,553.62	(3,433.83)	
GNMA	1999 A RMRB	7.50 8.75		09/20/18 09/20/18	1,209,434.66 194,994.96	1,308,681.29 217,924.11			(92,255.87) (2,905,02)	1,117,178.79 192.089.94	1,205,430.36 212,291.32	(10,995.06) (2,727.77)	
GNMA	1999 A RMRB	7.50		10/20/18	905,486.56	979,791.11			(2,905.02)	192,089.94 834.955.63	212,291.32 900.912.99	(2,727.77) (8,347.19)	
GNMA	1999 A RMRB	8.75		09/20/18	123,919.49	138,490.93			(1,463.61)	122,455.88	135,334.06	(1,693.26)	
GNMA	1999 A RMRB	7.50		11/20/18	528,573,44	571.948.34			(6,572.88)	522,000.56	563,235,99	(2.139.47)	
GNMA	1999 A RMRB	8.75		11/20/18	136,339.10	152,370.97			(1,274.99)	135,064.11	149,268.27	(1,827.71)	
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	291,959.93	315,918.30			(3,004.09)	288,955.84	311,781.95	(1,132.26)	
GNMA	1999 A RMRB	7.50		12/20/18	105,197.63	113,830.25			(1,143.27)	104,054.36	112,274.20	(412.78)	
GNMA	1999 A RMRB	8.75		02/20/19	200,936.81	224,788.82			(2,447.17)	198,489.64	219,802.93	(2,538.72)	
GNMA	1999 A RMRB	7.50		01/20/19	320,133.02	346,528.67			(4,131.11)	316,001.91	341,088.30	(1,309.26)	
GNMA	1999 A RMRB	8.75		01/20/19	164,473.85	183,997.49			(54,914.43)	109,559.42	121,323.60	(7,759.46)	
GNMA GNMA	1999 A RMRB 1999 A RMRB	7.50 8.75		03/20/19	381,014.35	412,429.96			(5,578.24)	375,436.11	405,240.95	(1,610.77)	
GINIMA	QAINIA Y 6061	8.75	04/20/90	03/20/19	244,559.26	273,589.35			(3,956.77)	240,602.49	266,437.67	(3,194.91)	

		Current	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/			Ending Carrying Value	Ending Market Value	Change in In Market	Recognized
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities	Transfers	02/28/05	02/28/05	Value	Gain
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	466,432.42	504,890.89			(5,644.80)		460,787.62	497,368.20	(1,877.89)	
GNMA	1999 A RMRB	7.50	06/28/90	04/20/19	73,204.71	79,240.63			(1,003.56)		72,201.15	77,933.01	(304.06)	
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	102,636.11	114,819.42			(1,246.51)		101,389.60	112,276.55	(1,296.36)	
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	60,081.89	65,035.81			(573.47)		59,508.42	64,232.66	(229.68)	
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	52,715.96	57,062.52			(583.63)		52,132.33	56,270.96	(207.93)	
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	31,743.79	35,511.92			(283.96)		31,459.83	34,837.91	(390.05)	
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	43,920.42	47,541.76			(402.30)		43,518.12	46,972.90	(166.56)	
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	172,238.17	192,865.23			(1,392.95)		170,845.22	189,499.14	(1,973.14)	
GNMA	1999 A RMRB	8.75	04/29/91	02/20/20	77,245.01	86,495.83			(40,856.02)		36,388.99	40,362.20	(5,277.61)	
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	146,453.33	158,528.82			(1,409.13)		145,044.20	156,558.90	(560.79)	
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	43,989.24	44,556.28			(187.77)		43,801.47	44,326.24	(42.27)	
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	406,795.32	411,843.65			(1,751.85)		405,043.47	409,750.07	(341.73)	
GNMA	1999 A RMRB	5.35	03/15/01	01/20/31	47,430.50	48,019.11			(205.92)		47,224.58	47,773.33	(39.86)	
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	107,497.91	108,831.96			(42,403.52)		65,094.39	65,850,79	(577.65)	
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	56,421.31	57,121.50			(229.53)		56,191.78	56,844.73	(47.24)	
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	149,975.75	151,836.95			(666.55)		149,309.20	151,044.17	(126.23)	
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	257,996.88	260,365.29			(1,288.59)		256,708.29	257,991.83	(1,084.87)	
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	72,151.26	72,745.79			(523.57)		71,627.69	71,960.04	(262.18)	
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	41,020.06	41,513.94			(154.74)		40,865.32	41,307.48	(51.72)	
Repurchase Agreement	1999 A RMRB	2.59	02/28/05	03/01/05	401,199.23	401,199.23	0.00				401,199.23	401,199.23		
Topal orlace Tig. comen	1999 A RMRB Total				8,092,320.94	8,693,373.54	0.00	0.00	(376,056.72)	0.00	7,716,264.22	8,253,336.55	(63,980.27)	0.00
Total R	esidentîal Mortgage Revenue Bon	ds Investment S	lummary		472,112,417.37	481,972,745.37	12,786,300.84	(35,704,116.83)	(20,043,341.04)	0.00	429,151,260.34	437,353,113.65	(1,658,474.69)	

Texas Department of Housing and Community Affairs Collatealized Home Mortgage Revenue Bonds Investment Summary For Period Ending February 28, 2005

investment Type Repurchase Agreement Repurchase Agreement Mutual Fund Repurchase Agreement	Issue 1990 A&B CHMRB 1991 ACHMRB	Current Interest Rate 2.59 2.59 2.16 2.59	Current Purchase Date 02/28/05 02/28/05 02/28/05	Current Maturity Date 03/01/05 03/01/05 03/01/05	Beginning Carrying Value 11/30/04 46,188.78 74,682.58 23.15 206,311.63 327,206.14	Beginning Market Value 11/30/04 46,188.78 74,682.58 23.15 206,311.63 327,206.14 97,464.26	Accretions/ Purchases 262.30 424.13 0.00 1,171.65 1,858.08	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05 46,451.08 75,106.71 23.15 207,483.28 329,064.22 98,017.74	Ending Market Value 02/28/05 46,451.08 75,106.71 23.15 207,483.28 329,064.22 98,017.74	Change in In Market Value	Recognized Gain
Repurchase Agreement	1991 A CHMRB	2.59	02/28/05	03/01/05	6,497.34	6,497.34	36.90				6,534.24 104,551.98	6,534.24 104,551.98	0.00	0.00
,	1991 A CHMRB Total				103,961.60	103,961.60	590.38	0.00	0.00	0.00	104,551.96	104,551.86	0.00	0.00
Repurchase Agreement Guarantd Inv Certificates FNMA FNMA FNMA FNMA FNMA FNMA FNMA GNMA GNMA GNMA GNMA GNMA GNMA GNMA G	1992 A-C CHMRB	2.59 6.09 6.91 6.91 6.91 6.91 6.91 6.91 6.91 6.9	02/28/05 06/29/92 06/30/95	03/01/05 07/02/24 12/01/23 05/01/23 05/01/25 03/01/25 03/01/25 05/01/25 05/01/25 05/01/25 05/01/25 05/02/23 04/20/23 04/20/23 04/20/23 05/20/23 05/20/23 05/20/23 05/20/25 05/20/25 05/20/25 05/20/25 05/20/25 05/20/25 05/20/25 07/02/24 03/01/05 07/02/24 03/01/05 07/02/24 06/01/23 03/20/23 01/20/25 02/20/25	199,678.24 2,822,553.08 32,380.66 209,553.74 362,968.03 1,723,167.78 1,407,855.96 420,651.97 1,160,672.98 1,417,189.82 384,153.59 401,113.66 330,147.81 547,642.22 342,623.59 119,120.82 6,524.71 512,000.12 72,489.19 787,313.57 1,028,461.46 780,817.65 0,22 99,999.73 28,08 674,503.44 188,281.66 1,228,888.62 3,097,160.76 2,942,200.28	199,678.24 2,822,553.08 34,830.73 225,409.38 390,358.53 1,852,249.42 1,513,317.71 452,162.83 1,247,618.37 1,522,509.92 412,459.87 430,523.91 354,354.76 587,796.22 367,745.34 127,854.96 7,003.13 549,540.74 77,804.21 844,063.66 1,102,593.69 837,099.54 0,22 99,999.73 22,80.06 674,503.44 202,527.79 1,318,992.65 3,320,406.31 3,154,276.14	0.00 0.00 28.08	(104,879.79) (1,164,328.59)	(216.61) (45,684.77) (4,306.19) (180,388.79) (69,339.72) (34,339.27) (47,241.38) (17,054.76) (41,833.25) (15,264.24) (4,962.39) (128,588.23) (2,311.16) (2,293.74) (6,524.71) (58,645.94) (2,087.93) (9,454.48) (72,997.61) (59,326.61)		94,798.45 1,658,224.49 32,164.05 163,868.97 358,661.84 1,542,778.99 1,338,516.24 386,312.70 1,113,431.60 1,400,135.06 342,320.34 385,849.42 325,185.42 419,053.99 340,312.43 116,827.08 453,354.18 70,401.26 777,859.09 955,463.85 721,491.04 0.22 99,999.73 0.01 674,531.52 186,322.56 1,168,893.38 2,804,569.83 2,773,218.70 3,671,539.26	94,798.45 1,658,224.49 34,397.84 175,249.50 383,584.94 1,649,178.63 1,430,828.61 412,955.25 1,190,220.73 1,495,387.60 365,603.34 411,956.75 347,188.14 447,408.06 363,338.70 124,731.87 484,029.02 75,164.75 829,572.46 1,018,984.73 769,457.01 0.22 99,999.73 0.01 674,531.52 199,262.50 1,247,989.50 2,991,022.46 2,957,587.03 3,915,629.48	(216.28) (4.475.11) (2.467.40) (22.682.00) (13.149.38) (4.868.31) (10,156.26) (5,023.28) (3,302.92) (2,204.23) (11,799.93) (2,095.48) (478.42) (6.865.78) (5,51.53) (5,036.72) (10,611.35) (8,315.92) (11,013.91) (36,792.92) (27,707.53) (37,722.59)	
GNMA	1992 A-C CHMRB	6.91 2.59	04/28/95 02/28/05	03/20/25 03/01/05	3,909,684.36 10,155.32	4,191,497.17 10,155.32	57.71		(230,143,10)		10,213.03	10,213.03	(0.1, 22,00)	
Repurchase Agreement	1992 A-C CHMRB 1992 A-C CHMRB Total	2.59	02/20/03	03/01/03	27,219,983.12	28,931,915.09	85.79	(1,269,236.45)	(1,564,527.73)	0.00	24,386,304.73	25,858,496.35	(239,740.35)	0.00
	Total CHMRB Investment S	Summary			27,651,150.86	29,363,082.83	2,534.25	(1,269,236.45)	(1,564,527.73)	0.00	24,819,920.93	26,292,112.55	(239,740.35)	-

Texas Department of Housing and Community Affairs Multi Family Investment Summary For Period Ending February 28, 2005

Investment Type Mutual Fund	Issue 1996 A&B MF (Brighton/LasColi)	Current Interest Rate 2.16	Current Purchase Date 02/01/05	Current Maturity Date 03/01/05	Beginning Carrying Value 11/30/04 50.81	Beginning Market Value 11/30/04	Accretions/ Purchases 4.02 7.53	Amortizations/ Sales	Maturitíes	Transfers	Ending Carrying Value 02/28/05 54.83 83.57	Ending Market Value 02/28/05 54.83 83.57	Change in In Market Value	Recognized Gain
Mutual Fund Mutual Fund	1996 A&B MF (Brighton/LasColi) 1996 A&B MF (Brighton/LasColi)	2.16 2.16	02/01/05 02/01/05	03/01/05 03/01/05	76.04 42.104.46	76.04 42,104.46	1.00	(10,896.09)			31,208.37	31,208.37	-	
Mutual Fund	1996 A&B MF (Brighton/LasColi)	2.16		03/01/05	28,617.42	28,617,42		(8,583.52)			20,033.90	20,033.90	-	
	1996 A&B MF (Brighton/LasColi) To	otal			70,848.73	70,848.73	11.55	(19,479.61)	0.00	0.00	51,380.67	51,380.67	0.00	0.00
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	2.16	02/01/05	03/01/05	67,749.76	67,749.76		(67,732.65)			17.11	17.11	-	
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	2.16	02/01/05	03/01/05	34,658.43	34,658.43		(13,722.56)			20,935.87	20,935.87	-	
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg) 1998 M/F (Dallas-Oxford Rfdg) Tota	1.82	02/01/05	03/01/05	461.65 102,869.64	461.65 102,869.84	1.31 1,31	(81,455.21)	0.00	0.00	462.96 21,415.94	462.96 21,415.94	0.00	0.00
	1556 Mr. (Dallas-Oxiold Ridg) 10th	aı			102,000.04	102,000.04		(01,400.21)	0.00	0.00			5.00	0.00
Mutual Fund	1984 A & B M/F (Summer Bend)	1.03		03/01/05	75 000 07	75 000 07	2.42	(22.042.04)			2.42 52,290.96	2.42 52,290.96		
Money Market	1984 A & B M/F (Summer Bend) 1984 A & B M/F (Summer Bend) Tot	1.03 tal	02/01/05	03/01/05	75,333.97 75,333.97	75,333.97 75,333.97	2.42	(23,043.01) (23,043.01)	0.00	0.00	52,293.38	52,293.38	0.00	0.00
					*			(,						
Mutual Fund	1996 A&B MF (Braxton's)	2.16		03/01/05	47.45	47.45 47,807.08	7.43	(11.810.27)			54.88 35.996.81	54.88 35,996,81	-	
Mutual Fund	1996 A&B MF (Braxton's) 1996 A&B MF (Braxton's) Total	2.16	02/01/05	03/01/05	47,807.08 47,854.53	47,854.53	7.43	(11,810.27)	0.00	0.00	36.051.69	36,051,69	0.00	0.00
	(110),(110),(110),(110)				***************************************	,		(,,			·	,		
Treasury Note	1993 A&B M/F(Reming, Hill/HP)	5.73		04/15/05	1,040,263.93	1,040,263.93	56,899.67				1,097,163.60 531.23	1,097,163.60 531.23	-	
Repurchase Agreement Treasury Bill	1993 A&B M/F(Reming, Hill/HP) 1993 A&B M/F(Reming, Hill/HP)	2.59 5.81	02/28/05 02/11/05	03/01/05 03/10/05	528.23 90,903.89	528.23 90,903.89	3.00	(42.96)			90,860,93	90,860.93	-	
Repurchase Agreement	1993 A&B M/F(Reming, Hill/HP)	2.59		03/01/05	22,848.09	22,848.09	129.81	(12.00)			22,977.90	22,977.90	~	
, ,	1993 A&B M/F(Reming, Hill/HP) Tot	tal		-	1,154,544.14	1,154,544.14	57,032.48	(42.96)	0.00	0.00	1,211,533.66	1,211,533.66	0.00	0.00
Repurchase Agreement	1987 South Tx. Rental Housing	2.59	02/28/05	03/01/05	920,397.49	920.397.49	5,226.94				925,624.43	925,624.43	-	
	1987 South Tx. Rental Housing Tot			-	920,397.49	920,397.49	5,226.94	0.00	0.00	0.00	925,624.43	925,624.43	0.00	0.00
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	2.16	02/01/05	03/01/05	4.26	4.26	0.00				4.26	4.26	_	
Mutual Fund	1996 A-D M/F (Dallas-Ft Worth)	1.82		03/01/05	400,286.30	400,286.30	982.38				401,268.68	401,268.68	-	
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	1.82		03/01/05	8.55	8.55	0.00				8.55	8.55	-	
	1996 A-D M/F(Dallas-Ft Worth) Tota	al			400,299.11	400,299.11	982.38	0.00	0.00	0.00	401,281.49	401,281.49	0.00	0.00
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	1.68	02/01/05	03/01/05	75,326.84	75,326.84		(43, 269.99)			32,056.85	32,056.85		
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	2.16		03/01/05	62,785.38	62,785.38		(13,670.74)			49,114.64	49,114.64	-	
Investment Agreement Mutual Fund	1996 A-D M/F(Harbors/Plumtree) 1996 A-D M/F(Harbors/Plumtree)	6.25 2.16		07/01/26 03/01/05	198,687.69 90,844.96	198,687.69 90,844.96	22,166.67	(115,775.34)			82,912.35 113,011.63	82,912.35 113,011.63	-	
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	2.16		03/01/05	0.01	0.01	0.00				0.01	0.01	-	
Investment Agreement	1996 A-D M/F(Harbors/Plumtree)	6.75		07/01/26	86,743.95	86,743.95	0.00				86,743.95	86,743.95	-	
Investment Agreement Investment Agreement	1996 A-D M/F(Harbors/Plumtree) 1996 A-D M/F(Harbors/Plumtree)	6.75 6.75		07/01/26 07/01/26	777,671.25 177,500.00	777,671.25 177,500.00	0.00 0.00				777,671.25 177,500.00	777,671.25 177,500.00	•	
Mutual Fund	1996 A-D M/F(Harbors/Plumtree)	0.75	11/05/90	01101120	1,7,500.00	1.70	0.00	(1.70)			111,000.00	177,000.00	_	
Investment Agreement	1996 A-D M/F (Harbors/Plumtree)	5.90		07/01/26	324,513.55	324,513.55		(195,759.12)			128,754.43	128,754.43	-	
Investment Agreement	1996 A-D M/F(Harbors/Plumtree) 1996 A-D M/F(Harbors/Plumtree)	5.90 5.90		07/01/26 07/01/26	30,901.80 65.834.82	30,901.80 65.834.82		(16,935,36) (43,602,83)			13,966.44 22,231.99	13,966.44 22,231.99	-	
Investment Agreement	1996 A-D M/F(Harbors/Plumtree) To		11/12/90	07701720	1,890,811.95	1,890,811.95	22,166.67	(429,015.08)	0.00	0.00	1,483,963.54	1,483,963.54	0.00	0.00
	·		00.004.55	701045										
Mutual Fund Investment Agreement	1996 A&B M/F(NHP Project) 1996 A&B M/F(NHP Project)	1.82 6.70		03/01/05 01/01/27	0.02 1.00	0.02 1.00	0.00 0.00				0.02 1.00	0.02 1.00	-	
in adding the rigit detricate	1996 A&B M/F(NHP Project) Total	0.70	102000	OHOHE	1.02	1.02	0.00	0.00	0.00	0.00	1.02	1.02	0.00	0.00
Advanced Proceed	4007 ME (Mandow Didge)				40 054 70	40 054 70		(46 0£4 70)						
Mutual Fund Mutual Fund	1997 M/F (Meadow Ridge) 1997 M/F (Meadow Ridge)	1.82	02/01/05	03/01/05	16,851.72 3.38	16,851.72 3.38	0.00	(16,851.72)			3.38	3.38	-	
ATTACAN TO A TA	1997 M/F (Meadow Ridge) Total	1,02	020000		16,855.10	16,855.10	0.00	(16,851.72)	0.00	0.00	3.38	3.38	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)	2.16	02/01/05	03/01/05	12,693.52	12,693.52	6,249.26				18,942.78	18,942.78		
Mutual Fund	1998 M/F (Pebble Brook)	2.16		03/01/05	60,992.01	60,992.01	29.08			•	61,021.09	61,021.09	-	
investment Agreement	1998 M/F (Pebble Brook)	5.20		12/01/30	298,074.49	298,074.49		(175,003.28)			123,071.21	123,071.21	-	
Mutual Fund	1998 M/F (Pebble Brook) 1998 M/F (Pebble Brook) Total	1.82	02/01/05	03/01/05	39,635.03 411,395.06	39,635.03 411,395.05	6,278.34	(4,878.16) (179,881.44)	0.00	0.00	34,756.87 237,791.95	34,756.87 237,791.95	0.00	0.00
	1996 MRB. (LEDDIG DEOOK) SOLEY				411,080.00	411,080.00	0,210.34	(172,001.44)	0.00	0.00			0.00	V.50
Mutual Fund	1998 M/F (Residence Oaks Proj)	2.16		03/01/05	219,811.51	219,811.51	539.48				220,350.99	220,350.99	-	
Mutual Fund Mutual Fund	1998 M/F (Residence Oaks Proj) 1998 M/F (Residence Oaks Proj)	2.16	02/01/05	03/01/05	15.15 14,259.10	15.15 14,259.10	0.00	(14,259.10)			15.15	15.15	<u>.</u>	
WILLIAM FULL	1990 NET (Tradition to Gard F10])				14,200.10	177,4VI. 1U		(17,200,10)						

Investment Type Mutual Fund Mutual Fund Mutual Fund		Current Interest Rate 2.16 2.16 2.16	Current Purchase Date 02/01/05 02/01/05 02/01/05	Current Maturity Date 03/01/05 03/01/05	Beginning Carrying Value 11/30/04 132,587.23	Beginning Market Value 11/30/04 132,587.23	Accretions/ Purchases 4,752.65 32,529.15 116,212.74	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05 137,339.88 32,529.15 116,212.74	Ending Market Value 02/28/05 137,339.88 32,529.15 116,212.74	Change in In Market Value	Recognized Gain
Mutual Fund	1998 M/F (Residence Oaks Proj) 1998 M/F (Residence Oaks Proj) Tota	2.16 al	02/01/05	03/01/05	161,559.58 528,232.57	161,559.58 528,232.57	36,363.45 190,397.47	(14,259.10)	0.00	0.00	197,923.03 704,370.94	197,923.03 704,370.94	0.00	0.00
Mutual Fund Mutual Fund Investment Agreement Mutual Fund Mutual Fund Mutual Fund	1998 M/F (Volente Project)	1.82 1.82 5.22 1.82 1.82 1.82	02/01/05 02/01/05 05/14/98 02/01/05 02/01/05	03/01/05 03/01/05 01/01/31 03/01/05 03/01/05	7,971.21 19.08 324,105.78 3,915.31 1.24 11.12 336,023.74	7,971.21 19.08 324,105.78 3,915.31 1.24 11.12 336,023.74	0.00 61,022.65 14.31 0.00 0.04 61,037.00	(240,569.80)	0.00	0.00	7,971.21 61,041.73 83,535.98 3,929.62 1.24 11.16	7,971.21 61,041.73 83,535.98 3,929.62 1.24 11.16		0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund Investment Agreement Mutual Fund Investment Agreement Mutual Fund Investment Agreement Mutual Fund Investment Agreement	1998 M/F (Greens-Hickory Trail 1998 M/F (Greens-Hickory Trail	2.16 2.16 2.16 1.82 4.94 1.82 4.94 1.82 4.94	02/01/05 02/01/06 02/01/05 02/01/05 03/22/01 02/01/05 09/10/98 02/01/05 03/22/01	03/01/05 03/01/05 03/01/05 03/01/05 09/01/30 03/01/05 09/01/30 03/01/05 09/01/30	3,125.00 393,120.72 13,084.04 0.24 47,500.99 0.85 172,357.41 2.84 22,112.99 651,305.08	3,125.00 393,120.72 13,084.04 0.24 47,500.99 0.85 172,357,41 2.84 22,112.99 651,305.08	9,375.00 96,228.76 349,166.12 568.38 13,597.08 468,935.34	(330,352.58) (218.59) (47,499.44) (172,351.72)	0.00	0.00	12,500.00 62,768.14 12,865.45 96,229.00 1.55 349,166.97 5.69 571.22 35,710.07	12,500.00 62,768.14 12,865.45 96,229.00 1.55 349,166.97 5.69 571.22 35,710.07	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund	1999 M/F (Mayfield Apartments) 1999 M/F (Mayfield Apartments)	2.16 2.16 2.16 2.16 1.82 2.16 2.16	02/01/05 02/01/05 02/01/05 02/01/05 02/01/05 02/01/05	03/01/05 03/01/05 03/01/05 03/01/05 03/01/05 03/01/05	201,681.78 1.78 113,894.11 73,903.82 143.18 362.52 0.16 389,987.35	201,681.78 1.78 113,894.11 73,903.82 143.18 362.52 0.16 389,987.35	0.00 4,751.46 12,192.24 45,041.12 155,223.99 0.00 217,208.81	(175,671.49) (175,671.49)	0.00	0.00	26,010.29 1.78 118,645.57 86,096.06 45,184.30 155,586.51 0.16 431,524.67	26,010,29 1.78 118,645.57 86,096.06 45,184.30 155,586.51 0.16 431,524.67	- 0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village) 1999 M/F (Woodglen Village) Total	2.16	02/01/05	03/01/05 _	0.01 0.01	0.01 0.01	0.00	0.00	0.00	0.00	0.01 0.01	0.01	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund	2000 M/F (Timber Point Apts) 2000 M/F (Timber Point Apts)	2.16 1.82 1.82 1.82 1.82	02/01/05 02/01/05 02/01/05 02/01/05 02/01/05	03/01/05 03/01/05 03/01/05 03/01/05 03/01/05	13,985,32 11,378.63 2,33 3,53 70,180.66 95,550.47	13,985,32 11,378.63 2,33 3,53 70,180.66 95,550.47	10,442.26 0,00 0,00 32,085.62 42,527.88	(7,876.22) (7,876.22)	0.00	0.00	24,427.58 3,502.41 2.33 3.53 102.266.28 130,202.13	24,427,58 3,502,41 2,33 3,53 102,266,28 130,202,13	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund	2000 A&B M/F (Oaks at Hampton) 2000 A&B M/F (Oaks at Hampton)	1.82 1.82 1.82 1.82 1.82 1.82 Total	02/01/05 02/01/05 02/01/05 02/01/05	03/01/05 03/01/05 03/01/05 03/01/05 03/01/05	185,155.72 145,131.28 679,35 0.04 93,561.11 20,174.01 444,701.51	185,155.72 145,131.28 679.35 0.04 93,561.11 20,174.01 444,701.51	4,325.95 2.48 0.00 54.33 7,558.84 11,941.60	(130,432.33)	0.00	0.00	54,723.39 149,457.23 681.83 0.04 93,615.44 27,732.85 326,210.78	54,723.39 149,457.23 681.83 0.04 93,615.44 27,732.85 326,210.78	0.00	0.00
Mutual Fund Mutual Fund Investment Agreement	2000 M/F (Deerwood Apts) 2000 M/F (Deerwood Apts) 2000 M/F (Deerwood Apts) 2000 M/F (Deerwood Apts) Total	1.82 6.15		03/01/05 06/01/32	0.02 532.00 185,826.73 186,358.75	0.02 532.00 185,826.73 186,358.75	0,00	(532.00) (119,466.61) (119,998.61)	0.00	0.00	66,360.12 66,360.14	0.02 66,360.12 66,360.14	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund	2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) 2000 M/F (Creek Point Apts) Total	2.16 2.16 2.16 2.16	02/01/05 02/01/05	03/01/05 03/01/05 03/01/05 03/01/05	20,603.16 6,74 225.96 20,835.86	20,603.16 6.74 225.96 20,835.86	1,558.96 54.48 13,873.28 1,08 15,487.80	0.00	0.00	0.00	22,162.12 61.22 13,873.28 227.04 36,323.66	22,162.12 61.22 13,873.28 227.04 36,323.66	0.00	0.00
Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund Mutual Fund	2000 M/F (Parks @ Westmoreld) 2000 M/F (Parks @ Westmoreld)	1.82 1.82 1.82 1.82 1.82	02/01/05 02/01/05 02/01/05 02/01/05	03/01/05 03/01/05 03/01/05 03/01/05 03/01/05	15,127.57 142,975.32 10.91 261.03 91,003.77 161,059.72	15,127.57 142,975.32 10.91 261.03 91,003.77 161,059.72	2,373.19 9,046.92 0.03 0.95 51.21	(112,692.46)			17,500.76 152,022.24 10,94 261.98 91,054.98 48,367.26	17,500.76 152,022.24 10.94 261.98 91,054.98 48,367.26	-	

Investment Type		Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04 410,438.32	Beginning Market Value 11/30/04 410,438.32	Accretions/ Purchases 11,472.30	Amortizations/ Sales (112,692.46)	Maturities 0,00	Transfers 0.00	Ending Carrying Value 02/28/05 309,218.16	Ending Market Value 02/28/05 309,218.16	Change in In Market Value 0.00	Recognized Gain 0.00
St. A. at P. and	2000 A-C MF Highland Meadows	2.16	02/01/05	03/01/05			24,805.20				24,805.20	24,805.20	-	
Mutual Fund Mutual Fund	2000 A-C MF Highland Meadows	2.16	02/01/05	03/01/05	146,967.21	146,967.21		(34,877.33)			112,089.88	112,089.88	-	
Mutual Fund	2000 A-C MF Highland Meadows	2.16	02/01/05	03/01/05	29 847 09	29,847.09	8,451.89				38,298.98	38,298.98 34.600.23	•	
Mutual Fund	2000 A-C MF Highland Meadows	2.16	02/01/05	03/01/05			34,600.23				34,600.23 211,527.87	211,527.87		
Mutual Fund	2000 A-C MF Highland Meadows	2.16	02/01/05	03/01/05		176,814,30	211,527.87 279,385.19	(34,877.33)	0.00	0.00	421,322.16	421,322.16	0.00	0.00
	2000 A-C MF Highland Meadows Tota	al			176,814.30	170,814.30	2/9,300.18	(04,011.00)	0.00	0.00	12.1,022.14	,		
Mutual Fund	2000 A/B MF Greenbridge	1.82	02/01/05	03/01/05	16,977.12	16,977.12	16,512.00				33,489.12	33,489.12	•	
Mutual Fund	2000 A/B MF Greenbridge	1.82	02/01/05	03/01/05	9,525.48	9,525.48	67,235.80				76,761.28	76,761.28 11,770.00	-	
Mutual Fund	2000 A/B MF Greenbridge	1.82	02/01/05	03/01/05	11,770.00	11,770.00	0.00				11,770.00 5.45	11,770.00		
investment Agreement	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40 _	5.45 38,278.05	5.45 38,278.05	0.00 83,747.80	0.00	0.00	0.00	122,025.85	122,025.85	0,00	0.00
	2000 A/B MF Greenbridge Total				38 ₁ Z76.05	30,270.03	05,747,00	0.00	0.55		1221	,		
Mutual Fund	2000 A-C MF Collingham Park	2.16	02/01/05	03/01/05			30,971.78				30,971.78	30,971.78	-	
Mutual Fund	2000 A-C MF Collingham Park	2.16	02/01/05	03/01/05	36,653.25	36,653.25	8,513.70	100 - 1 - 10			45,166.95 116,016.43	45,166.95 116,016.43	-	
Mutual Fund	2000 A-C MF Collingham Park	2.16	02/01/05	03/01/05	198,635.68	198,635.68 12,922.75	38.116.17	(82,619.25)			51,038.92	51.038.92	-	
Mutual Fund	2000 A-C MF Collingham Park	2.16 2.16	02/01/05 02/01/05	03/01/05 03/01/05	12,922.75 77,214.60	12,922.75 77,214.60	226,980.72				304,195.32	304,195.32	-	
Mutual Fund	2000 A-C MF Collingham Park 2000 A-C MF Collingham Park Total	2.10	02/01/05	03/01/03	325,426.28	325,426.28	304,582.37	(82,619.25)	0.00	0.00	547,389.40	547,389.40	0.00	0.00
	Zood A. O III. Commignation and Total					·					20.5/2.00	00 540 00		
Mutual Fund	2000 A/B MF Willams Run	1.82		03/01/05	17,013.09	17,013.09	5,500.00				22,513.09 14.72	22,513.09 14.72	-	
Mutual Fund	2000 A/B MF Willams Run	1.82	02/01/05	03/01/05	14.72	14.72 7,318.11	0.00 118,549.75				125,867.86	125,867.86	-	
Mutual Fund	2000 A/B MF Willams Run	1.82 1.82		03/01/05 03/01/05	7,318.11 1,408.21	1,408.21	5.16				1,413.37	1,413.37		
Mutual Fund Mutual Fund	2000 A/B MF Williams Run 2000 A/B MF Williams Run	1.82		03/01/05	0.66	0.66	0.00				0.66	0.66		
Muluai Fulia	2000 A/B MF Williams Run Total	1,02	0201100	0000,000	25,754.79	25,754.79	124,054.91	0.00	0.00	0.00	149,809.70	149,809.70	0.00	0.00
Mutual Fund	2000 A/B MF Red Hills Villas	1.82	02/01/05	03/01/05	734,364.99	734,364.99	2,685.69				737,050.68	737,050.68	-	
Mutual Fund	2000 A/B MF Red Hills Villas	1.82		03/01/05	24,292.34	24,292.34		(15,738.16)			8,554.18	8,554.18	-	
Mutual Fund	2000 A/B MF Red Hills Villas	1.82		03/01/05	85,310.91	85,310.91	9,391.23	(4.00)			94,702.14 7.54	94,702.14 7.54	-	
Mutual Fund	2000 A/B MF Red Hills Villas	1.82 1.82		03/01/05 03/01/05	8.63 228,435.99	8.63 228,435,99		(1.09) (103,493.32)	•		124,942,67	124,942.67		
Mutual Fund	2000 A/B MF Red Hills Villas 2000 A/B MF Red Hills Villas Total	1.02	02/01/05	03/01/03	1.072.412.86	1,072,412.86	12,076.92	(119,232.57)	0.00	0.00	965,257.21	965,257.21	0.00	0.00
	2000 FOR ME 1000 1 Mais 1 Mais 1 Mais						,	, , ,						
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.82		03/01/05	21,579.91	21,579.91	8,003.17				29,583.08 58,207.41	29,583.08 58,207.41	-	
Mutual Fund	2001A MF Bluffview Sr. Apts.	1.82		03/01/05	173,160.41	173,160.41		(114,953.00) (2,512.22)			89,982.45	89,982.45	-	
Mutual Fund	2001A MF Bluffview Sr. Apts. 2001A MF Bluffview Sr. Apts.	1.82 1.82		03/01/05 03/01/05	92,494.67 99,196.14	92,494.67 99,196.14		(1,380.96)			97,815.18	97,815.18	-	
Mutual Fund Mutual Fund	2001A MF Bluffview Sr. Apts.	1.82		03/01/05	37,166.30	37,166.30	135.93				37,302.23	37,302.23		
Hotel Wie	2001A MF Bluffview Sr. Apts. Total			•	423,597.43	423,597.43	8,139.10	(118,846.18)	0.00	0.00	312,890.35	312,890.35	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	1.82	02/01/05	03/01/05	12,634.47	12,634.47	8,960.45				21,594.92	21,594.92		
Mutuai Fund	2001A MF Knollwood Villas Apts	1.82		03/01/05	230,440.15	230,440.15		(141,224.69)			89,215.46	89,215.46	-	
Mutual Fund	2001A MF Knollwood Villas Apts	1.82			97,511.28	97,511.28		(42,168.48)			55,342.80 121,958.23	55,342.80 121,958.23	-	
Mutual Fund	2001A MF Knollwood Villas Apts	1.82	02/01/05	03/01/05	125,562.47 466,148.37	125,562.47 466,148.37	8,960.45	(3,604.24)	0.00	0.00	288.111.41	288,111.41	0.00	0.00
	2001A MF Knollwood Villas Apts To	lai			400, 140.01	700, 170.07	0,000. 10	(100,001.11)			,			
Mutual Fund	2001A MF Skyway Villas	1.82	02/01/05		48,870.75	48,870.75		(36,907.33)			11,963.42	11,963.42	•	
Mutual Fund	2001A MF Skyway Villas	1.82	02/01/05	03/01/05	58,333.31	58,333.31	24,999,99	(0.00E.70)	•		. 83,333.30	83,333.30	•	
Mutual Fund	2001A MF Skyway Villas	4.00	00/04/07	03/01/05	2,965.70 65,113.00	2,965.70 65,113.00		(2,965.70) (58,113.00)			7,000.00	7,000.00		
Mutual Fund	2001A MF Skyway Villas 2001A MF Skyway Villas	1.82 1.82			15,636.83	15,636.83		(9,724.08)			5,912.75	5,912.75		
Mutual Fund Investment Agreement	2001A MF Skyway Villas	5.00			3.53	3.53	43,156.97	(-1)			43,160.50	43,160.50	•	
Mutual Fund	2001A MF Skyway Villas	1.82			25,833.33	25,833.33		(13,333.33)			12,500.00	12,500.00		
Investment Agreement	2001A MF Skyway Villas	5.00			26,566.66	26,666.66	40 007 00	(1,666.67)			24,999.99 48,067.92	24,999.99 48,067.92		
Mutual Fund	2001A MF Skyway Villas	1.82			289,407.46	289,407,46	48,067.92	(193,270.62)			96,136.84	96.136.84		
Investment Agreement	2001A MF Skyway Villas 2001A MF Skyway Villas Total	5.00	04/17/03	12/01/34	532,830.57	532,830.57	116,224.88	(315,980.73)	0,00	0.00	333,074.72	333,074.72	0.00	0.00
All the of the of	2001AB MF Cobb Park Apts	1.82	02/01/05	03/01/05	7,880.76	7,880.76	2,415.91				10,296.67	10,296.67		
Mutual Fund Mutual Fund	2001AB MF Cobb Park Apts	1.82			180,122.15	180,122.15		(105,826.91)			74,295.24	74,295.24		
Mutual Fund	2001AB MF Cobb Park Apts	1.82	02/01/05	03/01/05	60,663.89	60,653.89	8,876.05				69,529.94	69,529.94 72,346.18		
Mutual Fund	2001AB MF Cobb Park Apts	1.82			72,346.18	72,346.18	0.00				72,346.18 51,741.32	72,346.18 51,741.32		•
Mutual Fund	2001AB MF Cobb Park Apts 2001AB MF Cobb Park Apts Total	1.82	2 02/01/05	03/01/05	51,552.79 372,555.77	51,552.79 372,555.77	188.53 11,480.49	(105,826.91)	0.00	0.00	278,209.35	278,209.35	0.00	0.00
Mutual Fund	2001A MF Greens Road Apartment	2.16	02/01/05	03/01/05	375.87	375.87	1.54				377.41	377.41		

Investment Type Mutual Fund	Issue 2001A MF Greens Road Apartment	Current Interest Rate 2.16	Current Purchase Date 02/01/05	Current Maturity Date 03/01/05	Beginning Carrying Value 11/30/04 299,384.16	Beginning Market Value 11/30/04 299,384.16	Accretions/ Purchases	Amortizations/ Sales (139,652.13)	Maturities	Transfers	Ending Carrying Value 02/28/05 159,732.03 161.76	Ending Market Value 02/28/05 159,732.03 161,76	Change in In Market Value	Recognized Gain
Investment Agreement	2001A MF Greens Road Apartment 2001A MF Greens Road Apartment	4.01 Total	09/14/01	06/01/34 _	158.58 299,918.61	158.58 299,918.61	3.18 4.72	(139,652.13)	0.00	0.00	160,271.20	160,271.20	0.00	0.00
	•						0.00				445 14	445.46		
Mutual Fund	2001AB MF Meridian Apartments	2.16	02/01/05 02/01/05	03/01/05 03/01/05	145.11 2.38	145.11 2.38	0.00 0.00				145.11 2.38	145.11 2.38	-	
Mutual Fund Mutual Fund	2001AB MF Meridian Apartments 2001AB MF Meridian Apartments	2.16 2.16	02/01/05	03/01/05	2.30 0.01	0.01	0.00				0.01	0.01	-	
Mutual Fund	2001AB MF Meridian Apartments	2.16	02/01/05	03/01/05	340,450.53	340,450.53	5.55	(335,038.37)			5,412.16	5,412.16	-	
illardar i di ia	2001AB MF Meridian Apartments				340,598.03	340,598.03	0.00	(335,038.37)	0.00	0.00	5,559.66	5,559.66	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	2.16	02/01/05	03/01/05	13,991,90	13,991.90	48.32				14,040.22	14,040.22		
Mutual Fund	2001AB MF Wildwood Branch	2.16	02/01/05	03/01/05	9,185.32	9,185.32		(5,706.61)			3,478.71	3,478.71	~	
Mutual Fund	2001AB MF Wildwood Branch	2.16	02/01/05	03/01/05	0.02	0.02	0.00	/000 OF 4 FO			0.02	0.02	-	
Mutual Fund	2001AB MF Wildwood Branch 2001AB MF Wildwood Branch	2.16 2.16	02/01/05 02/01/05	03/01/05 03/01/05	329,987.55 39,382.01	329,987.55 39,382.01	204.63	(329,851.59)			135.96 39,586.64	135.96 39,586.64	-	
Mutual Fund	2001AB MF Wildwood Branch Tota		02/01/03	03/01/03	392,546.80	392,546.80	252.95	(335,558.20)	0.00	0.00	57,241.55	57,241.55	0.00	0.00
61 a (a	3004 ADO 145 5-15	2.16	02/01/05	03/01/05	59,935,33	59,935.33	207.08				60,142.41	60,142.41		
Mutual Fund Mutual Fund	2001ABC MF Fallbrook Apts 2001ABC MF Fallbrook Apts	2.16	02/01/05	03/01/05	97,234,29	97,234.29	49,686,18				146,920.47	146,920.47	-	
Muhual Fund	2001ABC MF Fallbrook Apts	2.16	02/01/05	03/01/05	57,204.25	07,20-1.20	14,000.01				14,000.01	14,000.01	~	
Mutual Fund	2001ABC MF Fallbrook Apts	2.16	02/01/05	03/01/05			28,666.66				28,666.66	28,666.66	•	
Mutual Fund	2001ABC MF Fallbrook Apts	1.82	02/01/05	03/01/05			149,910.00				149,910.00	149,910.00		
Mutual Fund	2001ABC MF Fallbrook Apts	2.16	02/01/05	03/01/05	31.63	31.63	0,00 242,469.93	0.00	0.00	0.00	31.63 399,671.18	31,63 399,671,18	0.00	0.00
	2001ABC MF Fallbrook Apts Total				157,201.25	157,201.25	242,408.93	0.00	0.00	0.00	399,071.10	599,071.16	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	1.82	02/01/05	03/01/05	430,000.00	430,000.00	0.00				430,000.00	430,000.00		
Mutual Fund	2001 MF Oak Hollow Apts	1.82	02/01/05	03/01/05	21,739.41	21,739.41		(13,029.46)			8,709.95	8,709.95	_	
Mutual Fund Mutual Fund	2001 MF Oak Hollow Apts 2001 MF Oak Hollow Apts	1.82 1.82	02/01/05 02/01/05	03/01/05 03/01/05	51,450.20 77,244.23	51,450.20 77,244.23		(5,381.54) (5,256.55)			46,068.66 71,987.68	46,068.66 71,987.68	-	
Mutual Fund	2001 MF Oak Hollow Apts	1.82		03/01/05	140,667.04	140,667.04		(88,692.40)			51,974.64	51,974.64		
Mutual Fund	2001 MF Oak Hollow Apts	1.82		03/01/05	408.03	408.03	181.97	(**,****)			590.00	590.00		
	2001 MF Oak Hollow Apts Total			-	721,508.91	721,508.91	181.97	(112,359.95)	0.00	0.00	609,330.93	609,330.93	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	1.82	02/01/05	03/01/05	100,000.00	100,000.00	0.00				100,000.00	100,000.00		
Mutual Fund	2001AB MF Hillside Apts	1.82	02/01/05	03/01/05	27,553.81	27,553.81		(18,807.56)			8,746.25	8,746.25	-	
Mutual Fund	2001AB MF Hillside Apts	1.82 1.82	02/01/05 02/01/05	03/01/05 03/01/05	79,308.17	79,308.17		(6,040.62)			73,267.55 109,149.61	73,267.55 109,149.61	=	
Mutual Fund Mutual Fund	2001AB MF Hillside Apts 2001AB MF Hillside Apts	1.82	02/01/05	03/01/05	121,829.48 264,474.53	121,829.48 264,474.53		(12,679.87) (125,676.07)			138,798.46	138,798.46		
Mutual Fund	2001AB MF Hillside Apts	1.82	02/01/05	03/01/05	94.89	94.89	42.32	(120,010,01)			137.21	137.21		
	2001AB MF Hillside Apts Total			_	593,260.88	593,260.88	42.32	(163,204.12)	0.00	0.00	430,099.08	430,099.08	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	1.52	02/01/05	03/01/05	27,133.58	27,133.58		(1,206.31)			25,927.27	25,927.27	-	
Mutual Fund	2002A MF Millstone Apts	1.52	02/01/05	03/01/05	0.98	0.98	0.00				0.98	0.98	-	
Mutual Fund	2002A MF Millstone Apts	1.52	02/01/05	03/01/05	32,605.54	32,605.54	60,754.54				93,360.08	93,360.08	-	
Mutual Fund Mutual Fund	2002A MF Millstone Apts 2002A MF Millstone Apts	1.52 1.52	03/01/05 02/01/05	03/01/05 03/01/05	12,410.13	12,410.13 275,007.48	19,356.34	(177,602.23)			31,766.47 97,405.25	31,766.47 97,405.25	-	
Mutual Fund	2002A MF Millstone Apts	1.52	02/01/05	03/01/05	275,007.48	2/0,007.40	1,063.90	(177,002.23)			1,063.90	1,063.90	-	
Mutual Fund	2002A MF Millstone Apts	1.52		03/01/05	2.42	2.42	0.00				2.42	2.42	-	
Mutual Fund	2002A MF Millstone Apts	1.52	02/01/05	03/01/05	13,258.07	13,258.07	36,46				13,294.53	13,294.53		
	2002A MF Milistone Apts Total				360,418.20	360,418.20	81,211.24	(178,808.54)	0.00	0.00	262,820.90	262,820.90	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts	1.52	02/01/05	03/01/05	8.67	8.67	0,00				8.67	8.67	-	
Mutual Fund	2002 MF SugarCreek Apts				1.63	1.63		(1.63)			00.000 ***			
Mutual Fund	2002 MF SugarCreek Apts	1.52		03/01/05	325,962.12	325,962.12		(229,875.65)			96,086.47 6.48	96,086.47 6.48	-	
Mutual Fund Mutual Fund	2002 MF SugarCreek Apts 2002 MF SugarCreek Apts	1.52 1.52		03/01/05 03/01/05	2,304.75 73.48	2,304.75 73.48	0.00	(2,298.27)			73.48	73.48		
Mutual Fund	2002 MF SugarCreek Apts	1.52		03/01/05	26.75	26.75	0.00				26.75	26.75	-	
• • •	2002 MF SugarCreek Apts Total			**	328,377.40	328,377.40	0.00	(232,175.55)	0.00	0.00	96,201.85	96,201.85	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	1.82		03/01/05			393,891.12				393,891.12	393,891.12		
Mutual Fund	2002 MF West Oaks Apts	1.82		03/01/05	45,336.04	45,336.04	8,835.80				54,171.84	54,171.84	•	
Mutual Fund	2002 MF West Oaks Apts	1.82		03/01/05	7.74	7.74	297.90	14 1 00 5 1			305.64	305.64	-	
Mutual Fund Mutual Fund	2002 MF West Oaks Apts 2002 MF West Oaks Apts	1.82 1.82		03/01/05 03/01/05	18,507.01 88,512.28	18,507.01 88,512.28		(14,625.16) (23,017.55)			3,881.85 65,494.73	3,881.85 65,494.73		
wullar runu	2002 MF West Oaks Apts 2002 MF West Oaks Apts Total	1.02	0210 1700	03/01/00	152,363.07	152,363.07	403,024.82	(37,642.71)	0.00	0.00	517,745.18	517,745.18	0.00	0.00
Mark at Europe	2002 ME Dark Mandaus	2.16	02/01/05	03/01/05	268,532.11	268,532.11		(88,285.60)			180,246.51	180,246.51		
Mutual Fund Mutual Fund	2002 MF Park Meadows 2002 MF Park Meadows	2.16		03/01/05	268,532,11 39,151,86	268,532.11 39,151.86	135.30	(60,260,60)			39,287.16	39,287.16	-	
- graph special is not the	2002 MF Park Meadows Total	2.10			307,683.97	307,683.97	135.30	(88,285.60)	0.00	0.00	219,533.67	219,533.67	0.00	0.00

Investment Type		Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
1b A of Cond	2002 MF Clarkridge Villas Apts	1.82	02/01/05	03/01/05	6,044.39	6,044.39	36,465,76				42,510.15	42,510.15	-	
Mutual Fund Mutual Fund	2002 MF Clarkridge Villas Apts	1.82	02/01/05	03/01/05	25,638.04	25,638.04	20,062.65				45,700.69	45,700.69	-	
Mutual Fund	2002 MF Clarkridge Villas Apts	1.82	02/01/05	03/01/05	121,750.90	121,750.90	8,351.57		0.00	0.00	130,102.47 218,313,31	130,102.47 218,313.31	0.00	0.00
	2002 MF Clarkridge Villas Apts Total	l			153,433.33	153,433.33	64,879.98	0.00	0.00	0,00	210,010.01	210,010.01	V.0-	
	open ter and a Tour Arts	1.82	02/01/05	03/01/05	4.651.61	4,651.61	1,759.37				6,410.98	6,410.98	-	
Mutual Fund Mutual Fund	2002 MF Hickory Trace Apts 2002 MF Hickory Trace Apts	1.82	02/01/05	03/01/05	3,011.40	3,011.40	21,080.05				24,091.45	24,091.45	-	
Money Market	2002 MF Hickory Trace Apts	1.82	02/01/05	03/01/05	96,409.07	96 409.07	6,498.07				102,907.14	102,907.14	-	
Mutual Fund	2002 MF Hickory Trace Apts	1.82	02/01/05	03/01/05	12.49	12.49	13.79				. 26.28 17.519.00	26.28 17,519.00	_	
Mutual Fund	2002 MF Hickory Trace Apts	1.82	02/01/05	03/01/05	17,264.72 121,349.29	17,264.72 121,349.29	254.28 29,605.56	0.00	0.0	0.00	150,954.85	150,954.85	0.00	0.00
	2002 MF Hickory Trace Apts Total						20,000.00				•	61,975,88		
Mutual Fund	2002 MF Green Crest Apts	1.82	02/01/05	03/01/05	134,982.10	134,982.10	0.070.04	(73,006.22)			61,975.88 28,914.11	28,914.11	-	
Mutual Fund	2002 MF Green Crest Apts	1.82	02/01/05	03/01/05	19,235.07 955.374.78	19,235.07 955,374.78	9,679.04 3,493.96				958,868.74	958,868.74	-	
Mutual Fund	2002 MF Green Crest Apts 2002 MF Green Crest Apts	1.82	02/01/05	03/01/05	955,574.76	12.19	3,433.50	(12.19)				,	-	
Mutual Fund Mutual Fund	2002 MF Green Crest Apts	1.82	02/01/05	03/01/05	2,924.17	2,924.17	4,137.00	(,			7,061.17	7,061.17		
water falla	2002 MF Green Crest Apts Total	,,,,,,,,			1,112,528.31	1,112,528.31	17,310.00	(73,018.41)	0.0	0.00	1,056,819.90	1,056,819.90	0.00	0.00
Mutual Fund Mutual Fund	2002 MF Ironwood Crossing 2002 MF Ironwood Crossing	1.82 1.82	02/01/05 02/01/05	03/01/05 03/01/05	395.76	395.76	379,784.04 839,998.48	•			380,179.80 839,998.48	380,179.80 839,998.48	-	
Investment Agreement	2002 MF Ironwood Crossing				873,374.63	873,374.63		(873,374.63)			344.671.77	344,671,77	-	
Mutual Fund	2002 MF Ironwood Crossing	1.82	02/01/05	03/01/05	0.000.000.00	3.558.399.09	344,671.77	(3,558,399.09)			344,071.77	344,071.77		
Investment Agreement	2002 MF Ironwood Crossing				3,558,399.09 401,646.75	3,558,399.09 401,646.75		(401,646.75)						
Investment Agreement Mutual Fund	2002 MF Ironwood Crossing 2002 MF Ironwood Crossing	1.82	02/01/05	03/01/05	1.68	1.68	262,158,78	(101,010.10)			262,160.46	262,160.46	-	
Investment Agreement	2002 MF Ironwood Crossing	1.04	02.01700		117,018.84	117,018.84	,	(117,018.84)					-	
niver in the second	2002 MF Ironwood Crossing Total			-	4,950,836.76	4,950,836.75	1,826,613.07	(4,950,439.31)	0.0	0.00	1,827,010.51	1,827,010.51	0.00	0.00
Mutual Fund	2002 MF Woodway Village	1.68	02/01/05	03/01/05	3,059.72	3.059.72	994.08				4,053.80	4,053.80	3	
Mutual Fund	2002 MF Woodway Village	1.82	02/01/05		8.20	8.20	0.00				8.20	8.20		
Mutual Fund	2002 MF Woodway Village	1.82	02/01/05		9,545.88	9,545.88	571,49				10,117.37	10,117.37 283,668.56	-	
Mutual Fund	2002 MF Woodway Village	1.82	02/01/05		282,797.48	282,797.48 40.70	871.08	(0.01)			283,668.56 40.69	283,005.30 40.69	-	
Mutual Fund	2002 MF Woodway Village 2002 MF Woodway Village Total	1.82	02/01/05	03/01/05	40.70 295,451.98	295,451.98	2,436.65	(0.01)	0.0	0.00	297,888.62	297,888.62	0.00	0.00
	• •	0.40	02/01/05	03/01/05	708,450.23	708,450.23	2,730.07				711.180.30	711,180.30		
Mutual Fund Mutual Fund	2003 AB MF North Vista Apts 2003 AB MF North Vista Apts	2.16 2.16			235,234.53	235,234,53	2,100.01	(217,524.66)			17,709.87	17,709.87	-	
Mutual Fund	2003 AB MF North Vista Apts	2.16			351,813.74	351,813.74		(210,026.74)			141,787.00	141,787.00		
Mutual Fund	2003 AB MF North Vista Apts	2.16	02/01/05	03/01/05	69.10	69.10	162.15				231.25	231.25 1.416.27	-	
Mutual Fund	2003 AB MF North Vista Apts	2.16	02/01/05	03/01/05	1,410.85	1,410.85	5.42 2,897.64	(427,551.40)	0.0	0.00	1,416.27 872,324.69	872,324.69	0.00	0.00
	2003 AB MF North Vista Apts Total				1,296,978.45	1,296,978.45	2,097,04		0.0	0.00			0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	1.82			295,265.39	295,265.39		(294,199.39)			1,066.00 67,919.39	1,066.00 67,919.39	•	
Mutual Fund	2003 AB MF West Virginia Apts	2.16			252,685.02 39.93	252,685.02 39.93	0.00	(184,765.63)			39.93	39.93		
Mutual Fund Mutual Fund	2003 AB MF West Virginia Apts 2003 AB MF West Virginia Apts	2.16 2.16			30,669.35	30,669.35	489.64				31,158.99	31,158.99		
Mutual Fund	2003 AB MF West Virginia Apts	2.16			6.91	6.91	0.00				6.91	6.91		
model of the	2003 AB MF West Virginia Apts Tot			-	578,666.60	578,666.60	489.64	(478,965.02)	0.0	0.00	100,191.22	100,191.22	0.00	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42			15,064,981.91				15,064,981,91	15,064,981.91		
Mutual Fund	2003AB MF Sphinx @ Murdeaux				7,572.36	7,572.36		(7,572.36)						•
Investment Agreement	2003AB MF Sphinx @ Murdeaux				15,077,827.44	15,077,827.44		(15,077,827.44)						
Mutual Fund	2003AB MF Sphinx @ Murdeaux	0.64	05/13/03	12/01/42	14.49 375,890.78	14.49 375.890.78		(14.49) (213,045.74)			162,845.04	162,845.04		·
Investment Agreement Mutual Fund	2003AB MF Sphinx @ Murdeaux 2003AB MF Sphinx @ Murdeaux	2.51	00/13/03	12/01/42	12,265.62	12,265.62		(12,265.62)			14	,		•
Investment Agreement	2003AB MF Sphinx @ Murdeaux				203,961.36	203,961.36		(203,961.36)						
	2003AB MF Sphinx @ Murdeaux To	otaî		•	15,677,532.05	15,677,532.05	15,064,981.91	(15,514,687.01)	0.0	0.00	15,227,826.95	15,227,826.95	0.00	0,00
Mutual Fund	2003 AB MF Primrose Houston	1.82			81,424.51	81,424.51		(81,372.09)			52.42	52.42 18.44		-
Mutual Fund	2003 AB MF Primrose Houston	1.68			9.27	9.27	9.17				18.44 423.64	18.44 423.64		• -
Mutual Fund	2003 AB MF Primrose Houston	1.82			280,80 5.24	280.80 5.24	142.84 0.03				5.27	5.27		.
Mutual Fund Investment Agreement	2003 AB MF Primrose Houston 2003 AB MF Primrose Houston	1.82 1.35			334,676.74	334,676.74	0.00				334,676.74	334,676.74		-
Mutual Fund	2003 AB MF Primrose Houston	1.82			23,,0,0.14		81,416.67				81,416.67	81,416.67		•
Investment Agreement	2003 AB MF Primrose Houston	1.35	05/23/03	04/15/05	1,612.79	1,612.79	1,111.01				2,723.80	2,723.80		-
Mutual Fund	2003 AB MF Primrose Houston	1.82	02/01/05	03/01/05	136.90	136.90	0.50	(91 272 00)	0.4	0.00	137.40 419,454.38	137.40 419,454.38	0.00	0.00
	2003 AB MF Primrose Houston Total	ai			418,146.25	418,146.25	82,680.22	(81,372.09)	0.4	50 0.00	410,404.00	-, 15, 15, 15	0.00	2.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Mutual Fund	2003 AB MF Timber Oaks Apts	1.82	02/01/05	03/01/05	62,793.66	62,793.66	82,095.07				144,888.73	144,888.73	-	
Investment Agreement Mutual Fund	2003 AB MF Timber Oaks Apts 2003 AB MF Timber Oaks Apts	1.82		03/01/05	184,609.07 105.26	184,609.07 105.26		(184,609.07) (104.43)			0.83	0.83	-	
Investment Agreement	2003 AB MF Timber Oaks Apts		00.04.07	66104105	333.00	333.00	0.00	(333.00)			0.02	0.02	-	
Mutual Fund Mutual Fund	2003 AB MF Timber Oaks Apts 2003 AB MF Timber Oaks Apts	1.82 1.82		03/01/05 03/01/05	0.02	0.02	0.00 91,613.17				91,613.17	91,613.17	-	
Mutual Fund	2003 AB MF Timber Oaks Apts	1.82		03/01/05	78,340.67	78,340.67	· · · · · · · · · · · · · · · · · · ·	(78,185.34)			155.33	155.33	-	
	2003 AB MF Timber Oaks Apts Tot	tal			326,181.68	326,181.68	173,708.24	(263,231.84)	0.00	0.00	236,658.08	236,658.08	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	1.82		03/01/05	4,108.52	4,108.52		(2,691.63)			1,416.89 126,274.02	1,416.89 126,274.02	-	
Investment Agreement Investment Agreement	2003 AB MF Ash Creek 2003 AB MF Ash Creek	1.31 1.31		04/15/05 04/15/05	358,774.03 415,833.77	358,774.03 415,833.77	0.00	(232,500.01)			415,833,77	415,833.77	-	
Mutual Fund	2003 AB MF Ash Creek	1.82		03/01/05	147.00	147.00	0.00				147.00	147.00	-	
Mutuai Fund	2003 AB MF Ash Creek	1.82		03/01/05	4.64	4.64	0.02				4.66	4.66	•	
Mutual Fund Mutual Fund	2003 AB MF Ash Creek 2003 AB MF Ash Creek	1.82	02/01/05	03/01/05	10,773.25 58,721.78	10,773.25 58,721.78	39.40	(58,721,78)			10,812.65	10,812.65	-	
watan rasa	2003 AB MF Ash Creek Total				848,362.99	848,362.99	39.42	(293,913.42)	0.00	0.00	554,488.99	554,488.99	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	1.82	02/01/05	03/01/05	51.43	51.43	0.25				51.68	51.68	-	
Mutual Fund	2003 AB MF Peninsula	1.82	02/01/05	03/01/05	1,257.65	1,257.65	2,610.37	(0 F00 po)			3,868.02	3,868.02	•	
Investment Agreement Mutual Fund	2003 AB MF Peninsula 2003 AB MF Peninsula	1.82	02/01/05	03/01/05	2,596.09 119.56	2,596.09 119.56	50.76	(2,596.09)			170.32	170.32		
Investment Agreement	2003 AB MF Peninsula	1.00			50.00	50.00		(50.00)					-	
Mutual Fund Mutual Fund	2003 AB MF Peninsula 2003 AB MF Peninsula	1.82 1.82		03/01/05 03/01/05	158,053.44 16,642,79	158,053.44 16,642.79	169,828.36 81.70				327,881.80 16,724.49	327,881.80 16,724.49	•	
Mutual Fund	2003 AB MF Peninsula Total	1.82	02/01/05	03/01/05	178,770.96	178,770.96	172,571.44	(2,646.09)	0.00	0.00	348,696.31	348,696.31	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	1.82	02/01/05	03/01/05	390.39	390.39	1.43				391.82	391.82	_	
Mutual Fund	2003 A MF Evergreen @ Mesquite	1.82		03/01/05	854,179.86	854,179.86	1.40	(6,004.02)			848,175.84	848,175.84		
Mutual Fund	2003 A MF Evergreen @ Mesquite	1.82		03/01/05	93.97	93.97	0.34				94.31	94.31	-	
Mutual Fund Investment Agreement	2003 A MF Evergreen @ Mesquite 2003 A MF Evergreen @ Mesquite	1.82	02/01/05	03/01/05	630,721.20 1,663,501.95	630,721.20 1,663,501.95		(157,317.09) (1,663,501.95)			473,404.11	473,404.11	-	
nsvestitione / igreement	2003 A MF Evergreen @ Mesquite	Total		•	3,148,887.37	3,148,887.37	1.77	(1,826,823.06)	0.00	0.00	1,322,066.08	1,322,066.08	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	1.82		02/01/05	2,536,137.21	2,536,137.21		(2,266,222.98)			269,914.23	269,914.23	-	
Mutual Fund	2003 AB Arlington Villas 2003 AB Arlington Villas	1.82	02/01/05	03/01/05	42.49	42.49	10,014.67	(42.49)			10,014.67	10,014.67	-	
Investment Agreement Investment Agreement	2003 AB Arlington Villas				104,195.43	104,195.43		(104,195.43)					_	
Mutual Fund	2003 AB Arlington Villas	1.82		03/01/05	10,800.15	10,800.15	2,611.35				13,411.50	13,411.50		
Investment Agreement	2003 AB Arlington Villas	6.45 1.82		03/15/05 03/01/05	589,228.33 9,240.89	589,228.33 9,240.89	562,370.74	(79,281.75)			509,946.58 571,611.63	509,946.58 571,611.63	-	
Mutual Fund Investment Agreement	2003 AB Arlington Villas 2003 AB Arlington Villas	6.45		03/15/05	559,797.66	559,797.66	302,370.74	(400,000.00)			159,797.66	159,797.66	-	
Mutual Fund	2003 AB Arlington Villas	1.82	02/01/05	03/01/05	2,875.49	2,875.49	11.30		0.00	0.00	2,886.79	2,886,79	0.00	0.00
	2003 AB Arlington Villas Total				3,812,317.65	3,812,317.65	575,008.06	(2,849,742.65)	0.00	0.00	1,537,583.06	1,537,583.06	0,00	0.00
Mutual Fund Investment Agreement	2003 AB Parkview Twnhms 2003 AB Parkview Twnhms	1.82	02/01/05	03/01/05	60,996.70 1,265,987.30	60,996.70 1,265,987.30		(60,966.77) (1,265,987.30)			29.93	29.93		
Mutual Fund	2003 AB Parkview Twnhms	1.82	02/01/05	03/01/05	61,341.97	61,341.97	1,472,520.36	(1,200,001,00)			1,533,862.33	1,533,862.33		
Mutual Fund	2003 AB Parkview Twnhms	1.82		03/01/05	37,300.00	37,300.00	25,169.93				62,469.93	62,469.93	-	
Investment Agreement Investment Agreement	2003 AB Parkview Twnhms 2003 AB Parkview Twnhms	1.31 1.31		12/01/05 12/01/05	343,885.96 200,000.00	343,885.96 200,000.00	0.00	(168,849.00)			175,036.96 200,000.00	175,036.96 200,000.00	-	
Mutual Fund	2003 AB Parkview Twintins	1.82		03/01/05	8.73	8.73	452.68				461.41	461.41	_	
Investment Agreement	2003 AB Parkview Twnhms 2003 AB Parkview Twnhms Total				215,014.24 2,184,534.90	215,014.24 2,184,534.90	1,498,142.97	(215,014,24) (1,710,817.31)	0.00	0.00	1,971,860.56	1,971,860.56	0.00	0.00
							2,400, 142.01		0.00	0.00			5.00	0.00
Mutual Fund FNMA	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	1.82	02/01/05	03/01/05	107,631.75 205,950.37	107,631.75 205,950.37		(39,194.24)	(205,950.37)	68,437.51	68,437.51	-	
FNMA	2003 MF NHP-Asmara-Refunding	3.88		03/15/05	206,662.45	206,662.45	0.00				206,662.45	206,662.45	-	
FHLB FHLB	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	4.63 1.50		04/15/05 05/13/05	208,662.88 201,026.67	208,662.88 201,026.67	0.00 0.00				208,662,88 201,026.67	208,662.88 201,026.67	-	
FNMA	2003 MF NHP-Asmara-Refunding	7.00	~ 11 EVI UM	44. (0194	198,497.33	198,497.33	5.50		(198,497.33)	201,020.01	201,020.01	-	
FNMA	2003 MF NHP-Asmara-Refunding				198,269.44	198,269.44			(198,269.44)	*** F0: -:	000 005 = :	-	
FHLB FNMA	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	1.80 7.00		06/15/05 07/15/05	200,536.54 214,448.00	200,536.54 214,448.00	00.0 00.0				200,536.54 214,448.00	200,536.54 214,448.00	-	
FHLB	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	1.50		08/26/05	350,273.00	350,273.00	0.00				350,273.00	350,273.00	-	
FNMA	2003 MF NHP-Asmara-Refunding				348,027.17	348,027.17			(348,027.17					
FNMA FNMA	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding				350,993.08 198,574.17	350,993.08 198,574.17			(350,993.08 (198,574.17				-	
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
FHLB	2003 MF NHP-Asmara-Refunding	0.00	02/01/05	04/27/05			198,980.00				198,980.00	198,980.00 198,983.11	•	
FHLB	2003 MF NHP-Asmara-Refunding	0.90	01/07/05	04/05/05			198,983,11 348,106.70				198,983.11 348,106.70	348,106.70	-	
FHLB	2003 MF NHP-Asmara-Refunding	0.90	01/18/05 02/25/05	04/19/05 05/04/05			199,225.56				199,226.56	199,225.56	_	
FHLB Mutual Fund	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	0.00 1.82	02/25/05	03/04/05	280,900.77	280,900,77	139,210.15				420,110.92	420,110.92	-	
Mutual Fund	2003 MF NHP-Asmara-Refunding	1.82	02/01/05	03/01/05	17.70	17.70	44.27				61.97	61.97	-	
Treasury Note	2003 MF NHP-Asmara-Refunding				691,607.00	691,607.00		(691,607.00)					-	
Treasury Note	2003 MF NHP-Asmara-Refunding	1.73	12/15/03	07/01/05	704,233.00	704,233.00	0.00				704,233.00	704,233.00	-	
Treasury Note	2003 MF NHP-Asmara-Refunding	2.07	12/15/03	01/01/06	697,495.00	697,495.00	0.00				697,495.00	697,495.00		
Treasury Note	2003 MF NHP-Asmara-Refunding	2.35	12/15/03	07/01/06	712,029.00	712,029.00	0.00				712,029.00 24,349,975.00	712,029.00 24,349,975.00	-	
Treasury Note	2003 MF NHP-Asmara-Refunding	2.59	12/15/03	01/01/07	24,349,975.00 0.22	24,349,975.00 0.22	0.00 0.00				0.22	0.22		
Mutual Fund	2003 MF NHP-Asmara-Refunding 2003 MF NHP-Asmara-Refunding	1.82 1.82	02/01/05 02/01/05	03/01/05 03/01/05	16.59	16.59	0.06				16.65	16.65	-	
Mutual Fund Mutual Fund	2003 MF NHP-Asmara-Refunding	1.82		03/01/05	5,083,26	5,083.26	80.17				5,163.43	5,163.43	_	
Watta Taria	2003 MF NHP-Asmara-Refunding		02/0//00		30,430,910.39	30,430,910.39	1,084,630.02	(730,801.24)	(1,500,311.56)	0.00	29,284,427.61	29,284,427.61	-	•
Mutual Fund	2004 A&B Timber Ridge	1.82	02/01/05	03/01/05	10,865.62	10,865.62		(9,233.96)			1,631,66	1,631.66		
Mutual Fund Mutual Fund	2004 A&B Timber Ridge 2004 A&B Timber Ridge	1.82	02/01/05	03/01/05	64.04	64.04	0.24	(2)=21.23)			64.28	64.28	-	
Mutual Fund	2004 A&B Timber Ridge	1.82	02/01/05	03/01/05	598.06	598.06		(146.44)			451.62	451.62	=	
Mutual Fund	2004 A&B Timber Ridge	1.82	02/01/05	03/01/05			180.59				180.59	180.59	-	
Investment Agreement	2004 A&B Timber Ridge	0.90	01/28/04	06/01/05	33,123.58	33,123.58	0.00	(400,400,00)			33,123.58 193,826.41	33,123.58 193,826.41	•	
Investment Agreement	2004 A&B Timber Ridge	0.90	01/28/04 02/01/05	06/01/05 03/01/05	392,933.04 3.27	392,933.04 3.27		(199,106.63) (1.70)			1,57	1,57	-	
Mutual Fund Mutual Fund	2004 A&B Timber Ridge 2004 A&B Timber Ridge	1.82 1.82	02/01/05	03/01/05	66.86	66.86	83.37	(1.70)			150.23	150.23	_	
Investment Agreement	2004 A&B Timber Ridge	0.90		06/01/05	51,184.20	51,184.20	80,415.42				131,599.62	131,599.62		
.	2004 A&B Timber Ridge Total				488,838.67	488,838.67	80,679.62	(208,488.73)	0.00	0.00	361,029.56	361,029.56	0.00	0,00
Mutual Fund	2004 A&B Century Park	1.82	02/01/05	03/01/05	15,083.50	15,083.50		(1,249.95)			13,833.55	13,833.55	-	
Mutual Fund	2004 A&B Century Park	1.82	02/01/05	03/01/05	12,458.38	12,458.38	37,375.02				49,833.40	49,833.40	-	
Mutual Fund	2004 A&B Century Park	1.82		03/01/05	70,671.82	70,671.82		(70,587.21)			84.61	84.61	_	
Investment Agreement	2004 A&B Century Park	0.01	01/13/04	05/01/05	5,583,188.03	5,583,188.03	200 70	(3,747,544.89)			1,835,643.14 628.73	1,835,643.14 628.73	-	
Mutual Fund	2004 A&B Century Park	1.82		03/01/05	898.95	898.95	628.73 2.15				901.10	901.10	-	
Mutual Fund	2004 A&B Century Park	1.82 1.82		03/01/05 03/01/05	266,413.39	266.413.39	2.10	(82,679.98)			183,733.41	183,733.41		
Mutual Fund Investment Agreement	2004 A&B Century Park 2004 A&B Century Park	0.01	01/13/04	05/01/05	0.22	0.22	0.00	(02,070.00)			0.22	0.22		
	2004 A&B Century Park Total				5,948,714.29	5,948,714.29	38,005.90	(3,902,062.03)	0,00	0.00	2,084,658.16	2,084,658.16	0.00	0.00
Mutual Fund	2004 A Addison Park	1.82	02/01/05	03/01/05	164.11	164.11	119.64				283.75	283.75	-	
Mutual Fund	2004 A Addison Park	1.82		03/01/05	0.29	0.29	0.00	/ma.c.(0.88)			0.29	0.29	-	
Mutual Fund	2004 A Addison Park	1.82		03/01/05	236,368.40	236,368.40	0.06	(73,918.29)			162,450.11 10.65	162,450.11 10.65	-	
Mutual Fund	2004 A Addison Park 2004 A Addison Park Total	1.82	02/01/05	03/01/05	10.59 236,543.39	10.59 236,543.39	119.70	(73,918.29)	0.00	0.00	162,744.80	162,744.80	0.00	0.00
							1,0,0					20 100 01		
Mutual Fund	2004 A&B MF Veterans Memorial	1.82		03/01/05	53,622.66	53,622.66		(21,135.85)			32,486.81 92,390.81	32,486.81 92.390.81	-	
Investment Agreement	2004 A&B MF Veterans Memorial	1.27 1.82		10/03/05 03/01/05	134,540.00 0.92	134,540.00 0.92	10,083.93	(42,149.19)			10,084.85	10,084.85		
Mutual Fund Investment Agreement	2004 A&B MF Veterans Memorial 2004 A&B MF Veterans Memorial	1.82	02/01/05	03/01/03	3,978,041.29	3,978,041.29	10,000.00	(3,978,041.29)			10,007.00		-	
Mutual Fund	2004 A&B MF Veterans Memorial	1.82	02/01/05	03/01/05	99,542.85	99,542.85	492,485.84	(-1-1-)-1-1			592,028.69	592,028.69	u u	
Investment Agreement	2004 A&B MF Veterans Memorial	1.27	02/03/04	10/03/05	485,393.22	485,393.22		(67,000.00)			418,393.22	418,393.22	-	
Mutual Fund	2004 A&B MF Veterans Memorial	1.82		03/01/05	8,670.66	8,670.66	1,164.41	70W= 1			9,835.07	9,835.07	-	
Investment Agreement	2004 A&B MF Veterans Memorial	1.27	05/03/04	10/03/05	446,316.18 5,206,127.78	446,316.18 5,206,127.78	503,734,18	(275,124.99) (4,383,451.32)	0.00	0.00	171,191.19 1,326,410.64	171,191.19 1,326,410.64	0.00	0.00
	2004 A&B MF Veterans Memorial	; Utai			0,200,121.10		000,704,10	, , ,	0.00	0.00			0.00	-1
Mutual Fund	2004 MF Rush Creek Apts	1.82			3,758,124.80	3,758,124.80		(2,593,274.80)			1,164,850.00	1,164,850.00	-	
Money Market	2004 MF Rush Creek Apts	1.82			5,671.85	5,671.85	39,436.83				45,108.68 910.71	45,108.68 910.71		
Money Market Money Market	2004 MF Rush Creek Apts 2004 MF Rush Creek Apts	1.82 1.82		03/01/05 03/01/05	18,000.00	18,000.00	910.71 0,00				18,000.00	18.000.00	=	
Mutual Fund	2004 MF Rush Creek Apts 2004 MF Rush Creek Apts	1.82			273,812.28	273,812.28	U,UJ	(175,888.63)			97,923.65	97,923.65	-	
Money Market	2004 MF Rush Creek Apts	1.82			187,317.79	187,317.79		(90,365.02)			96,952.77	96,952.77	-	
Money Market	2004 MF Rush Creek Apts	1.82			110,702.83	110,702.83	292,381.00				403,083.83	403,083.83		
•	2004 MF Rush Creek Apts Total			***	4,353,629.55	4,353,629.55	332,728.54	(2,859,528.45)	0.00	0.00	1,826,829.64	1,826,829.64	0.00	0.00
Investment Agreement	2004 MF Humble Parkway	1.20	02/05/04	12/31/05	371,369.56	371,369.56		(4,988.24)			366,381.32	366,381.32	-	
investment Agreement	2004 MF Humble Parkway	1.20	02/05/04	12/31/05	5,312,276.30	5,312,276.30		(3,637,132.55)			1,675,143.75	1,675,143.75	-	
Investment Agreement	2004 MF Humble Parkway	1.20			251,216.66	251,216.66	1,524.03	(400 001 00			252,740.69	252,740.69	-	
Investment Agreement	2004 MF Humble Parkway	0.04	04/26/04	02/01/10	326,131.97	326,131.97		(189,271.67) (138,100.55)			136,860.30	136,860.30	-	
investment Agreement Mutual Fund	2004 MF Humble Parkway 2004 MF Humble Parkway	1.82	02/01/05	03/01/05	138,100.55 9,208.35	138,100.55 9,208.35		(1,091,65)			8,116,70	8,116.70	-	
Mutual Fund Mutual Fund	2004 MF Humble Parkway	1.82			150,465.69	150,465.69	550.28	(1,001.00)			151,015.97	151,015.97	-	
									, -,					

Investment Type	issue 2004 MF Humble Parkway Total	Current interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04 6,558,769.08	Beginning Market Value 11/30/04 6,558,769.08	Accretions/ Purchases 2,074.31	Amortizations/ Sales (3,970,584.66)	Maturities 0.00	Transfers 0.00	Ending Carrying Value 02/28/05 2,590,258.73	Ending Market Value 02/28/05 2,590,258.73	Change in In Market Value 0.00	Recognized Gain 0.00
Money Market	2004 MF Chisholm Trail Apts	1.92	02/01/05	03/01/05	1,733.66	1,733.66	736.29				2,469.95	2,469.95	-	
Money Market	2004 MF Chisholm Trail Apts	1.92	02/01/05	03/01/05	3.05	3.05	2.90	(00.046.00)			5,95 232,880.54	5.95 232.880.54	-	
investment Agreement	2004 MF Chisholm Trail Apts	0.60	04/13/04	10/01/05	263,126.44	263,126.44 718.35	0.00	(30,245.90)			718.35	718.35		
Investment Agreement	2004 MF Chisholm Trail Apts	0.60 1.92	04/13/04 02/01/05	10/01/05 03/01/05	718.35 63.940.68	63,940.68	18,660.33				82,601.01	82,601.01		
Money Market	2004 MF Chisholm Trail Apts	0,60	04/13/04	10/01/05	8,315,856.00	8,315,856.00	10,000.00	(5,136,970.83)			3,178,885.17	3,178,885.17	-	
Investment Agreement Money Market	2004 MF Chisholm Trail Apts 2004 MF Chisholm Trail Apts	1.92	02/01/05	03/01/05	28,620.01	28,620.01	166.43	(-,,,			28,786.44	28,786.44		
Money Market	2004 MF Chisholm Trail Apts	1.92	02/01/05	03/01/05	1,289,14	1,289.14	488.73				1,777.87	1,777.87	-	
Investment Agreement	2004 MF Chisholm Trail Apts	0.60	04/13/04	10/01/05	152,218.02	152,218.02		(65,101.01)			87,117.01	87,117.01	•	
Money Market	2004 MF Chisholm Trail Apts	1.92	02/01/05	03/01/05	152,860.55	152,860.55	888.93				153,749.48	153,749,48 3,768,991.77	0.00	0.00
	2004 MF Chisholm Trail Apts Tota	al			8,980,365.90	8,980,365.90	20,943.61	(5,232,317.74)	0.00	0.00	3,768,991.77	3,700,891.77	0.00	0.00
\$\$	2004 M. F & Blanc Black	1.68	02/01/05	03/01/05	19.703.08	19.703.08	48.51				19,751.59	19,751.59	=	
Money Market Money Market	2004 MF Evergreen @ Plano Pkwy 2004 MF Evergreen @ Plano Pkwy	1.82	02/01/05	03/01/05	10,095,736.83	10.095,736.83	70.01	(2,258,319.37)			7,837,417.46	7,837,417.46	-	
Money Market	2004 MF Evergreen @ Plano Pkwy	1.92	02/01/05	03/01/05		,,	0.18				0.18	0.18		
Money Market	2004 MF Evergreen @ Plano Pkwy	1.82	02/01/05	03/01/05	85,161.00	85,161.00	0.00				85,161.00	85,161.00	-	
Money Market	2004 MF Evergreen @ Plano Pkwy	1.68	02/01/05	03/01/05	150,876.61	150,876.61	40.00	(105,569,69)	0,00	0.00	45,306.92 7,987,637.15	45,306.92 7,987,637.15	0.00	0.00
	2004 MF Evergreen @ Plano Pkwy	Total			10,351,477.52	10,351,477.52	48.69	(2,363,889.06)	0,00	0.00	7,907,037.10	7,507,1007.10	Ų.UQ	4.00
Mutual Fund	2004 MF Montgomery Pines Apts	1.92	02/01/05	03/01/05	1,870.31	1,870.31	758.89				2,629.20	2,629.20		
Investment Agreement	2004 MF Montgomery Pines Apts	1.81	05/27/04	12/15/05	181,697.19	181,697.19		(33,707.79)			147,989.40	147,989.40	ŭ	
Mutual Fund	2004 MF Montgomery Pines Apts	1.92	02/01/05	03/01/05	16,456.36	16,456.36	11,455.07	/FO 7774 00)			27,911.43	27,911.43 28,460.48	•	
Investment Agreement	2004 MF Montgomery Pines Apts	1.81	05/27/04	12/15/05	81,232.40	81,232.40 430.51	220.09	(52,771.92)			28,460.48 650.60	26,460.46 650.60	-	
Mutual Fund	2004 MF Montgomery Pines Apts 2004 MF Montgomery Pines Apts	1.92 1.81	02/01/05 05/27/04	03/01/05 12/15/05	430.51 50,864.60	50,864.60	0.00				50.864.60	50,864.60		
Investment Agreement Mutual Fund	2004 MF Montgomery Pines Apts 2004 MF Montgomery Pines Apts	1.92	02/01/05	03/01/05	90,174.26	90,174.26	29,374.04				119,548.30	119,548.30		
Investment Agreement	2004 MF Montgomery Pines Apts	1.81	05/27/04	12/15/05	8,876,273.27	8,876,273.27		(2,635,304.01)			6,240,969.26	6,240,969.26	-	
Money Market	2004 MF Montgomery Pines Apts	1.92	02/01/05	03/01/05	19,048.20	19,048.20	74.13				19,122.33	19,122.33	0.00	0.00
	2004 MF Montgomery Pines Apts	Total			9,318,047.10	9,318,047.10	41,882.22	(2,721,783.72)	0.00	0.00	6,638,145.60	6,638,145.60	0.00	0.00
Mutual Fund	2004 MF Bristol Apts	1.92	02/01/05	03/01/05	3,520.81	3,520.81	1,534.99				5,055.80	5,055.80	-	
Investment Agreement	2004 MF Bristol Apts	1.85	05/28/04	05/15/06	338,405.21	338,405.21		(60,680.39)			277,724.82	277,724.82	-	
Mutual Fund	2004 MF Bristol Apts	1.92	02/01/05	03/01/05	109,327.10	109,327.10		(11,234.63)			98,092.47	98,092.47	•	
Investment Agreement	2004 MF Bristol Apts	1.85	05/28/04	05/15/06	380,617.99	380,617.99	0.00				380,617.99 127,490.84	380,617.99 127,490,84	_	
Mutual Fund	2004 MF Bristol Apts	1.92	02/01/05 05/28/04	03/01/05 05/15/06	86,558.42 9,067,464.07	86,558.42 9.067.464.07	40,932.42	(764,265.77)			8.303.198.30	8,303,198.30	_	
Investment Agreement Mutual Fund	2004 MF Bristol Apts 2004 MF Bristol Apts	1.85 1.92	02/01/05	03/01/05	19,805.00	19,805.00	77.08	(104,200.11)			19,882.08	19,882.08	-	
matadi i dila	2004 MF Bristol Apts Total	1,02	00001100		10,005,698.60	10,005,698.60	42,544.49	(836,180.79)	0.00	0.00	9,212,062.30	9,212,062.30	0.00	0.00
Mutual Fund	2004 MF Pinnacle Apts	1.92	02/01/05	03/01/05	3,934.31	3,934.31	2,167.60				6,101.91	6,101.91	-	
Investment Agreement	2004 MF Pinnacle Apts	1.81	05/28/04	05/15/06	399,438.74	399,438.74	2,101.00	(100,358.09)			299,080.65	299,080.65		
Mutual Fund	2004 MF Pinnacle Apts	1.92	02/01/05	03/01/05	253,578.19	253,578.19		(153,931.89)			99,646.30	99,646.30	-	
Investment Agreement	2004 MF Pinnacle Apts	1.81	05/28/04	05/15/06	121,900.00	121,900.00	128,792.17				250,692.17	250,692.17	-	
Mutual Fund	2004 MF Pinnacle Apts	1.92	02/01/05	03/01/05	95,249.54	95,249.54	44,577.42	(4.470.044.04)			139,826.96 9,273,516.78	139,826.96 9,273,516.78	•	
Investment Agreement	2004 MF Pinnacle Apts	1.81 1.92	05/28/04 02/01/05	05/15/06 03/01/05	10,452,861.69 19,221.57	10,452,861.69 19,221.57	74.80	(1,179,344.91)			19,296.37	19,296.37	-	
Mutual Fund	2004 MF Pinnacle Apts 2004 MF Pinnacle Apts Total	1.92	02/01/05	03/01/05	11,346,184.04	11,346,184.04	175,611.99	(1,433,634.89)	0.00	0.00	10,088,161.14	10,088,161.14	0.00	0.00
					450 000 00	450,000,00	1,955,742.70				2.109.382.60	2,109,382.60		
Mutual Fund Mutual Fund	2004 MF Tranquility Bay Apts	1.68 1.68	02/01/05 02/01/05		153,639.90 369,321.00	153,639.90 369,321.00	2.00				369,323.00	369,323.00	-	
Mutual Fund Mutual Fund	2004 MF Tranquility Bay Apts 2004 MF Tranquility Bay Apts	1.82	02/01/05		1,780,669.02	1,780,669.02	2.00	(1,099,220.50)			681,448.52	681,448.52		
Mutual Fund	2004 MF Tranquility Bay Apts	1.82			100,000.00	100,000.00	0.00	(1,000,000,000)			100,000.00	100,000.00	-	
Mutual Fund	2004 MF Tranquility Bay Apts	1.68		03/01/05	403,555.14	403,555.14		(89,210.05)			314,345.09	314,345.09		
	2004 MF Tranquility Bay Apts Tot	al		•	2,807,185.06	2,807,185.06	1,955,744.70	(1,188,430.55)	0,00	0.00	3,574,499.21	3,574,499.21	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5,42	08/12/04	05/15/07	2,148,197.00	2,148,197.00	460,738.00				2,608,935.00	2,608,935.00	-	
Investment Agreement	2004 MF Sphinx @ Delafield	1.90		01/31/06	9,231,802.55	9,231,802.55		(460,738.00)			8,771,064.55	8,771,064.55	-	
Money Market	2004 MF Sphinx @ Delafield	1.82			8,406.57	8,406.57	109,846.42				118,252.99	118,252.99	-	
Investment Agreement	2004 MF Sphinx @ Delafield	3.00		01/20/44	10,795.27	10,795.27	0.00 2,610.80				10,795.27 2,610.80	10,795.27 2,610.80	•	
Money Market Investment Agreement	2004 MF Sphinx @ Delafield 2004 MF Sphinx @ Delafield	1,82 1.90		03/01/05 01/31/06	319,004.72	319,004.72	2,010.00	(293,000.00)			26,004.72	26,004.72	-	
Mutual Fund	2004 MF Sphinx @ Delafield	1.82			6,332.75	6,332.75	25.26	(=00,000.00)			6,358.01	6,358.01	-	
,	2004 MF Sphinx @ Delafield Total		02200		11,724,538.86	11,724,538.86	573,220.48	(753,738.00)	0.00	0.00	11,544,021.34	11,544,021.34	0.00	0.00
Mutual Fund	2004 ME Churchill & Diggs - 12	1.68	02/01/05	03/01/05	350,000.00	350,000.00	0.00				350,000.00	350,000.00		
Mutual Fund Mutual Fund	2004 MF Churchill @ Pinnacle 2004 MF Churchill @ Pinnacle	1.68			99,187.85	99,187.85	0.00	(29,923.00)			69,264.85	69,264.85	-	
Mutual Fund	2004 MF Churchill @ Pinnacle	1.82			7,412,392.41	7,412,392.41		(1,268,754.54)			6,143,637.87	6,143,637.87	-	
	-													

Investment Type Mutual Fund	Issue 2004 MF Churchill @ Pinnacle	Rate 1.82	Current Purchase Date 02/01/05	Current Maturity Date 03/01/05	Beginning Carrying Value 11/30/04 75,000.00 323,022.30	Beginning Market Value 11/30/04 75,000.00 323,022.30	Accretions/ Purchases 0.00	Amortizations/ Sales (121,334.93)	Maturities	Transfers	Ending Carrying Value 02/28/05 75,000.00 201.687.37	Ending Market Value 02/28/05 75,000.00 201,687.37	Change in In Market Value	Recognized Gain
Mutual Fund	2004 MF Churchill @ Pinnacle 2004 MF Churchill @ Pinnacle Total	1.68	02/01/05	03/01/05	8,259,602.56	8,259,602.56	0.00	(1,420,012.47)	0.00	0.00	6,839,590.09	6,839,590.09	0.00	0.00
	1004 Hill Official Color (Color Color Colo					7040.00	00 007 FF				30,606,43	30.606.43	-	
Mutual Fund	2004 A/B MF Post Oak East Apts	1.92	02/01/05	03/01/05	7,318.88	7,318.88	23,287.55 517.75				2.533.08	2,533.08	-	
Mutual Fund	2004 A/B MF Post Oak East Apts	1.92	02/01/05	03/01/05	2,015.33	2,015.33	311.10	(93,260.96)			360,205,88	360.205.88	-	
investment Agreement	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	453,466.84	453,466.84	0.00	(90,200.90)			379,307.35	379,307.35		
investment Agreement	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	379,307.35	379,307.35					85.007.45	85.007.45	_	
Mutual Fund	2004 A/B MF Post Oak East Apts	1.92	02/01/05	03/01/05	56,356.86	56,356.86	28,650.59	(DED 00 + 00)			8,974,117.00	8,974,117.00	-	
Investment Agreement	2004 A/B MF Post Oak East Apts	1.87	08/05/04	07/15/06	9,925,021.00	9,925,021.00		(950,904.00) (767.42)			25,534.01	25.534.01		
Mutual Fund	2004 A/B MF Post Oak East Apts	1.92	02/01/05	03/01/05	26,301.43	26,301.43	52.455.89	(1,044,932.38)	0,00	0.00	9,857,311.20	9,857,311.20	0.00	0.00
	2004 A/B MF Post Oak East Apts To	otal			10,849,787.69	10,849,787.69	52,455.69	(1,044,302.30)	4,00	0.00	0,007,011	.,,		
Investment Agreement	2004 MF Village Fair	2.53	01/04/05	09/01/06			810,419.01				810,419.01	810,419.01	-	
Investment Agreement	2004 MF Village Fair	2.53	01/04/05	09/01/06			11,765,506.99				11,765,506.99	11,765,506.99 4.583.75	-	
Money Market	2004 MF Village Fair	1.82	02/01/05	03/01/05			4,583.75				4,583.75	4,583.75 617,649.04		
Investment Agreement	2004 MF Village Fair	2.53		09/01/06			617,649.04				617,649.04 2.34	2.34	_	
Money Market	2004 MF Village Fair	1.82	02/01/05	03/01/05			2.34	0.00	0.00	0.00	13,198,161.13	13,198,161.13	0.00	0.00
• • •	2004 MF Village Fair Total				-	-	13,198,161.13	0.00	0.00	0.00	13, 130, 101, 13	15, 155, 101.10	5.00	5.00
Ad Administration	2005 MF Pecan Grove	1.82	02/01/05	03/01/05			116.60				116.60	116.60		
Money Market	2005 MF Pecan Grove	0.03		01/02/07			620,757.00				620,757.00	620,757.00	-	
Investment Agreement Money Market	2005 MF Pecan Grove	1.82					2,128.41				2,128.41	2,128.41	•	
Investment Agreement	2005 MF Pecan Grove	0.03		01/02/07			11,331,088.00				11,331,088.00	11,331,088.00	-	
Money Market	2005 MF Pecan Grove	1.82		03/01/05			1,461.01				1,461.01	1,461.01	-	
Money Market	2005 MF Pecan Grove	1.82	02/01/05	03/01/05			101.92				101.92	101.92	-	
Investment Agreement	2005 MF Pecan Grove	0.03	02/07/05				542,618.00				542,618.00	542,618.00 25,006.20	-	
Money Market	2005 MF Pecan Grove	1.82	02/01/05	03/01/05			25,006.20		0.00	0.00	25,006.20 12,523,277.14	12,523,277.14	0.00	0.00
•	2005 MF Pecan Grove Total				-	-	12,523,277.14	0.00	0.00	0.00	12,020,277.14	12,020,217.14	0.00	0.00
Money Market	2005 MF Prairie Oaks	1.82	02/01/05	03/01/05			127.92				127.92	127.92	-	
Investment Agreement	2005 MF Prairie Oaks	0.03	02/02/05	01/01/07			681,000.00				681,000.00	681,000.00	-	
Money Market	2005 MF Prairie Oaks	1.82	02/01/05	03/01/05			1,680.95				1,680.95	1,680.95	•	
Investment Agreement	2005 MF Prairie Oaks	0.03	02/02/05				8,948,938.00				8,948,938.00	8,948,938.00 80.95	-	
Money Market	2005 MF Prairie Oaks	1.82					80.95				80.95	430,930.00		
Investment Agreement	2005 MF Prairie Oaks	0.03					430,930.00				430,930.00 1,001.69	1,001.69	_	
Money Market	2005 MF Prairie Oaks	1.82	02/01/05	03/01/05			1,001.69	0.00	0.00	0.00	10,063,759.51	10,063,759,51	0.00	0.00
•	2005 MF Prairie Oaks Total				-	•	10,063,759.51	0.00	0,00	0.00	10,000,709.01	10,000,700,01	0.00	0.00
Money Market	2005 MF Port Royal	1.82	02/01/05	03/01/05			622,350.00				622,350.00	622,350.00	_	
Money Market	2005 MF Port Royal	1.82					9,612,648.00				9,612,648.00	9,612,648.00	-	
Money Market	2005 MF Port Royal	1.82					490,306.00				490,306.00	490,306.00	0.00	0.00
grandy marries	2005 MF Port Royal Total			•	-	-	10,725,304.00	0,00	0.00	0.00	10,725,304.00	10,725,304.00	0.00	0,00
dd a. a bandana	2005 MF Mission Del Rio	1.82	02/01/05	03/01/05			344,262.00				344,262.00	344,262.00	-	
Money Market	2005 MF Mission Del Rio 2005 MF Mission Del Rio	1.82					9,258,312.00				9,258,312.00	9,258,312.00		
Money Market	2005 MF Mission Del Rio	1.82					464,841.00				464,841.00	464,841.00	-	
Money Market	2005 MF Mission Del Rio	1.82					23,000.00				23,000.00	23,000.00		
Money Market	2005 MF Mission Del Rio Total	1,02			-	-	10,090,415.00	0.00	0.00	0.00	10,090,415.00	10,090,415.00	0.00	0.00
	Total Multi-Family Investment Su	mmary			187,212,739.17	187,212,739.17	83,803,400.77	(66,297,569.13)	(1,500,311.56	0.00	203,218,259.25	203,218,259.25	-	-

Texas Department of Housing and Community Affairs Single Family Collateralized Home Mortgage Revenue Bonds Series 1993 Investment Summary For Period Ending February 28, 2005

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases 42.49	Saics	matariaco	riumororo	7,530.06	7,530.06	-	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	7,487.57	7,487.57					326,183,16	326, 183, 16	-	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	324,341.25	324,341.25	1,841.91 487.46				86,316.47	86,316,47	-	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	85,829.01	85,829.01	467.40	(770.05)			39,762,05	39,762.05	_	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	40,535.90	40,535.90		(773.85)			177.453.98	177.453.98	_	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	177,450.27	177,450.27	3.71	(074 (14)			111,012.37	111,012.37	_	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	111,383.88	111,383.88		(371.51)			4.82	4.82	_	
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	4.82	4.82	0.00				4.02 5.78	5.78		
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	5.78	5.78	0.00				360.92	360,92		
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	358.96	358.96	1.96				3.29	3.29	_	
Repurchase Agreement	1993 SF MRB CHMRB	2,59	02/28/05	03/01/05	3.29	3.29	0.00				8.97	8.97		
Repurchase Agreement	1993 SF MRB CHMRB	2.59	02/28/05	03/01/05	8.97	8.97	0.00	1. 1.5.00		0.00	748.641.87	748,641.87	0.00	0.00
	1993 SF MRB CHMRB Total			•	747,409.70	747,409.70	2,377.53	(1,145.36)	0.00	0.00	140,041.01	140,041.07	0.00	0.00
т	otal 1993 SF MRB CHMRB investme	ent Summary			747,409.70	747,409.70	2,377.53	(1,145.36)	0.00	0.00	748,641.87	748,641.87	÷	-

Texas Department of Housing and Community Affairs Single Family Collateralized Home Mortgage Revenue Bonds Series 1994 and 1995 Investment Summary For Period Ending February 28, 2005

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type Repurchase Agreement	1994 SF MRB CHMRB	Nate	Date	Date	14,219,16	14,219,16		(14,219.16)					-	
Repurchase Agreement	1994 SF MRB CHMRB				7,195.12	7,195.12		(7,195.12)					-	
Repurchase Agreement	1994 SF MRB CHMRB				166,217.40	166,217.40		(166,217.40)					*	
Repurchase Agreement	1994 SF MRB CHMRB	2.59	02/28/05	03/01/05	53,956.76	53,956.76		(53,899.93)			56.83	56.83	*	
Repurchase Agreement	1994 SF MRB CHMRB	2.59	02/28/05	03/01/05	2,194.72	2,194.72		(1,966.23)			228.49	228.49	•	
Guarantd Inv Certificates	1994 SF MRB CHMRB				206,444.37	206,444.37		(206,444.37)					-	
Guarantd Inv Certificates	1994 SF MRB CHMRB				139,816.81	139,816.81		(139,816.81)					(48,652.61)	42,633.70
FNMA	1994 SF MRB CHMRB				596,113.63	644,766.24		(596,113.63)					(9,927.57)	9,416.06
FNMA	1994 SF MRB CHMRB				122,796.05	132,723.62 337,382.91		(122,796.05) (315,083.71)					(22,299.20)	19,988.49
FNMA	1994 SF MRB CHMRB 1994 SF MRB CHMRB				315,083.71 367,093.95	393,074.58		(367,093.95)					(25,980.63)	23,261.86
FNMA FNMA	1994 SF MRB CHMRB				8,306.17	8,989.50		(8,306.17)					(683.33)	597.51
FNMA	1994 SF MRB CHMRB				397,935.03	425,986.99		(397,935,03)					(28,051.96)	25,112.66
FNMA	1994 SF MRB CHMRB				69,749.93	75,368.79		(69,749.93)					(5,618.86)	5,331.85
FNMA	1994 SF MRB CHMRB				64,206.71	69,062.74		(64,206.71)	**				(4,856.03)	4,912.77
FNMA	1994 SF MRB CHMRB				113,839.16	123,023.31		(113,839.16)					(9,184.15)	8,440.27
FNMA	1994 SF MRB CHMRB				154,924.70	164,864.81		(154,924.70)					(9,940.11)	9,581.79
FNMA	1994 SF MRB CHMRB				150,398.58	159,798.13		(150,398.58)					(9,399.55) (5,992.23)	9,053.17 6,226.89
FNMA	1994 SF MRB CHMRB				81,709.62	87,701.85		(81,709.62)					(6,973.37)	6,710.90
FNMA FNMA	1994 SF MRB CHMRB 1994 SF MRB CHMRB				114,761.88 163,891.16	121,735.25 174,281.44		(114,761.88) (163,891.16)					(10,390.28)	10,120.34
FNMA	1994 SF MRB CHMRB				49,866.34	53,191.04		(49,866.34)					(3,324.70)	3,362.32
FNMA	1994 SF MRB CHMRB				64,467.14	69,284.92		(64,467.14)					(4,817.78)	4,876.40
FNMA	1994 SF MRB CHMRB				177,990.60	191,112.30		(177,990.60)					(13,121.70)	12,386.61
GNMA	1994 SF MRB CHMRB				2,143,815.86	2,306,215.21		(2,143,815.86)					(162,399.35)	166,878.40
GNMA	1994 SF MRB CHMRB				893,524.98	961,852.66		(893,524.98)					(68,327.68)	65,991.21
GNMA	1994 SF MRB CHMRB				562,184.87	605,317.97		(562,184.87)					(43,133.10)	44,325.80
GNMA	1994 SF MRB CHMRB				1,798,326.51	1,919,440.29		(1,798,326.51)					(121,113.78)	115,553.57
GNMA	1994 SF MRB CHMRB				241,085.25	257,210.81		(241,085.25)					(16,125.56)	15,710.30 56,183.95
GNMA	1994 SF MRB CHMRB				708,400.01	763,061.04		(708,400.01)					(54,661.03) (22,385,66)	21,844.82
GNMA	1994 SF MRB CHMRB 1994 SF MRB CHMRB				329,918.52 199,632.93	352,304.18 215,026.78		(329,918.52) (199,632.93)					(15,393.85)	15,827.84
GNMA GNMA	1994 SF MRB CHMRB				63,307.07	68,165.23		(63,307.07)					(4,858.16)	4,963.91
GNMA	1994 SF MRB CHMRB				357,114.30	381,638,16		(357,114.30)					(24,523.86)	19,904.23
GNMA	1994 SF MRB CHMRB				567,665.75	606.628.74		(567,665.75)					(38,962.99)	38,060.92
GNMA	1994 SF MRB CHMRB				48,625.79	51,899.04		(48,625.79)					(3,273.25)	3,239.60
GNMA	1994 SF MRB CHMRB				616,186.73	658,112.44		(616,186.73)					(41,925.71)	40,915.52
GNMA	1994 SF MRB CHMRB				245,687.61	264,381.59		(245,687.61)					(18,693.98)	19,222.71
GNMA	1994 SF MRB CHMRB				115,886.88	124,856.71		(115,886,88)					(8,969.83)	9,222.62 12,993.19
GNMA	1994 SF MRB CHMRB 1994 SF MRB CHMRB				167,922.71	180,552.02 239,372.70		(167,922.71) (224,269.89)					(12,629.31) (15,102.81)	14,934,68
GNMA	1994 SF MRB CHMRB				224,269.89	284,249.27		(266,623.54)					(17,625.73)	17,429,16
GNMA GNMA	1994 SF MRB CHMRB				266,623.54 334,788,29	356,761.04		(334,788.29)					(21,972.75)	19,201.94
GNMA	1994 SF MRB CHMRB				385,916.62	414,963.62		(385,916.62)					(29,047.00)	30,262.96
GNMA	1994 SF MRB CHMRB				359,366.79	386,494.73		(359,366.79)					(27,127.94)	28,263.40
GNMA	1994 SF MRB CHMRB				203,608.38	217,451.72		(203,608.38)					(13,843.34)	13,702.27
GNMA	1994 SF MRB CHMRB				254,044.10	271,316.57		(254,044.10)		-			(17,272.47)	17,092.95
GNMA	1994 SF MRB CHMRB				58,690.62	62,594.96		(58,690.62)					(3,904.34)	3,858.23
GNMA	1994 SF MRB CHMRB				2,059,852.35	2,198,581.27		(2,059,852.35)					(138,728.92) (36,387.33)	138,621.08 37,400.83
GNMA GNMA	1994 SF MRB CHMRB 1994 SF MRB CHMRB				539,518.73 222,742.47	575,906.06 239,767.51		(539,518.73) (222,742.47)					(17,025.04)	17,726.53
GNMA	1994 SF MRB CHMRB				180,083.31	193,716,84		(180,083.31)					(13,633.53)	14,333.92
GNMA	1994 SF MRB CHMRB				335,510.26	357,706.91		(335,510.26)					(22,196.65)	23,213.65
GNMA	1994 SF MRB CHMRB				288,235.54	307,328.98		(288,235.54)					(19,093.44)	19,251,45
GNMA	1994 SF MRB CHMRB				398,925.03	425,250.29		(398,925.03)					(26,325.26)	27,567.62
Repurchase Agreement	1994 SF MRB CHMRB	2.69					35,474.78				35,474.78	35,474.78	-	
Repurchase Agreement	1994 SF MRB CHMRB	2.59		03/01/05			16,349.84				16,349.84	16,349.84	-	
Investment Agreement	1994 SF MRB CHMRB	6.42		11/01/26			7,373,565.71				7,373,565.71	7,373,565.71	-	
Investment Agreement	1994 SF MRB CHMRB	6.05	12/16/04	11/01/26		77.400.15	3,605,961.57	(71.100.10			3,605,961.57	3,605,961.57	-	
Guarantd Inv Certificates	1994 SF MRB CHMRB				74,426.45	74,426.45		(74,426.45) (1,568.36)					-	
Repurchase Agreement Repurchase Agreement	1994 SF MRB CHMRB 1994 SF MRB CHMRB				1,568.36 426.92	1,568.36 426.92		(426.92)						
Repurchase Agreement	1994 SF MRB CHMRB				79.94	79.94		(79.94)					-	
Holomoniana cidi ranimiti	1994 SF MRB CHMRB Total			•	18,851,142.06	20.147.019.77	11,031,351.90	(18,850,856.74)	0.0	0 0.00	11,031,637.22	11,031,637.22	(1,295,877.71)	1,275,711.85
						•							•	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Repurchase Agreement	1995 A/B SF MR Refunding Bonds 1995 A/B SF MR Refunding Bonds	2.59 Total	02/28/05	03/01/05	0.01 0.01	0.01 0.01	0.00	0.00	0.00	0.00	0.01 0.01	0.01 0.01	0.00	0.00
Tota	ii 1994/1995 SF MRB CHMRB Investm	ent Summ	ary		18,851,142.07	20,147,019.78	11,031,351.90	(18,850,856,74)	0.00	0.00	11,031,637.23	11,031,637.23	(1,295,877.71)	1,275,711.85

Texas Department of Housing and Community Affairs Commercial Paper Investment Summary For Period Ending February 28, 2005

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Puschases	(98,128.72)	inatui itres	Humaiona	143,631,35	143,631.35		
Repurchase Agreement	Commercial Paper	2.59		03/01/05	241,760.07	241,760.07	4 440 000 00	(90, 120.12)			4,448,000.00	4,448,000.00		
Guarantd Inv Certificates	Commercial Paper	2.57	02/17/05	04/05/05			4,448,000.00					7.000.000.00		
Guarantd Inv Certificates	Commercial Paper	2.12	01/06/05	04/05/05			7,000,000.00				7,000,000.00		-	
Guaranto Inv Certificates	Commercial Paper	2.12	01/06/05	04/07/05	15,000,000.00	15,000,000.00		(10,000,000.00)			5,000,000.00	5,000,000.00	-	•
Guaranto Inv Certificates	Commercial Paper	2.12	01/12/05	04/07/05	35,777,000.00	35,777,000.00	22,775,000.00				58,552,000.00	58,552,000.00		
Guarante in Continues	Commercial Paper Total				51,018,760.07	51,018,760.07	34,223,000.00	(10,098,128.72)	0.00	0.00	75,143,631.35	75,143,631.35	0.00	0.00
•	Total Commercial Paper investmer	it Summary			51,018,760.07	51,018,760.07	34,223,000.00	(10,098,128.72)	0.00	0.00	75,143,631.35	75,143,631.35	•	-

Texas Department of Housing and Community Affairs General Fund Investment Summary For Period Ending February 28, 2005

Laurenten auf T ana	No.	Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value 11/30/04	Accretions/	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in in Market Value	Recognized Gain
Investment Type	Issue	Rate	Date	Date	11/30/04	2.547.494.54	Purchases 14,467,24	Sales	waturties	Hallsteis	2.561.961.78	2,561,961,78	Value	Galti
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	2,547,494,54								•	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	2,568,685.57	2,568,685.57	14,587.60				2,583,273.17	2,583,273,17	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	1,384,622.60	1,384,622.60	61,721.00				1,446,343.60	1,446,343.60	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	234,405.43	234,405.43	13,450.86				247,856.29	247,856.29	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	109,622.57	109,622.57		(14,864.96)			94,757.61	94,757.61		
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	312,145.15	312,145.15	1,772.67				313,917.82	313,917.82	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	355,769.11	355,769.11	2,020.43				357,789.54	357,789,54	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	249,102.19	249,102.19		(11,109.33)			237,992.86	237,992.86	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	307,186.48	307,186.48	1,744.50				308,930.98	308,930,98	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	102,264.79	102,264.79	7,827.23				110,092.02	110,092.02	-	
Repurchase Agreement	General Fund	2,59	02/28/05	03/01/05	628,471.04	628,471.04	3,569.11				632,040.15	632,040.15		
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	685,085.53	685,085.53		(204,044.48)			481,041.05	481,041.05	-	
Repurchase Agreement	General Fund	2.59	02/28/05	03/01/05	391,427,45	391,427.45	881,156.51				1,272,583.96	1,272,583.96	-	
	General Fund Total			•	9,876,282.45	9,876,282.45	1,002,317.15	(230,018.77)	0.00	0.00	10,648,580.83	10,648,580.83	0.00	0.00
	Total General Fund Investment Su	ımmary			9,876,282.45	9,876,282.45	1,002,317.15	(230,018.77)	0.00	0.00	10,648,580.83	10,648,580.83	-	-

Texas Department of Housing and Community Affairs Housing Trust Fund Investment Summary For Period Ending February 28, 2005

		Current Interest	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/04	Beginning Market Value 11/30/04	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in In Market Value	Recognized Gain
Investment Type	Issue	Rate				693,244.43	15,978,16				609.222.59	609,222,59	-	
Repurchase Agreement	Housing Assistance Fund	2.59	02/28/05	03/01/05	593,244.43		10,510.10	(400 704 42)			782,842.10	782,842,10		
Repurchase Agreement	Housing Trust Fund	2.59	02/28/05	03/01/05	889,563.23	889,563.23		(106,721.13)			195,514.99	195.514.99		
Repurchase Agreement	Housing Trust Fund	2.59	02/28/05	03/01/05	187,684.71	187,684.71	7,830.28						_	
	Housing Trust Fund	2.59	02/28/05	03/01/05	1,950,917,77	1,950,917.77	10,906,25				1,961,824.02	1,961,824.02	-	•
Repurchase Agreement		2.59	02/28/05	03/01/05	609,904.51	609,904.51		(400,432.57)			209,471.94	209,471.94		
Repurchase Agreement	Housing Trust Fund					624,546.07	62,069.30	(100,102.01)			686,615.37	686,615,37		,
Repurchase Agreement	Housing Trust Fund	2.59	02/28/05	03/01/05	624,546.07						367,530.69	367,530.69		
Repurchase Agreement	Housing Trust Fund	2.59	02/28/05	03/01/05	365,519.89	365,519.89	2,010.80							
Repurchase Agreement	Housing Trust Fund	2.59	02/28/05	03/01/05	2,027,306.22	2,027,306.22	11,334.87				2,038,641.09	2,038,641.09		
reparendse rigioenieni	Housing Trust Fund Total			-	7,248,686.83	7,248,686.83	110,129.66	(507,153.70)	0.00	0.00	6,851,662.79	6,851,662.79	-	-
י	Total Housing Trust Fund Investmen	nt Summary			7,248,686.83	7,248,686.83	110,129.66	(507,153.70)	0.00	0.00	6,851,662.79	6,851,662.79	-	•

Texas Department of Housing and Community Affairs Administration Investment Summary For Period Ending February 28, 2005

Investment Type	Issue Administration	Rate	Current Purchase Date	Current Maturity Date 03/01/05	Beginning Carrying Value 11/30/04 136.456.26	Beginning Market Value 11/30/04 136,456,26	Accretions/ Purchases 725.54	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/05 137,181.80	Ending Market Value 02/28/05 137,181.80	Change in In Market Value	Recognized Gain
Repurchase Agreement	Administration Administration Total	2.59	02/28/05	03/01/05	136,456.26	136,456.26	725.54	0.00	0.00	0.00	137,181.80	137,181.80	0.00	0.00
	Total Administration Investme	ent Summary			136,456.26	136,456.26	725.54	0.00	. 0.00	0.00	137,181.80	137,181.80	-	•

Texas Department of Housing and Community Affairs Compliance Investment Summary For Period Ending February 28, 2005

Investment Type Repurchase Agreement Repurchase Agreement Repurchase Agreement	Issue RTC Multi Family Low Income Tax Credit Prog	Current Interest Rate 2.59 2.59 2.59	Current Purchase Date 02/28/05 02/28/05 02/28/05	Current Maturity Date 03/01/05 03/01/05 03/01/05	Beginning Carrying Value 11/30/04 206,221.58 250,752.09 353,586.84	Beginning Market Value 11/30/04 206,221.58 250,752.09 353,586.84	Accretions/ Purchases 189,811.33 141,108.48	Amortizations/ Sales (129,144.80)	Maturities	Transfers	Ending Carrying Value 02/28/05 77,976.78 440,563.42 494,695.32	Ending Market Value 02/28/05 77,076.78 440,563.42 494.695.32	Change in in Market Value	Recognized Gain
Neparalase Agrounant	Compliance Total	2.00	02.12.07.4.0	20,01100_	810,560.51	810,560.51	330,919.81	(129,144.80)	0.00	0.00	1,012,335.52	1,012,335.52	-	*
	Total Compliance Investment S	ummary			810,560.51	810,560.51	330,919.81	(129,144.80)	0.00	0.00	1,012,335.52	1,012,335.52	-	-

Texas Department of Housing and Community Affairs Housing Initiatives Investment Summary For Period Ending February 28, 2005

		Current Interest	Current Purchase	Current Maturity	Beginning Carrying Value	Beginning Market Value	Accretions/	Amortizations/		T	Ending Carrying Value 02/28/05	Ending Market Value 02/28/05	Change in in Market Value	Recognized Gain
Investment Type	Issue	Rate	Date	Date	11/30/04	11/30/04	Purchases	Sales	Maturities	Transfers	442,728.17	442,728.17	Value	Quiii.
Repurchase Agreement	S/F Interim Construction	2.59	02/28/05	03/01/05	440,297.81	440,297.81	2,430.36	(66.66)			206.97	206.97		
Repurchase Agreement	S/F Interim Construction	2.59	02/28/05	03/01/05	246.06	246.06		(39.09)				35.17		
Repurchase Agreement	S/F Interim Construction	2.59	02/28/05	03/01/05	75.14	75.14		(39.97)			35.17		-	
Repurchase Agreement	Mtg. Credit Certificate	2.59	02/28/05	03/01/05	66,573.56	66,573.56	86,188.45				152,762.01	152,762.01	-	
Repurchase Agreement	Low Income Tax Credit Prog.	2.59	02/28/05	03/01/05	269.918.80	269,918.80	269,682.52				539,601.32	539,601.32	-	
Repurchase Agreement	Low Income Tax Credit Prog.	2.59	02/28/05	03/01/05	1,756,517,21	1,756,517.21	305,247.95				2,061,765.16	2,061,765.16	-	
	Low Income Tax Credit Prog.	2.59		03/01/05	268,936.72	268,936.72	36,190.87				305,127.59	305,127.59		
Repurchase Agreement	Housing Initiatives Total	2.00	022000	00/01/00	2,802,565.30	2,802,565.30	699,740.15	(79.06)	0.00	0.00	3,502,226.39	3,502,226.39		•
	Total Housing Initiatives Investmen	nt Summary			2,802,565.30	2,802,565.30	699,740.15	(79.06)	0.00	0.00	3,502,226.39	3,502,226.39	•	-
	Total Investment Summa	ry		=	1,436,409,074.79	1,456,228,198.11	242,817,510.27	(209,029,457.78)	(37,626,989.80)	0.00	1,432,570,137.48	1,446,239,795.55	(6,149,465.25)	1,275,711.85

BOND FINANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Firms Recommended for the Role of Co-Senior Manager in Conjunction with the Sale of TDHCA's Single Family Mortgage Revenue Bonds.

Required Action

Approve the Three Firms Recommended for the Role of Co-Senior Manager in Conjunction with the Sale of TDHCA's Single Family Mortgage Revenue Bonds.

Background

On March 10, 2005, the Board selected three investment banking firms to provide single family bond underwriting services, as senior managers, for TDHCA. The firms selected were Bear, Stearns & Co., Citigroup Global Markets, and UBS Financial Services. Fifteen firms remain in the co-manager pool. Bond Finance recommends assigning three firms from the co-manager pool to the role of co-senior.

Bond Finance ranked and scored the remaining fifteen firms based on criteria approved by TDHCA's Board at its April 7, 2005 board meeting. Bond Finance compiled, ranked, and scored this information based on seven factors covering categories including capitalization, national presence, retail distribution capacity, institutional distribution capacity, single family housing finance experience, and performance and innovation relative to TDHCA. The attached tables and schedules summarize the results of this review.

Based on the results of this review, Bond Finance recommends the Board approve the following firms as TDHCA's co-senior managers for TDHCA's single family bond issues:

Firm Name	Total Score (Max 5 pts)	Corporate Headquarters	TDHCA Contact Location
Goldman, Sachs & Co.	3.75	New York, NY	New York, NY
George K. Baum & Company	2.55	Denver, Co	Denver, CO
Lehman Brothers	2.50	New York, NY	Houston, TX New York, NY

Bond Finance recommends that the Board assign the remaining twelve firms to the co-manager teams.

Recommendation

Approve the Three Firms Recommended for the Role of Co-Senior Manager in Conjunction with the Sale of TDHCA's Single Family Mortgage Revenue Bonds.

Score, Qualifications & Criteria

Texas Department of Housing and Community Affairs Co-Senior Managers Qualifications Review

Ranking by Quantitative Score

Rank	Firm	Points
1	Goldman Sachs	2.15
2	Lehman Brothers	2.10
3	Morgan Keegan	1.15
4	Merrill Lynch	0.80
5	M.R. Beal	0.75

Ranking by Innovativeness

Firm	Points
George K. Baum	2.00
Goldman Sachs	1.60
A.G. Edwards	1.20
First Southwest	1.20
Piper Jaffray	0.80
	George K. Baum Goldman Sachs A.G. Edwards First Southwest

Combined Score

Rank	Firm	Points
1	Goldman Sachs	3.75
2	George K. Baum	2.55
3	Lehman Brothers	2.50
4	A.G. Edwards	1.60
5	Morgan Keegan	1.55

Exhibit A

	Data Reviewed	Description	Source/Basis for Inclusion	Purpose	Desired Results	Scored (1)	Weighting	Criteria Used in 2001 RFQ (2)	Criteria Used in 2003 RFQ (3)
1	Net Capital as of December 31, 2004	Equity capitalization of securities firms. Amount calculated based on standards set forth by the Securities and Exchange Commission's "Net Capital Rule."	Industry Standard	Ensure that the firm is well capitalized and able to perform under adverse bond market conditions	Generally, a greater amount of net capital provides firms with greater underwriting capacity, ability to takedown bonds, and flexibility in scheduling bond pricings	Yes	5%	Yes	Yes
2	Excess Net Capital as of December 31, 2004	Equity capitalization of securities firms adjusted for reserves required for securities inventory balances. Amount calculated based on standards set forth by the Securities and Exchange Commission's "Net Capital Rule."	Industry Standard	Ensure that the firm is well capitalized and able to perform under adverse bond market conditions	Generally, a greater amount of excess net capital provides firms with greater underwriting capacity, greater ability to takedown bonds, and more flexibility in scheduling bond pricings	Yes	5%	Yes	Yes
3	Number of Total Retail Salespeople and Number of Total Institutional Municipal Bond Salespeople	Number of employees who market municipal bonds to retail and institutional buyers	TDHCA Specific	Measure ability of the firm to distribute municipal bonds to investors	Generally, a higher number of salespeople indicates a greater likelihood of successfully distributing bonds to retail and institutional investors	Yes	5%	No	No
4	TDHCA Distribution Results	Quantitative measure of actual co- senior manager and co-manager underwriting performance	TDHCA Specific	Measure actual ability of the firm to distribute TDHCA's bonds	A meaningful quantitative measure indicative of actual co-senior and co-manager underwriting performance	Yes	35%	No	No
5	Par Amount of Negotiated Single Family Bonds Co-Senior Managed in 2002, 2003, and 2004 (Full Credit to Book Manager)	Volume of single family mortgage revenue bonds sold as co-senior manager	Industry Standard	Measure co-senior manager experience through volume of single family mortgage revenue bonds sold in co- senior manager role	A greater volume of co- senior managed single family bond issues reflects a firm's experience gained directly with an HFA/single family bond issuer client base and a more likely heightened ability to sell single family bonds	Yes	5%	Yes	Yes
6	Par Amount of Negotiated Single Family Bonds Co-Managed in 2002, 2003, and 2004 (Full Credit to Book Manager)	Volume of single family mortgage revenue bonds sold as co-manager	Industry Standard	Measure co-manager experience through volume of single family mortgage revenue bonds sold in co- manager role	A greater volume of co- managed single family bond issues reflects a firm's experience gained directly with an HFA/single family bond issuer client base and a more likely heightened ability to sell single family bonds	Yes	5%	Yes	Yes
7	Innovativeness	Offering creative financing solutions that add measurable and tangible economic value to TDHCA's capital markets initiatives	Industry Standard/ TDHCA Specific	Assessment of petential co- senior managers' innovativeness, by firm, throughout rotation period	High level of feasible, value- added, financing ideas that achieve desired financial and programmatic objectives	Yes	40%	Not Applicable	Not Applicable

(1) See Scoring Methodology (last page)

100%

(2) 2001 RFQs issued for senior and co-managers

(3) 2003 RFQ issued for co-managers

		A.G.	Banc of	Estrada	First	George K.	Goldman	Lehman	Loop Capital	Merrill
	Data Requested	Edwards	America	Hinojosa	Southwest	Baum	Sachs	Brothers	Markets	Lynch
1	Net Capital as of December 31, 2004	\$1,712,738,000	\$1,804,000,000	\$1,136,301	\$42,112,000	\$12,824,000	\$5,900,000,000	\$2,400,000,000	\$3,829,113	\$3,050,000,000
2	Excess Net Capital as of December 31, 2004	\$678,477,000	\$1,432,000,000	\$1,036,301	\$39,964,000	\$12,574,000	\$4,800,000,000	\$2,200,000,000	\$3,579,113	\$2,683,000,000
3	Number of Total Retail Salespeople	6,890	2,472	2	8	0	9	299	0	14,100
	Number of Total Institutional Municipal Bond Salespeople	36	20	16	20	21	19	23	22	21
	Total Number of Salespeople	6,926	2,492	18	28	21	28	322	22	14,121
4	TDHCA Distribution Results	See Distribution Summary								
5	Par Amount of Negotiated Single Family Bonds Co- Senior Managed in 2004 (Full Credit to Book Manager)		Summary							
		\$40,000,000	\$0	\$0	\$0	\$365,000,000	\$395,000,000	\$424,740,000	\$0	\$0
	2003	\$0	\$0	\$0	\$0	\$442,780,000	\$819,000,000	\$399,920,000	\$0	\$0
	2002	\$25,000,000	\$0	\$0	\$0	\$415,570,000	\$344,000,000	\$308,930,000	\$0	\$0
	Average: 2002 - 2004	\$21,666,667	\$0	\$0	\$0	\$407,783,333	\$519,333,333	\$377,863,333	\$0	\$0
6	Par Amount of Negotiated Single Family Bonds Co-									
	Managed in 2004 (Full Credit to Book Manager)	\$2,195,175,000	\$1,066,450,000	Not Provided	\$220,070,000	\$835,190,000	\$1,246,000,000	\$665,050,000	\$1,041,800,000	\$2,338,000,000
	2003	\$2,773,261,168	\$421,010,000	Not Provided	\$94,860,000	\$739,510,000	\$644,000,000	\$1,070,000,000	\$608,570,000	\$2,194,000,000
	2002	\$2,652,235,000	\$493,120,000	Not Provided	\$141,830,000	\$734,620,000	\$1,071,000,000	\$1,210,000,000	\$341,675,000	\$2,537,000,000
	Average: 2002 - 2004	\$2,540,223,723	\$660,193,333	\$351,600,000	\$152,253,333	\$769,773,333	\$987,000,000	\$981,683,333	\$664,015,000	\$2,356,333,333
7	Innovativeness (See Innovations Summary)	See Innovations								
		Summary								

		Morgan	Morgan	M.R.	Piper	Samuel A.	Siebert	Minimum	Maximum	Average
	Data Requested	Keegan	Stanley	Beal	Jaffray	Ramirez	Brandord Shank	Value	Value	Value
1	Net Capital as of December 31, 2004	\$311,260,774	\$3,295,000,000	\$1,056,000	\$280,300,000	\$5,162,908	\$7,915,983	\$1,056,000	\$5,900,000,000	\$1,255,155,672
2	Excess Net Capital as of December 31, 2004	\$298,399,046	\$2,481,000,000	\$628,254	\$268,900,000	\$5,055,669	\$7,670,566	\$628,254	\$4,800,000,000	\$994,152,263
3	Number of Total Retail Salespeople	800	9,900	Not Provided	955	19	110	0	14,100	2,540
	Number of Total Institutional Municipal Bond Salespeople	9	17	Not Provided	90	11	11	9	90	24
	Total Number of Salespeople	809	9,917	14	1,045	30	121	14	14,121	2,394
4	TDHCA Distribution Results	See Distribution Summary								
5	Par Amount of Negotiated Single Family Bonds Co- Senior Managed in 2004 (Full Credit to Book Manager)	,	Cumilary	Cummary	Cumilary	Cummary	Cummary			
	,	\$310,730,000	\$0	\$10,000,000	\$0	\$0	\$0	\$0	\$424,740,000	\$103,031,333
	2003	\$180,345,000	\$0	\$0	\$73,700,000	\$0	\$0	\$0	\$819,000,000	\$127,716,333
	2002	\$467,751,000	\$0	\$0	\$117,500,000	\$0	\$0	\$0	\$467,751,000	\$111,916,733
	Average: 2002 - 2004	\$319,608,667	\$0	\$3,333,333	\$63,733,333	\$0	\$0	\$0	\$519,333,333	\$114,221,467
6	Par Amount of Negotiated Single Family Bonds Co-									
ľ	Managed in 2004 (Full Credit to Book Manager)	\$819,050,000	\$1,409,900,000	\$1,331,000,000	\$2,217,700,000	\$214,395,000	\$790,195,000			\$1,170,712,500
	2003	\$890,090,000	\$1,279,700,000	\$1,191,000,000	\$2,168,700,000	\$201,560,000	\$961,940,000			\$1,088,442,941
	2002	\$759,750,000	\$1,523,500,000	\$1,573,000,000	\$2,316,000,000	\$74,050,000	\$184,860,000			\$1,115,188,571
	Average: 2002 - 2004	\$822,963,333	\$1,404,366,667	\$1,365,000,000	\$2,234,133,333	\$163,335,000	\$645,665,000	\$152,253,333	\$2,540,223,723	\$1,073,235,915
7	Innovativeness (See Innovations Summary)	See Innovations								
		Summary	Summary	Summary	Summary	Summary	Summary			

Sc	oring Matrix	A.	G.	Ban	c of	Est	rada	Fi	rst	Geor	ge K.	Gold	lman	Leh	man	Loop (Capital
		-	ards		erica		ojosa		hwest		um		chs		hers		kets
_	,	Rank	Points	Rank	Points	Rank	Points										
1	Net Capital as of December 31, 2004	6	0.00	5	0.05	14	0.00	9	0.00	10	0.00	1	0.25	4	0.10	13	0.00
2	Excess Net Capital as of December 31, 2004	6	0.00	5	0.05	14	0.00	9	0.00	10	0.00	1	0.25	4	0.10	13	0.00
3	Number of Total Retail Municipal Bond Salespeople Number of Total Institutional Municipal Bond Salespeople Total Number of Salespeople	3	0.15	4	0.10	13	0.00	10	0.00	12	0.00	10	0.00	7	0.00	11	0.00
4	TDHCA Distribution Results (See Distribution Summary)	9	0.00	12	0.00	12	0.00	7	0.00	5	0.35	2	1.40	1	1.75	12	0.00
5	Par Amount of Negotiated Single Family Bonds Co- Senior Managed in 2004 (Full Credit to Book Manager) 2003 2002 Average: 2002 - 2004	6	0.00	8	0.00	8	0.00	8	0.00	2	0.20	1	0.25	3	0.15	8	0.00
6	Par Amount of Negotiated Single Family Bonds Co- Managed in 2004 (Full Credit to Book Manager) 2003 2002 Average: 2002 - 2004	1	0.25	11	0.00	13	0.00	15	0.00	9	0.00	6	0.00	7	0.00	10	0.00
7	Innovativeness Ratings	Rating 3.00	Points 1.20	Rating 1.00	Points 0.40	Rating 0.00	Points 0.00	Rating 3.00	Points 1.20	Rating 5.00	Points 2.00	Rating 4.00	Points 1.60	Rating	Points 0.40	Rating 0.00	Points 0.00
	Total Score	4	1.60	10	0.60	11	0.00	6	1.20	2	2.55	1	3.75	3	2.50	11	0.00

Scoring Matrix			rrill nch		gan		gan nlev	M. Be	R. eal	Pip Jaf	er fray		uel A. nirez		ebert ord Shank
			Points	Rank	Points	Rank	Points	Rank	Points	Rank	Points	Rank	Points	Rank	Points
1	Net Capital as of December 31, 2004	3	0.15	7	0.00	2	0.20	15	0.00	8	0.00	12	0.00	11	0.00
	Excess Net Capital as of December 31, 2004	2	0.20	7	0.00	3	0.15	15	0.00	8	0.00	12	0.00	11	0.00
3	Number of Total Retail Municipal Bond Salespeople Number of Total Institutional Municipal Bond Salespeople Total Number of Salespeople	1	0.25	6	0.00	2	0.20	14	0.00	5	0.05	9	0.00	8	0.00
4	TDHCA Distribution Results (See Distribution Summary)	12	0.00	3	1.05	11	0.00	4	0.70	6	0.00	10	0.00	8	0.00
5	Par Amount of Negotiated Single Family Bonds Co- Senior Managed in 2004 (Full Credit to Book Manager) 2003 2002 Average: 2002 - 2004	8	0.00	4	0.10	8	0.00	7	0.00	5	0.05	8	0.00	8	0.00
6	Par Amount of Negotiated Single Family Bonds Co- Managed in 2004 (Full Credit to Book Manager) 2003 2002 Average: 2002 - 2004	2	0.20	8	0.00	4	0.10	5	0.05	3	0.15	14	0.00	12	0.00
7	Innovativeness Ratings	Rating 1.00	Points	Rating 1.00	Points 0.40	Rating 0.00	Points	Rating 0.00	Points 0.00	Rating	Points 0.80	Rating 0.00	Points 0.00	Rating 0.00	Points
	Total Score	6	1.20	5	1.55	9	0.65	8	0.75	7	1.05	11	0.00	11	0.00

Texas Department of Housing and Community Affairs Co-Senior Managers Qualifications Review Scoring Methodology

Exhibit A

Criteria 1 - 6 Scoring Methodology

6 items scored; 3 points maximum total score

Rank	Points
1	5
2	4
3	3
4	2
5	1

Criteria 7 Scoring Methodology

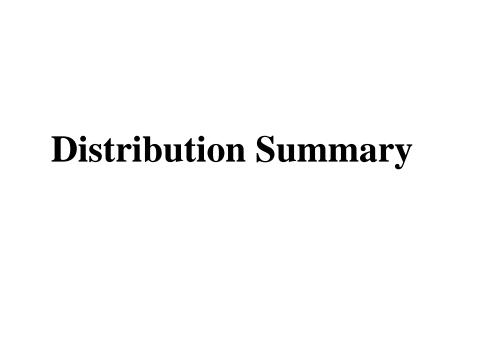
1 item scored; 2 points maximum total score

Rating Scale

5	Closed transaction producing value for TDHC
4	
3	
2	
1	
0	No ideas submitted

Combined Scoring Methodology

Combined Criteria: 7 items scored; 5 points maximum total score



Texas Department of Housing and Community Affairs Co-Senior Managers Qualifications Review Total Orders as a Percentage of Risk Distribution Results *

							JR. LIEN					
	SFMRB 2005 A*	SFMRB 2004 C-F	SFMRB 2004 A	=====	RMRB 2002 A	SFMRB 2002 A-D	SFMRB 2002 A	RMRB 2001 A-E	RMRB 2000 B-E	Average	_	ting 35%
Co-Manager	\$100,000,000	\$175,070,000	\$123,610,000	\$73,630,000	\$42,310,000	\$118,000,000	\$10,000,000	\$155,125,000	\$124,915,000	Percentage	Rank	Points
CLOSING DATE	4/20/2005	10/28/2004	10/28/2004	8/20/2003	12/18/2002	6/26/2002	3/27/2002	10/30/2001	10/26/2000			
A.G. Edwards & Sons, Inc.		13%								13%	9	0.00
Banc of America Securities LLC										NR	NR	0.00
Estrada Hinojosa & Company, Inc.			0%		0%					0%	12	0.00
First Southwest Company		11%				141%		65%	17%	59%	7	0.00
George K. Baum			49%	91%			91%	115%		87%	5	0.35
Goldman, Sachs & Co.		92%				144%				118%	2	1.40
Lehman Brothers			54%		201%					128%	1	1.75
Loop Capital Markets, LLC										NR	NR	0.00
Merrill Lynch & Co.										NR	NR	0.00
Morgan Keegan & Company, Inc.					138%			114%	25%	92%	3	1.05
Morgan Stanley			4%							4%	11	0.00
M.R. Beal & Company			0%			104%		238%	19%	90%	4	0.70
Piper Jaffray				104%	26%					65%	6	0.00
Samuel A. Ramirez & Co.		5%								5%	10	0.00
Siebert Brandford Shank				18%		93%	91%	9%	0%	42%	8	0.00

^{*} Group Net orders excluded from all transaction calculations. Only member and net designated orders included in calculations. NR: Not Ranked. SFMRB 2005 A transaction 100% variable rate and 100% Group Net orders.



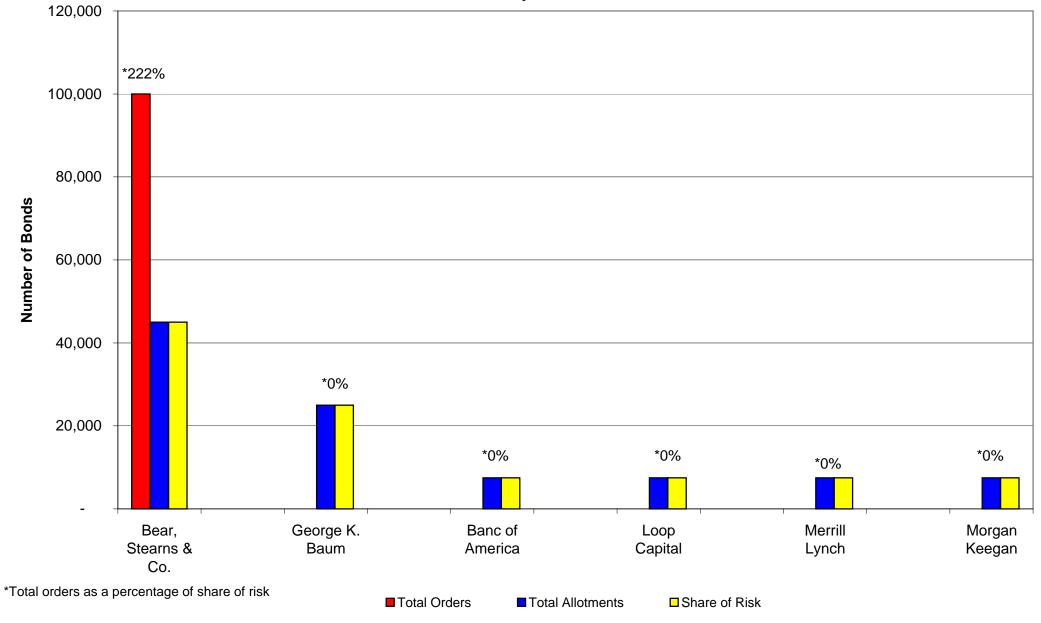
Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2005 Series A \$100,000,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share o	of Risk	Me	mber			Priority			Tota	l Sales
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Orders	Total	Allotments	Orders	Allotments
Managers	70	Donus	Orders	Anotinents	ON	ND	Orders	Total		Orders	Anothients
Bear, Stearns & Co	45.00%	45,000	-	-	100,000	-	-	100,000	45,000	100,000	45,000
George K. Baum	25.00%	25,000	-	-	-	-	-	-	25,000	-	25,000
Banc of America	7.50%	7,500	-	-	-	-	-	-	7,500	-	7,500
Loop Capital	7.50%	7,500	-	-	-	-	-	-	7,500	-	7,500
Merrill Lynch	7.50%	7,500	-	-	-	-	-	-	7,500	-	7,500
Morgan Keegan	7.50%	7,500	-	-	-	-	-	-	7,500	-	7,500
Grand Total	100.00%	100,000	-	-	100,000	-	-	100,000	100,000	100,000	100,000

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2005 Series A

Total Sales by Underwriter

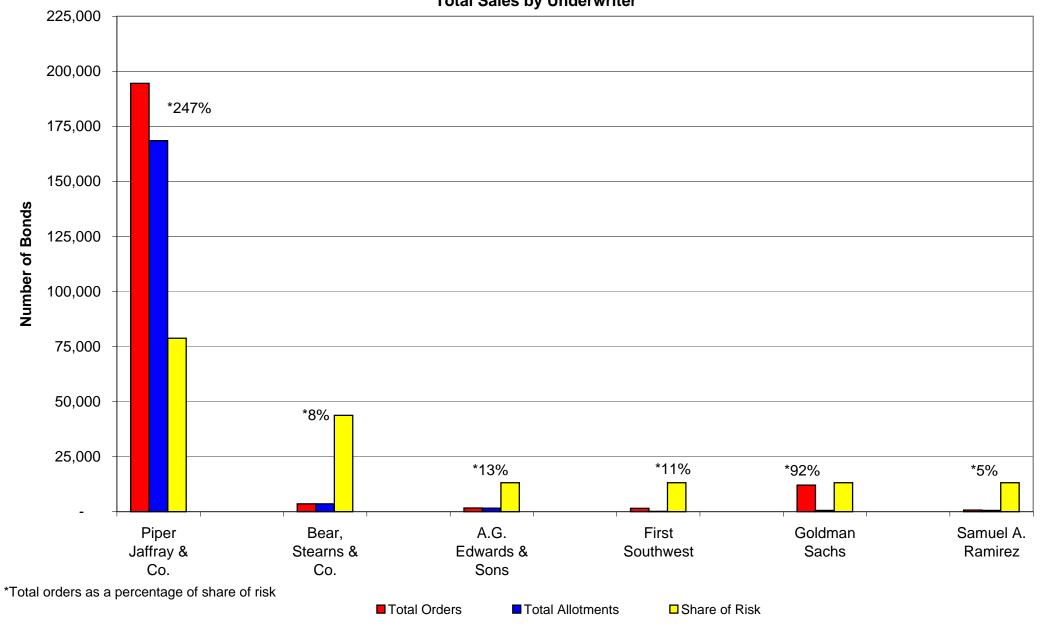


Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2004 Series CDEF \$175,070,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share o	of Risk	Mer			Priority		Allotments	Total Sales		
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Orders	Total	Allottilents	Orders	Allotments
Managers											
Piper Jaffray & Co	45.00%	78,782	-	-	-	-	194,563	194,563	168,560	194,563	168,560
Bear, Stearns & Co	25.00%	43,768	2,680	2,680	-	-	850	850	850	3,530	3,530
A. G. Edwards & Sons	7.50%	13,130	125	125	-	-	1,520	1,520	1,485	1,645	1,610
First Southwest	7.50%	13,130	1,500	165	-	-	-	-	-	1,500	165
Goldman Sachs	7.50%	13,130	12,100	600	-	-	-	-	-	12,100	600
Samuel A. Ramirez	7.50%	13,130	705	605	-	-	-	-	-	705	605
Grand Total	100.00%	175,070	17,110	4,175	-	-	196,933	196,933	170,895	214,043	175,070

Texas Department of Housing and Community Affairs Single Famiy Mortgage Revenue Bonds 2004 Series CDEF \$175,070,000 Total Sales by Underwriter

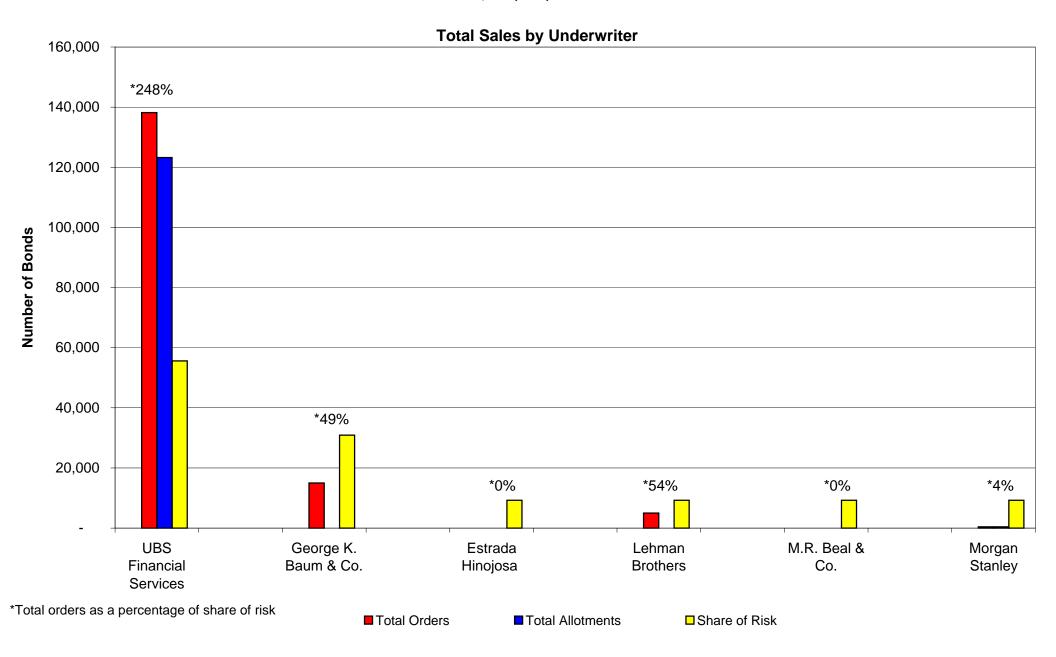


Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2004 Series A \$123,610,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share of Risk			Member			Priority		Total Sales		
									Allotments		
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Orders	Total		Orders	Allotments
Managers											
UBS Financial Services	45.00%	55,625	-	-	-	-	138,210	138,210	123,210	138,210	123,210
George K. Baum & Co.	25.00%	30,903	15,000	-	-	-	-	-	-	15,000	-
Estrada Hinojosa	7.50%	9,271	-	-	-		-	-	-	-	-
Lehman Brothers	7.50%	9,271	5,000	-	-	-	-	-	-	5,000	-
M.R. Beal & Co.	7.50%	9,271	-	-	-	-	-	-	-	-	-
Morgan Stanley	7.50%	9,271	-	-	-	-	400	400	400	400	400
Grand Total	100.00%	123,610	20,000	-	-	-	138,610	138,610	123,610	158,610	123,610

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2004 Series A \$123,610,000

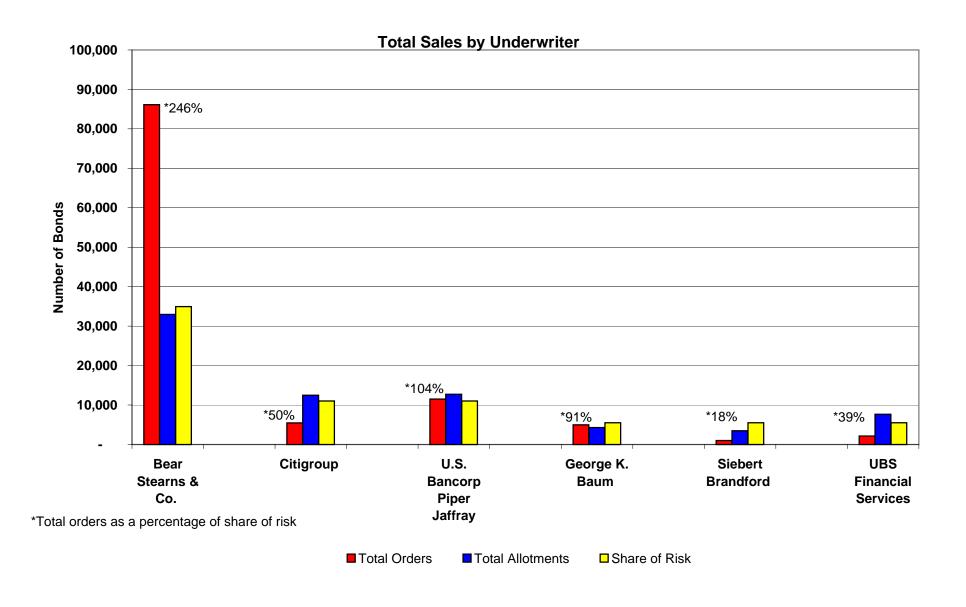


Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2003 Series A \$73,630,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share (of Risk	Mer	nber		Pr	iority		Tota	l Sales
								Allotments		
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Total		Orders	Allotments
Managers										
Bear Stearns & Co.	47.50%	34,974	3,100	2,845	40,075	42,950	83,025	30,139	86,125	32,984
Citigroup	15.00%	11,045	5,485	3,235	-	-	-	9,236	5,485	12,471
U.S. Bancorp Piper Jaffray	15.00%	11,045	11,505	2,660	-	-	-	10,083	11,505	12,743
George K. Baum	7.50%	5,522	5,000	-	-	-	-	4,281	5,000	4,281
Siebert Brandford	7.50%	5,522	1,000	500	-	-	-	3,006	1,000	3,506
UBS Financial Services	7.50%	5,522	1,440	940	-	690	690	6,706	2,130	7,646
Grand Total	100.00%	73,630	27,530	10,180	40,075	43,640	83,715	63,450	111,245	73,630

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2003 Series A \$73,630,000



Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2002 Series A \$42,310,000

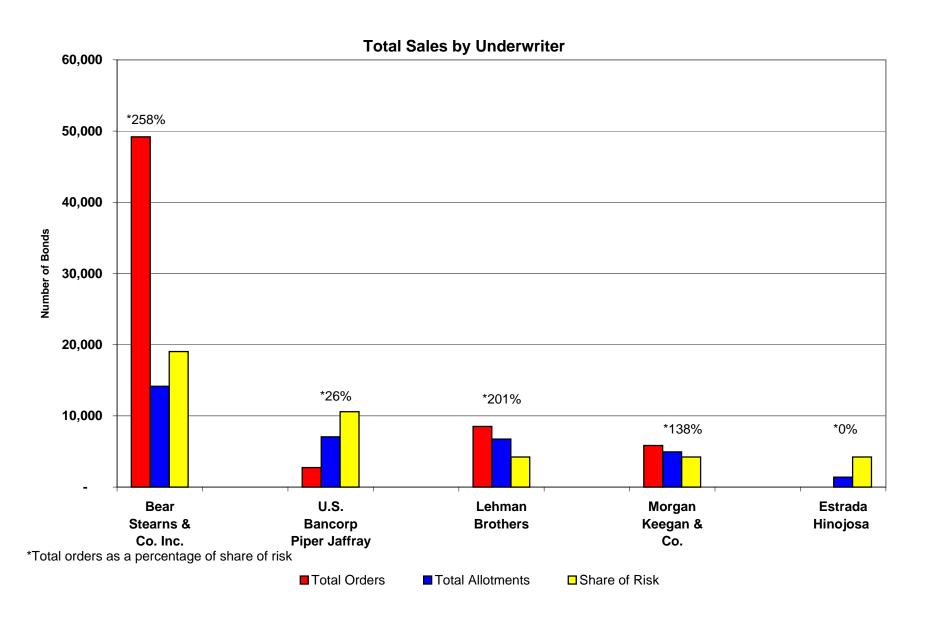
Final Summary of Orders (Member vs. Priority) (\$000's)

	Share of	of Risk	Mer	nber		Pri	ority		Tota	al Sales
								Allotments		
Syndicate	%		Orders	Allotments	GN	ND	Total		Orders	Allotments
Managers										
Bear Stearns & Co. Inc.	45.00%	19,040	400	260	14,000	34,790	48,790	13,903	49,190	14,163
U.S. Bancorp Piper Jaffray	25.00%	10,578	2,735	2,575	-	-	-	4,480	2,735	7,055
Lehman Brothers	10.00%	4,231	8,520	245	-		-	6,499	8,520	6,744
Morgan Keegan & Co.	10.00%	4,231	4,835	335	-	1,000	1,000	4,614	5,835	4,949
Estrada Hinojosa	10.00%	4,231	-	-	-	-	-	1,400	-	1,400
Pending Designations*			-	-	-			8,000	-	8,000
Grand Total	100.00%	42,310	16,490	3,415	14,000	35,790	49,790	38,895	66,280	42,310

^{*}Designations not yet determined by investors

Bond Finance Division 5/18/2005 5:06 PM

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2002 Series A \$42,310,000

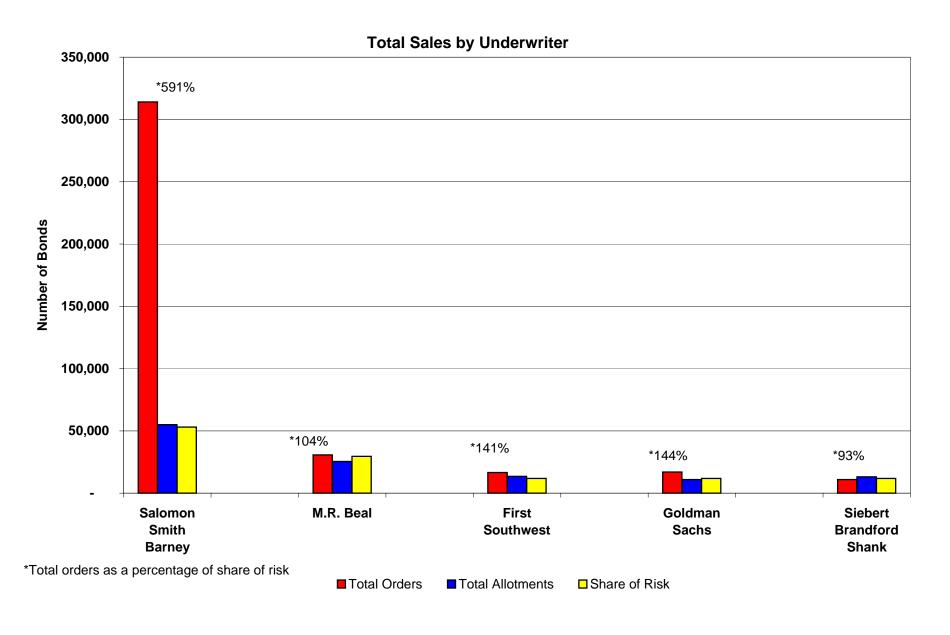


Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2002 Series ABCD \$118,000,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share	of Risk	Mer	nber		Р	riority		Total Sales		
						Orders		Allotments			
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Total		Orders	Allotments	
Managers											
Salomon Smith Barney	45.00%	53,100	12,480	10,530	301,580	-	301,580	44,505	314,060	55,035	
M.R. Beal	25.00%	29,500	30,750	750	-	-	-	24,725	30,750	25,475	
First Southwest	10.00%	11,800	16,610	3,640	-	-	-	9,890	16,610	13,530	
Goldman Sachs	10.00%	11,800	17,000	1,005	-	-	-	9,890	17,000	10,895	
Siebert Brandford Shank	10.00%	11,800	10,950	3,175	-	-	-	9,890	10,950	13,065	
Grand Total	100.00%	118,000	87,790	19,100	301,580	-	301,580	98,900	389,370	118,000	

Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds, 2002 Series ABCD \$118,000,000

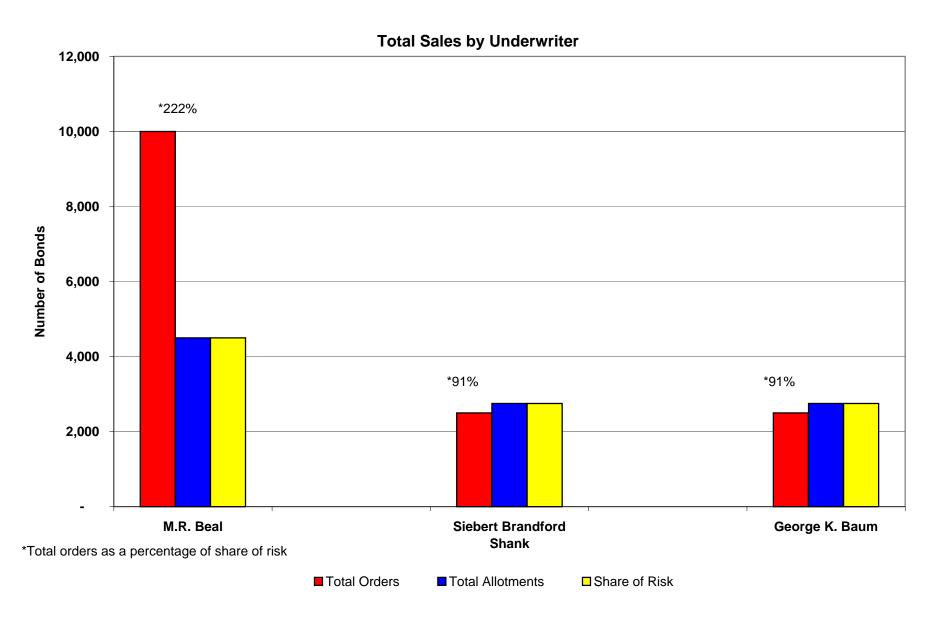


Texas Department of Housing and Community Affairs Jr. Lien Single Family Mortgage Revenue Bonds, 2002 Series A \$10,000,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share	of Risk	Mei	mber		Pr	Total Sales			
								Allotments		
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Total		Orders	Allotments
Managers										
M.R. Beal	45.0%	4,500	-	-	10,000	-	10,000	4,500	10,000	4,500
Siebert Brandford Shank	27.5%	2,750	2,500	-	-	-	-	2,750	2,500	2,750
George K. Baum	27.5%	2,750	2,500	-	-	-	-	2,750	2,500	2,750
Grand Total	100.0%	10,000	5,000	-	10,000	-	10,000	10,000	15,000	10,000

Texas Department of Housing and Community Affairs Jr. Lien Single Family Mortgage Revenue Bonds, 2002 Series A \$10,000,000

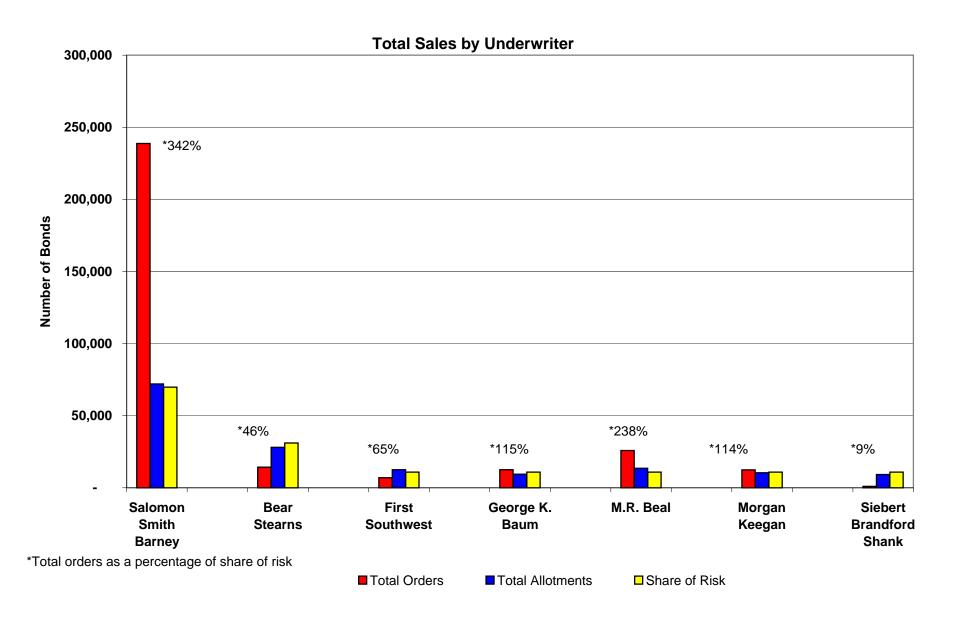


Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2001 Series ABCDE \$155,125,000

Final Summary of Orders (Member vs. Priority) (\$000's)

	Share	of Risk	Mer	nber		Р	riority		Tota	l Sales
						Orders	-	Allotments		
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Total		Orders	Allotments
Managers										
Salomon Smith Barney	45.00%	69,806	18,075	12,955	220,630	-	220,630	59,069	238,705	72,024
Bear Stearns	20.00%	31,025	14,345	1,780	-	-	-	26,253	14,345	28,033
First Southwest	7.00%	10,859	7,045	3,315	-	-	-	9,189	7,045	12,504
George K. Baum	7.00%	10,859	12,500	200	-	-	-	9,189	12,500	9,389
M.R. Beal	7.00%	10,859	25,865	4,315	-	-	-	9,189	25,865	13,504
Morgan Keegan	7.00%	10,859	12,395	1,295	-	-	-	9,189	12,395	10,484
Siebert Brandford Shank	7.00%	10,859	1,000	-	-	-	-	9,189	1,000	9,189
Grand Total	100.00%	155,125	91,225	23,860	220,630	-	220,630	131,265	311,855	155,125

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2001 Series ABCDE \$155,125,000



Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds, 2000 Series BCDE \$124,915,000

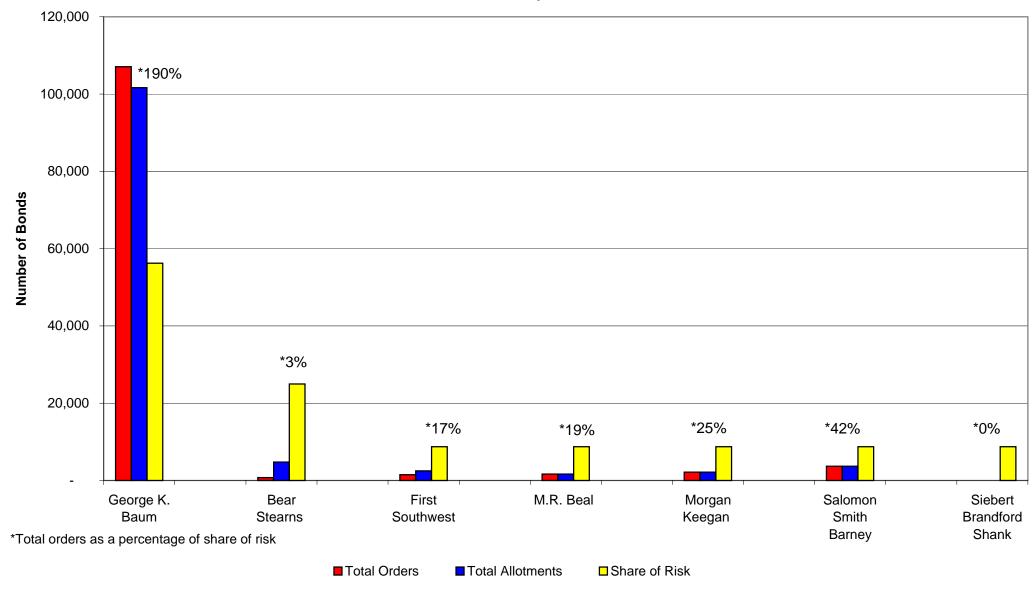
Final Summary of Orders (Member vs. Priority) (\$000's)

	Share	of Risk	Me	mber			Priority			Total Sales		
									Allotments			
Syndicate	%	Bonds	Orders	Allotments	GN	ND	Orders	Total		Orders	Allotments	
Managers												
George K. Baum Underwritten by Baum*	45.00%	56,212	425	425	-	9,575	97,075	106,650	101,225	107,075	101,650 8,495	
Bear Stearns & Co.	20.00%	24,983	750	750	-	-	-	-	4,000	750	4,750	
First Southwest Company	7.00%	8,744	1,500	1,500	-	-	-	-	1,000	1,500	2,500	
M.R. Beal & Company	7.00%	8,744	1,670	1,670	-	-	-	-	-	1,670	1,670	
Morgan Keegan & Company	7.00%	8,744	2,150	2,150	-	-	-	-	-	2,150	2,150	
Salomon Smith Barney	7.00%	8,744	3,700	3,700	-	-	-	-	-	3,700	3,700	
Siebert Brandford Shank	7.00%	8,744	-	-	-	-	-	-	-	-	-	
Grand Total	100.00%	124,915	10,195	10,195	-	9,575		106,650	106,225	116,845	124,915	

^{*}George K. Baum underwrote the remaining \$8,495,000 in bonds

Texas Department of Housing and Community Affairs Residential Mortgage Revenue Bonds 2000 Series BCDE \$124,915,000

Total Sales by Underwriter





					TDHC	A Benefit			
	Firm Ideas/Innovations		Generated Cash	Enhanced Debt Service Savings	Enhanced Cost of Issuance Savings	Generated Additional Revenue	Lendable	Provided Research used for Pricing(s)	Comments
1	A.G. Edwards	Collateral Prepayment Study		X				X	Monthly prepayment statistics referenced frequently by the Bond Finance Division for bond issue cashflow structuring estimates
	Banc of America Estrada Hinojosa	Interest Rate Swap Proposal None Submitted							
4	First Southwest	Fannie Mae Forward Program Commercial Paper Program GIC Advice			X		X		Helped achieve \$300,000 cost of issuance savings; Extended volume cap by approximately \$100 million
5	George K. Baum	CHMRB 1990 ABC Mortgage Certificate Sale	X			X	X		Generated \$1.9 million for CFDC; Increased lendable proceeds by \$18 million
		CHMRB 1991 ABC Mortgage Certificate Sale	X						Generated over \$500,000 for Bootstrap Program
		SF-CHMRB 1993 Mortgage Certificate Sale	X						Generated over \$700,000 for Bootstrap Program
		SF-CHMRB 1994 Mortgage Certificate Sale	X						Generated over \$1.1 million for Bootstrap Program
6	Goldman Sachs	Commercial Paper Underwriting and Marketing				X	X		Remarketed over \$1 billion in CP since CP Program inception and over \$300 million in new issue CP since 2000; Helped achieve \$300,000 cost of issuance savings
		Interest Rate Swap Proposal		Х					Enhanced debt service savings with interest rate swap incorporating a hybrid floating rate leg; interest rate swap produced an interest rate nearly 100 basis points lower than comparable cash market bonds

					TDHC	A Benefit		
	Firm	Ideas/Innovations	Generated Cash	Enhanced Debt Service Savings	Enhanced Cost of Issuance Savings	Generated Additional Revenue	Provided Research used for Pricing(s)	Comments
7	Lehman Brothers	Interest Rate Swap Proposal						
	Lemman Brothers	PHA Securitization Proposal						Proposal initiated legal research and due diligence
8	Loop Capital Markets	None Submitted						8
	Merrill Lynch	Comparison of LIBOR Swap Structures						
		Percentage Callable Swaps						
		Variable Rate Debt Strategy						
		Structured Bond Amortization						
		Hybrid Mortgage Loan Products						
		Draw Down Bond Program						
10	Morgan Keegan	Draw Down Bond Program						
		PHA Securitization Proposal						Conducting due diligence and marketing
		Section 202 Refinancings						
11	Morgan Stanley	None Submitted						
12	M.R. Beal	None Submitted						
13	Piper Jaffray	Housing price limits methodology used by other states						
		Group homes for disabled suggestions						
		GIC provider contribution to offset TDHCA cost for the 2000 BCDE issue						
		New resolution where swap payments are on parity with debt service						

				TDHC	A Benefit		
Firm	Ideas/Innovations	Generated Cash	Enhanced Debt Service Savings	Enhanced Cost of Issuance Savings	Generated Additional Revenue	Provided Research used for Pricing(s)	Comments
Piper Jaffray	Consider a "springing" resolution						
	Issue smaller deals more frequently						
	GSE Guarantee Fee Discussion						
	P61 - Use PAC bonds to provide assistance						
	P61 - Sell bond issues as three separate issues						
	P61 - Consider an unused proceeds call for SFMRB 2002 A-D						
	P61 - Did not recommend swap alternatives; Risk exceeded 17 basis point savings produced by Piper Jaffray bond structure						
	Use FHLB to provide liquidity, LOC, direct lending, and purchase of taxable bonds						
	P62 - Commit current loan funds prior to pricing next bond issue						
	P62 - Change mortgage rate on a weekly or as need basis						
	P62 - Take advantage of Fannie Mae and Freddie Mac Programs						

				TDHC	A Benefit		
Firm Ideas/Innovations		Generated Cash	Enhanced Debt Service Savings	Enhanced Cost of Issuance Savings	Additional	Provided Research used for Pricing(s)	Comments
Piper Jaffray	P62 - Currently refund SF- CHMRB 1993						
	P62 - Renegotiate insurance fees with FSA			X			Saved 1.5 basis points on bond insurance premium
	Sell two to three bond issues						
	Create a 0% pool for buy down of loan rates, if necessary						
	Recommended Conversion and/or LIBOR + spread floating rate legs for swap to reduce basis risk						
14 Samuel A. Ramirez	None Submitted						
15 Siebert Brandford Shank	None Submitted						

BOND FINANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Guaranteed Investment Contract ("GIC") Brokers and Reinvestment Agents.

Required Action

Approve issuing a Request for Qualifications ("RFQ") for Reinvestment Agents primarily responsible for obtaining and reviewing bids from qualified investment institutions pursuant to specifications established by TDHCA.

Background

The Bond Finance Division recommends issuing an RFQ for firms interested in providing reinvestment services from time to time for one or more of its single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues. Bond Finance recommends creating a pool of approved Reinvestment Agents ("Agents") from which to select in conjunction with the sale of single family and multifamily municipal bond issues and/or other financing opportunities. The current pool consists of five firms that were selected by the Board in 1999.

The Agents will be responsible for obtaining and reviewing bids from qualified investment institutions pursuant to specifications established by TDHCA. The Agents will also advise TDHCA as to the quality and acceptability of bids. The Agents will be responsible for preparing bid forms and may assist in the investment agreement drafting and development process. The Agents may perform additional services including, but not limited to, special projects upon the request of TDHCA.

TDHCA will assign firms to single family mortgage revenue bond transactions on a rotational basis. Multifamily developers will select Agents from TDHCA's approved list of agents.

Recommendation

Approve issuing an RFQ for Reinvestment Agents primarily responsible for obtaining and reviewing bids from qualified investment institutions pursuant to specifications established by TDHCA.

Texas Department of Housing and Community Affairs Request for Qualifications from Reinvestment Agents

I. Purpose of Request

The Texas Department of Housing and Community Affairs ("TDHCA") is issuing this Request for Qualifications ("RFQ") from firms interested in providing reinvestment services from time to time for one or more of its single family mortgage revenue bond issues, single family commercial paper issues and/or multifamily mortgage revenue bond issues. TDHCA desires to create a pool of approved Reinvestment Agents ("Agents") from which to select in conjunction with the sale of single family and multifamily municipal bond issues and/or other financing opportunities. TDHCA reserves the right to select any firm for any particular financing project from the approved list of participants. Recent single family bond transactions have ranged from approximately \$40 million to \$180 million. Recent multifamily bond transactions have ranged from approximately \$8 million to \$15 million.

II. Role and Nature of Services Requested

The Agents will be responsible for obtaining and reviewing bids from qualified investment institutions pursuant to specifications established by TDHCA. The Agents will also advise TDHCA as to the quality and acceptability of bids. The Agents will be responsible for preparing bid forms and may assist in the investment agreement drafting and development process. The Agents may perform additional services including, but not limited to, special projects upon the request of TDHCA.

TDHCA will assign firms to single family mortgage revenue bond transactions on a rotational basis. Multifamily developers will select Agents from TDHCA's approved list of agents.

Agents will not be permitted to underwrite or serve as a provider on any portion of an issue or program for TDHCA during the term of an engagement as an Agent.

III. Deadline for Responses and Other Information

Response Due: Friday, July 1, 2005 4:00 P.M. C.T.

No proposal received after the deadline will be considered. Faxed and/or email responses will not be accepted. TDHCA further reserves the right to negotiate individual elements of a firm's proposal.

All responses must be complete as to all terms and conditions, on the date submitted. Additional information submitted after the response or separate from the response for purposes of clarification, explanation, interpretation, or annotation will not be considered by TDHCA unless specifically requested by TDHCA and then only to the extent requested.

Also, in releasing this RFQ, TDHCA shall not be obligated to proceed with any action on the RFQ and may decide it is in TDHCA's best interest to refrain from pursuing any approval process. TDHCA reserves and may, at any time, exercise the right to 1) reject any or all responses to this RFQ, or 2) waive, in writing, minor irregularities in submitted responses. Any written waiver exercised under this section will in no way modify any provision of this RFQ.

With the exception of certain written communications allowed under Section VIII, Agents, or any representative of the firm, responding to the RFQ must refrain from <u>any</u> contact or communication with members of the Board of Directors or with any TDHCA staff as to the selection of firms pursuant to this RFQ. A DETERMINATION BY THE BOARD THAT A VIOLATION OF THIS POLICY HAS OCCURRED WILL BE GROUNDS FOR DISQUALIFICATION OF A FIRM'S PROPOSAL.

IV. TDHCA Board Review

The Board will give final approval to the selection of firms.

Texas Department of Housing and Community Affairs Request for Qualifications from Reinvestment Agents

V. Delivery of Responses

Please deliver 5 copies to TDHCA's Please deliver 1 copy to TDHCA's Director of Bond Finance as follows: Financial Advisor as follows:

Byron V. Johnson Gary Machak
Director of Bond Finance Managing Director
Texas Department of Housing Dain Rauscher, Inc.
and Community Affairs Cityplace, Suite 2400
507 Sabine Street 2711 N. Haskell Avenue
P.O. Box 13941 Dallas, Texas 75204-2936

Austin, Texas 78711-3941

VI. Response Format

- ∉ Each question in this Section VII should be specifically addressed or the reason no response was given should be indicated.
- ∉ Responses should be submitted by individual firms only. TDHCA may accept responses submitted on a joint basis with HUB firms certified by the State of Texas.
- ∉ Responses should be limited to the information requested by TDHCA in this RFQ and should be no longer than 10 pages. Do not submit any additional information, such as attachments or appendices, not requested by TDHCA. TDHCA will consider only the information for which a response has been requested.
- ∉ Identify the question being answered in the introduction to each response.

VII. Proposal Content

Please provide the following information:

- 1. Provide the full name of your organization and the firm's address. Identify your parent company if you are a subsidiary. Specify the branch office or any other associated entity which will perform, or assist in performing, the work to be performed. Indicate whether you operate as a partnership, corporation, or sole proprietorship.
- 2. Provide the names, office location, and brief resumes (including State of Texas, TDHCA, and other state housing finance agency experience) for the professionals who will be assigned to TDHCA's account. Include their level of responsibility and availability. Describe the professional background of these individuals, in particular their relevant state housing finance experience. Please designate the percentage of work for which each team member will be responsible.
- 3. Provide a list of single family mortgage revenue bonds sold by state housing agencies for which your company acted as Agent during 2002, 2003, and 2004. Indicate the sale date, size, issuer, description, and structure of the issue (senior/subordinate bonds, external credit enhancement, rated/unrated, etc.). **Provide annual and aggregate totals**.
- 4. Provide a list of multifamily mortgage revenue bonds sold by state housing agencies for which your company acted as Agent during 2002, 2003, and 2004. Indicate the sale date, size, issuer, description, and structure of the issue (senior/subordinate bonds, external credit enhancement, rated/unrated, etc.). Provide annual and aggregate totals.

Texas Department of Housing and Community Affairs Request for Qualifications from Reinvestment Agents

5. List state housing agencies where your firm currently and actively serves as Agent for single family and multifamily mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, affiliation, address, and telephone number. Each firm responding shall be deemed to have authorized TDHCA to contact all such state housing agency references. TDHCA also reserves the right to independently contact any other references as deemed necessary. Use the format provided below for your response.

State HFA	<u>Role</u>	Date Hired	<u>Reference</u>

- 6. In conjunction with the sale of single family bonds, TDHCA has capped Agent fees at two basis points, \$31,000, or the minimum stipulated per the Internal Revenue Code. Agent fees for special financings remain negotiable. Agent fees related to multifamily transactions will be negotiated between the multifamily developer and the Agent. Provide a statement evidencing your understanding of TDHCA's Agent compensation policy.
- 7. Describe your experience preparing documents conforming with the Texas Treasury Safekeeping Trust Company's policies and requirements.
- 8. Indicate whether your firm is a licensed securities broker/dealer or registered as an investment advisor.
- 9. Provide a description of liability, error and omissions insurance policies your company may carry and the dollar limits of these policies.
- 10. Describe any litigation, arbitration, or other actions current, pending, or past against your firm arising from your firm's involvement in municipal or public purpose debt. Please indicate your willingness to provide additional information on any litigation pending against your firm should TDHCA request it.

VIII. Requests for Additional Information

To obtain further information about this RFQ, please <u>fax</u> your request to the attention of Byron V. Johnson at (512) 475-3362 or visit the Bond Finance Division web page at <u>www.tdhca.state.tx.us</u>. The Bond Finance Division will post questions received and answers on its web page for review by all respondents.

IX. Public Information

Information submitted to TDHCA is public information and is available upon request after the Board has approved the selection of firms for its list of Agents in accordance with the Texas Public Information Act, Chapter 552 of the Government Code (the "Act"). A firm submitting any information it considers confidential as to trade secrets or commercial or financial information which it desires not to be disclosed must clearly identify all such information in its proposal. If information so identified by a firm is requested from TDHCA, the firm will be notified and given an opportunity to present its position to the Texas Attorney General, who shall make the final determination as to whether such information is excepted from disclosure under the Act. Information not clearly identified as confidential will be deemed to be nonconfidential and will be made available by TDHCA upon request.

VIII. Cost Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFQ or any oral presentation required to supplement and/or clarify the RFQ which may be required by TDHCA shall be the sole responsibility of and shall be borne by your firm.

Texas Department of Housing and Community Affairs Request for Qualifications from Reinvestment Agents Scoring Summary

Question	Points
1	2
2	2
3	20
4	20
5	20
6	20
7	10
8	2
9	2
10	2
Total Points	100

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS REQUEST FOR QUALIFICATIONS FOR GIC BROKER SERVICES TIMETABLE

Date			Days from Texas Register Notice Submission to RFQ Response Date 30	Days from Notice Submission in Texas Marketplace to RFQ Response Date 21	Days from RFQ Published in Texas Register & Bond Buyer to RFQ Response Date 21	Days from RFQ Posted on Web Site to RFQ Response Date 21	Days from RFQ Response Date to Submission to Executive Office 14
May 26	TDHCA Board Meeting	Bond Finance					
June 1	Submit Notice to Texas Register and Bond Buyer	Bond Finance					
June 10	Submit Notice to Texas Marketplace	Bond Finance					
June 10	Post RFQ on TDHCA Website	Bond Finance		CD CICD 1			
June 10	Mail RFQ for GIC Broker Services	Bond Finance		GB - GIC Brokers			
June 10	Notice Published in Texas Register and Bond Buyer	Bond Finance		EPC - Edwina Carringto	n		
July 1	RFQ Responses Due	GB/Bond Finance		BVJ - Byron Johnson			
July 4 - 8	Review submissions	Bond Finance					
July 15	Submit recommendations for inclusion in board package	Bond Finance					
July 27	TDHCA Board Meeting - Present Recommendations to Finance Committee and Board	Finance Committee/ EPC/BVJ					

BOND FINANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Item

Interest Rate Swap Advisor/Consultant for TDHCA.

Required Action

Approve issuing a Request for Qualifications ("RFQ") for Interest Rate Swap Advisor primarily for monitoring interest rate swaps used to hedge TDHCA's single family variable rate mortgage revenue bond issues. This will be the first time TDHCA hires a consultant for monitoring its swap positions.

Background

The Bond Finance Division recommends issuing a RFQ for firms interested in providing Interest Rate Swap Advisory services from time to time for one or more of TDHCA's single family mortgage revenue bond issues, single family commercial paper issues, and/or multifamily mortgage revenue bond issues. TDHCA desires to select an Interest Rate Swap Advisor ("Swap Advisor") primarily for monitoring interest rate swaps used to hedge TDHCA's single family variable rate mortgage revenue bond issues. Recent single family bond transactions have ranged from approximately \$40 million to \$180 million. TDHCA is currently counterparty to three interest rate swaps totaling \$188 million with three different interest rate swap providers.

The Swap Advisor will primarily be responsible for duties and services necessary or advisable for monitoring and managing risks associated with TDHCA's interest rate swaps, including but not limited to:

- 1. Providing portfolio monitoring and mark-to-market services; providing day-to-day advice and recommendations on various swap-related matters to TDHCA staff members, including, but not limited to, tracking rates, monitoring termination value, verifying swap payments or receipts, counterparty credit, and contract compliance.
- 2. Providing training to TDHCA Staff and Board of Directors on swaps, including the mechanics of a swap transaction, role of swaps in overall debt management, techniques to evaluate risks and benefits, methods to procure swaps, and financial reporting and disclosure requirements.
- 3. Assisting in the maintenance of TDHCA's swap policy.
- 4. Performing additional services related to the Swap Advisor position including, but not limited to, special projects upon the request of TDHCA.

The Swap Advisor may also be consulted for duties and services necessary or advisable for facilitating TDHCA's execution of interest rate swaps.

Recommendation

Approve issuing an RFQ for Interest Rate Swap Advisor primarily for monitoring interest rate swaps used to hedge TDHCA's single family variable rate mortgage revenue bond issues.

I. Purpose of Request

The Texas Department of Housing and Community Affairs ("TDHCA") is issuing this Request for Qualifications ("RFQ") from firms interested in providing Interest Rate Swap Advisory services from time to time for one or more of TDHCA's single family mortgage revenue bond issues, single family commercial paper issues and/or multifamily mortgage revenue bond issues. TDHCA desires to select an Interest Rate Swap Advisor ("Swap Advisor") primarily for monitoring interest rate swaps used to hedge TDHCA's single family variable rate mortgage revenue bond issues. TDHCA has engaged RBC Dain Rauscher, Inc. as its Financial Advisor for the sale of single family bonds. TDHCA will seek interest rate swap execution advice primarily from RBC Dain Rauscher, Inc. The entity selected as a result of this RFQ process will be primarily responsible for post-execution monitoring services. Recent single family bond transactions have ranged from approximately \$40 million to \$180 million. TDHCA is currently counterparty to three interest rate swaps totaling \$188 million with three different interest rate swap providers.

II. Role and Nature of Services Requested

The Swap Advisor will primarily be responsible for duties and services necessary or advisable for monitoring and managing risks associated with TDHCA's interest rate swaps, including but not limited to:

- 1. Providing portfolio monitoring and mark-to-market services; providing day-to-day advice and recommendations on various swap-related matters to TDHCA staff members, including, but not limited to, tracking rates, monitoring termination value, verifying swap payments or receipts, counterparty credit, and contract compliance.
- 2. Providing training to TDHCA Staff and Board of Directors on swaps, including the mechanics of a swap transaction, role of swaps in overall debt management, techniques to evaluate risks and benefits, methods to procure swaps, and financial reporting and disclosure requirements.
- 3. Assisting in the maintenance of TDHCA's swap policy.
- 4. Performing additional services related to the Swap Advisor position including, but not limited to, special projects upon the request of TDHCA.

The Swap Advisor *may be responsible* for duties and services necessary or advisable for facilitating TDHCA's execution of interest rate swaps, including but not limited to:

- 1. Assisting in the evaluation and review of swap proposals; providing financial analysis in connection with swap products presented to TDHCA.
- 2. Assisting, if necessary, in the preparation of Requests for Proposals ("RFPs") and evaluation of responses from swap providers.
- 3. Advising TDHCA about the long-term implications associated with entering into a swap, including costs of borrowing, historical interest rate trends, variable rate exposure, credit enhancement capacity, opportunities to refund related debt obligations, and other similar considerations.
- 4. Providing an assessment of the various risks associated with swap proposals, including counterparty risk, termination risk, rollover risk, basis risk, tax event risk, and amortization risk.

- 5. Assisting TDHCA in maintaining diverse exposure to counterparties. Before TDHCA enters into a transaction, determine TDHCA's exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect such exposure. The exposure should not be measured solely in terms of notional amount, but rather in how changes in interest rates would affect TDHCA's exposure. Discuss risk measures and risk measurement models that are available for use by TDHCA including mark-to-market, expected loss, peak loss, and value at risk.
- 6. Advising and assisting TDHCA in determining the appropriate method of securing swap providers.
- 7. Preparing such information, as necessary, for the rating agencies and upon TDHCA approval, assisting in the presentation to such agencies; assisting TDHCA in maintaining on-going relationships with the credit rating agencies.
- 8. Assisting in the approval process of the Bond Review Board and any other agency as necessary to the issuance of the bonds and interest rate swaps.
- 9. Advising, assisting and managing, as required, the implementation of competitive processes for the procurement of swaps.
- 10. Assisting in the evaluation and selection of, fee negotiation and price negotiation with swap providers in connection with negotiated swaps.
- 11. Providing quantitative training to TDHCA staff members in connection with the analysis of swap proposals.
- 12. Preparing for and participating in meetings with outside parties, including government officials, underwriters, counsel, and rating agencies.
- 13. Performing additional services related to the Swap Advisor position including, but not limited to, special projects upon the request of TDHCA.

The Swap Advisor will not be permitted to serve as swap provider on any portion of an issue or program for TDHCA during the term of an engagement as Swap Advisor.

III. Deadline for Responses and Other Information

Response Due: Friday, July 1, 2005 4:00 P.M. C.T.

No proposal received after the deadline will be considered. Faxed and/or email responses will not be accepted. TDHCA further reserves the right to negotiate individual elements of a firm's proposal.

All responses must be complete as to all terms and conditions, on the date submitted. Additional information submitted after the response or separate from the response for purposes of clarification, explanation, interpretation, or annotation will not be considered by TDHCA unless specifically requested by TDHCA and then only to the extent requested.

Also, in releasing this RFQ, TDHCA shall not be obligated to proceed with any action on the RFQ and may decide it is in TDHCA's best interest to refrain from pursuing any approval process. TDHCA reserves and may, at any time, exercise the right to 1) reject any or all responses to this RFQ, or 2) waive, in writing, minor irregularities in submitted responses. Any written waiver exercised under this section will in no way modify any provision of this RFQ.

With the exception of certain written communications allowed under Section VIII, Swap Advisors, or any representative of the firm, responding to the RFQ must refrain from <u>any</u> contact or communication with members of the Board of Directors or with any TDHCA staff as to the selection of firms pursuant to this RFQ. A DETERMINATION BY THE BOARD THAT A VIOLATION OF THIS POLICY HAS OCCURRED WILL BE GROUNDS FOR DISQUALIFICATION OF A FIRM'S PROPOSAL.

IV. TDHCA Board Review

The Board will give final approval to the selection of firms.

V. Delivery of Responses

Please deliver 5 copies to TDHCA's Please deliver 1 copy to TDHCA's Director of Bond Finance as follows: Financial Advisor as follows:

Byron V. Johnson Gary Machak
Director of Bond Finance Managing Director
Texas Department of Housing Dain Rauscher, Inc.
Cityplace, Suite 2400
507 Sabine Street 2711 N. Haskell Avenue
P.O. Box 13941 Dallas, Texas 75204-2936
Austin, Texas 78711-3941

VI. Response Format

- ∉ Each question in this Section VII should be specifically addressed or the reason no response was given should be indicated.
- ∉ Responses should be submitted by individual firms only. TDHCA may accept responses submitted on a joint basis with HUB firms certified by the State of Texas.
- Responses should be limited to the information requested by TDHCA in this RFQ. Do not submit any additional information, such as attachments or appendices, not requested by TDHCA. TDHCA will consider only the information for which a response has been requested.
- ∉ Identify the question being answered in the introduction to each response.

VII. Proposal Content

Please provide the following information:

- TDHCA has engaged RBC Dain Rauscher, Inc. as its Financial Advisor for the sale of single family bonds. TDHCA will seek interest rate swap execution advice primarily from RBC Dain Rauscher. The entity selected as a result of this RFQ process will be primarily responsible for post-execution monitoring services. Please provide a statement evidencing your understanding of this policy.
- 2. Provide the full name of your organization and the firm's address. Identify your parent company if you are a subsidiary. Indicate whether you operate as a partnership, corporation, or sole proprietorship.
- 3. Specify any branch office(s), any other associated firm(s), and any unrelated firm(s) which will perform, or assist in performing, the work to be performed.

- 4. Provide the names, office location, and brief resumes (including State of Texas, TDHCA, and other state housing finance agency experience) for the professionals who will be assigned to TDHCA's account. Include their level of responsibility and availability. Describe the professional background of these individuals, in particular their relevant state housing finance experience. Please designate the percentage of work for which each team member will be responsible. Indicate the individual's relevant experience, any relevant licenses or designations they hold, and how any particular area of expertise would benefit TDHCA. Specify who would be assigned as the primary day-to-day contact for TDHCA and their office location, and indicate the role they played in the transactions listed above. Also, specify who would be the backup for the primary day-to-day contact and their office location.
- 5. Provide a table listing tax-exempt single family mortgage revenue bonds sold by state housing agencies sold in conjunction with the execution of an interest rate swap, for which your company acted as Swap Advisor, during 2002, 2003, and 2004. Your table must include the following information, in the order indicated:

Sale date

Par amount of bonds

Issuer

Issue description

External credit enhancement, if any

Credit rating, if any (state if unrated)

Swap Notional Amount

Description of the swap structure

Indicate whether the swap transaction was competitive or negotiated

A description of the advisory services provided

The extent of involvement in pricing the swap

A breakdown of the fees charged by the counterparties (credit, hedge, profit, advisory, other)

Swap advisory fee, in basis points

Do not include interest rate caps and floors. Provide an issuer contact name, telephone number, and email address for each transaction. **Please provide annual and aggregate totals where appropriate.**

- 6. Provide a list of interest rate swaps related to single family mortgages, not listed above, for which your company acted as Swap Advisor during 2002, 2003, and 2004. Indicate the sale date, notional amount, issuer, and description of the swap structure. Do not include interest rate caps and floors. **Please provide annual and aggregate totals.**
- 7. List state housing agencies where your firm currently and actively serves as Swap Advisor for single family mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, address, telephone number, and email address. Each firm responding shall be deemed to have authorized TDHCA to contact all such state housing agency references. TDHCA also reserves the right to independently contact any other references as deemed necessary. Use the format provided below for your response.

State HFA	<u>Role</u>	<u>Date Hired</u>	<u>Reference</u>

8. Provide fee quotes for the following swap scenarios. Include all fees and minimum amounts.

Scenario A				
Notional Amount: \$53 million Average Life: 19 years Call Option: Par Termination Ri DV of 1 BP: \$68,500 (Unadjusted \$63,700 (Option Ad		nal after 10 years		
	Monitoring Services	Execution Services		
Fee in Basis Points (Unadjusted)				
Fee in Dollars (Unadjusted)				
Fee in Basis Points (Option Adjusted)		_		
Fee in Dollars (Option Adjusted)				

Scenario B				
Notional Amount: \$100 million Average Life: 19 years Call Option: Par Termination R DV of 1 BP: \$113,000 (Unadjust \$ 55,000 (Option A)	*	nal after Closing		
	Monitoring	Execution		
	Services	Services		
Fee in Basis Points (Unadjusted)				
Fee in Dollars (Unadjusted)				
Fee in Basis Points (Option Adjusted)				
Fee in Dollars (Option Adjusted)				

- 9. Describe and provide examples of the analytical criteria and assumptions that your firm would employ to evaluate swaps. Please indicate the software employed, whether it is off-the-shelf or inhouse produced and the analytical model on which it is based. Please describe the structure of the models used for evaluating swaps, the key parameters used in the models, and the procedure for estimating these parameters.
- 10. Describe your firm's method(s) for determining and calculating volatility measures used in your pricing of swaps.
- 11. Discuss basis risk and methods recommended by your firm for managing basis risk in both low and high interest rate environments for percentage of LIBOR swaps.
- 12. Discuss the use of optional call features employed by state housing finance agencies and methods used by your firm for evaluating and pricing optionality in swaps.
- 13. A copy of a trade confirmation for one of TDHCA's swaps is attached. Please provide a mark-to-market valuation for this swap as of June 10, 2004.

- 14. Provide an example of a monthly report generated by your system reflecting the swap evaluated in the preceding question.
- 15. Describe your proposed approach to providing training to TDHCA's staff and Board of Directors.
- 16. Discuss how interest rate swaps can be effectively integrated further into TDHCA's debt portfolio. In your discussion, please specify how swaps should be used, and what valuation methodologies are available and appropriate to use in order to evaluate proposals and to price various products. Describe what pricing differentials are inherent in each product and how TDHCA should monitor these if and when implemented.
- 17. Provide your firm's criteria for determining the appropriateness of the competitive or negotiated methods of procuring a swap. Indicate the circumstances or product characteristics, including size, which would lead to either a competitive or negotiated swap producing a better result.
- 18. Provide a discussion of recommendations to ensure that TDHCA receives the best possible bids in a competitive situation. As part of your discussion, address whether limiting the number of firms that could participate in a bid would be recommended, and whether TDHCA should allow second and third place bidders to match the winning bid up to a specified notional amount, so long as their bid is no greater than a specified spread from the winning bidder.
- 19. Securing credit enhancement or liquidity providers is currently the responsibility of the financial advisors and underwriters for TDHCA. Describe the criteria TDHCA should utilize in connection with the selection of credit enhancement or liquidity providers, if deemed necessary, in connection with swaps.
- 20. Provide a discussion of specific strategies or recommendations that your firm has to assist TDHCA's discussions with rating agencies. In your discussion, describe the various rating agency criteria relating to swaps (for example, swap counterparty risk and derivative exposure) and how the criteria vary between agencies.
- 21. Discuss the merits and/or disadvantages of Standard & Poor's Derivatives Product Score and its applicability to TDHCA.
- 22. Discuss the pricing procedures you would use in negotiating the swap on behalf of TDHCA. Discuss in detail how your firm would ensure that the value obtained through a negotiated swap is on-market and adequate. In addition, describe the resources your firm has available to monitor market conditions to recommend to TDHCA the optimal time to enter into swaps.
- 23. Discuss the potential benefits and costs of permitting TDHCA to optionally terminate a swap at the market value at any time without providing such right to the counterparty. Discuss what type of pricing benefits, if any, can be achieved by allowing the counterparty to optionally terminate both at market and at par. Describe what mechanisms you have in place to assist TDHCA in evaluating the decision to terminate a swap at its market value.
- 24. Discuss the potential benefits and costs of permitting TDHCA to transfer its rights and obligations under the swaps to other entities.
- 25. Describe the minimum rating criteria TDHCA should impose upon potential counterparties or their guarantors.

- 26. Describe the type of collateralization requirements TDHCA should impose upon the counterparty or its guarantor should their ratings fall below the threshold ratings agreed upon entering the swap.
- 27. Specify whether your firm has a special practice group that is dedicated to swaps. Discuss the advantages and disadvantages of TDHCA utilizing a multi-faceted financial advisory firm versus a firm whose principal niche is swap products.
- 28. Discuss how your firm would assist TDHCA in negotiating fees with counterparties. Please itemize the types and ranges of fees TDHCA should be expected to pay in connection with entering into a swap.
- 29. Provide a discussion of your firm's procedures and products to monitor swaps on an ongoing basis. Describe the mechanism in place to notify TDHCA of new opportunities as they become available.
- 30. Describe your experience preparing documents conforming to the Texas Treasury Safekeeping Trust Company's policies and requirements.
- 31. Indicate whether your firm is a licensed securities broker/dealer or registered as an investment advisor.
- 32. Provide a description of liability, error and omissions insurance policies your company may carry and the dollar limits of these policies.
- 33. Describe any litigation, arbitration, or other actions current, pending, or past against your firm arising from your firm's involvement in municipal or public purpose debt. Please indicate your willingness to provide additional information on any litigation pending against your firm should TDHCA request it.

VIII. Requests for Additional Information

To obtain further information about this RFQ, please <u>fax</u> your request to the attention of Byron V. Johnson at (512) 475-3362 or visit the Bond Finance Division web page at <u>www.tdhca.state.tx.us</u>. The Bond Finance Division will post questions received and answers on its web page for review by all respondents.

IX. Public Information

Information submitted to TDHCA is public information and is available upon request after the Board has approved the selection of a Swap Advisor in accordance with the Texas Public Information Act, Chapter 552 of the Government Code (the "Act"). A firm submitting any information it considers confidential as to trade secrets or commercial or financial information which it desires not to be disclosed must clearly identify all such information in its proposal. If information so identified by a firm is requested from TDHCA, the firm will be notified and given an opportunity to present its position to the Texas Attorney General, who shall make the final determination as to whether such information is excepted from disclosure under the Act. Information not clearly identified as confidential will be deemed to be nonconfidential and will be made available by TDHCA upon request.

X. Cost Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFQ or any oral presentation required to supplement and/or clarify the RFQ which may be required by TDHCA shall be the sole responsibility of and shall be borne by your firm.

Question	Points
Q	
1	1
2	1
3	10
4	1
5	10
6	5
7	10
8	25
9	25
10	10
11	10
12	10
13	10
14	10
15	5
16	5
17	1
18	1
19	1
20	5
21	5
22	1
23	10
24	10
25	10
26	1
27	1
28	1
29	1
30	1
31	1
32	1
33	1
Total Points	200

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS REQUEST FOR QUALIFICATIONS FOR SWAP ADVISORY SERVICES TIMETABLE

Date			Days from Texas Register Notice Submission to RFQ Response Date 30	Days from Notice Submission in Texas Marketplace to RFQ Response Date	Days from RFQ Published in Texas Register & Bond Buyer to RFQ Response Date 21	Days from RFQ Posted on Web Site to RFQ Response Date 21	Days from RFQ Response Date to Submission to Executive Office 14
May 26	TDHCA Board Meeting	Bond Finance					
June 1	Submit Notice to Texas Register and Bond Buyer	Bond Finance					
June 10	Submit Notice to Texas Marketplace	Bond Finance					
June 10	Post RFQ on TDHCA Website	Bond Finance					
June 10	Mail RFQ for Swap Advisory Services	Bond Finance		SA - Swap Advisors			
June 10	Notice Published in Texas Register and Bond Buyer	Bond Finance		EPC - Edwina Carringto	n		
July 1	RFQ Responses Due	SA/Bond Finance		BVJ - Byron Johnson			
July 4 - 8	Review submissions	Bond Finance					
July 15	Submit recommendations for inclusion in board package	Bond Finance					
July 27	TDHCA Board Meeting - Present Recommendations to Finance Committee and Board	Finance Committee/ EPC/BVJ					

BOND FINANCE DIVISION

BOARD ACTION REQUEST May 26, 2005

Action Items

Resolution authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority.

Required Action

Approve the attached resolution authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority.

Background

An application for reservation of the TDHCA's annual private activity bond authority ("volume cap") must be made with the Texas Bond Review Board. TDHCA's 2005 annual private activity bond authority equals \$167,925,498. Of this amount, TDHCA used \$60 million in authority for its 2005 Mortgage Credit Certificate Program. TDHCA's current private activity bond authority balance equals \$107,925,498. This reservation application is for the remainder of the 2005 single family private activity bond authority balance.

The application to request the balance of the volume cap will be submitted to the Texas Bond Review Board prior to August 15, 2005, the Texas Bond Review Board's filing deadline. The Bond Finance Division is currently evaluating TDHCA's existing bond proceeds balances, mortgage credit certificate program balance, market conditions, bond issuance and volume cap management options and will present recommendations at a later date.

Recommendation

Approve the attached resolution authorizing application to the Texas Bond Review Board for reservation of single family private activity bond authority.

Resolution No. 05-032

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR RESERVATION WITH TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

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

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

WHEREAS, the private activity bond "State Ceiling" (as defined in Section 146(d) of the Code) applicable to the State for calendar year 2005 is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372 Texas Government Code, as amended (the "Allocation Act"); and

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

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

WHEREAS, the Board has determined to authorize the filing of the Application for Reservation with respect to qualified mortgage bonds in calendar year 2005;

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

Section 1 - Application for Reservation. The Board hereby authorizes Vinson & Elkins L.L.P., as Bond Counsel to the Department, to file on its behalf with the Bond Review Board the Application for Reservation with qualified mortgage bonds to be issued and delivered within 180 days after receipt of a "reservation date," as defined in the Allocation Rules, in the amount of \$107,925,498, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of the Reservation.

<u>Section 2 - Authorization of Certain Actions</u>. The Board authorizes the Executive Director, the staff of the Department, as designated by the Executive Director, and Bond Counsel to take such actions on its behalf as may be necessary to carry out the purposes of this Resolution.

<u>Section 3 - Purposes of Resolution</u>. The Board has expressly determined and hereby confirms that the issuance of the qualified mortgage bonds will accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

<u>Section 4 - Mortgage Credit Certificate Authority</u>. The Department reserves the right, upon receipt of a Reservation, to convert all or any part of its authority to issue qualified mortgage bonds to mortgage credit certificates.

<u>Section 5 - Effective Date</u>. This Resolution shall be in full force and effect from and upon its adoption.

Section 6 - Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials 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.

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PASSED AND APPROVED this 26th day of May, 2005.

	Chair, Governing Board	_
ATTEST:		
Secretary	_	
(SEAL)		

565582_1.DOC -3-

EXECUTIVE SESSION

- A. The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551
- B. The Board may go into executive session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint or charge against an officer or employee of TDHCA.
- C. Consultation with Attorney Pursuant to §551.071, Texas Government Code:
 - 1. With Respect to Anonymous Complaint Concerning Southwest Housing Development Company
 - 2. With Respect to pending or contemplated litigation involving Tax Credits to Cedar Oaks Development, El Paso, Texas
 - 3. With Respect to pending or contemplated litigation styled *Hyperion*, *et Al v. TDHCA*, filed in Travis County District Courts
 - 4. Other pending or contemplated litigation, settlement offers or matters under Texas Government Code §551.071(2) unknown at the time of posting

OPEN SESSION

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Directors Report

- Department Outreach Activities Meetings, Trainings, Conferences, Workshops for April, 2005
- Update on Legislation Impacting TDHCA SB 1341 was favorably voted out of Senate Government Organization Committee
- 3. Cedar Oak Townhomes, El Paso, Texas
- 4. Report on Transfer of Brazoria County Vouchers
- 5. Single Family First Time Homebuyer Marketing Update
- 6. Progress of Agency Moving Plans
- Gold Safety Award from SORM
- 8. HDR Article on "Agency's Decision Not To Provide Bond Financing for Development Didn't Violate Fair Housing Act"

ADJOURN Elizabeth Anderson

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact 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 sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

Non-English speaking individuals who require interpreters for this meeting should contact Delores Groneck, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

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