

BOARD MEETING OF OCTOBER 12, 2006

Beth Anderson, Chair

C. Kent Conine, Vice-Chair



Shadrick Bogany, Member

Sonny Flores, Member

Gloria Ray, 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
October 12, 2006**

ROLL CALL

	Present	Absent
Anderson, Beth, Chair	_____	_____
Conine, C. Kent, Vice-Chair	_____	_____
Bogany, Shadrick, Member	_____	_____
Flores, Sonny, Member	_____	_____
Ray, Gloria, Member	_____	_____
Salinas, Norberto, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

BOARD MEETING

October 12, 2006

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Capitol Extension Room E2.026
9:30 am

A G E N D A**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:

CONSENT AGENDA

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

Item 1: Approval of the following items presented in the Board materials:*General Administration Items:*

- a) Minutes of the Board Meeting of August 30, 2006

Executive Division Items:

- b) Presentation, Discussion and Possible Approval of Authority to Utilize up to \$1 million of Housing Trust Fund for Leveraging in the FEMA Alternative Housing Pilot Program

Financial Division Items:

- c) Fourth Quarter Investment Report

Multifamily Division Items:

- d) Housing Tax Credit Amendments:

01108	Logan's Pointe	Mount Vernon
03039	Oak Timbers	Grand Prairie
03220	Desert Breeze	Horizon City
03222	Whispering Sands	Anthony
05004	Samuels Place	Ft. Worth
05127	Navigation Pointe	Corpus Christi

- e) Presentation, Discussion and Possible Approval of Qualified Trustees for the Multifamily Mortgage Revenue Bond Transactions

- f) Presentation, Discussion and Possible Approval of a Senior Managing Underwriting Firm for Multifamily Mortgage Revenue Bond Transactions

- g) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

060426	Costa Almadena	San Antonio
	Bexar County HFC is the Issuer, Recommended Credit Amount of \$734,966	

- h) Presentation, Discussion and Possible Approval of Award of 2006 Credit Ceiling, including National Pool, and /or 2007 Credit Ceiling, to Applications Listed Below from the 2006 Waiting List:

060244	Waco River Park Apartment Homes	Waco
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Portfolio Management and Compliance Items:

- i) Presentation, Discussion and Possible Approval of a Request for Proposals for the Uniform Physical Condition Standards Inspections

Real Estate Analysis Division Items:

- j) Presentation, Discussion and Possible Determination for an Amendment to the Credit Amount for Residences at Sunset Pointe, #060609

Single Family Division Items:

- k) Presentation, Discussion and Possible Approval of two Disaster Relief Program Award recommendations under the HOME Owner Occupied Housing Assistance Program in the amount of \$572,000

2006-0206-DR	Eastland County	Recommended Amount \$286,000
2006-0207-DR	City of Cross Plains	Recommended Amount \$286,000

- l) Presentation, Discussion and Possible Approval of the Hurricane Rita Single Family HOME Owner Occupied Housing Assistance Program (HOME) award recommendations in the amount of \$4,368,000

2006-0208-RDR	Jasper County	Recommended Amount \$624,000
2006-0209-RDR	Tyler County	Recommended Amount \$624,000
2006-0210-RDR	Newton County	Recommended Amount \$624,000
2006-0211-RDR	Polk County	Recommended Amount \$624,000
2006-0214-RDR	San Jacinto County	Recommended Amount \$624,000
2006-0217-RDR	Liberty County	Recommended Amount \$624,000
2006-0218-RDR	Chambers County	Recommended Amount \$624,000

ACTION ITEMS**Item 2: Presentation, Discussion and Approval of Audit Committee Items:**

- a) Internal Audit Report - Office of Colonia Self-Help Centers Initiatives' Draw Processing Subrecipient Monitoring Function for the Self-Help Centers Program
- b) Status of Prior Audit Issues
- c) FY 2006 TDHCA Annual Internal Audit Report
- d) Status of Internal/External Audits

Item 3: Presentation, Discussion and Possible Approval of Portfolio Management & Compliance Division Items:

- a) Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program (HOME) contracts:

1000156	Val Verde County
1000298	Town of Anthony
1000299	City of Pearsall
1000300	City of Balmorhea
1000302	City of Presidio
1000303	Town of Combes
1000308	Frio County
1000267	City of Caney City
1000282	City of Wolfe City
1000327	City of Mesquite

- b) Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Investment Partnerships Program (HOME) Tenant Based Rental Assistance (TBRA) contracts:

542020	Comal County Housing Authority	New Braunfels
542023	Affordable Housing of Parker County	Springtown

542027	Combined Community Action, Inc.	Giddings
542033	Cameron County Housing Authority	Brownsville
542036	Twin City Mission	Bryan
1000334	Comal County Housing Authority	New Braunfels
1000338	Latino Education Project	Corpus Christi
1000339	Combined Community Action, Inc.	Giddings
1000340	Affordable Housing of Parker County	Springtown
1000344	Texas Neighborhood Services	Mineral
1000346	Edinburg Housing Authority	Edinburg
1000349	El Paso MHMR	El Paso
1000445	Ellis Townhomes, Inc.	New Braunfels
1000449	Housing Authority of Frisco	Frisco
1000453	Affordable Housing of Parker County	Springtown
1000196	Valley Association for Independent Living	McAllen

Item 4: Presentation, Discussion and Possible Approval of Real Estate Analysis Division Items:

- a) Presentation, Discussion and Possible Determination of an appeal on Tax-Exempt Bond Credit Increase Request Fee for Eagle's Landing Apartments, #02414

Item 5: Presentation, Discussion and Possible Approval of Bond Finance Items:

- a) Presentation, Discussion and Possible Approval of Single Family Mortgage Revenue Bonds, 2006 Series F, Single Family Mortgage Revenue Refunding Bonds, 2006 Series G, and Single Family Mortgage Revenue Bonds, 2006 Series H (Variable Rate Demand Bonds) (Program 68). Resolution #06-037

Item 6: Presentation, Discussion and Possible Approval of Housing Programmatic Items:

- a) Presentation, Discussion and Possible Approval of the 2006 Preservation Incentives Program Notice of Funding Availability (NOFA)

Item 7: Presentation, Discussion and Possible Approval of Community Development Block Grant (CDBG) Disaster Recovery Related Items:

- a) Presentation, Discussion and Possible Approval to Modify the CDBG Disaster Recovery Action Plan to Require Deferred Forgivable Loans for Beneficiaries residing in floodplains

Item 8: Presentation, Discussion and Possible Approval of Office of Colonia Initiative Items:

- a) Presentation, Discussion and Possible Approval of the Housing Trust Fund – Texas Bootstrap Loan Program Notice of Funding Availability (NOFA)
- b) Presentation, Discussion and Possible Approval of the Texas Bootstrap Loan Program Draft Rules, 10 Texas Administrative Code
- c) Presentation, Discussion and Possible Approval of the Office of Colonia Initiatives, Colonia Housing Standards Draft Rules, 10 Texas Administrative Code, Section 1.18. Chapter 2
- d) Presentation, Discussion and Possible Approval of the Colonia Self-Help Center Draft Rules, 10 Texas Administrative Code, Chapter 3

Item 9: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

- a) Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds and Housing Tax Credits with TDHCA as the Issuer For:

060619	Rolling Creek, Houston, Texas for a bond Amount Not to Exceed \$0 and the Issuance of a Determination Notice Recommended Credit Amount of \$0. Resolution #06-038
060623	East Tex Pines, Houston, Texas for a bond Amount Not to Exceed \$13,500,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$1,132,098. Resolution #06-039

- 060624 Havens at Mansfield, Mansfield, Texas for a bond Amount Not to Exceed \$5,471,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$305,444. Resolution #06-040
- 060625 Generations at Mansfield, Mansfield, Texas for a bond Amount Not to Exceed \$0 and the Issuance of a Determination Notice Recommended Credit Amount of \$0. Resolution #06-041
- 060627 Aspen Park, Houston, Texas for a bond Amount Not to Exceed \$9,960,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$435,465. Resolution #06-042
- 060629 Villas at Henderson, Cleburne, Texas for a bond Amount Not to Exceed \$7,200,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$407,847. Resolution #06-043

- b) 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 2006:

- 07601 Place at Loyola Austin
07602 Mesquite Creek Apartments Mesquite

Item 10: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Housing Tax Credit Items:

- a) Presentation, Discussion and Possible Action for Housing Tax Credit Extension:

05198 Olive Grove Manor Apartments Houston

- b) Presentation, Discussion and Possible Approval of Final Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments and Recommendations of Awards to Eligible Developments Under the Final Policy

- c) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

060417 Artisan at Salado Heights San Antonio
San Antonio HFC is the Issuer, Recommended Credit Amount of \$0

060427 Mansions at Turkey Creek Houston
Houston HFC is the Issuer, Recommended Credit Amount of \$1,059,669

- d) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers and the Issuance of a HOME commitment:

060419 Gardens of Weatherford Weatherford
Tarrant County HFC is the Issuer, Recommended Housing Tax Credit Amount of \$283,232 and HOME Award in the Amount of \$1,144,376

060420 Gardens of DeCordova DeCordova
Tarrant County HFC is the Issuer, Recommended Housing Tax Credit Amount of \$281,258 and HOME Award in the Amount of \$1,194,376

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.
- c) Consultation with Attorney Pursuant to §551.071, Texas Government Code:

1. With Respect to pending litigation styled *TP Seniors II, Ltd. v. TDHCA* Filed in State Court in Travis County, Texas
2. With Respect to pending litigation styled *Gary Traylor, et al. v. TDHCA*, Filed in Stat Court in Travis County, Texas
3. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
4. With Respect to pending litigation styled *Ballard v. TDHCA* and the State of Texas Filed in Federal Court
5. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Elizabeth Anderson

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS

Executive Director's Report

1. TDHCA Outreach Activities, August and September 2006
2. Quarterly Report on Housing Tax Credit Ownership Transfers
3. Status of Prior Year HOME Balances in IDIS
4. Status of the Housing Trust Fund Notice of Funding Availability (NOFA) for the TDHCA Rental Portfolio Hurricane Relief Program

ADJOURN

Elizabeth Anderson

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, TDHCA, 221 East 11th Street, 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 Nidia Hiroms, 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

BOARD ACTION REQUEST

October 12, 2006

Action Item

Summary of Board Meeting Minutes for August 30, 2006.

Required Action

Review minutes of the August 30, 2006 Board Meeting and make any necessary corrections.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes with any requested corrections.

BOARD MEETING

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue
Capitol Extension Auditorium
Austin, Texas 78701

Wednesday, August 30, 2006; 8:00 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 August 30, 2006 was called to order by the Chair, Ms. Elizabeth Anderson at 9:45 a.m. It was held at 1100 Congress Ave, Capitol Extension Auditorium, Austin, Texas 78701. Roll call certified a quorum was present.

Members Present:

Elizabeth Anderson – Chair
C. Kent Conine – Vice-Chair
Shadrick Bogany – Member
The Honorable Norberto Salinas – Member
Sonny Flores – Member (arrived at 8:30 a.m.)
Vidal Gonzalez – Member (arrived at 9:30 a.m.)

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 Honorable Representative Chuck Hopson, provided testimony.
Darrell Jack, Market Analyst, Apartment Market Data, provided testimony.
Dan Allgeier, on behalf of Key West Village Phase II, provided testimony.
Bernadine Spears, Odessa Housing Authority, provided testimony.
Rose Guajardo Walker, representing The Honorable Senator Kel Seliger, provided testimony.
Randy Stevenson, provided testimony.
The Honorable David Brandon, County Commissioner, San Antonio County, provided testimony.
Mike Hogan, Hogan Real Estate Services, provided testimony.
The Honorable Representative José Menéndez, provided testimony.
Matt Hull, Texas Association of Community Development Corporations, provided testimony.
Craig Young, O'Connor and Associates, provided testimony.
Sally Gaskin, West Cardinal Development, LLC, provided testimony.
Jean Langendorf, United Cerebral Palsy of Texas, provided testimony.
Rhoda Gersch, Executive Director, Combined Community Action, Inc., provided testimony.
Karen Swenson, Executive Director, Greater East Texas Community Action, provided testimony.
Jim Shaw, Director of the Capital Area Housing Finance Corporation, provided testimony.

Mr. Flores arrived during the Public Comment period.

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

CONSENT AGENDA

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

AGENDA ITEM 1:

Approval of the following items presented in the Board materials:

General Administration Items:

- a) Minutes of the Board Meeting of July 12, 2006
- b) Minutes of the Board Meeting of July 28, 2006

Bond Finance Division Items:

- c) Approval of a Resolution Authorizing Positions Authorized to Sign Documents Related to Bond Transactions, Real Estate Transactions and Execution of Documents, Resolution #06-036

Single Family Bond Finance Items:

- e) Preliminary Approval of Single family Mortgage Revenue Bonds, 2006 Series F and 2006 Series G and Junior Lien Single Family Mortgage Revenue Bond, 2006 Series A
- f) Approval of One-Year Extension for the Single Family Mortgage Revenue Bond Program Master Servicer Contract

Multifamily Division Items:

- h) Presentation, Discussion and Possible Combined Refunding of Multi-Family Mortgage Revenue Bonds, with TDHCA as the issuer For:
 - 060622 Red Hills Villas, Round Rock, Texas for a bond Amount Not to Exceed \$5,015,000.
Resolution #06-033
 - 060621 Champions Crossing, San Marcos, Texas for a bond Amount Not to Exceed \$5,125,000.
Resolution #06-034
- i) Housing Trust Fund Predevelopment Program Notice of Funding Availability
- j) Presentation, Discussion and Possible Approval for waiver of the deadline to submit extensions pursuant to §50.20(l) of the 2006 Qualified Allocation Plan (QAP), and approval of requests for extensions of the deadline to submit specific items of the Commitment Notice package and commitment.
 - 060132 Vista Pines NacogdochesMotion made by Mr. Conine to approve Consent Agenda Items a, b, c, e, f, h, i, and j, pulling Consent Agenda Items d and g for individual consideration; seconded by Mayor Salinas; passed unanimously.

Real Estate Analysis Items:

- d) Request for Proposals (RFP) for Property Management Services
Tom Gouris, Director of Real Estate Analysis, provided report.
Motion made by Mr. Conine to approve RFP; seconded by Mr. Bogany; passed unanimously.

Multifamily Division Items:

- g) Housing Tax Credit Amendments
 - 05179 The Villages at Huntsville Huntsville
 - 04255 Freeport Oaks Freeport
 - 05195 San Gabriel Seniors Georgetown
 - 00056 The Woodlands BeaumontRobbye Meyer, acting Director for Multifamily Finance, provided report and responded to questions concerning 00056, The Woodlands.
Motion made by Mr. Conine to approve staff recommendation with an amendment on 00056 The Woodlands, to allow the police substation and the additional security that the applicant has put forward as a substitute feature of equivalent value and utility; seconded by Mr. Bogany; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2:

Presentation, Discussion and Possible Approval of Community Development Block Grant (CDBG) Disaster Recovery Related Items:

- a) Presentation, Discussion and Approval of Disaster Relief Conditional Awards for Non-housing Projects in Accordance with the State of Texas Action Plan for CDBG Disaster Recovery Grantees.
Charles Stone, Executive Director, Office of Rural Community Affairs (ORCA), provided testimony.
Walter Diggles, Executive Director of the Deep East Texas Council of Governments, provided testimony.
John Henneberger, co-director, Texas Low-income Housing Information Service, provided testimony.
Motion made by Mr. Bogany to approve staff recommendation, as amended by ORCA with the exception of Mr. Gerber reviewing documents negotiated between ORCA and SECOG, and amendment should be requested by DETCOG if needed; seconded by Mr. Conine; passed unanimously.
Ms. Anderson reported that the Department received letters from the following elected officials who asked that their letters be put into the record: Senator Tommy Williams, Senator Kevin Eltife, Representative Tommy Merritt, Representative Stephen Frost, U.S. Congressman Louie Gohmert, and Representative Allen Ritter. The Department has copies of these letters available for public inspection.

Mr. Gonzalez arrived during Agenda Item 2.

15 minute Recess taken.

AGENDA ITEM 3:

Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

- a) **Presentation, Discussion and Possible Issuance of Multi-Family Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits with TDHCA as the issuer For:**
04609 Pleasant Village, Dallas, Texas for a bond Amount Not to Exceed \$6,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$370,152. Resolution #06-028.

Tom Gouris, provided report.

Motion made by Mr. Conine to approve resolution #06-028; seconded by Mr. Bogany; passed unanimously.

- 060616 Center Ridge Apartments, Duncanville, Texas** for a bond Amount Not to Exceed \$8,500,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$324,532. Resolution #06-029.

Motion made by Mr. Conine to approve resolution #06-029; seconded by Mr. Bogany; passed unanimously.

- 060610 Meadowland Apartments, Harris County, Texas** for a bond amount not to Exceed \$13,500,000 and the Issuance of a Determination Notice for a Requested Credit Amount of \$967,760. Resolution #06-030.

The Honorable Representative Gary Elkins, provided testimony.

Manish Verma, H.T. Seattle Slew, Ltd., provided testimony.

Darrell Jack, Apartment Market Data, Market Analyst, provided testimony.

Bob Coe, appraiser with O'Connor and Associates, provided testimony.

Angela Belcher, United Apartment Group, provided testimony.

Elizabeth Hattman, Steeplechase Community Improvement Association, provided testimony.

Ronald F. Green, Steeplechase Subdivision, provided testimony.

Mary K. Dowling, resident, Steeplechase Subdivision, read letter from Harris County Sheriff Tommy Thomas regarding 060610 Meadowlands Apartments, into the record.

Cynthia Bast, Locke, Liddell & Sapp, provided testimony.

Greg Fredericks, Steeplechase HOA, provided testimony.

Motion made by Mr. Bogany to approve Resolution #06-030; seconded by Mr. Flores; passed unanimously.

060613 Stonehaven Apartments, Harris County, Texas for a bond amount not to Exceed \$11,300,000 and the Issuance of a Determination Notice for a Requested Credit Amount of \$710,000. Resolution #06-031.

Motion made by Mr. Conine to approve Resolution #06-031; seconded by Mr. Gonzalez; passed unanimously.

060619 Rolling Creek Apartments, Harris County, Texas for a bond Amount Not to Exceed \$0 and the Issuance of a Determination Notice Recommended Credit Amount of \$0. Resolution #06-032.

Withdrawn from consideration by applicant.

AGENDA ITEM 4:

Rescission of Agenda Item 7a) Presentation, Discussion and Possible Issuance of Multi Family Revenue Bonds and Housing Tax Credits with TDHCA as the Issuer For: 060611 Parkwest Apartments, Houston; Texas for a Bond amount not to Exceed \$15,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$417,987. Resolution No. 06-024 as requested by the Board at the July 28, 2006 TDHCA Board Meeting

a) Board requested action on whether to rescind the action taken at the July 12, 2006 TDHCA Board Meeting to Deny staff recommendation of approval regarding Agenda Item 7. a) Presentation, Discussion and Possible Issuance of Multi Family Revenue Bonds and Housing Tax Credits with TDHCA as the Issuer For: 060611 Parkwest Apartments, Houston, Texas for a Bond amount not to Exceed \$15,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$417,987. Resolution No. 09-024.

Kenneth Cash, provided testimony.

David Holmes, on behalf of the Honorable Representative Hubert Vo, provided testimony.

Brian Gault, Williams and Bowen, provided testimony.

Eric Opiela, Finley Development Company, provided testimony.

Louis Stoerner, Superintendent of the Alief school district, provided testimony.

Charles Woods, Assistant Superintendent, Alief Independent School District, provided handout and provided testimony.

Steve Fowler, Fire Chief with the Community Volunteer Fire Department, provided testimony.

Cynthia Bast, Locke, Liddell and Sapp, provided testimony.

Motion made by Mr. Conine to rescind the action taken at the 7/12/06 Board Meeting denying staff recommendation to approve bonds; seconded by Mr. Gonzalez; Mr. Flores, Mayor Salinas, Mr. Bogany and Chairman Anderson vote no; Mr. Conine and Mr. Gonzalez vote yes; motion failed.

b) **060611 Parkwest Apartments, Houston, Texas for a Bond Amount Not to Exceed \$15,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of \$875,000. Board Resolution No. 06-035.**

No action taken based on a vote taken on Agenda Item 4(a).

EXECUTIVE SESSION

At 11:45 a.m. Ms. Anderson convened the Executive Session. The Executive Session concluded at 12:45 p.m.

- 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.
- c. Consultation with Attorney Pursuant to §551.071, Texas Government Code:
 1. With Respect to pending litigation styled *TP Seniors II, Ltd. v. TDHCA* Filed in State Court in Travis Co., Texas
 2. With Respect to pending litigation styled *Gary Traylor, et al. v. TDHCA*, Filed in Stat Court in Travis Co., Texas
 3. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
 4. With Respect to pending litigation styled *Ballard v. TDHCA* and the State of Texas Filed in Federal Court
 5. With Respect to a pending appeal regarding *Hyperion, et al v. TDHCA, et al* Filed in State Court in the 3rd Court of Appeals
 6. With Respect to a request from Representative Kino Flores for an opinion from the Office of the Attorney General regarding statutory interpretation of Texas Government Code §2306.6710(b).
 7. With Respect to Honey Creek Kiwi, LLC. Bankruptcy in Bankruptcy Court.
 8. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

OPEN SESSION

Ms. Anderson reconvened Open Session at 12:45 p.m. and announced that no action had been taken during the Executive Session and certified that the posted agenda was followed.

AGENDA ITEM 5:

Presentation, Discussion and Possible Approval of Draft Department Rules to be Released for Public Comment

- a) **Presentation, Discussion and Possible Approval of the Draft Underwriting, Market Analysis, Appraisal, Environmental Site Assessment, Property Condition Assessment, and Reserve for Replacement Rules and Guidelines, 10 Texas Administrative Code §1.31 through §1.37.**
Tom Gouris, Director of Real Estate Analysis, provided report.
Diana McIver, President, DMA Development Company, provided testimony.
Jeff Spicer, President, Texas Affiliation of Affordable Housing Providers (TAAHP), provided testimony.
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mr. Bogany; passed unanimously.
- b) **Presentation, Discussion and Possible Approval of the Draft Staff Appeals Process, 10 Texas Administrative Code §1.7.**
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mayor Salinas; passed unanimously.
- c) **Presentation, Discussion and Possible Approval of the Draft Board Appeals Process, 10 Texas Administrative Code §1.8.**
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mr. Gonzalez; passed unanimously.
- d) **Presentation, Discussion and Possible Approval of the Draft Rule for Action by Department if Outstanding Balance Exists, 10 Texas Administrative Code §1.13.**
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mr. Gonzalez; passed unanimously.
- e) **Presentation, Discussion and Possible Approval of the Energy Assistance Draft Rules, 10 Texas Administrative Code, Chapter 6.**
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mr. Bogany; passed unanimously.
- f) **Presentation, Discussion and Possible Approval of the Community Services Block Grant Draft Rules and Emergency Shelter Grants Program Draft Rules, 10 Texas Administrative Code, Chapter 5.**
Motion made by Mr. Conine to approve proposed rules for public comment; seconded by Mr. Bogany; passed unanimously.
- g) **Presentation, Discussion and Possible Approval of the Draft Alternative Dispute Resolution and Negotiated Rulemaking Process, 10 Texas Administrative Code §1.17.**
Motion made by Mr. Gonzalez to approve proposed rules for public comment; seconded by Mr. Conine; passed unanimously.
- h) **Presentation, Discussion and Possible Approval of the Proposed Repeal of 10 Texas Administrative Code Chapter 49, 2005 Housing Tax Credit Program Qualified Allocation Plan And Rules and Proposed Adoption of 10 Texas Administrative Code Chapter 49, 2007 Draft Housing Tax Credit Program Qualified Allocation Plan And Rules.**
Granger MacDonald, provided testimony.
Diana McIver, President, DMA Development Co., provided testimony.
Sarah Anderson, Anderson Consulting, provided testimony.
Barry Kahn, provided testimony.
Motion made by Mr. Bogany to approve proposed rules, with amendments regarding 1) adding a new section allowing 7 points if no Neighborhood Organization exists; 2) a change to ineligible census tracts to exempt communities whose populations are less than 100,000; 3) 7 points for applications located in census tracts with no previous tax credits; 4) use common space for cost per square foot points; 5) add eligible for-profit organization to points for eventual tenant ownership; and 6) repayment of TDHCA predevelopment loans, for public comment; seconded by Mr. Gonzalez; passed unanimously.

- i) **Presentation, Discussion and Possible Approval of the Proposed Repeal of 10 Texas Administrative Code Chapter 35, 2005 Multifamily Housing Revenue Bond Rules and Proposed Adoption of 10 Texas Administrative Code Chapter 35, 2007 Draft Multifamily Housing Revenue Bond Rules.**
Motion made by Mr. Bogany to approved proposed rules for public comment; seconded by Mr. Conine; passed unanimously.
- j) **Presentation, Discussion and Possible Approval of the Draft Housing Trust Fund Rules, 10 Texas Administrative Code Chapter 51.**
Motion made by Mr. Bogany to approved proposed rules for public comment; seconded by Mr. Gonzalez; passed unanimously.
- k) **Presentation, Discussion and Possible approval of Compliance Monitoring, Proposed Amendment to Title 10, Part 1, Chapter 60, Subchapter A and Proposed Repeal of Title 10, Part 1, Subchapter A, Sections 1.11, 1.13, and 1.14.**
Motion made by Mr. Conine to approved proposed rules for public comment; seconded by Mr. Bogany; passed unanimously.

10 minute Recess taken.

With the Board's discretion, Agenda Item 10, was taken out of order to accommodate the travelers attending for this item.

AGENDA ITEM 10:

Presentation, Discussion and Possible Approval of Portfolio Management and Compliance Items:

a) HOME Amendments:

542052 City of Socorro

The Honorable Trini Lopez, Mayor of the City of Socorro, provided testimony.

Delia Chavez, Executive Director for the El Paso Collaborative for Community and Economic Development, provided testimony.

Jake Brisbin, Jr., Executive Director, Rio Grande Council of Governments, provided testimony.

Motion made by Mr. Bogany to approve recommendation; seconded by Mayor Salinas; passed unanimously.

1000020 City of Cotulla

Motion made by Mr. Bogany to approve recommendation; seconded by Mr. Gonzalez; Motion to amend by extending to March 31, 2007; seconded by Mr. Gonzalez

Nick Almanza, on behalf of the Honorable Senator Judith Zaffirinj, provided testimony.

Celina Overbo, on behalf of the Honorable Representative Tracy King, provided testimony.

The Honorable Abel Gonzalez, Mayor of the City of Cotulla, provided testimony.

Lytle Wray Arche, Mayor Pro Tem of the City of Cotulla, provided testimony.

Robert Chavira, SMI Consulting, provided testimony.

Motion made by Mr. Bogany to approve recommendation; seconded by Mr. Gonzalez; Motion to amend by extending to March 31, 2007; seconded by Mr. Gonzalez; motion to amend and approve passed unanimously.

1000028 La Salle County

The Honorable Joel Rodriguez, Jr., County Judge LaSalle County, provided testimony.

Domingo Martinez, provided testimony.

Motion made by Mr. Bogany to approve with an amendment to extend March 31, 2007; seconded by Mr. Flores; passed unanimously.

AGENDA ITEM 6:

Presentation, Discussion and Approval of Policy and Public Affairs Items:

a) **Presentation, Discussion and Possible Approval of the 2007 State of Texas Low Income Housing Plan and Annual Report (Draft for Public Comment)**

Motion made by Mr. Conine to approve draft for public comment; seconded by Mr. Gonzalez, passed unanimously.

- b) **Presentation, Discussion and Possible Approval of the 2007 State of Texas Consolidated Plan: One-Year Action Plan (Draft for Public Comment)**
Motion made by Mr. Conine to approve draft for public comment; seconded by Mr. Bogany, passed unanimously.
- c) **Presentation, Discussion and Possible Approval of the 2007 Regional Allocation Formula Methodology (Draft for Public Comment)**
Motion made by Mr. Conine to approve draft for public comment; seconded by Mr. Bogany, passed unanimously.
- d) **Presentation, Discussion and Possible Approval of the 2007 Affordable Housing Needs Score Methodology (Draft for Public Comment)**
Motion made by Mr. Conine to approve draft for public comment; seconded by Mr. Bogany, passed unanimously.

AGENDA ITEM 7:

Presentation, Discussion and Approval of Financial Administration Items:

William Dally, Deputy Executive Director for Administration, provided report.

- a) **Presentation, Discussion and Approval of the Legislative Appropriations Request (LAR)**
Motion made by Mr. Conine to approve with amended totals for 2008 to \$149,632,904 and in 2009 to \$149,854,161; seconded by Mr. Gonzalez; passed unanimously.

AGENDA ITEM 8:

Presentation, Discussion and Possible Approval of Single Family Related Items:

Eric Pike, Director, Single Family Finance Production, provided report.

- a) **Presentation, Discussion and Approval of Awards of 2006 Single Family HOME Contracts from the following List:**

- 2006-0016 Ellis Community Resources, Inc.
- 2006-0017 City of New Braunfels
- 2006-0018 Ellis Community Resources, Inc.
- 2006-0019 Burke Center
- 2006-0020 City of McKinney
- 2006-0021 Concho Valley Community Action Agency
- 2006-0022 City of Clarksville
- 2006-0023 City of Lone Star
- 2006-0024 City of Avinger
- 2006-0025 City of Hughes Springs
- 2006-0026 City of Bloomburg
- 2006-0027 City of DeKalb
- 2006-0028 City of Hillsboro
- 2006-0029 City of Maud
- 2006-0030 Coto de Casa
- 2006-0031 Morris County
- 2006-0032 City of Domino
- 2006-0033 Pecos County
- 2006-0034 Coalition for Barrier Free Living/Houston Center for Independent Living, Inc.
- 2006-0035 City of Muleshoe
- 2006-0036 City of LaGrulla
- 2006-0037 City of Hillsboro
- 2006-0038 Red River County
- 2006-0039 Community Council of Southwest Texas
- 2006-0040 Community Council of Southwest Texas
- 2006-0041 City of Hale Center
- 2006-0042 City of Stamford
- 2006-0043 Buckner Children and Family Services, Inc., dba Family Place at Hearthstone
- 2006-0044 Yoakum County
- 2006-0045 Center for Housing Resources, Inc.
- 2006-0046 City of Edinburg
- 2006-0047 City of Luling
- 2006-0048 City of Lockhart
- 2006-0049 City of Robstown
- 2006-0050 Latino Education Project, Inc.
- 2006-0051 Habitat for Humanity Council of North Central Texas
- 2006-0052 City of Seminole
- 2006-0053 City of Floydada
- 2006-0054 City of Terrell
- 2006-0055 Community Action Council of South Texas

2006-0056	Community Action Council of South Texas
2006-0057	City of Naples
2006-0058	City of Tenaha
2006-0059	City of Queen City
2006-0060	City of Rosebud
2006-0061	City of Nash
2006-0062	Economic Development Corporation of the City of Wake Village
2006-0063	Cass County
2006-0064	City of Tatum
2006-0065	City of Omaha
2006-0066	City of Joaquin
2006-0067	City of San Augustine
2006-0068	City of Onalaska
2006-0069	City of Cumby
2006-0070	Affordable Caring Housing Inc.
2006-0071	Affordable Caring Housing Inc.
2006-0072	City of Hempstead
2006-0073	Falls County
2006-0074	United Way of Southern Cameron County
2006-0075	City of Hughes Springs
2006-0076	City of Texarkana
2006-0077	Kingsville Housing Authority
2006-0078	Rockwall Housing Development Corporation
2006-0079	City of Jewett
2006-0080	City of Hubbard
2006-0081	City of Marlin
2006-0082	Walker County
2006-0083	Affordable Housing of Parker County
2006-0084	East Texas Housing Finance Corp.
2006-0085	Cameron County Housing Fin. Corp.
2006-0086	United Way of Southern Cameron County
2006-0087	City of Big Sandy
2006-0088	City of Athens
2006-0089	City of Prairie View
2006-0090	City of Lacy Lakeview
2006-0091	City of Olton
2006-0092	Lifetime Independence for Everyone
2006-0093	Habitat for Humanity Council of North Central; Texas
2006-0094	El Paso MHMR
2006-0095	Karnes County
2006-0096	City of Brookshire
2006-0097	City of Allen
2006-0098	Gulf Coast Center
2006-0099	City of Kingsville
2006-0100	Midland Neighborhood Housing Services
2006-0101	Cameron County Housing Authority
2006-0102	Travis County Housing Finance Corp.
2006-0103	City of Bellmead
2006-0104	Azteca Economic Development Corporation
2006-0105	City of Primera
2006-0106	Nickerson Design & Construction
2006-0107	EBENZ, Inc.
2006-0108	Paris Living – A Community Development Corporation
2006-0109	City of Yorktown
2006-0110	City of Spur
2006-0111	City of Orange Grove
2006-0112	City of Stanton
2006-0113	City of Palacios
2006-0114	City of Trinity
2006-0115	City of Palmer
2006-0116	City of Wallis
2006-0117	City of West Tawakoni
2006-0118	City of Roaring Springs
2006-0119	City of Farwell
2006-0120	City of Rusk
2006-0121	City of Forsan
2006-0122	City of Freer
2006-0123	San Patricio County
2006-0124	City of Gainesville
2006-0125	City of Santa Fe
2006-0126	City of Hawley
2006-0127	City of Sinton
2006-0128	City of Henrietta
2006-0129	City of Huntington

2006-0130	City of Driscoll
2006-0131	City of Ingram
2006-0132	City of Garrett
2006-0133	City of Eagle Lake
2006-0134	City of George West
2006-0135	City of Earth
2006-0136	City of Gregory
2006-0137	City of Hallsville
2006-0138	City of Emory
2006-0139	City of La Grange
2006-0140	City of Smithville
2006-0141	City of Hallettsville
2006-0142	City of Taylor
2006-0143	City of Belton
2006-0144	City of Bishop
2006-0145	Jim Wells County
2006-0146	Lampasas County
2006-0147	City of Littlefield
2006-0148	Bay City Public Housing Authority
2006-0149	City of Mart
2006-0150	City of Blooming Grove
2006-0151	City of Bowie
2006-0152	City of Caddo Mills
2006-0153	Carrizo Springs Affordable Housing, Inc.
2006-0154	City of Celina
2006-0155	City of Merkel
2006-0156	City of Coahoma
2006-0157	City of Morton
2006-0158	City of New Summerfield
2006-0159	Crane County
2006-0160	City of Odem
2006-0161	City of Dickens
2006-0162	City of Alton
2006-0163	City of Aransas Pass
2006-0164	City of Aurora
2006-0165	Town of Bayside
2006-0166	City of Bardwell
2006-0167	City of Crockett
2006-0168	City of Gatesville
2006-0169	City of Gladewater
2006-0170	City of Godley
2006-0171	City of Jefferson
2006-0172	City of Kaufman
2006-0173	City of Kilgore
2006-0174	City of Plainview
2006-0175	City of Roma
2006-0176	City of Pilot Point
2006-0177	City of Big Wells
2006-0178	Economic Action Committee Gulf Coast
2006-0179	City of Slaton
2006-0180	City of Bonham
2006-0181	City of Mineola
2006-0182	City of Cooper
2006-0183	Lamar County
2006-0184	City of Annona
2006-0185	City of Cooper
2006-0186	City of Detroit
2006-0187	City of Avery
2006-0188	City of Deport
2006-0189	City of Point
2006-0190	City of Devine
2006-0191	City of Edgewood
2006-0192	Lamar County
2006-0193	City of Moody
2006-0194	Delta County
2006-0195	City of Florence
2006-0196	Town of Combes
2006-0197	Town of Pecos City
2006-0198	City of Valentine

Motion made by Mr. Bogany to approve; seconded by Mayor Salinas; passed unanimously.

AGENDA ITEM 9:

Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Housing Tax Credit Items:

Tom Gouris, Director of Real Estate Analysis, provided report.

a) Presentation, Discussion and Possible Action on 2006 Housing Tax Credit Appeals (timely filed)

060027 Parkway Ranch

Cynthia Bast, Locke, Liddell, & Sapp, provided testimony.

No action taken based on vote on Agenda Item 9(c).

060058 Greenfair Park

Cynthia Bast, Locke, Liddell, & Sapp, provided testimony.

Quincy White, Assistant City Manager City of Lubbock, Texas, provided testimony.

Kent Hance, Landmark Housing Development, provided testimony.

Motion made by Mayor Salinas to grant appeal; seconded by Mr. Conine; passed unanimously.

060133 Canyon's Landing

Motion made by Mr. Conine to grant appeal; seconded by Mr. Gonzalez; passed unanimously.

060160 Pembroke Court

Cynthia Bast, Locke, Liddell, & Sapp, provided testimony.

Motion made by Mr. Flores to deny appeal; seconded by Mr. Bogany; Mr. Conine, Mr. Gonzales, Mayor Salinas voting against motion; motion failed.

Motion made by Mr. Conine with 2 changes 1) keep the lien structure as is, with an appropriate intercreditor agreement that would be clear and unambiguous that the Department have approval rights of any foreclosure, agreed to by TDHCA, prior to September 1; or, 2) if unable to come to an agreement with a third-party bank to the Departments satisfaction, increase the HOME award by \$400,000 so that the Department could loan the entire \$2.3 million; leaving it in two loans: the \$400,000 at the applicable rate that was underwritten by the Department that the bank was going to offer charge, and the same \$1.9 million in a subordinate position; seconded by Ms. Anderson; motion failed on a 2-4 vote.

060199 Legacy Senior Housing

Motion made by Mr. Conine to approve appeal; seconded by Mr. Flores; passed unanimously.

b) Housing Tax Credit Amendments

00005 LBJ Garden Villas Mesquite

00054 Hunter's Glen Townhomes San Antonio

00144 Sycamore Pointe Townhomes Fort Worth

Glenn Lynch, ORCDC Development Group, provided testimony concerning Hunter's Glen Townhomes.

Motion made by Mr. Conine to approve transfer of LBJ Garden Villas, Hunter's Glen Townhomes, and Sycamore Pointe Townhomes; seconded by Mr. Gonzalez; passed unanimously.

02441 Evergreen at Hulen Bend Fort Worth

Kent Mehring with MMA Financial, provided testimony concerning Evergreen at Hulen Bend.

Motion made by Mr. Bogany to approve appeal; seconded by Mr. Conine; passed unanimously.

00114 The Haven College Station

Doug Weedon, Executive Director, Twin City Mission, provided testimony.

Motion made by Mr. Conine to deny appeal; seconded by Mr. Flores; passed unanimously.

c) Waiver of §50.6(d) of the Qualified Allocation Plan to Allow Adequate Adjustment for cost increases associates with 2006 Tax Credit Applications exceeding the non-statutory \$1,200,000 Credit Limitation and Waiver of the Qualified Allocation Plan §50.13(a) requirement to issue all Commitment Notices within 10 days of Board approval and Possible Use of 2007 Forward Commitments for Any Overage of Commitments.

Cynthia Bast, Locke, Liddell & Sapp, provided testimony.

Motion made by Mr. Conine to approve the waiver of the \$1.2 million cap for no more than the applicable amount based on a percentage of no more than a \$1.2 million cap and amending it to include a 10-day waiver under commitment notices originally submitted; seconded by Mayor Salinas; passed unanimously.

d) Presentation, Discussion and Possible Approval of Determination Notices for Increasing Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers that were Approved in 2005:

060424 Lafayette Village Apartments, Houston, Texas; Harris County HFC is the issuer; Requested Credit Amount of \$1,074,454

060425 Baypointe Apartments, Webster, Texas; Harris County HFC is the issuer; Requested Credit Amount of \$956,177

Motion made by Ms. Anderson to approve; seconded by Mr. Gonzalez, passed unanimously.

e) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers:

060401 Cypress Creek at River Bend (fka Northwest Residential), Georgetown, Texas; Capital Area HFC is the Issuer; Requested Credit Amount of \$641,099

060421 Woodside Manor, Conroe, Texas; Montgomery County HFC is the Issuer; Requested Credit Amount of \$716,232

David Turek provided testimony.

060422 Costa Mirada, San Antonio, Texas; San Antonio HFC is the Issuer; Requested Credit Amount of \$885,339

060415 Village Creek Apartments, Ft. Worth, Texas; Tarrant County HFC is the Issuer; Requested Credit Amount of \$932,493

Motion made Mr. Conine to approve Cypress Creek at River Bend, Woodside Manor, Costa Miranda and Village Creek Apts.; seconded by Mr. Bogany; passed unanimously.

AGENDA ITEM 11:

Presentation, Discussion and Possible Approval of Community Affairs Division:

a) Presentation, Discussion and Possible Approval of the Final 2007 LIHEAP State Plan

Motion made by Mr. Conine to approve; seconded by Mr. Bogany; passed unanimously.

AGENDA ITEM 12:

Presentation, Discussion and Possible Approval of Office of Colonia Initiatives Items:

a) Presentation, Discussion and Possible Approval of a Colonia Self-Help Center Award to Val Verde County

Alfredo Delgado, provided testimony.

Motion made by Mr. Bogany to approve; seconded by Mayor Salinas; passed unanimously.

b) Presentation, Discussion and Possible Approval of a Memorandum of Understanding between TDHCA and the Office of Rural Community Affairs regarding the management of Community Development Block Grant funds for the Self-Help Center Program

Motion made by Mr. Conine to approve; seconded by Mr. Gonzalez; passed unanimously.

**c) Presentation, Discussion and Possible Approval of Self-Help Center Contract Extensions:
Starr County
Maverick County
Cameron County**

d) Presentation, Discussion and Possible Approval of Texas Bootstrap Loan Program Contract Extensions:

**La Gloria Development Corporation
Community Action Social Services & Education, Inc.
Community Development Corporation of Brownsville**

Don Currie, Executive Director, Community Development Corporation of Brownsville, provided testimony.

Motion made by Mr. Conine to approve Agenda Items 12(c) and 12(d); seconded by Mr. Bogany; passed unanimously.

REPORT ITEMS

Executive Director's Report.

1. TDHCA Outreach Activities, July 2006
2. Status of prior HOME amendments
3. Status of HOME Snapshot Report

ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 5:30 p.m.

Mr. Kevin Hamby
Board Secretary

NOTE:

For a full transcript of this meeting, please see the TDHCA website at: www.TDHCA.state.tx.us

SINGLE FAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Approval of Authority to utilize up to \$1 million of the Housing Trust Fund as leveraging in the Texas submission of the Federal Emergency Management Agency, Alternative Housing Pilot Program application.

Required Action

Approve or deny authorization to utilize up to \$1 million of the Housing Trust Fund as potential leveraging dollars to be included on the State of Texas FEMA application.

Background

On September 15, 2006, The Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA) announced the release of the Grant Guidance and Application Kit for the Alternative Housing Pilot Program. Congress appropriated \$400 million to the U.S. Department of Homeland Security to support alternative housing pilot programs. Congress provided that: "Notwithstanding any other provision of law, the Secretary of Homeland Security shall consider eligible under FEMA's Individual Assistance Program the costs sufficient for alternative housing programs in the areas hardest hit by the hurricanes of the 2005 season." (*P.L. 109234, Sec 2403*)

The Alternative Housing Pilot program represents a onetime exception to FEMA's existing authority under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, by providing an opportunity to explore, implement, and evaluate innovative approaches to both short and intermediate term housing solutions, an initiative that may yield systematically adoptable alternatives worthy of future consideration by FEMA and Congress. As the lead agency for this grant application, the Texas Department of Housing and Community Affairs (Department) will submit the application and set policy goals for the pilot programs' implementation in the State of Texas.

From our experience in Texas with Hurricane Rita and the impacts of Hurricane Katrina the need for temporary housing disproportionately impacts low and very low income individuals to find temporary housing when their homes are impacted by an emergency. The Alternative Housing Pilot Program is intended to address ongoing housing challenges created by the 2005 hurricane season in the states of the Gulf Coast region, specifically Alabama, Florida, Louisiana, Mississippi, and Texas. The objectives of the program include: the evaluation of non-traditional housing alternatives for future use in a catastrophic disaster environment; to develop alternative forms of Disaster Housing to assist victims of the 2005 hurricanes in the Gulf Coast; and to assure that pilot projects address the needs of a variety of populations, such as persons with disabilities and the elderly, historically underserved populations as well as renters, homeowners,

single-family dwelling occupants and multi-family dwelling occupants. The Alternative Housing Pilot encourages:

- Innovation and creativity.
- Alternatives that can be produced, transported, and installed in a timely manner, and in quantities appropriate to meet the projected needs of a catastrophic disaster situation.
- Alternatives that are adaptable to a variety of site conditions with minimal requirements for site preparation.
- Housing solutions that will facilitate sustainable and permanent affordable housing.

One of the elements under the Rating Criteria under which the Department's application will be evaluated asks for the State to describe "Opportunities for leveraging other federal, state or local housing programs to create permanent housing solutions". The process is competitive among the states for the allocation and staff is seeking to submit the best possible application on behalf of the State of Texas. Therefore, staff believes the potential for success will be greater if the application to FEMA reflect a commitment of up to \$1 million in state resources to reflect our commitment to leveraging funds through this program.

Recommendation

Authorize the Department to include in the application to FEMA for the Texas Alternative Housing Pilot Program, a commitment of up to \$1 million in Housing Trust Funds. Should the application be awarded by FEMA this action also provides the Executive Director the authority to disperse those funds where appropriate and as necessary in their use as a source of leverage for this program.

FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Report Item

4th Quarter Investment Report

Required Action

Presentation of the Department's 4th Quarter Investment Report

Background

- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and market value at the beginning and end of the quarter.
- Overall, the portfolio increased by \$99.3 million for a total of \$1.4 billion. There were 4 new Multi-Family bond issuances issued for a total of \$39.6M and one Single Family issue for \$282.4M during the 4th quarter. The Residential Mortgage Revenue Bond indenture paid \$15.2M in principal and \$9.7M in interest; the multi-family issues paid \$16.9M in principal; \$123.4M in commercial paper notes were redeemed; and the Single Family indenture defeased \$51.46M of its bonds outstanding. The remaining difference is accounted by construction draws made by multi-family projects currently under construction.

The portfolio consists of:

	<u>Beginning Quarter</u>	<u>Ending Quarter</u>
Mortgage Back Securities (MBS)	65%	63%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	22%	24%
Repurchase Agreements	6%	7%
Other	7%	6%

The portfolio activity for the quarter:

- \$44.1 million of MBS purchases during the quarter represent portfolio activity for new loans originated.
- The maturities in MBS this quarter were \$17.1 million which represents loan payoffs. The table below shows a strong trend in new loans and decreasing amounts of loan payoffs.

	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
	FY 05	FY 06	FY 06	FY 06	FY 06	Total
Purchases	56,567,014	57,279,673	93,337,220	71,241,317	44,123,295	374,150,214
Sales						
Maturities	21,744,647	24,134,919	52,202,521	18,345,860	17,158,700	170,540,431

- The market value increased \$11.6M decreasing the difference between fair value and par value with market value being less. The national average for a 30-year fixed mortgage as reported by HSH was 6.63% for the end of August down from 6.75% at the end of May. The spread between the market rate and our below-market rates is decreasing.
- This change in market value is to be expected. It is reflective of the overall change in the bond market as a whole.
- Since we typically hold our investments to maturity, this is referred to as an unrealized gain for the quarter.
- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.
- The more relevant measures of indenture parity, projected future cash flows, and the comparison of current interest income to interest expense are not part of a public funds investment report. The attached page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA report). This report shows parity by indentures with assets greater than liabilities in a range from 102.5% to 116.2%. This is considered strong by rating agencies. The interest comparison shows interest income greater than interest expense by indenture and indicates a current positive cash flow (with a small exception in the Collateralized Home Mortgage Revenue Indenture and the 1994 SF CHMRB).

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of June 30, 2006

	Single Family Program Funds	Residential Mortgage Revenue Bond Funds	Collateralized Home Mortgage Revenue Funds	Single Family CHMRB 1994 Funds	Multi-Family Program Funds	Combined Totals
PARITY COMPARISON:						
PARITY ASSETS						
Cash	\$ 214,634	\$ 12,986,528	\$ -	\$ 88	\$ 12,777,434	\$ 25,978,684
Investments	\$ 295,290,063	\$ 22,304,744	\$ 2,893,793	\$ 0	\$ 167,871,700	\$ 488,360,299
Mortgage Backed Securities	\$ 537,259,165	\$ 340,222,126	\$ 15,676,825	\$ -	\$ -	\$ 893,158,116
Loans Receivable	\$ 48,572,857	\$ 1,525,016	\$ -	\$ -	\$ 1,082,857,671	\$ 1,132,955,544
Accrued Interest Receivable	\$ 8,845,644	\$ 2,195,564	\$ 99,274	\$ 27,296	\$ 11,504,777	\$ 22,672,555
TOTAL PARITY ASSETS	\$ 890,182,363	\$ 379,233,978	\$ 18,669,892	\$ 27,384	\$ 1,275,011,582	\$ 2,563,125,198
PARITY LIABILITIES						
Bonds Payable	\$ 837,845,000	\$ 360,245,000	\$ 17,200,000	\$ -	\$ 1,085,280,297	\$ 2,300,570,297
Accrued Interest Payable	\$ 8,737,334	\$ 9,736,279	\$ 22,759	\$ -	\$ 12,191,560	\$ 30,687,932
TOTAL PARITY LIABILITIES	\$ 846,582,334	\$ 369,981,279	\$ 17,222,759	\$ -	\$ 1,097,471,857	\$ 2,331,258,229
PARITY DIFFERENCE	\$ 43,600,029	\$ 9,252,699	\$ 1,447,133	\$ 27,384	\$ 177,539,725	\$ 231,866,969
PARITY	105.15%	102.50%	108.40%	N/A	116.18%	109.95%

INTEREST COMPARISON (For the Tenth Fiscal Month) :

INTEREST INCOME

Loans	\$180,917.00	\$13,968.00	\$0.00	\$0.00	\$5,245,941.00	\$5,440,826.00
Investments	\$2,608,216.00	\$1,748,710.00	\$106,141.00	\$15,141.00	\$3,447.00	\$10,187,253.00
Real Estate Owned	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL INTEREST INCOME	\$2,789,133.00	\$1,762,678.00	\$106,141.00	\$15,141.00	\$5,249,388.00	\$15,628,079.00

INTEREST EXPENSE

Interest on Bonds	\$2,502,893.00	\$1,619,183.00	\$111,675.00	\$15,798.00	\$5,245,944.00	\$9,495,493.00
TOTAL INTEREST EXPENSE	\$2,502,893.00	\$1,619,183.00	\$111,675.00	\$15,798.00	\$5,245,944.00	\$9,495,493.00
NET INTEREST	\$286,240.00	\$143,495.00	(\$5,534.00)	(\$657.00)	\$3,444.00	\$6,132,586.00
INTEREST RATIO	111.44%	108.86%	95.04%	95.84%	100.07%	164.58%

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



**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING AUGUST 31, 2006**

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule
Quarter Ending August 31, 2006

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

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 05/31/06	CARRYING VALUE @ 05/31/06	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 08/31/06	FAIR VALUE (MARKET) @ 08/31/06	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Certificates of Deposit			7,011,876.10				7,011,876.10	7,011,876.10	-	0.00
Mortgage-Backed Securities	848,806,532.12	883,462,990.83	44,123,294.55	0.00	(17,158,700.07)	0.00	910,427,585.31	887,365,111.18	11,593,984.58	0.00
Guaranteed Inv Contracts	194,430,693.80	194,430,693.80	252,411,008.73	(167,769,848.22)	0.00	0.00	279,071,854.31	279,071,854.31	-	0.00
Investment Agreements	97,754,787.33	97,754,787.33	5,726,078.56	(47,764,028.25)	0.00	0.00	55,716,837.64	55,716,837.64	-	0.00
Treasury-Backed Mutual Funds	16,591,344.38	16,591,344.38	3,523,121.75	(5,206,237.96)	0.00	0.00	14,908,228.17	14,908,228.17	-	0.00
Repurchase Agreements	83,257,860.03	83,257,860.03	43,913,413.30	(24,984,259.87)	0.00	0.00	102,187,013.46	102,187,013.46	-	0.00
Money Markets	34,022,289.94	34,022,289.94	19,957,859.11	(11,043,128.19)	0.00	0.00	42,937,020.86	42,937,020.86	-	0.00
Treasury Bills	80,654.42	80,654.42	1,022.33	0.00	0.00	0.00	81,676.75	81,676.75	-	0.00
Treasury Bonds/Notes	26,215,962.53	26,000,001.69	551,721.62	(712,029.00)	0.00	0.00	25,839,694.31	26,046,840.00	(8,815.15)	0.00
Commercial Paper	3,320,357.00	3,320,357.00		(3,320,357.00)			0.00	0.00	-	
TOTAL	1,304,480,481.55	1,338,920,979.42	377,219,396.05	(260,799,888.49)	(17,158,700.07)	0.00	1,438,181,786.91	1,415,326,458.47	11,585,169.43	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

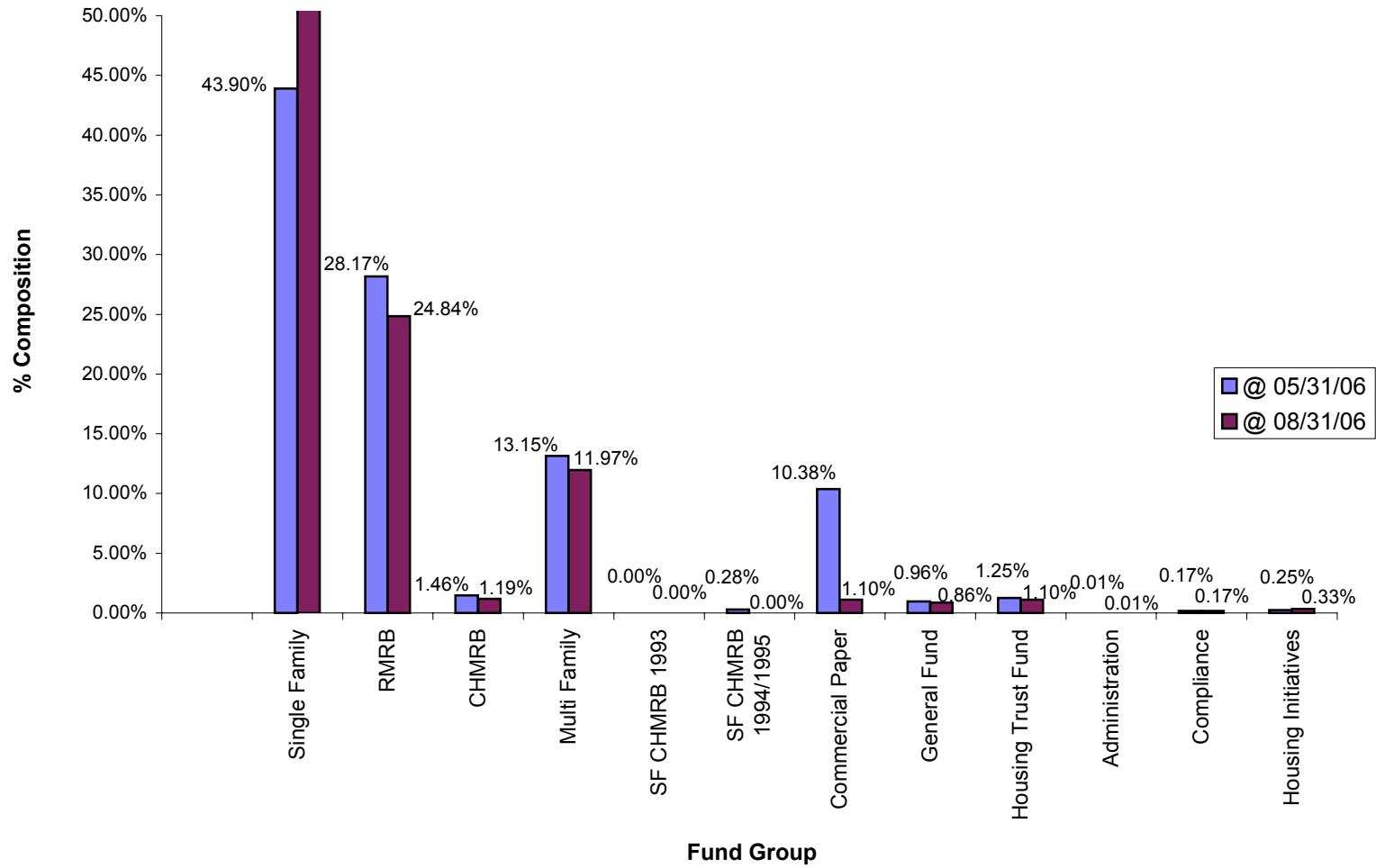
 David Cervantes, Director of Financial Administration	Date <u>10/2/06</u>
 Matt Pogor, Acting Director of Bond Finance	Date <u>9/23/06</u>

**PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING August 31, 2006**

Supplemental Information:

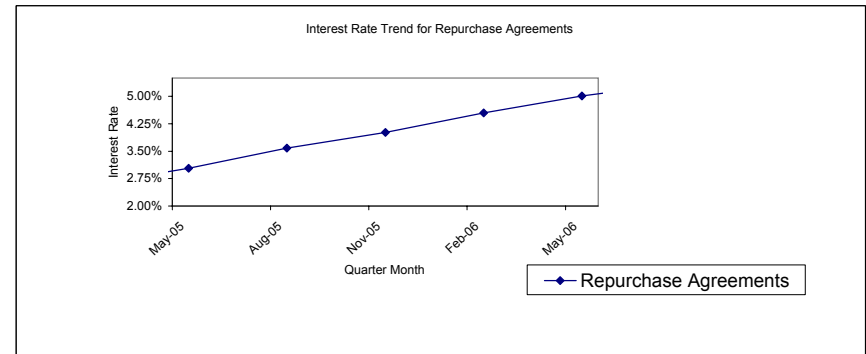
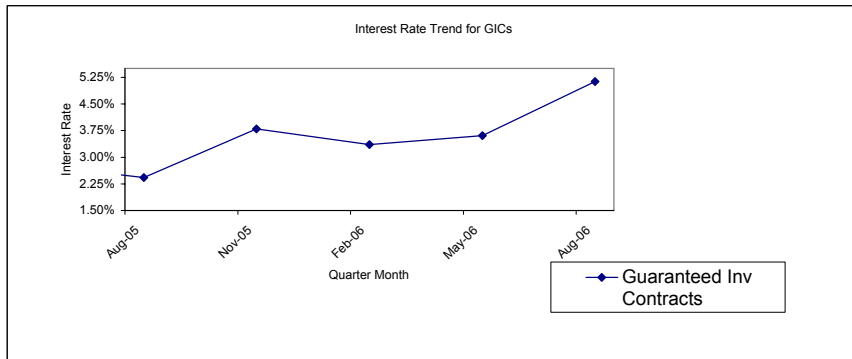
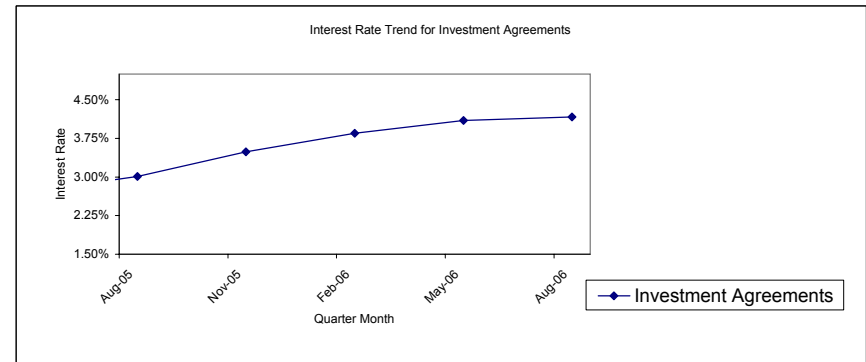
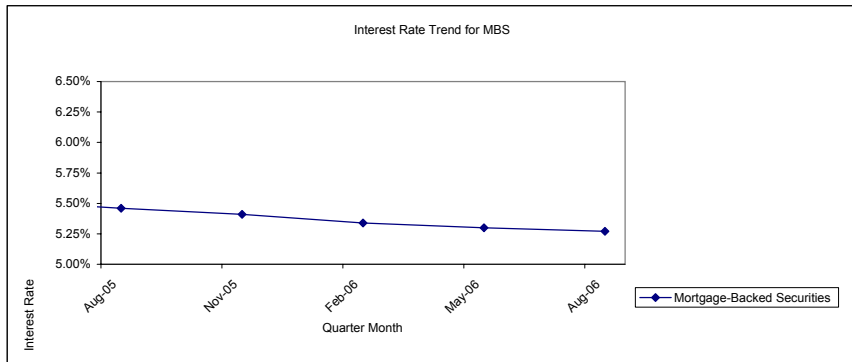
- 1) Bar Graph - Comparison of Market by Fund Group between Quarters
- 2) Analysis of Portfolio Interest Rate Trends and Maturities
- 3) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
- 4) Supplemental Public Funds Investment Act Report by Investment Type
- 5) Detail of Investments including maturity dates by Fund Group

Market Valuation Comparison By Fund Group

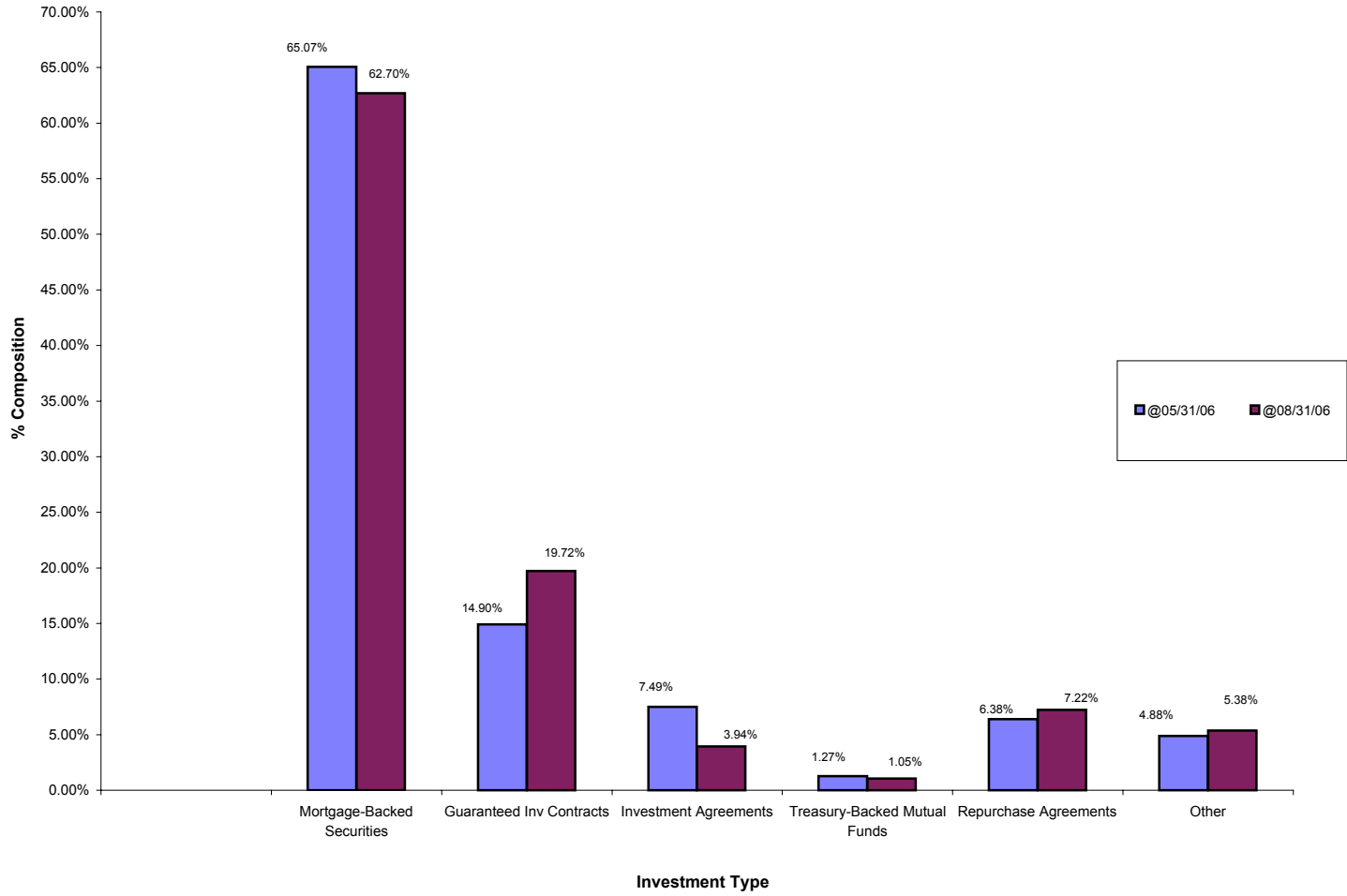


TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
Quarter August 31, 2006

INVESTMENT TYPE	Range of Interest for Current Quarter		Portfolio % Composition	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Rate	Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity		Weighted Avg Maturity	
	HI	LOW		Beg Carrying Value @ 05/31/06	Beg Market Value @ 05/31/06	End Carrying Value @ 08/31/06	End Market Value @ 08/31/06	Months @ 05/31/06	Days	Months @ 05/31/06	Days	Months @ 08/31/06	Days	Months @ 08/31/06	Days
Mortgage-Backed Securities	8.75%	4.49%	62.70%	5.27%	5.30%	5.24%	5.27%	321	27	320	17	320	8	319	5
Certificates of Deposit	5.16%	5.16%	0.50%	4.85%	4.85%	5.16%	5.16%	0	15	0	15	0	45	0	45
Guaranteed Inv Contracts	6.51%	1.49%	19.72%	3.61%	3.61%	5.13%	5.13%	65	21	65	21	38	27	38	27
Investment Agreements	4.90%	2.51%	3.94%	4.10%	4.10%	4.17%	4.17%	54	19	54	19	43	28	43	28
Money Markets	4.90%	4.36%	3.03%	4.21%	4.21%	4.51%	4.51%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	4.90%	4.36%	1.05%	4.30%	4.30%	4.60%	4.60%	0	1	0	1	0	1	0	1
Repurchase Agreements	5.36%	5.36%	7.22%	5.01%	5.01%	5.26%	5.26%	0	1	0	1	0	1	0	1
Treasury Bills	5.81%	5.81%	0.01%	5.81%	5.81%	5.81%	5.81%	0	15	0	15	0	29	0	29
Treasury Bonds/Notes	13.25%	2.59%	1.84%	2.96%	3.05%	3.01%	3.09%	10	7	10	29	7	11	8	2



Market Valuation Comparison by Investment Type





TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule
Quarter Ending August 31, 2006

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

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 05/31/06	CARRYING VALUE @ 05/31/06	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 08/31/06	FAIR VALUE (MARKET) @ 08/31/06	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Certificates of Deposit			7,011,876.10				7,011,876.10	7,011,876.10	-	0.00
Mortgage-Backed Securities	848,806,532.12	883,462,990.83	44,123,294.55	0.00	(17,158,700.07)	0.00	910,427,585.31	887,365,111.18	11,593,984.58	0.00
Guaranteed Inv Contracts	194,430,693.80	194,430,693.80	252,411,008.73	(167,769,848.22)	0.00	0.00	279,071,854.31	279,071,854.31	-	0.00
Investment Agreements	97,754,787.33	97,754,787.33	5,726,078.56	(47,764,028.25)	0.00	0.00	55,716,837.64	55,716,837.64	-	0.00
Treasury-Backed Mutual Funds	16,591,344.38	16,591,344.38	3,523,121.75	(5,206,237.96)	0.00	0.00	14,908,228.17	14,908,228.17	-	0.00
Repurchase Agreements	83,257,860.03	83,257,860.03	43,913,413.30	(24,984,259.87)	0.00	0.00	102,187,013.46	102,187,013.46	-	0.00
Money Markets	34,022,289.94	34,022,289.94	19,957,859.11	(11,043,128.19)	0.00	0.00	42,937,020.86	42,937,020.86	-	0.00
Treasury Bills	80,654.42	80,654.42	1,022.33	0.00	0.00	0.00	81,676.75	81,676.75	-	0.00
Treasury Bonds/Notes	26,215,962.53	26,000,001.69	551,721.62	(712,029.00)	0.00	0.00	25,839,694.31	26,046,840.00	(8,815.15)	0.00
Commercial Paper	3,320,357.00	3,320,357.00		(3,320,357.00)			0.00	0.00	-	
TOTAL	1,304,480,481.55	1,338,920,979.42	377,219,396.05	(260,799,888.49)	(17,158,700.07)	0.00	1,438,181,786.91	1,415,326,458.47	11,585,169.43	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

 David Cervantes, Director of Financial Administration	Date <u>10/2/06</u>
 Matt Pogor, Acting Director of Bond Finance	Date <u>9/23/06</u>

Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending August 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	5.26	08/31/06	09/01/06	571,261.57	571,261.57	110,247.11				681,508.68	681,508.68	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.26	08/31/06	09/01/06	44,344.75	44,344.75	586.20				44,930.95	44,930.95	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.26	08/31/06	09/01/06	19,273.57	19,273.57	13,334.41				32,607.98	32,607.98	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	5.26	08/31/06	09/01/06	2,590,805.36	2,590,805.36		(1,725,869.35)			864,936.01	864,936.01	-	0.00
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	720,942.32	720,942.32	579,426.07				1,300,368.39	1,300,368.39	-	0.00
Repo Agmt	1980 Single Family Surplus Rev				5.97	5.97		(5.97)					-	0.00
Repo Agmt	1980 Single Family Surplus Rev				7,661.10	7,661.10		(7,661.10)					-	0.00
	1980 Single Family Surplus Rev Total				<u>3,954,294.64</u>	<u>3,954,294.64</u>	<u>703,593.79</u>	<u>(1,733,536.42)</u>	<u>0.00</u>	<u>0.00</u>	<u>2,924,352.01</u>	<u>2,924,352.01</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1982 A Single Family	5.26	08/31/06	09/01/06			1,449.87				1,449.87	1,449.87	-	0.00
GIC's	1982 A Single Family	6.08	11/14/96	09/30/29	46,714.23	46,714.23		(14.98)			46,699.25	46,699.25	-	0.00
	1982 A Single Family Total				<u>46,714.23</u>	<u>46,714.23</u>	<u>1,449.87</u>	<u>(14.98)</u>	<u>0.00</u>	<u>0.00</u>	<u>48,149.12</u>	<u>48,149.12</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1983 A&B Single Family	5.26	08/31/06	09/01/06	15,869.27	15,869.27	44,275.93				60,145.20	60,145.20	-	0.00
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	804,265.61	804,265.61		(76,809.13)			727,456.48	727,456.48	-	0.00
T-Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	716.01	881.07	0.12				716.13	874.46	(6.73)	0.00
	1983 A&B Single Family Total				<u>820,850.89</u>	<u>821,015.95</u>	<u>44,276.05</u>	<u>(76,809.13)</u>	<u>0.00</u>	<u>0.00</u>	<u>788,317.81</u>	<u>788,476.14</u>	<u>(6.73)</u>	<u>0.00</u>
Repo Agmt	1984 A&B Single Family	5.26	08/31/06	09/01/06	10.13	10.13	3,556.90				3,567.03	3,567.03	-	0.00
T-Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	407.65	501.72	0.08				407.73	497.96	(3.84)	0.00
GIC's	1984 A&B Single Family				113,134.40	113,134.40		(113,134.40)					-	0.00
	1984 A&B Single Family Total				<u>113,552.18</u>	<u>113,646.25</u>	<u>3,556.98</u>	<u>(113,134.40)</u>	<u>0.00</u>	<u>0.00</u>	<u>3,974.76</u>	<u>4,064.99</u>	<u>(3.84)</u>	<u>0.00</u>
Repo Agmt	1985 A Single Family	5.26	08/31/06	09/01/06	16.30	16.30	5,509.53				5,525.83	5,525.83	-	0.00
GIC's	1985 A Single Family				159,333.75	159,333.75		(159,333.75)					-	0.00
	1985 A Single Family Total				<u>159,350.05</u>	<u>159,350.05</u>	<u>5,509.53</u>	<u>(159,333.75)</u>	<u>0.00</u>	<u>0.00</u>	<u>5,525.83</u>	<u>5,525.83</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1985 B&C Single Family	5.26	08/31/06	09/01/06	4.10	4.10	17,228.21				17,232.31	17,232.31	-	0.00
GIC's	1985 B&C Single Family				28,259.29	28,259.29		(28,259.29)					-	0.00
	1985 B&C Single Family Total				<u>28,263.39</u>	<u>28,263.39</u>	<u>17,228.21</u>	<u>(28,259.29)</u>	<u>0.00</u>	<u>0.00</u>	<u>17,232.31</u>	<u>17,232.31</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1987 B Single Family	5.26	08/31/06	09/01/06	22.74	22.74	24,390.16				24,412.90	24,412.90	-	0.00
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	510,626.58	510,626.58	163,874.40				674,500.98	674,500.98	-	0.00
Repo Agmt	1987 B Single Family	5.26	08/31/06	09/01/06	496,958.91	496,958.91	0.00				496,958.91	496,958.91	-	0.00
	1987 B Single Family Total				<u>1,007,608.23</u>	<u>1,007,608.23</u>	<u>188,264.56</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,195,872.79</u>	<u>1,195,872.79</u>	<u>0.00</u>	<u>0.00</u>
Repo Agmt	1995 A&B Single Family	5.26	08/31/06	09/01/06	2,451.39	2,451.39	1,764.16				4,215.55	4,215.55	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	46,756.89	46,756.89	49,093.80				95,850.69	95,850.69	-	0.00
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	1.17	1.17	0.00				1.17	1.17	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	228,022.30	230,697.61		(1,392.89)			226,629.41	230,840.88	1,536.16	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	769,572.91	773,089.70		(5,680.35)			763,892.56	772,659.95	5,250.60	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	311,162.70	311,595.23		(3,635.74)			307,526.96	310,067.14	2,107.65	0.00
Repo Agmt	1995 A&B Single Family	5.26	08/31/06	09/01/06			0.03				0.03	0.03	-	0.00
	1995 A&B Single Family Total				<u>1,357,967.36</u>	<u>1,364,591.99</u>	<u>50,857.99</u>	<u>0.00</u>	<u>(10,708.98)</u>	<u>0.00</u>	<u>1,398,116.37</u>	<u>1,413,635.41</u>	<u>8,894.41</u>	<u>0.00</u>
Repo Agmt	1996 A-C Single Family	5.26	08/31/06	09/01/06	402,947.65	402,947.65		(374,957.51)			27,990.14	27,990.14	-	0.00
Inv Agmt	1996 A-C Single Family				85,360.14	85,360.14		(85,360.14)					-	0.00
GNMA	1996 A-C Single Family				370,460.41	375,424.54			(681.21)	(369,779.20)			(4,964.13)	0.00
GNMA	1996 A-C Single Family				130,677.94	132,429.05			(249.29)	(130,428.65)			(1,751.11)	0.00
GNMA	1996 A-C Single Family				349,852.64	354,540.72			(1,930.23)	(347,922.41)			(4,688.08)	0.00
GNMA	1996 A-C Single Family				301,803.14	305,847.29			(602.79)	(301,200.35)			(4,044.15)	0.00
GNMA	1996 A-C Single Family				67,075.74	67,974.54			(134.05)	(66,941.69)			(898.80)	0.00
GNMA	1996 A-C Single Family				368,729.04	373,669.99			(644.88)	(368,084.16)			(4,940.95)	0.00

GNMA	1996 A-C Single Family				312,273.49	316,457.98			(562.98)	(311,710.51)			(4,184.49)	0.00
GNMA	1996 A-C Single Family				482,602.45	489,195.07			(1,016.26)	(481,586.19)			(6,592.62)	0.00
GNMA	1996 A-C Single Family				210,095.89	212,965.80			(843.90)	(209,251.99)			(2,869.91)	0.00
GNMA	1996 A-C Single Family				288,566.39	292,508.19			(597.46)	(287,968.93)			(3,941.80)	0.00
GNMA	1996 A-C Single Family				39,440.66	39,979.42			(81.11)	(39,359.55)			(538.76)	0.00
GNMA	1996 A-C Single Family				470,664.23	455,781.83			(1,032.53)	(469,631.70)			14,882.40	0.00
GNMA	1996 A-C Single Family				471,457.64	456,550.14			(1,137.32)	(470,320.32)			14,907.50	0.00
GNMA	1996 A-C Single Family				609,810.05	590,527.86			(1,121.68)	(608,688.37)			19,282.19	0.00
GNMA	1996 A-C Single Family				234,777.50	227,353.81			(532.35)	(234,245.15)			7,423.69	0.00
GNMA	1996 A-C Single Family				404,885.56	392,083.06			(746.78)	(404,138.78)			12,802.50	0.00
GNMA	1996 A-C Single Family				159,709.59	154,659.59			(390.52)	(159,319.07)			5,050.00	0.00
GNMA	1996 A-C Single Family				1,038,404.86	1,005,570.49			(2,044.07)	(1,036,360.79)			32,834.37	0.00
FNMA	1996 A-C Single Family				189,679.37	184,106.58			(441.48)	(189,237.89)			5,572.79	0.00
Repo Agmt	1996 A-C Single Family	5.26	08/31/06	09/01/06	441,947.62	441,947.62	5,841.38				447,789.00	447,789.00	-	0.00
Repo Agmt	1996 A-C Single Family				16,714.39	16,714.39		(16,714.39)					-	0.00
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	742,869.52	742,869.52	52,271.65				795,141.17	795,141.17	-	0.00
GNMA	1996 A-C Single Family				96,934.54	93,869.45			(212.65)	(96,721.89)			3,065.09	0.00
GNMA	1996 A-C Single Family				97,097.92	94,027.69			(234.23)	(96,863.69)			3,070.23	0.00
GNMA	1996 A-C Single Family				125,591.94	121,620.74			(231.01)	(125,360.93)			3,971.20	0.00
GNMA	1996 A-C Single Family				48,352.99	46,824.10			(109.64)	(48,243.35)			1,528.89	0.00
GNMA	1996 A-C Single Family				83,387.19	80,750.52			(153.80)	(83,233.39)			2,636.67	0.00
GNMA	1996 A-C Single Family				32,892.63	31,852.54			(80.43)	(32,812.20)			1,040.09	0.00
GNMA	1996 A-C Single Family				213,862.15	207,099.84			(420.98)	(213,441.17)			6,762.31	0.00
GNMA	1996 A-C Single Family				5,849.02	5,896.24			(6.81)	(5,842.21)			(47.22)	0.00
GNMA	1996 A-C Single Family				13,143.63	13,249.10			(15.00)	(13,128.63)			(105.47)	0.00
GNMA	1996 A-C Single Family				13,706.23	13,337.44			(17.76)	(13,688.47)			368.79	0.00
GNMA	1996 A-C Single Family				9,306.71	9,381.46			(206.89)	(9,099.82)			(74.75)	0.00
GNMA	1996 A-C Single Family				11,876.14	11,556.12			(15.49)	(11,860.65)			320.02	0.00
GNMA	1996 A-C Single Family				16,552.17	16,684.50			(20.55)	(16,531.62)			(132.33)	0.00
GNMA	1996 A-C Single Family				3,547.10	3,451.55			(4.60)	(3,542.50)			95.55	0.00
GNMA	1996 A-C Single Family				11,043.30	11,132.08			(13.18)	(11,030.12)			(88.78)	0.00
GNMA	1996 A-C Single Family				6,472.92	6,524.79			(8.27)	(6,464.65)			(51.87)	0.00
GNMA	1996 A-C Single Family				2,870.63	2,793.35			(5.84)	(2,864.79)			77.28	0.00
GNMA	1996 A-C Single Family				3,124.00	3,149.07			(3.54)	(3,120.46)			(25.07)	0.00
GNMA	1996 A-C Single Family				7,043.73	6,854.14			(10.61)	(7,033.12)			189.59	0.00
GNMA	1996 A-C Single Family				4,114.69	4,147.76			(4.64)	(4,110.05)			(33.07)	0.00
GNMA	1996 A-C Single Family				5,037.34	4,901.85			(6.46)	(5,030.88)			135.49	0.00
GNMA	1996 A-C Single Family				21,380.01	21,551.85			(27.22)	(21,352.79)			(171.84)	0.00
GNMA	1996 A-C Single Family				13,660.80	13,293.42			(17.86)	(13,642.94)			367.38	0.00
GNMA	1996 A-C Single Family				5,165.73	5,207.25			(6.34)	(5,159.39)			(41.52)	0.00
GNMA	1996 A-C Single Family				7,329.41	7,132.31			(9.82)	(7,319.59)			197.10	0.00
GNMA	1996 A-C Single Family				3,185.62	3,211.29			(3.57)	(3,182.05)			(25.67)	0.00
GNMA	1996 A-C Single Family				5,489.08	5,341.56			(7.18)	(5,481.90)			147.52	0.00
GNMA	1996 A-C Single Family				6,042.92	6,091.67			(12.08)	(6,030.84)			(48.75)	0.00
GNMA	1996 A-C Single Family				10,393.05	10,113.85			(13.29)	(10,379.76)			279.20	0.00
GNMA	1996 A-C Single Family				8,826.90	8,898.13			(10.22)	(8,816.68)			(71.23)	0.00
GNMA	1996 A-C Single Family				5,134.22	4,996.30			(6.54)	(5,127.68)			137.92	0.00
GNMA	1996 A-C Single Family				24,692.51	24,881.64			(28.64)	(24,663.87)			(189.13)	0.00
GNMA	1996 A-C Single Family				9,018.98	8,773.71			(11.54)	(9,007.44)			245.27	0.00
GNMA	1996 A-C Single Family				5,509.07	5,551.27			(7.29)	(5,501.78)			(42.20)	0.00
GNMA	1996 A-C Single Family				5,191.78	5,050.62			(6.57)	(5,185.21)			141.16	0.00
GNMA	1996 A-C Single Family				18,077.45	18,215.96			(22.89)	(18,054.56)			(138.51)	0.00
GNMA	1996 A-C Single Family				17,329.85	16,858.65			(31.21)	(17,298.64)			471.20	0.00
GNMA	1996 A-C Single Family				21,431.23	21,595.76			(28.59)	(21,402.64)			(164.53)	0.00
GNMA	1996 A-C Single Family				8,707.37	8,774.26			(9.88)	(8,697.49)			(66.89)	0.00
GNMA	1996 A-C Single Family				5,943.31	5,781.90			(7.44)	(5,935.87)			161.41	0.00
GNMA	1996 A-C Single Family				22,089.96	22,259.80			(24.58)	(22,065.38)			(169.84)	0.00
GNMA	1996 A-C Single Family				5,394.93	5,248.35			(6.82)	(5,388.11)			146.58	0.00
GNMA	1996 A-C Single Family				21,090.71	21,253.11			(23.98)	(21,066.73)			(162.40)	0.00
GNMA	1996 A-C Single Family				7,956.56	8,017.95			(8.90)	(7,947.66)			(61.39)	0.00

GNMA	1996 A-C Single Family				5,529.83	5,379.74		(7.62)	(5,522.21)	150.09	0.00			
GNMA	1996 A-C Single Family				10,112.01	10,190.11		(11.61)	(10,100.40)	(78.10)	0.00			
GNMA	1996 A-C Single Family				8,083.83	8,146.23		(8.91)	(8,074.92)	(62.40)	0.00			
GNMA	1996 A-C Single Family				16,056.52	16,180.55		(20.27)	(16,036.25)	(124.03)	0.00			
GNMA	1996 A-C Single Family				3,575.33	3,602.94		(5.55)	(3,569.78)	(27.61)	0.00			
GNMA	1996 A-C Single Family				4,594.21	4,469.57		(5.81)	(4,588.40)	124.64	0.00			
GNMA	1996 A-C Single Family				8,266.58	8,330.54		(9.11)	(8,257.47)	(63.96)	0.00			
GNMA	1996 A-C Single Family				8,550.04	8,616.21		(9.74)	(8,540.30)	(66.17)	0.00			
GNMA	1996 A-C Single Family				4,443.34	4,477.76		(5.01)	(4,438.33)	(34.42)	0.00			
GNMA	1996 A-C Single Family				2,599.72	2,619.86		(3.02)	(2,596.70)	(20.14)	0.00			
GNMA	1996 A-C Single Family				4,251.12	4,284.08		(4.79)	(4,246.33)	(32.96)	0.00			
GNMA	1996 A-C Single Family				9,043.79	9,113.98		(10.56)	(9,033.23)	(70.19)	0.00			
GNMA	1996 A-C Single Family				3,231.00	3,256.12		(3.53)	(3,227.47)	(25.12)	0.00			
GNMA	1996 A-C Single Family				3,204.78	3,229.74		(3.53)	(3,201.25)	(24.96)	0.00			
GNMA	1996 A-C Single Family				4,135.00	4,167.22		(4.64)	(4,130.36)	(32.22)	0.00			
GNMA	1996 A-C Single Family				2,620.86	2,641.36		(2.89)	(2,617.97)	(20.50)	0.00			
GNMA	1996 A-C Single Family				4,745.61	4,782.71		(8.75)	(4,736.86)	(37.10)	0.00			
GNMA	1996 A-C Single Family				4,416.58	4,451.12		(4.95)	(4,411.63)	(34.54)	0.00			
GNMA	1996 A-C Single Family				2,446.07	2,465.20		(2.62)	(2,443.45)	(19.13)	0.00			
GNMA	1996 A-C Single Family				2,793.76	2,815.71		(2.96)	(2,790.80)	(21.95)	0.00			
GNMA	1996 A-C Single Family				8,381.92	8,448.00		(9.03)	(8,372.89)	(66.08)	0.00			
GNMA	1996 A-C Single Family				7,728.59	7,789.55		(8.24)	(7,720.35)	(60.96)	0.00			
GNMA	1996 A-C Single Family				3,308.32	3,334.72		(3.45)	(3,304.87)	(26.40)	0.00			
GNMA	1996 A-C Single Family				5,245.10	5,285.08		(5.32)	(5,239.78)	(39.98)	0.00			
GNMA	1996 A-C Single Family				23,827.60	23,206.80		(28.11)	(23,799.49)	620.80	0.00			
GNMA	1996 A-C Single Family				2,017.87	2,033.30		(2.04)	(2,015.83)	(15.43)	0.00			
GNMA	1996 A-C Single Family				42,661.96	41,549.70		(49.33)	(42,612.63)	1,112.26	0.00			
GNMA	1996 A-C Single Family				37,348.48	36,377.30		(46.30)	(37,302.18)	971.18	0.00			
GNMA	1996 A-C Single Family				52,947.97	51,472.57		(60.83)	(52,887.14)	1,475.40	0.00			
GNMA	1996 A-C Single Family				47,919.33	46,673.79		(58.35)	(47,860.98)	1,245.54	0.00			
GNMA	1996 A-C Single Family				18,021.43	17,552.04		(21.80)	(17,999.63)	469.39	0.00			
GNMA	1996 A-C Single Family				18,210.44	17,736.25		(21.46)	(18,188.98)	474.19	0.00			
GNMA	1996 A-C Single Family				24,262.63	23,630.90		(28.53)	(24,234.10)	631.73	0.00			
GNMA	1996 A-C Single Family				19,525.34	19,017.13		(22.53)	(19,502.81)	508.21	0.00			
GNMA	1996 A-C Single Family				39,929.65	38,890.59		(45.24)	(39,884.41)	1,039.06	0.00			
GNMA	1996 A-C Single Family				10,500.25	10,227.07		(12.78)	(10,487.47)	273.18	0.00			
GNMA	1996 A-C Single Family				6,819.06	6,641.69		(9.87)	(6,809.19)	177.37	0.00			
GNMA	1996 A-C Single Family				20,970.25	20,426.60		(25.12)	(20,945.13)	543.65	0.00			
GNMA	1996 A-C Single Family				47,537.65	46,214.46		(62.61)	(47,475.04)	1,323.19	0.00			
GNMA	1996 A-C Single Family				7,869.75	7,235.03		(10.56)	(7,859.19)	634.72	0.00			
GNMA	1996 A-C Single Family				84,652.05	82,454.35		(97.15)	(84,554.90)	2,197.70	0.00			
GNMA	1996 A-C Single Family				16,387.78	15,066.14		(22.00)	(16,365.78)	1,321.64	0.00			
GNMA	1996 A-C Single Family				19,520.51	18,977.39		(211.23)	(19,309.28)	543.12	0.00			
GNMA	1996 A-C Single Family				29,523.59	27,069.51		(40.60)	(29,482.99)	2,454.08	0.00			
GNMA	1996 A-C Single Family				128,739.89	118,039.17		0.00	(128,739.89)	10,700.72	0.00			
GNMA	1996 A-C Single Family				23,118.21	22,518.33		(26.16)	(23,092.05)	599.88	0.00			
GNMA	1996 A-C Single Family				27,487.72	25,203.14		(67.40)	(27,420.32)	2,284.58	0.00			
GNMA	1996 A-C Single Family				7,418.42	7,225.95		(8.74)	(7,409.68)	192.47	0.00			
GNMA	1996 A-C Single Family				39,888.72	36,573.72		(53.61)	(39,835.11)	3,315.00	0.00			
GNMA	1996 A-C Single Family				13,914.33	13,553.88		(4,571.74)	(9,342.59)	360.45	0.00			
GNMA	1996 A-C Single Family				3,000.71	2,922.36		(3.27)	(2,997.44)	78.35	0.00			
FNMA	1996 A-C Single Family				2,935.02	2,835.20		(3.85)	(2,931.17)	99.82	0.00			
FNMA	1996 A-C Single Family				3,240.87	3,247.38		(9.57)	(3,231.30)	(6.51)	0.00			
FNMA	1996 A-C Single Family				7,141.06	6,907.40		(7.58)	(7,133.48)	233.66	0.00			
FNMA	1996 A-C Single Family				5,204.66	5,199.45		(5.38)	(5,199.28)	5.21	0.00			
FNMA	1996 A-C Single Family				15,343.53	14,802.99		(17.68)	(15,325.85)	540.54	0.00			
FNMA	1996 A-C Single Family				15,567.32	14,244.86		(20.70)	(15,546.62)	1,322.46	0.00			
	1996 A-C Single Family Total				10,262,472.29	10,128,474.75	58,113.03	(477,032.04)	(22,739.75)	(8,549,893.22)	1,270,920.31	1,270,920.31	133,997.54	0.00
T-Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	936,874.03	1,152,575.74	158.21			937,032.24	1,143,929.37	(8,804.58)	0.00	

Repo Agmt	1996 D&E Single Family	5.26	08/31/06	09/01/06	416,084.55	416,084.55	5,499.55		421,584.10	421,584.10	-	0.00
Repo Agmt	1996 D&E Single Family	5.26	08/31/06	09/01/06	1,110,719.35	1,110,719.35		(1,087,461.68)	23,257.67	23,257.67	-	0.00
GIC's	1996 D&E Single Family				890,372.38	890,372.38		(890,372.38)			-	0.00
FNMA	1996 D&E Single Family				313,476.34	314,736.52					(1,260.18)	0.00
FNMA	1996 D&E Single Family				335,853.44	337,203.59					(1,350.15)	0.00
FNMA	1996 D&E Single Family				315,670.31	316,939.29					(1,268.98)	0.00
FNMA	1996 D&E Single Family				212,137.95	214,038.72					(1,900.77)	0.00
FNMA	1996 D&E Single Family				268,573.81	270,980.21					(2,406.40)	0.00
FNMA	1996 D&E Single Family				270,394.45	272,817.18					(2,422.73)	0.00
GNMA	1996 D&E Single Family				2,612,645.09	2,626,701.12					(14,056.03)	0.00
GNMA	1996 D&E Single Family				1,043,995.01	1,049,611.71					(5,616.70)	0.00
GNMA	1996 D&E Single Family				762,106.98	766,207.04					(4,100.06)	0.00
GNMA	1996 D&E Single Family				1,234,862.95	1,241,506.46					(6,643.51)	0.00
GNMA	1996 D&E Single Family				1,796,005.47	1,805,667.94					(9,662.47)	0.00
GNMA	1996 D&E Single Family				523,739.19	526,556.97					(2,817.78)	0.00
GNMA	1996 D&E Single Family				599,593.04	602,818.86					(3,225.82)	0.00
GNMA	1996 D&E Single Family				684,542.85	688,225.69					(3,682.84)	0.00
GNMA	1996 D&E Single Family				1,468,860.26	1,476,762.76					(7,902.50)	0.00
GNMA	1996 D&E Single Family				1,544,629.93	1,552,940.01					(8,310.08)	0.00
GNMA	1996 D&E Single Family				489,139.81	491,771.37					(2,631.56)	0.00
GNMA	1996 D&E Single Family				508,934.89	511,672.97					(2,738.08)	0.00
GNMA	1996 D&E Single Family				538,812.47	541,711.32					(2,898.85)	0.00
GNMA	1996 D&E Single Family				543,166.96	546,089.20					(2,922.24)	0.00
GNMA	1996 D&E Single Family				460,080.88	462,556.12					(2,475.24)	0.00
GNMA	1996 D&E Single Family				534,817.10	537,694.38					(2,877.28)	0.00
GNMA	1996 D&E Single Family				800,947.90	805,257.01					(4,309.11)	0.00
GNMA	1996 D&E Single Family				1,125,136.43	1,131,369.68					(6,233.25)	0.00
GNMA	1996 D&E Single Family				765,607.91	769,849.41					(4,241.50)	0.00
GNMA	1996 D&E Single Family				212,912.58	214,091.92					(1,179.34)	0.00
GNMA	1996 D&E Single Family				347,220.69	349,144.29					(1,923.60)	0.00
GNMA	1996 D&E Single Family				194,028.27	195,103.16					(1,074.89)	0.00
GNMA	1996 D&E Single Family				162,877.36	163,779.68					(902.32)	0.00
GNMA	1996 D&E Single Family				190,167.03	191,220.57					(1,053.54)	0.00
GNMA	1996 D&E Single Family				1,129,095.72	1,135,350.94					(6,255.22)	0.00
GNMA	1996 D&E Single Family				194,827.51	195,877.64					(1,050.13)	0.00
GNMA	1996 D&E Single Family				47,049.75	47,303.35					(253.60)	0.00
GNMA	1996 D&E Single Family				266,759.56	268,197.42					(1,437.86)	0.00
FNMA	1996 D&E Single Family				204,062.20	205,831.42					(1,769.22)	0.00
Repo Agmt	1996 D&E Single Family	5.26	08/31/06	09/01/06	563,303.41	563,303.41	7,445.37		570,748.78	570,748.78	-	0.00
Repo Agmt	1996 D&E Single Family				132.37	132.37		(132.37)			-	0.00
GIC's	1996 D&E Single Family	6.08	04/06/98	09/30/29	248,087.14	248,087.14	53,714.29		301,801.43	301,801.43	-	0.00
FNMA	1996 D&E Single Family				39,064.97	37,917.23					1,147.74	0.00
GNMA	1996 D&E Single Family				11,115.34	10,708.50					406.84	0.00
GNMA	1996 D&E Single Family				3,163.44	3,188.70					(25.26)	0.00
GNMA	1996 D&E Single Family				7,538.97	7,599.14					(60.17)	0.00
GNMA	1996 D&E Single Family				17,399.25	16,930.31					468.94	0.00
GNMA	1996 D&E Single Family				98,766.69	90,560.34					8,206.35	0.00
GNMA	1996 D&E Single Family				92,080.05	84,429.79					7,650.26	0.00
GNMA	1996 D&E Single Family				102,083.41	93,600.03					8,483.38	0.00
GNMA	1996 D&E Single Family				165,369.13	151,627.97					13,741.16	0.00
GNMA	1996 D&E Single Family				97,308.89	89,224.74					8,084.15	0.00
GNMA	1996 D&E Single Family				112,423.85	103,084.49					9,339.36	0.00
GNMA	1996 D&E Single Family				201,322.22	184,416.46					16,905.76	0.00
GNMA	1996 D&E Single Family				22,428.69	21,838.18					590.51	0.00
GNMA	1996 D&E Single Family				110,568.34	101,284.11					9,284.23	0.00
GNMA	1996 D&E Single Family				9,555.62	9,304.08					251.54	0.00
GNMA	1996 D&E Single Family				133,615.94	122,397.07					11,218.87	0.00
GNMA	1996 D&E Single Family				13,204.17	12,856.70					347.47	0.00
GNMA	1996 D&E Single Family				152,000.20	139,238.71					12,761.49	0.00
GNMA	1996 D&E Single Family				220,158.09	201,675.70					18,482.39	0.00

GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	64,693.14	59,460.56		(284.65)	64,408.49	60,494.21	1,318.30	0.00		
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	78,242.65	71,715.22		(355.47)	77,887.18	72,956.55	1,596.80	0.00		
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	70,302.08	64,614.01		(299.58)	70,002.50	65,746.30	1,431.87	0.00		
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	147,717.53	135,395.93		(623.24)	147,094.29	137,783.93	3,011.24	0.00		
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	72,448.05	66,403.83		(10,023.95)	62,424.10	58,562.37	2,182.49	0.00		
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	12,715.58	11,686.70		(49.71)	12,665.87	11,895.66	258.67	0.00		
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	30,813.69	28,405.89		(120.02)	30,693.67	28,914.54	628.67	0.00		
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	23,786.75	21,802.13		(92.73)	23,694.02	22,193.73	484.33	0.00		
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	13,934.35	12,806.54		(53.80)	13,880.55	13,036.15	283.41	0.00		
GNMA	1997 D-F Single Family	5.40	10/20/05	09/20/35	2,188.83	2,132.50		(7.41)	2,181.42	2,164.28	39.19	0.00		
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	30,551.94	27,906.54		(127.66)	30,424.28	28,460.95	682.07	0.00		
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,518.98	5,954.34		(24.80)	6,494.18	6,074.90	145.36	0.00		
Repo Agmt	1997 D-F Single Family	5.26	08/31/06	09/01/06			17,389.01		17,389.01	17,389.01	-	0.00		
Repo Agmt	1997 D-F Single Family	5.26	08/31/06	09/01/06			2,281,633.83		2,281,633.83	2,281,633.83	-	0.00		
Repo Agmt	1997 D-F Single Family	5.26	08/31/06	09/01/06			11,357.71		11,357.71	11,357.71	-	0.00		
GIC's	1997 D-F Single Family	5.91	12/04/97	03/01/30			560,918.61		560,918.61	560,918.61	-	0.00		
Repo Agmt	1997 D-F Single Family	5.26	08/31/06	09/01/06			155,087.72		155,087.72	155,087.72	-	0.00		
1997 D-F Single Family Total					28,675,870.47	28,086,189.46	3,026,386.88	(1,474,051.35)	(1,121,645.18)	0.00	29,106,560.82	28,922,709.10	405,829.29	0.00
Repo Agmt	2002A Single Family (JR Lien)				60,222.64	60,222.64		(60,222.64)			-	0.00		
Repo Agmt	2002A Single Family (JR Lien)				9,059.20	9,059.20		(9,059.20)			-	0.00		
Repo Agmt	2002A Single Family (JR Lien)				626,343.90	626,343.90		(626,343.90)			-	0.00		
Repo Agmt	2002A Single Family (JR Lien)				299,999.95	299,999.95		(299,999.95)			-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06	81,700.24	81,700.24	9,671.91		91,372.15	91,372.15	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06	68,266.51	68,266.51	0.00		68,266.51	68,266.51	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06			299,999.95		299,999.95	299,999.95	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06			9,059.20		9,059.20	9,059.20	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06			527,575.27		527,575.27	527,575.27	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06			101,330.15		101,330.15	101,330.15	-	0.00		
Repo Agmt	2002A Single Family (JR Lien)	5.26	08/31/06	09/01/06			17,233.38		17,233.38	17,233.38	-	0.00		
2002A Single Family (JR Lien) Total					1,145,592.44	1,145,592.44	964,869.86	(995,625.69)	0.00	0.00	1,114,836.61	1,114,836.61	0.00	0.00
Repo Agmt	2004 A/B Single Family				1,055,668.77	1,055,668.77		(1,055,668.77)			-	0.00		
Repo Agmt	2004 A/B Single Family				141,813.53	141,813.53		(141,813.53)			-	0.00		
GIC's	2004 A/B Single Family				2,850,678.46	2,850,678.46		(2,850,678.46)			-	0.00		
Repo Agmt	2004 A/B Single Family	5.26	08/31/06	09/01/06	68.89	68.89	1,261.28		1,330.17	1,330.17	-	0.00		
GIC's	2004 A/B Single Family	1.49	04/28/04	09/01/06	166,379.11	166,379.11	0.00		166,379.11	166,379.11	-	0.00		
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,482,831.40	1,359,434.58		(126,838.24)	1,355,993.16	1,269,855.11	37,258.77	0.00		
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,119,338.21	1,026,192.28		(5,243.34)	1,114,094.87	1,043,325.26	22,376.32	0.00		
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	948,478.07	869,542.45		(116,130.19)	832,347.88	779,468.38	26,056.12	0.00		
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	1,530,243.52	1,402,972.01		(119,832.38)	1,410,411.14	1,320,882.89	37,743.26	0.00		
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	2,039,712.49	1,870,083.16		(8,806.18)	2,030,906.31	1,902,006.43	40,729.45	0.00		
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	3,011,134.51	2,760,729.61		(142,632.49)	2,868,502.02	2,686,451.50	68,354.38	0.00		
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	958,685.54	878,968.70		(4,073.02)	954,612.52	894,034.93	19,139.25	0.00		
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,629,627.94	1,494,128.24		(7,307.65)	1,622,320.29	1,519,379.07	32,558.48	0.00		
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,623,327.55	2,405,223.52		(11,028.81)	2,612,298.74	2,446,560.10	52,365.39	0.00		
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,240,402.36	2,053,979.35		(9,682.78)	2,230,719.58	2,089,032.34	44,735.77	0.00		
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	2,104,468.66	1,929,368.31		(8,796.74)	2,095,671.92	1,962,574.29	42,002.72	0.00		
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,618,752.15	2,400,873.42		(125,702.46)	2,493,049.69	2,334,726.06	59,555.10	0.00		
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	3,449,194.56	3,162,249.04		(14,363.85)	3,434,830.71	3,216,724.34	68,839.15	0.00		
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	3,978,074.64	3,647,152.60		(17,081.19)	3,960,993.45	3,709,499.03	79,427.62	0.00		
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,682,757.76	3,376,422.53		(17,097.18)	3,665,660.58	3,432,938.44	73,613.09	0.00		
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	272,519.40	260,335.59		(996.89)	271,522.51	264,573.54	5,234.84	0.00		
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,851,879.50	1,697,848.72		(7,732.67)	1,844,146.83	1,727,077.76	36,961.71	0.00		
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	85,483.31	81,662.02		(311.00)	85,172.31	82,993.03	1,642.01	0.00		
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,079,328.98	989,643.27		(6,020.40)	1,073,308.58	1,005,262.69	21,639.82	0.00		
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	295,699.56	281,769.86		(1,467.83)	294,231.73	285,990.21	5,688.18	0.00		
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	373,459.88	342,429.70		(1,493.95)	371,965.93	348,386.06	7,450.31	0.00		
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	213,808.42	204,269.66		(920.04)	212,888.38	207,460.53	4,110.91	0.00		
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	339,321.54	323,339.84		(1,213.97)	338,107.57	328,640.06	6,514.19	0.00		

GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	(42.13)	16,531.62	16,489.49	16,736.35	246.86	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	(9.77)	3,542.50	3,532.73	3,503.44	(29.29)	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	(26.55)	11,030.12	11,003.57	11,168.81	165.24	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	(16.60)	6,464.65	6,448.05	6,544.72	96.67	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	(10.54)	2,864.79	2,854.25	2,830.64	(23.61)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/05/02	10/20/32	(7.17)	3,120.46	3,113.29	3,160.00	46.71	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	(21.37)	7,033.12	7,011.75	6,953.77	(57.98)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	(9.36)	4,110.05	4,100.69	4,162.26	61.57	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	(13.27)	5,030.88	5,017.61	4,976.21	(41.40)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	(55.26)	21,352.79	21,297.53	21,617.30	319.77	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	(37.14)	13,642.94	13,605.80	13,493.63	(112.17)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	(12.72)	5,159.39	5,146.67	5,223.94	77.27	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	(19.77)	7,319.59	7,299.82	7,239.66	(60.16)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/12/02	12/20/32	(7.20)	3,182.05	3,174.85	3,222.59	47.74	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	(17.13)	5,481.90	5,464.77	5,419.83	(44.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	(26.76)	6,030.84	6,004.08	6,094.41	90.33	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	(26.77)	10,379.76	10,352.99	10,267.95	(85.04)	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	(20.63)	8,816.68	8,796.05	8,928.39	132.34	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	(13.17)	5,127.68	5,114.51	5,072.51	(42.00)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	(57.84)	24,663.87	24,606.03	24,966.68	360.65	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	(23.25)	9,007.44	8,984.19	8,909.61	(74.58)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	(12.52)	5,501.78	5,489.26	5,569.70	80.44	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	(13.24)	5,185.21	5,171.97	5,129.07	(42.90)	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	(43.31)	18,054.56	18,011.25	18,275.29	264.04	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	(48.56)	17,298.64	17,250.08	17,106.94	(143.14)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	(64.13)	21,402.64	21,338.51	21,651.63	313.12	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	(19.92)	8,697.49	8,677.57	8,804.94	127.37	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	(14.96)	5,935.87	5,920.91	5,871.97	(48.94)	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	(50.66)	22,065.38	22,014.72	22,338.04	323.32	0.00
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	(15.86)	5,388.11	5,372.25	5,327.77	(44.48)	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	(5,155.78)	21,066.73	15,910.95	16,144.80	233.85	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	(17.97)	7,947.66	7,929.69	8,046.36	116.67	0.00
GNMA	2006 ABCDE Single Family	5.40	03/24/03	02/20/33	(15.35)	5,522.21	5,506.86	5,461.44	(45.42)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	(23.76)	10,100.40	10,076.64	10,224.97	148.33	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	(17.97)	8,074.92	8,056.95	8,175.54	118.59	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	(43.59)	16,036.25	15,992.66	16,228.11	235.45	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	(7.94)	3,569.78	3,561.84	3,614.28	52.44	0.00
GNMA	2006 ABCDE Single Family	5.40	04/10/03	01/20/33	(11.71)	4,588.40	4,576.69	4,538.99	(37.70)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	(18.37)	8,257.47	8,239.10	8,360.50	121.40	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	(19.64)	8,540.30	8,520.66	8,646.23	125.57	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	(10.11)	4,438.33	4,428.22	4,493.50	65.28	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	(6.10)	2,596.70	2,590.60	2,628.79	38.19	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	(9.65)	4,246.33	4,236.68	4,299.18	62.50	0.00
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	(20.64)	9,033.23	9,012.59	9,145.61	133.02	0.00
GNMA	2006 ABCDE Single Family	6.15	05/22/03	05/20/33	(7.12)	3,227.47	3,220.35	3,267.94	47.59	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	(7.13)	3,201.25	3,194.12	3,241.34	47.22	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	(9.02)	4,130.36	4,121.34	4,182.29	60.95	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	(5.83)	2,617.97	2,612.14	2,650.85	38.71	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	(17.65)	4,736.86	4,719.21	4,789.13	69.92	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	(10.00)	4,411.63	4,401.63	4,466.87	65.24	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	(5.31)	2,443.45	2,438.14	2,474.28	36.14	0.00
GNMA	2006 ABCDE Single Family	6.15	09/04/03	08/20/33	(5.97)	2,790.80	2,784.83	2,826.19	41.36	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	(18.10)	8,372.89	8,354.79	8,479.13	124.34	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	(4,797.33)	7,720.35	2,923.02	2,966.54	43.52	0.00
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	(6.95)	3,304.87	3,297.92	3,347.32	49.40	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	(10.90)	5,239.78	5,228.88	5,305.97	77.09	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	(5,807.87)	23,799.49	17,991.62	17,847.15	(144.47)	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	(4.98)	2,015.83	2,010.85	2,040.55	29.70	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	(99.45)	42,612.63	42,513.18	42,171.02	(342.16)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	(85.95)	37,302.18	37,216.23	36,919.28	(296.95)	0.00

GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	(122.52)	52,887.14	52,764.62	52,244.87	(519.75)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	(108.17)	47,860.98	47,752.81	47,372.32	(380.49)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	(43.83)	17,999.63	17,955.80	17,811.73	(144.07)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	(56.76)	18,188.98	18,132.22	17,986.88	(145.34)	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	(57.40)	24,234.10	24,176.70	23,982.95	(193.75)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	(45.37)	19,502.81	19,457.44	19,301.71	(155.73)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	(9,814.53)	39,884.41	30,069.88	29,829.36	(240.52)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	(25.72)	10,487.47	10,461.75	10,378.16	(83.59)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/26/04	08/20/34	(21.63)	6,809.19	6,787.56	6,733.35	(54.21)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	(47.99)	20,945.13	20,897.14	20,732.07	(165.07)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	(116.04)	47,475.04	47,359.00	46,893.94	(465.06)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	(21.24)	7,859.19	7,837.95	7,360.31	(477.64)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	(6,145.60)	84,554.90	78,409.30	77,787.00	(622.30)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	(44.26)	16,365.78	16,321.52	15,327.00	(994.52)	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	140.12	19,309.28	19,449.40	19,258.65	(190.75)	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	(149.90)	29,482.99	29,333.09	27,472.55	(1,860.54)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	(585.32)	128,739.89	128,154.57	120,026.52	(8,128.05)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	(52.70)	23,092.05	23,039.35	22,856.80	(182.55)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	(75.76)	27,420.32	27,344.56	25,610.44	(1,734.12)	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	(3,989.29)	7,409.68	3,420.39	3,393.29	(27.10)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	(117.18)	39,835.11	39,717.93	37,199.40	(2,518.53)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/23/04	12/20/34	(21.28)	9,342.59	9,321.31	9,247.87	(73.44)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	(11.37)	2,997.44	2,986.07	2,961.13	(24.94)	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	(7.76)	2,931.17	2,923.41	2,876.52	(46.89)	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	(19.32)	3,231.30	3,211.98	3,242.75	30.77	0.00
FNMA	2006 ABCDE Single Family	5.45	03/01/04	02/01/34	(15.28)	7,133.48	7,118.20	7,013.07	(105.13)	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	(10.84)	5,199.28	5,188.44	5,223.54	35.10	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	(35.61)	15,325.85	15,290.24	15,026.20	(264.04)	0.00
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	(41.42)	15,546.62	15,505.20	14,525.89	(979.31)	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	(29.56)	11,100.67	11,071.11	10,978.76	(92.35)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	(7.59)	3,157.33	3,149.74	3,196.87	47.13	0.00
GNMA	2006 ABCDE Single Family	6.15	09/19/02	09/20/32	(18.77)	7,530.25	7,511.48	7,623.83	112.35	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	(5,176.68)	17,373.63	12,196.95	12,095.67	(101.28)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	(350.02)	98,624.78	98,274.76	92,044.89	(6,229.87)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	(240.61)	91,960.47	91,719.86	85,906.04	(5,813.82)	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	(289.59)	101,942.79	101,653.20	95,207.69	(6,445.51)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	(503.60)	165,138.50	164,634.90	154,197.35	(10,437.55)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	(254.58)	97,182.37	96,927.79	90,784.40	(6,143.39)	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	(7,370.82)	112,275.24	104,904.42	98,255.93	(6,648.49)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	(554.22)	201,048.79	200,494.57	187,666.02	(12,828.55)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	(49.52)	22,404.11	22,354.59	22,162.91	(191.68)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	(329.27)	110,386.31	110,057.04	103,015.70	(7,041.34)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	(20.96)	9,545.21	9,524.25	9,442.63	(81.62)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	(395.38)	133,390.25	132,994.87	124,486.61	(8,508.26)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	(28.97)	13,189.78	13,160.81	13,048.14	(112.67)	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	(499.83)	151,758.01	151,258.18	141,582.55	(9,675.63)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	(614.44)	219,803.59	219,189.15	205,169.59	(14,019.56)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	(207.71)	73,542.72	73,335.01	68,644.84	(4,690.17)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	(9,132.39)	160,305.69	151,173.30	141,504.96	(9,668.34)	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	(21.82)	9,716.87	9,695.05	9,619.09	(75.96)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	(285.14)	106,118.00	105,832.86	99,064.90	(6,767.96)	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	(258.10)	97,994.30	97,736.20	91,486.56	(6,249.64)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	(261.29)	94,798.09	94,536.80	88,492.37	(6,044.43)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	(104.90)	39,415.35	39,310.45	36,797.31	(2,513.14)	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	(14.51)	6,321.69	6,307.18	6,253.48	(53.70)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	(192.00)	60,105.10	59,913.10	56,083.10	(3,830.00)	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	(153.48)	59,451.07	59,297.59	55,507.28	(3,790.31)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	(244.67)	81,645.27	81,400.60	76,198.43	(5,202.17)	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	(149.77)	58,563.50	58,413.73	54,827.17	(3,586.56)	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	(25.56)	11,579.69	11,554.13	11,434.58	(119.55)	0.00

2005A Single Family Total	100,289,740.95	95,018,571.69	20,984,889.12	(19,371,636.06)	(241,789.73)	0.00	101,661,204.28	96,572,208.78	182,173.76	0.00
Total Single Family Investment Summary	599,192,212.98	572,708,858.10	318,572,396.17	(62,307,251.42)	(8,947,278.21)	0.00	846,510,079.52	826,803,243.74	6,776,519.10	0.00

GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	101,983.16	98,851.24	(1,525.51)	100,457.65	99,178.72	1,852.99	0.00			
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	24,282.91	23,492.11	(87.78)	24,195.13	23,841.96	437.63	0.00			
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,175.24	4,047.04	(17.73)	4,157.51	4,104.62	75.31	0.00			
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	1,539.65	1,521.46	(5.11)	1,534.54	1,535.93	19.58	0.00			
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,326.21	6,251.47	(22.55)	6,303.66	6,309.41	80.49	0.00			
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	28,823.65	28,484.31	(110.42)	28,713.23	28,740.61	366.72	0.00			
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,779.03	9,663.92	(66.57)	9,712.46	9,721.73	124.38	0.00			
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,376.33	6,301.02	(25.09)	6,351.24	6,357.05	81.12	0.00			
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	8,144.80	8,048.65	(28.20)	8,116.60	8,124.07	103.62	0.00			
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	2,569.04	2,538.71	(8.49)	2,560.55	2,562.91	32.69	0.00			
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	10,083.12	9,964.09	(38.96)	10,044.16	10,053.41	128.28	0.00			
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	7,340.07	7,253.47	(27.26)	7,312.81	7,319.61	93.40	0.00			
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,719.42	11,581.21	(43.10)	11,676.32	11,687.20	149.09	0.00			
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	21,485.92	21,232.53	(71.28)	21,414.64	21,434.62	273.37	0.00			
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,667.77	9,553.76	(32.46)	9,635.31	9,644.30	123.00	0.00			
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	15,699.16	15,514.11	(53.16)	15,646.00	15,660.72	199.77	0.00			
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	16,648.35	16,452.17	(55.41)	16,592.94	16,608.57	211.81	0.00			
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	7,069.55	6,986.24	(2,184.92)	4,884.63	4,889.23	87.91	0.00			
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	18,757.43	18,536.50	(64.72)	18,692.71	18,710.43	238.65	0.00			
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,107.00	4,058.74	(13.58)	4,093.42	4,097.42	52.26	0.00			
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,090.46	4,042.42	(13.27)	4,077.19	4,081.20	52.05	0.00			
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,675.69	3,632.51	(11.86)	3,663.83	3,667.43	46.78	0.00			
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,745.23	3,701.26	(13.14)	3,732.09	3,735.77	47.65	0.00			
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	11,053.45	10,923.70	(2,070.94)	8,982.51	8,991.40	138.64	0.00			
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,566.88	5,501.58	(18.75)	5,548.13	5,553.66	70.83	0.00			
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,570.49	21,316.63	(78.80)	21,491.69	21,512.27	274.44	0.00			
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	23,759.25	23,479.69	(155.53)	23,603.72	23,626.39	302.23	0.00			
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,876.03	14,701.02	(48.20)	14,827.83	14,842.10	189.28	0.00			
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	16,959.76	16,760.34	(132.49)	16,827.27	16,843.55	215.70	0.00			
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	27,839.59	27,512.27	(2,299.87)	25,539.72	25,564.50	352.10	0.00			
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,466.38	9,341.13	(38.36)	9,428.02	9,423.17	120.40	0.00			
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,982.29	2,947.26	(9.68)	2,972.61	2,975.53	37.95	0.00			
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	3,459.65	3,419.11	(19.22)	3,440.43	3,443.90	44.01	0.00			
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,442.46	7,355.35	(23.68)	7,418.78	7,426.37	94.70	0.00			
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,259.62	2,233.12	(7.22)	2,252.40	2,254.66	28.76	0.00			
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	4,550.74	4,497.35	(14.51)	4,536.23	4,540.75	57.91	0.00			
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,425.03	2,396.62	(7.92)	2,417.11	2,419.56	30.86	0.00			
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,364.60	2,336.91	(7.47)	2,357.13	2,359.53	30.09	0.00			
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,658.70	11,522.30	(40.72)	11,617.98	11,629.92	148.34	0.00			
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,040.01	2,015.79	(6.32)	2,033.69	2,034.18	24.71	0.00			
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,405.78	5,341.74	(16.65)	5,389.13	5,390.56	65.47	0.00			
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,454.41	2,437.41	(7.38)	2,447.03	2,459.77	29.74	0.00			
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,845.81	4,788.78	(19.32)	4,826.49	4,828.17	58.71	0.00			
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,350.72	5,313.77	(17.00)	5,333.72	5,361.62	64.85	0.00			
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	9,705.68	9,591.56	(28.71)	9,676.97	9,680.46	117.61	0.00			
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,777.22	4,721.13	(14.04)	4,763.18	4,764.97	57.88	0.00			
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	6,185.65	6,112.32	(18.41)	6,167.24	6,169.22	75.31	0.00			
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	21,016.79	20,296.11	(98.65)	20,918.14	20,574.41	376.95	0.00			
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	19,287.81	18,626.82	(127.68)	19,160.13	18,845.68	346.54	0.00			
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	10,085.29	9,907.85	(67.76)	10,017.53	9,970.79	130.70	0.00			
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10,719.51	10,531.07	(65.34)	10,654.17	10,604.61	138.88	0.00			
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,403.08	11,202.80	(55.93)	11,347.15	11,294.55	147.68	0.00			
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	9,278.45	9,115.62	(32.37)	9,246.08	9,203.36	120.11	0.00			
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,883.04	2,832.48	(10.10)	2,872.94	2,859.70	37.32	0.00			
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,797.72	1,766.24	(9.89)	1,779.83	1,779.63	23.28	0.00			
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	9,049.78	8,883.25	(28.94)	9,020.84	8,970.48	116.17	0.00			
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,475.18	2,429.75	(7.57)	2,467.61	2,453.94	31.76	0.00			
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	10,314.47	10,125.83	(31.74)	10,282.73	10,226.50	132.41	0.00			
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	8,472.60	8,317.93	(26.96)	8,445.64	8,399.73	108.76	0.00			
2000 BCDE RMRB Total					79,662,208.75	79,346,898.70	99,895.39	(3,741,297.30)	(1,357,827.30)	0.00	74,662,979.54	75,001,119.41	653,449.92	0.00

GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	54,911.45	53,573.02	(198.26)	54,713.19	54,415.68	1,040.92	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	50,614.55	49,381.95	(192.48)	50,422.07	50,149.00	959.53	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	54,052.73	52,737.57	(193.08)	53,859.65	53,569.15	1,024.66	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	64,915.46	63,335.74	(252.22)	64,663.24	64,314.15	1,230.63	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	250,705.81	244,609.30	(900.09)	249,805.72	248,461.86	4,752.65	0.00
GNMA	2001 A-E RMRB	4.95	12/04/03	11/20/33	103,523.94	98,525.64	(405.21)	103,118.73	100,119.04	1,998.61	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	61,372.35	59,880.42	(216.53)	61,155.82	60,827.32	1,163.43	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	124,873.47	118,922.14	(477.84)	124,395.63	120,828.20	2,383.90	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	505,000.84	479,682.39	(2,048.84)	502,952.00	487,272.70	9,639.15	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	52,925.44	51,640.62	(186.83)	52,738.61	52,457.12	1,003.33	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	52,326.01	51,055.95	(185.76)	52,140.25	51,862.16	991.97	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	52,821.66	51,540.20	(189.12)	52,632.54	52,352.41	1,001.33	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	53,367.72	52,108.46	(185.93)	53,181.79	52,890.14	967.61	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	130,573.15	124,356.21	(543.88)	130,029.27	126,306.39	2,494.06	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	102,865.33	97,714.54	(391.31)	102,474.02	99,285.96	1,962.73	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	97,851.36	95,747.18	(615.17)	97,236.19	96,914.27	1,782.26	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	292,677.94	283,433.91	(1,267.27)	291,410.67	287,429.90	5,263.26	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	207,859.49	196,078.90	(2,377.58)	205,481.91	197,903.12	4,201.80	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	89,557.58	84,483.03	(592.54)	88,965.04	85,684.95	1,794.46	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	243,859.96	230,045.71	(1,531.30)	242,328.66	233,397.66	4,883.25	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	242,588.29	234,942.11	(979.36)	241,608.93	238,324.49	4,361.74	0.00
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	88,381.79	83,377.71	(379.70)	88,002.09	84,761.41	1,763.40	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	310,365.36	300,598.90	(1,511.66)	308,853.70	304,671.36	5,584.12	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	228,872.05	215,938.93	(1,701.03)	227,171.02	218,830.95	4,593.05	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	67,110.82	64,984.44	(396.43)	66,714.39	65,789.85	1,201.84	0.00
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	95,309.11	92,293.27	(549.06)	94,760.05	93,450.99	1,706.78	0.00
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	66,136.64	62,391.83	(278.10)	65,858.54	63,432.05	1,318.32	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	26,228.05	25,407.01	(141.75)	26,086.30	25,737.32	472.06	0.00
Repo Agmt	2001 A-E RMRB	5.26	08/31/06	09/01/06	135,449.40	135,449.40		137,239.72	137,239.72	-	0.00
Repo Agmt	2001 A-E RMRB	5.26	08/31/06	09/01/06	107,980.35	107,980.35		167,496.84	167,496.84	-	0.00
Repo Agmt	2001 A-E RMRB	5.26	08/31/06	09/01/06	2,625.81	2,625.81		66,929.12	66,929.12	-	0.00
Repo Agmt	2001 A-E RMRB	5.26	08/31/06	09/01/06	73.46	73.46		295.74	295.74	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,934.32	4,823.47	(18.30)	4,916.02	4,898.85	93.68	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,949.99	11,681.52	(44.93)	11,905.06	11,863.48	226.89	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	32,671.91	31,938.28	(131.76)	32,540.15	32,426.89	620.37	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,373.13	10,727.68	(49.40)	11,323.73	10,896.31	218.03	0.00
GNMA	2001 A-E RMRB				5,464.10	5,341.46	(5,464.10)			122.64	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	70,673.42	66,663.04	(294.80)	70,378.62	67,722.72	1,354.48	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	68,995.35	67,447.08	(353.25)	68,642.10	68,404.17	1,310.34	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,665.65	9,117.18	(40.35)	9,625.30	9,262.07	185.24	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	23,792.54	22,442.69	(98.56)	23,693.98	22,800.10	455.97	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	13,169.41	12,874.03	(49.08)	13,120.33	13,075.00	250.05	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,840.58	9,282.29	(41.93)	9,798.65	9,428.98	188.62	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	28,434.78	27,797.25	(104.83)	28,329.95	28,232.34	539.92	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,308.94	14,965.79	(56.59)	15,252.35	15,199.88	290.68	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	24,507.34	23,117.33	(109.24)	24,398.10	23,478.04	469.95	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	37,923.86	37,074.03	(145.15)	37,778.71	37,648.98	720.10	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,568.13	25,061.37	(110.34)	26,457.79	25,460.18	509.15	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	21,266.69	20,790.24	(81.18)	21,185.51	21,112.86	403.80	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	20,251.86	19,103.49	(84.19)	20,167.67	19,407.42	388.12	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	11,423.87	11,168.03	(41.88)	11,381.99	11,343.06	216.91	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	36,186.20	34,134.60	(26,952.08)	9,234.12	8,886.11	1,703.59	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,614.19	11,354.20	(42.76)	11,571.43	11,531.97	220.53	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,647.76	10,044.21	(43.57)	10,604.19	10,204.67	204.03	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	25,226.16	24,661.46	(93.76)	25,132.40	25,046.67	478.97	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,792.55	6,407.49	(28.30)	6,764.25	6,509.37	130.18	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,145.35	5,030.23	(18.91)	5,126.44	5,109.02	97.70	0.00
GNMA	2001 A-E RMRB	4.80	06/26/03	06/20/33	10,990.72	10,367.74	(47.75)	10,942.97	10,530.71	210.72	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,328.56	14,985.58	(56.14)	15,272.42	15,220.50	291.06	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	32,790.93	32,057.49	(122.41)	32,668.52	32,557.71	622.63	0.00

GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,495.97	13,674.50	(59.71)	14,436.26	13,892.60	277.81	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	77,724.90	73,320.57	(416.87)	77,308.03	74,396.85	1,493.15	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	40,066.28	39,170.64	(149.80)	39,916.48	39,781.62	760.78	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	39,934.05	37,671.50	(166.65)	39,767.40	38,270.23	765.38	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	12,081.06	11,811.03	(49.63)	12,031.43	11,990.83	229.43	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	27,981.69	27,356.51	(106.35)	27,875.34	27,781.49	531.33	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	11,041.33	10,415.83	(45.18)	10,996.15	10,582.23	211.58	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,434.46	16,067.39	(59.94)	16,374.52	16,319.52	312.07	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	32,169.08	30,346.97	(146.95)	32,022.13	30,817.06	617.04	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,431.01	12,153.45	(46.00)	12,385.01	12,343.50	236.05	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	13,111.41	12,368.93	(54.32)	13,057.09	12,565.88	251.27	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,457.06	5,335.25	(22.06)	5,435.00	5,416.82	103.63	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	41,748.64	40,817.45	(190.08)	41,558.56	41,420.25	792.88	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	46,875.78	44,222.20	(189.86)	46,685.92	44,930.56	898.22	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	10,772.61	10,532.37	(40.45)	10,732.16	10,696.47	204.55	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	17,040.84	16,076.18	(69.29)	16,971.55	16,333.44	326.55	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	66,884.68	65,393.45	(247.64)	66,637.04	66,415.89	1,270.08	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	35,245.61	33,250.68	(150.50)	35,095.11	33,775.86	675.68	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	10,042.76	9,819.00	(36.85)	10,005.91	9,972.85	190.70	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	34,083.68	33,261.04	(122.93)	33,960.75	33,785.22	647.11	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	249,572.40	234,838.41	(1,045.80)	248,526.60	238,576.51	4,783.90	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	20,793.92	20,292.31	(120.31)	20,673.61	20,567.03	395.03	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	128,185.55	120,934.90	(524.88)	127,660.67	122,866.63	2,456.61	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,433.89	5,313.00	(35.30)	5,398.59	5,380.94	103.24	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	157,054.04	147,785.02	(659.29)	156,394.75	150,136.30	3,010.57	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,643.06	6,495.28	(27.09)	6,615.97	6,594.35	126.16	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	53,580.50	50,550.46	(226.23)	53,354.27	51,351.34	1,027.11	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	76,219.11	71,721.77	(390.67)	75,828.44	72,795.06	1,463.96	0.00
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	5,078.82	4,965.85	(18.30)	5,060.52	5,044.00	96.45	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	45,092.72	42,432.25	(234.03)	44,858.69	43,064.40	866.18	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,999.56	10,754.94	(39.27)	10,960.29	10,924.54	208.87	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,701.26	5,574.79	(20.24)	5,681.02	5,662.61	108.26	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	46,000.98	43,400.45	(202.79)	45,798.19	44,079.80	882.14	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,843.95	11,580.80	(41.76)	11,802.19	11,763.95	224.91	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	32,655.22	30,728.86	(129.37)	32,525.85	31,225.16	625.67	0.00
GNMA	2001 A-E RMRB	4.80	01/08/04	12/20/33	10,124.68	9,552.47	(39.98)	10,084.70	9,706.46	193.97	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	45,761.81	44,774.03	(245.78)	45,516.03	45,361.58	833.33	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	40,661.93	39,708.58	(148.28)	40,513.65	40,299.98	739.68	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	39,301.09	37,104.28	(211.85)	39,089.24	37,630.86	738.43	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	12,441.41	12,173.03	(45.62)	12,395.79	12,353.89	226.48	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,524.71	8,043.07	(34.87)	8,489.84	8,171.59	163.39	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	21,091.67	19,861.13	(148.22)	20,943.45	20,110.44	397.53	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	43,985.36	43,037.04	(169.52)	43,815.84	43,668.28	800.76	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	27,568.02	25,959.99	(115.66)	27,452.36	26,360.84	516.51	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	22,127.32	21,609.21	(79.45)	22,047.87	21,932.28	402.52	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	25,904.47	24,393.83	(101.91)	25,802.56	24,776.98	485.06	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	73,199.97	71,623.59	(265.85)	72,934.12	72,690.32	1,332.58	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	29,154.93	28,472.95	(100.47)	29,054.46	28,902.86	530.38	0.00
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,232.97	10,605.70	(43.86)	11,189.11	10,772.29	210.45	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,613.26	15,278.67	(58.65)	15,554.61	15,504.29	284.27	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,940.51	9,361.79	(38.83)	9,901.68	9,509.09	186.13	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	28,251.80	36,430.79	(20.18)	28,231.62	36,974.57	563.96	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	31,651.42	29,884.65	(124.64)	31,526.78	30,353.05	593.04	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	19,275.82	18,861.41	(66.64)	19,209.18	19,145.68	350.91	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	22,952.46	21,614.84	(99.83)	22,852.63	21,945.20	430.19	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,840.97	10,607.95	(100.02)	10,740.95	10,705.49	197.56	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,854.42	16,857.99	(70.88)	17,783.54	17,121.66	334.55	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	7,091.07	6,938.67	(24.24)	7,066.83	7,043.53	129.10	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	11,187.93	10,563.61	(43.26)	11,144.67	10,729.95	209.60	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	19,170.80	18,759.21	(65.98)	19,104.82	19,042.26	349.03	0.00

GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,702.45	6,558.59	(22.75)	6,679.70	6,657.86	122.02	0.00			
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,929.86	13,631.16	(46.98)	13,882.88	13,837.76	253.58	0.00			
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	29,261.11	28,635.65	(97.65)	29,163.46	29,070.72	532.72	0.00			
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	27,487.49	26,848.38	(103.52)	27,383.97	27,244.99	500.13	0.00			
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	25,579.06	25,032.42	(85.15)	25,493.91	25,412.96	465.69	0.00			
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	14,107.35	13,321.78	(52.88)	14,054.47	13,533.15	264.25	0.00			
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,929.00	16,567.43	(57.54)	16,871.46	16,818.09	308.20	0.00			
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,788.09	19,365.55	(67.51)	19,720.58	19,658.32	360.28	0.00			
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,948.62	13,171.97	(52.47)	13,896.15	13,380.78	261.28	0.00			
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	12,034.12	11,776.24	(41.38)	11,992.74	11,953.95	219.09	0.00			
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,678.07	11,427.96	(39.33)	11,638.74	11,601.23	212.60	0.00			
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,647.91	6,505.56	(22.28)	6,625.63	6,604.30	121.02	0.00			
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,578.66	26,009.74	(92.33)	26,486.33	26,401.30	483.89	0.00			
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	22,767.81	22,280.71	(113.36)	22,654.45	22,581.98	414.63	0.00			
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,607.58	13,316.62	(45.62)	13,561.96	13,518.64	247.74	0.00			
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	38,285.74	37,470.16	(132.40)	38,153.34	38,034.84	697.08	0.00			
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	26,104.75	24,652.55	(99.04)	26,005.71	25,042.56	489.05	0.00			
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,347.69	3,161.28	(33.87)	3,313.82	3,190.91	63.50	0.00			
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,430.13	10,188.02	(37.54)	10,392.59	10,340.23	189.75	0.00			
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,514.15	9,903.04	(74.61)	10,439.54	10,026.64	198.21	0.00			
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,955.60	14,636.53	(52.07)	14,903.53	14,856.76	272.30	0.00			
GNMA	2001 A-E RMRB	5.49	11/04/04	10/20/34	7,202.70	7,049.10	(25.31)	7,177.39	7,154.94	131.15	0.00			
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	47,615.63	46,602.43	(9,920.16)	37,695.47	37,579.31	897.04	0.00			
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	15,170.17	14,326.58	(55.89)	15,114.28	14,554.84	284.15	0.00			
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	11,268.44	11,024.24	(36.39)	11,232.05	11,189.18	201.33	0.00			
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	18,078.42	17,693.94	(59.75)	18,018.67	17,963.36	329.17	0.00			
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	58,655.69	57,275.86	(189.80)	58,465.89	58,133.24	1,047.18	0.00			
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,961.69	11,707.88	(38.98)	11,922.71	11,886.71	217.81	0.00			
GNMA	2001 A-E RMRB	5.49	04/21/05	04/20/35	7,240.23	7,083.98	(22.93)	7,217.30	7,190.40	129.35	0.00			
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,646.10	6,502.74	(22.18)	6,623.92	6,599.30	118.74	0.00			
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	14,374.27	14,065.00	(45.40)	14,328.87	14,276.46	256.86	0.00			
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,768.27	8,115.28	(32.68)	8,735.59	8,247.23	164.63	0.00			
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	35,441.47	32,717.53	(137.95)	35,303.52	33,244.97	665.39	0.00			
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	14,295.71	13,962.24	(47.19)	14,248.52	14,170.32	255.27	0.00			
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	26,667.56	26,045.64	(84.23)	26,583.33	26,437.58	476.17	0.00			
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	35,409.34	34,648.37	(114.26)	35,295.08	35,166.88	632.77	0.00			
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	13,491.88	12,485.99	(50.41)	13,441.47	12,688.88	253.30	0.00			
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	27,710.98	27,117.16	(93.79)	27,617.19	27,518.61	495.24	0.00			
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	26,701.25	26,130.65	(81.02)	26,620.23	26,526.79	477.16	0.00			
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	33,686.89	32,966.07	(102.94)	33,583.95	33,465.12	601.99	0.00			
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	25,675.34	23,424.10	(98.08)	25,577.26	23,805.58	479.56	0.00			
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	22,767.76	21,068.91	(85.11)	22,682.65	21,411.21	427.41	0.00			
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	19,685.05	19,264.53	(60.32)	19,624.73	19,556.01	351.80	0.00			
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,499.82	8,315.79	(25.55)	8,474.27	8,443.61	153.37	0.00			
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	29,036.57	28,177.24	(108.31)	28,928.26	28,586.93	518.00	0.00			
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,713.64	8,147.23	(38.06)	8,675.58	8,283.58	174.41	0.00			
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	16,129.97	15,653.97	(62.89)	16,067.08	15,878.89	287.81	0.00			
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	34,172.04	31,952.49	(149.07)	34,022.97	32,487.36	683.94	0.00			
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	11,929.71	11,144.41	(61.34)	11,868.37	11,318.73	235.66	0.00			
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,788.47	7,558.94	(41.54)	7,746.93	7,656.50	139.10	0.00			
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	27,706.71	26,987.85	(95.40)	27,611.31	27,391.73	499.28	0.00			
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,898.97	6,445.44	(42.54)	6,856.43	6,539.53	136.63	0.00			
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,945.28	6,488.82	(28.36)	6,916.92	6,597.34	136.88	0.00			
FNMA	2001 A-E RMRB	5.49	04/07/05	01/01/35	10,243.61	9,912.33	(33.52)	10,210.09	10,065.15	186.34	0.00			
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,377.59	4,236.21	(13.97)	4,363.62	4,301.86	79.62	0.00			
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,617.01	7,881.41	(33.34)	8,583.67	8,014.85	166.78	0.00			
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	27,787.84	26,891.64	(126.64)	27,661.20	27,271.01	506.01	0.00			
FNMA	2001 A-E RMRB	4.80	12/15/05	06/01/35	12,954.20	12,080.19	(46.66)	12,907.54	12,285.97	252.44	0.00			
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	8,115.54	7,421.16	(30.16)	8,085.38	7,547.96	156.96	0.00			
2001 A-E RMRB Total					62,673,079.31	61,440,268.14	127,025.57	(2,243,472.43)	(1,126,268.86)	0.00	59,430,363.59	59,015,115.69	817,563.27	0.00

GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	771,296.76	800,088.96	(12,354.79)	758,941.97	784,204.54	(3,529.63)	0.00			
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	158,181.80	168,571.25	(27,640.04)	130,541.76	139,057.50	(1,873.71)	0.00			
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	733,211.60	763,170.11	(10,569.49)	722,642.11	749,329.86	(3,270.76)	0.00			
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	114,558.21	122,460.40	(1,689.64)	112,868.57	120,618.24	(152.52)	0.00			
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	460,169.63	477,361.40	(7,575.53)	452,594.10	467,672.94	(2,112.93)	0.00			
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	128,572.26	137,020.88	(1,558.97)	127,013.29	135,302.73	(159.18)	0.00			
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	253,346.02	262,813.09	(3,164.29)	250,181.73	258,519.02	(1,129.78)	0.00			
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	98,378.65	102,056.17	(35,905.60)	62,473.05	64,555.74	(1,594.83)	0.00			
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	179,861.55	192,008.53	(5,749.47)	174,112.08	185,792.79	(466.27)	0.00			
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	294,321.18	305,672.75	(4,699.62)	289,621.56	299,579.90	(1,393.23)	0.00			
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	74,055.55	79,055.23	(791.18)	73,264.37	78,177.81	(86.24)	0.00			
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	307,469.99	319,335.53	(4,901.68)	302,568.31	312,978.51	(1,455.34)	0.00			
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	175,204.63	187,037.06	(4,255.35)	170,949.28	182,417.76	(363.95)	0.00			
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	388,571.93	403,573.22	(18,015.99)	370,555.94	383,311.37	(2,245.86)	0.00			
GNMA	1999 A RMRB	7.50	06/28/90	04/20/19	9,291.15	9,649.98	(903.71)	8,387.44	8,676.26	(70.01)	0.00			
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	94,868.68	101,277.85	(1,433.51)	93,435.17	99,705.64	(138.70)	0.00			
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	56,617.14	58,806.31	(645.61)	55,971.53	57,901.49	(259.21)	0.00			
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	49,161.85	51,063.69	(657.52)	48,504.33	50,177.74	(228.43)	0.00			
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	20,575.15	21,966.72	(235.16)	20,339.99	21,706.54	(25.02)	0.00			
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	41,517.36	43,125.41	(454.36)	41,063.00	42,481.60	(189.45)	0.00			
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	163,809.54	175,152.96	(1,623.64)	162,185.90	173,345.84	(183.48)	0.00			
GNMA	1999 A RMRB	8.75	04/29/91	02/20/20	34,783.27	37,192.31	(362.93)	34,420.34	36,789.16	(40.22)	0.00			
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	116,148.58	120,649.14	(1,331.51)	114,817.07	118,785.48	(532.15)	0.00			
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	42,580.46	41,005.87	(208.47)	42,371.99	41,568.23	770.83	0.00			
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	395,638.97	380,838.12	(1,926.96)	393,712.01	386,180.30	7,269.14	0.00			
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	63,709.04	61,325.69	(289.41)	63,419.63	62,206.41	1,170.13	0.00			
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	54,992.56	52,935.29	(250.52)	54,742.04	53,694.82	1,010.05	0.00			
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	100,425.82	96,668.89	(525.43)	99,900.39	97,989.30	1,845.84	0.00			
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	249,975.60	239,996.57	(1,433.91)	248,541.69	243,285.03	4,722.37	0.00			
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	68,626.96	65,858.55	(532.27)	68,094.69	66,588.44	1,262.16	0.00			
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	40,001.30	38,488.85	(204.59)	39,796.71	39,029.43	745.17	0.00			
Repo Agmt	1999 A RMRB	5.26	08/31/06	09/01/06	401,199.23	401,199.23	0.00	401,199.23	401,199.23	-	0.00			
	1999 A RMRB Total				6,516,899.43	6,707,219.30	0.00	0.00	(180,991.97)	0.00	6,335,907.46	6,521,034.73	(5,192.60)	0.00
Total Residential Mortgage Revenue Bonds Investment Summary					375,897,442.63	367,464,641.20	400,448.33	(13,858,528.43)	(7,217,621.50)	0.00	355,221,741.03	351,578,182.48	4,789,242.88	0.00

Texas Department of Housing and Community Affairs
Collateralized Home Mortgage Revenue Bonds Investment Summary
For Period Ending August 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	5.26	08/31/06	09/01/06	48,714.25	48,714.25	643.94				49,358.19	49,358.19	-	0.00
Repo Agmt	1990 A&B CHMRB	5.26	08/31/06	09/01/06	78,766.08	78,766.08	1,041.16				79,807.24	79,807.24	-	0.00
Mutual Fund	1990 A&B CHMRB	4.90	08/01/06	09/01/06	23.15	23.15	0.00				23.15	23.15	-	0.00
Repo Agmt	1990 A&B CHMRB	5.26	08/31/06	09/01/06	217,591.87	217,591.87	2,876.03				220,467.90	220,467.90	-	0.00
	1990 A&B CHMRB Total				345,095.35	345,095.35	4,561.13	0.00	0.00	0.00	349,656.48	349,656.48	0.00	0.00
Repo Agmt	1991 A CHMRB	5.26	08/31/06	09/01/06	102,793.13	102,793.13	1,358.71				104,151.84	104,151.84	-	0.00
Repo Agmt	1991 A CHMRB	5.26	08/31/06	09/01/06	6,852.53	6,852.53	90.62				6,943.15	6,943.15	-	0.00
	1991 A CHMRB Total				109,645.66	109,645.66	1,449.33	0.00	0.00	0.00	111,094.99	111,094.99	0.00	0.00
Repo Agmt	1992 A-C CHMRB	5.26	08/31/06	09/01/06	106,550.10	106,550.10	4,651.02				111,201.12	111,201.12	-	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	1,294,319.52	1,294,319.52		(682,859.17)			611,460.35	611,460.35	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	31,085.99	32,106.32			(240.97)		30,845.02	31,957.98	92.63	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	155,459.40	160,554.54			(1,876.68)		153,582.72	159,116.93	439.07	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	335,721.11	346,895.06			(35,846.75)		299,874.36	310,865.67	(182.64)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,213,423.25	1,253,320.87			(9,877.00)		1,203,546.25	1,248,071.43	4,627.56	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	799,781.53	826,082.63			(10,264.75)		789,516.78	818,729.84	2,911.96	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	264,045.43	272,728.69			(72,933.08)		191,112.35	198,183.76	(1,611.85)	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	800,265.35	826,592.30			(88,604.62)		711,660.73	738,001.14	13.46	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	1,026,134.72	1,059,892.30			(46,837.88)		979,296.84	1,015,680.79	2,626.37	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	327,065.12	335,991.21			(35,173.53)		291,891.59	300,689.67	(128.01)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	300,442.55	308,710.23			(2,735.50)		297,707.05	306,736.75	762.02	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	219,796.87	225,852.41			(2,973.70)		216,823.17	223,406.82	528.11	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	390,049.20	400,807.73			(5,685.19)		384,364.01	396,047.20	924.66	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	199,938.13	205,455.03			(1,568.42)		198,369.71	204,401.69	515.08	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	42,876.78	44,060.32			(676.93)		42,199.85	43,483.48	100.09	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	329,016.01	338,108.04			(5,469.15)		323,546.86	333,398.48	759.59	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	62,294.53	64,011.42			(1,760.09)		60,534.44	62,373.13	121.80	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	648,831.59	667,416.58			(7,208.71)		641,622.88	661,758.68	1,550.81	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	676,487.87	695,871.41			(19,462.89)		657,024.98	677,650.37	1,241.85	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	466,514.14	479,885.59			(55,669.12)		410,845.02	423,746.13	(470.34)	0.00
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.05	100,000.05	0.00				100,000.05	100,000.05	-	0.00
GIC's	1992 A-C CHMRB				608,301.15	608,301.15		(608,301.15)					-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	126,080.05	130,210.44			(1,456.77)		124,623.28	129,112.14	358.47	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	952,197.94	978,389.10			(14,841.01)		937,356.93	965,777.06	2,228.97	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	2,141,032.53	2,202,229.25			(63,242.93)		2,077,789.60	2,142,869.11	3,882.79	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	2,145,092.35	2,206,425.08			(234,375.69)		1,910,716.66	1,970,581.03	(1,468.36)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	2,366,816.07	2,434,510.40			(220,125.51)		2,146,690.56	2,213,968.25	(416.64)	0.00
Repo Agmt	1992 A-C CHMRB	5.26	08/31/06	09/01/06	11,742.27	11,742.27	2,915.45				14,657.72	14,657.72	-	0.00
	1992 A-C CHMRB Total				18,141,361.60	18,617,020.04	7,566.47	(1,291,160.32)	(938,906.87)	0.00	15,918,860.88	16,413,926.77	19,407.45	0.00
Total CHMRB Investment Summary					18,596,102.61	19,071,761.05	13,576.93	(1,291,160.32)	(938,906.87)	0.00	16,379,612.35	16,874,678.24	19,407.45	0.00

Mutual Fund	2002 MF Woodway Village	4.49	08/01/06	09/01/06	41.24	41.24	0.00				41.24	41.24	-	0.00
	2002 MF Woodway Village Total				224,327.90	224,327.90	1,644.40	(119,504.95)	0.00	0.00	106,467.35	106,467.35	0.00	0.00
Mutual Fund	2003 AB MF Reading Road	4.49	08/01/06	09/01/06			13,036.52				13,036.52	13,036.52	-	0.00
Mutual Fund	2003 AB MF Reading Road	4.90	08/01/06	09/01/06	0.16	0.16	0.00				0.16	0.16	-	0.00
	2003 AB MF Reading Road Total				0.16	0.16	13,036.52	0.00	0.00	0.00	13,036.68	13,036.68	0.00	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.49	08/01/06	09/01/06	739,555.80	739,555.80	8,456.83				748,012.63	748,012.63	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.90	08/01/06	09/01/06	274,960.69	274,960.69		(34,168.92)			240,791.77	240,791.77	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.36	08/01/06	09/01/06			21,029.85				21,029.85	21,029.85	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.90	08/01/06	09/01/06	27.43	27.43	0.00				27.43	27.43	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.90	08/01/06	09/01/06	18,754.48	18,754.48	214.45				18,968.93	18,968.93	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	4.90	08/01/06	09/01/06	874.85	874.85		(517.62)			357.23	357.23	-	0.00
	2003 AB MF North Vista Apts Total				1,034,173.25	1,034,173.25	29,701.13	(34,686.54)	0.00	0.00	1,029,187.84	1,029,187.84	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.90	08/01/06	09/01/06	55.57	55.57	1.00				56.57	56.57	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.90	08/01/06	09/01/06	336,364.48	336,364.48	47,805.50				384,169.98	384,169.98	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.90	08/01/06	09/01/06	61.55	61.55	0.00				61.55	61.55	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	4.90	08/01/06	09/01/06	2,559.75	2,559.75	31.18				2,590.93	2,590.93	-	0.00
	2003 AB MF West Virginia Apts Total				339,041.35	339,041.35	47,837.68	0.00	0.00	0.00	386,879.03	386,879.03	0.00	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,905,915.71	14,905,915.71		(33,106.87)			14,872,808.84	14,872,808.84	-	0.00
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	402,725.30	402,725.30		(233,531.73)			169,193.57	169,193.57	-	0.00
	2003AB MF Sphinx @ Murdeaux Total				15,308,641.01	15,308,641.01	0.00	(233,531.73)	(33,106.87)	0.00	15,042,002.41	15,042,002.41	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.62	08/01/06	09/01/06	114.92	114.92	105,018.98				105,133.90	105,133.90	-	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.49	08/01/06	09/01/06	1.20	1.20	0.00				1.20	1.20	-	0.00
Mutual Fund	2003 AB MF Primrose Houston	4.49	08/01/06	09/01/06	107,904.60	107,904.60		(94,239.21)			13,665.39	13,665.39	-	0.00
	2003 AB MF Primrose Houston Total				108,020.72	108,020.72	105,018.98	(94,239.21)	0.00	0.00	118,800.49	118,800.49	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.49	08/01/06	09/01/06	36,821.93	36,821.93	14,506.07				51,328.00	51,328.00	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.49	08/01/06	09/01/06	72,886.56	72,886.56	17,213.99				90,100.55	90,100.55	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.49	08/01/06	09/01/06	0.02	0.02	0.00				0.02	0.02	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.49	08/01/06	09/01/06	72.33	72.33	69.33				141.66	141.66	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	4.49	08/01/06	09/01/06	22,876.97	22,876.97		(16,356.63)			6,520.34	6,520.34	-	0.00
	2003 AB MF Timber Oaks Apts Total				132,657.81	132,657.81	31,789.39	(16,356.63)	0.00	0.00	148,090.57	148,090.57	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	4.49	08/01/06	09/01/06	728.15	728.15	60.03				788.18	788.18	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.49	08/01/06	09/01/06	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	4.49	08/01/06	09/01/06	107,155.78	107,155.78	735.78				107,891.56	107,891.56	-	0.00
	2003 AB MF Ash Creek Total				112,712.41	112,712.41	795.81	0.00	0.00	0.00	113,508.22	113,508.22	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	4.49	08/01/06	09/01/06	52.66	52.66	0.00				52.66	52.66	-	0.00
Mutual Fund	2003 AB MF Peninsula	4.49	08/01/06	09/01/06	268,841.34	268,841.34	207,659.81				476,501.15	476,501.15	-	0.00
	2003 AB MF Peninsula Total				268,894.00	268,894.00	207,659.81	0.00	0.00	0.00	476,553.81	476,553.81	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.49	08/01/06	09/01/06	9.36	9.36	1.82				11.18	11.18	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.49	08/01/06	09/01/06	13.09	13.09	5,193.27				5,206.36	5,206.36	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.49	08/01/06	09/01/06	1,177.34	1,177.34	12.72				1,190.06	1,190.06	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.49	08/01/06	09/01/06	77.14	77.14	0.82				77.96	77.96	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.49	08/01/06	09/01/06	24,188.92	24,188.92		(5,123.98)			19,064.94	19,064.94	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite				3,932.26	3,932.26		(3,932.26)			-	-	-	0.00
	2003 A MF Evergreen @ Mesquite Total				29,398.11	29,398.11	5,208.63	(9,056.24)	0.00	0.00	25,550.50	25,550.50	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	4.49	08/01/06	09/01/06	133,243.75	133,243.75	1,439.62				134,683.37	134,683.37	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.49	08/01/06	09/01/06	270.55	270.55	2.92				273.47	273.47	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.49	08/01/06	09/01/06	275,856.52	275,856.52	2,980.49				278,837.01	278,837.01	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.49	08/01/06	09/01/06	104,439.01	104,439.01	708.21				105,147.22	105,147.22	-	0.00
Mutual Fund	2003 AB Arlington Villas	4.49	08/01/06	09/01/06	9,895.21	9,895.21	6,028.01				15,923.22	15,923.22	-	0.00
	2003 AB Arlington Villas Total				523,705.04	523,705.04	11,159.25	0.00	0.00	0.00	534,864.29	534,864.29	0.00	0.00

Mutual Fund	2003 AB Parkview Twnhms	4.49	08/01/06	09/01/06	19,903.68	19,903.68	5,498.64		25,402.32	25,402.32	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	4.49	08/01/06	09/01/06	46,116.15	46,116.15	12,938.35		59,054.50	59,054.50	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	4.49	08/01/06	09/01/06	45.87	45.87		(34.20)	11.67	11.67	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	4.49	08/01/06	09/01/06	91,325.57	91,325.57	58,755.95		150,081.52	150,081.52	-	0.00		
Mutual Fund	2003 AB Parkview Twnhms	4.49	08/01/06	09/01/06	203,228.12	203,228.12	2,195.78		205,423.90	205,423.90	-	0.00		
2003 AB Parkview Twnhms Total					360,619.39	360,619.39	79,388.72	(34.20)	0.00	0.00	439,973.91	439,973.91	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	4.49	08/01/06	09/01/06	82,697.77	82,697.77	3,421.98		86,119.75	86,119.75	-	0.00		
Money Market	2003 MF NHP-Asmara-Refunding	4.49	08/01/06	09/01/06	64.09	64.09	0.72		64.81	64.81	-	0.00		
T-Note	2003 MF NHP-Asmara-Refunding				712,029.00	712,029.00		(712,029.00)			-	0.00		
T-Note	2003 MF NHP-Asmara-Refunding	2.59	12/15/03	01/01/07	24,349,975.00	24,349,975.00	0.00		24,349,975.00	24,349,975.00	-	0.00		
Money Market	2003 MF NHP-Asmara-Refunding	4.62	08/01/06	09/01/06	92.45	92.45	0.99		93.44	93.44	-	0.00		
Money Market	2003 MF NHP-Asmara-Refunding	4.49	08/01/06	09/01/06	5,199.68	5,199.68	53.75		5,253.43	5,253.43	-	0.00		
Money Market	2003 MF NHP-Asmara-Refunding	4.49	08/01/06	09/01/06	113,256.22	113,256.22	1,223.67		114,479.89	114,479.89	-	0.00		
2003 MF NHP-Asmara-Refunding Total					25,263,314.21	25,263,314.21	4,701.11	(712,029.00)	0.00	0.00	24,555,986.32	24,555,986.32	0.00	0.00
Money Market	2004 A&B Timber Ridge	4.49	08/01/06	09/01/06	5,503.36	5,503.36	3,836.00		9,339.36	9,339.36	-	0.00		
Money Market	2004 A&B Timber Ridge				102,829.96	102,829.96		(102,829.96)			-	0.00		
Money Market	2004 A&B Timber Ridge	4.49	08/01/06	09/01/06	29.63	29.63	44,211.49		44,241.12	44,241.12	-	0.00		
2004 A&B Timber Ridge Total					108,362.95	108,362.95	48,047.49	(102,829.96)	0.00	0.00	53,580.48	53,580.48	0.00	0.00
Money Market	2004 A&B Century Park	4.49	08/01/06	09/01/06	22,939.33	22,939.33		(10,249.95)	12,689.38	12,689.38	-	0.00		
Money Market	2004 A&B Century Park	4.49	08/01/06	09/01/06	12,458.50	12,458.50	37,375.02		49,833.52	49,833.52	-	0.00		
Money Market	2004 A&B Century Park	4.49	08/01/06	09/01/06	55,578.10	55,578.10	56,118.80		111,696.90	111,696.90	-	0.00		
Money Market	2004 A&B Century Park	4.49	08/01/06	09/01/06	1,199.56	1,199.56		(224.28)	975.28	975.28	-	0.00		
Money Market	2004 A&B Century Park	4.49	08/01/06	09/01/06	321,533.51	321,533.51		(137,799.98)	183,733.53	183,733.53	-	0.00		
2004 A&B Century Park Total					413,709.00	413,709.00	93,493.82	(148,274.21)	0.00	0.00	358,928.61	358,928.61	0.00	0.00
Money Market	2004 A Addison Park	4.49	08/01/06	09/01/06	540.62	540.62	6.66		547.28	547.28	-	0.00		
Money Market	2004 A Addison Park	4.49	08/01/06	09/01/06	1,176.37	1,176.37	7.41		1,183.78	1,183.78	-	0.00		
Money Market	2004 A Addison Park	4.49	08/01/06	09/01/06	16.10	16.10	44.18		60.28	60.28	-	0.00		
Money Market	2004 A Addison Park	4.49	08/01/06	09/01/06	11.12	11.12	0.13		11.25	11.25	-	0.00		
2004 A Addison Park Total					1,744.21	1,744.21	58.38	0.00	0.00	0.00	1,802.59	1,802.59	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	4.49	08/01/06	09/01/06	116.64	116.64	1.26		117.90	117.90	-	0.00		
Money Market	2004 A&B MF Veterans Memorial	4.49	08/01/06	09/01/06	83,801.63	83,801.63	53,969.24		137,770.87	137,770.87	-	0.00		
Money Market	2004 A&B MF Veterans Memorial	4.49	08/01/06	09/01/06	42,525.87	42,525.87	12,390.61		54,916.48	54,916.48	-	0.00		
Money Market	2004 A&B MF Veterans Memorial	4.49	08/01/06	09/01/06	5.36	5.36	58.44		63.80	63.80	-	0.00		
Money Market	2004 A&B MF Veterans Memorial	4.49	08/01/06	09/01/06	10,822.77	10,822.77	5,885.22		16,707.99	16,707.99	-	0.00		
2004 A&B MF Veterans Memorial Total					137,272.27	137,272.27	72,304.77	0.00	0.00	0.00	209,577.04	209,577.04	0.00	0.00
Money Market	2004 MF Rush Creek Apts	4.62	08/01/06	09/01/06	4,800.00	4,800.00	7,281.65		12,081.65	12,081.65	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	361,413.22	361,413.22	4,177.60		365,590.82	365,590.82	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	37.20	37.20	0.43		37.63	37.63	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	65.54	65.54	0.77		66.31	66.31	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	77,466.85	77,466.85	5,162.53		82,629.38	82,629.38	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	8,282.82	8,282.82	4,353.85		12,636.67	12,636.67	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	66.46	66.46	0.77		67.23	67.23	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	18,403.79	18,403.79	212.74		18,616.53	18,616.53	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.62	08/01/06	09/01/06	101,541.35	101,541.35		(21,715.38)	79,825.97	79,825.97	-	0.00		
Money Market	2004 MF Rush Creek Apts	4.49	08/01/06	09/01/06	82.05	82.05	0.95		83.00	83.00	-	0.00		
2004 MF Rush Creek Apts Total					572,159.28	572,159.28	21,191.29	(21,715.38)	0.00	0.00	571,635.19	571,635.19	0.00	0.00
Money Market	2004 MF Humble Parkway	4.49	08/01/06	09/01/06			7,206.53		7,206.53	7,206.53	-	0.00		
Money Market	2004 MF Humble Parkway	4.49	08/01/06	09/01/06			48,860.25		48,860.25	48,860.25	-	0.00		
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	328,527.91	328,527.91		(174,375.82)	154,152.09	154,152.09	-	0.00		
Money Market	2004 MF Humble Parkway	4.49	08/01/06	09/01/06	16,241.78	16,241.78		(10,824.98)	5,416.80	5,416.80	-	0.00		
2004 MF Humble Parkway Total					344,769.69	344,769.69	56,066.78	(185,200.80)	0.00	0.00	215,635.67	215,635.67	0.00	0.00

Money Market	2004 MF Chisholm Trail Apts				2,753.61	2,753.61		(2,753.61)					-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.90	08/01/06	09/01/06	651,817.39	651,817.39		(49,477.26)		602,340.13	602,340.13		-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.61	08/01/06	09/01/06	735.63	735.63	0.00			735.63	735.63		-	0.00
Money Market	2004 MF Chisholm Trail Apts	4.90	08/01/06	09/01/06			1.29			1.29	1.29		-	0.00
Money Market	2004 MF Chisholm Trail Apts				607.17	607.17		(607.17)					-	0.00
	2004 MF Chisholm Trail Apts Total				655,913.80	655,913.80	1.29	(52,838.04)	0.00	0.00	603,077.05	603,077.05	0.00	0.00
Money Market	2004 MF Evergreen at Plano	4.62	08/01/06	09/01/06	20,481.50	20,481.50	23,399.82			43,881.32	43,881.32		-	0.00
Money Market	2004 MF Evergreen at Plano	4.90	08/01/06	09/01/06	12.87	12.87	7,782.18			7,795.05	7,795.05		-	0.00
Money Market	2004 MF Evergreen at Plano	4.62	08/01/06	09/01/06	418,417.83	418,417.83		(281,082.31)		137,335.52	137,335.52		-	0.00
Money Market	2004 MF Evergreen at Plano	4.62	08/01/06	09/01/06	83,164.77	83,164.77	23,295.19			106,459.96	106,459.96		-	0.00
	2004 MF Evergreen at Plano Total				522,076.97	522,076.97	54,477.19	(281,082.31)	0.00	0.00	295,471.85	295,471.85	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	4.90	08/01/06	09/01/06	5,970.90	5,970.90	68.05			6,038.95	6,038.95		-	0.00
Money Market	2004 MF Montgomery Pines Apts	4.90	08/01/06	09/01/06	4,531.82	4,531.82	6,029.32			10,561.14	10,561.14		-	0.00
	2004 MF Montgomery Pines Apts Total				10,502.72	10,502.72	6,097.37	0.00	0.00	0.00	16,600.09	16,600.09	0.00	0.00
Money Market	2004 MF Bristol Apts	4.90	08/01/06	09/01/06	11,377.69	11,377.69		(3,852.97)		7,524.72	7,524.72		-	0.00
Money Market	2004 MF Bristol Apts	4.90	08/01/06	09/01/06	44,754.56	44,754.56	510.06			45,264.62	45,264.62		-	0.00
Money Market	2004 MF Bristol Apts	4.90	08/01/06	09/01/06	22,102.27	22,102.27	251.90			22,354.17	22,354.17		-	0.00
Money Market	2004 MF Bristol Apts	4.61	08/01/06	09/01/06	96.50	96.50	1.10			97.60	97.60		-	0.00
	2004 MF Bristol Apts Total				78,331.02	78,331.02	763.06	(3,852.97)	0.00	0.00	75,241.11	75,241.11	0.00	0.00
Money Market	2004 MF Pinnacle Apts	4.90	08/01/06	09/01/06	22,412.09	22,412.09	213.27			22,625.36	22,625.36		-	0.00
Inv Agmt	2004 MF Pinnacle Apts				97,259.39	97,259.39		(97,259.39)					-	0.00
Money Market	2004 MF Pinnacle Apts	4.36	08/01/06	09/01/06	20,006.54	20,006.54	228.01			20,234.55	20,234.55		-	0.00
	2004 MF Pinnacle Apts Total				139,678.02	139,678.02	441.28	(97,259.39)	0.00	0.00	42,859.91	42,859.91	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	4.62	08/01/06	09/01/06			8,213.80			8,213.80	8,213.80		-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.90	08/01/06	09/01/06			233.38			233.38	233.38		-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.62	08/01/06	09/01/06			700.17			700.17	700.17		-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.49	08/01/06	09/01/06	1,497.81	1,497.81	157,723.41			159,221.22	159,221.22		-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.62	08/01/06	09/01/06			78,510.97			78,510.97	78,510.97		-	0.00
Money Market	2004 MF Tranquility Bay Apts	4.62	08/01/06	09/01/06	5.25	5.25	4,761.67			4,766.92	4,766.92		-	0.00
	2004 MF Tranquility Bay Apts Total				1,503.06	1,503.06	250,143.40	0.00	0.00	0.00	251,646.46	251,646.46	0.00	0.00
Money Market	2004 MF Sphinx @ Delafield				1,265.34	1,265.34		(1,265.34)					-	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,351,426.31	11,351,426.31			(21,786.62)	11,329,639.69	11,329,639.69		-	0.00
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	227,145.50	227,145.50		(169,313.55)		57,831.95	57,831.95		-	0.00
Money Market	2004 MF Sphinx @ Delafield				0.83	0.83		(0.83)					-	0.00
Money Market	2004 MF Sphinx @ Delafield	4.49	08/01/06	09/01/06	1,075.32	1,075.32	3,388.53			4,463.85	4,463.85		-	0.00
	2004 MF Sphinx @ Delafield Total				11,580,913.30	11,580,913.30	3,388.53	(170,579.72)	(21,786.62)	0.00	11,391,935.49	11,391,935.49	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.62	08/01/06	09/01/06	624,029.22	624,029.22	6,924.19			630,953.41	630,953.41		-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.62	08/01/06	09/01/06			31,378.77			31,378.77	31,378.77		-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.62	08/01/06	09/01/06	251,179.29	251,179.29		(50,835.34)		200,343.95	200,343.95		-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.49	08/01/06	09/01/06	0.75	0.75	0.00			0.75	0.75		-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.62	08/01/06	09/01/06	58,728.26	58,728.26	33,482.20			92,210.46	92,210.46		-	0.00
Money Market	2004 MF Churchill @ Pinnacle	4.49	08/01/06	09/01/06	13.38	13.38	4,092.27			4,105.65	4,105.65		-	0.00
	2004 MF Churchill @ Pinnacle Total				933,950.90	933,950.90	75,877.43	(50,835.34)	0.00	0.00	958,992.99	958,992.99	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	4.90	08/01/06	09/01/06			2,803.39			2,803.39	2,803.39		-	0.00
Inv Agmt	2004 A/B MF Post Oak East Apts				14,249.93	14,249.93		(14,249.93)					-	0.00
Money Market	2004 A/B MF Post Oak East Apts	4.90	08/01/06	09/01/06			2.70			2.70	2.70		-	0.00
Money Market	2004 A/B MF Post Oak East Apts	4.90	08/01/06	09/01/06			5.58			5.58	5.58		-	0.00
	2004 A/B MF Post Oak East Apts Total				14,249.93	14,249.93	2,811.67	(14,249.93)	0.00	0.00	2,811.67	2,811.67	0.00	0.00
Money Market	2004 MF Village Fair	4.49	08/01/06	09/01/06	433,282.56	433,282.56		(229,150.61)		204,131.95	204,131.95		-	0.00
Inv Agmt	2004 MF Village Fair	2.53	01/04/05	09/01/06	0.17	0.17	0.00			0.17	0.17		-	0.00
Money Market	2004 MF Village Fair				1,005.43	1,005.43		(1,005.43)					-	0.00

Inv Agmt	2006 MF Harris Branch	4.72	03/02/06	02/15/08	12,202,873.53	12,202,873.53		(2,636,309.55)		9,566,563.98	9,566,563.98	-	0.00	
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	743,717.73	743,717.73		(189,987.72)		553,730.01	553,730.01	-	0.00	
Money Market	2006 MF Harris Branch	4.49	08/01/06	09/01/06		4.56	4.56	23.93		28.49	28.49	-	0.00	
Money Market	2006 MF Harris Branch	4.49	08/01/06	09/01/06		8,664.35	8,664.35	93.61		8,757.96	8,757.96	-	0.00	
2006 MF Harris Branch Total					13,787,168.08	13,787,168.08	11,745.73	(2,826,344.46)	0.00	0.00	10,972,569.35	10,972,569.35	0.00	0.00
Money Market	2006 MF Bella Vista	0.00	08/01/06	09/01/06				3,978.35		3,978.35	3,978.35	-	0.00	
Inv Agmt	2006 MF Bella Vista	4.76	04/07/06	10/01/07				209,100.00		209,100.00	209,100.00	-	0.00	
Money Market	2006 MF Bella Vista				553.07	553.07		(553.07)				-	0.00	
Money Market	2006 MF Bella Vista	4.49	08/01/06	09/01/06				4,974.59		4,974.59	4,974.59	-	0.00	
T-Note	2006 MF Bella Vista	3.38	04/27/06	02/28/07				230,000.00		230,000.00	230,000.00	-	0.00	
Money Market	2006 MF Bella Vista	4.49	08/01/06	09/01/06				48,090.94		48,090.94	48,090.94	-	0.00	
Inv Agmt	2006 MF Bella Vista	4.76	04/07/06	10/01/07				4,918,392.44		4,918,392.44	4,918,392.44	-	0.00	
Money Market	2006 MF Bella Vista				15,661.66	15,661.66		(15,661.66)				-	0.00	
Inv Agmt	2006 MF Bella Vista	4.76	04/13/06	10/01/07				411,230.00		411,230.00	411,230.00	-	0.00	
Money Market	2006 MF Bella Vista	4.49	08/01/06	09/01/06				7,086.71		7,086.71	7,086.71	-	0.00	
Money Market	2006 MF Bella Vista				761.39	761.39		(761.39)				-	0.00	
2006 MF Bella Vista Total					16,976.12	16,976.12	5,832,853.03	(16,976.12)	0.00	0.00	5,832,853.03	5,832,853.03	0.00	0.00
Money Market	2006 MF Village Park	4.36	08/01/06	09/01/06				3.73		3.73	3.73	-	0.00	
Money Market	2006 MF Village Park	4.36	08/01/06	09/01/06		128,631.27	128,631.27	179,395.44		308,026.71	308,026.71	-	0.00	
Money Market	2006 MF Village Park	4.36	08/01/06	09/01/06		1,525,254.91	1,525,254.91		(1,240,728.71)	284,526.20	284,526.20	-	0.00	
2006 MF Village Park Total					1,653,886.18	1,653,886.18	179,399.17	(1,240,728.71)	0.00	0.00	592,556.64	592,556.64	0.00	0.00
Money Market	2006 MF Oakmoor	4.62	08/01/06	09/01/06		1,342,209.78	1,342,209.78		(384,585.00)	957,624.78	957,624.78	-	0.00	
Money Market	2006 MF Oakmoor	4.62	08/01/06	09/01/06		452,743.55	452,743.55		(32,081.93)	420,661.62	420,661.62	-	0.00	
Money Market	2006 MF Oakmoor	4.62	08/01/06	09/01/06		4,221,647.70	4,221,647.70		(694,683.00)	3,526,964.70	3,526,964.70	-	0.00	
GIC's	2006 MF Oakmoor	4.19	04/26/06	11/01/07		7,317,500.00	7,317,500.00	0.00		7,317,500.00	7,317,500.00	-	0.00	
2006 MF Oakmoor Total					13,334,101.03	13,334,101.03	0.00	(1,111,349.93)	0.00	0.00	12,222,751.10	12,222,751.10	0.00	0.00
Money Market	2006 MF Sunset Pointe	4.36	08/01/06	09/01/06				11,633,106.86		11,633,106.86	11,633,106.86	-	0.00	
2006 MF Sunset Pointe Total					0.00	0.00	11,633,106.86	0.00	0.00	0.00	11,633,106.86	11,633,106.86	0.00	0.00
Money Market	2006 MF Hillcrest	4.69	08/01/06	09/01/06				375,000.24		375,000.24	375,000.24	-	0.00	
Money Market	2006 MF Hillcrest	4.69	08/01/06	09/01/06				81,626.88		81,626.88	81,626.88	-	0.00	
Money Market	2006 MF Hillcrest	4.69	08/01/06	09/01/06				3,077,452.74		3,077,452.74	3,077,452.74	-	0.00	
2006 MF Hillcrest Total					0.00	0.00	3,534,079.86	0.00	0.00	0.00	3,534,079.86	3,534,079.86	0.00	0.00
CD	2006 MF Pleasant Village	5.16	08/31/06	10/15/06				8,814.28		8,814.28	8,814.28	-	0.00	
CD	2006 MF Pleasant Village	5.16	08/31/06	10/15/06				3,671,669.39		3,671,669.39	3,671,669.39	-	0.00	
2006 MF Pleasant Village Total					0.00	0.00	3,680,483.67	0.00	0.00	0.00	3,680,483.67	3,680,483.67	0.00	0.00
CD	2006 MF Grove Village	5.16	08/31/06	10/16/06				20,990.82		20,990.82	20,990.82	-	0.00	
CD	2006 MF Grove Village	5.16	08/31/06	10/16/06				3,310,401.61		3,310,401.61	3,310,401.61	-	0.00	
2006 MF Grove Village Total					0.00	0.00	3,331,392.43	0.00	0.00	0.00	3,331,392.43	3,331,392.43	0.00	0.00
Total Multi-Family Investment Summary					171,588,270.98	171,588,270.98	39,842,856.26	(42,003,474.59)	(54,893.49)	0.00	169,372,759.16	169,372,759.16	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1993 Investment Summary
For Period Ending August 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1993 SF MRB CHMRB	5.26	08/31/06	09/01/06	7,897.10	7,897.10	104.40				8,001.50	8,001.50	-	0.00
	1993 SF MRB CHMRB Total				7,897.10	7,897.10	104.40	0.00	0.00	0.00	8,001.50	8,001.50	0.00	0.00
	Total 1993 SF MRB CHMRB Investment Summary				7,897.10	7,897.10	104.40	0.00	0.00	0.00	8,001.50	8,001.50	0.00	0.00

Texas Department of Housing and Community Affairs
Single Family Collateralized Home Mortgage Revenue Bonds Series 1994 and 1995 Investment Summary
For Period Ending August 31, 2006

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	1994 SF MRB CHMRB	5.26	08/31/06	09/01/06	239.66	239.66		(239.63)			0.03	0.03	-	0.00
Repo Agmt	1994 SF MRB CHMRB	5.26	08/31/06	09/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
Repo Agmt	1994 SF MRB CHMRB				1,380.47	1,380.47		(1,380.47)					-	0.00
Repo Agmt	1994 SF MRB CHMRB				19,968.41	19,968.41		(19,968.41)					-	0.00
Inv Agmt	1994 SF MRB CHMRB				3,601,643.02	3,601,643.02		(3,601,643.02)					-	0.00
	1994 SF MRB CHMRB Total				3,623,231.57	3,623,231.57	0.00	(3,623,231.53)	0.00	0.00	0.04	0.04	0.00	0.00
Repo Agmt	1995 A/B SF MR Refunding Bonds	5.26	08/31/06	09/01/06	0.01	0.01	0.00				0.01	0.01	-	0.00
	1995 A/B SF MR Refunding Bonds Total				0.01	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00
	Total 1994/1995 SF MRB CHMRB Investment Summary				3,623,231.58	3,623,231.58	0.00	(3,623,231.53)	0.00	0.00	0.05	0.05	0.00	0.00

**Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	Commercial Paper	5.26	08/31/06	09/01/06	17.58	17.58	407,079.34				407,096.92	407,096.92	-	0.00
GIC's	Commercial Paper	3.65	08/17/06	09/07/06			3,231,000.00				3,231,000.00	3,231,000.00	-	0.00
GIC's	Commercial Paper	3.64	07/20/06	09/07/06			11,967,000.00				11,967,000.00	11,967,000.00	-	0.00
GIC's	Commercial Paper				3,200,000.00	3,200,000.00		(3,200,000.00)					-	0.00
GIC's	Commercial Paper				57,250,000.00	57,250,000.00		(57,250,000.00)					-	0.00
GIC's	Commercial Paper				75,000,000.00	75,000,000.00		(75,000,000.00)					-	0.00
Commercial Paper Total					135,450,017.58	135,450,017.58	15,605,079.34	(135,450,000.00)	0.00	0.00	15,605,096.92	15,605,096.92	0.00	0.00
Total Commercial Paper Investment Summary					135,450,017.58	135,450,017.58	15,605,079.34	(135,450,000.00)	0.00	0.00	15,605,096.92	15,605,096.92	0.00	0.00

**Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	2,686,776.37	2,686,776.37	35,511.36				2,722,287.73	2,722,287.73	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	3,214,810.53	3,214,810.53	42,490.42				3,257,300.95	3,257,300.95	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	792,494.37	792,494.37	16,038.46				808,532.83	808,532.83	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	454,650.56	454,650.56	35,524.14				490,174.70	490,174.70	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06			33,443.65				33,443.65	33,443.65	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	906,244.65	906,244.65	66,528.03				972,772.68	972,772.68	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	132,426.35	132,426.35	1,750.43				134,176.78	134,176.78	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	311,308.30	311,308.30	4,114.66				315,422.96	315,422.96	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	375,220.65	375,220.65	4,959.45				380,180.10	380,180.10	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	202,436.40	202,436.40	29,279.82				231,716.22	231,716.22	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	385,875.61	385,875.61	5,100.26				390,975.87	390,975.87	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	156,591.86	156,591.86	9,283.70				165,875.56	165,875.56	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	662,832.48	662,832.48	8,760.87				671,593.35	671,593.35	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	863,997.20	863,997.20		(16,743.04)			847,254.16	847,254.16	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	1,082,400.57	1,082,400.57		(370,432.42)			711,968.15	711,968.15	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	67,095.72	67,095.72	8,279.91				75,375.63	75,375.63	-	0.00
Repo Agmt	General Fund	5.26	08/31/06	09/01/06	218,148.86	218,148.86		(207,494.69)			10,654.17	10,654.17	-	0.00
General Fund Total					12,513,310.48	12,513,310.48	301,065.16	(594,670.15)	0.00	0.00	12,219,705.49	12,219,705.49	0.00	0.00
Total General Fund Investment Summary					12,513,310.48	12,513,310.48	301,065.16	(594,670.15)	0.00	0.00	12,219,705.49	12,219,705.49	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	5.26	08/31/06	09/01/06	59,331.58	59,331.58	13,250.17				72,581.75	72,581.75	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	345,914.68	345,914.68	7,699.12				353,613.80	353,613.80	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	38,514.04	38,514.04	3,668.22				42,182.26	42,182.26	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	16,161.05	16,161.05	182.74				16,343.79	16,343.79	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	103,923.10	103,923.10	1,338.20				105,261.30	105,261.30	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	253,597.65	253,597.65	35,885.04				289,482.69	289,482.69	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	79,932.38	79,932.38			(44,934.28)		34,998.10	34,998.10	-	0.00
Repo Agmt	Housing Trust Fund	5.26	08/31/06	09/01/06	5,429,239.23	5,429,239.23		(460,175.41)			4,969,063.82	4,969,063.82	-	0.00
Repo Agmt	General Revenue Appn	5.26	08/31/06	09/01/06	308,635.24	308,635.24	591,143.31				899,778.55	899,778.55	-	0.00
Repo Agmt	General Revenue Appn	5.26	08/31/06	09/01/06	223,031.89	223,031.89	131,293.53				354,325.42	354,325.42	-	0.00
Repo Agmt	Capacity Building -GR	5.26	08/31/06	09/01/06	20,115.88	20,115.88		(9,237.60)			10,878.28	10,878.28	-	0.00
Repo Agmt	Capacity Building -GR	5.26	08/31/06	09/01/06	293,694.53	293,694.53		(35,806.14)			257,888.39	257,888.39	-	0.00
Repo Agmt	Pre-Development -GR	5.26	08/31/06	09/01/06	414,029.81	414,029.81		(13,251.50)			400,778.31	400,778.31	-	0.00
Repo Agmt	Pre-Development -GR	5.26	08/31/06	09/01/06	150,000.00	150,000.00		(50,000.00)			100,000.00	100,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	5.26	08/31/06	09/01/06	107,500.00	107,500.00	0.00				107,500.00	107,500.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	5.26	08/31/06	09/01/06	1,202,087.00	1,202,087.00		(86,709.60)			1,115,377.40	1,115,377.40	-	0.00
Repo Agmt	Bootstrap -GR	5.26	08/31/06	09/01/06	761,400.00	761,400.00		(211,200.00)			550,200.00	550,200.00	-	0.00
Repo Agmt	Bootstrap -GR	5.26	08/31/06	09/01/06	1,957,414.59	1,957,414.59		(14,762.40)			1,942,652.19	1,942,652.19	-	0.00
Repo Agmt	Bootstrap -GR	5.26	08/31/06	09/01/06	1,616,799.00	1,616,799.00		(150,000.00)			1,466,799.00	1,466,799.00	-	0.00
Repo Agmt	Bootstrap -GR	5.26	08/31/06	09/01/06	2,953,520.00	2,953,520.00		(422,400.00)			2,531,120.00	2,531,120.00	-	0.00
Housing Trust Fund Total					16,334,841.65	16,334,841.65	784,460.33	(1,498,476.93)	0.00	0.00	15,620,825.05	15,620,825.05	0.00	0.00
Total Housing Trust Fund Investment Summary					16,334,841.65	16,334,841.65	784,460.33	(1,498,476.93)	0.00	0.00	15,620,825.05	15,620,825.05	0.00	0.00

**Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	Administration	5.26	08/31/06	09/01/06	143,752.85	143,752.85	1,862.63				145,615.48	145,615.48	-	0.00
	Administration Total				143,752.85	143,752.85	1,862.63	0.00	0.00	0.00	145,615.48	145,615.48	0.00	0.00
	Total Administration Investment Summary				143,752.85	143,752.85	1,862.63	0.00	0.00	0.00	145,615.48	145,615.48	0.00	0.00

**Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	RTC	5.26	08/31/06	09/01/06	202,702.77	202,702.77		(10,887.28)			191,815.49	191,815.49	-	0.00
Repo Agmt	Multi Family	5.26	08/31/06	09/01/06	727,141.38	727,141.38	122,311.61				849,452.99	849,452.99	-	0.00
Repo Agmt	Multi Family	5.26	08/31/06	09/01/06	251,114.15	251,114.15		(152,974.06)			98,140.09	98,140.09	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.26	08/31/06	09/01/06	1,091,525.47	1,091,525.47	172,131.41				1,263,656.88	1,263,656.88	-	0.00
Compliance Total					2,272,483.77	2,272,483.77	294,443.02	(163,861.34)	0.00	0.00	2,403,065.45	2,403,065.45	0.00	0.00
Total Compliance Investment Summary					2,272,483.77	2,272,483.77	294,443.02	(163,861.34)	0.00	0.00	2,403,065.45	2,403,065.45	0.00	0.00

**Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending August 31, 2006**

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 05/31/06	Beginning Market Value 05/31/06	Accretions/Purchases	Amortizations/Sales	Maturities	Transfers	Ending Carrying Value 08/31/06	Ending Market Value 08/31/06	Change in In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	5.26	08/31/06	09/01/06	464,028.66	464,028.66	6,079.63				470,108.29	470,108.29	-	0.00
Repo Agmt	S/F Interim Construction	5.26	08/31/06	09/01/06	177.36	177.36	2.71				180.07	180.07	-	0.00
Repo Agmt	S/F Interim Construction	5.26	08/31/06	09/01/06	7.25	7.25	0.00				7.25	7.25	-	0.00
Repo Agmt	Mtg. Credit Certificate	5.26	08/31/06	09/01/06	70,664.24	70,664.24	900.36				71,564.60	71,564.60	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.26	08/31/06	09/01/06	974,818.82	974,818.82		(9,233.78)			965,585.04	965,585.04	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.26	08/31/06	09/01/06	1,478,549.39	1,478,549.39	1,373,531.44				2,852,080.83	2,852,080.83	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	5.26	08/31/06	09/01/06	313,169.49	313,169.49	22,589.34				335,758.83	335,758.83	-	0.00
Housing Initiative Total					3,301,415.21	3,301,415.21	1,403,103.48	(9,233.78)	0.00	0.00	4,695,284.91	4,695,284.91	0.00	0.00
Total Housing Initiatives Investment Summary					3,301,415.21	3,301,415.21	1,403,103.48	(9,233.78)	0.00	0.00	4,695,284.91	4,695,284.91	0.00	0.00
Total Investment Summary					<u>1,338,920,979.42</u>	<u>1,304,480,481.55</u>	<u>377,219,396.05</u>	<u>(260,799,888.49)</u>	<u>(17,158,700.07)</u>	<u>0.00</u>	<u>1,438,181,786.91</u>	<u>1,415,326,458.47</u>	<u>11,585,169.43</u>	<u>0.00</u>
					1,338,920,979.42	1,304,480,481.55					1,438,181,786.91	1,415,326,458.47	11,585,169.43	0.00

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

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

Requested Action

The Board is requested to approve or deny the requests for amendments below.

Background and Recommendations

§2306.6712, Texas Government Code, classifies some changes as “material alterations” that must be approved by the Board. The requests presented below include material alterations. The code indicates that the Board should determine the disposition of a requested amendment if the amendment is a material alteration, would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round.

The requests and pertinent facts about the affected developments are summarized below. The recommendation of staff is included at the end of each write-up.

Limitations on the Approval of Amendment Requests

The approval of a request to amend an application does not exempt a development from the requirements of Section 504 of the Rehabilitation Act of 1973, fair housing laws, local and state building codes or other statutory requirements that are not within the Board’s purview. Notwithstanding information that the Department may provide as assistance, the development owner retains the ultimate responsibility for determining and implementing the courses of action that will satisfy applicable regulations.

HTC No. 01108, Logan’s Pointe

Summary of Request: The owner requests approval to change the unit mix on this 100-unit property. The change was made to comply with the following condition of the commitment notice: “Receipt, review and acceptance of a revised unit mix that is more consistent with the needs of the targeted population, with not more than 25% 3-bedroom units and 25% 4-bedroom units or additional quantifiable justification from the market analyst for the proposed unit mix.”

At the time of the carryover allocation, the owner submitted support from the market analyst for a revised unit mix as follows: forty-four 3 bed/2 bathroom units and fifty-six 4 bed/2 bathroom units to eight 2 bed/1 bathroom units, sixty-four 3 bed/2 bathroom units and twenty-eight 4 bed/2 bathroom units. The supporting documentation was reviewed by the Department and a carryover allocation agreement was issued.

The change in the net rentable area was insignificant (decreased by 1.4%). The number of 50% units and 60% units remained the same. The development is currently at 90% occupancy.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a modification of the number of units or bedroom mix of units.

Owner: Bayou Pointe, Ltd.

General Partner: Bayou Pointe, LLC (Managing GP); Lone Star Housing Corporation (Co-GP)

Developers: Merritt Housing, LLC

Principals/Interested Parties: James C. Hunt, Michael Hartman, Donald Pace, Cathy Graugnard, Melanie Bunstine Laile

Syndicator: AIG SunAmerica

Construction Lender: Bank of America

Permanent Lender: Lend Lease Mortgage Capital, LP

Other Funding: NA

City/County: Mount Vernon

Set-Aside: General Population

Type of Area: Rural

Type of Development: New Construction

Population Served: General Population

Units: 100 HTC units

2001 Allocation: \$614,176

Allocation per HTC Unit: \$6,142

Prior Board Actions: 7/01 – Approved award of tax credits

Underwriting Reevaluation: REA recommends no change in the original award of tax credits.

Staff Recommendation: **The owner attempted to fulfill the condition of the commitment notice by the submission of a revised unit mix and new supporting documentation from the market analyst at the time of carryover. The condition indicated that no more than 25% of the units be three bedroom and no more than 25% of the units be four bedroom. The applicant constructed 64% three bedroom units and 28% four bedroom units. Despite the fact that the Department did not state its acceptance of the owner's revisions, a carryover allocation was issued, allowing the owner to proceed with development and the development is now complete and 90% occupied. Because an attempt was made to address the concerns, the construction has been completed and the credits can no longer be recaptured, staff recommends approving the request.**

HTC No. 03039, Oak Timbers-Grand Prairie

Summary of Request: The owner requests approval to substitute features that were not represented in the application for the ceramic tile floors in the entry, kitchen and bathrooms in all units. Several features and amenities were built into the development in excess of the features proposed. Carports were built for 105 parking spaces instead of only the 80 that were proposed. Whereas the application represented 80 covered parking spaces and 80 open spaces, 105 covered spaces and 75 open spaces were actually built. Cameras for security monitoring were not proposed but were installed. A car wash area that was not proposed was provided, also, as was a picnic pavilion with table and benches.

The tile that was proposed scored two points in fulfilling a Threshold requirement. However, two points for the same Threshold exhibit could have been scored for the covered parking. Therefore, although the covered spaces were not chosen for points, these points could have been chosen and the application would therefore have had the same score without the ceramic tile.

The owner stated that the tile was not included in the development because, upon final consideration, the tile was considered to be a safety concern because of the potential for slipping.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including any modification that is considered significant by the board.

Owner: Oak Timbers-Grand Prairie, L.P.

General Partner: Oak Timbers (Nonprofit, Managing GP); Grand Prairie Senior Living, LLC (Co-GP)

Developers: Southwest Sendero

Principals/Interested Parties: A.V. Mitchell

Syndicator: WNC Holdings, LLC

Construction Lender: Stearns Bank, N.A.

Permanent Lender: NorthMarq Capital

Other Funding: NA

City/County: Grand Prairie/Dallas

Set-Aside: Nonprofit

Type of Area: Exurban

Type of Development: New Construction

Population Served: Elderly Population

Units: 64 HTC units and 16 market rate units

2003 Allocation: \$425,506

Allocation per HTC Unit: \$6,649

Prior Board Actions: 7/03 – Approved award of tax credits

Underwriting Reevaluation: REA recommends no change in the original award of tax credits.

Staff Recommendation: **Staff recommends approving the request. The change 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.**

HTC No. 03220, Desert Breeze

Summary of Request: The owner requests approval to change the unit mix. The development is 100% detached single family homes. The development will still serve the same income residents; however, the owner built all of the four bedroom units with two and a half bathrooms instead of three and a half bathrooms as originally proposed. A survey of prospective tenants indicated some residents would rather have larger living areas than an extra bathroom. The owner built a six-foot tall rock wall around the development and a four and a half foot tall rock wall between each unit, neither of these walls was in the original development proposal.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the architectural design.

Owner: Desert Breeze, Ltd.

General Partner: HH Desert Breeze, LLC; IBI Desert Breeze, LLC

Developers: Investment Builders Development Company, Inc.

Principals/Interested Parties: Housing & Economic Rural Opportunities, Inc., nonprofit owner of HH Desert Breeze, LLC; Ike Monty owner of IBI Desert Breeze, LLC and developer

Syndicator: MMA Financial

Construction Lender: MMA Construction Finance, LLC

Permanent Lender: Midland Affordable Housing Group Trust

Other Funding: NA

City/County: Horizon City/El Paso

Set-Aside: Nonprofit

Type of Area: Rural

Type of Development: New Construction

Population Served: General Population

Units: 36 HTC units (single family residences)

2003 Allocation: \$359,018

Allocation per HTC Unit: \$9,972

Prior Board Actions: 7/03 – Approved award of tax credits
11/14/03 – Approved amendment of site plan

Underwriting Reevaluation: REA recommends no change in the original award of tax credits.

Staff Recommendation: **Staff recommends approving the request. The change would not have adversely affected the selection of the application in the application round.**

HTC No. 03222, Whispering Sands

Summary of Request: The owner requests approval to construct 36 carports, one for each unit, in lieu of the controlled access gates that were proposed in the application but not installed. Although the owner selected a perimeter fence with controlled access gates as a Threshold item, four Threshold items were selected while only two were required for developments of 36 units or less. The owner did build the fence that was proposed but did not install gates because of damage to gates experienced at other developments.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan and any modification that is considered significant by the board.

Owner: Whispering Sands Townhomes, Ltd.
General Partner: IBI Whispering Sands Townhomes, LLC
Developers: Investment Builders Development Company, Inc.
Principals/Interested Parties: Ike Monty
Syndicator: MMA Financial
Construction Lender: Midland Mortgage Investment Corporation
Permanent Lender: Midland Affordable Housing Group Trust
Other Funding: NA
City/County: Anthony/El Paso
Set-Aside: General Population
Type of Area: Rural
Type of Development: New Construction
Population Served: General Population
Units: 34 HTC units and 2 market rate units
2003 Allocation: \$286,440
Allocation per HTC Unit: \$8,425
Prior Board Actions: 7/03 – Approved award of tax credits
Underwriting Reevaluation: REA recommends no change in the original award of tax credits.
Staff Recommendation: **Staff recommends approving the request. The change 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.**

HTC No. 05004, Samuels Place

Summary of Request: The owner requests approval to change the site plan and unit plans. The number of residential buildings will remain the same as originally proposed but the clubhouse, leasing office and other common area will be attached to one of the residential buildings instead of being a freestanding building as originally proposed. The changes are necessary because a noise study conducted by Arpeggio Acoustic Consulting, LLC indicated that the buildings should be moved farther from a railroad track that exists at the eastern side of the site. The bedroom and bathroom mix of the units and the mix of units targeted for each applicable level of income will not change. The common area of the development will not change and the rentable area will change by less than one percent.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan.

Owner: Samuels Place LP

General Partner: Pioneers of Samuels, LLC

Developers: Carleton Development, Ltd.; Fort Worth Affordability, Inc.

Principals/Interested Parties: Fort Worth Housing Authority; Printice Gary; R. David Kelly; Neal R. Hildebrandt

Syndicator: Apollo Housing Capital, LLC

Construction Lender: Chase Bank, N.A.

Permanent Lender: Chase Bank, N.A.

Other Funding: City of Fort Worth (\$126,500)

City/County: Fort Worth/Tarrant

Set-Aside: General Population

Type of Area: Exurban

Type of Development: New Construction

Population Served: General Population

Units: 36 HTC units

2005 Allocation: \$254,842

Allocation per HTC Unit: \$7,079

Prior Board Actions: 7/05 – Approved award of tax credits

Underwriting Reevaluation: To be determined

Staff Recommendation: **Staff recommends approving the request. The change 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.**

HTC No. 05127, Navigation Pointe

Summary of Request: The owner requests approval for four changes. The first change concerns the basis of the points scored in the application round for a commitment of development funding from a local political subdivision. The points were scored as provided by §49.9(g)(5) of the 2005 QAP. The type of funding originally committed was an in-kind contribution consisting of a waiver of certain development fees estimated to total approximately \$151,424. The funding that is proposed to replace the original commitment is a commitment of local HOME funds totaling \$150,000. Both contributions fall within the range between \$1,001 and \$3,500 per unit that qualified for twelve points in the application. The City of Corpus Christi was the original source of funds and remains the source for the HOME funds. The request is made because the construction and permanent lender informed the owner that taking the original commitment would have negatively affected the amounts of the loans. The owner had originally pursued a commitment of HOME funds for the application but abandoned the effort in favor of the waiver of development fees because the City could not commit HOME funds in time to score points for the application.

The second and third changes are interrelated. One change is a decrease in the number of residential buildings from seventeen to seven. The other change concerns a revision of the unit mix to decrease the one bedroom units by four units and increase the two bedroom units by the same number. The owner stated the reason for the foregoing change as rising direct construction costs.

The fourth and final change is the addition of Energy Star or equivalent kitchen appliances, worth two points in the application, in lieu of self-cleaning ovens, worth one point. This change is proposed to increase the appeal of the units to prospective tenants.

Governing Law: §2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a significant modification of the site plan, modification of the number of units or bedroom mix of units and any other modification that is considered significant by the board.

Owner: C.C.T. Navigation-Cameron, LP

General Partner: Merced-Navigation, LLC

Developers: GMAT III Development, Ltd.

Principals/Interested Parties: Merced Housing Texas, 501(c)(3); Manish Verma

Syndicator: Paramount Financial Group, Inc.

Construction Lender: Malone Mortgage Company

Permanent Lender: Malone Mortgage Company

Other Funding: City of Corpus Christi (\$150,000)

City/County: Corpus Christi/Nueces County

Set-Aside: General Population

Type of Area: Exurban

Type of Development: New Construction

Population Served: General Population

Units: 124 HTC units

2005 Allocation: \$800,000

Allocation per HTC Unit: \$6,452

Prior Board Actions: 7/05 – Approved award of tax credits

Underwriting Reevaluation: To be determined

Staff Recommendation: **Staff recommends approving the request. The change 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.**



Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Approval of Revised Unit Mix, Logan's Pointe (TDHCA #01108)

Dear Mr. Sheppard,

We respectfully request the approval of the revised unit mix, as shown in the attached Rent Schedule, for Logan's Pointe Apartments located in Mt. Vernon, Texas. The change in the unit mix was in direct response to the condition set forth in Section G, iii, of the Low Income Tax Credit Commitment Notice, dated and approved by the TDHCA on August 9, 2001. The new unit mix is more consistent with the needs of the targeted population in the community it serves.

If you have any questions or need further information, please contact me at (915) 298-4307. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'Ana Patricia Ochoa'.

Ana Patricia Ochoa

Enc.

OAK TIMBERS

August 31, 2006

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
Multifamily Finance Production
221 East 11th Street
Austin, Texas 78711

RE: Oak Timbers-Grand Prairie - TDHCA #03039

Dear Mr. Sheppard:

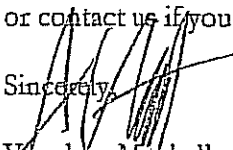
Per guidance from the staff at TDHCA we are submitting this letter to be included in the board book. It is our understanding that in order to change an item that was originally in the application for Oak Timbers-Grand Prairie - TDHCA #03039 - we must obtain approval from the board.

The change in question relates to ceramic tile in the bathrooms, entry and kitchen of the units in this development. As construction on this project began, we became increasingly nervous about the potential for a tenant to slip and fall on its slick surface; and we used vinyl composition tile instead of ceramic tile. However, we feel that we provide several other amenities that not only enhance the quality of life for the tenants at this development, but can also adequately supplement the loss of ceramic tile in the units and help us retain the score we received in our application.

To begin with, we provided 105 covered and 75 uncovered parking spaces free-of-charge to tenants in this 80-unit development. We also supplied laminate countertops in the bathrooms (not originally checked in the application but provided at construction), surveillance cameras for the property (not checked on the application but provided at construction), a car wash area (not checked on the application but provided at construction), and a covered picnic area/pavilion with a teak picnic table and benches (not checked but provided at construction). Additionally, we provided each resident building with post-tension slab foundation (originally checked as slab-grade - but updated at construction).

Furthermore, the covered entries for each unit are large enough (and currently do) accommodate residents' tables, benches, chairs, planters, etc. We feel that these also constituted a covered patio/porch, but did not check this item in the application as we were not sure at that time what TDHCA defined as a covered patio/porch. Please see the attached photos for more information - or contact us if you need additional clarification. Thanks!

Sincerely,


Vaughan Mitchell

**Investment
Builders, Inc.**



September 12, 2006

*Sent via E-mail ben.sheppard@tdhca.state.tx.us
and Facsimile (512) 475-0764*

Mr. Ben Sheppard
Multifamily Finance Production
Texas Department of Housing and Community Affairs
221 East 11th Street
PO Box 13941
Austin, Texas 78711

Re: Desert Breeze – TCHCA File No: 03220 – CMTS: 3373

Dear Mr. Sheppard

The HTC application for the above referenced project identified the following unit mix as part of the development:

9 Three bedroom units

- 2 3-bdrm/2-bath units at 1127 sq. ft.
- 3 3-bdrm/2-bath units at 1190 sq. ft.
- 2 3-bdrm/2 ½ -bath units at 1200 sq. ft.
- 2 3-bdrm/2 ½ -bath units at 1425 sq. ft.

27 Four bedroom units

- 1 4-bdrm/2-bath units at 1127 sq. ft.
- 1 4-bdrm/2-bath units at 1190 sq. ft.
- 3 4-bdrm/2-bath units at 1200 sq. ft.
- 4 4-bdrm/2-bath units at 1425 sq. ft.
- 6 4-bdrm/2 ½ -bath units at 1425 sq. ft.
- 12 4-bdrm/3 ½ -bath units at 1425 sq. ft.

At this time, we request approval to amend the HTC application to substitute for the following unit mix, which has proved to be more acceptable and desirable to the end user, our residents.

9 Three bedroom units

- 2 3-bdrm/2-bath units at 1127 sq. ft.
- 4 3-bdrm/2 ½ -bath units at 1190 sq. ft.
- 3 3-bdrm/2-bath units at 1200 sq. ft.

27 Four bedroom units

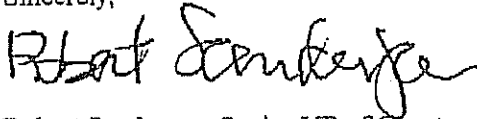
- 9 4-bdrm/2-bath units at 1425 sq. ft.
- 18 4-bdrm/2 ½ -bath units at 1425 sq. ft.

As the final development of the plans took place, a survey was conducted to understand the most current needs because this would be IBI's first single-family housing development using housing tax credits. IBI discovered that many future residents would prefer having a larger back yard, a covered patio, and/or a larger balcony, while others would prefer living space in lieu of a bathroom. Since our residents would be the end users, IBI took their comments and made a decision to provide a unit mix that would accommodate these suggestions. This change would allow IBI to offer a more desirable residence, as well as improve the residents' living conditions in accordance to their standards. Incorporating these changes to the original scope of work allowed us to increase the square footage of the overall development by 748 sq. ft. The modification proved to be a wise decision, for the development currently is 100% occupied.

Full perimeter fencing consisting of a 6-foot tall rock wall was added to the entire development. Additionally, between each unit a supplementary 4 1/2 foot rock wall was constructed to give our residents additional privacy and safety. Also, each home enjoys a covered patio. Since these were not in the original application, IBI not only considers these to be important benefits to the residents, but satisfactory alternatives as well.

We greatly appreciate your attention and consideration to this matter. We look forward to hearing from you and working with the Department to resolve this issue. If you have any other questions, please feel free to contact me at 915-594-2147.

Sincerely,



Robert Sanderson, Senior VP of Construction
IBI Construction

**Investment
Builders, Inc.**

September 12, 2006

*Sent via E-mail ben.sheppard@tdhca.state.tx.us
and Facsimile (512) 475-0764*

Mr. Ben Sheppard
Multifamily Finance Production
Texas Department of Housing and Community Affairs
221 East 11th Street
PO Box 13941
Austin, Texas 78711

Re: Whispering Sands Townhomes – TCHCA File No: 03222 – CMTS: 3374

Dear Mr. Sheppard

The HTC application for the above referenced project identified a controlled access gate as part of the amenities to be provided at the development.

At this time, we request approval to amend the HTC application to substitute this for another amenity item, which has proved to be more acceptable and desirable to our residents. We would like to replace the control access gate with covered parking. Originally 72 uncovered parking spaces were going to be provided; this changed to 36 carports and 36 uncovered parking spaces, with one assigned to each residential unit.

Although the full perimeter fence was constructed, a controlled gate was not installed because of the damage experienced at our other properties and the cost associated with the repairs. Furthermore, the development would incur an unnecessary and expensive burden having to continuously change the security codes when a resident relocates. Since this was not in the original application, IBI not only considers this to be an important benefit to the residents, but a satisfactory alternative as well.

We greatly appreciate your attention and consideration to this matter. We look forward to hearing from you and working with the Department to resolve this matter. If you have any other questions, please feel free to contact me at 915-594-2147.

Sincerely,



Robert Sanderson, Senior VP of Construction
IBI Construction

Carleton Residential Properties

HTC No. 05004

September 12, 2006

RECEIVED

SEP 13 2006

Multifamily Finance Division

5485 Bell Line Road
Suite 300
Dallas, Texas 75254

(972) 980-9810
(972) 980-1559 Fax

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

Dear Mr. Sheppard:

Due to an error in our original noise study, we had to make a change in the site plan for our Samuels Place development (TDHCA #05004) to accommodate the noise abatement plan. Although there is no change in the number of residential buildings or unit mix, there is a slight change in the unit square footage. Therefore we would like to request TDHCA approval of the change. You will find enclosed our revised site plan, unit plans, rent schedule, building/unit type configuration schedule, and the noise abatement plan.

The original noise study was found to be in error as our sound consultant checked our original site plan for compliance with accepted standards for noise abatement. Because we found the noise levels to be higher than previously thought, we had to move the buildings away from the rail lines on the east side of the property. You will notice that we have moved parking to the east side by the rail lines and moved the building further west. The number of residential buildings did not change although we did make the leasing office/clubhouse part of one of the buildings as opposed to a stand alone building. The change in building type caused some slight changes in the unit types and square footage. Our unit mix remains consistent with the application and our revised net rentable square footage is less than one percent different from the application. We have also kept the elevations consistent with those shown in the application. As stated above, we have attached the noise mitigation plan that shows that the new site plan is in compliance with accepted noise abatement practices.

Thank you for your time on this matter. Should you have any question on this matter, please feel free to call me at (972) 980-9810.

Sincerely,



Jeff Fulenckek
Director of Affordable Housing,
Carleton Development, Ltd., co-developer
Of Samuels Place

LOCKE LIDDELL & SAPP LLP
ATTORNEYS & COUNSELORS

100 CONGRESS AVENUE
Suite 300
Austin, Texas 78701-4042

AUSTIN • DALLAS • HOUSTON • NEW ORLEANS • WASHINGTON, D.C.

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

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

August 8, 2006

RECEIVED

AUG 09 2006

LIHTC

Mr. Ben Sheppard
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: **Amendment Request**
Navigation Pointe Apartments in Corpus Christi (the "Project")
TDHCA No. 05127

Dear Ben:

We represent C.C.T. Navigation-Cameron, LP ("**Owner**"). Owner respectfully requests permission to amend certain criteria in its low-income housing tax credit application, as set forth below.

Amendment Request

Owner has received a commitment of local political subdivision funding from the City of Corpus Christi in the form of escrow waivers. Owner requests to change that commitment to HOME funds from the City of Corpus Christi, instead.

Detailed Description

When Owner submitted its signed commitment notice to the Department, it included evidence of local political subdivision funding in the form of the documentation attached as Exhibit A. This documentation, a letter from the City of Corpus Christi and a Resolution by the Corpus Christi Planning Commission, granted Owner a waiver of certain escrow requirements with regard to the construction of certain off-site improvements on Bates Drive, which adjoins the development site. The value of the escrow waiver was estimated to be \$151,423.67.

Owner subsequently began to pursue its construction financing, which is a loan from KeyBank guaranteed under the HUD 221(d)(4) mortgage insurance program. Lenders from KeyBank advised Owner that, under HUD regulations, the escrow waiver from the City would have a negative impact on the construction and permanent loan amount. This became problematic for Owner's overall development budget.

August 8, 2006
Page 2

When Owner first pursued local political subdivision funding from the City of Corpus Christi, it inquired about HOME funds. At that time, the City advised that there was insufficient time to process a request for HOME funds. Upon learning that the escrow waivers would negatively impact the construction and permanent loan amount, Owner went back to the City of Corpus Christi to see if HOME funds could be granted in lieu of the escrow waiver. The City agreed, and a commitment for \$150,000 of HOME funds has been provided. See the commitment attached as Exhibit B.

Impact of Amendment

1. *Points.* Owner received 12 points under Section 49.9(g)(5) of the 2005 QAP for evidence of funding support from a local political subdivision. With these HOME funds, Owner would continue to qualify for those same points. The funding is still coming from the City of Corpus Christi, as indicated in the original tax credit application, the funding is just coming from a different mechanism.

2. *Site Plan; Tenants Served.* This amendment does not require any change in the site plan.¹ In addition, Owner does not plan to change the tenant income levels being served.

3. *Economics.* The proposed HOME loan will be made to Merced Housing Texas, which will then loan the funds to Owner at the applicable federal rate. There should be no federal funds impact that would change the Project's eligible basis. In addition, the difference between the estimated amount of the escrow waivers versus the amount of the HOME loan is *de minimus*, so Owner believes there is no material impact on its development budget. One source is just being substituted for another.

We will appreciate the Department's consideration of this amendment request as soon as possible and are happy to provide any additional information you may need.

Sincerely,



Cynthia L. Bast

Exhibit A -- Previous Evidence of Local Political
Subdivision Funding
Exhibit B -- Commitment for HOME Funds

cc: GMAT Development, Ltd.
Merced Housing Texas

¹ Note, however, that Owner is also requesting a site plan change pursuant to an amendment request dated as of July 31, 2006. The reasons for the change in site plan are not related to the reasons for the amendment requested herein.



City of
Corpus
Christi

HTC No. 05127
Original Evidence of Support
from a Local Political Subdivision

August 15, 2005

Mr. Manish Verma
CCT Navigation – Cameron, L.P.
45 NE Loop 410, Ste. 290
San Antonio, Texas 78216

Dear Mr. Verma:

I am pleased to report that the City of Corpus Christi Planning Commission at a special called meeting today, approved a waiver of the city platting requirement for escrow funds in an estimated amount of \$151,423.67 in support of the project. (See attached resolution.)

The City of Corpus Christi looks forwards to working with your organization in bringing another successful project into our community.

Sincerely,

W. Thomas Utter
Special Assistant to the City Manager

cc George K. Noe, City Manager
Mary K. Fischer, City Attorney
Barbara Holly, Director of Development Services

LEGAL DEPARTMENT

PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-880-3360
Fax 361-880-3239

Municipal Court
Prosecutor's Office
1201 N. Chaparral
Corpus Christi
Texas 78401
Phone 361-886-2530
Fax 361-886-2567

Juvenile Court
Prosecutor's Office
226 Enterprise Pkwy
Suite 103
Corpus Christi
Texas 78405
Phone 361-826-4014
Fax 361-826-4309

Police Legal Advisor
321 John Sartain
Corpus Christi
Texas 78401
Phone 361-886-2608
Fax 361-886-2634
www.cctexas.com



HTC No. 05127
Original Evidence of Support from a
Local Political Subdivision

Resolution

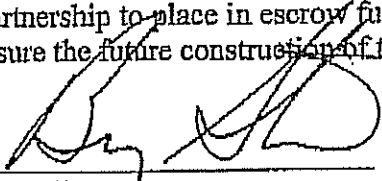
A resolution by the Corpus Christi Planning Commission granting C.C.T. Navigation-Cameron, LP's, request for a Plat Ordinance Variance Regarding Certain Infrastructure to Foster an Affordable Housing Development.

Whereas, the Planning Commission is considering a resolution in support of affordable housing; and

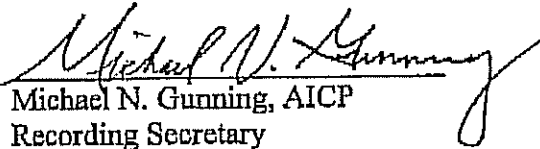
Whereas, C.C.T. Navigation-Cameron, LP, a Texas limited partnership, whose general partner is Merced-Navigation, LLC, whose sole member is Merced Housing Texas, a Texas non-profit corporation, is committed to providing 124 units for low and moderate income persons of 30% and 60% of median income, the Planning Commission agrees to a platting variance waiving certain development fees, including related storm and water utilities, for the construction of a segment of 1/2 of Bates Drive, a road required on the northern edge of the subject property.

Now, therefore, be it resolved by the City of Corpus Christi Planning Commission, that:

The City of Corpus Christi Planning Commission waives requirement for the Partnership to place in escrow funds in an amount estimated to be \$151,423.67 to insure the future construction of the Bates Drive improvements.



Bryan Stone
Chairman



Michael N. Gunning, AICP
Recording Secretary

Dated August 15, 2005



June 16, 2006

Susan Sheeran, President
Merced Housing Texas
212 West Laurel
San Antonio, TX 78212


RE: City of Corpus Christi HOME Program Funding for Navigation
Pointe

Dear Ms. Sheeran:

I would like to congratulate Merced Housing Texas for their successful HOME Program request for proposal application submitted to the City of Corpus Christi regarding Navigation Pointe Development. This is to ascertain Merced Housing Texas has received \$100,000 of HOME Program funding from fiscal year 2005. In addition, most recently on June 13, 2006, with approval from the Corpus Christi Community Improvement Corporation (CCCIC), we were able to provide an additional \$50,000 towards the development.

We are looking forward to this development as it creates additional affordable housing in Corpus Christi, TX.

Sincerely,


Daniel Gallegos Jr.
CD Administrator

Cc: Edgar T. Sandoval

HTC No. 05127
Proposed (Amended) Evidence of
Support from a Local Political
Subdivision

July 31, 2006

Mr. Ben Sheppard
 Texas Department of Housing and Community Affairs
 221 East 11th Street
 Austin, Texas 78701

RE: Amendment Request
 Navigation Pointe Apartments in Corpus Christi
 TDHCA No. 05127

Dear Mr. Sheppard,

C.C.T. Navigation-Cameron, LP ("Owner") respectfully request permission to amend certain criteria in its 2005 Housing Tax Credit Application, as follows:

1. Revision of Unit Mix

Due to the rising direct construction costs, and in the coastal areas of Texas specifically, the Owner requests to revise the unit mix for Navigation Pointe. The proposed unit mix is more typical to a garden style development, thereby creating a more efficient design. The Owner has carefully attempted to create a unit mix that is consistent with the original unit mix in terms of unit count, net rentable-square footage, income mix, and unit/community amenities. Comparisons of the two mixes are noted below:

<u>Salient Information</u>	<u>New Mix</u>	<u>Original Mix</u>
▪ Unit Count	124 units (40-1br, 48-2br, 36-3br)	124 units (44-1br, 44-2br, 36-3br)
▪ Income Mix	13 units @ 30%, 111 units @ 60%	13 units @ 30%, 111 units @ 60%
▪ Net Rentable SFT	119,472 SFT (< 2% change)	121,896 SFT
▪ Building Count	7 apartment buildings	17 apartment buildings


The updated forms for the application reflecting the revised unit mix, in addition to the updated site plan, unit plans, and building plans, are attached.

2. Revision of Unit Amenities

The Owner is requesting a change in one of the unit amenity selections. The Owner is proposing to install "Energy Star or equivalently rated kitchen appliances" (2 points) in lieu of "self-cleaning ovens" (1 point). The Owner believes that this change would better serve the future tenants of Navigation Pointe.

Please let me know if you need any additional information for either of these two requests. Thank you in advance for your time and consideration.

Sincerely,



Manish Verma
 C.C.T. Navigation-Cameron, LP
 Navigation Pointe, TDHCA #05127

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

Presentation, Discussion and Possible Approval of Qualified Trustees for the Multifamily Mortgage Revenue Bond Transactions.

Requested Action

Approve or Deny the Recommended List Below as an addition to the Multifamily Bond Approved Trustee List.

Background

At the June 26, 2006 TDHCA Board meeting, the Board approved the staff's recommendation to deny the submission in response to the Request for Qualifications (RFQ) for Region's Bank to serve as Trustee for the multifamily bond issues and/or refundings. The decision by staff to not recommend Region's Bank was due to the lack of multifamily trust experience in Texas. However, after that action Region's Bank staff submitted additional information and recommendations from their previous clients. With that supporting material, staff has determined that Region's Bank has demonstrated they have sufficient experience and capability to meet the needs of the Department. Once approved, the Trustee will be required to update their qualifications every two years to remain on the approved list.

The Department staff recommends the following institution be added to the Multifamily Bond Approved Trustee List:

Institution	Role	Requested Action
Region's Bank	Trustee	Add to approved list

There are four other Trustees currently on the approved list: Wells Fargo Bank Texas, N.A.; Wachovia Bank National Association; JP Morgan Chase Bank of Texas; and Bank of New York (Dallas).

Recommendation

Approve Region's Bank to be added to the Multifamily Bond Approved Trustee list.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

Presentation, Discussion and Possible Approval of a Senior Managing Underwriting Firm for Multifamily Mortgage Revenue Bond Transactions.

Requested Action

Approve or Deny the Recommended List Below.

Background

The Department received an application in response to an Open Request for Qualifications (RFQ). The underwriters are approved on a two year basis and are required to update their qualifications at the end of each two year term. One firm is requesting to be added to the Department's list of approved underwriters and after reviewing the qualifications of the firm, the Department staff recommends that the following Investment Banking Firm be added to the Multifamily Bond Approved Underwriters List. This firm has a unique combination of experience in affordable housing finance and knowledge of the Texas market. Their bankers are experienced in the knowledge of Housing Finance Agency finance, knowledgeable in the municipal bond market and they have significant Texas presence.

Institution	Role	Requested Action
JP Morgan Chase	Senior Manager	Add to approved list

Attached is a copy of the complete current list of approved Underwriting firms.

Recommendation

Staff recommends that the Board approve that the above Investment Banking Firm be added to the Multifamily Bond Approved Underwriters list.

**Senior Managing Underwriters
for Multifamily Transactions**

George K. Baum & Co. (6/26/06)

Contact: Guy E. Yandel
717 Seventeenth Street, Suite 2500
Denver, CO 80202
Phone: (303) 292-1600
Fax: (800) 722-1670

**National Alliance Securities Corporation
(6/26/06)**

Contact: Stephen Lipkin
1755 Wittington Place, Suite 320
Dallas, Texas 75234
Phone: (469) 522-4440 ext 103
Fax: (469) 522-4441

Citigroup Global Markets (6/26/06)

Contact: Nick Fluehr
390 Greenwich Street, 2nd Floor
New York, NY 10013
Phone: (212) 723-5697
Fax: (212) 723-8581

Red Capital Markets, Inc. (6/26/06)

Contact: James F. Croft
Two Miranova Place
Columbus, OH 43215
Phone: (614) 857-1652
Fax: (614) 857-9646

Capmark Securities (6/26/06)

Contact: Jerry Wright
20333 State Highway 249, Suite 200
Houston, Texas 77429
Phone: (281) 378-1524
Fax: (281) 378-1523

A.G Edwards & Sons, Inc (6/26/06)

Contact: Nora Chavez
One North Jefferson
St. Louis, Missouri 63103
Phone: (314) 955-3616
Fax: (314) 955-7371

Merchant Capital, L.L.C. (7/28/06)

Contact: John Rucker, III
250 Commerce, Suite 36104
Montgomery, Alabama 36101
Phone: (334) 834-5100
Fax: (334) 269-0902

Merrill Lynch (New York) (6/26/06)

Contact: Barbara Feldman
4 World Financial Center, Floor 09
New York, NY 10080
Phone: (212) 449-0620
Fax: (212) 449-7174

Morgan Keegan (06/26/06)

Contact: Mark C. O'Brien
5956 Sherry Lane, Suite 1900
Dallas, TX 75225
Phone: (214) 365-5524
Fax: (214) 365-5563

Banc of America Securities (6/26/06)

Contact: Lawrence Soule
9 West 57th, 6th Floor
New York, NY 10019
Phone: (212) 847-6351
Fax: (212) 933-2268

Stephens Inc (2/15/06)

Contact: Tom Langdon
100 North Broadway, Suite 1850
Oklahoma City, OK 73102
Phone: (405) 231-2890
Fax: (405) 231-4446

**Co-managing Underwriters
For Multifamily Transactions**

Jackson Securities (6/26/06)

Contact:
100 North Broadway, Suite 1850
Oklahoma City, OK 73102
Phone: (405) 231-2890
Fax: (405) 231-4446

Estrada Hinojosa (6/26/06)

Contact: Robert Estrada
1717 Main Street, Suite 4740
Dallas, TX 75201
Phone: (214) 658-1670
Fax: (214) 658-1671

**Housing Tax Credit Program
Board Action Request
October 12, 2006**

Action Item

Request review and board determination of one (1) 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 one (1) four percent (4%) Tax Credit Determination Notice with **another issuer** for the tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
060426	Costa Almadena	San Antonio	Bexar County HFC	176	174	\$18,533,664	\$15,000,000	\$734,966	\$734,966

**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Costa Almadena.

Summary of the Transaction

Background and General Information: The application was received on August 14, 2006. The Issuer for this transaction is Bexar County HFC. The development is new construction and will consist of 176 total units targeting the general population, with 174 affordable units and 2 market rate units - for a Priority 3 bond transaction this means that at least 75% of all units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. The site is currently zoned for such a development. The Compliance Status Summary completed on September 18, 2006 reveals that the principals of the general partner have a total of twelve (12) properties that will be monitored by the Department. The bond priority for this transaction is:

Priority 3: Any qualified residential rental development.

Census Demographics: The development is to be located at 6200 Block of S. New Braunfels Road and Dunes Drive in San Antonio. Demographics for the census tract (1411) include AMFI of \$34,058; the total population is 7,226; the percent of population that is minority is 76.03%; the percent of population that is below the poverty line is 27.25%; the number of owner occupied units is 1,091; the number of renter units is 1,484 and the number of vacant units is 208. The percent of population that is minority for the entire City of San Antonio is 68% (Census information from FFIEC Geocoding for 2006).

Public Comment: The Department has received no letters of support and no letters of opposition.

Recommendation

Staff recommends that the Board approve the issuance of a Determination Notice of Housing Tax Credits for Costa Almadena.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Costa Almadena, TDHCA Number 060426

BASIC DEVELOPMENT INFORMATION

Site Address: 6200 Block of S. New Braunfels Rd and Dunes Dr. Development #: 060426
 City: San Antonio Region: 9 Population Served: Family
 County: Bexar Zip Code: 78223 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity:
 Bond Issuer: Bexar County HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Costa Almadena, Ltd.
 Owner Contact and Phone: Henry A. Alvarez, III (210) 477-6042
 Developer: Las Varas Public Facility Corporation
 Housing General Contractor: NRP Contractors LLC
 Architect: Alamo Architect
 Market Analyst: Apartment Market Data
 Syndicator: CharterMac Capital Company
 Supportive Services: Merced Housing Texas
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	174
0	0	6	168	0	6	90	72	8	0	Market Rate Units:	2
Type of Building:										Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building									Total Development Units:	176
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence									Total Development Cost:	\$18,533,664
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy									Number of Residential Buildings:	10
	<input type="checkbox"/> Transitional									HOME High Total Units:	0
	<input type="checkbox"/> Townhome									HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$734,966	\$734,966	0	0	0.00%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Costa Almadena, TDHCA Number 060426

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Madla, District 19 NC US Representative: Cuellar, District 28, NC
TX Representative: Puente, District 119 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Phil Hardberger, Mayor, City of San Antonio - NC Resolution of Support from Local Government []

Andrew Cameron, Housing and Community Development Director, City of San Antonio - The number of units and purpose are consistent with the local consolidated plan.

Individuals/Businesses: In Support: 0 In Opposition: 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

- Per §50.12(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")."
Receipt, review, and acceptance prior to closing of documentation clearing several Real Estate Liens securing the cost of vacant lot clean-up and title company requirement of a recorded deed from NIT Holdings, LLC (or its successor in interests).
Receipt, review, and acceptance of documentation from Bexar CAD indicating a definite determination of the development's tax exemption status.
Receipt, review, and acceptance of an explanation and if necessary, a third party cost estimate for the two driveways traversing the existing drainage easement.
Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Costa Almadena, TDHCA Number 060426

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$734,966
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$734,966 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

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

DATE: October 4, 2006

PROGRAM: 4% HTC

FILE NUMBER: 060426

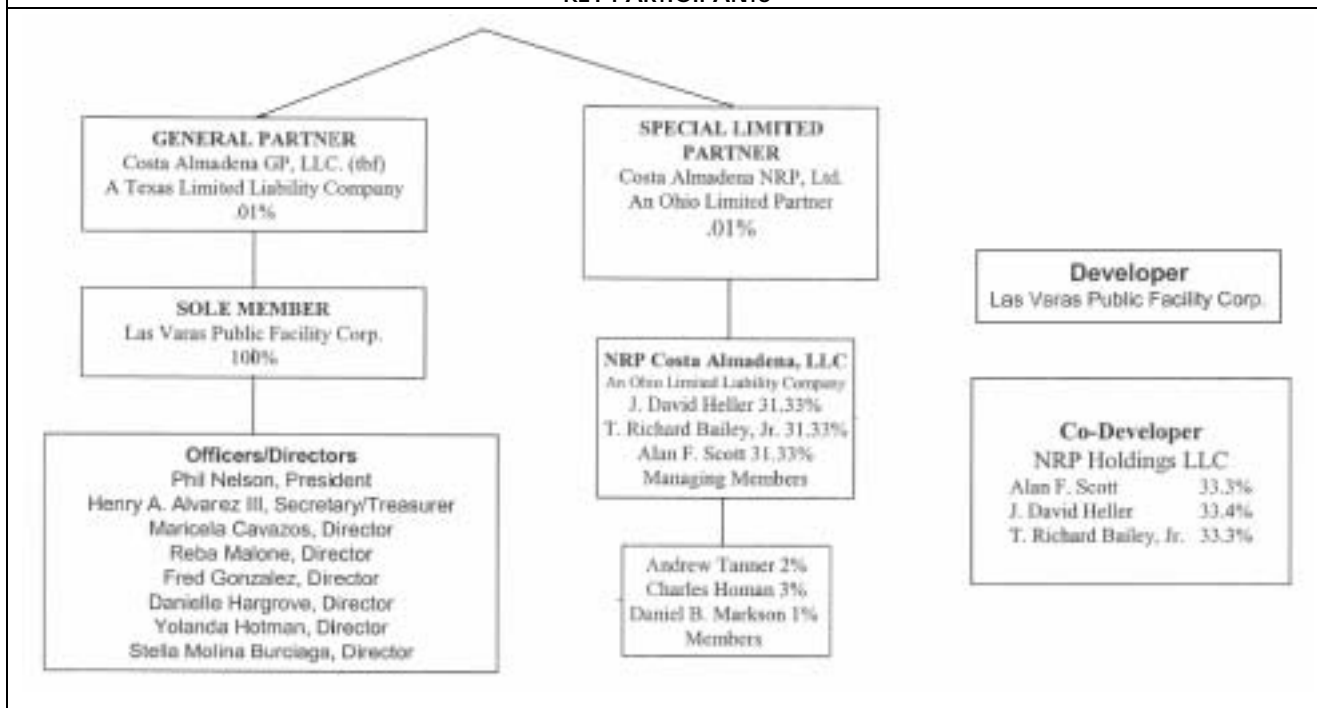
DEVELOPMENT NAME

Costa Almadena

APPLICANT

Name: Costa Almadena, Ltd. **Contact:** Henry Alvarez, III
Address: 818 South Flores
City: San Antonio **State:** TX **Zip:** 78204
Phone: (210) 477-6042 **Fax:** (210) 477-6043 **Email:** Henry_alvarez@saha.org

KEY PARTICIPANTS



PROPERTY LOCATION

Location: 6200 Block of S. New Braunfels Road and Dunes Drive
City: San Antonio **Zip:** 78223
County: Bexar **Region:** 9 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$734,966	N/A	N/A	N/A
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban, Nonprofit	

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$734,966 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

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

CONDITIONS

1. Receipt, review and acceptance prior to closing of documentation clearing several Real Estate Liens securing the cost of vacant lot clean-up and title company requirement of a recorded deed from NIT Holdings, LLC (or its successor in interests).
2. Receipt, review, and acceptance of documentation from Bexar CAD indicating a definite determination of the development's tax exemption status.
3. Receipt, review, and acceptance of an explanation and if necessary, a third party cost estimate for the two driveways traversing the existing drainage easement.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

The Applicant submitted a tax credit application in 2005 (#05158), but the application score within its allocation type and set-aside within its region was not high enough to be considered for underwriting.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 176 **# Res Bldgs** 10 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 197,832 **Av Un SF:** 1,124 **Common Area SF:** 3,517 **Gross Bldg SF:** 201,349

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 21% siding/shingle, and 79% stucco. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be a combination of carpet, resilient covering, and light concrete. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, a phone jack and high speed in each room, laundry connections, a ceiling fixture in each room, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 150 or more, the Applicant has elected to provide an a barbecue or picnic table for every 50 units, controlled access gates, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a swimming pool, and a furnished and staffed children's activity center.

Uncovered Parking: 321 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The subject is a 17-unit per acre new construction development located in San Antonio. The development is comprised of a combination of eight evenly distributed garden style and two townhome residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
6	3	0	12	12	0
1	3	0	12	0	0
2	2	0	0	0	4
1	3	6	6	0	0

The development will include a 3,517-square foot community building that is planned to have a fitness center,

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

community room, business center, children's activity room, kitchen, and laundry facility.

SITE ISSUES			
SITE DESCRIPTION			
Total Size:	10.4 acres	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone:	Zone X	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning:	MF-33, Multifamily	Needs to be re-zoned?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A
SITE and NEIGHBORHOOD CHARACTERISTICS			
<p>Location: The site is located at the 6200 Block of S. New Braunfels Road and Dunes Drive, San Antonio, Bexar County. San Antonio is located 190 miles west of Houston and 78 miles southwest of Austin in Bexar County.</p> <p>Adjacent Land Uses:</p> <ul style="list-style-type: none"> € North/Northeast: Dunes Street immediately adjacent and Dunes Apartments and single family uses beyond; € South: S. New Braunfels Avenue immediately adjacent and Texas State Hospital beyond; € East: Undeveloped land and Pytel park immediately adjacent and beyond; and € West: Residential uses immediately adjacent and beyond. <p>Site Access: According to the Market Analyst, "Access to the property is very good. The subject site has excellent access via South New Braunfels Avenue. South New Braunfels Avenue, one can easily connect to Interstate 37, and to all part of San Antonio" (p.2).</p> <p>Public Transportation: Public transportation to the area is provided by VIA Metropolitan Transit and the nearest linkage is less than 0.5 miles from the subject site.</p> <p>Shopping & Services: Several major grocery/pharmacies, shopping centers, schools, churches, hospitals and health care facilities, and a variety of other retail establishments and restaurants are located within a short driving distance of the site.</p> <p>Adverse Site Characteristics:</p> <ul style="list-style-type: none"> € Floodplain: Although the Flood Insurance Rate Map #48029C0627E indicates the site is located entirely in Zone X, the submitted survey indicates a "floodplain" located along the drain easement on the 7.34-acre tract. The site plan indicates no structures will be constructed on the easement, but it appears that two drives will be constructed across the easement. € Title: Schedule C of the title commitment lists several Real Estate Liens securing the cost of vacant lot clean-up. In Addition the title company requires a recorded deed from NIT Holdings, LLC (or its successor in interests) prior to closing. Receipt, review and acceptance of documentation clearing these items is a condition of this report. 			
TDHCA SITE INSPECTION			
Inspector:	Manufactured Housing Staff	Date:	9/5/2006
Overall Assessment:	<input type="checkbox"/> Excellent <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Questionable <input type="checkbox"/> Poor <input type="checkbox"/> Unacceptable		
Comments:	_____		
HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)			
<p>A Phase I Environmental Site Assessment report dated August 10, 2006 was prepared by ECS – Texas, LLP and contained the following findings and recommendations:</p> <p>Findings:</p> <ul style="list-style-type: none"> € Noise: "A noise study does not appear to be warranted for the subject site at this time" (p.20). € Floodplain: "According to the Federal Emergency Management Act (FEMA) Flood Insurance Rate Map (FIRM) Panel Number 48029C0627E, February 16, 2005, the subject property was located in Zone X, which was defined as 'areas outside the 100-year floodplain'" (p.20). € Asbestos-Containing Materials (ACM): "The subject property was undeveloped" (p.20) € Lead-Based Paint (LBP): "The subject property was undeveloped" (p.20). 			

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

- € **Lead in Drinking Water:** “The subject property was undeveloped” (p.21).
- € **Radon:** “...According to the EDR Radius Map with GeoCheck report, Bexar County has a mean average radon concentration of 1.1 pico curies per liter (pCi/L), with a maximum of 6.1 pCi/L. The site-specific area was evaluated in an EPA / State Residential Survey and a National Residential Radon Survey conducted in zip code 78211. The site is located in EPA Radon Zone 3, where data from 2 test sites showed an average of 0.550 pCi/L, which is below the U.S. EPA action level of 4.0 pCi/L. Therefore, radon was not considered to pose an environmental concern in connection with the subject property” (p.20).

Recommendations: “This assessment has revealed no evidence of recognized environmental conditions of concern in connection with the subject property. No additional investigation or assessment is warranted at this time” (p.23).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). One hundred and seventy-four of the units (99% of the total) will be reserved for low-income tenants. Six units (3%) will be reserved for households earning 50% or less of AMI, 168 units (95%) will be reserved for households earning 60% or less of AMI, and the remaining two units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$22,320	\$25,500	\$28,680	\$31,860	\$34,380	\$36,960

MARKET HIGHLIGHTS

A market feasibility study dated June 16, 2006 was prepared by Apartment MarketData (“Market Analyst”) and included the following findings:

Secondary Market Information: The Market Analyst did not define a secondary market area.

Definition of Primary Market Area (PMA): “For this analysis, we utilized a “primary market area” encompassing 30.38 square miles. The boundaries of the Primary Market Area are as follows: North - Interstate Highway 10 / Rigsby Avenue; East - S WW White/Loop 410; South - Loop 410 and; West - Pleasanton Road” (p. 3). This area encompasses approximately 31 square miles and is equivalent to a circle with a radius of 3 miles.

Population: The estimated 2005 population of the PMA was 99,143 and is expected to increase by 2.8% to approximately 101,876 by 2010. Within the primary market area there were estimated to be 33,057 households in 2005.

Total Market Demand: The Market Analyst utilized a household size-appropriate adjustment rate of 97.37% (p. 40). The Analyst’s income band of \$17,074 to \$39,960 (p. 46) results in an income eligible adjustment rate of 14.95% (p. 49). The tenure appropriate adjustment rate of 42.2% is specific to the target population (p. 39). The Market Analyst indicates a turnover rate of 74.9% applies based on IREM data (p. 50). It should be noted that the income band for the subject has been widened to include households earning 50% of the area medium income (six units). Without these six units targeting 50% income, there would be insufficient demand from an inclusive capture rate perspective to support the development.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	17	0.5%	24	1%
Resident Turnover	3,621	99.5%	3,573	99%
TOTAL DEMAND	3,638	100%	3,597	100%

p. 52

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 23% based upon 3,638 units of demand and 838 unstabilized affordable housing in the PMA (including the subject) (p. 53). The

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Underwriter calculated an inclusive capture rate of 23% a revised demand estimate for 3,597 affordable units.

Unit Mix Conclusion: “The average size of a household within the Primary Market Area is 3.0 persons. The subject’s unit mix is well suited for individuals and for families, as the subject is comprised of 4.4% one bedrooms, which would accommodate households having one or two persons. One and two person household make up 56.99% of the sub-market. The subject also has 51.1% two bedroom units, which would accommodate households having, two, three, or four persons. The sum of two, three, and four person households represent 58.11% of the sub-market area. The subject is also made up of 40.0% three bedroom units and 4.4% four bedroom units, which would accommodate households which have three, four, five, six, or seven persons. This grouping of households represents 43.01% of the sub-market area” (p. 58).

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 896 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (50%)	\$422	\$409	\$13	\$740	-\$318
1-Bedroom (60%)	\$521	\$508	\$13	\$740	-\$219
2-Bedroom (50%)	\$507	\$488	\$19	\$770	-\$263
2-Bedroom (60%)	\$627	\$608	\$19	\$770	-\$143
2-Bedroom (60%)	\$601	\$608	-\$7	\$770	-\$169
2-Bedroom (60%)	\$717	N/A	N/A	\$770	-\$53
3-Bedroom (MR)	\$581	\$549	\$32	\$910	-\$329
3-Bedroom (50%)	\$719	\$687	\$32	\$910	-\$191
3-Bedroom (60%)	\$686	\$687	-\$1	\$910	-\$224
4-Bedroom (60%)	\$794	\$715	\$79	\$1,125	-\$331
4-Bedroom (60%)	\$755	\$715	\$13	\$1,125	-\$318

(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: “Existing “affordable” housing projects have an overall occupancy of 85.0%” (p. 86).

Absorption Projections: “We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction. An 8% monthly lease-up rate would be as follows:

Month	7	8	9	10	11	12	13	14	15	16	17	18	Total: 93%
Units	14	14	14	14	14	14	14	14	14	14	14	10	164
Note: During months 1-6, the project will be under construction so no units will be occupied.													

(p. 86)

Unstabilized, Under Construction, and Planned Development: It should be noted that two projects, Marshall Meadows and Rosemont at Pleasanton, lie just outside Loop 410, outside the southern boundary of the PMA. These projects are under construction, and will deliver 390 units serving residents earning up to 60% AMI. These projects are mentioned, but not included in the capture rate calculation as they lie outside the PMA...

Additionally, Villas of Pecan Creek (aka Saddlebrook – TDHCA #02445) is a bond project under renovation within the PMA. Upon contacting the site, the manager was not forthcoming with any useful information. We know that this project has historically been occupied by Section 8 voucher recipients. The manager reported that she did not know how many voucher recipients that currently occupied units. Additionally, she could not state how many units had been renovated and available versus units yet to be renovated. We do know that the renovation has occurred with the residents in place” (p. 52).

Clark Pointe (TDHCA #05414), The Villas at Costa Cadiz (TDHCA #04461), and Mission Del Rio Homes (TDHCA #04488) are all LIHTC developments targeting families located within the defined PMA boundaries. These were all included in the inclusive capture rate calculation.

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According to the Market Analyst, San Jose Apartments (TDHCA #060040), a 220 unit development in the PMA targeting families, and Whitefield Place (TDHCA #04107), an 80 unit development also in the PMA and targeting families, are not required to be included in the capture rate calculation since these developments are acquisition rehab projects to be renovated with current residents in place.

Furthermore, New Braunfels Gardens (TDHCA #05437), a 160 unit senior development, and Seton Home Center for Teen Moms (TDHCA #04149), a 24 unit multifamily development targeting teen mothers, are both located within the subject's defined PMA boundary. However, units for developments exclusively targeting seniors and not exclusively targeting families do not affect the inclusive capture rate for family developments.

Market Impact: "The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market" (p. 86).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: It should be noted, the Applicant has indicated two rent levels for units affordable at 60% of AMGI. In general, the Applicant's projected rents collected for each affordable unit were calculated by subtracting tenant-paid utility allowance estimates as provided by Diamond Property Consultants, and reviewed by the utility providers, from the 2006 program gross rent limits. According to the Applicant, a portion of the utility allowance estimate for each unit type is based on the allowances provided by the San Antonio Housing Authority and the other portion is based on information provided by Diamond Property Consultants. However, the Applicant did not provide sufficient documentation to substantiate that the application of the SAHA utility allowances to a portion of the allowance estimate is reasonable. The Applicant provided signed letters from the utility providers indicating that the utility allowances provided by Diamond Property Consultants were reviewed by the provider and apply to the proposed development. The Underwriter has determined this is sufficient documentation for the alternate utility allowances; therefore, the Underwriter has applied the Diamond Property Consultants utility allowances to the entire allowance estimate. Tenants will be required to pay electric, natural gas, water, and sewer costs.

The Applicant's secondary income and vacancy and collection loss are in line with current TDHCA guidelines. Despite the differences noted above, effective gross income is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at \$3,176 per unit is within 5% of the Underwriter's estimate of \$3,145, derived from actual operating history provided by the Applicant of other similar developments, the TDHCA database, and third-party data sources. The Applicant's budget shows several line item estimates that deviate significantly when compared to the Underwriter's estimates, particularly: general and administrative (\$17K lower) and water, sewer and trash (\$19K lower).

The Applicant, owned by the San Antonio Housing Authority, a Texas Non-profit Corporation, submitted a letter dated October 12, 2005 from Bexar Appraisal District indicating that a similar development, Costa Valencia has a predetermined tax exemption, contingent upon review of the project as actually created. The Applicant indicates that they have made application for tax exemption, but have not yet received confirmation regarding the status of the exemption. They plan to submit the filed application. Therefore, receipt, review, and acceptance of documentation from Bexar CAD indicating a definite determination of the subject development's tax exemption status is a condition of this report. Failure to achieve a near 100% exemption would severely affect the financial feasibility of the development as it would restrict debt service and underlying bond debt to a level that may not qualify for tax credits.

Finally, it appears that the Applicant has understated TDHCA compliance fees.

Conclusion: Because the Applicant's effective gross income, total annual operating expenses, and 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) within the Department's DCR guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income

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and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 7.34 acres	\$175,330	Assessment for the Year of:	2006
Land: 3.113 acres	\$101,700	Valuation by:	Bexar County Appraisal District
Total: 10.453 acres	\$277,030	Tax Rate:	2.997074

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and sale agreement (10.453 acres total; 3.113-acre and 7.34-acre tracts)		
Contract Expiration:	11/21/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$1,138,332	Other:	
Seller:	Boyce Gaskin Trust	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$108,900 per acre or \$6,468 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Off-Site Costs: The Applicant claimed off-site costs of \$163,498 for a six foot sidewalk, and a 12 inch water line and provided sufficient third party certification from a professional engineer to justify these costs.

Sitework Cost: The Applicant's claimed sitework costs of \$2,847 per unit appear to be low; however, further third party substantiation for a lower than normal estimate is not required. However, it should be noted that the cost of the two bridge driveways over the drainage easement do not appear to be part of this sitework cost. It is possible that these costs are embedded in the higher than expected direct construction costs described below. Receipt, review, and acceptance of an explanation and if necessary, a third party cost estimate for the two driveways traversing the drainage easement is a condition of this report.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$340K or 4% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Fees: The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. However, the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by \$368,626 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 is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$16,010,866 supports annual tax credits of \$746,967. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source:	CharterMac Capital LLC	Contact:	James Spound
Tax-Exempt:	\$9,500,000	Interest Rate:	6.2%*, fixed, lender's estimate
		Amort:	480 months
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	* does not include trustee, issuer or other trust indenture fees		

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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TAX CREDIT SYNDICATION

Source: CharterMac Capital, LLC **Contact:** Ryan Sfreddo
Proceeds: \$7,127,743 **Net Syndication Rate:** 97% **Anticipated HTC:** \$734,966/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

OTHER

Amount: \$1,899,827 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by the San Antonio Housing Trust Finance Corporation and purchased by CharterMac. The bond financing term sheet from MMA Financial is consistent with the terms reflected in the sources and uses of funds portion of the application.

HTC Syndication: The tax credit syndication commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,899,827 amount to 77% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$9,500,000 indicates the need for \$9,033,664 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$931,492 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$734,966), the gap-driven amount (\$931,492), and eligible basis-derived estimate (\$746,967), the Applicant's request of \$734,966 is recommended resulting in proceeds of \$7,127,743 based on a syndication rate of 97%.

The Underwriter's recommended financing structure indicates the need for \$1,905,921 in additional permanent funds. Deferred developer and contractor fees in this amount do not appear to be repayable from development cashflow within ten years of stabilized operation, but appear to be repayable within 15 years.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

∓ The Applicant, Developer, General Contractor, and property manager 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.
- ∓ The 100% owner of the GP, Las Varas Public Facility Corp, has no material financial statements. Las Varas is an affiliate of the Housing Authority of the City of San Antonio (SAHA); therefore, the Department requested the financial statements for SAHA. SAHA submitted an unaudited financial statement as of May 31, 2006 reporting total assets of \$299M and consisting of \$32K in cash and cash equivalents, \$11K in restricted assets, \$236M in capital assets, and \$19K in other non current assets. Liabilities totaled \$66K, resulting in net assets of \$233K.
- ∓ The anticipated guarantors of the development, J Davis Heller, T Richard Bailey, Jr. and Alan F Scott, submitted unaudited financial statements as of February 24, 2006, July 5, 2006 and July 6, 2006 respectively.

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

∓ Significant inconsistencies in the application could affect the financial feasibility of the development.

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- € Significant environmental/locational risks exist regarding traversing the drainage easement.
- € The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- € The 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:	_____
	<i>Diamond Thompson</i>		October 4, 2006
Reviewing Underwriter:	_____	Date:	_____
	<i>Lisa Vecchietti</i>		October 4, 2006
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Tom Gouris</i>		October 4, 2006

MULTIFAMILY COMPARATIVE ANALYSIS(continued)
Costa Almadena, San Antonio, 4% HTC #060426

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$48.35	\$9,564,208
Adjustments				
Exterior Wall Finish	0.21%		\$0.10	\$20,085
9-Ft. Ceilings	3.00%		1.45	286,926
Roofing			0.00	0
Subfloor			(0.80)	(158,266)
Floor Cover			2.22	439,187
Porches/Balconies	\$21.50	26,616	2.89	572,301
Plumbing	\$680	486	1.67	330,480
Built-In Appliances	\$1,675	176	1.49	294,800
Stairs & TH Interior	\$1,650	63	0.53	104,280
Enclosed Corridors			0.00	0
Heating/Cooling			1.73	342,249
Rough Ins	\$340	344	0.59	117,120
Comm &/or Aux Bldgs	65.96	3,517	1.17	231,995
Fire Sprinkler	\$1.95	197,832	1.95	385,772
SUBTOTAL			63.34	12,531,138
Current Cost Multiplier	1.07		4.43	877,180
Local Multiplier	0.86		(8.87)	(1,754,359)
TOTAL DIRECT CONSTRUCTION COSTS			\$58.91	\$11,653,958
Plans, specs, survy, bld prm	3.90%		(\$2.30)	(\$454,504)
Interim Construction Interest	3.38%		(1.99)	(393,321)
Contractor's OH & Profit	11.50%		(6.77)	(1,340,205)
NET DIRECT CONSTRUCTION COSTS			\$47.85	\$9,465,927

PAYMENT COMPUTATION

Primary	\$9,500,000	Amort	480
Int Rate	6.20%	DCR	1.20
Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.20
Additional	\$7,127,745	Amort	
Int Rate		Aggregate DCR	1.20

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$643,209
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$95,450

Primary	\$9,500,000	Amort	480
Int Rate	6.20%	DCR	1.15
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional	\$7,127,745	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

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	\$1,387,008	\$1,428,618	\$1,471,477	\$1,515,621	\$1,561,090	\$1,809,731	\$2,097,974	\$2,432,127	\$3,268,575
Secondary Income	15,840	16,315	16,805	17,309	17,828	20,668	23,959	27,776	37,328
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,402,848	1,444,933	1,488,281	1,532,930	1,578,918	1,830,398	2,121,933	2,459,902	3,305,903
Vacancy & Collection Loss	(105,216)	(108,370)	(111,621)	(114,970)	(118,419)	(137,280)	(159,145)	(184,493)	(247,943)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,297,632	\$1,336,563	\$1,376,660	\$1,417,960	\$1,460,499	\$1,693,119	\$1,962,788	\$2,275,410	\$3,057,960
EXPENSES at 4.00%									
General & Administrative	\$44,000	\$45,760	\$47,590	\$49,494	\$51,474	\$62,626	\$76,194	\$92,701	\$137,221
Management	64,941	6889.3537	6889.03432	70962.91535	73091.80281	84733.43205	98229.271	113874.6472	153038.0036
Payroll & Payroll Tax	162,800	169,312	176,084	183,128	190,453	231,715	281,917	342,995	507,716
Repairs & Maintenance	96,800	100,672	104,699	108,887	113,242	137,777	167,626	203,943	301,885
Utilities	37,400	38,896	40,452	42,070	43,753	53,232	64,765	78,796	116,638
Water, Sewer & Trash	24,200	25,168	26,175	27,222	28,311	34,444	41,907	50,986	75,471
Insurance	52,800	54,912	57,108	59,393	61,769	75,151	91,433	111,242	164,665
Property Tax	17,072	17,755	18,465	19,204	19,972	24,299	29,563	35,968	53,242
Reserve for Replacements	35,200	36,608	38,072	39,595	41,179	50,101	60,955	74,161	109,777
Other	23,760	24,710	25,699	26,727	27,796	33,818	41,145	50,059	74,099
TOTAL EXPENSES	\$558,973	\$580,683	\$603,241	\$626,682	\$651,039	\$787,895	\$953,733	\$1,154,726	\$1,693,752
NET OPERATING INCOME	\$738,659	\$755,881	\$773,419	\$791,278	\$809,460	\$905,224	\$1,009,056	\$1,120,684	\$1,364,209
DEBT SERVICE									
First Lien Financing	\$643,209	\$643,209	\$643,209	\$643,209	\$643,209	\$643,209	\$643,209	\$643,209	\$643,209
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	\$95,450	\$112,671	\$130,210	\$148,069	\$166,250	\$262,014	\$365,846	\$477,475	\$720,999
DEBT COVERAGE RATIO	1.15	1.18	1.20	1.23	1.26	1.41	1.57	1.74	2.12

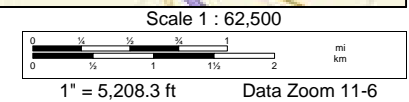
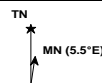
HTC ALLOCATION ANALYSIS -Costa Almadena, San Antonio, 4% HTC #060426

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,138,332	\$1,138,332		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$501,000	\$501,000	\$501,000	\$501,000
Off-site improvements	\$163,498	\$163,498		
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$9,807,002	\$9,465,927	\$9,807,002	\$9,465,927
(4) Contractor Fees & General Requirements				
Contractor overhead	\$206,000	\$199,339	\$206,000	\$199,339
Contractor profit	\$618,000	\$598,016	\$618,000	\$598,016
General requirements	\$618,000	\$598,016	\$618,000	\$598,016
(5) Contingencies				
	\$359,040	\$359,040	\$359,040	\$359,040
(6) Eligible Indirect Fees				
	\$1,085,000	\$1,085,000	\$1,085,000	\$1,085,000
(7) Eligible Financing Fees				
	\$728,450	\$728,450	\$728,450	\$728,450
(8) All Ineligible Costs				
	\$672,342	\$672,342		
(9) Developer Fees			\$2,088,374	
Developer overhead		\$270,696		\$270,696
Developer fee	\$2,457,000	\$1,759,522		\$1,759,522
(10) Development Reserves				
	\$180,000	\$180,474		
TOTAL DEVELOPMENT COSTS	\$18,533,664	\$17,719,651	\$16,010,866	\$15,565,005

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		\$16,010,866	\$15,565,005
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$20,814,126	\$20,234,507
Applicable Fraction		99%	99%
TOTAL QUALIFIED BASIS		\$20,577,601	\$20,004,569
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		\$746,967	\$726,166

Syndication Proceeds	0.9698	\$7,244,129	\$7,042,399
Total Tax Credits (Eligible Basis Method)		\$746,967	\$726,166
Syndication Proceeds		\$7,244,129	\$7,042,399
Requested Tax Credits		\$734,966	
Syndication Proceeds		\$7,127,743	
Gap of Syndication Proceeds Needed		\$9,033,664	
Total Tax Credits (Gap Method)		\$931,492	

Costa Almadena



MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Approval of Award of 2006 Credit Ceiling, including National Pool, and /or 2007 Credit Ceiling, to the Application Listed Below from the 2006 Waiting List.

Required Action

Ratify commitment of 2006 Housing Tax Credits for Waco River Park Apartment Homes TDHCA Number 060244, in Waco, Texas.

Background

At the July 28, 2006 Board meeting staff recommended and the Board approved awards for 2006 Competitive Housing Tax Credit Applications. On July 28, 2006 the total 2006 credit ceiling was \$43,912,557. The total tax credit award amount approved by the Board in that meeting was \$43,722,174, which left a remaining unallocated amount of \$190,383 in tax credits (pending feasibility analysis of some applications). At the July 28 meeting the Board also approved a waiver of the Department's rules which allowed a credit award based on a higher applicable percentage than the rules described. The application of this waiver also resulted in increased award amounts for the Hurricane Rita developments awarded by the Board at the May 4, 2006 Board meeting. This Hurricane Rita increase totaled an additional \$12,065, which left \$43,900,492 available from the 2006 credit ceiling.

The application of this waiver also resulted in increased award amounts for competitive tax credit applications awarded at the July 28 Board meeting. The increased awards totaled \$44,112,630, which was \$212,138 over the credits available from the 2006 credit ceiling. As approved by the Board, this overage would either come from a forward commitment from the 2007 ceiling and/or any credits received from the 2006 National Pool, pursuant to IRS Revenue Proclamation 2006-38.

At the July 28, 2006 Board meeting the Board also approved staff's recommendation that if any awarded tax credit application's credits were rescinded because required documentation was not received by the date the Department's Commitment Notice was required to be submitted, staff would grant commitment notices to the applications next on the waiting list in the region conditioned upon ratification by the Board. On August 30, 2006, the Department formally rescinded a \$1,103,712 commitment of tax credits from the Mansions of Briar Creek TDHCA Number 060070. This was an application awarded on July 28, 2006 in the Urban/ Exurban Region 8. The credits were rescinded because the Applicant elected not to submit the required signed Commitment Notice and related documentation, due to local approval challenges.

Based on the credit rescission, staff has issued a Commitment Notice to the next application in line in the Urban/ Exurban Region 8. This application was Waco River Park Apartment Homes TDHCA Number 060244, in Waco, Texas, for the underwritten amount of \$1,181,993. The Commitment Notice was conditioned on the award being ratified by the Board at the October 12, 2006 Board

meeting. This application has passed the Department's threshold criteria review process. The application has been reviewed for financial feasibility and for its compliance record. Attached are the Development Profile and Multifamily Underwriting Analysis for the Application. The rescission and award resulted in the total tax credit awards in the amount of \$44,190,911, which was \$290,419 over the 2006 tax credit ceiling.

On September 26, 2006, TDHCA received an allocation of \$600,447 in National Pool Credits, pursuant to IRS Revenue Proclamation 2006-38, resulting in an increase total 2006 credit ceiling of \$44,500,939. Should the Board ratify the award of Waco River Park Apartment Homes TDHCA Number 060244, in Waco, Texas, for the underwritten amount of \$1,181,993, there will be a balance of \$310,028 remaining in the 2006 tax credit ceiling.

It should be noted that if the credit increase policy is approved under item 10(b) of this agenda, the remaining balance of 2006 tax credits (anticipated at \$310,028) will be made available for allocation for the increased credit awards to the five 2005 applications awarded out of the 2006 tax credit ceiling in an amount not to exceed the 2006 ceiling. As recommended to the Board, this would total \$160,098 in an additional tax credits, which would leave \$149,930 in remaining tax credits in the 2006 tax credit ceiling.

Recommendation

Staff recommends the Board ratify the commitment of 2006 Housing Tax Credits for Waco River Park Apartment Homes TDHCA Number 060244, in Waco, Texas. Should the Board ratify the commitment, there will be a balance of \$310,028 remaining in the 2006 tax credit ceiling.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

River Park Apartment Homes, TDHCA Number 060244

BASIC DEVELOPMENT INFORMATION

Site Address: 1300 Martin Luther King Drive Development #: 060244
 City: Waco Region: 8 Population Served: Elderly
 County: McLennan Zip Code: 76704 Allocation: Urban/Exurban
 HTC Set Asides: At-Risk Nonprofit USDA Rural Rescue Purpose/Activity: NC
 HOME Set Asides: CHDO Preservation General

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Waco River Park Apartment Homes, L.P.
 Owner Contact and Phone: Michael Lankford (713) 626-9655
 Developer: Lankford Interest, LLC
 Housing General Contractor: Lankford Construction, LLC
 Architect: Hill & Frank Architects
 Market Analyst: O'Connor & Associates
 Syndicator: PNC Multifamily Capital
 Supportive Services: Texas Post Oak Residential Resources, LLC
 Consultant: N/A

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	118
13	0	0	105	0	48	76	0	0	0	Market Rate Units:	6
Type of Building:										Owner/Employee Units:	0
<input type="checkbox"/> 5 units or more per building										Total Development Units:	124
<input type="checkbox"/> Duplex										Total Development Cost*:	\$13,289,169
<input type="checkbox"/> Detached Residence										Number of Residential Buildings:	31
<input type="checkbox"/> Triplex										HOME High Total Units:	0
<input type="checkbox"/> Single Room Occupancy										HOME Low Total Units:	0
<input type="checkbox"/> Transitional											
<input checked="" type="checkbox"/> Fourplex											
<input type="checkbox"/> Townhome											

*Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis**	Amort	Term	Rate
9% Housing Tax Credits-Credit Ceiling:	\$1,161,002	\$1,181,993	0	0	0.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			

**Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Department Analysis).



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
River Park Apartment Homes, TDHCA Number 060244

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22 S Points: 7 US Representative: Edwards, District 17, NC
TX Representative: Dunnam, District 57 S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: NC Resolution of Support from Local Government []

Margaret Mills, Executive Director, Downtown Waco Inc., S

Lester L. Gibson, County Commissioner, PCT. 2, S

Individuals/Businesses: In Support: 4 In Opposition: 0

Neighborhood Input:

Carver Neighborhood Association, Mr. Lee Seals Letter Score: 12 S or O: S

This association's letter was found to be ineligible for the QCP. The basis for its support as reflected in its letter is: the proposed development will provide much needed housing for seniors; the proposed development will enhance the general desirability of the neighborhood; the proposed development is consistent with the guidelines for housing and development in the area; and the project will provide an increased economic base for the neighborhood.

General Summary of Comment:

There was broad support from officials and support from non-officials.

CONDITIONS OF COMMITMENT

- 1. Review, receipt, and acceptance of a revised Unimproved Property Contract, committing the seller to funding the demolition of any existing structures on the proposed site, before closing on the property and evidence of completion of demolition of all structures before commencement of construction.
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 amount may be warranted.
3. This commitment is dependent upon board ratification at the October 12, 2006 TDHCA Board meeting.
4. Receipt, review, and acceptance of evidence of a commitment for allocation of any private, state or federal resource, including HOPE VI funds, that is equal to or greater than 2% of the Total Development Costs reflected in the Application, pursuant to the 2006 Qualified Allocation Plan (QAP). The provider of the funds must attest to the fact that they are not the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application and attest that none of the funds committed were first provided to the entity by the Applicant, the Developer, Consultant, Related Party or any individual or entity acting on behalf of the proposed Application. If the funding commitment from the private, state or federal source applied for under §50.9(i)(22) of the 2006 QAP has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be re-evaluated for financial feasibility. If the Application is infeasible without the commitment from the private, state or federal source, the Commitment Notice will be rescinded and the credits reallocated.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

River Park Apartment Homes, TDHCA Number 060244

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

9% HTC Competitive Cycle: Score: **172** Meeting a Required Set-Aside Credit Amount: \$1,181,993

Recommendation: **Recommended: Ratify commitment of competitive housing tax credits issued on October 5, 2006 in the amount of \$1,181,993.**

HOME Activity Funds: Loan Amount: \$0

HOME CHDO Operating Expense Grant: Grant Amount: \$0

Recommendation:

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

DATE: October 3, 2006

PROGRAM: 9% HTC

FILE NUMBER: 060244

DEVELOPMENT NAME

River Park Apartment Homes

APPLICANT

Name: Waco River Park Apartment Homes, LP **Contact:** Michael Lankford
Address: 4900 Woodway, Suite 750
City: Houston **State:** TX **Zip:** 77056
Phone: (713) 626-9655 **Fax:** (713) 621-4947 **Email:** mlankford@lankfordinterests.com

KEY PARTICIPANTS

Name: Waco River Park Apartment Homes I, **Title:** 0.01% General Partner
Name: PNC Mutlifamily Capital **Title:** 99.99% Limited Partner
Name: Lankford Interests, LLC **Title:** 100% Owner of General Partner / Developer
Name: Michael Lankford **Title:** 100% Manager of General Partner

PROPERTY LOCATION

Location: 1300 Martin Luther King Drive
City: Waco **Zip:** 6704
County: McLennan **Region:** 8 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,161,002	N/A	N/A	N/A
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Elderly	Other:	Urban/Exurban	

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,181,993¹ ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a revised Unimproved Property Contract, committing the seller to funding the demolition of any existing structures on the proposed site, before closing on the property and evidence of completion of demolition of all structures before commencement of construction.
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/allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

¹ The recommended tax credit allocation incorporates the July 28, 2006 TDHCA Board approval to raise the underwriting applicable percentage rates for the 2006 Application Round to 3.69% and 8.46% for the 30% and the 70% credit, respectively.

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

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 124 **# Res Bldgs** 31 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 119,740 **Av Un SF:** 966 **Common Area SF:** 4,076 **Gross Bldg SF:** 123,816

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on concrete slabs. According to the plans provided in the application the exterior will be 75% plywood/hardboard and 25% masonry veneer. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, a self-cleaning oven, laundry connections, a fireplace, a ceiling fixture in each room, individual water heater, and eight-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 100 or more, the Applicant has elected to provide a community dining room with kitchen, community laundry room, controlled access gates, an enclosed sun porch or covered community porch, full perimeter fencing, a furnished community room, a furnished fitness center, and a swimming pool.

Uncovered Parking: 112 spaces **Carports:** 124 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: River Park Apartment Homes is a 9.28-unit per acre new construction development located in Central Waco. The development is comprised of 31 evenly distributed fourplex residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
12	1	4	
19	1		4

The development includes a 3,500 square foot community buildings and a separate 576 square foot laundry building/maintenance building.

SITE ISSUES

SITE DESCRIPTION

Total Size: 13.348 acres **Scattered sites?** Yes No
Flood Zone: Zone B **Within 100-year floodplain?** Yes No
Current Zoning: O-2 / Office-Residence District **Needs to be re-zoned?** Yes No N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject site is an irregular-shaped tract of land consisting of 13.348 acres, and wraps the northwest corner of MLK Boulevard and Mill Street, Waco, McLennan County, Texas 76704.

Adjacent Land Uses:

- **North:** single family residential development immediately adjacent
- **South:** MLK immediately adjacent and the Brazos River beyond;
- **East:** Commercial Property immediately adjacent; and

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

- **West:** vacant undeveloped land immediately adjacent.

Site Access: According to the site plan, access to the site is planned from Martin Luther King, Jr Blvd. In addition, while no access drive is planned, a portion of the site has frontage on Mill Street.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: Numerous regional malls and small neighborhood retail centers are located within a short distance of the site.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff

Date: 04/18/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated June 15, 2006 was prepared by Smith Inland Environmental Services and contained the following findings and recommendations:

Findings:

- **Noise:** “Noise at the subject property appears to consist of normal traffic noise generated by traffic along Martin Luther King Drive and Waco Drive. High levels of noise at the site do not appear to present any problems with regard to future use of the subject property.”
- **Floodplain:** “According to the FEMA flood zone location map 480461 0006 B, all of the property lies in Zone ‘B’, which is between the limits of the 100-year and the 500-year flood zones.”
- **Asbestos-Containing Materials (ACM):** “There are no asbestos containing building materials since the buildings have not been built at the present time.”
- **Lead-Based Paint (LBP):** “There is no lead based paint since the buildings have not been built at the present time.”
- **Lead in Drinking Water:** “Potable water is provided to the subject property by the City of Waco, Texas. This water supply has been deemed ‘Superior’ by the State of Texas Department of Health. There have been no reported problems with lead or other contaminants in the Waco municipal water supply. Consequently, there should be no problems with the water supply at this site.”
- **Radon:** “The EPA’s threshold level of concern occurs when the calculated average exceeds 4.0 pC/L (PicoCuries per liter). Mean levels for McLennan County are 1.2 pC/L. There is an extremely low potential of radiation exposure due to excessive levels of radon in structures in McLennan County.”

Recommendations: “Based upon the on-site assessments of the property, a review of previous ownership, review of governmental waste incident databases and files and interviews with selected individuals, no environmental concerns were found to be associated with the subject property. Further investigation of this property from an environmental perspective is not recommended based upon information available at this time.”

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. One-hundred and eighteen of the units (95% of the total) will be reserved for low-income tenants. Thirteen of the units (10%) will be reserved for households earning 30% or less of AMI, 105 units (85%) will be reserved for households earning 60% or less of AMI, and the remaining six units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$20,640	\$23,580	\$26,520	\$29,460	\$31,800	\$34,200

MARKET HIGHLIGHTS

A market feasibility study dated February 22, 2006 was prepared by Patrick O’Connor & Associates, L.P. and included the following findings:

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

Secondary Market Information: The Market Analyst has not indicated a secondary market area.

Definition of Primary Market Area (PMA): “The subject's primary market is defined as an area within the City of Waco; bounded by FM 3051 (Lake Shore Drive) to the north and west, Highway 6 to the south, and Interstate Highway 35 to the east” (p. 10). This area encompasses approximately 32.8 square miles and is equivalent to a circle with a radius of 3.2 miles.

Population: The estimated 2005 population was 84,636 and is expected to increase by 2.5% to approximately 86,707 by 2010. Within the primary market area there were estimated to be 31,867 households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 31.32% (p. 67) and a household size-appropriate adjustment rate of 76.64% (p. 28). The Analyst’s income band of \$7,980 to \$25,560 (p. 61) results in an income eligible adjustment rate of 14.75% (p. 62). The tenure appropriate adjustment rate of 49.12% is specific to the general population (p. 11). The Market Analyst indicates a turnover rate of 60% applies based on IREM data (p. 63).

In addition, “According to the Housing Authority of the City of Waco, there were 1,815 housing vouchers for the Waco, McLennan County MSA with a waiting list in excess of 1,100. The waiting list has been closed to new applicants since August 10, 2004. Theoretical demand from Section 8 Vouchers is calculated by multiplying the total number of vouchers by the ratio of income-qualified households in the PMA. Utilizing the typical 60.0% turnover rate, total theoretical demand from Section 8 vouchers is estimated to be 227 units” (p. 65). However, the Market Analyst did not include an adjustment rate for the target population. The Underwriter utilized a target population rate of 23% and calculated demand for 13 units from Section 8 voucher holders

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	10	1%	5	1%
Resident Turnover	687	75%	594	97%
Other Source: Section 8	227	24%	13	2%
TOTAL DEMAND	914	100%	611	100%

p. 67

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 22.21% based upon 914 units of demand and 203 unstabilized affordable housing in the PMA (including the subject and 85 units at 03161 Dripping Springs Senior Village) (p. 75). The Underwriter calculated an inclusive capture rate of 33.20% based upon a supply of 203 unstabilized comparable affordable units divided by a revised demand estimate for 611 affordable units.

Unit Mix Conclusion: “The subject property is proposed to consist of 39% one bedroom units and 61% two-bedroom units. Based on discussions with leasing agents and our own analysis of the rental rates at the selected comparables in the primary market, the unit mix is appropriate and will complement the local affordable housing market” (p. 11).

Market Rent Comparables: The Market Analyst surveyed five comparable apartment developments totaling 1,036 units in the market area. (p. 43-49).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (30%)	\$216	\$216	-\$0	\$725	-\$509
1-Bedroom (60%)	\$492	\$492	-\$0	\$725	-\$233
1-Bedroom (MR)	\$595	N/A		\$725	-\$130
2-Bedroom (30%)	\$255	\$255	-\$0	\$850	-\$595
2-Bedroom (60%)	\$586	\$586	-\$0	\$850	-\$264
2-Bedroom (MR)	\$695	N/A		\$850	-\$155

(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)

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

Primary Market Occupancy Rates: “The occupancy of the comparable rentals included in this study range from 59.00% to 96.00%, with a median occupancy of 87.00%. The average occupancy for apartments in the subject's submarket area was reported at 94.20% in the most recent Apartment Market Data survey (January 2006). Based on our analysis of the market, moderate increases in occupancy are projected for this market” (p. 38).

Absorption Projections: “The limited amount of new product that entered the market since 2002 was readily absorbed. Based on our research, most projects that are constructed in the Central Texas area typically lease up within 12 months. Pre-leasing should commence prior to the completion of the construction” (p. 12).

Unstabilized, Under Construction, and Planned Development: “Based on our research, there are no senior affordable housing projects that have been submitted for tax exempt bond financing, not including the subject. There are no affordable senior housing projects under construction, and no affordable senior housing projects currently approved for construction in the subject’s primary market. One HTC senior complex, Dripping Springs Senior Village began accepting residents August 2005; therefore, has not reached stabilized occupancy for greater than 12 months and is included in the capture rate calculations. Dripping Springs is less than two radial miles northwest of the subject, is a seniors complex, contains a total of 100-units, 85 of which are rent restricted, and is currently 96% occupied overall...and 100% occupied for the restricted 85-units” (p. 68). In addition to the developments identified by the Market Analyst, there is one proposed HTC family development within the PMA, Resaca Springs Apartments (#060063). This development is not competitive in the subject’s subregion and will not affect the subject development’s capture rate.

Market Impact: “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. 13).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of October 1, 2005, maintained by Housing Authority of the City of Waco, from the 2006 program gross rent limits. Tenants will be required to pay all electric costs.

Expenses: The Applicant’s total annual operating expense projection at \$3,763 per unit is within 5% of the Underwriter’s estimate of \$3,848, derived from the TDHCA database and third-party data. However, a couple of the Applicant’s line items differ significantly from the Underwriter’s estimates, including: water, sewer, and trash (32% or \$14K lower) and property tax (11% or \$8K lower).

Conclusion: The Applicant’s effective gross income, operating expenses, and net operating income are each within 5% of the Underwriter’s estimates. Therefore, the Applicant’s Year One proforma will be used to determine the development’s debt capacity and debt coverage ratio (DCR). The proforma and estimated debt service result in a Year One DCR within the current underwriting guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 19.449 acres	\$40,018	Assessment for the Year of:	2006
Improvements:	\$96,029	Valuation by:	McLennan County Appraisal District
Total Assessed Value:	\$136,047	Tax Rate:	2.844766

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

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Unimproved commercial property contract (13.348 acres)		
Contract Expiration:	9/29/2006 and 15 day extension	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$1,160,438	Other:	_____
Seller:	Pebble Creek Dev. Corp; Partus Land Corp; and Young Brother Corp.	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The site cost of \$86,937 per acre or \$9,358 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. However, the site currently contains two substantial commercial buildings. Based on an aerial photo and the submitted siteplan, the existing buildings appear to be situated on a portion of the site where unit buildings and parking is planned. Through correspondence, the Applicant explained that the two commercial buildings will be demolished and that the seller of the property has committed to paying for the demolition of the existing structures before commencement of construction of the proposed development. No demolition costs are claimed in the development cost schedule submitted in the application. In addition, no mention of the existing structures, nor the demolition of these structures, is apparent in the Unimproved Property Contract submitted in the application. The Applicant expressed potential difficulty in expedition of a letter from the seller indicating the seller's intent to fund the demolition of all existing structures in a timely manner. Therefore, receipt, review, and acceptance of a revised Unimproved Property Contract, committing the seller to funding the demolition of any existing structures on the proposed site, before closing on the property and evidence of completion of demolition of all structures before commencement of construction is a condition of this report.

Sitework Cost: The Applicant's claimed sitework costs of \$7,368 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$200K or 3% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Fees: The Applicant's developer and contractor fees are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,515,203 and the higher applicable percentage rate approved by the TDHCA Board on July 28, 2006 support annual tax credits of \$1,204,463. This figure will be compared to the tax credits calculated based on the gap method in permanent funds to determine the recommended allocation. The Applicant's request will not limit the tax credits recommended as the requested allocation was most likely based on an understated applicable percentage rate.

**FINANCING STRUCTURE
INTERIM FINANCING**

Source:	Wells Fargo Bank	Contact:	Scott Felton
Principal:	\$270,000	Interest Rate:	TBD%, floating
Documentation:	<input type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input checked="" type="checkbox"/> Application		
Comments:	_____		

INTERIM FINANCING

Source:	City of Waco	Contact:	Larry Groth
Principal:	\$417,000	Interest Rate:	8.25%, Underwriter's Estimate
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	Interest rate equal to Prime; Underwriter's estimate equal to Prime as of August 1, 2006		

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

INTERIM TO PERMANENT FINANCING

Source: PNC MultiFamily Capital **Contact:** Nicole Flores
Interim: \$2,415,921 **Interest Rate:** 8.25%, variable, Underwriter's estimate **Amort:** 24 months
Permanent: \$2,415,921 **Interest Rate:** 8.00%, fixed, Lender's estimate **Amort:** 360 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Construction Loan interest rate equal to Prime; 8.25% is Prime as of August 1, 2006.

TAX CREDIT SYNDICATION

Source: PNC MultiFamily Capital **Contact:** Nicole Flores
Proceeds: \$10,680,148 **Net Syndication Rate:** 92% **Anticipated HTC:** \$1,161,002/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments:

OTHER

Amount: \$199,889 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim Financing: The Applicant anticipates receiving a construction loan of \$270,000 from Wells Fargo Bank of Waco. The Applicant did not provide a commitment for this source of funding. However, the Applicant anticipates a term of 24 months with interest accruing at Prime.

Interim to Permanent Financing: The interim to permanent LOI from PNC MultiFamily Capital is consistent with the terms reflected in the sources and uses of funds portion of the application. The Letter of Intent indicates a minimum DCR of 1.25 for thirty years. The Lender's and Applicant's proformas appear to maintain a DCR above 1.25 for the required 30-year period. While not used in the analysis, the Underwriter's proforma reflects a Year One DCR of 1.20.

Funding by Local Political Subdivision: The Applicant anticipates receiving a construction loan and/or grant from the City of Waco amounting to \$417,000; however, the commitment provided did not specify further details. The Applicant has indicated that the grant will likely amount to \$1,000 per affordable unit or \$118,000 and \$299,000 is anticipated to consist of a loan with a term of 60 months and an interest rate of 0%.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$199,889 amount to 13% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$2,415,921 indicates the need for \$10,873,248 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,181,993 annually would be required to fill this gap in financing. Of the two possible tax credit allocations, the gap-driven amount (\$1,181,993) and eligible basis-derived estimate (\$1,204,463), at the higher applicable percentage rate approved by the TDHCA Board on July 28, 2006, the gap driven amount of \$1,181,993 is recommended resulting in proceeds of \$10,873,248 based on a syndication rate of 92%. The recommended financing structure indicates no need for deferred developer fees.

The syndication rate proposed in the commitment is in the mid to low end of current credit prices. If the final syndication rate were to increase by any amount, an excess of funds would exist, all else held constant, and a reduction in recommended tax credits would be required based on the gap method of determining credits.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

- The Applicant, Developer, General Contractor, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

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

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

Financial Highlights:

- The Applicant and General Partner is a single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 100% owner of the General Partner, Lankford Interests LLC., submitted an unaudited financial statement as of January 2006, reporting total assets of \$5.2M and consisting of \$50K in cash, \$1.9M in receivables, \$2.9M in stocks and securities, \$160K in real property, and \$180K in machinery, equipment, and fixtures. Liabilities totaled \$801K, resulting in a net worth of \$4.4M.
- The principal of the General Partner, Michael Lankford, submitted an unaudited financial statement as of January 2006 and is anticipated to be guarantor 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

None noted.

Underwriter:

William Lane

Date: October 3, 2006

Reviewing Underwriter:

Cameron Dorsey

Date: October 3, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: October 3, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

River Park Apartment Homes, Waco, 9% HTC, 060244 - w/App Perc Inc

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 30%	5	1	1	840	\$276	\$216	\$1,080	\$0.26	\$60.00	\$29.00
TC 60%	41	1	1	840	552	492	20,172	0.59	60.00	29.00
MR	2	1	1	840		595	1,190	0.71	60.00	29.00
TC 30%	8	2	2	1,045	332	255	2,040	0.24	77.00	31.00
TC 60%	64	2	2	1,045	663	586	37,504	0.56	77.00	31.00
MR	4	2	2	1,045		695	2,780	0.67	77.00	31.00
TOTAL:	124		AVERAGE:	966	\$557	\$522	\$64,766	\$0.54	\$70.42	\$30.23

INCOME

Total Net Rentable Sq Ft: **119,740**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$10.00
 Other Support Income: \$0.00

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	5.50%	\$325	0.34
Management	5.00%	295	0.31
Payroll & Payroll Tax	15.50%	916	0.95
Repairs & Maintenance	8.62%	509	0.53
Utilities	3.58%	211	0.22
Water, Sewer, & Trash	6.14%	363	0.38
Property Insurance	4.78%	282	0.29
Property Tax 2.844766	9.92%	586	0.61
Reserve for Replacements	3.38%	200	0.21
Other: compl fees	2.71%	160	0.17

TOTAL EXPENSES

NET OPERATING INC

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
First Lien Mortgage	29.03%	\$1,716	\$1.78
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00

NET CASH FLOW

	% OF EGI	PER UNIT	PER SQ FT
NET CASH FLOW	5.84%	\$345	\$0.36

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		8.93%	\$9,358	\$9.69	\$1,160,438	\$1,160,438	\$9.69	\$9,358	8.73%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		7.03%	7,368	7.63	913,616	913,616	7.63	7,368	6.87%
Direct Construction		49.14%	51,497	53.33	6,385,589	6,585,700	55.00	53,110	49.56%
Contingency	5.00%	2.81%	2,943	3.05	364,960	374,966	3.13	3,024	2.82%
General Req'ts	6.00%	3.37%	3,532	3.66	437,952	449,959	3.76	3,629	3.39%
Contractor's G & A	2.00%	1.12%	1,177	1.22	145,984	149,986	1.25	1,210	1.13%
Contractor's Profit	6.00%	3.37%	3,532	3.66	437,952	449,959	3.76	3,629	3.39%
Indirect Construction		6.09%	6,379	6.61	791,000	791,000	6.61	6,379	5.95%
Ineligible Costs		2.22%	2,327	2.41	288,528	288,528	2.41	2,327	2.17%
Developer's G & A	2.00%	1.50%	1,577	1.63	195,502	0	0.00	0	0.00%
Developer's Profit	13.00%	9.78%	10,248	10.61	1,270,761	1,501,983	12.54	12,113	11.30%
Interim Financing		2.29%	2,404	2.49	298,034	298,034	2.49	2,404	2.24%
Reserves		2.34%	2,454	2.54	304,309	325,000	2.71	2,621	2.45%
TOTAL COST		100.00%	\$104,795	\$108.52	\$12,994,625	\$13,289,169	\$110.98	\$107,171	100.00%
Construction Cost Recap		66.84%	\$70,049	\$72.54	\$8,686,053	\$8,924,186	\$74.53	\$71,969	67.15%

2006 QAP \$50.9(i)(8) points awarded for costs less than

\$80.00 per square foot

SOURCES OF FUNDS

				TDHCA	APPLICANT	RECOMMENDED	
First Lien Mortgage	18.59%	\$19,483	\$20.18	\$2,415,921	\$2,415,921	\$2,415,921	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$1,501,983
HTC Syndication Proceeds	82.19%	\$86,130	\$89.19	10,680,148	10,680,148	10,873,248	% of Dev. Fee Deferred
Deferred Developer Fees	1.54%	\$1,612	\$1.67	199,889	199,889	0	0%
Additional (Excess) Funds Req'd	-2.32%	(\$2,430)	(\$2.52)	(301,333)	(6,790)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$12,994,625	\$13,289,169	\$13,289,169	\$1,127,890

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

River Park Apartment Homes, Waco, 9% HTC, 060244 - w/App Perc Inc

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Town Houses Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$60.53	\$7,247,570
Adjustments				
Exterior Wall Finish	0.25%		\$0.15	\$18,119
Elderly	3.00%		1.82	217,427
Roofing			0.00	0
Subfloor			(1.65)	(197,571)
Floor Cover			2.81	336,469
Porches	\$18.15	16,656	2.52	302,306
Plumbing	\$680	(172)	(0.98)	(116,960)
Built-In Appliances	\$2,200	124	2.28	272,800
Stairs/Fireplaces			0.00	0
Enclosed Corridors	\$50.61		0.00	0
Heating/Cooling			2.20	263,428
Carports	\$8.90	24,800	1.84	220,720
Comm &/or Aux Bldgs	\$65.99	4,076	2.25	268,955
Other:			0.00	0
SUBTOTAL			73.77	8,833,264
Current Cost Multiplier	1.03		2.21	264,998
Local Multiplier	0.86		(10.33)	(1,236,657)
TOTAL DIRECT CONSTRUCTION COSTS			\$65.66	\$7,861,605
Plans, specs, survy, bld prm	3.90%		(\$2.56)	(\$306,603)
Interim Construction Interes	3.38%		(2.22)	(265,329)
Contractor's OH & Profit	11.50%		(7.55)	(904,085)
NET DIRECT CONSTRUCTION COSTS			\$53.33	\$6,385,589

PAYMENT COMPUTATION

Primary	\$2,415,921	Amort	360
Int Rate	8.00%	DCR	1.20

Secondary		Amort	
Int Rate		Subtotal DCR	1.20

Additional		Amort	
Int Rate		Aggregate DCR	1.20

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$212,726
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$53,328

Primary	\$2,415,921	Amort	360
Int Rate	8.00%	DCR	1.25

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.25

Additional	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.25

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	\$777,192	\$800,508	\$824,523	\$849,259	\$874,736	\$1,014,059	\$1,175,573	\$1,362,811	\$1,831,504
Secondary Income	14,880	15,326	15,786	16,260	16,748	19,415	22,507	26,092	35,066
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	792,072	815,834	840,309	865,518	891,484	1,033,474	1,198,080	1,388,903	1,866,570
Vacancy & Collection Loss	(59,405)	(61,188)	(63,023)	(64,914)	(66,861)	(77,511)	(89,856)	(104,168)	(139,993)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$732,667	\$754,647	\$777,286	\$800,605	\$824,623	\$955,964	\$1,108,224	\$1,284,735	\$1,726,577
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$44,000	\$45,760	\$47,590	\$49,494	\$51,474	\$62,626	\$76,194	\$92,701	\$137,221
Management	36,633	37732.299	38864.26797	40030.19601	41231.10189	47798.14748	55411.15317	64236.71329	86328.77115
Payroll & Payroll Tax	112,400	116,896	121,572	126,435	131,492	159,980	194,640	236,810	350,536
Repairs & Maintenance	72,468	75,367	78,381	81,517	84,777	103,145	125,491	152,679	226,002
Utilities	19,492	20,272	21,083	21,926	22,803	27,743	33,754	41,067	60,789
Water, Sewer & Trash	30,519	31,740	33,009	34,330	35,703	43,438	52,849	64,299	95,178
Insurance	40,424	42,041	43,723	45,472	47,290	57,536	70,001	85,167	126,068
Property Tax	64,797	67,389	70,084	72,888	75,803	92,226	112,207	136,518	202,079
Reserve for Replacements	24,800	25,792	26,824	27,897	29,012	35,298	42,946	52,250	77,343
Other	21,080	21,923	22,800	23,712	24,661	30,003	36,504	44,412	65,741
TOTAL EXPENSES	\$466,613	\$484,911	\$503,931	\$523,699	\$544,247	\$659,794	\$799,997	\$970,140	\$1,427,287
NET OPERATING INCOME	\$266,054	\$269,735	\$273,355	\$276,905	\$280,376	\$296,170	\$308,227	\$314,596	\$299,290
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$212,726	\$212,726	\$212,726	\$212,726	\$212,726	\$212,726	\$212,726	\$212,726	\$212,726
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	\$53,328	\$57,009	\$60,629	\$64,179	\$67,650	\$83,444	\$95,501	\$101,870	\$86,564
DEBT COVERAGE RATIO	1.25	1.27	1.29	1.30	1.32	1.39	1.45	1.48	1.41

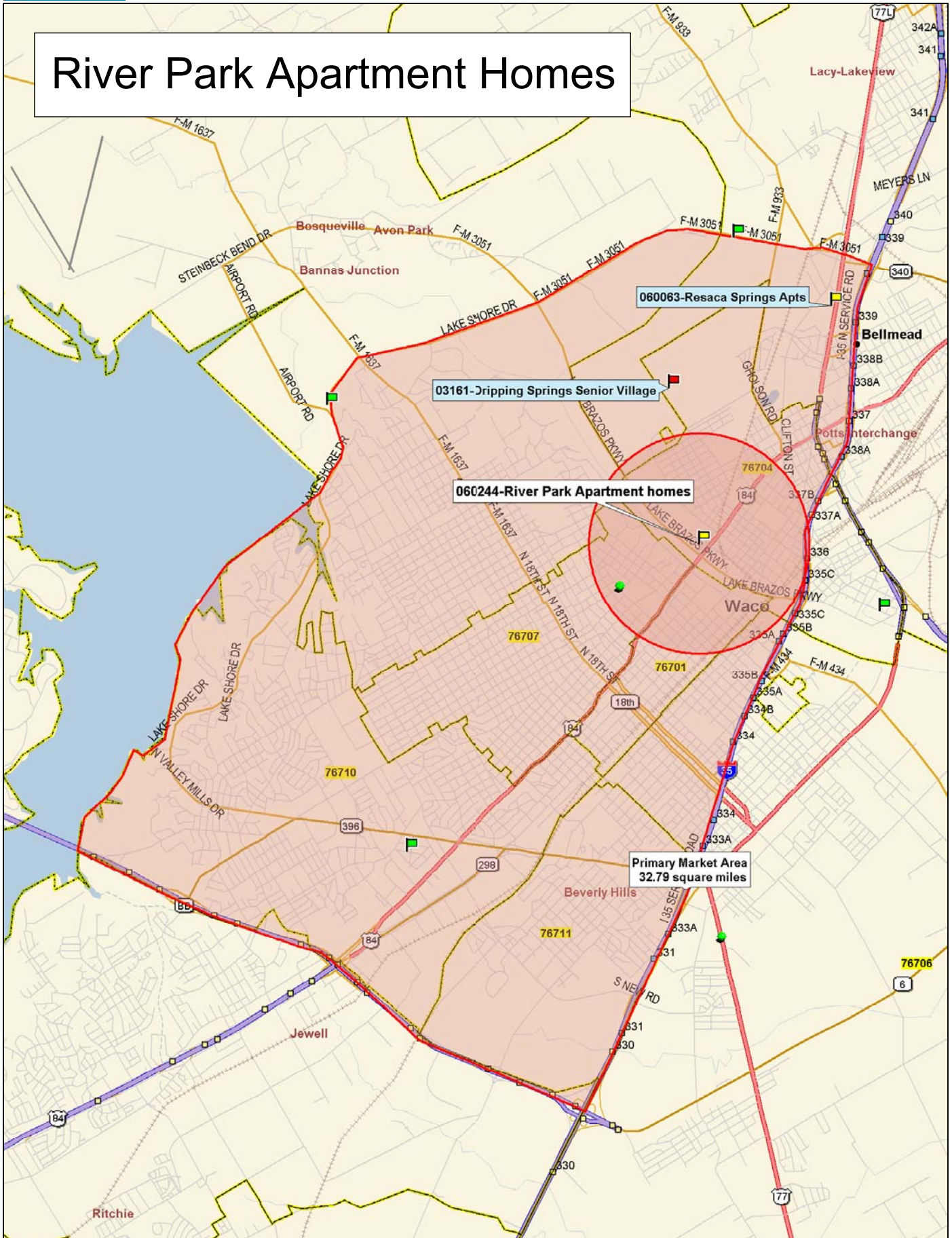
HTC ALLOCATION ANALYSIS - River Park Apartment Homes, Waco, 9% HTC, 060244 - w/App Perc Inc

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,160,438	\$1,160,438		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$913,616	\$913,616	\$913,616	\$913,616
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,585,700	\$6,385,589	\$6,585,700	\$6,385,589
(4) Contractor Fees & General Requirements				
Contractor overhead	\$149,986	\$145,984	\$149,986	\$145,984
Contractor profit	\$449,959	\$437,952	\$449,959	\$437,952
General requirements	\$449,959	\$437,952	\$449,959	\$437,952
(5) Contingencies				
	\$374,966	\$364,960	\$374,966	\$364,960
(6) Eligible Indirect Fees				
	\$791,000	\$791,000	\$791,000	\$791,000
(7) Eligible Financing Fees				
	\$298,034	\$298,034	\$298,034	\$298,034
(8) All Ineligible Costs				
	\$288,528	\$288,528		
(9) Developer Fees				
			\$1,501,983	
Developer overhead		\$195,502		\$195,502
Developer fee	\$1,501,983	\$1,270,761		\$1,270,761
(10) Development Reserves				
	\$325,000	\$304,309		
TOTAL DEVELOPMENT COSTS	\$13,289,169	\$12,994,625	\$11,515,203	\$11,241,351

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		\$11,515,203	\$11,241,351
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$14,969,763	\$14,613,756
Applicable Fraction		95%	95%
TOTAL QUALIFIED BASIS		\$14,237,153	\$13,898,568
Applicable Percentage		8.46%	8.46%
TOTAL AMOUNT OF TAX CREDITS		\$1,204,463	\$1,175,819

Syndication Proceeds	0.9199	\$11,079,950	\$10,816,449
Total Tax Credits (Eligible Basis Method)		\$1,204,463	\$1,175,819
Syndication Proceeds		\$11,079,950	\$10,816,449
Requested Tax Credits		\$1,161,002	
Syndication Proceeds		\$10,680,148	
Gap of Syndication Proceeds Needed		\$10,873,248	
Total Tax Credits (Gap Method)		\$1,181,993	

River Park Apartment Homes

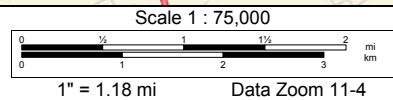
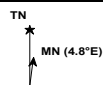


060063-Resaca Springs Apts

03161-Dripping Springs Senior Village

060244-River Park Apartment homes

Primary Market Area
32.79 square miles



Applicant Evaluation

Project ID # **060244**

Name: **Waco River Park Apartment Home**

City: **Waco**

LIHTC 9%

LIHTC 4%

HOME

BOND

HTF

SECO

ESGP

Other

No Previous Participation in Texas

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A

Yes

No

Noncompliance Reported on National Previous Participation Certification:

Yes

No

Portfolio Management and Compliance

Total # of Projects monitored: 4

Projects zero to nine: 3
 grouped ten to nineteen: 1
 by score twenty to twenty-nine: 0

Projects in Material Noncompliance

Yes No

in noncompliance: 0

monitored with a score less than thirty: 4

Projects not reported Yes
 in application No

not yet monitored or pending review: 9

of projects not reported 0

Portfolio Monitoring

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Single Audit

Not applicable
 Review pending
 No unresolved issues
 Issues found regarding late cert
 Issues found regarding late audit
 Unresolved issues found that warrant disqualification (Comments attached)

Portfolio Analysis

Not applicable
 No unresolved issues
 Not current on set-ups
 Not current on draws
 Not current on match

Reviewed by Patricia Murphy

Date 7/5/2006

Multifamily Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Reviewer A. Martin

Date 6/20/2006

Single Family Finance Production

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Reviewer M. Tynan

Date 6/20/2006

Real Estate Analysis (Workout)

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Reviewer David Burrell

Date 6/26/2006

Community Affairs

No relationship
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Reviewer EEF

Date 6/21/2006

Office of Colonia Initiatives

Not applicable
 Review pending
 No unresolved issues
 Unresolved issues found
 Unresolved issues found that warrant disqualification (Comments attached)

Reviewer Raul Gonzales

Date 7/10/2006

Financial Administration

No delinquencies found
 Delinquencies found

Reviewer Melissa M. Whitehead

Date 7/3/2006

PORTFOLIO MANAGEMENT AND COMPLIANCE

BOARD ACTION REQUEST

October 12, 2006

Action Item

Possible approval of Portfolio Management and Compliance Division Request for Proposals to continue to outsource Uniform Physical Condition Standards Inspections (UPCS) for multifamily housing rental developments funded and administered by the Texas Department of Housing and Community Affairs.

Required Action

Approve the Request for Proposals to outsource Uniform Physical Condition Standards Inspections for multifamily housing rental developments.

Background

Treasury Regulation 1.42-5 provides guidelines for the Housing Tax Credit program. In 2001, the IRS amended Regulation 1.42-5 increasing physical inspections of Housing Tax Credit developments to focus on habitability. The amendment requires State agencies to choose between two methodologies to evaluate compliance with physical inspections: the comprehensive UPCS physical inspection methodology developed by HUD, or inspections based on local code. Portfolio Management and Compliance has been unsuccessful using local code inspections because numerous areas of Texas do not provide inspections or have local code requirements. In addition, several Code Enforcement Agencies do not conduct routine inspections of multifamily rental developments.

Treasury Regulations and guidance from the Internal Revenue Service (IRS) are clear that to report noncompliance for habitability, violation(s) of UPCS or local inspection standards are required. Unable to obtain reports from local Code Enforcement Agencies, the Department successfully outsourced UPCS inspections for Housing Tax Credit developments.

To achieve the Agency's Mission to provide residents of the State of Texas with decent, safe, sanitary, and affordable housing and maintain consistency for all Housing Programs, it is recommended that Uniform Physical Condition Standards Inspections be used to determine compliance with property conditions. TDHCA staff determined that a minimum of 521 developments will be monitored in the 2007 fiscal year. Of the 521 developments monitored, 318 will require a Uniform Physical Condition Standards Inspection. Developments that received funding in 2003 and 2004 and are new construction, will undergo a Mid-Construction and Final-Construction inspection by TDHCA staff and do not require a UPCS inspection.

Developments funded in 2003 and 2004 that are acquisition and/or rehabilitation will be scheduled for a UPCS inspection. In addition, all developments funded prior to 2003 regardless of construction status that have had at least one monitoring review by TDHCA will be scheduled for a UPCS inspection. A list of developments to receive a Uniform Physical Condition Standards Inspection is attached as Exhibit B in the Request for Proposals.

The Uniform Physical Condition Standards Inspection details the condition of the site, building exteriors, common areas, building systems, and dwelling units. Once the inspection is completed and submitted to the Department, staff completes an evaluation of the report. Owners and development staff are provided a copy of the inspection report with a letter from the Department outlining any Minor and/or Major Violations with UPCS and provided a corrective action period.

Portfolio Management and Compliance monitoring staff are not certified, trained or possess the required background to become Certified Inspectors for UPCS.

On June 26, 2006 the TDHCA board approved the Portfolio Management and Compliance budget in which \$200,000 in Professional Fees was allocated for these inspections. The Department will contract with the highest scoring proposer or proposers to work for an initial period of one (1) year or until the approved funds are expended. The Request for Proposals will be published in the *Texas Register* and the *Market Place*. The current contractor providing UPCS inspections and other firms that have indicated interests in providing this service will be notified.

Texas Department of Housing and Community Affairs

**Request for Proposals
Uniform Physical Condition Standards Inspections**

Deadline for Submission: November 30, 2006 at 4pm

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- 2. Background**
- 3. Intent**
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- 5. Evaluation Criteria**
- 6. General Information**
- 7. Deadline for Submission**
- 8. Release of Information**
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ATTACHMENTS

Exhibit A: Statement of Work

Exhibit B: A List of Developments by City

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REQUEST FOR PROPOSALS UNIFORM PHYSICAL CONDITION STANDARDS INSPECTIONS

1. PURPOSE

The Texas Department of Housing and Community Affairs ("TDHCA/The Department") seeks proposals in response to this Request for Proposals from architectural and/or engineering individuals/firms with experience conducting Uniform Physical Condition Standards Inspections (UPCS). The purpose is to inspect developments funded through the Housing Tax Credit program (HTC), the HOME Investment Partnership program (HOME), the Tax Exempt Bond program (BOND), the Housing Trust Fund/Preservation programs (HTF), and the Federal Deposit Insurance Corporation's Affordable Housing program (AHP) to ensure that they comply with the requirements of the Uniform Physical Condition Standards for public housing established by U.S. Department of Housing and Urban Development (HUD) (24 CFR 5.703). A list of developments by City is provided in the Attachments Section of this document.

TDHCA reserves the right to accept or reject all or any part of any kind, waive minor technicalities and award the bid to serve the best interest of the State. One or multiple awards may be made to satisfy the needs of the Department in all regions statewide. The required experience, knowledge, skills and abilities are as follows:

- Thorough knowledge of Uniform Physical Condition Standards for public housing established by HUD (24 CFR 5.703);
- Skill in interpreting and explaining complex rules and regulations;
- Skill in identifying the dimensions of a problem, determining potential causes and identifying and recommending appropriate remedies;
- Ability to understand and apply State and Federal laws, regulations and agency policy;
- Ability to prepare detailed, concise written recommendations and reports; and
- Ability to maintain detailed documentation in an orderly, accurate and complete format.

The successful individual(s)/firm(s) will be inspecting specific developments for compliance and submitting all working papers, reports and recommendations to TDHCA.

2. BACKGROUND

Treasury Regulation 1.42-5 provides guidelines for the Housing Tax Credit Program. In 2001, the IRS amended the Regulation and strengthened the required compliance monitoring focus on habitability by requiring increased physical inspections of Housing Tax Credit developments. In addition, the amendment requires State agencies to choose between two methodologies to conduct physical inspections: the comprehensive UPCS physical inspection methodology developed by HUD, or inspections based on local code. To ensure

compliance with IRS Code Section 42, TDHCA has elected to outsource UPCS inspections on a majority of the Housing Tax Credit developments. In addition, all non-Housing Tax Credit developments funded by the Department must be maintained safe, sanitary, and in good repair. To maintain consistency with monitoring practices, the Department may use HUD's Uniform Physical Condition Standards (UPCS) to determine compliance with property conditions for all developments participating in Housing Programs administered by the Department. All new constructed developments with their first monitoring review by TDHCA will not require a UPCS inspection.

TDHCA must conduct onsite monitoring reviews of all developments at least once every three years and review a sampling of the low income units and files. It is the intent of Treasury Regulation 1.42-5 and Department policy to have the same unit and file inspected. It is the normal procedure of the Department to make travel assignments at least one month in advance. At the time of travel assignments a list of developments with a TDHCA monitoring review date will be given to the vendor/bidder for UPCS inspection.

3. **INTENT**

TDHCA shall offer inspection assignments as the budget allows. Assignments will be determined at the discretion of TDHCA.

4. **ANTICIPATED SCOPE OF THE WORK**

a. Upon request, the vendor/bidder will conduct a UPCS inspection of an assigned development that details the condition of the site, building exteriors, common areas, building systems, and dwelling units. TDHCA will provide the list of specific units to be inspected, addresses and contact information for each owner and development. When possible, the inspection will coincide with the TDHCA monitoring review, but never prior to a TDHCA monitoring review.

- UPCS Inspection must be conducted within 30 days of the TDHCA monitoring review. The owner and development staff must be provided a 30 day written notice of the inspection.

b. For developments, vendor/bidder shall prepare and submit a comprehensive, detailed and signed UPCS Inspection/Compliance Report to TDHCA within 30 days of the date of each inspection visit. The Report is to include the following:

- A comprehensive, detailed report detailing the condition of the site, building exteriors, common areas, building systems, and dwelling units. UPCS violations must be listed by unit and building number.
- Photographs of the development such as buildings, signs and common area must be included in the report. Violation of Exigent Health and Safety deficiencies when warranted should be photographed and original photos submitted to TDHCA.

- Any deficiencies identified must be verbally stated so property representative(s) have the opportunity to immediately correct deficiencies. Any deficiencies corrected during the inspection should be noted in the report.
 - Any Exigent Health or Safety deficiencies identified must be verbally stated so property representative(s) have the opportunity to immediately correct deficiencies. In addition, Exigent Health and Safety deficiencies identified must be provided in writing to the property representative(s) at the end of the inspection, regardless of status. Any deficiencies corrected during the inspection should be noted in the report.
- c. As determined and requested by TDHCA, re-inspection of developments to ensure that they have been brought into compliance may be requested.
- Re-inspections shall be conducted within 30 days of the request.
- d. Vendor/Bidder shall prepare and submit a comprehensive, detailed, and signed final UPCS/Compliance Report concerning each project re-examined to TDHCA within 30 days from the date of each re-inspection visit. Two copies of the UPCS/Compliance Report and a copy of the report in PDF format through stored medium (CD disk) is required.
- e. A copy of any communication, i.e. correspondence, documentation, summary of telephone meetings, or other documentation or documented communication relating to this contract, other than the documents specifically bound by timeframes described above, must be provided to TDHCA upon request.
- f. The vendor/bidder shall provide the following services on an “as needed” basis at an hourly rate:
- Serve as an expert witness on behalf of TDHCA for lawsuits filed related to Uniform Physical Condition Standards.

5. **EVALUATION CRITERIA**

All responses to this RFP will be evaluated based on the following criteria and rankings. Maximum 100 points.

- (1) Demonstrated Applicable Experience - The number of years of applicable experience for the individual or the organization’s key personnel who will be actively engaged in the project (30 points)
- (2) The number of UPCS inspections performed over the last three (3) years (20 points)
- (3) System Concept and Solutions Proposed - Grasp needs of the Department and demonstrate the ability to be responsive to terms and conditions; complete and thorough with technical data and documentation (30 points)

- (4) Total Price - The combined price of the individual components in the Price Bid (20 points)

6. **GENERAL INFORMATION**

TDHCA reserves the right to accept or reject any (or all) proposals submitted. TDHCA also reserves the right to assign all or part of the inventory to be inspected, and to expand the inventory as needed for new projects placed in service. (See attached Terms and Conditions.)

The information contained in this RFP is intended to serve only as a general description of the services requested by TDHCA. TDHCA intends to use responses as the basis for further awards of specific project details with vendor/bidders. This RFP does not commit TDHCA to pay for any costs incurred prior to the execution of a contract and is subject to availability of funds, per the attached Terms and Conditions. Issuance of this RFP in no way obligates TDHCA to award a contract or to pay any costs incurred in the preparation of a proposal response.

7. **DEADLINE FOR SUBMISSION**

The deadline for submission of a response to this Request for Proposals is November 30, 2006, at 4 p.m. Central Daylight Savings Time. No proposals will be accepted after the deadline.

8. **RELEASE OF INFORMATION**

Information submitted relative to this Request for Proposals shall not be released by TDHCA during the proposed evaluation process or prior to contract award. All information submitted to and retained by TDHCA becomes subject to disclosure under the Texas Public Information Act, unless an exception under such Act is applicable.

9. **PROPRIETARY INFORMATION**

If a firm does not desire proprietary information in the proposal to be disclosed under the Texas Public Information Act or otherwise, the vendor/bidder is required to clearly identify (and segregate if possible) all proprietary information in the proposal. If such information is requested under the Texas Public Information Act, the firm will be notified and given an opportunity to present its position to the Attorney General of Texas, who shall make the final determination. If the firm fails to clearly identify proprietary information, it agrees, by the submission of a proposal, that those sections shall be deemed non-proprietary and made available upon public request after the contract is awarded.

10. **PROPOSAL FORMAT**

The Proposer shall provide an Executive Summary of three (3) pages or less, which gives in brief and concise terms, a summation of the proposal. The proposal itself shall be organized in the following format and informational sequences:

- a. **Part I - Business Organization:** State full name and address of your organization and identify parent company if entity is a subsidiary. Specify the branch office or other subordinate element that will perform, or assist in performing, work herein. Indicate whether the entity operates as a partnership, corporation, or individual. Include the State in which the individual or entity is incorporated or licensed to operate and the organization's Federal tax ID number/ individual's social security number.
- b. **Part II - Program:** Describe the technical plan for accomplishing required work. Include such time-related displays, graphs, and charts as necessary to show tasks, sub-tasks, milestones, and decision points related to the Statement of Work and their plan for accomplishment. Specifically indicate:
 - i. A description of the inspection work and inspection methodology. For example, detail the steps to be taken in proceeding from the first to the final task.
 - ii. The technical factors that will be considered in section (i) above, and the depth to which each will be treated.
 - iii. The degree of definition provided in each technical element of the plan.
 - iv. The points at which written reports will be provided.
 - v. The amount of progress payments the entity will request upon successful completion of milestones or tasks, deducting ten percent (10%), which will be paid upon final acceptance by TDHCA.
 - vi. A statement of the entity's compliance with all applicable rules and regulations of Federal, State and Local governing entities. Proposer must state the Proposer's intent to comply with the terms of this Request for Proposals.
- c. **Part III - Project Management Structure:** Provide a general explanation and an organizational chart which specifies project leadership and reporting responsibilities. Identify personnel that would be working with TDHCA staff. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.
- d. **Part IV - Prior Experience:** Describe only relevant corporate experience and individual experience for personnel who will be actively engaged in the project. Do not include corporate experience unless personnel assigned to this project actively participated. Supply the project title, year, and reference name, as well as title, present address, and phone number of principal person for whom prior projects were accomplished.

- e. **Part V - Personnel:** Include names and qualifications of all professional personnel who will be assigned to this project. State the primary work assigned to this person and the percentage of time each person will devote to this work. Identify key persons by name and title. Provide all resumes.
- f. **Part VI - Authorized Negotiator:** Include name, address, and telephone number of person in the organization authorized to negotiate contract terms and render binding decisions on contract matters.
- g. **Part XII – Conflict of Interest:** Vendor/Bidder must disclose and provide an affidavit of any potential conflicts with any TDHCA’s affiliated Developments, Owners and/or Management Companies. The disclosure must identify the Vendor/Bidders current relationship and type of service(s) provided.
- h. **Part XIII - Price Proposal:** The proposed method of pricing must be included and described. The bid amount must include all costs associated with the inspection (i.e. travel arrangements, lodging, meals etc.). Progress payments should be proposed based upon milestones completed, however progress payments will be scheduled as mutually determined to be appropriate. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work is completed.

The information described in the following subsections is required from each bidder:

- i. **A rate per unit inspection, including the Compliance Report and all required associated materials.**

\$ _____ per Unit.

- ii. **A rate per project re-inspection, including the Compliance Report and all required associated materials.**

\$ _____ per Unit Re-inspection

- iii. **An hourly rate for serving as an expert witness on behalf of TDHCA.**

\$ _____ per Hour.

11. **CONTRACT PAYMENT AND RETAINAGE**

The contract shall be prepared under the direction of TDHCA, and shall incorporate all applicable provisions. The proposed method of pricing may or may not be used, but should be described. Progress payments should be proposed based upon milestones completed, however, progress payments will be scheduled as mutually determined to be appropriate. Ten percent (10%) of the total contractual price will be retained until submission and acceptance of all work products.

12. **SUBMISSION OF PROPOSALS**

Two copies of the response should be submitted by registered mail or delivered in person to Wendy Quackenbush, Team Leader of Compliance Monitoring, Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, TX 78701, no later than the deadline for submission of proposals specified.

13. **INSURANCE**

The Proposer shall provide a certificate of insurance evidencing public liability and property damage insurance. The Proposer must maintain the required insurance policies during the term of this agreement.

Michael Gerber, Executive Director

ATTACHMENTS SECTION

EXHIBIT A: STATEMENT OF WORK

Upon request, the vendor/bidder will conduct a UPCS inspection of an assigned property. TDHCA will provide the list of specific units to be inspected. When possible, the inspection will coincide with the TDHCA onsite file review.

Inspections must be conducted within 30 days after TDHCA monitoring review.

1. For developments, vendor/bidder shall prepare and submit a comprehensive, detailed and signed UPCS Inspection/Compliance Report to TDHCA within 30 days of the date of each inspection visit. The Report is to include the following:
 - A comprehensive, detailed report detailing the condition of the site, building exteriors, common areas, building systems, and dwelling units. UPCS violations must be listed by unit and building number.
 - Photographs of the development such as buildings, signs and common area must be included in the report. Violation of Exigent Health and Safety deficiencies when warranted should be photographed and original photos submitted to TDHCA.
 - Any deficiencies identified must be verbally stated so property representative(s) have the opportunity to immediately correct deficiencies. Any deficiencies corrected during the inspection should be noted in the report.
 - Any Exigent Health or Safety deficiencies identified must be verbally stated so property representative(s) have the opportunity to immediately correct deficiencies. In addition, Exigent Health and Safety deficiencies identified must be provided in writing to the property representative(s) at the end of the inspection, regardless of status. Any deficiencies corrected during the inspection should be noted in the report.
2. As determined and requested by TDHCA, re-inspection of developments to ensure that they have been brought into compliance may be requested.
 - Re-inspections shall be conducted within 30 days of the request.
 - Vendor/Bidder shall prepare and submit a comprehensive, detailed, and signed final UPCS/Compliance Report concerning each project re-examined to TDHCA within 30 days from the date of each re-inspection visit. Two copies of the UPCS/Compliance Report and a copy of the report in PDF format through stored medium (CD disk) is required.
 - A copy of any communication, i.e. correspondence, documentation, summary of telephone meetings, or other documentation or documented communication relating to this contract, other than the documents specifically bound by timeframes described above, must be provided to TDHCA upon request.

3. The vendor/bidder shall provide the following services on an “as needed” basis at an hourly rate:
 - Serve as an expert witness on behalf of TDHCA for lawsuits filed related to Uniform Physical Condition Standards.

Exhibit B: A List of Developments by City

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
1	01138	Carver Neighborhood Townhomes	Abilene	79601	18	18
2	00125/530727	Raintree Apartments	ALAMO	78516	32	32
3	97069	Albany Village	Albany	76430	40	40
4	01005	Chaparral Townhomes	Allen	75002	126	95
5	93023	Alpine Manor	ALPINE	79830	36	36
6	538092	Alpine Ret. Comm	Alpine	79830	24	24
7	01140	Los Naranjos Apartments	Alton	78572	30	30
8	01119	Cactus Rose, Ltd	Anthony	79821	26	26
9	539110	Villa de Reposa san luis	Asherton	78827	16	16
10	532340	North Athens Homes	Athens	75751	10	10
11	01430	Blunn Creek Apartments	Austin	78704	280	280
12	03459/3459B	Century Park	Austin	78727	240	240
13	01448	Riverside Meadows	Austin	78741	240	240
14	02444/MF063	Woodway Village Apartments	Austin	78744	160	160
15	531105	Garden Terrace	Austin	78745	85	85
16	1000417	Spring Terrace	Austin	78752	140	140
17	1000365	Cottage Communities	Austin	78753	30	30
18	98075	Azle Village	AZLE	76020	32	32
19	00101/530717	Eagle Lake Gardens	AZLE	76020	60	59
20	98110	Settlement Estates Senior Housing	BASTROP	78602	70	70
21	536297	Bastrop C. Women Shlt	Bastrop	78602	21	21
22	04279/1000239	Golden Manor Apartments	Bay City	77414	40	40
23	98004	Shady Creek Apts.	BAYTOWN	77520	88	88
24	533186	Lincoln Courts	Baytown	77520	30	30
25	00007T	Texas Pueblo, Ltd.	BAYTOWN	77521	210	210
26	531114	Statewide CDC Scattered Sites Rental	Beaumont	77701	18	18
27	01415	Washington Manor, Starcrest Apts	Beaumont	77705	150	150
28	01077	Bell Oaks Village II	Bellville	77418	32	32
29	536268C	Palisade at Bellville	Bellville	77418	76	46
30	01150	Limestone Ridge Apartments	Big Spring	79720	76	76
31	98154	Boerne Creekside Apartments	BOERNE	78006	71	71
32	94166	Bogata Seniors Apartments	BOGATA	75417	24	24
33	02157/531099	La Mirage Apartments	Borger	79007	48	47
34	97008	Royal Crest Apts.	BOWIE	76230	48	48
35	01070	Sagebrush Apartments	Brady	76825	60	60
36	98074	Breckenridge Villas	BRECKENRIDGE	76424	32	32
37	95104/535028	Jefferson Square Apartments	BRENHAM	77833	44	25
38	93025	Brownfield Seniors Community	BROWNFIELD	79316	24	24
39	01051	Eldorado Village	Brownsville	78520	146	146
40	99007/538622	Brownwood Apartments II, The	BROWNWOOD	76801	72	72
41	96011/536263	The Brownwood Apartments	BROWNWOOD	76804	50	50
42	94084	Tidmore Bullard Elderly	BULLARD	75751	24	24
43	94085	Tidmore Bullard Family Apartments	BULLARD	75751	24	24
44	530627	Brentwood Apts.	Burleson	76028	36	36
45	92170	Manor Apts. Of Caddo Mills	CADDO MILLS	75135	16	16
46	02004	Williams Trace Apartments	Cameron	76520	68	68
47	97092/537078	Westwind Village Apts.	Carrizo Springs	78834	60	60
48	537073	Panola Seniors Community	CARTHAGE	75633	26	26
49	91067	Clarksville Seniors	CLARKSVILLE	75426	24	24
50	01442	Buena Vista Srs Community	Cleburne	76033	230	230
51	91004	Cleveland Plaza	CLEVELAND	77327	48	48
52	96060	Pineridge Plaza Apartments	CLEVELAND	77372	70	70
53	98006/533504	Heritage at Dartmouth	COLLEGE STATION	77840	96	96
54	01405	Southgate Village Apartments	College Station	77840	200	?

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
55	99122	Colorado City Apartments, II, Ltd.	COLORADO CITY	79512	32	32
56	533303	Colorado City Homes I	Colorado City	79512	5	5
57	534341	Colorado City Homes II	Colorado City	79512	5	5
58	97104	Oak Meadows Townhomes	COMMERCE	75428	72	72
59	01420	Montgomery Trace Apartments	Conroe	77301	224	224
60	533027	Mountain View Apts	Copperas Cove	76522	32	32
61	01144	Corinth Autumn Oaks	Corinth	76210	128	128
62	530707	Casa De Manana	Corpus	78405	99	99
63	98020	South Pointe Apts.	CORPUS CHRISTI	78411	196	196
64	97050	Cimmaron Estates Apts.	CORPUS CHRISTI	78414	180	180
65	70154	1348 North 45th	CORSICANA	75151	16	16
66	530200	St. John Colony	Dale	78616	10	10
67	01050	Ewing Villas	Dallas	75203	80	80
68	00003T	Monarch Townhomes	DALLAS	75204	65	65
69	01401	Roseland Gardens	Dallas	75204	101	101
70	98-01T/MF024	Residence at the Oaks	DALLAS	75211	212	212
71	MF035	Williams Run	Dallas	75214	252	252
72	02469/20033	Sphinx @ Murdeaux	Dallas	75217	240	240
73	00014T/MF031	The Oaks at Hampton	DALLAS	75224	250	250
74	03410/03410B	Ash Creek Apartments	Dallas	75228	280	280
75	03410/03410B	Ash Creek Apartments	Dallas	75228	280	280
76	95039	Dayton Park Apartments	DAYTON	77533	50	50
77	98019	Dayton Park Apts. - Phase II	DAYTON	77535	52	52
78	01002	La Vista Townhomes	Del Rio	78841	76	76
79	04028	Heritage Park	Denison	75020	100	100
80	536291	Carriage Square Apts.	Dickinson	77539	34	34
81	538625	Parado II	EL PASO	79907	16	16
82	97090	Western Gallagher II, Ltd.	EL PASO	79915	20	20
83	533029	Santa Lucia Housing	El Paso	79915	36	36
84	02001	Crescent Village	Elgin	78621	76	57
85	530687	Alamo Plaza	Elgin	78621	28	28
86	01404	Silverton Village Town Homes	Ennis	75119	250	250
87	850004	Oak Timber's	Ennis	76119	65	65
88	01127/531100	La Villita	Forney	75126	52	52
89	93160	Fort Stockton Manor	FORT STOCKTON	79735	36	36
90	01025/851004	Residences of Diamond Hill	Fort Worth	76106	204	176
91	93109	Shadow Hill Apts (fka Spring Hill)	FORT WORTH	76107	254	254
92	93110	Spring Glen (fka Shadow Glen Apartmen	FORT WORTH	76107	177	177
93	98084	Model Accessible Community-I	Fort Worth	76114	20	20
94	70011	Fredericksburg Seniors	FREDERICKSBURG	78624	48	48
95	96157/536266	Brentwood Oaks Apartments	FREDERICKSBURG	78624	74	56
96	01072/851009	TownePark in Fredericksburg	Fredricksburg	78624	48	48
97	531102	Country Villa	Freer	78357	32	32
98	532329	Tomas H	Freer	78357	5	5
100	91074/92067	Lake Colony Apartments	GARLAND	75043	268	268
101	1000441	East Texas Apartments	Garrison	75946	32	32
102	535031	Parkview Place	Georgetown	78702	176	12
103	01060	Windmill Apartments	Giddings	78942	28	?
104	91011	Gilmer Capital	GILMER	75644	24	24
105	93180	Prairie Park	GRAND PRAIRIE	75050	102	102
106	93204	Williamsburg Apartments	GRAND PRAIRIE	75051	418	418
107	536270	Tanner Point Apts.	Gransbury	76048	24	24
108	01402	Ranch View Town Homes	Greenville	75401	250	250
109	00123/530737	Parkside Place Apts.	GROESBECK	76642	44	44
110	99140	Rose Maria Arms, Ltd.	HEARNE	77859	16	16
111	532331	Jose	Hebbronville	78361	5	5

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
112	03253/542073	Green Manor Apartments	Hempstead	77445	40	40
113	03256/542071	Willowchase Apartments	Hempstead	77445	57	57
114	93148	Hereford Seniors Community	HEREFORD	79045	28	
115	98141	Amistad Farm Labor Hsg	Hereford	79045	20	
116	92003	Old Fort Highway Apartments	HIDALGO	78557	40	40
117	532409	Duncan Place	Hillsboro	76645	10	10
118	03259/542069	Pecan Creek Apartments	Hillsboro	76645	48	48
119	91089	Hondo Gardens Apts	HONDO	78861	31	31
120	01018	Western Whirlwind, Ltd.	Horizon City	79927	36	36
121	04197	Horizon Palms	Horizon City	79928	76	46
122	542081	Canal Street Apartments	houston	77003	133	34
123	538613	Britton's First Townhomes	Houston	77020	48	20
124	01139	Oak Arbor Townhomes	Houston	77022	94	94?
125	01162	Town Park Townhomes	Houston	77036	120	120
126	94110	Windcrest Westroad	Houston	77038	228	228
127	01433	Park Row Apartments	Houston	77060	248	248
128	02463/MF065	Park @ North Vista	Houston	77073	252	252
129	01485	Clearwood Villas	Houston	77075	276	276
130	95001	St. Cloud Apts	HOUSTON	77081	302	302
131	01076	Laurel Point Senior Apts	Houston	77082	148	110
132	02403	Matthew Ridge Apartments	Houston	77083	240	240
133	99002	Tidwell Estates	HOUSTON	77091	132	99
134	01042/852027	Fountains at Tidwell	Houston	77091	188	141
135	01466/852012	Copperwood Ranch Apts	Houston	77095	280	280
136	00037T/MF037	Collingham Park	HOUSTON	77099	250	250
137	01101	Timber Ridge Apartments	Houston	77374	197	?
138	02439	Green Crest Apartments	Houston	77082	192	192
139	01432/MF044	Greens Road Apartments	Humble	77396	224	224
140	93130	The Waterford At Valley Ranch	IRVING	75060	300	300
141	534336	Anna & Ridgeoak Way	Irving	76006	12	12
142	536294	Leaning Oaks Senior Apts	Johnson City	78636	10	10
143	535004	Jourdanton Elderly Hsing	Jourdanton	78026	40	40
144	04288/1000244	Briarwood Apartment	Kaufman	75142	48	48
145	98156	Kerrville Meadows Apartments	KERRVILLE	78028	76	72
146	530657	Danville Estate	Kilgore	75662	20	20
147	04194/1000246	Lexington Court	Kilgore	75662	80	76
148	97043	Village at Fox Creek (fka the Williamsbu	KILLEEN	76543	128	128
149	99053/859014	Veranda Apartments, The	KILLEEN	76543	88	88
150	93004	Windwood II Apts.	KINGSLAND	78639	34	34
151	98044	Las Palmas Apts.	LA FERIA	78559	36	36
152	99003	Fairmont Oaks Apts.	LA PORTE	77571	188	141
153	01166	Churchill Place Senior Apts	La Porte	77571	72	72
154	04275/1000245	Bahia Palms Apartments	LaGuna Vista	78578	64	64
155	94073	El Azteca Housing Development	LAREDO	78040	50	50
156	98122	Hamilton, The	LAREDO	78040	165	165
157	01149	Clark's Crossing Apartments	Laredo	78043	160	160?
158	01143	Laredo Vista	Laredo	78046	45	39
159	534284	Cedar Ridge Apts.	Leander	78641	80	80
160	531001	Cedar Ridge II	Leander	78641	72	72
161	532311	Levelland Home II	Levelland	79339	1	1
162	97-10T	The Tuscany at Lakepointe	LEWISVILLE	75057	168	168
163	98553	Windmill Village	Littlefield	79339	20	20
164	532313	Littlefield Home 1	Littlefield	79339	1	1
165	532314	Littlefield Home 2	Littlefield	79339	1	1
166	92087	Livingston Plaza	LIVINGSTON	77351	24	24
167	93002	Livingston Seniors Apartments	LIVINGSTON	77351	36	36

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
168	99147	Ridgecrest Inn Apartments, Ltd.	LIVINGSTON	77351	50	50
169	95102/535003	Llano Square, Ltd.	LLANO	78643	40	40
170	534276	Golden Age Home	Lockhart	78644	58	16
171	536272	Lockhart Elderly Housing	Lockhart	78644	6	6
172	99004	Highland Village Apts.	LONGVIEW	75601	144	130
173	96182/536279	Crestview Apartments Partnership	LONGVIEW	75602	40	40
174	532304	Longview Commons	Longview	75606	30	30
175	01032	Cantibury Pointe	Lubbock	75964	144	108
176	03140	Park Meadows Villas	Lubbock	79404	112	100
177	98132	High Pointe Plaza, LTD.	LUFKIN	75901	72	72
178	539113/859003	Pineywoods Home Team	Lufkin	75901	20	20
179	94124	Madisonville Manor Senior Citizen	MADISONVILLE	77864	32	32
180	94237	Briarcrest Apartments	MADISONVILLE	77864	16	16
181	94250	Lance Street Apartments	MADISONVILLE	77864	36	36
182	537072	Turtle Creek Townhomes	Marble Falls	78054	54	28
183	534339	SW Village Apts.	Marble Falls	78654	24	24
184	01007	Grand Texas Seniors Community	McKinney	75069	100	100?
185	01463	The Grand Reserve Srs Community	McKinney	75069	180	180
186	99004T	Country Lane Seniors	MCKINNEY	75069	230	230
187	93153	The Lakes Of Eldorado	MCKINNEY	75070	220	220
188	97047	La Herencia Apts., Lp	MERCEDES	78570	160	160
189	859009	Meridian Housing Authority	Meridian	76665	30	30
190	98112	Park Glen Apartments	MIDLAND	79701	160	160
191	533288/379559539	Ranchland Apts.	Midland	79701	204	87
192	534501	Mineola Seniors Community	MINEOLA	75773	26	26
193	01108	Logan's Pointe	Mount Vernon	75457	100	100?
194	93145	Cordova Rental Units	NACOGDOCHES	75961	4	4
195	98082	Main Street Apartments	Nacogdoches	75961	5	5
196	96064/536264	Commonwealth Apartments	NACOGDOCHES	75961	70	70
197	99142/538621	Commonwealth, Phase II, Ltd, The	NACOGDOCHES	75961	54	54
198	532318	Railroad St. Rental	Nacogdoches	75961	10	10
199	539111	Bavarian Manor Apts.	New Braunsfel	78130	53	52
200	97111	Garden Gate Apartments	NEW CANEY	77357	56	56
201	98161	Garden Gate II Apartments	NEW CANEY	77357	32	32
202	70004	Northridge Village Apartments	NORTH RICHLAND HILLS	76180	194	194
203	92041	La Promesa Apartments	ODESSA	79761	136	136
204	99043	Arbor Terrace Apartments	ODESSA	79761	130	90
205	535248	Olton	Olton	79064	12	12
206	01045	Crockett Housing, Ltd.	Ozona	76943	32	32
207	93134	Sycamore Lane Apartments	PALESTINE	75801	79	79
208	94241	Hilltop Apartments	PALESTINE	75801	24	24
209	94246	Academy Apartments	PALESTINE	75801	24	24
210	94248	Palestine Community Development	PALESTINE	75801	48	48
211	97097	Murchison Street Apt.	PALESTINE	75801	40	40
212	537076	Palestine Seniors Community	PALESTINE	75801	26	26
213	93024	Pampa Manor	PAMPA	79065	32	32
214	539115/534389	Bentcreek Apts.	Pampa	79065	40	40
215	70090	Pam Apartments	PAMPA	79605	96	96
216	97103	Ridgeview Townhomes	PARIS	75460	68	68
217	01121	TownParc	Paris	75460	76	64
218	01152	Parkway Senior Apartments	Pasadena	77504	122	91
219	535253	Villa De Reposo	Pearsall	78061	12	12
220	04295/1000238	La Mirage Villas	Perryton	79070	47	47
221	00004/530677/851003	Heatherwilde Park Retirement Apts.	PFLUGERVILLE	78660	168	128
222	01451	Westchester Woods	Pflugerville	78660	250	250
223	02003	El Pueblo Dorado	Pharr	78577	176	132

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
224	93041	Garden Gate Apartments	PLANO	75025	240	240
225	98101	Villas of Mission Bend	PLANO	75075	135	101
226	01073/852028	Greens on Turtle Creek, The	Port Arthur	77642	84	84
227	01130	Port Arthur Townhomes	Port Arthur	77642	104	104
228	94052	Sea Greens	PORT LAVACA	77979	110	110
229	98119	Sea Breeze Village Apartments	PORT LAVACA	77979	72	72
230	03252/542072	Pine Meadows Apartments	Prairie View	77446	60	60
231	04283/1000243	Shady Oaks Apartments	Prairie View	77446	40	40
232	91137	Queen City Manor	QUEEN CITY	75572	36	36
233	92192	Heritage Place Apartments	QUINLAN	75474	32	32
234	01086/852002	Mission Oaks	Refugio	78377	32	32
235	92054	Reno Plaza	RENO	75460	24	24
236	532300	Brazos Bend Villas	Richmond	77469	120	105
237	01078	Rancho De Luna Apartments	Robstown	78380	76	57
238	98005	Falcon Pointe Apartments	ROSENBERG	77471	112	84
239	02462/MF064/853336	Reading Road Apartments	Rosenberg	77471	252	252
240	99123	Runge Apartments	RUNGE	78151	32	32
241	98080	Pine Meadows Apartments	RUSK	75785	30	30
242	97010	Glenbrook Apts.	SAINT JO	76265	24	24
243	97143	Bent Tree Apts.	SAN ANGELO	76902	112	112
244	97-04T	Babcock Villa Apartments FKA ParqueD	SAN ANTONIO	78201	198	198
245	94013	Robert E. Lee	SAN ANTONIO	78205	72	72
246	532334	San Jacinto Elderly	San Antonio	78207	50	50
247	532322	Claremont Place Apts.	San Antonio	78209	4	4
248	537603	West Ave Apts.	San Antonio	78213	150	63
249	850008	Sam Ministries on Blanco	San Antonio	78216	40	40
250	539122	Center Park	San Antonio	78220	184	92
251	01081	Outspan Townhomes	San Antonio	78220	200	120
252	044804488B	Mission del Rio Homes	San Antonio	78223	240	240
253	536292	Sutton Square Duplexes	San Antonio	78228	30	30
254	01064	O'Connor Road Seniors	San Antonio	78233	150	113
255	98049/538003	Nueces Bend (FKA San Antonio Seniors)	SAN ANTONIO	78238	51	50
256	97128/537079	San Augustine Seniors Apt.	SAN AUGUSTINE	75972	36	36
257	94133	Country Oaks Apartments	SAN MARCOS	78666	160	160
258	94195	River Oaks Villas	SAN MARCOS	78666	200	200
259	00006T	San Marcos Apartments	SAN MARCOS	78666	156	156
260	96113/536265	Sunrise Village (San Marcos Seniors)	SAN MARCOS	78666	60	60
261	532336	Sunrise HOME only	SAN MARCOS	78666	40	40
262	98067/539119	Asbury Place (fka: Jackson Community)	SAN MARCOS	78666	64	64
263	539116	Riverview Apts.	San Marcos	78666	54	54
264	01003	Villas at Willow Springs	San Marcos	78666	220	?
265	99134/538620	May Road Apartments	SEAGOVILLE	75159	81	81
266	01128/531101	Seven Points Apartments	Seven Points	75143	36	36
267	93014	Shepherd Seniors Apartments	SHEPHERD	77371	32	32
268	94251	Shepherd South I Apartments	SHEPHERD	77371	24	24
269	94252	Shepherd South II Apartments	SHEPHERD	77371	24	24
270	95076	The Willows Apartments	SMITHVILLE	78957	32	
271	533308	Webb Street Revitalization	Smithville	78957	14	14
272	536293	Autumn Springs	Smithville	78957	12	12
273	98095/538006	Tierra Socorro, Ltd.	SOCORRO	79927	64	64
274	01117	Mission Pass Ltd,	Socorro	79927	36	36
275	01047	Sonora Sage Housing, Ltd.	Sonora	76950	32	32
276	01046	Sweetwater Housing, Ltd.	Sour Lake	77659	24	24
277	530617	Springtown Spring Gdn II	Springtown	76082	10	10
278	538089	Springtown Spring Garden	Springtown	76082	12	12
279	533300	Spur Tri-plex	Spur	79370	3	3

No.	Project Number	Project Name	Project City	Project Zip Code	Project Total Units	LI units
280	99148	Windmill Run	Sweeny	77480	76	76
281	532410	Sunrise Villas	Sweetwater	79556	13	13
282	532316/533316	Town Creek Homes	Sweetwater	79556	6	6
283	534031	Foundation of Hope Apts.	Taft	78390	36	36
284	535259	West Gate Apartments	Tahoka	79373	24	24
285	92063	Stepping Stone Apartments	TAYLOR	76574	44	44
286	97141	Burnett Place Apts.	TAYLOR	76574	72	57
287	00037	Freestone Apartments	TEAGUE	75860	20	20
288	536268A	Chateau	Temple	76501	22	22
289	01111	Village at Meadowbend	Temple	76504	138	104
290	533029	Tembell Homes	Temple	76504	26	26
291	99005T	Heather Lane	Terrell	75160	240	240
292	99024	Village,The	TOMBALL	77375	64	64
293	92109	Trinity Manor Apartments	TRINITY	75862	36	36
294	532277	Tyler Community homes	Tyler	75702	28	28
295	533199	Tyler Community Houses	Tyler	75702	16	16
296	96136/537070	Granada Apartments Limited	UVALDE	78801	100	100
297	93152	Villas of Lake Brazos (fka The Gardens)	WACO	76704	200	200
298	01029	Brazos Landing Townhomes	Waco	76705	160	120
299	94113	Cottages Of Oak Springs	WACO	76712	144	100
300	03254/542070	Bayou Bend Apartments	Waller	77484	56	56
301	97067	Fox Hollow Townhomes	WEATHERFORD	76086	100	100
302	04079	Baybrook Park Retirement Center	Webster	77598	100	80
303	04494	Baypointe Apartments	Webster	77598	236	236
304	01031	La Estancia Apartments	Weslaco	78596	128	96
305	536268D	Red RiverSenior Living Center	Wharton	77488	100	100
306	01011	Oak Timbers-White Settlement	White Settlement	76108	104	63
307	536288	Whitney Retirement Villag	Whitney	76692	24	24
308	01090	Parkstone Crossroads Apts	Wichita Falls	76301	112	112
309	01037	Bachon Townhomes	Wylie	75098	120	90
310	92076	Raintree	Temple	75602	184	65
311	852013	Manor Town	Manor	78653	33	33
312	3213	Fox Run	Orange	77632	70	70
313	1000591	Sherwood	Edinburg	78539	56	56
314	537602	Hero Housing	El Paso	79912	25	25
315	2067	Meadowbrook	El Paso	79936	25	25
316	98574	Castleridge	San Antonio	78227	144	115
317	96144	Marbach Manor	San Antonio	78227	123	123
318	98031	Gable Manor	Daingerfield	75638	12	12

REAL ESTATE ANALYSIS DIVISION

**BOARD ACTION REQUEST
OCTOBER 12, 2006**

Action Item

Presentation, discussion and possible determination for an amendment to the credit amount for Residences at Sunset Pointe.

Requested Action

Approve, deny or approve with changes the amendment to the credit amount.

Background

060609 Residences at Sunset Pointe

The Board approved an annual housing tax credit allocation of \$670,194 in 4% non-competitive credits during the June 2006 Board meeting. In July 2006 the Applicant submitted updated information including a new cost schedule identifying a credit request of \$716,262. The updated underwriting analysis recommends an annual credit allocation of \$699,601. This amount is less than the requested amount due in large part to the overstatement of eligible interest expense and contractor fees.

Recommendation

Staff recommends approval of the credit amount amendment. It should be noted that because this is a non-competitive 4% award, this does not impact the 2006 credit ceiling.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ADDENDUM**

DATE: September 19, 2006 **PROGRAM:** 4% HTC/MRB **FILE NUMBER:** 060609

DEVELOPMENT NAME

The Residences at Sunset Pointe

APPLICANT

Name: Sunset Pointe Housing Partnership, Ltd **Contact:** Daniel Allgeier
Address: 580 Decker Drive, Suite 208
City: Irving **State:** TX **Zip:** 75062
Phone: (972) 745-0756 **Fax:** (678) 218-1496 **Email:** dallgeier@nurock.com

KEY PARTICIPANTS

Name: NDG-Sunset Pointe, LLC **Title:** 0.01% Managing General Partner of Applicant
Name: Nurock Development Group, Inc **Title:** Developer
Name: Robert G Hoskins **Title:** 50% owner of GP & Developer
Name: Sandra K Hoskins **Title:** 50% owner of GP & Developer
Name: SBG Development Services, LP (Robert H Sherman) **Title:** Consultant

PROPERTY LOCATION

Location: 5500 Block Sycamore School Road
City: Fort Worth **Zip:** 76123
County: Tarrant **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$716,262	N/A	N/A	N/A
MRB (Tax-Exempt)	\$15,000,000	5.95%	30 yrs	30 yrs
Proposed Use of Funds:	<u>New construction</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Family</u>	Other:	<u>Urban/Exurban</u>	

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$15,000,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A VARIABLE INTEREST RATE UNDERWRITTEN AT 5.95% 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 \$699,601 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

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

CONDITIONS

1. Acceptance by the Board of the anticipated likely redemption of up to \$915,000 in bonds at the conversion to permanent.
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 allocation amount may be warranted.

ADDENDUM

The applicant submitted updated information including slightly modified operating expenses and an updated development cost schedule. Total construction costs increased by \$1.24M, or 6%. Approximately half of the increase was attributable to direct construction costs. The updated acquisition value now includes \$258K in closing costs and legal fees. Sitework costs decreased to \$5,917 per unit and are still within current Department guidelines.

The Applicant's updated direct construction cost estimate is \$423K or 4% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. The Underwriter reduced the Applicant's eligible interim financing fees by \$107K 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. The Applicant's updated contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by a total of \$27K based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

The Applicant's updated total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The Applicant's eligible basis of \$19,651,709 supports annual tax credits of \$699,601. The Underwriter's eligible basis derived estimate will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

As with the original underwriting report, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.10. Therefore, it is likely there will be a mandatory redemption of bonds at conversion to permanent financing. The current underwriting analysis assumes a decrease in the permanent loan amount to \$14,085,000 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.

The updated Applicant's total development cost estimate less the permanent loan of \$14,085,000 indicates the need for \$78,894,330 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$905,366 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Applicant's updated request (\$716,262), the gap-driven amount (\$905,366), and eligible basis-derived estimate (\$699,601), the eligible basis driven amount of \$699,601 is lowest and is recommended.

The Underwriter's recommended financing structure indicates the need for \$2,021,439 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Items identified in previous reports/ or analysis have not been satisfactorily addressed.
- The Applicant's estimated operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable range(s).
- The property's project-based rent subsidy is subject to Federal funding and may not be renewed as anticipated.
- An increase in the variable interest rate on the permanent debt could adversely affect the development's DCR and cash flow.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

- 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:	September 19, 2006
	<i>Brenda Hull</i>		
Director of Real Estate Analysis:	_____	Date:	September 19, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Residences at Sunset Pointe, Fort Worth, 4% HTC/MRB #060609

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$48.64	\$11,595,278
Adjustments				
Exterior Wall Finish	6.00%		\$2.92	\$695,717
Elderly/9-Ft. Ceilings	0.00%		0.00	0
Roofing			0.00	0
Subfloor			(1.12)	(266,990)
Floor Cover			2.22	529,212
Porches/Balconies	\$19.79	13,440	1.12	265,910
Plumbing	\$680	592	1.69	402,560
Built-In Appliances	\$1,675	224	1.57	375,200
Exterior Stairs	\$1,650	28	0.19	46,200
Enclosed Corridors			0.00	0
Heating/Cooling			1.73	412,404
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$64.12	4,299	1.16	275,641
Other:			0.00	0
SUBTOTAL			60.12	14,331,133
Current Cost Multiplier	1.03		1.80	429,934
Local Multiplier	0.90		(6.01)	(1,433,113)
TOTAL DIRECT CONSTRUCTION COSTS			\$55.91	\$13,327,954
Plans, specs, survy, bld prm	3.90%		(\$2.18)	(\$519,790)
Interim Construction Interest	3.38%		(1.89)	(449,818)
Contractor's OH & Profit	11.50%		(6.43)	(1,532,715)
NET DIRECT CONSTRUCTION COSTS			\$45.41	\$10,825,631

PAYMENT COMPUTATION

Primary	\$15,000,000	Amort	360
Int Rate	5.95%	DCR	1.03

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.03

Additional		Amort	
Int Rate		Aggregate DCR	1.03

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$1,007,933
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$101,146

Primary	\$14,085,000	Amort	360
Int Rate	5.95%	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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
POTENTIAL GROSS RENT	\$2,157,504	\$2,222,229	\$2,288,896	\$2,357,563	\$2,428,290
Secondary Income	40,320	41,530	42,775	44,059	45,381
Other Support Income: 112 Gar	13,440	13,843	14,258	14,686	15,127
POTENTIAL GROSS INCOME	2,211,264	2,277,602	2,345,930	2,416,308	2,488,797
Vacancy & Collection Loss	(165,845)	(170,820)	(175,945)	(181,223)	(186,660)
Employee or Other Non-Rental	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,045,419	\$2,106,782	\$2,169,985	\$2,235,085	\$2,302,137
EXPENSES at 4.00%					
General & Administrative	\$78,162	\$81,288	\$84,540	\$87,921	\$91,438
Management	102,271	105,339	108,499	111,754	115,107
Payroll & Payroll Tax	196,000	203,840	211,994	220,473	229,292
Repairs & Maintenance	105,711	109,939	114,337	118,910	123,666
Utilities	53,544	55,686	57,913	60,230	62,639
Water, Sewer & Trash	68,352	71,086	73,930	76,887	79,962
Insurance	70,065	72,867	75,782	78,813	81,966
Property Tax	172,476	179,375	186,550	194,013	201,773
Reserve for Replacements	44,800	46,592	48,456	50,394	52,410
Other	44,960	46,758	48,629	50,574	52,597
TOTAL EXPENSES	\$936,340	\$972,771	\$1,010,629	\$1,049,969	\$1,090,850
NET OPERATING INCOME	\$1,109,079	\$1,134,011	\$1,159,357	\$1,185,116	\$1,211,287
DEBT SERVICE					
First Lien Financing	\$1,007,933	\$1,007,933	\$1,007,933	\$1,007,933	\$1,007,933
Second Lien	0	0	0	0	0
Other Financing	0	0	0	0	0
NET CASH FLOW	\$101,146	\$126,077	\$151,423	\$177,183	\$203,354
DEBT COVERAGE RATIO	1.10	1.13	1.15	1.18	1.20

YEAR 10	YEAR 15	YEAR 20	YEAR 30
\$2,815,053	\$3,263,418	\$3,783,196	\$5,084,300
52,608	60,988	70,701	95,017
17,536	20,329	23,567	31,672
2,885,198	3,344,735	3,877,465	5,210,988
(216,390)	(250,855)	(290,810)	(390,824)
0	0	0	0
\$2,668,808	\$3,093,880	\$3,586,655	\$4,820,164
\$111,248	\$135,351	\$164,675	\$243,759
133,440	154,694	179,333	241,008
278,969	339,409	412,942	611,256
150,459	183,057	222,716	329,675
76,210	92,721	112,809	166,985
97,286	118,364	144,007	213,166
99,724	121,329	147,615	218,507
245,488	298,673	363,382	537,894
63,764	77,579	94,387	139,716
63,992	77,856	94,724	140,215
\$1,320,581	\$1,599,032	\$1,936,591	\$2,842,179
\$1,348,227	\$1,494,848	\$1,650,064	\$1,977,985
\$1,007,933	\$1,007,933	\$1,007,933	\$1,007,933
0	0	0	0
0	0	0	0
\$340,294	\$486,915	\$642,131	\$970,052
1.34	1.48	1.64	1.96

HTC ALLOCATION ANALYSIS - Residences at Sunset Pointe, Fort Worth, 4% HTC/MRB #060609

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,833,178	\$1,833,178		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,325,408	\$1,325,408	\$1,325,408	\$1,325,408
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$10,402,920	\$10,825,631	\$10,402,920	\$10,825,631
(4) Contractor Fees & General Requirements				
Contractor overhead	\$238,427	\$238,427	\$234,567	\$238,427
Contractor profit	\$715,282	\$715,282	\$703,700	\$715,282
General requirements	\$715,282	\$715,282	\$703,700	\$715,282
(5) Contingencies				
	\$566,027	\$566,027	\$566,027	\$566,027
(6) Eligible Indirect Fees				
	\$1,298,635	\$1,298,635	\$1,298,635	\$1,298,635
(7) Eligible Financing Fees				
	\$1,927,046	\$1,927,046	\$1,927,046	\$1,927,046
(8) All Ineligible Costs				
	\$1,467,418	\$1,467,418		
(9) Developer Fees				
Developer overhead	\$589,872	\$589,872	\$589,872	\$589,872
Developer fee	\$1,899,835	\$1,899,835	\$1,899,835	\$1,899,835
(10) Development Reserves				
		\$302,953		
TOTAL DEVELOPMENT COSTS	\$22,979,330	\$23,704,994	\$19,651,709	\$20,101,445

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		\$19,651,709	\$20,101,445
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$19,651,709	\$20,101,445
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$19,651,709	\$20,101,445
Applicable Percentage		3.56%	3.56%
TOTAL AMOUNT OF TAX CREDITS		\$699,601	\$715,611

Syndication Proceeds	0.982402	\$6,872,891	\$7,030,179
Total Tax Credits (Eligible Basis Method)		\$699,601	\$715,611
Syndication Proceeds		\$6,872,891	\$7,030,179
Orig Requested Tax Credits		\$670,194	
Syndication Proceeds		\$6,583,997	
Gap of Syndication Proceeds Needed		\$8,894,330	
Total Tax Credits (Gap Method)		\$905,366	
Updated Request		\$716,262	
Syndication Proceeds		\$7,036,570	

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DATE: April 25, 2006

PROGRAM: 4% HTC/MRB

FILE NUMBER: 060609

DEVELOPMENT NAME

The Residences at Sunset Pointe

APPLICANT

Name: Sunset Pointe Housing Partnership, Ltd **Contact:** Daniel Allgeier
Address: 580 Decker Drive, Suite 208
City: Irving **State:** TX **Zip:** 75062
Phone: (972) 745-0756 **Fax:** (678) 218-1496 **Email:** dallgeier@nurock.com

KEY PARTICIPANTS

Name: NDG-Sunset Pointe, LLC **Title:** 0.01% Managing General Partner of Applicant
Name: Nurock Development Group, Inc **Title:** Developer
Name: Robert G Hoskins **Title:** 50% owner of GP & Developer
Name: Sandra K Hoskins **Title:** 50% owner of GP & Developer
Name: SBG Development Services, LP (Robert H Sherman) **Title:** Consultant

PROPERTY LOCATION

Location: 5500 Block Sycamore School Road
City: Fort Worth **Zip:** 76123
County: Tarrant **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$670,194	N/A	N/A	N/A
MRB (Tax-Exempt)	\$15,000,000	5.95%	30 yrs	30 yrs
Proposed Use of Funds:	<u>New construction</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Family</u>	Other:	<u>Urban/Exurban</u>	

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$15,000,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A VARIABLE INTEREST RATE UNDERWRITTEN AT 5.95% 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 \$670,194 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Acceptance by the Board of the anticipated likely redemption of up to \$915,000 in bonds at the conversion to permanent.
2. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-

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evaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 224 **# Res Bldgs** 14 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 238,384 **Av Un SF:** 1,064 **Common Area SF:** 4,299 **Gross Bldg SF:** 242,683

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 75% masonry veneer and 25% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and eight-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 200 or more, the Applicant has elected to provide controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a service coordinators office in addition to the leasing offices, a swimming pool, two children's playgrounds equipped for 5 to 12 year olds/two tot lots/one of each, and a furnished and staffed children's activity center.

Uncovered Parking: 327 spaces **Carports:** 0 spaces **Garages:** 112 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Residences at Sunset Pointe is a 13-unit per acre new construction development located in southwest Fort Worth. The development is comprised of 14 garden style residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
4	2	8	0	8	0
2	2	0	16	0	0
7	2	0	8	8	0
1	2	0	8	0	8

The development includes a 4,299-square foot community building and 112 garages. A corner of the site, located along the future Tollway 121, remains vacant based on the site plan.

SITE ISSUES

SITE DESCRIPTION

Total Size: 17.6 acres **Scattered sites?** Yes No
Flood Zone: Zone X **Within 100-year floodplain?** Yes No
Current Zoning: C/Multifamily District (18 units/acre) **Needs to be re-zoned?** Yes No N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The subject site is located in the City of Fort Worth approximately 11 miles southwest of its

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downtown. Specifically the site is on the west side of Old Granbury Road and the north side of Sycamore School Road.

Adjacent Land Uses:

- **North:** vacant land;
- **South:** Sycamore School Road, vacant land and residential development;
- **East:** Granbury Road and residential development; and
- **West:** vacant land.

Site Access: Site entry is along Sycamore Square Road. The proposed sit is less than four miles form IH 20 and less than six miles from IH 35W.

Public Transportation: Fort Worth has an extensive public transportation system. Route # 6 stops at Old Granbury and Alta Mesa (0.75 miles north) or at Sycamore School Road and Hulen Street (1.2 miles east).

Shopping & Services: The site is served by the Crowley Independent School District. An elementary, middle and high school are located within four miles of the proposed property. A supermarket and pharmacy is located within two miles, and several major discount stores are located within three miles of the site. The site is two miles south of two major Fort Worth area hospitals.

TDHCA SITE INSPECTION

Inspector:	TDHCA Staff	Date:	03/23/2006
Overall Assessment:	<input type="checkbox"/> Excellent	<input checked="" type="checkbox"/> Acceptable	<input type="checkbox"/> Questionable
	<input type="checkbox"/> Poor	<input type="checkbox"/> Unacceptable	
Comments:	Surrounded by single family; within three miles of amenities		

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated October 2005 was prepared by Rone Engineering and contained the following findings and recommendations:

Findings:

- **Noise:** “The subject is located within an area that consists of vacant land and residential areas. No major roads are located adjacent to the subject property or within at least 300 feet of the subject property. Therefore, a noise study is not recommended” (p. 10).
- **Floodplain:** “The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map, Community Panel Number 48439C0395J, dated August 23,2000, indicated that the Subject Property is located in Zone X, an area outside the 500-year flood zone” (p. 7).
- **Asbestos-Containing Materials (ACM):** “No suspect asbestos-containing materials were identified” (p. 2).
- **Lead-Based Paint (LBP):** “No suspect lead based paint-containing materials were identified” (p. 2).
- **Lead in Drinking Water:** “The City of Fort Worth provides drinking water to the subject property that meets or exceeds all federal (EPA) drinking water requirements including requirements for lead” (p. 2).
- **Radon:** “The subject property is located in an area of low radon gas levels” (p. 2).
- **Recognized Environmental Concerns (RECs):** “The ESA has not revealed evidence of recognized environmental conditions in connection with the subject property” (p. 2).

Recommendations: “Based upon the results of the ESA, Rone does not recommend further environmental investigation of the subject property” (p. 12).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The development is a Priority 3 Private Activity Bond allocation for a Qualified Residential Rental Project, and the Applicant has elected to set-aside 100% of units with rent and income restrictions at 60% of area median family income (§ 1372.0321, Texas Government Code).

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MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

MARKET HIGHLIGHTS

A market feasibility study dated January 12, 2006 with an effective date of October 14, 2005 was prepared by Ipser & Associates, Inc (“Market Analyst”). Upon request, the Market Analyst provided a revised demand analysis based on a Primary Market Boundary with a base year population of 100,000 or less. The following findings were included:

Secondary Market Information: “Tarrant County includes two cities over 300,000 in population (Fort Worth and Arlington), as well as numerous towns with population under 60,000, some of which cross county lines into neighboring counties...Fort Worth is expected to have an annual growth rate during this decade of 2.5%, adding approximately 153,000 residents, compared with a gain of 87,075 in the 1990s. The county overall is projected to gain approximately 339,900 from 2000 to 2010 to reach 1,977,119 residents by 2010 (2.1% annual growth rate)... The demographic data show that the median household income in Fort Worth in 1999 (\$37,074) was lower than the county-wide median (\$46,179). The median family income in Fort Worth (\$42,939) was also lower than and the county figure (\$54,068)... Median rent as reported in Census 2000 was \$612 for Tarrant County renters (\$364 in 1990). The median rent in Fort Worth was \$559, a 65.9% increase from \$337 in 1990...The construction of the proposed project will have little impact on the existing apartments in its market area. Occupancy is high, including the in the newest HTC complexes. The growth direction is to the south of the subject site, where there are new subdivisions currently under construction. The path of the planned southwest tollway will come very close to the west of the subject, eventually providing a highway into downtown Fort Worth” (pp. 2-5 to 2-11, April 21, 2006).

Definition of Primary Market Area (PMA): The original PMA is bound by: SW Loop 820 and Granbury Road on the north; IH-35W on the east; county line on the south; and county line and Hwy 377 on the west (Summary Sheet). This area encompasses approximately 94 square miles and is equivalent to a circle with a radius of 5.5 miles. However, the base year population for the area exceeds 100,000.

Upon request, the Market Analyst provided a revised Primary Market boundary to include 17 Census tracts: 1048.01, 1056, 1048.02, 1047, 1055.02, 1057.01, 1058, 1055.03, 1057.03, 1110.03, 1055.10, 1055.12, 1057.04, 1060.01, 1055.05, 1055.08 and 1055.11. This area encompasses approximately 21 square miles and is equivalent to a circle with a radius of 2.5 miles.

“Please note that we have excluded several census tracts in the immediate vicinity of the subject’s proposed location because the subject is not expected to draw any significant number of prospective tenants from the population and households in these census tracts. These are census tracts where there are few renter-occupied housing units, where owner-occupied housing values are high and where median and family incomes are high” (p. I-2, April 21, 2006).

Population: The estimated 2005 population of the revised PMA was 98,500 and is expected to increase to approximately 108,200 by 2010. Within the revised primary market area there were estimated to be 36,165 households in 2005.

Total Market Demand: The Analyst’s income band of \$24,171 to \$43,600 (p. 3-5) results in an income eligible adjustment rate of 25.6% (p. 3-5, April 21, 2006). The tenure appropriate adjustment rate of 38.7% is specific to the general population (p. 3-5, April 21, 2006). “Turnover rates were reported by 18 complexes, and ranged from zero units per month...to 12 units per month...six complexes had turnover rates between 0.1% and 0.9%, including all projects rated in excellent condition. Another seven locations were in the 1% to 2.5% turnover range and three other projects had rates in the 3% range. The highest turnover percentage rate was 4% (p. 2-19). However, the Market Analyst utilized a turnover rate of 46.9% (p. 3-7, April 21, 2006) in his demand analysis.

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MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	68	4%	94	4%
Resident Turnover	1,683	87%	2,252	96%
Other Sources: 10% unsubstantiated	175	9%	N/A	
TOTAL DEMAND	1,926	100%	2,346	100%

p. 3-5, April 21, 2006

Inclusive Capture Rate: “The proposed project of 224 units represents a 11.6% capture of this number. Adding 216 unstabilized HTC units to the proposed 224 units, represents a concentration capture of 22.8%” (p. 3-5, April 21, 2006). The Underwriter calculated an inclusive capture rate of 19% based upon a revised demand estimate for 2,346 affordable units. Both the Market Analyst and the Underwriter excluded the 280 units from Sycamore Center Villas (02484) because according to the property manager of that property it reached 90% occupancy in March of 2005 and has remained above that level since then. In addition the Market Analyst points out that Sycamore Center Villas is just outside of the redrawn primary market area supplied in January to comply with the Department’s primary market area population limit guidance.

Unit Mix Conclusion: “The subject will be open to all segments of the population, including elderly. Therefore, the proposed unit mix appears appropriate” (p. 3-7).

Market Rent Comparables: “The comparable market data used in this report consists of 5,360 total units at 22 locations, of which 4,094 were conventional units (76.4%), while 1,266 were HTC and AHDP units (23.6%)” (p. 2-17). Five of the most comparable properties were used to determine the adjusted market rents. “Three of the properties are rated excellent and two are rated good. Despite occupancy in the 90+ range, all offer some concessions...It appears the rent concessions have become a marketing strategy more than a truly reduced rent to gain occupancy...For the four-bedroom comparison, Sycamore Pointe is substituted for one of the older projects. Sycamore Pointe offers 4-Bd units at market rates and is the only complex in the area with 4-Bd units” (p. 2-21).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$652	\$652	\$0	\$615	\$37
2-Bedroom (60%)	\$781	\$781	\$0	\$760	\$21
3-Bedroom (60%)	\$899	\$899	\$0	\$920	-\$21
4-Bedroom (60%)	\$1,005	\$1,005	\$0	\$1,010	-\$5

(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 area’s existing multifamily housing varies from fair to excellent, with half of the locations being in good to excellent condition. Conventional locations have a combined leased occupancy rate of 95.3%, compared to 96.7% for HTC/AHDP locations” (p. 2-15).

“New housing tax credit complexes known to have been built within or immediately adjacent to the market area since 2000 include Sycamore Pointe (168 units in 2002), Park at Sycamore School (216 units in 2004), Overton Park Townhomes (270 units in 2003), and Sycamore Center Village (280 units in 2004). These four locations have an overall physical occupancy rate of 95.9%” (p. 2-15, April 21, 2006).

Absorption Projections: “Two HTC complexes provided I&A with absorption information. The 216-unit Sycamore School began preleasing units in August 2004...” with an absorption rate of 15 to 16 units per month through September 2005. Sycamore Pointe HTC also began with preleasing and became 95% occupied in four months indicating an absorption rate of 38 units per month. “Average absorption for the subject is estimated at 15 to 16 units per month, and it is expected that a 13 to 14-month lease-up period will be required to achieve 92.5% occupancy of the 224 units” (p. 2-22).

Unstabilized, Under Construction, and Planned Development: “The newest HTC projects in the area are the 216-unit Park at Sycamore School and the 280-unit Sycamore Center Village. Both properties offer rents based on 60% of the Area Median Income (AMI), and both were rated in good condition. The Park at

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Sycamore School opened in September 2004 and was 90.7% occupied and 95.4% leased in October 2005...Sycamore Center [Village], which officially opened from July 2004 to March 2005, consists of 233 HTC units and 47 low-rent units from the Fort Worth Housing Authority (PHA). Occupancy was 95.4% occupied with 30 names on its waiting list” (p. 2-16, April 21, 2006).

Market Impact: Not specifically discussed by Market Analyst.

Other Information: “In the southwest Fort Worth market area, 117 units at 17 locations have hurricane evacuees, or 2.6% of all 4,516 occupied units” (p. 2-17).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s original projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 20, 2006, maintained by the Fort Worth Housing Authority, from the 2006 program gross rent limits. Tenants will be required to pay electric costs. The Underwriter’s potential gross rent estimate is limited by the Market Analyst’s adjusted market rent conclusions for the one-bedroom and two-bedroom units. The Applicant adjusted their rent schedule accordingly. As a result, the Applicant’s potential gross rent is comparable to the Underwriter’s estimate.

The Applicant’s secondary income, however, appears to be overstated due to the inclusion of income from garage rentals and cable/internet. The Applicant anticipates \$53.73 per unit per month. The Underwriter was able to justify up to \$20 per unit per month for developments in the Fort Worth area offering covered parking for a fee. The Applicant also anticipates income for providing cable TV, but failed to include an offsetting expense for cable and a sample contract indicating proposed terms. The Applicant’s vacancy and collection loss assumptions are in line with current TDHCA underwriting guidelines. Despite the difference in secondary income estimates, the Applicant’s effective gross income is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$3,896 per unit is not within 5% of the Underwriter’s estimate of \$4,180, derived from the TDHCA database and third-party data sources. Several of the Applicant’s line item expenses also vary significantly when compared to the Underwriter’s estimates, particularly: property insurance (\$20K lower) and property tax (\$18K lower). It should be noted the Applicant also appears to have understated TDHCA compliance fees.

Conclusion: The Applicant’s gross income is within 5% of the Underwriter’s estimate; however, their annual operating expense and net operating income are not within 5% of the Underwriter’s estimate. Therefore, the Underwriter’s Year 1 proforma will be used to determine the development’s debt service capacity and long term feasibility. The proforma and estimated debt service result in a debt coverage ratio (DCR) below the current underwriting minimum guideline of 1.10. Therefore, the recommended financing structure reflects a potential decrease in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the “Financing Structure Analysis” section (below).

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

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ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land: 88.07 acres	\$1,432,076	Assessment for the Year of:	2005
1 acre:	\$16,260	Valuation by:	Tarrant County Appraisal District
Total: Prorated 17.6 acres	\$286,188	Tax Rate:	3.321277
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Standard Contract for Sale and Purchase (17.6 acres)		
Contract Expiration:	6/30/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$1,575,000	Other:	_____
Seller:	WB 358 Partners, LP	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION
<p>Acquisition Value: The site cost of \$89,488 per acre or \$7,031 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.</p> <p>Sitework Cost: The Applicant's claimed sitework costs of \$6,469 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.</p> <p>Direct Construction Cost: The Applicant's direct construction cost estimate is \$1M or 9% lower than the Underwriter's Marshall & Swift <i>Residential Cost Handbook</i>-derived estimate.</p> <p>Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by a total of \$137K based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer fee also exceeds 15% of the Applicant's adjusted eligible basis by \$75K and therefore the eligible portion of the Applicant's developer fee must be reduced by the same amount. It should be noted, the Applicant claimed eligible housing consultant fees of \$50K, which the Underwriter included in total developer fees limited to 15% of all other eligible costs.</p> <p>Conclusion: The Applicant's total development cost is not within 5% of the Underwriter's estimate; therefore, the Underwriter's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The Underwriter's higher eligible basis of \$19,906,288 supports annual tax credits of \$708,664 as compared to the recalculated estimate based on the Applicant's costs of \$18,666,529 in eligible basis and \$664,528 in credits. The Underwriter's eligible basis derived estimate will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.</p>

FINANCING STRUCTURE			
LETTER OF CREDIT			
Source:	Bank of America	Contact:	Laura W Edwards
Principal:	To be determined	Interest Rate:	12%, lender's estimate
		Amort:	N/A
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input checked="" type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	31 month letter of credit and 12 month bridge loan		

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CREDIT ENHANCEMENT INSTRUMENT

Source: ARCS Commercial Mortgage (Fannie Mae) **Contact:** Joe Briganti
Principal: \$14,640,000 **Interest Rate:** 5.95%, variable, lender's estimate **Amort:** 360 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Interest rate cap requirement with an initial strike rate of 5% for the first five years

TAX CREDIT SYNDICATION

Source: Boston Capital **Contact:** Scott M Arrighi
Proceeds: \$5,361,550 **Net Syndication Rate:** 80% **Anticipated HTC:** \$670,194/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: \$200 per unit replacement reserve requirement; adjusters are based on 80%

OTHER

Amount: \$1,378,992 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim Financing: Bank of America will provide both a letter of credit and a bridge loan. The credit amount will be based on the lesser of bond principal plus interest at 12% for a period of 34 days or a 1.20 debt coverage ratio or 80% loan to value.

Permanent Bond Financing: ARCS Commercial Mortgage will provide will provide credit enhancement for public offering of the bonds. The proposed rating is AAA through the Fannie Mae Forward Commitment Product. Fannie Mae requires an interest rate cap based on the 15 year BMA with an initial strike rate not to exceed 5% for the first five years, increasing by 50 basis points on the fifth and tenth anniversary of the closing date. In addition to the underlying variable rate on the bonds the stack consists of 35 basis points for credit enhancement, 15 basis points for principal reserve fund fee, 25 basis points for liquidity fee and 35 basis points for loan servicing. In addition, the issuer fee of 10 basis points and remarketing agent fee of 10 basis points, trustee fee of \$3,180 and asset oversight fee of \$5,600 would be included in the overall stack of approximately 136 basis points. The underwritten rate of 5.95% is slightly less than the max possible rate of 6.36% for the first five years.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,378,992 amount to 55% of the total proposed developer and housing consultant fees.

Financing Conclusions: As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.10. Therefore, it is likely there will be a mandatory redemption of bonds at conversion to permanent financing. The current underwriting analysis assumes a decrease in the permanent loan amount to \$14,085,000 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.

The Underwriter's total development cost estimate less the permanent loan of \$14,085,000 indicates the need for \$7,655,542 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,107,636 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Applicant's request (\$670,194), the gap-driven amount (\$1,107,636), and eligible basis-derived estimate (\$708,664), the Applicant's request of \$670,194 is lowest and is recommended.

The Underwriter's recommended financing structure indicates the need for \$2,293,992 in additional permanent funds. Deferred developer fees in this amount do not appear to be repayable from development cashflow within ten years of stabilized operation, but appear to be repayable within 15 years.

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**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

The Applicant, Developer, General Contractor, property manager, and supportive services provider 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.
- NuRock Development Group, owner of the General Partner, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$26M comprised of \$4M in cash and equivalents, \$722K in accounts receivable and \$22M in development fees receivable. Liabilities totaled \$19K for net assets of \$26M.
- Robert G Hoskins and Sandra K Hoskins, principals of NuRock Development, submitted an unaudited joint financial statement as of December 31, 2005 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.
- The Applicant's estimated operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable range(s).
- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The Applicant's total development costs differ from the Underwriter's verifiable estimate by more than 5%.
- The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- The property's project-based rent subsidy is subject to Federal funding and may not be renewed as anticipated.
- An increase in the variable interest rate on the permanent debt could adversely affect the development's DCR and cash flow.
- 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:

Lisa Vecchietti

Date: April 25, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: April 25, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Residences at Sunset Pointe, Fort Worth, 4% HTC/MRB #060609

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	32	1	1	850	\$713	\$615	\$19,680	\$0.72	\$61.00	\$22.00
TC 60%	96	2	2	1,029	856	\$760	72,960	0.74	75.00	24.00
TC 60%	88	3	2	1,150	989	\$899	79,112	0.78	90.00	28.00
TC 60%	8	4	2.5	1,400	1102	1005	8,040	0.72	97.00	28.00
TOTAL:	224		AVERAGE:	1,064	\$897	\$803	\$179,792	\$0.75	\$79.68	\$25.43

INCOME

Total Net Rentable Sq Ft: 238,384

POTENTIAL GROSS RENT

Secondary Income	Per Unit Per Month:	\$15.00
Other Support Income: 112 Garages	Per Unit Per Month:	\$5.00

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.82%	\$349	0.33
Management	5.00%	457	0.43
Payroll & Payroll Tax	9.58%	875	0.82
Repairs & Maintenance	5.17%	472	0.44
Utilities	2.62%	239	0.22
Water, Sewer, & Trash	3.34%	305	0.29
Property Insurance	3.43%	313	0.29
Property Tax	3.321277	770	0.72
Reserve for Replacements	2.19%	200	0.19
Supp serv, compl fees, security	2.20%	201	0.19
TOTAL EXPENSES	45.78%	\$4,180	\$3.93
NET OPERATING INC	54.22%	\$4,951	\$4.65

DEBT SERVICE

First Lien Mortgage	52.48%	\$4,792	\$4.50
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	1.74%	\$159	\$0.15

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		6.86%	\$7,031	\$6.61
Off-Sites		0.00%	0	0.00
Sitework		6.31%	6,469	6.08
Direct Construction		47.18%	48,329	45.41
Contingency	4.54%	2.43%	2,488	2.34
General Req'ts	5.98%	3.20%	3,274	3.08
Contractor's G & A	1.99%	1.07%	1,091	1.03
Contractor's Profit	5.98%	3.20%	3,274	3.08
Indirect Construction		4.18%	4,282	4.02
Ineligible Costs		5.06%	5,187	4.87
Developer's G & A	1.43%	1.08%	1,110	1.04
Developer's Profit	13.00%	9.86%	10,096	9.49
Interim Financing		8.25%	8,453	7.94
Reserves		1.32%	1,352	1.27
TOTAL COST		100.00%	\$102,438	\$96.26

Construction Cost Recap

SOURCES OF FUNDS

First Lien Mortgage	65.37%	\$66,964	\$62.92
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	23.37%	\$23,935	\$22.49
Deferred Developer Fees	6.01%	\$6,156	\$5.78
Additional (Excess) Funds Req'd	5.25%	\$5,382	\$5.06
TOTAL SOURCES			

TDHCA	APPLICANT
\$2,157,504	\$2,157,504
40,320	144,432
13,440	0
\$2,211,264	\$2,301,936
(165,845)	(172,644)
0	0
\$2,045,419	\$2,129,292
\$78,162	\$66,300
102,271	103,403
\$196,000	203,000
105,711	86,000
53,544	52,000
68,352	70,400
70,065	50,000
172,476	154,000
44,800	44,800
44,960	42,720
\$936,340	\$872,623
\$1,109,079	\$1,256,669
\$1,073,411	\$1,079,191
0	0
0	0
\$35,668	\$177,478
1.03	1.16
1.10	

PER SQ FT	PER UNIT	% OF EGI
\$0.28	\$296	3.11%
0.43	462	4.86%
0.85	906	9.53%
0.36	384	4.04%
0.22	232	2.44%
0.30	314	3.31%
0.21	223	2.35%
0.65	688	7.23%
0.19	200	2.10%
0.18	191	2.01%
\$3.66	\$3,896	40.98%
\$5.27	\$5,610	59.02%
\$4.53	\$4,818	50.68%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.74	\$792	8.34%

Comptroller's Region 3

IREM Region Fort Worth

Per Unit Per Month \$53.73

Per Unit Per Month \$0.00

of Potential Gross Income -7.50%

PER SQ FT	PER UNIT	% of TOTAL
\$6.61	\$7,031	7.24%
0.00	0	0.00%
6.08	6,469	6.66%
41.10	43,741	45.07%
2.34	2,488	2.56%
3.08	3,274	3.37%
1.03	1,091	1.12%
3.08	3,274	3.37%
4.02	4,282	4.41%
4.87	5,187	5.34%
0.84	893	0.92%
9.69	10,313	10.63%
7.94	8,453	8.71%
0.52	558	0.57%
\$91.20	\$97,056	100.00%
\$56.70	\$60,338	62.17%

RECOMMENDED

\$15,000,000	\$15,000,000	\$14,085,000	Developer Fee Available
0	0	0	\$2,434,765
5,361,550	5,361,550	5,361,550	% of Dev. Fee Deferred
1,378,992	1,378,992	2,293,992	94%
1,205,544	0	0	15-Yr Cumulative Cash Flow
\$22,946,086	\$21,740,542	\$21,740,542	\$4,186,324

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Residences at Sunset Pointe, Fort Worth, 4% HTC/MRB #060609

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Multiple Residence Basis

Table with columns: CATEGORY, FACTOR, UNITS/SQ FT, PER SF, AMOUNT. Rows include Base Cost, Adjustments (Exterior Wall Finish, Elderly/9-Ft. Ceilings, Roofing, Subfloor, etc.), and Net Direct Construction Costs.

PAYMENT COMPUTATION

Table with columns: Primary, Int Rate, Amort, DCR. Values: \$15,000,000, 5.95%, 360, 1.03.

Table with columns: Secondary, Int Rate, Amort, Subtotal DCR. Values: \$0, 0.00%, 1.03.

Table with columns: Additional, Int Rate, Amort, Aggregate DCR. Values: \$5,361,550, 1.03.

RECOMMENDED FINANCING STRUCTURE:

Table showing Debt Service: Primary (\$1,007,933), Secondary (0), Additional (0), and NET CASH FLOW (\$101,146).

Table with columns: Primary, Int Rate, Amort, DCR. Values: \$14,085,000, 5.95%, 360, 1.10.

Table with columns: Secondary, Int Rate, Amort, Subtotal DCR. Values: \$0, 0.00%, 1.10.

Table with columns: Additional, Int Rate, Amort, Aggregate DCR. Values: \$5,361,550, 1.10.

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

Large table with columns: INCOME at 3.00%, YEAR 1-30, EXPENSES at 4.00%, DEBT SERVICE, NET CASH FLOW, DEBT COVERAGE RATIO.

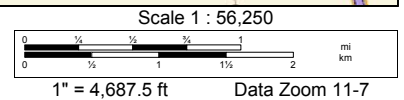
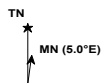
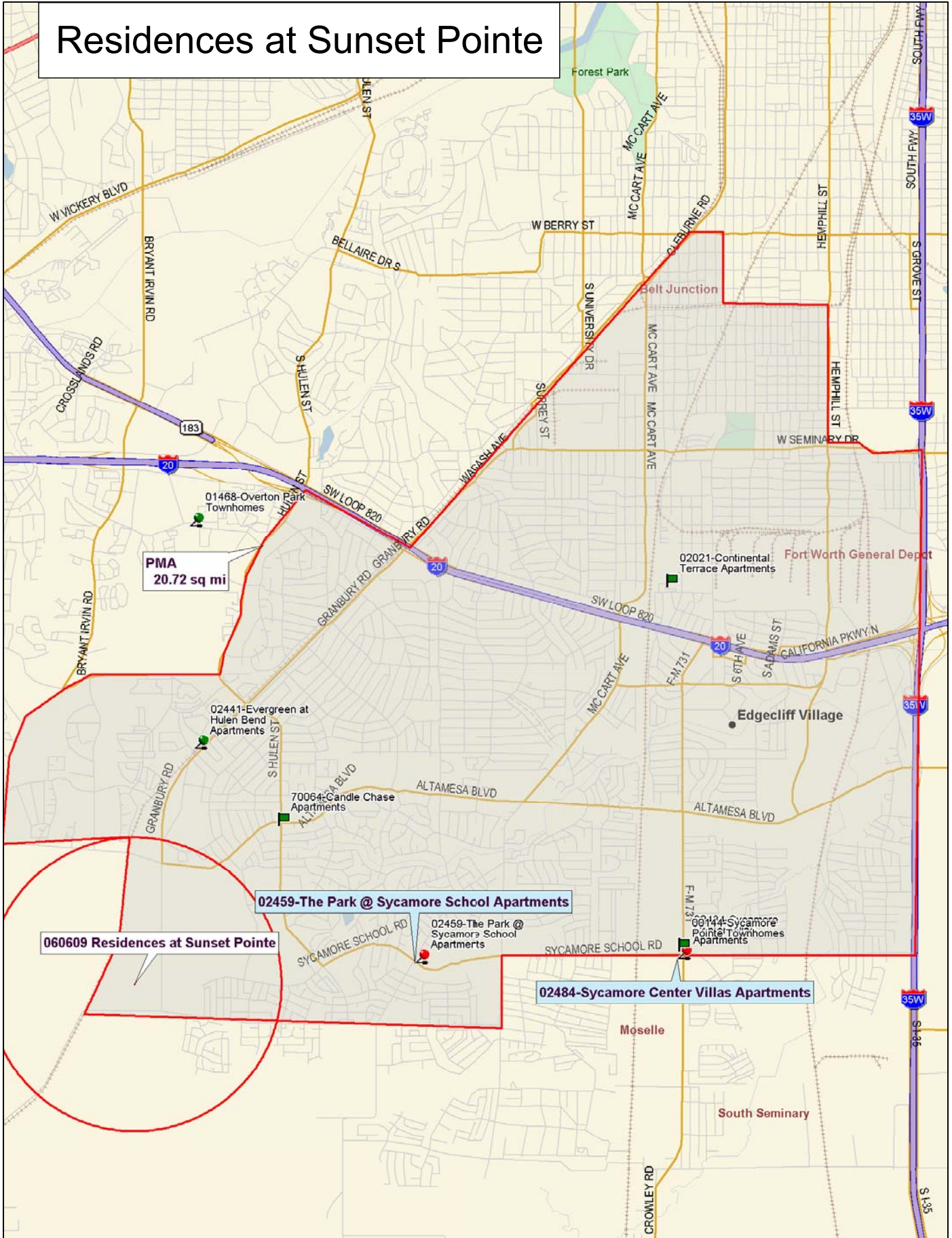
HTC ALLOCATION ANALYSIS - Residences at Sunset Pointe, Fort Worth, 4% HTC/MRB #060609

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,575,000	\$1,575,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,449,000	\$1,449,000	\$1,449,000	\$1,449,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$9,798,040	\$10,825,631	\$9,798,040	\$10,825,631
(4) Contractor Fees & General Requirements				
Contractor overhead	\$244,480	\$244,480	\$224,941	\$244,480
Contractor profit	\$733,440	\$733,440	\$674,822	\$733,440
General requirements	\$733,440	\$733,440	\$674,822	\$733,440
(5) Contingencies				
	\$557,416	\$557,416	\$557,416	\$557,416
(6) Eligible Indirect Fees				
	\$959,273	\$959,273	\$959,273	\$959,273
(7) Eligible Financing Fees				
	\$1,893,450	\$1,893,450	\$1,893,450	\$1,893,450
(8) All Ineligible Costs				
	\$1,161,845	\$1,161,845		
(9) Developer Fees				
			\$2,434,765	
Developer overhead	\$200,000	\$248,661		\$248,661
Developer fee	\$2,310,158	\$2,261,497		\$2,261,497
(10) Development Reserves				
	\$125,000	\$302,953		
TOTAL DEVELOPMENT COSTS	\$21,740,542	\$22,946,086	\$18,666,529	\$19,906,288

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		\$18,666,529	\$19,906,288
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$18,666,529	\$19,906,288
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$18,666,529	\$19,906,288
Applicable Percentage		3.56%	3.56%
TOTAL AMOUNT OF TAX CREDITS		\$664,528	\$708,664

Syndication Proceeds	0.8000	\$5,316,226	\$5,669,309
Total Tax Credits (Eligible Basis Method)		\$664,528	\$708,664
Syndication Proceeds		\$5,316,226	\$5,669,309
Requested Tax Credits		\$670,194	
Syndication Proceeds		\$5,361,550	
Gap of Syndication Proceeds Needed			\$8,861,086
Total Tax Credits (Gap Method)			\$1,107,636

Residences at Sunset Pointe



SINGLE FAMILY FINANCE PRODUCTION DIVISION

**BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, discussion and possible approval of two Disaster Relief Program Award recommendations under the HOME Owner Occupied Housing Assistance Program in the amount of \$572,000.

Required Action

Approval of Disaster Relief Program award recommendations.

Background

On December 27-28, 2005, 116 homes were destroyed by wildfire in and around the City of Cross Plains, Texas in Callahan County. On December 29, 2005, TDHCA's Disaster Relief Program Specialist joined the Texas Department of Public Safety (DPS) and the Governor's Division of Emergency Management (GDEM) in conducting Preliminary Damage Assessments (PDA's) in the area.

In early January, a series of wildfires in Eastland County destroyed approximately 50 homes. On January 3-4, 2006, TDHCA's Disaster Relief Program Specialist assisted in the Preliminary Damage Assessments (PDA's) conducted by the Governor's Division of Emergency Management (GDEM).

Due to the extensive damage and on-going wildfires in the counties of Hood, Erath, Cooke, Callahan, Eastland, and Montague, a Presidential Disaster Declaration was issued on January 11, 2006. Federal Programs such as the Federal Emergency Management Agency (FEMA) and the Small Business Administration (SBA) allow up to 90 days from the date of disaster declaration for potential applicants to request any available disaster assistance. After the 90 day timeframe has expired and all Federal sources have been depleted, counties affected by the federally declared disaster may apply for State assistance for any unmet housing needs. As a result, the following two applications were submitted July 7, 2006 to the Department's Single Family Disaster Relief Program requesting State assistance for unmet housing needs:

Applications have been thoroughly reviewed for eligibility. Section 2306.057, Texas Government Code, requires an assessment of the applicant and any affiliate of the applicant be conducted to identify the history with respect to all applicable requirements. The organizational structure of these applications has been reviewed by all Divisions in the Department. Review did not identify any issues that would warrant disqualification or material noncompliance.

Application No.	Applicant Name	Project Funds Requested and Recommended	Admin. Funds Requested and Recommended	Total Funds Requested and Recommended	#Units Requested and Recommended
2006-0206 DR	Eastland County	\$ 275,000	\$ 11,000	\$286,000	5
2006-0207 DR	City of Cross Plains	\$ 275,000	\$ 11,000	\$286,000	5
Total		\$ 550,000	\$ 22,000	\$572,000	10

Recommendation

Staff recommends approval of the above noted Single Family HOME Disaster Relief program awards. The awards are in accordance with the TDHCA De-obligation Policy adopted by the Board on January 17, 2002. Staff also recommends approval as noted above, for an award of an additional 4% of project funds for program administration.

SINGLE FAMILY FINANCE PRODUCTION DIVISION

**BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, discussion and possible approval of the Hurricane Rita Single Family HOME Owner Occupied Housing Assistance Program (HOME) applicants in the amount of \$4,368,000.

Required Action

Approval by the Board of Hurricane Rita HOME Program Awards as recommended.

Background

As approved by the Board on August 11, 2006, the Department published a Notice of Funding Availability (NOFA) in the *Texas Register* announcing the availability of approximately \$4,200,000 of HOME Investment Partnerships Program (HOME) funds. These funds represent the remaining 2005 and 2006 Community Housing Development Housing Organization (CHDO) funds for which HUD granted a waiver to the Department to utilize in the Hurricane Rita Disaster areas. The HOME funds were made available to a 22-county Presidentially declared disaster area impacted by Hurricane Rita. The funds are for use in rehabilitation or reconstruction of single family dwellings impacted by Hurricane Rita. An application workshop was conducted in Beaumont, Texas on August 14, 2006.

Funds were made available to Uniform State Service Regions 5 and 6 on a first come first serve basis with an application deadline of September 11, 2006. Applicants were eligible for a maximum award of \$500,000, as stated in the NOFA. Seven of the 22 eligible counties responded to the NOFA and submitted an application, requesting a total amount of \$3,500,000.

In an effort to award the full \$4,200,000 of available funding, staff requests that the board waive the maximum HOME award amount of \$500,000 set forth in 10 TAC 53.54(1) to allow the award amount be increased to \$600,000 per applicant. The previous Rita disaster contract terms are 12 month agreements. To be consistent with the current HOME Rule, staff recommends that these disaster awards be 18 month contracts. The applications received demonstrated the continuing need for housing assistance in the disaster-impacted counties. The additional funding will increase the number of housing units by 14, from 63 units to 77 units.

Applications have been reviewed thoroughly for eligibility. Section 2306.057, Texas Government Code, requires an assessment of the applicant and any affiliate of the applicant be conducted to identify the history with respect to all applicable requirements. The organizational structure of these applications has been reviewed by all Divisions in the Department. Review did not identify any issues that would warrant disqualification or material noncompliance.

Applicant County	Project Funds Requested	Admin. Funds Requested	Project Funds Recmd.	Admin. Funds Recmd.	Total Funds Recmd.	Total Units Requested	Total Units Recmd.
1.Jasper	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
2.Tyler	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
3.Newton	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
4.Polk	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
5.San Jacinto	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
6.Liberty	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
7.Chambers	\$500,000	\$20,000	\$600,000	\$24,000	\$624,000	9	11
TOTALS	\$3,500,000	\$140,000	\$4,200,000	\$168,000	\$4,368,000	63	77

Recommendation

Staff recommends approval of the above noted Hurricane Rita Single Family HOME Program awards. Staff also recommends approval as noted above for an award of an additional 4% of project funds for program administration. Staff recommends that the board waive the maximum HOME award amount of \$500,000 set forth in 10 TAC 53.54(1) to allow the award amount be increased to \$600,000 per applicant.

Internal Audit Division
BOARD ACTION REQUEST
October 12, 2006

Action Items

Presentation of Internal Audit Report - Office of Colonia Self-Help Centers Initiatives' Draw Processing Subrecipient Monitoring Function for the Self-Help Centers Program

Required Action

Review the Internal Audit Report

Background

The Internal Auditing Division has completed its audit of the Office of Colonia Initiatives' (OCI) subrecipient monitoring and draw processing functions for the Self-Help Center Program. Although OCI has various strategies in place to provide reasonable assurance subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved, the following conditions were noted that may preclude OCI from achieving these objectives:

- OCI relies upon the Office of Rural Community Affairs (ORCA) to conduct on-site monitoring visits to complement their oversight and monitoring strategies and to address compliance issues not considered by OCI. However, the Department has not contracted with ORCA to conduct on-site monitoring visits and these services may not be sufficient to reduce the risk of subrecipients' non-compliance or non-performance to a level acceptable to the Department.

The Department should assess its options relating to on-site monitoring visits to fulfill its subrecipient monitoring responsibilities. Options to be considered include developing an on-site monitoring function internally, utilizing the Department's Portfolio Management and Compliance Division's existing monitoring function, or contracting with ORCA or other third party to conduct monitoring on behalf of the Department.

- OCI reviews documentation supporting draw requests by the subrecipients to ensure amounts requested for reimbursement are for allowable expenditures, eligible activities and within contract budget amounts and the contract period. However, instances were noted where documentation supporting reimbursement of subrecipient expenditures was insufficient to ensure compliance with Federal cost principles.

In instances where the Department's draw documentation standards are less than ensuring compliance with the Federal costs principles, other monitoring strategies should be in place to ensure compliance. The Department should fully develop its on-site monitoring function to ensure that the monitoring activities, in the aggregate, provide reasonable assurance that subrecipients comply with Federal cost principles.

- OCI staff reviews subrecipients' quarterly progress reports to identify unusual or insufficient draw/expenditure activity as well as to ensure reported performance is progressing satisfactorily and in accordance with the contract performance statement. The quarterly reports include expenditure and performance data at the budgeted contract activity levels such as Residential Rehabilitation and New Construction, which allows the OCI staff to determine if expenditure and performance levels are acceptable at the summarized contract activity level. However,

similar information is not received and analyzed for specific projects at the detailed project activity level to enable early identification of unacceptable performance at the project activity level. Additionally, the financial and performance information reviewed by the OCI staff is not summarized in a manner and timeframe that will allow management to assess overall success in achieving the program's goals and objectives.

Furthermore, OCI staff conducts informal on-site visits to verify activities reported in quarterly reports or unusual conditions noted in the review of quarterly reports. However, standards for performance measurement and acceptable performance variances have not been defined. Documentation of the staffs' reviews of on-site visits is inconsistent or non-existent.

We recommend OCI require subrecipients to submit financial and performance information at a detailed project activity level in addition to the summarized contract activity level. Staff should routinely compile the information from each contract in a single information system and report the information in a manner and timeframe that will allow management and others responsible for oversight to assess overall success in achieving the program's goals and objectives.

- Standard operating procedures should be developed for all significant activities including draw processing, desk reviews of quarterly reports, and on-site visits. The operating procedures should include or refer to standards for performance measurement and acceptable/unacceptable performance by which performance can be assessed. The operating procedures should include quality control procedures sufficient to provide reasonable assurance that staff are performing as intended by management.

Recommendation

No action is required.

Texas Department of Housing and Community Affairs

*Office of Colonia Initiatives' Draw Processing and Subrecipient
Monitoring Function for the Self Help Center Program*



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

August 31, 2006

To the Audit Committee and Governing Board of the
Texas Department of Housing and Community Affairs:

MICHAEL GERBER
Executive Director

Re: Internal Auditing Report on the Office of Colonia Initiatives'
Subrecipient Monitoring and Draw Processing Functions for the
Self-Help Center program

The Internal Auditing Division has completed its audit of the Office of Colonia Initiatives' (OCI) subrecipient monitoring and draw processing functions for the Self-Help Center program. Although OCI has various strategies in place to provide reasonable assurance subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved, various conditions were noted that may preclude OCI from achieving these objectives.

The Department should assess its options relating to on-site monitoring visits to fulfill its subrecipient monitoring responsibilities. Options to be considered include developing an on-site monitoring function internally, utilizing the Department's Portfolio Management and Compliance Division's existing monitoring function, or contracting with the Office of Rural Community Affairs (ORCA) or other third party to conduct monitoring on behalf of the Department.

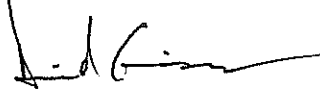
Formal standard operating procedures should be developed for all significant activities including draw processing, desk reviews of quarterly reports, and on-site visits. The procedures should include or refer to standards for performance measurement and acceptable/unacceptable performance by which subrecipient performance can be assessed as well as quality control procedures sufficient to provide reasonable assurance that staff is performing as intended by management.

We recommend OCI require subrecipients to submit financial and performance information at a detailed project activity level in addition to the summarized contract activity level. We also recommend staff routinely compile the information from each

Audit Committee and Governing Board of TDHCA
August 31, 2006
Page 2

contract in a single information system and report the information in a manner and timeframe that will allow management and others responsible for oversight to assess overall success in achieving the program's goals and objectives.

Sincerely,



David Gaines, CPA, CISA
Director of Internal Auditing

Assigned to this audit:

Lorrie Lopez
Colleen Bauer

cc: Mr. Michael Gerber, Executive Director
Ms. Brooke Boston, Deputy Executive Director for Programs
Mr. Homero Cabello, Director of Office of Colonia Initiatives

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***An Internal Audit Report on
Office of Colonia Initiatives' Subrecipient Monitoring and Draw Processing
Functions for the Self-Help Center Program***

Background

The Self-Help Center (SHC) program was created in 1995 by Senate Bill No. 1509, 74th Legislature, which amended the Texas Department of Housing and Community Affairs' (Department) enabling statute, Government Code 2306, by adding Subchapter Z, *Colonia Self-Help Centers*. The purpose of a self-help center is to assist individuals and families of low income and very low income to finance, refinance, construct, improve, or maintain a safe, suitable home in the colonias' designated service areas.

Tex. Gov. Code Ann. §2306.581 defined "Colonia" to mean a geographic area located in a county in which any part of that county is within 150 miles of the international border of Texas and that (a) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code; or (b) has the physical and economic characteristics of a colonia, as determined by the Department.

Where are Colonias Found?

Colonias can be found in Texas, New Mexico, Arizona and California, but Texas has both the largest number of colonias and the largest colonia population. Approximately 400,000 Texans live in colonias. Overall, the colonia population is predominately Hispanic; 64.4 percent of all colonia residents and 85 percent of those residents under 18 were born in the United States. There are more than 2,294 Texas colonias, located primarily along the state's 1,248 mile border with

SB 1509 required the Department to establish colonia self-help centers in Hidalgo, Starr, Webb, and El Paso counties and Cameron County to serve Cameron and Willacy counties. Additionally, the Department was authorized to establish other SHCs, if it determines it necessary and appropriate, in any other county if the county is designated as an economically distressed area by the Texas Department Water Board. Since creation of the program, two additional self-help centers were established in 2001 in Val Verde County and Maverick County.

Source: Secretary of State's website referencing Federal Reserve Bank of Dallas Office of Community Affairs' publication, "*Texas Colonias: A Thumbnail Sketch of Conditions, Issues, Challenges and Opportunities.*" <http://www.sos.state.tx.us/border/colonias/faqs.shtml>

SB 1509 requires that the Department's Governing Board appoint not fewer than five eligible persons to serve on the Colonia Resident Advisory Committee (C-RAC). C-RAC is responsible for advising the Department's governing board regarding the needs of colonia residents, appropriate and effective programs that are proposed or are operated through the self-help centers, and activities that may be undertaken through the self-help centers to better serve the needs of colonia residents.

Operation of the colonia self-help centers are funded by a 2.5% allocation from the U.S. Department of Housing and Urban Development (HUD) - Texas Community Development Block Program (CDBG). The 2.5% CDBG allocation to the SHCs is transferred from the Office of Rural Community Affairs (ORCA), the state recipient of CDGB funds from HUD, to the Department for the administration, operation and program activities of the Department's colonia field offices and the colonia self-help centers pursuant to the provisions of general appropriation act riders and a memorandum of understanding (MOU) between the agencies.

CDBG funds can only be provided to eligible units of general local governments. Accordingly, the Department contracts with counties which subcontract with non-profit organizations, community action agencies and housing authorities to administer the Self-Help Center program.

The SHC program serves 35 colonias in the five counties designated by statute and the two additional counties designated by the Department. The counties have approximately 10,000 colonia residents whom qualify as beneficiaries of these services. The following is a summary of open SHC contracts as of June 8, 2006.

Subrecipient / Contract# Contract Dates / Amend Dates	Project Budget and Expenditure Amounts			Admin Budget and Expenditure Amounts		
	Project Expenditures to Date	Project Budget	% Project Expended	Admin. Expenditures to Date	Admin. Budget	% Admin. Expended
Val Verde County - # 720003 ¹ 7/2/01 - 9/30/05 / 4/30/06	\$ 138,822	\$ 446,379	31%	\$ 56,852	\$ 61,121	93%
El Paso County - # 722003 3/1/02 - 12/31/05 / 3/31/06	1,037,274	1,095,337	95%	100,553	112,965	89%
Cameron County - # 722023 ² 8/1/03 - 9/01/05 / 7/31/07	23,395	917,560	3%	56,268	229,390	25%
Hidalgo County - # 723013 ³ 7/1/03 - 7/1/05 / 8/31/06	528,380	1,080,303	49%	49,980	141,484	35%
Starr County - # 723023 2/18/04 - 2/17/05 / 2/17/07	950,650	1,362,890	70%	130,021	131,701	99%
Maverick County - # 723003 12/1/03 - 6/1/06 / 11/30/06	545,889	725,000	75%	248,891	265,000	94%
Webb County - # 724003 ⁴ 11/1/04 - 11/1/06	195,355	1,035,569	19%	110,484	229,491	48%
El Paso County - # 725003 1/17/06 - 1/17/08	0	1,041,442	0%	0	182,083	0%
Totals	\$ 3,419,765	\$ 7,704,480	44%	\$ 753,049	\$ 1,353,235	56%

Source: OCI Performance Evaluation Report (PER) 1996 – 2005 as of 8/21/06 and OCI Staff.

¹ Management reports Val Verde County has completed its activities under the Colonia SHC contract and has submitted its final close-out package along with their final request for payment. Additional documentation has been requested in order to complete a full review of the final request for payment draw.

² Management reports that it has withheld draw approvals approximating \$700,000 due to having different opinions and interpretations of Federal cost principles for non-profit organizations (OMB Circular A-122) from those of Cameron County. OCI will process the draws as the County submits documentation acceptable to the Department.

³ Management reports Hidalgo County is at its final stages of completing their project activities under the Colonia SHC contract and will be submitting its close-out package along with any remaining request for payment draws to finalize this contract.

⁴ Management reports Webb County has completed the majority of its activities under the contract; however, water and wastewater services have been delayed and the county has not been able to fulfill its obligations regarding the rehabilitation and reconstruction activities. Two draws are currently being held in the amount of \$120,912 pending additional documentation.

Executive Summary

Overall Conclusions

Although OCI has various strategies in place to provide reasonable assurance subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved, various conditions were noted that may preclude OCI from achieving these objectives.

Key Points

OCI relies upon ORCA to conduct on-site monitoring visits to complement their oversight and monitoring strategies and to address compliance issues not considered by OCI. However, the Department has not contracted with ORCA to conduct on-site monitoring visits and these services may not be sufficient to reduce the risk of subrecipients' non-compliance or non-performance to a level acceptable to the Department.

OCI reviews documentation supporting draw requests by the subrecipients to ensure that amounts requested for reimbursement are for allowable expenditures, eligible activities and within contract budget amounts and the contract period. However, instances were noted where documentation supporting reimbursement of subrecipient expenditures was insufficient to ensure compliance with Federal cost principles. Instances of reimbursement of expenditures in excess of the amount requested or supported were also noted.

OCI staff reviews subrecipients' quarterly progress reports to identify unusual or insufficient draw/expenditure activity as well as to ensure reported performance is progressing satisfactorily and in accordance with the contract performance statement. The quarterly reports include expenditure and performance data at the budgeted contract activity levels such as Residential Rehabilitation and New Construction, which allows the OCI staff to determine if expenditure and performance levels are acceptable at the summarized contract activity level. However, similar information is not received and analyzed for specific projects at the detailed project activity level to enable early identification of unacceptable performance at the project activity level. Additionally, the financial and performance information reviewed by the OCI staff is not summarized in a manner and timeframe that will allow management to assess overall success in achieving the program's goals and objectives.

Furthermore, OCI staff conducts informal on-site visits to verify activities reported in quarterly reports or unusual conditions noted in the review of quarterly reports. However, standards for performance measurement and acceptable performance variances have not been defined. Documentation of the staffs' reviews of on-site visits is inconsistent or non-existent.

Summary of Recommendations

The Department should assess its options relating to on-site monitoring visits to fulfill its subrecipient monitoring responsibilities. Options to be considered include developing an on-site monitoring function internally, utilizing the Department's Portfolio Management and Compliance Division's existing monitoring function, or contracting with ORCA or other third party to conduct on-site monitoring on behalf of the Department.

Standard operating procedures should be developed for all significant activities including draw processing, desk reviews of quarterly reports, and on-site visits. The operating procedures should include or refer to standards for performance measurement and acceptable/unacceptable performance by which

performance can be assessed. The operating procedures should also include quality control procedures sufficient to provide reasonable assurance that staff are performing as intended by management.

We also recommend OCI require subrecipients to submit financial and performance information at a detailed project activity level in addition to the summarized contract activity level. Staff should also routinely compile the information from each contract in a single information system and report the information in a manner and timeframe that will allow management and others responsible for oversight to assess overall success in achieving the program's goals and objectives.

Summary of Management Response

Management agrees with the recommendations in this report.

Findings and Recommendations

Section 1

Oversight and Monitoring of Subrecipients

OCI conducts various activities to ensure that subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved. The primary activities include:

- Reviewing documentation supporting draw requests by the subrecipients to ensure that amounts requested for reimbursement are for allowable expenditures, eligible activities and within contract budget amounts and the contract period.
- Conducting desk reviews of the subrecipients' quarterly reports. OCI staff review reported performance to:
 - Ensure reported performance is in accordance with the contract performance statement.
 - Identify lack of or insufficient draw/expenditure activity.
 - Identify unusual expenditures or expenditure activity.
- Conducting informal on-site visits to verify activities reported in quarterly reports or unusual conditions noted in the review of quarterly reports.
- Providing technical assistance to counties and SHCs.
- Assisting counties and self-help centers clear monitoring findings that may result from on-site monitoring reviews conducted by ORCA.

While these activities may provide reasonable assurance subrecipients (counties) and subcontractors (SHCs) comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved, various conditions were noted that may preclude OCI from achieving these objectives. These conditions and related recommendations are discussed in the following sections of this report.

Section 1-A

Assess On-site Monitoring Options

The Department's enabling statute, Tex. Gov. Code Ann. §2306.587(b), states that the Department is solely responsible for contract oversight and for the monitoring of self-help centers.

Operation of the colonia self-help centers are funded by a 2.5% allocation from the U.S. Department of Housing and Urban Development (HUD) - Texas Community Development Block Program (CDBG). The 2.5% allocation to the SHCs is transferred from ORCA, the state recipient of CDBG funds from HUD, to the Department for the administration, operation and program activities of the Department's colonia field offices and the colonia self-help centers pursuant to the provisions of general appropriation act riders and a memorandum of understanding (MOU) between the agencies.

Although OCI has various strategies in place to provide reasonable assurance subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved, OCI relies upon ORCA to conduct on-site monitoring visits to complement these strategies and to address compliance issues not considered by OCI. However, the Department has not contracted with ORCA to conduct on-site monitoring visits and the timing, nature and extent of ORCA's on-site monitoring visits may not be sufficient to reduce the risk of subrecipients' non-compliance or non-performance to a level acceptable to the Department.

The Department assumes significant risks in the absence of a formal contract for on-site monitoring services conducted by ORCA. For example, there are significant inherent risks associated with construction related program activities that affect health and safety. To ensure quality construction projects, the Department relies upon:

- local inspectors; however, many of the construction sites are in unincorporated areas that do not have local inspectors or required inspections,
- homeowners' certifications used by the self-help centers that work is satisfactory. While the boilerplate is provided by ORCA as a sample for use by the counties and self-help centers, the certification forms are not in Spanish, presumably, commonly spoken in the colonias, and the homeowners do not necessarily have the knowledge base necessary to assess quality construction or health and safety considerations, and
- ORCA's on-site construction inspections; however, a contract between the Department and ORCA has not been executed specifying the nature and extent of the inspections to be conducted and the Department does not oversee or monitor ORCA's work to ensure it is satisfactorily performed.

The significant risks associated with construction projects emphasize the importance of an executed contract and a clear understanding and delineation of responsibilities of the Department and ORCA. Any failures of a subrecipient or disallowed costs that might result from insufficient or inadequate on-site monitoring conducted by ORCA may become liabilities to the Department.

Recommendation:

The Department should assess its options relating to on-site monitoring visits to fulfill its subrecipient monitoring responsibilities. Options to be considered include developing an on-site monitoring function internally, utilizing the Department's Portfolio Management and Compliance Division's existing monitoring function, or contracting with ORCA or other third party to conduct on-site monitoring on behalf of the Department. Regardless of the option pursued, the Department should clearly define the monitoring goals and objectives to be achieved and ensure that controls are in place and operating effectively to provide reasonable assurance that they are achieved and that subrecipients comply with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved.

Management's Response and Corrective Action Plan:

ORCA has been conducting the on-site monitoring visits since inception of the Self-Help Center program. However, the Department recognizes the need to formalize the services with an executed contract if ORCA continues to provide the services. The Department will assess its options and develop either an on-site monitoring function for the self-help center program internally, utilize the Department's Portfolio Management and Compliance Divisions existing monitoring function or contract with ORCA or other party to conduct on-site monitoring on behalf of the Department.

Target Date for Completion: January 31, 2007

Section 2

Processing Drawdown Request for Reimbursement of Expenditures

OCI Border Field Officers (BFOs) review documentation supporting draw requests from the counties for reimbursement of expenditures incurred by the counties and SHCs. Documentation generally consists of third-party invoices. Instances of evidence were located in the files demonstrating that OCI staff have an understanding of the program and Federal requirements, question documentation supporting subrecipient requests for reimbursement and, on occasions, withhold reimbursement until satisfactory documentation is received.

Upon approval of documentation supporting a request for reimbursement, the BFOs forward the subrecipient's Request for Payment Form, the Voucher Compliance Form that documents the BFOs approval, and the State of Texas Purchase Voucher to the main office for approval by the Director of the OCI before being forwarded to ORCA for payment. The invoice and receipt documentation supporting the expenditures are retained in the border field offices until the contract is closed at which time the documentation is routed to the main office for permanent storage.

While these processes may provide reasonable assurance that the expenditures, for which reimbursement is requested, are reasonable, properly supported, allowable and for eligible program activities, instances were noted where the documentation supporting requests for reimbursement of expenditures was not sufficient to ensure compliance with Federal costs principles.

Section 2-A

Formalize Strategies to Ensure Compliance with Federal Cost Principles

In instances, the support for reimbursement consists of documentation created by the counties or SHCs, such as spreadsheets or payroll system documentation allocating costs to the program. While OCI accepted this documentation as reasonable to support reimbursement of expenditures, it does not necessarily ensure expenditures comply with applicable Federal cost principles. Subrecipient counties and self-help centers that are component units of local government must comply with Office of Management and Budget's (OMB) Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, revised 5/10/04, and non-profit self-help centers must comply with OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, revised 5/10/04.

In a test of nine draw requests from counties for reimbursement of expenditures totaling \$781,529.62, the following listing is examples of documentation that was not sufficient to support the requirements of the Federal cost principles.

- SHC salaries of a component unit of local government reimbursed based on personnel activity reports or equivalent documentation not signed by employees [OMB A-87, Attach. B., 8 (h)(5)(d)] – \$356,126.24. Of this amount, \$77,006.51 in SHC salaries was reimbursed based on personnel activity reports or equivalent documentation that appear to reflect budget amounts or estimates rather than after-the-fact determination of the actual activity [OMB A-87, Attach. B., 8(h)(5)(a)].
- County salaries reimbursed based on personnel activity reports or equivalent documentation not signed by employees [OMB A-87, Attach B., 8 (h)(5)(d)] – \$15,712.09.
- County salaries reimbursed based on personnel activity reports or equivalent documentation were not prepared at least monthly and did not appear to coincide with one or more pay periods [OMB A-87, Attach B., 8(h)(5)(c)] – \$2,530.00.
- Cost not adequately supported [OMB A-87, Attach. A., C(1)(j)] or documented [OMB A-122, A.2(g)]:
 - County salaries reimbursed in excess of the detail support - \$ 235.36 (amount included in \$2,530 reported above).
 - SHC salaries reimbursed in excess of the detail support - \$311.12.
 - SHC employee benefits reimbursed in excess of amount requested – \$324.17.
 - SHC insurance reimbursed without supporting premium/invoice. Payments based on county prepared spreadsheets – \$4,549.35.

Complex requirements, the volume of documentation supporting draw requests, the lack of formal documentation standards and human error contribute to these types of exceptions. Additionally, it was noted that OCI does not have formal policies and procedures for processing draw requests and there is no evidence of a quality assurance review by someone other than the BFO approving the support for reimbursement. Noncompliance with Federal cost principles could result in not achieving the program objectives and possible financial liabilities to the Department for unallowable or unsupported expenditures.

While compliance with cost standards is required, determination of compliance with the standards is not necessarily required in connection with approving expenditures for reimbursement. In instances where the documentation required for approving draw requests are less than that required by the Federal circulars, alternative strategies need to be in place to ensure compliance with the circulars and that the Department fulfills its subrecipient responsibilities as a pass-through entity under OMB A-133.

As discussed in Section 1-A above, *Assess On-site Monitoring Options*, OCI relies upon ORCA to conduct on-site monitoring visits to complement OCI's strategies designed to provide reasonable assurance subrecipients comply with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved. However, as previously mentioned, the timing, nature and extent of ORCA's on-site monitoring visits may not be sufficient to reduce the risk of subrecipients' non-compliance or non-performance to a level acceptable to the Department since it may be liable for failures of a subrecipient or disallowed costs that might result from insufficient or inadequate on-site monitoring conducted by ORCA.

Recommendation:

The Department should fully develop its on-site monitoring function to ensure that the monitoring activities, in the aggregate, provide reasonable assurance that subrecipients comply with Federal cost principles.

In instances where the Department's draw documentation standards are less than ensuring compliance with the Federal costs principles, other monitoring strategies should be in place to ensure compliance.

We also recommend the Department develop detailed minimum documentation standards required of the subrecipients in their submission of draw requests for reimbursement of expenditures. The objectives of the standards should include:

- providing for reasonable assurance of compliance with Federal cost principles as well as related program requirements,
- not creating an undue burden on the subrecipients, and
- facilitating standardized and timely processing by OCI and ORCA staff.

We also recommend that OCI develop formal policies and procedures for the processing of draw requests in accordance with the Department's Standard Operating Procedure 1100.01, *Standard Operating Procedure (SOP) System*. The SOP should include or refer to a checklist or other tool designed to ensure compliance with the Federal cost principles and completeness of processing draw requests, as well as quality control procedures sufficient to provide reasonable assurance that staff is processing draw requests accurately and as intended by management.

<p style="text-align: center;">OMB Circular A-133 <i>Audits of States, Local Governments, and Non-Profit Organizations</i></p> <p>Definition: <u>Pass-through entity</u> means a non-Federal entity that provides a Federal award to a subrecipient to carry out a Federal program.</p> <p>Pass-through entity responsibilities: A pass-through entity shall ... monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.</p>
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Management's Response and Corrective Action Plan:

The Section 2-A testing results represent conditions that the Office of Colonia Initiatives (OCI) takes very seriously. OCI will assess its options relating to on-site monitoring of its subrecipients as discussed in response to Section 1-A. above. Standard Operating Procedures (SOPs) will be developed to formalize the procedure of reviewing and approving draw requests. OCI will also develop a more sophisticated and thorough checklist to be utilized during the review of draw requests that will be included in each contract file. The checklist will assist OCI to ensure that all federal, state and programmatic requirements are met in a timely manner. Special attention will be paid to the CDBG Monitoring Checklists included in the Program Implementation Manual to ensure that OCI contract administration is working in concert with what ORCA is monitoring. The SOPs will be specific to the OCI framework; however, they will be critically compared with ORCA's contract management SOPs and the CDBG Implementation Manual to ensure consistency.

It should also be noted that the Department's Colonia Self-Help Center (CSH) contracts explicitly hold the respective county grantees liable for any and all disallowed costs, should any exist. Counties are aware of the responsibility and that they will not be eligible for future funding until all monitoring findings (if any), including disallowed costs, are resolved. Furthermore, counties are held liable for any disallowed costs even after a contract is declared closed by a monitor as the contract is still subject to the right to recover funds or questioned costs based upon the findings of the Single Audit and final review by the U.S. Department of Housing and Urban Development (HUD). OCI Border Field Officers manage the CSH contracts and provide technical assistance so that disallowed costs are not incurred. OCI utilizes the CDBG Implementation Manual to determine the eligibility of costs. The Voucher Compliance forms are used to document draw approval and contains a basic programmatic checklist for deficiencies.

Target Date for Completion: January 31, 2007

Section 3

Enhance the Desk Review Process and Supporting Documentation

OCI BFOs conduct desk reviews of financial and performance data provided in the subrecipients' quarterly reports with the objectives of:

- Ensuring reported performance is in accordance with the contract performance statement.
- Identifying lack of or insufficient draw/expenditure activity.
- Identifying unusual expenditures or expenditure activity.

The desk reviews throughout the term of the contract are important to ensure satisfactory progress is being made in achieving the contract goals and objectives. However, standards for performance measurement and acceptable performance variances have not been defined. Furthermore, documentation of the reviews is inconsistent or non-existent. Accordingly, it could not necessarily be determined whether the reviews were conducted and by what criteria performance was measured. The results of the review and conclusions the BFOs reached in conducting their reviews could not be determined nor whether technical assistance was provided or corrective action was required of subrecipients in response to unsatisfactory performance.

Recommendation:

We recommend OCI develop formal policies and procedures for conducting desk reviews. The policies and procedures should be in accordance with the Department's Standard Operating Procedure 1100.01, *Standard Operating Procedure (SOP) System*. In addition to the information required by SOP 1100.01, we recommend the SOP include or refer to standards for performance measurement and acceptable/unacceptable performance by which the BFOs can assess subrecipient performance. The SOP should include documentation standards that require the BFOs to make record of desk reviews conducted and of the related results and conclusions. Documentation should be required in instances where it is necessary to contact the subrecipient to provide technical assistance or where corrective action is required. Any follow-up on unsatisfactory performance or on the status of required corrective actions should also be documented.

Management's Response and Corrective Action Plan:

Currently, the OCI tracks the performance through the Quarterly Progress Reports (QPR) and technical assistance visits to ensure progress under the contracts. BFOs conduct desk reviews of financial and performance data provided in the subrecipients' draws and quarterly reports. The QPR provide financial and performance information relevant to achieving specific contract objectives. The information includes expenditure and performance data at the budgeted contract activity. To enhance its procedures, the OCI will develop formal policies and procedures for conducting desk reviews in accordance with the Department's Standard Operating Procedure 1100.01, Standard Operating Procedure (SOP) System. The SOP will include or refer to standards for performance measurement and acceptable/unacceptable performance and documentation standards that require the BFOs to make record that a desk review was conducted and of the related results and conclusions.

Target Date for Completion: January 31, 2007

Section 4

Enhance Information Systems and Performance Management

The BFOs review draws and quarterly reports that provide financial and performance information relevant to achieving specific contract goals and objectives. The information includes expenditure and performance data at the budgeted contract activity levels such as Residential Rehabilitation and New Construction, which allows the BFOs to determine if expenditure and performance levels are acceptable at the summarized contract activity level. However, similar information is not received and analyzed for specific projects at the detailed project activity level. For example, a contract award for contract activity, Residential Rehabilitation, may specify that 35 residential units be rehabilitated. The quarterly reports will provide the total dollars expended and the number of units completed at the contract activity level; however, it does not provide financial or performance information on individual units (project activities) being rehabilitated.

In the absence of financial and performance information at the detailed project activity level, the BFOs and other interested parties do not have sufficient information to assess whether the achievement of contract performance statements is progressing at an acceptable level or that the objectives of the SHC program are being achieved as intended. A sufficient level of detail is necessary to enable identification of unexpected or unusual results and trends, and to identify the underlying activity objectives or projects that are in danger of not being achieved in order to make operating decisions or undertake corrective actions.

Additionally, the financial and performance information reviewed by the BFOs is not summarized in a manner and timeframe that will allow management to assess overall success in achieving the program's goals and objectives. While financial information is summarized on a quarterly basis for reporting to ORCA, the related performance information is summarized and reported to ORCA only upon completion of the contracts.

Recommendation:

We recommend OCI require subrecipients to submit financial and performance information at a detailed project activity level in addition to the summarized contract activity level. We recommend that BFOs continue to analyze the information and assess whether the achievement of contract performance statements is progressing at an acceptable level. We also recommend staff routinely compile the information from each contract in a single information system and report the information in a manner and timeframe that will allow management and others responsible for oversight to assess the overall success in achieving the program's goals and objectives.

Management's Response and Corrective Action:

The OCI shall continue to analyze the information received from its subrecipients and assess whether the achievement of contract performance statements is progressing at an acceptable level by:

- *continuing to collect data for reporting purposes in an agreed format sufficient to complete the CDBG Annual Performance Evaluation Report (PER) and for the purposes of drawing funds under the IDIS system. The OCI will fully utilize ORCA's CDBG Contract Management Software (ORACLE) to document all activities under this program, and*
- *requiring the Counties/Colonia SHC to submit program information at the detailed project activity level in addition to the summary information collected at the contract level.*
- *clearly defining project milestone and performance targets, formalizing procedures for monitoring achievement of the milestones and performance targets, and holding subrecipients accountable for achieving them by identifying and applying appropriate graduated sanctions leading up to, but not limited to, deobligation of funds and future debarment from participation in the program.*

On August 1, 2006, the OCI staff attended a training session on the CDBG Contract Management System (ORACLE) and requested full access to the various screens needed to document the progress of the contracts. OCI will work with ORCA to assess how summary information reports can best be developed for the purposes of allowing management and others responsible for oversight to assess the overall success in achieving the program's goals and objectives.

Target Date for Completion: January 31, 2007

Appendix:

OBJECTIVES, SCOPE, METHODOLOGY AND OTHER

Objectives

The objectives of the audit were:

- To assess whether OCI has adequate monitoring processes in place to provide reasonable assurance that:
 - Subrecipients are achieving contract performance statements.
 - Monitoring results are communicated to subrecipients and within the Department.
 - Monitoring activities and tools are in place to assess/determine that Federal and State awards are used for authorized purposes in compliance with laws, regulations, and provisions of contracts or grant agreements and that performance goals are achieved.
- To assess whether OCI's draw processing procedures provide reasonable assurance that subrecipient draw requests for reimbursement of expenditures comply with relevant laws, regulations, policies, and contract provisions and are properly authorized/approved.

Scope

The scope of this audit included consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006. More specifically, our audit included consideration of the following areas:

- The memorandum of understanding between TDHCA and ORCA.
- Standard operating policies and procedures relating to subrecipient monitoring and draw processing.
- Monitoring tools/instruments (i.e. checklists, programs, form letters, etc.).
- Contracts between the Department and its subrecipients.
- Contract files, documentation supporting on-site monitoring visits and draw processing, management information reports and other information relating to the OCI Self-Help Center program's monitoring and draw processing activities.

Methodology

The methodology consisted of gaining an understanding of the OCI Self-Help Center monitoring and draws processing functions, including tools used to conduct monitoring reviews and process draws, the conduct and documentation of monitoring reviews and processing draws, methods used to follow up on deficiencies, and reporting the results of monitoring efforts. An understanding was gained through interviewing management and staff and by reviewing policies and procedures, monitoring tools, standard OCI Self-Help Center contracts, and relevant laws and regulations. Tests included considering, comparing and contrasting related standard operating procedures, monitoring tools and instruments, contract files and management information reports to standards established by the Department, related program rules and requirements, and sound business practices. A sample of draws processed from January 1, 2005 to June 6, 2006 were selected and tested to determine whether they were adequately supported and in compliance with relevant laws, regulations, policies, and contract provisions and properly authorized/approved.

Type of Audit/Audit Report

The audit was a Performance Audit concentrating on OCI's subrecipient monitoring and draw processing activities, policies and procedures designed to provide reasonable assurance of compliance with significant laws, regulations, program rules and achievement of contract performance statements relating to the SHC Program. While not primary objectives, economy and efficiency issues such as protecting and using the Department's resources and inefficient or uneconomical practices were considered.

Report Distribution

Pursuant to the Texas Internal Auditing Act (Texas Government Code, Chapter 2102), this report is being distributed to the:

- Department's Governing Board
- Governor's Office of Budget and Planning
- Legislative Budget Board
- Office of the State Auditor

Project Information

Audit fieldwork was conducted from January 2005 through June 2006. The audit was made in accordance with generally accepted government auditing standards and the *International Standards for the Professional Practice of Internal Auditing*.

The following staff performed this audit:

- Lorrie Lopez
- Colleen Bauer

Appreciation to Management and Staff

We wish to express our appreciation to management and staff for their courtesy and cooperation during the course of the audit.

Attachment A Management's Response Supplement to Section 2-A

Section 2-A

Formalize Strategies to Ensure Compliance with Federal Cost Principles

In instances, the support for reimbursement consists of documentation created by the counties or SHCs, such as spreadsheets or payroll system documentation allocating costs to the program. While OCI accepted this documentation as reasonable to support reimbursement of expenditures, it does not necessarily ensure expenditures comply with applicable Federal cost principles. Subrecipient counties and self-help centers that are component units of local government must comply with Office of Management and Budget's (OMB) Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, revised 5/10/04, and non-profit self-help centers must comply with OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, revised 5/10/04.

In a test of nine draw requests from counties for reimbursement of expenditures totaling \$781,529.62, the following listing is examples of documentation that was not sufficient to support the requirements of the Federal cost principles.

- SHC salaries of a component unit of local government reimbursed based on personnel activity reports or equivalent documentation not signed by employees [OMB A-87, Attach. B., 8 (h)(5)(d)] – \$356,126.24. Of this amount, \$77,006.51 in SHC salaries was reimbursed based on personnel activity reports or equivalent documentation that appear to reflect budget amounts or estimates rather than after-the-fact determination of the actual activity [OMB A-87, Attach. B., 8(h)(5)(a)].

OCI Response:

The OCI made reimbursement based on documentation that it considers reasonable. The County requires self-help center employees to maintain timesheets, sign, date, and have supervisor sign off on timesheets. Once the County Auditor's Office receives the timesheets, they are then transferred into a grant allocation method used to track expenditures for self-help center employees.

OCI will ensure on-site visits periodically review time and attendance records to provide reasonable assurance that they are signed by employees and reflect after-the-fact determination of actual activity.

- County salaries reimbursed based on personnel activity reports or equivalent documentation not signed by employees [OMB A-87, Attach B., 8 (h)(5)(d)] – \$15,712.09.

OCI Response:

The payroll charges were reviewed by the El Paso Border Field Officer and the request was determined to be reasonable and in conformity to the provisions of the contract.

The County has a fiduciary responsibility to comply with the OMB A-87 circular requirements for all grant funded programs in compliance of the Single Audit Act. OCI will ensure that their on-site visits include reviews to provide reasonable assurance salaries are based on personnel activity reports or equivalent documentation signed by employees and that other cost principle compliance requirements are met.

- County salaries reimbursed based on personnel activity reports or equivalent documentation were not prepared at least monthly and did not appear to coincide with one or more pay periods [OMB A-87, Attach B., 8(h)(5)(c)] – \$2,530.00.

OCI Response:

County salaries covered under this draw were from 10/1/03 through 10/30/04 and the documentation reviewed was considered reasonable to make reimbursement. OCI will ensure that on-site visits include reviews to provide reasonable assurance salaries are based on personnel activity reports or equivalent documentation signed by employees and that other cost principle compliance requirements are met.

- Cost not adequately supported [OMB A-87, Attach. A., C(1)(j)] or documented [OMB A-122, A.2(g)]:
 - County salaries reimbursed in excess of the detail support - \$ 235.36 (amount included in \$2,530 reported above).

OCI Response:

Although 8 hours for October 30, 2004 was not calculated in the total cost column for this employee's salary it was part of the overall total for salaries. If you calculate all of the days being requested the \$235.36 was also included otherwise the overall total would have been less. The OCI acknowledges this as human error.

- SHC salaries reimbursed in excess of the detail support - \$311.12.

OCI Response:

Timesheets were incorrectly calculated; human error.

Important Note: *Del Rio Housing Authority will adhere to the contract provisions regarding disallowable costs.*

- SHC employee benefits reimbursed in excess of amount requested – \$324.17.

OCI Response:

While the amount reimbursed was in excess of the amount requested, the reimbursement was considered reasonable. The Del Rio Housing Authority (DRHA) listed in their spreadsheet the benefits for all employees. When the DRHA made the total of benefits for employees they deducted the dollar amount for Jesus Partida. On the side of the spreadsheet notations were made noting benefits were omitted to document how the DRHA arrived to total dollar amount of benefits. This was done to correctly calculate the benefits. Additional documentation was requested for the draw request, it was suggested to DRHA that they should include the benefits for Jesus Partida, because he

worked 100% of this time on the self-help center, as reflected in the timesheets. DRHA agreed with the BFO's recommendation to include the benefits in the draw request. The breakdown of taxes charged is for the following pay period:

1.) Pay Period 06/03/2005	\$ 61.57
2.) Pay Period 06/17/2005	\$ 77.18
3.) Pay Period 07/01/2005	\$ 92.71
4.) Pay Period 07/15/2006	<u>\$ 92.71</u>
Total:	\$ 324.17

- SHC insurance reimbursed without supporting premium/invoice. Payments based on county prepared spreadsheets – \$4,549.35.

OCI Response:

The County provided copies of the checks and insurance invoices charged to the 721003 and 724003 contracts. The invoices were in the amount of \$782,030.23 and \$685,473.31 for each contract respectively. The county also provided a letter from their county auditor and an insurance premium by division spreadsheet detailing the allocation breakdown for each grant. The OCI considered this documentation to be reasonable to make reimbursement.

OCI will ensure on-site visits periodically review documentation supporting allocable costs including the bases used to allocate costs to the program to obtain reasonable assurance that allocations are reasonable and result in charges to the program in accordance with the relative benefits received.

Internal Audit Division
BOARD ACTION REQUEST
October 12, 2006

Action Items

Presentation of Status of Prior Audit Issues

Required Action

Review the Status of Prior Audit Issues

Background

The Status of Prior Audit Issues provides an overview of the current status of prior audit issues reported by TDHCA's Internal Audit Division (IAD), external auditors, State oversight agencies, and funding source monitors. Prior audit issues are removed from future reports once management reports prior audit issues as implemented or otherwise resolved or when IAD or other external auditor/monitor independently assesses the resolution of an issue. Issues reported by management as implemented or otherwise resolved remain as open issues on IAD's tracking system until the issues are determined to be resolved by IAD or other independent assessment.

Fourteen prior audit issues are reported. Five of the issues have been resolved based on independent assessments. Of the remaining nine issues, satisfactory progress is being made on resolving seven of the issues. Considerable challenges relate to the following two issues:

- Iss. Ref. 411, pg. 8/14: HUD reports that there was no documentation supporting compliance with the State's property standards prior to closing three FHA/VA foreclosed properties assisted with FTHB funds. HUD is asking the Department to either (1) provide documentation that the properties were in compliance with property standards prior to closing, (2) reinspect the properties and complete any work required to bring the properties into compliance with property standards, or (3) reimburse the HOME Trust Account for the subsidies provided for the purchase of these properties from non-federal funds.

The Department is working with the consultant and subrecipient but agreement has not been reached on the final strategies to resolve these issues.

- Iss. Ref. 403, pg. 14/14: The Community Action Council of South Texas (CACST), contract # 530021, has been servicing the contract for deeds that had been converted to first lien notes and warranty deeds rather than sending payments to the Department for servicing. Additionally, mortgage liens are in the name of CACST rather than the Department. While contract terms reserves the Department's right to permit the Administrator to retain interest or return on investment of HOME funds for additional eligible activities by the Administrator, there was not adequate documentation in the files to support the Department granting this right to the Administrator. Section 21.3 of the contract states an Administrator agrees that all repayments (of loans), including all interest and any other return on the investment of HOME funds, will be made to the Department.

In September 2006, OCI received a response to the monitoring issues letter sent to CACST and is in the process of evaluating the response. OCI does not intend to process CACST draw requests until the issue is resolved.

Recommendation

No action is required.

Texas Department of Housing and Community Affairs

Status of Prior Audit Issues

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

<i>Ref. #</i>	<u><i>Report Date</i></u>	<u><i>Report Name</i></u>	<u><i>Status</i></u>		<u><i>Target</i></u>
	<u><i>Auditors</i></u>	<u><i>Audit Scope</i></u>	<u><i>Codes*</i></u>	<u><i>Date</i></u>	<u><i>Date</i></u>
372	05/27/05 HUD	On-site Monitoring of Environmental Procedures: HOME and ESG Programs To verify compliance with the requirements of the National Environmental Policy Act (NEPA), HUD environmental regulations at 24 CFR Part 58, and other related federal environmental laws and executive orders.	Px Px Px Px Px lxx	08/02/05 09/27/05 12/16/05 03/28/06 05/19/06 09/18/06	11/30/05 01/31/06 05/31/06 05/31/06

Division: HOME and ESGP

Issue: Finding A-3: Support Documentation, 24 CFR 58.5 and 58.6

Based on the lack of documentation in the files reviewed, state recipients have failed to fully comply with the requirements of 24 CFR 58.5 and 24 CFR 58.6 (Related Federal Laws and Authorities). Examples of inadequate documentation related to historic preservation requirements and excessive noise and attenuation measures.

Submit to HUD written procedures to ensure compliance with requirements and the procedures and corrective actions for the Department's recipients that will be implemented in order to preclude repetition of this finding. Upon HUD approval, the Department's subrecipients should implement the written procedures and document subrecipient compliance through its monitoring program.

Status: 9/18/06 - In September 2006 the Department received a letter from HUD clearing the finding.

5/19/06 - In April 2006 HUD's follow-up letter indicated although the Environmental Review Procedures Manual submitted in March 2006 was revised to include the completion of required checklists and forms, it did not provide guidance for review of the support documentation necessary for completing the relating forms. In May 2006 TDHCA provided a follow up response to address the concerns noted by HUD.

03/28/06 - The Department completed a draft Environmental Review Procedures Manual and submitted to HUD for approval. HUD reviewed the draft Environmental Review Procedures Manual and provided comments in February 2006 that were incorporated into the manual, which was resubmitted to HUD in draft form in March 2006. Staff will discuss this finding during a visit to the HUD Fort Worth Field Office the week of April 3, 2006. The Department anticipates that the draft manual provided to HUD should be sufficient to clear the finding.

12/16/05 - PMC continues to work with HUD Environmental Officials to finalize the Environmental Manual for HUD approval.

09/27/05 - On 8/22/05 HUD requested the Department revise the current environmental clearance procedures, including noise assessment information and support documentation checklist and to clarify when the Department performs the responsibilities of HUD vs. when the Department performs the obligations of the Responsible Entity (RE).

08/02/05 - A written response was provided to HUD on 6/30/2005. The Department's revised procedures and program training sessions include instructions on how to evaluate and document excessive noise and attenuation measures for both railroad and highway noise. The Monitoring and Enforcement Program will help to ensure that projects determined to be noise sensitive are properly documented. Trainings conducted by the Department include comprehensive guidance and examples on completing appropriate noise compliance documentation. Full implementation pending approval of HUD.

<i>Ref. #</i>	<i>Report Date</i>		<i>Report Name</i> <i>Audit Scope</i>	<i>Status</i>		<i>Target Date</i>
	<i>Auditors</i>			<i>Codes*</i>	<i>Date</i>	
374	05/27/05		On-site Monitoring of Environmental Procedures: HOME and ESG Programs	Px	08/02/05	
	HUD		To verify compliance with the requirements of the National Environmental Policy Act (NEPA), HUD environmental regulations at 24 CFR Part 58, and other related federal environmental laws and executive orders.	Px	09/27/05	11/30/05
				Px	12/16/05	01/31/06
				Px	03/28/06	05/31/06
				Px	05/19/06	05/31/06
				lxx	09/18/06	

Division: HOME and ESGP

Issue: Finding B-2: Support Documentation, 24 CFR 58.5 & 58.6

The Department has failed to document full compliance with the requirements of 24 CFR 58.5 and 24 CFR 58.6. Examples of inadequate documentation related to historic requirements and floodplan documentation not being observed.

The Department must submit to HUD written procedures developed to preclude repetition of this finding and ensure proper documentation in compliance 24 CFR 58.5 and 58.6 regulations. The Department must then implement the written procedures approved by HUD.

Status: 9/18/06 - In September 2006 the Department received a letter from HUD clearing the finding.

05/19/06 - In HUD's April 2006 follow-up letter indicated although the Environmental Review Procedures manual submitted in March 2006 was revised to include the completion of required checklists and forms, it did not provide guidance for review and required support documentation necessary for completing the relating forms. In May 2006 TDHCA provided a follow up response to address the concerns noted by HUD.

03/28/06 - The Department completed a draft Environmental Review Procedures Manual and submitted to HUD for approval. HUD reviewed the draft Environmental Review Procedures Manual and provided comments in February 2006 that were incorporated into the manual, which was resubmitted to HUD in draft form in March 2006. Staff will discuss this finding during a visit to the HUD Fort Worth Field Office the week of April 3, 2006. The Department anticipates that the draft manual provided to HUD should be sufficient to clear the finding.

12/16/05 - PMC continues to work with HUD Environmental Officials to finalize the Environmental Manual for HUD approval.

09/27/05 - On 8/22/05 HUD requested the Department revise the current environmental clearance procedures to include additional Noise Assessment and Historic Preservation information and to clarify when the Department performs the responsibilities of HUD vs. when the Department performs the obligations of the Responsible Entity (RE).

08/02/05 - A written response was provided to HUD on 6/30/2005. The Department's revised Environmental Clearance Review Procedures will ensure that consultation with the State Historic Preservation Officer (SHPO) pursuant to 24 CFR 58.5 is documented. According to the requirements of Executive Order 11988 the Department does determine the impact projects may have on floodplains. The revised Environmental Clearance Review Procedures will document compliance with the requirements and ensure 24 CFR 58.6 is prepared and completed according to Federal rules. Full implementation pending approval of HUD.

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
377	05/27/05 HUD	On-site Monitoring of Environmental Procedures: HOME and ESG Programs To verify compliance with the requirements of the National Environmental Policy Act (NEPA), HUD environmental regulations at 24 CFR Part 58, and other related federal environmental laws and executive orders.	Px	08/02/05	
			Px	09/27/05	11/30/05
			Px	12/16/05	01/31/06
			Px	03/28/06	05/31/06
			Px	05/19/06	05/31/06
			lxx	09/18/06	

Division: HOME and ESGP

Issue: Finding B-5: Tiering Requirements, 24 CFR 58.15

Although the Department utilizes a site-specific checklist for several programs (rehabilitation, homeowner assistance, and tenant based rental assistance), it is not clear if there is any intention to utilize a tiered approach. The project files lacked a basic strategy or board plan as required by 24 CFR 58.15 when using a tiered approach.

The Department must develop written procedures that have a basic strategy that describes the program's objectives, limitations, and requirements. This strategy should also establish the policy, standard or process to be followed in the site-specific review. The local, site-specific documentation is subsequently required to complete the review prior to the obligation of funds. The procedures approved by HUD must be prepared to prevent recurrence of this finding.

Status: 9/18/06 - In September 2006 the Department received a letter from HUD clearing the finding.

05/19/06 - In April 2006 HUD's follow-up letter indicated the Department's proposed procedures in the Environmental Review Procedure manual submitted in March 2006 lacked the development of the site-specific checklist during the development of the broad plan. In May 2006 TDHCA provided a follow-up response to address the concerns noted by HUD.

03/28/06 - The Department completed a draft Environmental Review Procedures Manual and submitted to HUD for approval. HUD reviewed the draft Environmental Review Procedures Manual and provided comments in February 2006 that were incorporated into the manual, which was resubmitted to HUD in draft form in March 2006. Staff will discuss this finding during a visit to the HUD Fort Worth Field Office the week of April 3, 2006. The Department anticipates that the draft manual provided to HUD should be sufficient to clear the finding.

12/16/05 - PMC continues to work with HUD Environmental Officials to finalize the Environmental Manual for HUD approval.

09/27/05 - On 8/22/05 HUD requested the Department revise the current environmental clearance procedures, including when the Department will use a tiering approach and to clarify when the Department performs the responsibilities of HUD vs. when the Department performs the obligations of the Responsible Entity (RE).

08/02/05 - A written response was provided to HUD on 6/30/2005. The Department has included in the Monitoring and Enforcement Program a strategy for "tiering" as it relates to HOME Recipients. The plan establishes the steps to be followed in a tiering review and explains the site-specific documentation required to complete the review prior to the obligation of funds. Full implementation pending approval of HUD.

<i>Ref. #</i>	<i>Report Date</i>		<i>Report Name</i> <i>Audit Scope</i>	<i>Status</i>		<i>Target Date</i>
	<i>Auditors</i>			<i>Codes*</i>	<i>Date</i>	
394	09/23/05		PMC - Subrecipient Monitoring - Single Audit, Rpt. No. 1003.20 To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	Px	09/23/05	12/31/05
	IA			Px	12/16/05	05/01/06
				Px	03/24/06	05/31/06
				Px	03/27/06	05/31/06
				Px	05/24/06	06/16/06
				Px	09/15/06	10/16/06

Division: Portfolio Management & Compliance

Issue: PMC does not have a management information system that accumulates and provides necessary information to effectively and efficiently fulfill its single audit responsibilities. The population of subrecipients considered for single audit processing is derived from two different program systems. Without a single integrated information system for processing single audits, single audit staff have considerable difficulty accumulating basic information in a single location to enable them to effectively fulfill their job responsibilities.

Status: 09/15/06 - Information Systems Division (ISD) made the Program Monitoring Module available for Portfolio Management and Compliance (PMC) testing in June 2006. During testing, PMC and ISD ("the team") identified 25 bugs and 16 enhancement needs. In July and August, the team resolved most of these issues.

One major project goal, the development an ongoing interface of CS/EA organizations and contracts so that PMC can perform single audits of these organizations using the Program Monitoring Module, has taken substantially more effort than estimated. The team originally planned to interface data from the CS/EA Contract System only. However, during testing, the team identified needed data that was available only in a second source (an Access database). As of September 15, we anticipate two additional weeks of interface development and testing, and a module rollout in October.

TDHCA housing division directors and ISD are meeting on September 25 to set Central Database priorities for FY 2007, factoring in the status of the Program Monitoring Module, Contract System and CMTS requests, and the Multifamily Module

5/24/06 - The PM Module has moved the projected PM Module release date two weeks, to June 16. The system will be made available for business team testing the week of May 29.

3/27/06 - Staff continues to work with the Information System Division to assist in development of the Program Monitoring(PM) Module.

03/24/06 - The Program Monitoring (PM) Module project team plans to deploy the module by May 31, 2006.

12/16/05 - Staff continues to work with the Information Systems Division to assist in development of the Program Monitoring (PM) Module.

09/23/05 - The Program Monitoring Module project team, composed of staff from PMC and ISD, will ensure that the PM Module addresses the more advanced single audit information needs and that the project deliverables include a simple Community Affairs (CA) contract interface (from the CA Contract System to the TDHCA Contract System), so the PMC staff can use the PM Module for HOME and CA contracts.

<i>Ref. #</i>	<i>Report Date</i>		<i>Report Name</i> <i>Audit Scope</i>	<i>Status</i>		<i>Target Date</i>
	<i>Auditors</i>			<i>Codes*</i>	<i>Date</i>	
408	05/10/06		Technical Assistance and Monitoring Visit Home Program M05-SG480100` To review the state's HOME affordable housing program.	Px	06/13/06	10/31/06
	HUD			Px	09/18/06	

Division: Portfolio Management & Compliance

Issue: Finding No. 1

There are no written agreements between the homebuyers, homeowners and tenants, and the state's subrecipients for the Owner-Occupied Rehabilitation/Reconstruction (OCC), First-Time Homebuyers (FTHB), and the Tenant-Based Rental Assistance (TBRA) projects.

The State must develop a written agreement specific to each type of funding activity that includes the requirements outlines in Section 92.504 (c)(5). The agreement must be executed between the state recipient or subrecipient and their direct HOME-assisted applicants. HUD strongly recommends that the agreements provide the state with recourse in the event of noncompliance. The state also must develop and implement procedures to ensure that the state recipients or subrecipients and the applicants execute the agreements prior to the commitment of any HOME funds. The agreements and procedures must be submitted to HUD for review and approval

Status: 09/18/06 - PMC and Legal Staff are working with HUD, including their attorney's to request a model from another Participating Jurisdiction that does satisfy this issue so that Staff can evaluate and compare and then identify based on the preferred model what changes may need to be made to the Department's existing agreements.

06/13/06 - The Department's Legal Division is currently reviewing this issue to determine whether it is feasible under state law to incorporate all the required provisions outlined in 92.504(c)(5) in a single written agreement for execution by the state recipient or subrecipient and their direct HOME-assisted applicants for each HOME activity. Once a determination has been made by the Department's Legal Division, HUD will be contacted to discuss resolution to this finding.

<i>Ref. #</i>	<i>Report Date</i>	<i>Report Name</i>	<i>Status</i>		<i>Target</i>
	<i>Auditors</i>	<i>Audit Scope</i>	<i>Codes*</i>	<i>Date</i>	<i>Date</i>
409	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	Px	06/13/06	
	HUD	To review the state's HOME affordable housing program.	lxx	09/18/06	

Division: Portfolio Management & Compliance

Issue: Finding No. 2

The calculation for the amount of TBRA assistance provided to Virginia Lawhon was incorrect resulting in an over-subsidy of rental assistance.

The state, through the Community Action Agency (CAA), must recalculate the amount of rental assistance that Ms. Lawhon should have received since the inception of the provision of this assistance. The CAA and the state recommended that the amount of future TBRA rental assistance payments under this contract could be reduced over a specified period of time until the full amount of the overpayment is recouped. HUD has no objection to this process; however this finding will remain open until the entire overpayment has been reimbursed. In its response the state must advise of the total amount of the overpayments, indicate the method to be used to recapture these funds, the time period by which the total overpayment must be reimbursed, and what source of funds the CCA will use to make up the full rental assistance payment due to her landlord. While rent may be increased to recapture these overpayments, the state is reminded that she must be provided with a minimum 30 day notice before her rent can be increased.

Status: 09/18/06 - In July 2006 the Department received a check from the contract administrator for the full amount of the disallowed costs. The finding was cleared by HUD in September 2006.

06/13/06 - The Department and CAA have agreed to reduce the amount of subsidy to Ms. Lawhon over a three (3) month time period to correct the over-subsidy of rental assistance. The Department anticipates that the over-subsidy will be repaid by October 2006 and will submit documentation to HUD to clear the finding in November 2006. A recalculation of the household's income determined that the household's assistance was oversubsidized by \$39.00 per month over an eight (8) month period totaling overpayment of \$312.00.

<i>Ref. #</i>	<i>Report Date</i>	<i>Report Name</i>	<i>Status</i>		<i>Target</i>
	<i>Auditors</i>	<i>Audit Scope</i>	<i>Codes*</i>	<i>Date</i>	<i>Date</i>
410	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100`	Px	06/13/06	
	HUD	To review the state's HOME affordable housing program.	Ixx	09/18/06	

Division: Portfolio Management & Compliance

Issue: Finding No. 3

The state recipient did not ensure that all subcontractors including, if applicable, all lower-tier subcontractors, were not on HUD's debarred or suspended list.

The state must advise all state recipients, subrecipients and CHDOs that they must clear all contractors and subcontractors used on all active contracts against the GSA [General Services Administration] list of debarred, suspended, or ineligible contractors and document their files accordingly. If any contractor or subcontractor is on this list, the state must contact this office to discuss a corrective action. In addition, the state must provide its written assurance that in the future, all contractors and subcontractors including any lower-tier contractors and subcontractors will be cleared.

Status: 09/18/06 - In June 2006 a HUD letter cleared the finding based on the information provided by the state and the June 2006 notice that was sent to all State recipients, subrecipients and CHDO's.

06/13/06 - The Department sent a reminder to all Contract Administrators with active contracts of federal regulations requiring clearance of all contractors, subcontractors, lower-tier contractors, and lower-tier subcontractors, requiring Contract Administrators to notify the Department of any ineligible contractor, subcontractor, lower-tier contractor or lower-tier subcontractor used on any HOME-assisted project. The Department notifies all state recipients, subrecipients, and CHDO awardees of procurement requirements, including that all contractors, subcontractors, lower-tier contractors, and lower-tier subcontractors must be cleared according to the GSA list of debarred, suspended, or ineligible contractors during implementation workshops, program training sessions, and in the 2005 HOME Program Procedures Manual, Chapter 10 – Procurement.

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target Date
			Codes*	Date	
411	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100`	Px	06/13/06	10/31/06
	HUD	To review the state's HOME affordable housing program.	Px	09/18/06	

Division: Portfolio Management & Compliance

Issue: Finding No. 4

There is no documentation in the files that FHA [Federal Housing Administration] foreclosed properties were in full compliance with the state's property standards prior to closing.

The state must obtain documentation that clearly establishes that these properties were in full compliance with the state's property standards prior to loan closing. If this cannot be done, the state must take one of the following actions:

- A. Reinspect the properties and complete any work required to bring the units into compliance with the state's Texas Minimum Construction Standards (TMCS). The state may use HOME funds to complete this work since no federal funds were previously expended for repairs to these properties, or
- B. Reimburse its local HOME Trust Account for the full amount of the subsidy provided for the purchase of these units, from non-federal funds. The state may, at its option, require reimbursement from its subrecipient CAHFC.

In its response, the state must either (a) provide documentation acceptable to HUD that these properties were in compliance at the time of closing, or (b) submit documentation (including the source of the funds used) in accordance with A or B above. If the state has reimbursed its local HOME Trust Account, its response must include documentation that the reimbursement has been made. (The state must amend its policies and procedures manual to address the actions to be taken and documented if foreclosed properties from any sources will be included in the state's FTHB program.)

Status: 09/18/06 - The consultant and the subrecipient are working with the Department to resolve the issue but final strategies have not been agreed upon.

06/13/06 - The HOME-assisted beneficiaries reviewed by HUD received assistance under the Department's Homebuyer Assistance (HBA) funding category, which provides Contract Administrators with the option of providing funds to first-time homebuyers. Of the fourteen (14) HOME-assisted beneficiaries reviewed by HUD, six (6) are reported to be first-time homebuyers. The Department has attempted to contact 3 homeowner's to schedule inspections; however, responses have not been received to date. Department staff will continue efforts to schedule inspections and once complete, will notify HUD of the results. If it is determined that the properties were not in compliance with TMCS, the Department will propose a recommended course of action in accordance with the options presented above. In addition, the Department will amend the 2005 HOME Program Homebuyer Procedures Manual to address the actions to be taken and documented if foreclosed properties are purchased through the Department's homebuyer programs.

<i>Ref. #</i>	<i>Report Date</i>	<i>Report Name</i>	<i>Status</i>		<i>Target</i>
	<i>Auditors</i>	<i>Audit Scope</i>	<i>Codes*</i>	<i>Date</i>	<i>Date</i>
412	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100`	Px	06/13/06	
	HUD	To review the state's HOME affordable housing program.	Px	09/18/06	10/15/06

Division: Portfolio Management & Compliance

Issue: Finding No. 5

New Hope Housing, a CHDO, has not developed and provided the state with its formal written process to allow for low-income program beneficiaries to advise the organization regarding the decisions and actions of the organization.

The state must begin working with this CHDO and all other CHDOs to develop a formal written process for low-income beneficiaries to advise it of any concerns, issues or questions that they may have.

The state should determine if it wants all CHDOs to use the same process or if it wants to allow each organization to develop its own formal written process in conjunction with the state's requirements. If the latter option is selected, the state must review and approve each process, in writing, for each CHDO.

Status: 09/18/06 - In September 2006 a letter was sent to New Hope Housing (NHH) providing a copy of the city of Dallas' Certification Application of Community Housing Development Organization (CHDO), which includes the low-income input component detailing the low-income input process for their review and consideration. The Department requested of NHH that a process be developed and implemented and that support documentation be submitted by October 15, 2006, which will then be forwarded to HUD.

The department will revise current CHDO's certification requirements and will send a notice to all CHDO's to ensure that they have developed and implemented a process to allow low income program beneficiaries to advise the organization by October 15, 2006.

06/13/06 - The Department will implement requirements as required, but is requesting guidance on appropriate methods and standards for the input process. The Department has contacted the City of Dallas for information on an approach to obtain formal input from low-income beneficiaries, but has not received a reply. In order to develop and enforce policy, the Department requires guidance on the minimum standards.

<i>Ref. #</i>	<i>Report Date</i> <i>Auditors</i>	<i>Report Name</i> <i>Audit Scope</i>	<i>Status</i>		<i>Target Date</i>
			<i>Codes*</i>	<i>Date</i>	
399	06/02/06	OCI Draw processing and Subrecipient Monitoring Function for CFD	PX	06/02/06	08/31/06
	IA	Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px	09/14/06	11/01/06

Division: Office of Colonia Initiatives

Issue: Roles and responsibilities of OCI staff relating to processing Contract for Deed draw requests have not been formally defined. Access rights have not been established in the Department's Contract System to allow for authorization and subsequent processing of draw requests. We also noted that formal policies and procedures for processing draw requests have not been developed.

We recommend management clearly define the roles and responsibilities of the OCI staff for processing Contract for Deed draw requests. Minimally, roles and responsibilities should formally define the staff positions responsible for reviewing and approving draw requests for payment. Also, based on formal roles and responsibilities, establish the authorization role for approving draw requests in the Department's contract system.

Status: 09/14/06 - A draft Standard Operating Procedures (SOP) for indentifying the roles and responsibilities of OCI staff for processing the Contract for Deed (CFD) draw requests has been developed and is undergoing revisions.

Access rights to the Department's Contract System have been established for all Border Field Office (BFO) staff and OCI Program Coordinators.

06/02/06 - The OCI will formally finalize by May 31, 2006 the roles and responsibilities of the OCI staff to process Contract for Deed draw requests and authorization roles for approving draws.

Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
400	06/02/06	OCI Draw processing and Subrecipient Monitoring Function for CFD	Px	06/02/06	08/31/06
	IA	Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px	09/15/06	11/02/06

Division: Office of Colonia Initiatives

Issue: The OCI division assumed monitoring responsibilities for the CFD Program in January 2005, but has not conducted any significant monitoring activities since that time. Additionally, the monitoring function and approach have not been clearly defined. Weaknesses noted in the monitoring function include the following:

- Goals and objectives of the monitoring function have not been clearly defined.
- Monitoring strategies with formal policies and procedures have not been developed, especially relating to the reconstruction and/or rehabilitation activities within the CFD Program to bring housing up to Colonia Housing Standards.
- Responsibilities for the monitoring function have not been clearly assigned.
- While responsibilities for the monitoring function have not been clearly assigned, informal plans seem to indicate staff responsible for grant management and technical assistance will be responsible for monitoring.

We recommend management clearly define their monitoring objectives and goals. Monitoring strategies, supported by formal policies and procedures, should be developed to ensure the monitoring objectives and goals are achieved.

We recommend management develop ongoing monitoring activities such as reviewing budget, expenditure and performance reports to ensure reasonableness and timeliness of funds expended within the contract period and achievement of contract performance statements, reviewing draw requests and supporting documentation for reasonableness and allowability of expenditures, and obtaining proper documentation to protect the Department's financial interests.

We recommend separate, risk-based, site-specific inspections be conducted to ensure housing financed by the Department is safe and meets minimum standards established by program rules and contract terms.

Reporting standards should be established to ensure the results of monitoring and evaluation activities are properly reported to appropriate individuals who are in position to take corrective action and can be held accountable for acceptable performance. Documentation standards to support monitoring activities conducted should be established. We recommend standardized monitoring tools and checklists.

Finally, we recommend monitoring responsibilities be clearly defined. We recommend staff separate from the grant management and technical assistance functions be assigned responsibilities for the monitoring function. Alternatively, the Department should consider transferring program monitoring responsibilities to Portfolio Management and Compliance's (PMC) existing program monitoring function for HOME funds in order to allow for adequate separation of the program monitoring function from the grant management and technical assistance functions and to capitalize on existing systems of controls.

Status: 09/15/06 - PMC has agreed to monitor the CFD contracts. The CFD contracts will be included in PMC's risk assessment process designed for selecting high-risk subrecipients for on-site monitoring visits. OCI is developing oversight controls to complement the risk-based, on-site monitoring visits, including checklists, quarterly reporting requirements and acceptable thresholds that will support the program. Standard Operating Procedures (SOPs) will be finalized to define clearly OCI's role in the monitoring and oversight of individual contracts.

OCI is working with the Information Systems Division to develop the information reports needed to oversee the CFD program effectively.

06/02/06 - The OCI has approached and requested the Portfolio Management and Compliance Division (PMC) to conduct the monitoring activities under this program. PMC has agreed to monitor the OCI's HOME contracts.

Ref. #	Report Date Auditors	Report Name Audit Scope	Status		Target
			Codes*	Date	Date
		The OCI will work with the Information Systems Division to develop management reports by June 2006 in order to have readily available necessary information to monitor budget, expenditure, and performance reports and the progress of contracts. The OCI field offices will provide oversight functions such as monitoring milestone thresholds or percentage of funds expended and determine if site specific inspections are required to ensure the projects meet minimum standards.			
401	06/02/06	OCI Draw processing and Subrecipient Monitoring Function for CFD	Px	06/02/06	08/31/06
	IA	Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px	09/14/06	11/01/06

Division: Office of Colonia Initiatives

Issue: Office of Colonia Initiatives (OCI) has not fully developed standardized operating procedures for processing draw requests or conducting subrecipient monitoring. OCI states they will utilize PMC's policies and procedures for the Contract for Deed (CFD) Program. However, these standards have not been critically evaluated to assess whether they will achieve OCI's objectives and goals or address differences between the divisions and/or limitations OCI may face such as staffing resources, capacity of the contract administrators serving the colonias, or other risks unique to the operations of OCI or its subrecipients.

Management should critically evaluate and amend or supplement where necessary PMC's policies and procedures it intends to use for processing draw requests and conducting monitoring activities to assess whether they are sufficient considering OCI's objectives, goals, resources, and the capacity of the contract administrators serving the colonias. The policies and procedures should sufficiently detail tasks to be performed for the draw requests and monitoring processes to ensure stated goals, objectives and strategies are achieved and appropriate oversight of the Department's CFD subrecipients and contractors.

While PMC's policies and procedures may suffice for OCI in many respects, we recommend OCI comply with standards established by the Department for developing standard operating procedures (SOP 1100.01). We also noted there are prior audit issues that, while PMC management reports they have been cleared, they have not been verified as properly implemented by a party independent of management and the corrective actions may not have been incorporated in the policies and procedures. Accordingly, we recommend OCI management ensure the policies and procedures adequately address the following issues previously reported as audit or monitoring exceptions.

- Procedures to ensure eligibility of applicants in program.
- Procedures to ensure construction of affordable housing units begin within 12 months of the purchase of the land.
- Procedures to provide adequate monitoring and oversight of the processing and construction activities of its recipients in accordance with the HOME regulations and applicable OMB circulars.
- Procedures to determine that all required lower-tier subcontracts are executed between applicable parties.
- Procedures to ensure documentation of full compliance with requirements of the National Environmental Policy Act (NEPA), HUD environmental regulations at 24 CFR Part 58, and other related federal environmental laws and executive orders.

Status: 09/14/06 - A draft Standard Operating Procedures (SOP) for indentifying the roles and responsibilities of OCI staff for processing the Contract for Deed (CFD) draw requests has been developed and is undergoing revisions. PMC's SOPs for the Owner Occupied Assistance and Homebuyer Assistance programs are being reviewed for applicability to the CFD program managed by OCI.

06/02/06 - The OCI will formally finalize the SOPs detailing the various processes to administer the HOME Contract for Deed Conversion Program. PMC will conduct the monitoring processes for this program.

<i>Ref. #</i>	<i>Report Date</i>	<i>Report Name</i>	<i>Status</i>		<i>Target</i>
	<i>Auditors</i>	<i>Audit Scope</i>	<i>Codes*</i>	<i>Date</i>	<i>Date</i>
402	06/02/06	OCI Draw processing and Subrecipient Monitoring Function for CFD	Px	06/02/06	08/31/06
	IA	Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px	09/14/06	11/01/06

Division: Office of Colonia Initiatives

Issue: Office of Colonia Initiatives (OCI) has not utilized the Department's contract system to identify and capture monitoring related information to adequately assess the expenditure rates of funds, achievements of contracted performance targets, and the status of monitoring reviews such as deficiencies noted, follow-up reviews made, and whether or not deficiencies have been resolved or corrective actions have been taken.

We recommend OCI develop processes that are supported by formalized policies and procedures to identify and capture relevant monitoring information in a form and time frame that will allow OCI staff to effectively and efficiently carry out their monitoring and ongoing oversight responsibilities. We also recommend OCI work with the Information Systems Division to develop reports to facilitate its monitoring and management responsibilities. The reports should summarize and organize sufficient information to assess the performance of subrecipients and to plan and track the results of OCI's monitoring processes.

Status: 09/14/06 - PMC has agreed to monitor the CFD contracts. The CFD contracts will be included in PMC's risk assessment process designed for selecting high-risk subrecipients for on-site monitoring visits. OCI is developing oversight controls to complement the risk-based, on-site monitoring visits, including checklists, quarterly reporting requirements and acceptable thresholds that will support the program. Standard Operating Procedures (SOPs) will be finalized to define clearly OCI's role in the monitoring and oversight of individual contracts.

OCI is working with the Information Systems Division to develop the information reports needed to oversee the CFD program effectively.

06/02/06 - OCI will work with the Information Systems Division to create various reports to monitor the performance and expenditure of funds in this program.

Ref. #	<u>Report Date</u>	<u>Report Name</u>	<u>Status</u>		<u>Target</u>
	<u>Auditors</u>	<u>Audit Scope</u>	<u>Codes*</u>	<u>Date</u>	<u>Date</u>
403	06/02/06	OCI Draw processing and Subrecipient Monitoring Function for CFD	Px	06/02/06	08/31/06
	IA	Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px	09/14/06	09/30/06

Division: Office of Colonia Initiatives

Issue: During the course of our review the following compliance exceptions were noted:

- Office of Colonia Initiatives (OCI) is not meeting the 400 CFD conversions per biennium required by General Appropriations Act riders.
- OCI is not implementing the guaranteed Contract for Deed Conversion Program required by Tex. Gov. Code Ann. § 2306.255.
- The CACST contract # 530021 has been servicing all the contract for deeds that had been converted to first lien notes and warranty deeds rather than sending payments to the Department for servicing. Additionally, mortgage liens are in the name of CACST rather than the Department. While contract terms reserves the Department's right to permit the Administrator to retain interest or return on investment of HOME funds for additional eligible activities by the Administrator, there was not adequate documentation in the files to support the Department granting this right to the Administrator. Section 21.3 of the contract states an Administrator agrees that all repayments (of loans), including all interest and any other return on the investment of HOME funds will be made to the Department.

We recommend the Department develop strategies to address each of these compliance issues.

Status: 09/14/06 - In September 2006 OCI received a response to the monitoring issues letter sent to Community Action Council of South Texas in June 2006. OCI is in the process of evaluating the response. No drawdowns will be approved until the CA resolves the outstanding issues.

06/02/06 - The OCI cannot meet the 400 required contracts for deed conversions due to the amount and source of funding dedicated to this program. The HOME Investment Partnership Program requires the home to meet a certain standard which requires additional funds. Utilizing \$4,000,000 of HOME funds will only provide approximately 80 contracts for deed conversions considering the required costs of rehabilitation necessary to bring the properties up to minimum standards. The Department will need to set-aside approximately \$20,000,000 of HOME funds to meet this mandate which represents approximately half (1/2) of the total HOME allocation to the Department.

The OCI implemented the Contract for Deed Conversion Loan Guarantee Program in 2003. The Department entered into a partnership with Lone Star National Bank (the "Bank") to implement this initiative. The Bank converted the contracts for deed and carried the lien with the Department entering into a Guaranty Agreement with the Bank. The Legislation governing this program identified the HOME funds as the funding source. The HOME Program rules allow loan guarantees to stand for 2 years only. The OCI struggled with the Bank to originate these loans. The housing conditions and the amount of the loans discouraged the Bank from participating in this program. Many other lenders voiced the same concerns.

The OCI assumed the Community Action Council of South Texas (CACST) contract #530021 in January 2005. The OCI does not plan to process the last draw under this contract until all issues such as transferring the notes and deeds of trust to the Department and program income have been resolved. The OCI anticipates closing out this contract in August 31, 2006.

Internal Audit Division
BOARD ACTION REQUEST
October 12, 2006

Action Items

Presentation of FY 2006 TDHCA Annual Internal Audit Report

Required Action

Review the FY 2006 TDHCA Annual Internal Audit Report

Background

An Annual Internal Audit Report is prepared and submitted by November 1 of each year to the Governor's Office of Budget, Planning & Policy, the Legislative Budget Board, the State Auditor's Office, the Sunset Advisory Commission, and the TDHCA's Governing Board and executive director in accordance with Texas Government Code, Chapter 2102, *The Texas Internal Auditing Act*. The state auditor prescribes the form and content of the report, subject to the approval of the legislative audit committee.

The contents of the report include an overview of internal and external audit activities and results and other related information including, among other information, the internal audit plan for report year (fiscal year 2006) with budget variance explanations; the date and overall results of the most recent External Quality Assurance Review of the internal audit function; a list of completed audits with a summary of audit issues noted, their status and impact; a report on other internal audit activities; the planned completion date of the fiscal year 2007 internal audit plan; and a summary of procured external audit services.

Points of particular interest may include the following:

- The fiscal year 2006 audit plan and explanations of deviances from the plan (pg 1/22).
- An external quality assurance review of TDHCA's Internal Audit Division is in progress. The most recently completed review report was dated January 30, 2003 (pg. 4/22).
- The list of audits completed during the year with a summary of the audit issues noted, their status and impact (pgs. 5-18/22). Twenty-four new findings were issued during fiscal year 2006. *Supplemental Note - Fourteen findings were reported as implemented or otherwise disposed of resulting in eighteen findings pending resolution at August 31, 2006.*
- The Internal Audit Plan for fiscal year 2007 will be submitted to the Governing Board in the first calendar quarter 2007. The Internal Audit Division will be completing two audits rolled over into fiscal year 2007 pursuant to amendments to the fiscal year 2006 audit plan approved by the Department's Governing Board as well as two other audits not complete as of August 31, 2006, during the interim.(pg. 22/22)

Recommendation

No action is required.

Texas Department of Housing and Community Affairs

FY 2006 Annual Internal Audit Report

Draft ... to be released by November 1, 2006

September 27, 2006

State Auditor's Office
Robert E. Johnson Building
1501 North Congress Avenue, Suite 4.224
Austin, TX 78701

Attention: *Internal Audit Coordinator*

The accompanying report on the activity of the Texas Department of Housing and Community Affairs' (the Department) Internal Audit Division (Division) for fiscal year 2006 fulfills the requirements of the Texas Internal Auditing Act (Texas Government Code, Chapter 2102). The purpose of the report is to provide information on the benefits and effectiveness of the internal audit function. In addition, the annual report assists central oversight agencies in their work planning and coordinating efforts.

The work of the Division has contributed to more effective operations of the Department during fiscal year 2006. The Department has also undergone other audits and reviews by its external auditors, oversight agencies, and funding source agencies, including audits and reviews by Deloitte and Touche - CPAs, KPMG - CPAs, and the U.S. Department of Housing and Urban Development. The audits and reviews performed by external teams and the Division have provided coverage over substantially all of the Department's significant financial accounts and various significant operations. The Division also participated in various other projects (Section VI).

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

Sincerely,

David Gaines, CPA, CISA
Director of Internal Audit

cc: Brian Guthrie, Governor's Office of Budget, Planning &
Policy
Ed Osner, Legislative Budget Board
Joey Longley, Sunset Advisory Commission

Elizabeth Anderson, TDHCA Board Chair
Shadrick Bogany, TDHCA Audit Committee Chair
Michael Gerber, TDHCA, Executive Director

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Internal Audit Annual Report for Fiscal Year 2006

I. Internal Audit Plan for Fiscal Year 2006

The audit plan approved by the TDHCA Governing Board on October 13, 2005 is presented below. Audit project deviations are discussed below.

FY 2006 AUDIT PLAN (Approved by the Board on 10/13/05)		STATUS & EXPLANATION FOR DEVIATIONS FROM PLAN (As of 8/31/06)
PROJECT	GENERAL OBJECTIVES	
Subrecipient Monitoring	<p>To determine whether adequate monitoring policies and procedures are in place to provide reasonable assurance that the Department's subrecipients comply with applicable Federal regulations, program rules and contract terms by complementing the following Portfolio Management and Compliance subrecipient monitoring internal audits:</p> <ul style="list-style-type: none"> ➤ <i>Single Audit, Rpt. No. 1003.20</i>, released September 23, 2005 ➤ <i>Risk Assessment, Rpt. No. 1003.30</i>, released August 5, 2005 <p>Specific audits will include the following:</p> <ul style="list-style-type: none"> ➤ Office of Colonia Initiatives - Contract Oversight and Management ➤ Office of Colonia Initiatives - Draw Process <ul style="list-style-type: none"> ➤ PMC - Draw Process ➤ PMC - On-site Monitoring Visits <ul style="list-style-type: none"> ➤ Energy Assistance - Monitoring 	<p>Complete - <i>OCI Draw Processing and Subrecipient Monitoring Function for CFD, Rpt. No. 1010.1. Report released June 2, 2006.</i></p> <p>Complete - <i>OCI Draw Processing and Subrecipient Monitoring Function for SHC, Rpt. No. 1010.2. Report released August 31, 2006.</i></p> <p>Budget Variance – Although these reports were released during the year, the projects had negative budget variances. See Budget Variance comments on page three for further discussion. Additionally, it was more time consuming than anticipated working with three auditee employees working out of OCI's Border Field Offices on the Self-Help Center audit. Additionally, repeated information requests were necessary at times due to conflicting and incomplete information being provided during the audits.</p> <p>In Process - PMC Draw Process and PMC On-Site Monitoring Visits - Projects rolled into FY Audit Plan 2007 pursuant to an amendment to the FY 2006 Audit Plan approved by the Governing Board in June 2006.</p> <p>Budget Variance - See Budget Variance comments on page three for further discussion.</p> <p>In Process - Energy Assistance subrecipient monitoring is in the fieldwork phase of the work plan.</p> <p>Budget Variance - See Budget Variance comments on page three for further discussion.</p>

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Internal Audit Annual Report for Fiscal Year 2006

FY 2006 AUDIT PLAN (Approved by the Board on 10/13/05)		STATUS & EXPLANATION FOR DEVIATIONS FROM PLAN (As of 8/31/06)
PROJECT	GENERAL OBJECTIVES	
Homeowners' Recovery Trust Fund	To determine whether the Manufactured Housing Division administers the Homeowners' Recovery Trust Fund (HORTF) in accordance with applicable laws and regulations.	<p>In Process - The HORTF audit is in the reporting phase of the work plan.</p> <p>Budget Variance - See Budget Variance comments on page three for further discussion.</p>
Risk Management Program	To facilitate and to provide expertise, knowledge, experience and objective, independent input into the Department's Fraud, Waste and Abuse Detection and Prevention Program.	<p>Complete - Pursuant to an amendment to the FY 2006 audit plan approved by the Department's Governing Board in June 2006, Internal Audit will no longer take a leadership role by facilitating the Department's Fraud, Waste and Abuse Detection and Prevention Program, which is considered a management function. However, Internal Audit continues to provide expertise, knowledge, experience and objective, independent input into the Program.</p>
Quality Assurance Review	To have a Peer Review/Quality Assurance Review (QAR) of TDHCA's Internal Audit Division pursuant to professional standards and Texas Government Code §2107.007, as arranged through the State Agency Internal Audit Forum QAR program.	<p>In Process - A draft report is expected to be released in October 2006 with a final report released in November 2006.</p> <p>Budget Variance - The inception of peer review was delayed until August 2006, which was a mutually acceptable time for the Internal Audit Division and the Peer Review Team.</p>
Internal Audit Director to Serve as non-voting Chair of the Central Database (CDB) Steering Committee	To serve as non-voting Chair of the Central Database (CDB) Steering Committee charged with steering and monitoring the development of the Department's Central Database.	<p>On-going - Pursuant to an amendment to the FY 2006 audit plan approved by the Department's Governing Board in June 2006, the Director of Internal Audit will no longer Chair the Central Database Steering Committee, which is considered a management function. However, the Internal Audit Division will continue to advise the Committee as the Committee fulfills its oversight responsibilities.</p>
To coordinate and assist external auditors.	To facilitate logistics, flow of information, management's consideration of audit issues, and management's responses.	<p>On-going - Minimal time spent on coordinating external auditors for the year. Time related primarily to coordination of KPMG and their Federal Single audit conducted in coordination with the State Auditor's Office.</p>
Tracking Status of Prior Audit Issues	To track the status of prior audit issues for management/board report purposes.	<p>On-going - Twenty-four new findings were issued during fiscal year 2006. Fourteen findings were reported as implemented or otherwise disposed of resulting in eighteen findings pending resolution at August 31, 2006.</p> <p>Supporting documentation received from management is reviewed for reasonableness as issues are reported as implemented. More extensive review is necessary in instances where sufficient documentation is not provided and in instances relating to controls over transactions or operations, i.e. A history of activity subject to an implemented control needs to be reviewed to ensure operating effectiveness of the control.</p> <p>Prior audit issues relating to current audit objectives are identified and followed-up on in connection with current audits.</p>

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
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FY 2006 AUDIT PLAN (Approved by the Board on 10/13/05)		STATUS & EXPLANATION FOR DEVIATIONS FROM PLAN (As of 8/31/06)
PROJECT	GENERAL OBJECTIVES	
To develop an annual audit plan for FY 2007.	To focus limited resources on high risk audit areas and to comply with the Texas Internal Auditing Act.	<p>In Process - The final FY 2007 audit plan will be proposed to the Department's Governing Board in the first calendar quarter of 2007.</p> <p>Budget Variance - Finalization of FY 2007 audit plan was delayed due to sufficient work planned for early FY 2007. Audit work will focus on the PMC Draw Process and PMC On-Site Monitoring Visits audits that rolled into the FY 2007 audit plan by amendment to the FY 2006 Audit Plan approved by the Governing Board in June 2006. Audit work will also be focused on completing the Energy Assistance – Monitoring and the Homeowners' Recovery Trust Fund audits that were in process at August 31, 2006, as discussed above.</p>
To prepare an annual internal audit report for FY 2006.	To facilitate oversight of the Internal Audit Division and to comply with Texas Internal Auditing Act.	<p>Pending – The FY 2006 Annual Internal Audit Report will be finalized and presented to the Department's Governing Board and submitted to appropriate oversight agencies in October 2006.</p> <p>Budget Variance – Preparation and completion of the annual internal audit report is not typically performed until after the applicable fiscal year end.</p>

Budget Variances

Completion of these audits has been delayed for a variety of reasons including the following:

- Approximately six months of audit staff time was budgeted but not available for audit. An entry-level auditor was hired three months later than budgeted. A senior auditor vacated the position in late May 2006, leaving the position vacant for the last three months of the year.
- Set-up and implementation time of an automated working paper application was not budgeted. Start-up costs, in staff hours, and time spent in determining best use of the software has been considerable.
- Aggressive budgets were set that the Division has not been able to achieve. Of the three staff members, one staff member has less than two year's work-related experience and another has less than one year's work-related experience.

II. External Quality Assurance Reviews

Current Review in Process – The Internal Audit Division is currently undergoing an external quality assurance review. A draft report is expected in October 2006 with the final report due November 2006.

Previous Reviews Completed

- The most recent quality assurance review (QAR) of the Department resulted in a report dated January 30, 2003, and was performed by Catherine A. Melvin, CIA, CPA, Director of Internal Audit, Texas Department of Protective and Regulatory Services, and Lesley C. Wade, CPA, Director of Internal Audit, Texas Department of Economic Development.

The following is an excerpt from the report's Executive Summary:

"Overall, the internal audit function fully complies with the Standards and the Act. Additionally, internal audit employs practices that are considered "best practices" by the internal audit community. These include involving management in the annual planning process, attending senior staff and administrative staff meetings, serving as a liaison with external auditors and reviewers, and providing consultative assistance to management in joint improvement projects and new process development. The results of the interviews and surveys conducted clearly show that the Internal Audit Division is highly regarded."

As indicated from the report excerpt above, the work of the Department's Internal Audit Division fully complies with the Institute of Internal Auditor's *Standards for the Professional Practice of Internal Auditing* and the Texas Internal Auditing Act. This is the highest out of three possible ratings (fully complies, partially complies, does not comply) which can be assigned.

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

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

Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1010.20	08/31/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Self-Help Centers (Internal Audit)	Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	<p>Assess On-site Monitoring Options - OCI relies upon the Office of Rural Community Affairs (ORCA) to conduct on-site monitoring visits. However, the Department has not contracted with ORCA to conduct on-site monitoring visits and the timing, nature and extent of ORCA's on-site monitoring visits may not be sufficient to reduce the risk of subrecipients' non-compliance or non-performance to a level acceptable to the Department.</p> <p>The Department should assess its options relating to on-site monitoring visits to fulfill its subrecipient monitoring responsibilities, including developing an on-site monitoring function internally, utilizing the Department's Portfolio Management and Compliance Division's existing monitoring function, or contracting with ORCA or other third party to conduct on-site monitoring on behalf of the Department. Regardless of the option pursued, the Department should clearly define the monitoring goals and objectives to be achieved and ensure that controls are in place and operating effectively to provide reasonable assurance that they are achieved and that subrecipients comply with laws, regulations and the provisions of contracts or grant agreements and that performance goals are achieved.</p>	In process of implementation.	<p>Protects against possible financial liabilities for questioned / unallowable costs.</p> <p>Helps ensure achieving program goals.</p>
1010.20	08/31/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Self-Help Centers (Internal Audit)	Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	<p>Enhance the Desk Review Process and Supporting Documentation - Standards for performance measurement and acceptable performance variances have not been defined for use and consideration in conducting desk reviews. Documentation of the reviews is inconsistent or non-existent.</p> <p>We recommend OCI develop formal policies and procedures for conducting desk reviews that include or refer to standards for performance measurement and acceptable/unacceptable performance by which the BFOs can assess subrecipient performance. The SOP should include documentation standards that require the BFOs to make record of desk reviews conducted and of the related results and conclusions. Documentation should be required in instances where it is necessary to contact the subrecipient to provide technical assistance or where corrective action is required. Any follow-up on unsatisfactory performance or on the status of required corrective actions should also be documented.</p>	In process of implementation.	Helps ensure achieving program goals.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1010.20	08/31/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Self-Help Centers (Internal Audit)	Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	<p>Formalize Strategies to Ensure Compliance with Federal Cost Principles - In instances, OCI accepted documentation as reasonable to support reimbursement of expenditures that does not necessarily ensure expenditures compliance with applicable Federal cost principles. Additionally, OCI does not have formal policies and procedures for processing draw requests and there is no evidence of a quality assurance review by someone other than the BFO approving the support for reimbursement.</p> <p>The Department should fully develop its on-site monitoring function to ensure that the monitoring activities, in the aggregate, provide reasonable assurance that subrecipients comply with Federal cost principles.</p> <p>We recommend the Department develop detailed minimum documentation standards required of the subrecipients in their submission of draw requests for reimbursement of expenditures.</p> <p>We also recommend that OCI develop formal policies and procedures for the processing of draw requests in accordance with the Department's Standard Operating Procedure 1100.01, Standard Operating Procedure (SOP) System. The SOP should include or refer to a checklist or other tool designed to ensure compliance with the Federal cost principles and completeness of processing draw requests, as well as quality control procedures sufficient to provide reasonable assurance that staff is processing draw requests accurately and as intended by management.</p>	In process of implementation.	<p>Protects against possible financial liabilities for questioned / unallowable costs.</p> <p>Helps ensure achieving program goals.</p>

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1010.20	08/31/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Self-Help Centers (Internal Audit)	Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	<p>Enhance Information Systems and Performance Management - Although the Border Field Officers (BFOs) state that they receive and review quarterly reports that provide financial and performance information relevant to achieving specific contract goals and objectives at the contract activity level, these reports are not received and analyzed for specific projects at the detailed project activity level. Additionally, the financial and performance information reviewed by the BFOs is not summarized in a manner and timeframe that will allow management to assess overall success in achieving the program's goals and objectives. While financial information is summarized on a quarterly basis for reporting to the Office of Rural Community Affairs (ORCA), the related performance information is summarized and reported to ORCA only upon completion of the contracts.</p> <p>We recommend the Office of Colonia Initiatives (OCI) require subrecipients to submit financial and performance information at a detailed project activity level in addition to the summarized contract activity level. We recommend that BFOs continue to analyze the information and assess whether the achievement of contract performance statements is progressing at an acceptable level. We also recommend staff routinely compile the information from each contract in a single information system and report the information in a manner and timeframe that will allow management and others responsible for oversight to assess the overall success in achieving the program's goals and objectives.</p>	In process of implementation.	Helps ensure achieving program goals.
1010.10	06/02/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Contract For Deed (Internal Audit)	Consideration of the OCI Contract for Deed program's draw processing and subrecipient monitoring functions from January 1, 2005 to June 2, 2006	<p>Define Roles and Responsibilities for Processing Draw Request - Roles and responsibilities of OCI staff relating to processing Contract for Deed draw requests have not been formally defined. Access rights have not been established in the Department's Contract System to allow for authorization and subsequent processing of draw requests. We also noted that formal policies and procedures for processing draw requests have not been developed.</p> <p>We recommend management clearly define the roles and responsibilities of the OCI staff for processing draw requests. Minimally, roles and responsibilities should formally define the staff positions responsible for reviewing and approving draw requests for payment. Also, based on formal roles and responsibilities, establish the authorization role for approving draw requests in the Department's contract system.</p>	In process of implementation.	Promotes safeguarding of assets, achieving program goals including program compliance and effectiveness of draw processing.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Internal Audit Annual Report for Fiscal Year 2006

Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1010.10	06/02/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Contract For Deed (Internal Audit)	Consideration of the OCI Contract for Deed program's draw processing and subrecipient monitoring functions from January 1, 2005 to June 2, 2006	<p>Develop and Implement an Effective Monitoring Function - Weaknesses noted in the monitoring function include (1) goals and objectives of the monitoring function have not been clearly defined, (2) monitoring strategies with formal policies and procedures have not been developed, (3) responsibilities for the monitoring function have not been clearly assigned, and (4) informal plans seem to indicate staff responsible for grant management and technical assistance will be responsible for monitoring.</p> <p>Management should define their monitoring objectives and goals. Monitoring strategies, supported by formal policies and procedures, should be developed to ensure the monitoring objectives and goals are achieved.</p> <p>Management should develop ongoing monitoring activities such as reviewing budget, expenditure and performance reports to ensure reasonableness and timeliness of funds expended within the contract period and achievement of contract performance statements, reviewing draw requests and supporting documentation for reasonableness and allowability of expenditures, and obtaining proper documentation to protect the Department's financial interests.</p> <p>We recommend separate, risk-based, site-specific inspections be conducted to ensure housing financed by the Department is safe and meets minimum standards established by program rules and contract terms.</p> <p>Reporting standards should be established to ensure the results of monitoring and evaluation activities are properly reported to appropriate individuals who are in position to take corrective action and can be held accountable for acceptable performance. Documentation standards to support monitoring activities conducted should be established. We recommend standardized monitoring tools and checklists.</p> <p>Monitoring responsibilities should be clearly defined. We recommend staff separate from the grant management and technical assistance functions be assigned responsibilities for the monitoring function. The Department should consider transferring program monitoring responsibilities to PMC's existing program monitoring function for HOME funds in order to allow for adequate separation of the program monitoring function from the grant management and technical assistance functions and to capitalize on existing systems of controls.</p>	In process of implementation.	Promotes safeguarding of assets, achieving program goals including program compliance and the efficiency and effectiveness of the subrecipient monitoring function.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1010.10	06/02/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Contract For Deed (Internal Audit)	Consideration of the OCI Contract for Deed program's draw processing and subrecipient monitoring functions from January 1, 2005 to June 2, 2006	<p>Develop Standard Operating Procedures - OCI has not fully developed standardized operating procedures for processing draw requests or conducting subrecipient monitoring. OCI states they will utilize PMC's policies and procedures for the CFD Program. However, these standards have not been critically evaluated to assess whether they will achieve OCI's objectives and goals or address differences between the divisions and/or limitations OCI may face such as staff resources, capacity of the contract administrators serving the colonias, or other risks unique to the operations of OCI or its subrecipients.</p> <p>Management should critically evaluate and amend or supplement where necessary PMC's policies and procedures it intends to use for processing draw requests and conducting monitoring activities to assess whether they are sufficient considering OCI's objectives, goals, resources, and the capacity of the contract administrators serving the colonias. The policies and procedures should sufficiently detail tasks to be performed for the draw requests and monitoring processes to ensure stated goals, objectives and strategies are achieved and appropriate oversight of the Department's CFD subrecipients and contractors.</p> <p>While PMC's policies and procedures may suffice for OCI in many respects, we recommend OCI comply with standards established by the Department for developing standard operating procedures (SOP 1100.01). We also noted there are prior audit issues that, while PMC management reports they have been cleared, the corrective actions may not have been incorporated in the policies and procedures and have not been verified as properly implemented by a party independent of management. Accordingly, we recommend OCI management ensure the policies and procedures adequately address the prior audit issues previously reported as audit or monitoring exceptions.</p>	In process of implementation.	Enhances effectiveness and efficiency of the subrecipient monitoring function.

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1010.10	06/02/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Contract For Deed (Internal Audit)	Consideration of the OCI Contract for Deed program's draw processing and subrecipient monitoring functions from January 1, 2005 to June 2, 2006	<p>Establish and Implement Management Information Reports to Evaluate Ongoing Performance of Subrecipients - OCI has not utilized the Department's contract system to capture performance and monitoring related information to adequately assess the expenditure rates of funds, achievements of contracted performance targets, and the status of monitoring reviews such as deficiencies noted, follow-up reviews made, and whether or not deficiencies have been resolved or corrective actions have been taken.</p> <p>We recommend OCI develop processes that are supported by formalized policies and procedures to identify and capture relevant monitoring information in a form and time frame that will allow staff to effectively and efficiently carry out their monitoring and ongoing oversight responsibilities. We also recommend OCI work with the Information Systems Division to develop reports to facilitate its monitoring and management responsibilities. The reports should summarize and organize sufficient information to assess the performance of subrecipients, plan monitoring activities, and track the results of the monitoring processes.</p>	In process of implementation.	Promotes reliable information for decision-making purposes, achieving management and program's objectives, including program compliance, and the efficiency and effectiveness of the subrecipient monitoring function.
1010.10	06/02/06	Office of Colonia Initiatives Draw Processing and Subrecipient Monitoring Function for Contract For Deed (Internal Audit)	Consideration of the OCI Contract for Deed program's draw processing and subrecipient monitoring functions from January 1, 2005 to June 2, 2006	<p>Ensure Compliance - The following compliance exceptions were noted during the course of our review:</p> <ul style="list-style-type: none"> • OCI is not meeting the 400 CFD conversions per biennium required by General Appropriations Act riders. • OCI is not implementing the guaranteed Contract for Deed Conversion Program required by Tex. Gov. Code Ann. § 2306.255. • The CACST contract # 530021 has been servicing the contract for deeds that had been converted to first lien notes and warranty deeds rather than sending payments to the Department for servicing. Additionally, mortgage liens are in the name of CACST rather than the Department. While contract terms reserves the Department's right to permit the Administrator to retain interest or return on investment of HOME funds for additional eligible activities by the Administrator, there was not documentation in the files to support the Department granting this right to the Administrator. <p>We recommend the Department develop strategies to address each of these compliance issues.</p>	In process of implementation.	Promotes safeguarding of State's assets and compliance.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
M05-SG480100	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	To review the state's affordable housing program.	<p>Finding No. 1 - There are no written agreements between the homebuyers, homeowners and tenants, and the state's sub recipients for the Owner-Occupied Rehabilitation/Reconstruction (OCC), First-Time Homebuyers (FTHB), and the Tenant-Based Rental Assistance (TBRA) projects.</p> <p>The State must develop a written agreement specific to each type of funding activity that includes the requirements outlined in Section 92.504 (c)(5). The agreement must be executed between the state recipient or subrecipient and their direct HOME-assisted applicants. HUD strongly recommends that the agreements provide the state with recourse in the event of noncompliance. The state also must develop and implement procedures to ensure that the state recipients or subrecipients and the applicants execute the agreements prior to the commitment of any HOME funds. The agreements and procedures must be submitted to HUD for review and approval.</p>	In process of implementation.	Promotes safeguarding state resources, program compliance and recipients' compliance.
M05-SG480100	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	To review the state's affordable housing program.	<p>Finding No. 2 - The calculation for the amount of TBRA assistance provided to Virginia Lawhon was incorrect resulting in an over-subsidy of rental assistance.</p> <p>The state, through the Community Action Agency (CAA), must recalculate the amount of rental assistance that should have been received since the inception of the provision of this assistance. In its response, the state must advise of the total amount of the overpayments, indicate the method to be used and timeframe to recapture the overpayments and what source of funds the CAA will use to make up the full rental assistance payment due to her landlord. While rent may be increased to recapture these overpayments, the state is reminded that the tenant must be provided with a minimum 30 day notice before her rent can be increased.</p>	Implemented.	Promotes program funds being properly expended.
M05-SG480100	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	To review the state's affordable housing program.	<p>Finding No.3 - The state recipient did not ensure that all subcontractors including, if applicable, all lower-tier subcontractors, were not on HUD's debarred or suspended list.</p> <p>The state must advise all state recipients, subrecipients and CHDOs that they must clear all contractors and subcontractors used on all active contracts against the GSA [General Services Administration] list of debarred, suspended, or ineligible contractors and document their files accordingly. If any contractor or subcontractor is on this list, the state must contact this office to discuss a corrective action. In addition, the state must provide its written assurance that in the future, all contractors and subcontractors including any lower-tier contractors and subcontractors will be cleared.</p>	Implemented.	Promotes quality contractors and compliance with debarment rules and regulations.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
M05-SG480100	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	To review the state's affordable housing program.	<p>Finding No. 4 - There is no documentation in the files that FHA [Federal Housing Administration] foreclosed properties were in full compliance with the state's property standards prior to closing.</p> <p>The state must obtain documentation that clearly establishes that these properties were in full compliance with the state's property standards prior to loan closing. If this cannot be done, the state must take one of the following actions:</p> <p>A. Reinspect the properties and complete any work required to bring the units into compliance with the state's Texas Minimum Construction Standards (TMCS), or</p> <p>B. Reimburse its local HOME Trust Account for the full amount of the subsidy provided for the purchase of these units, from non-federal funds. The state may, at its option, require reimbursement from its subrecipient.</p> <p>In its response, the state must either (a) provide documentation acceptable to HUD that these properties were in compliance at the time of closing, or (b) submit documentation (including the source of the funds used) in accordance with A or B above. If the state has reimbursed its local HOME Trust Account, its response must include documentation that the reimbursement has been made.</p>	In process of implementation.	Promotes acceptable housing and ensures foreclosed properties acquired with program funds are in compliance with state's property standards prior to closing.
M05-SG480100	05/10/06	Technical Assistance and Monitoring Visit Home Program M05-SG480100	To review the state's affordable housing program.	<p>Finding No. 5 - The CHDO has not developed and provided the state with its formal written process to allow for low-income program beneficiaries to advise the CHDO regarding the decisions and actions of the organization.</p> <p>The state must begin working with this CHDO and all other CHDOs to develop a formal written process for low-income beneficiaries to advise it of any concerns, issues or questions that they may have.</p> <p>The state should determine if it wants all CHDOs to use the same process or if it wants to allow each organization to develop its own formal written process in conjunction with the state's requirements. If the latter option is selected, the state must review and approve each process, in writing, for each CHDO.</p>	In process of implementation.	Promotes user input and program compliance.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
N/A	02/21/06	Compliance with Requirements & IC over Compliance (A-133)	Statewide Federal Single Audit for FYE August 31, 2005 (SAO contract with KPMG)	<p>Reference No. 06-17 Allowable Costs/Cost Principles Type of finding - Reportable Condition Control and Non-Compliance</p> <p>The Department noted five employees who have both general administrative duties and specific HOME program related duties. Estimates of their time allocations were used for budgeting purposes and to charge the HOME program. Furthermore, for these five employees, there was no time and effort reporting performed. Therefore, budget amounts could not be adjusted to actual efforts incurred. The total amount of salary and benefit costs allocated to the program for these five employees were questioned. Question Cost: \$217,026.</p> <p>The Department should require employees who charge directly to a specific program to submit support for the time allocated to the specific program via the Department's time and effort system.</p>	Implemented – A majority of the costs were justified and the balance was reimbursed.	Promotes appropriate use of funds and compliance.
N/A	02/21/06	Compliance with Requirements & IC over Compliance (A-133)	Statewide Federal Single Audit for FYE August 31, 2005 (SAO contract with KPMG)	<p>Reference No. 06-18 Reporting</p> <p>For 2 of 40 reports tested, (1) a social security number for a dependent in the household was entered incorrectly into the Form HUD-50058 and (2) the tenants' live-in-aide was incorrectly included as a resident within the Form HUD-50058, resulting in incorrect data being reported to HUD.</p> <p>The Department should be cognizant of the importance of reporting accurate information to HUD and should be consistent in ensuring that all information presented in the form HUD-50058 is adequately supported with documentation contained within the tenant's file.</p>	Implemented	Promotes compliance and adequate information for reporting and monitoring purposes.
N/A	02/21/06	Compliance with Requirements & IC over Compliance (A-133)	Statewide Federal Single Audit for FYE August 31, 2005 (SAO contract with KPMG)	<p>Reference No. 06-19 Special Tests and Provisions - Utility Allowance Schedule Type of finding - Material Weakness Control and Scope Limitation</p> <p>Updating the Utility Allowance Schedules as of August 31, 2005 was 4.5 months over the annual review requirement and therefore not current. The aggregate amount of the revised utility amounts that were determined by the Department from the outdated Utility Allowance Schedules for the 4.5 months was \$668,918. Question Cost: \$668,918.</p> <p>The Department should review each utility category each year and must adjust its utility allowance schedule if there has been a rate change of 10 percent or more for a utility category or fuel type.</p>	Implemented – The Questioned Costs were allowed.	Promotes appropriate use of funds and compliance.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
N/A	02/21/06	Compliance with Requirements & IC over Compliance (A-133)	Statewide Federal Single Audit for FYE August 31, 2005 (SAO contract with KPMG)	<p>Reference No. 06-20 Allowable Costs/Cost Principles</p> <p>30 allowable cost transactions were reviewed and no compliance issues were noted. The following items were noted:</p> <p>(1) The Section 8 Regional Coordinators had access to the CAS8 menu in Genesis allowing them the capabilities to setup payment information. This access was removed June 10, 2005. (2) Within the accounting department, one employee had two user accounts to enter accounts payable vouchers (an employee who had changed their last name and been issued a new access ID). The prior access ID was disabled on August 24, 2005. Additionally, two programmer accounts had access to the production environment. One of the accounts setup to provide assignment on programming changes was disabled on August 24, 2005. The other account setup to perform system administrative functions is still used for that purpose and for promoting program changes. (3) The Department implemented software development procedures during fiscal year 2005. During the year, there was one change to user parameters which involved coding changes. This change was not formally documented as in accordance with the software development procedures as implemented by the Department.</p> <p>The Department should:</p> <ul style="list-style-type: none"> ➤ Limit access to setup payment information to Section 8 Project Managers who do not have the responsibility for approving vouchers for payment. Management should periodically review access to systems for appropriateness. ➤ Disable inappropriate access. Management should consider implementing a monitoring process to ensure program changes developed and implemented are reviewed for appropriateness and compliance with software development procedures. ➤ Follow software development procedures for all changes and formally document the completion of those procedures. 	Implemented	Enhances internal control regarding safeguarding assets and reliability of information.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Disseminate Results of Single Audit Report Reviews - Audit findings are not forwarded to and considered by staff responsible for performing risk assessments of subrecipients for the purposes of identifying high risk subrecipients that warrant greater monitoring attention or an on-site field monitoring. Also noted was that the Department, when acting as the Coordinating Agency under UGMS, does not distribute the management decision letter to other affected state awarding agencies.</p> <p>We recommend that the results of the review of subrecipient single audits be forwarded to and considered by staff responsible for assessing subrecipient risks for monitoring planning purposes. We also recommend that PMC establish procedures to ensure that decision letters are properly distributed to other state awarding agencies of a subrecipient when the Department is designated as the State Coordinating Agency.</p>	Implemented	Enhances the risk assessment process for subrecipient monitoring planning purposes and control for decision making.
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Appropriate and Timely Corrective Action - PMC relies on the independent certified public accountant that performs the subsequent year's single audit to follow-up and verify that corrective actions have been taken on audit findings noted in a subrecipient's single audit report. However, follow-up verification normally does not occur until the subsequent year's audit, which could be well in excess of a year since the audits are not due to the Department until 30 days after they are released or nine months after a subrecipient's fiscal year end.</p> <p>There may be audit findings of such significance that warrant more immediate attention. PMC has not established formal policies to address circumstances when a significant audit finding may warrant more immediate attention. Additionally, the results of single audits are not considered in the PMC risk assessment process used to schedule field monitoring visits. These visits may be warranted to verify a corrective action has been taken.</p> <p>We recommend that PMC establish formal policies to address audit findings or circumstances that may warrant immediate attention. Minimally, these audit findings or circumstances should affect the risk assessment process, which should be used to schedule a field monitoring visit.</p>	Implemented	Enhances the risk assessment process for subrecipient monitoring planning purposes and control for decision making.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Timely Management Decisions - Twenty-three single audit files were selected for audit tests. Eight of the files included findings which require that the Department issue a management decision within six months of the receipt of the single audit file. Three of the eight management decision letters were not issued within the six month time period. Two of the three letters were issued less than one month late. The third letter was issued almost two months late.</p> <p>We recommend that PMC issue all decision letters to subrecipients within six months of receipt of their audit reports in instances where there are audit findings that relate to the awards the Department made to the subrecipients. Include in the decision letters whether the audit finding is sustained; the reasons for the decision; expected auditee action to repay disallowed costs, if any; make financial adjustments, if warranted; or other actions that the Department expects the subrecipient to take, including providing necessary information to finalize the single audit review. We also recommend that PMC maintain a log of contacts with each subrecipient relating to processing a single audit documenting information requested, decisions or agreements made, attempted contacts or telephone calls and other relevant communications.</p>	Implemented	Helps ensure timely corrective actions are taken and enhances effectiveness of the review function.
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Quality Control Procedures - PMC uses checklists to ensure completeness of its single audit reviews. The checklists thoroughly address the requirements of a single audit review and includes a signature block for review by someone other than the preparer to ensure that they are properly completed. However, of the 23 files selected for testing, 9 of the checklists were not signed by the reviewer. Additionally, one file did not include a checklist and another file could not be located. It was also noted that 12 of the 20 checklists signed by the reviewer were incomplete.</p> <p>We recommend that PMC continue to use its quality control procedures to ensure completeness. We also recommend that management emphasize the importance of the checklists, that the checklists are reviewed by someone other than the preparer, and that the review be complete. We also recommend that management periodically select a sample of files for review to ensure that the quality control procedures are being applied as intended.</p>	Implemented	Enhances effectiveness of reviewing functions and internal control. Ensures management's objectives are achieved.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Opportunities for Efficiencies - Several opportunities for efficiencies were noted: (1) PMC reviews all single audit reports received. The Department is only required to review single audit reports that include findings that relate to awards it makes to subrecipients. The Department, when designated as the State Coordinating Agency, is also responsible for conducting desk reviews of state single audit reports and providing the results to other state awarding agencies. Of 23 single audit files selected for testing, eight included findings requiring a review by the Department. The Department was the State Coordinating agency for one of the eight files and for another three files, which total 11 of the 23 files that the Department was required to review. Accordingly, 12 of 23 files reviewed by PMC were not necessary for purposes of ensuring compliance with the single audit requirements. (2) As a State Coordinating Agency, the Department is required to coordinate management decisions for only those audit findings that affect the state programs of more than one agency. (3) PMC uses an extended single audit checklist, which has over 110 different considerations, in instances where the single audit report has findings directly related to an award made by the Department and in instances where the Department is serving as the State Coordinating Agency. The great majority of these considerations relate to the quality of the audit report and whether it was prepared in accordance with applicable requirements and standards. A review of this nature is not required by the Department.</p> <p>We recommend that PMC review only those single audits and issue decision letters only in those instances where there are findings that relate to Federal awards it makes to subrecipients, as required by OMB A-133. When designated as the State Coordinating Agency, we recommend that the desk reviews be limited to that required by UGMS.</p> <p>As a State Coordinating Agency, we recommend that the Department coordinate management decisions for only those audit findings that affect the state programs of more than one agency.</p> <p>We recommend that the Department rely upon external quality assurance reviews that independent CPAs are required to have at least every three years, as required by Government Auditing Standards issued by U.S. Government Accountability Office, to ensure quality of the single audit reports. We also recommend that the extended checklist be reviewed and reduced to the minimum necessary to comply with the applicable A-133 and UGMS requirements.</p>	Implemented	Enhances effectiveness and efficiency of program. Ensures management's objectives are achieved.

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Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope	Observations/Findings and Recommendations	Current Status	Fiscal / Other Impact
1003.2	09/23/05	PMC - Subrecipient Monitoring - Single Audit	To ensure PMC's single audit review process provides reasonable assurance that a complete population of single audits are reviewed in compliance with state and federal regulations.	<p>Management Information System - PMC does not have a management information system that accumulates and provides necessary information to effectively and efficiently fulfill its single audit responsibilities. The population of subrecipients considered for single audit processing is derived from two different program systems. Without a single integrated information system for processing single audits, single audit staff have considerable difficulty accumulating basic information in a single location to enable them to fulfill effectively their job responsibilities.</p> <p>We recommend that single audit staff identify what information is needed for them to effectively perform their job duties, including information needs of other operational staff such as production staff responsible for awards, risk assessment staff, and program monitors, and other levels of staff within the Department such as management and executive. We recommend that staff work with the Information Systems Division to identify a solution to ensure the information needs are effectively and efficiently satisfied.</p>	In process of implementation.	Enhances effectiveness and efficiency of program. Ensures management's objectives are achieved.

Other Audits and Reviews that had positive results, with no audit findings, include the following:

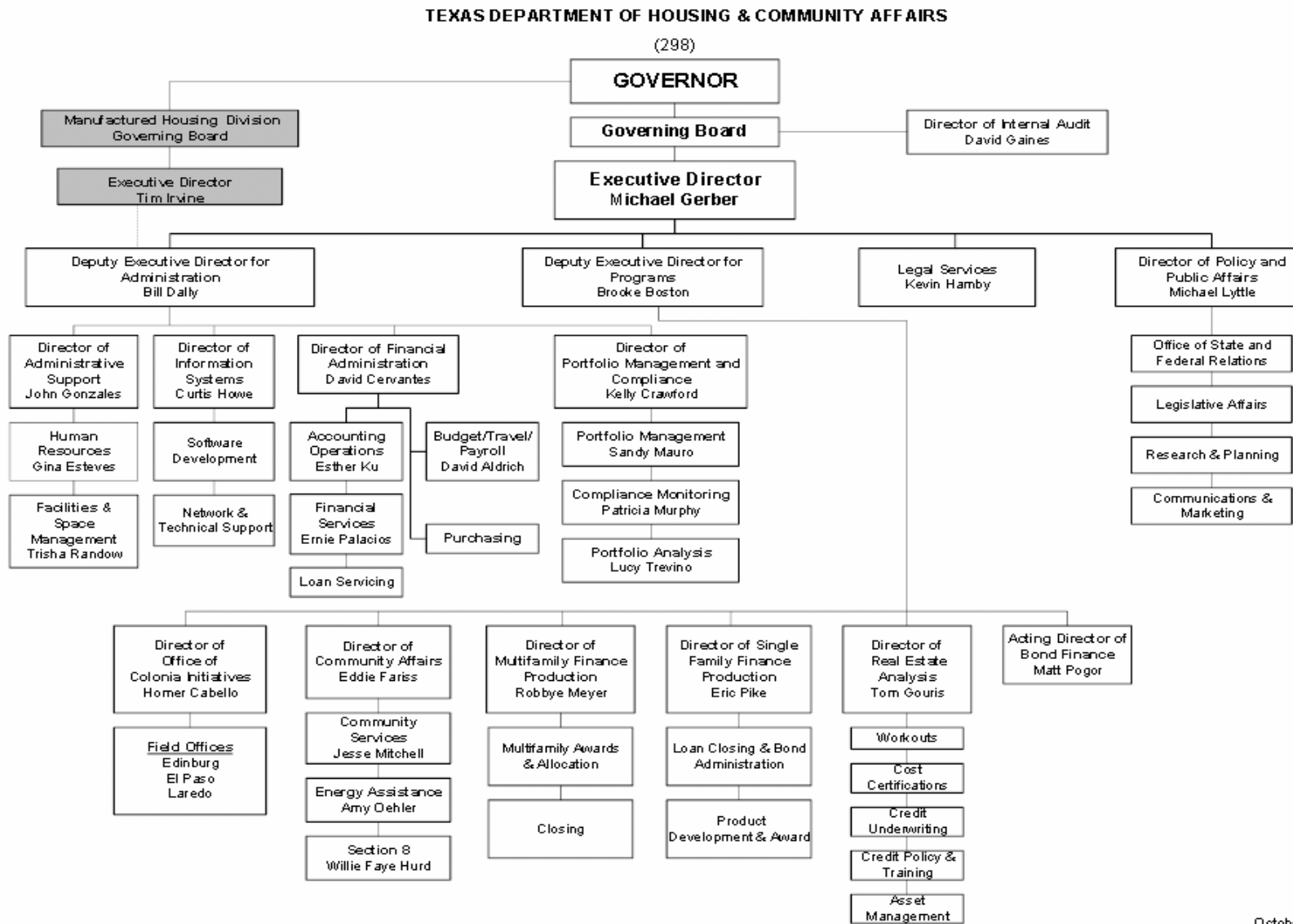
Rpt. No.	Rpt. Date	Name of Report	Audit Objective(s) / Scope
N/A	12/19/05	Revenue Bond Enterprise Fund Financial Statements for Year Ended 8/31/05	Annual independent audit of the Revenue Bond Enterprise Fund
N/A	12/19/05	Computation of Unencumbered Fund Balances 8/31/05	Annual independent audit of computation of unencumbered fund balances of the Department's Housing Finance Division.
N/A	12/19/05	Basic Financial Statements for the Year Ended 8/31/05	Annual independent audit of the Department's general purpose financial statements.

**IV. List of Consulting Engagements and Non-audit Services Completed
Showing High-Level Objectives, Observations/Results,
Recommendations and Status**

The Internal Audit Division did not have any projects that it classified as Consulting Engagements or Non-audit Services as defined by generally accepted government auditing standards (GAGAS).

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V. Organizational Chart



Note: TDHCA has an audit committee.

October 4, 2006

VI. Report on Other Internal Audit Activities

Activity	Impact
<p>Executive Order RP 36 - Facilitated the Department's Risk Management Program</p>	<p>The Internal Audit Division provided expertise, knowledge, experience and objective, independent input into the Department's Risk Management Program.</p> <p>The Internal Audit Division worked with the Department's Enterprise Risk Management Team, a steering/oversight team of senior management appointed by the Executive Director, to prepare and submit a self-evaluation report on the Department's risk management activities to the State Office of Risk Management to ensure compliance with Executive Order RP 36, dated July 2004, relating to preventing detecting, and eliminating fraud, waste and abuse.</p>
<p><u>Participated on External Auditor Selection Team</u> - The Director of Internal Audit participated on a team designed to identify and select the Department's external auditors for proposal to, and consideration by, the Department's Governing Board. Activities related to assisting in developing the scoring criteria, scoring and evaluating requests for proposals, and working with other team members to identify the external auditors to propose to the Department's Governing Board.</p>	<p>Helped ensure the selection of the most appropriate external auditors, based on the Department's needs, to conduct the Department's annual financial opinion audits and to provide other audit services to the Department.</p>
<p><u>Maintained Prior Audit Issue Tracking System</u> - The Division maintains the Department's Prior Audit Issue Tracking System that tracks prior internal and external audit findings, management's responses, corrective actions taken by management and the implementation status of unresolved audit findings. Extracts from the System are periodically provided to the Department's management and Governing Board and, as requested, the Department's external auditors, the State Auditor's Office and other oversight agencies.</p>	<p>Allows the Department's management, Governing Board, oversight agencies and other interested parties to readily assess the status of prior audit issues and corrective actions taken to resolve the issues. Promotes accountability for the status of corrective actions taken. Facilitates internal and external audit planning.</p>
<p><u>Coordinated External Auditors</u> - The Internal Audit Division served as liaison and/or helped coordinate between the Department and KPMG, CPAs, in their Statewide Federal Single Audit for fiscal year end August 31, 2005 and August 31, 2006.</p>	<p>Facilitated the audit process:</p> <ul style="list-style-type: none"> • Ensured facility and audit information needs were satisfied. • Monitored progress of the audit by attending the entrance conference, status meetings and exit conferences. • Helped ensure accuracy of audit findings and recommendations and adequacy of management's responses. <p>The Internal Audit Division's awareness of the Department's operating, financial and compliance considerations was enhanced.</p>

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Activity	Impact
<p><u>Participated in Professional Organizations</u> - Professional staff are encouraged to be members of, and actively involved in, professional organizations. Professional staff memberships include the following professional organizations:</p> <ul style="list-style-type: none"> ▪ Institute of Internal Auditors ▪ Information Systems Audit Control Association ▪ State Society of Certified Public Accountants <p>The Director of the Internal Audit Division was actively involved in the Information Systems Audit Control Association (ISACA). His term as a Board Member of the Austin ISACA Chapter as Past President for the second consecutive year ended May 2006.</p> <p>All staff members are actively involved in the local chapter of the Institute of Internal Auditors.</p>	<p>Enhanced expertise in audit and audit related matters. Promoted the internal audit staff's professionalism, knowledge, skills and abilities. Provided opportunities to obtain required continuing education credits at reasonable prices.</p>

VII. Internal Audit Plan for Fiscal Year 2007

The Internal Audit Plan for fiscal year 2007 will be submitted to the Governing Board in the first calendar quarter 2007. The Internal Audit Division will be completing two audits rolled over into fiscal year 2007 pursuant to amendments to the fiscal year 2006 audit plan approved by the Department's governing board as well as two other audits not complete as of August 31, 2006, during the interim.

VIII. External Audit Services Procured in Fiscal Year 2006

External audit services procured during fiscal year 2006 were limited to a contract with Deloitte and Touche, LLP, to conduct opinion audits of the Department's annual basic financial statements, Revenue Bond Enterprise Fund, and computation of unencumbered fund balances of the Department's Housing Finance Division. These audits are required by Chapter 2306, Texas Government Code, Sections 2306.074 and 2306.204.

Internal Audit Division
BOARD ACTION REQUEST
October 12, 2006

Action Items

Presentation of Status of Internal/External Audit

Required Action

Review the Status of Internal/External Audits

Background

The Status of Internal/External Audits provides an overview of the current status of internal audits/activities and external audits currently in progress or recently completed.

An external quality assurance review of TDHCA's internal audit function required by professional standards is currently in progress. A final report is expected in November 2006.

Progress has been delayed on the internal audits of Portfolio Management and Compliance Division's on-site monitoring and draw processing functions until completion of two audits carried over from fiscal year 2006. The expected completion date of PMC audits has been delayed until the first calendar quarter of 2007.

Expected completion dates of internal audits on the Manufactured Housing Division's Homeowners Recovery Trust Fund and TDHCA's Energy Assistance monitoring function are November and December 2006, respectively. The scope of the audit on the Energy Assistance monitoring function is being focused on the Weatherization Energy Assistance Program.

The Internal Audit Division is in the process of posting and hiring a senior level auditor.

Deloitte and Touche, TDHCA's external auditors, expect to complete their opinion audits and related reports of the Department's consolidated financial statements and the Revenue Bond Enterprise Fund financial statements for fiscal year end August 31, 2006, in December 2006.

KPMG, in contract with the Texas State Auditor's Office, expect to complete their Federal single audit work of the Community Services Block Grant and of the HOME Investment Partnership Program for fiscal year end August 31, 2006, in February 2007. The Federal portion of the Statewide Federal Single Audit is expected to be reported in March 2007.

Recommendation

No action is required.

Texas Department of Housing and Community Affairs

Status of Internal/External Audits

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS/ISSUES OF INTERNAL/EXTERNAL AUDITS
October 3, 2006

Internal Audits/Activities	Scope/Description	Stage	Comments
Subrecipient Monitoring	<p>Subrecipient Monitoring Processes - To determine whether adequate monitoring policies and procedures are in place to provide reasonable assurance that the Department's subrecipients comply with applicable Federal regulations, program rules and contract terms by conducting the following subrecipient monitoring internal audits:</p>		
	<ul style="list-style-type: none"> • Office of Colonia Initiatives - Draw Process 	Complete	The planning of these audits resulted in two audits; an audit of the subrecipient monitoring and draw processing functions for OCI's Contract for Deed program and a similar audit for OCI's Self-Help Center Program. The CFD audit was released and reported to the Department's Governing Board in June 2006. The SHC audit was released in August 2006 to be reported to the Governing Board in October 2006.
	<ul style="list-style-type: none"> • Office of Colonia Initiatives - Contract Oversight and Management 	Complete	
	<ul style="list-style-type: none"> • Energy Assistance - Monitoring 	Fieldwork	Reporting planned for December 2006.
	<ul style="list-style-type: none"> • PMC - On-site Monitoring Visits • PMC - Draw Process 	Fieldwork	Estimated completion planned for first <u>calendar</u> quarter 2007.
Homeowners' Recovery Trust Fund	To determine whether the Manufactured Housing Division administers the Homeowners' Recovery Trust Fund (HORTF) in accordance with applicable laws and regulations.	Reporting	Reporting planned for November 2006.
Quality Assurance Review	To have a Peer Review/Quality Assurance Review (QAR) of TDHCA's Internal Audit Division pursuant to professional standards and Texas Government Code §2107.007, as arranged through the State Agency Internal Audit Forum QAR program.	Planning/ Fieldwork	Planned report release date November 2006.
Coordinate External Auditors	To coordinate and assist external auditors.	Periodic	KPMG and Deloitte to finalize audits. See status below.
Tracking Status of Prior Audit Issues	To track the status of prior audit issues for management/board report purposes.	Ongoing	IA tracks and reports the status of prior audit issues to Management and the Department's Governing Board on an ongoing basis. Nine unresolved prior audit issues will be reported to the Board in October 2006.
FY 2007 Annual Audit Plan	To develop an annual audit plan for FY 2007 pursuant to the Texas Internal Auditing Act.	Planning	Audit plan to be proposed to the Governing Board in first calendar quarter 2007.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS/ISSUES OF INTERNAL/EXTERNAL AUDITS
October 3, 2006

Internal Audits/Activities	Scope/Description	Stage	Comments
Internal Audit Staffing	Senior level auditor position posting and hiring in progress.	Planning	Job posting in progress. New hire expected by January 1, 2007.

External Audits	Scope	Stage	Comments
Deloitte and Touche	Annual Opinion Audits: <ul style="list-style-type: none"> • Consolidated Financial Statements for the FYE August 31, 2006 • Revenue Bond Enterprise Fund for the FYE August 31, 2006 	Fieldwork	Final fieldwork planned for Fall 2006 with final reports planned for December 2006.
KPMG	Statewide Federal Single Audit for FYE August 31, 2006 (SAO contract with KPMG)	Fieldwork	Final Fieldwork planned for Fall 2006 with final report planned for February 2007.

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

Presentation, discussion and possible approval of requests for amendments to HOME Investment Partnerships Program (HOME) contracts involving modifications that significantly decrease the benefits to be received by the Department.

Requested Action

Approve or deny the requests for amendments.

Background

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) state that 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.

Val Verde County Contract Number 1000156

Summary of Request

Val Verde County (County) previously requested an amendment to extend the contract end date as a result of delays with the procurement process and slow construction progress. The contract start date was September 1, 2003; the first amendment was executed on November 22, 2005 extending the end date of the contract for nine (9) months, from August 30, 2005 to May 30, 2006.

The County is requesting a second amendment to further extend the end date of their contract from May 30, 2006 to March 31, 2007. The number of assisted households will be reduced from ten (10) to six (6), or a reduction of forty percent (40%). The reduction in the number of units will result in deobligated funds of \$208,000.

	Original	Requested	Change	Percent Reduction
Households	10	6	(4)	40.0%
Budget	\$520,000	\$312,000	(\$208,000)	40.0%

Three (3) homes have already been completed. The City states that a ten (10) month extension is necessary to complete reconstruction on the three (3) remaining homes. The status of these homes is listed below:

Activity Number	Demolition Date	Status	Comment
23144	December 2005	Foundation complete	
23145	Partially demolished	Construction not started	Home no longer habitable
23146	Not yet demolished	Foundation complete	Construction started on same lot

Amendment Number: 2
Activity Type: Owner Occupied Reconstruction (OCC)
Contract Executor: Mayor Mike L. Fernandez
Contract Consultant: SMi Consulting
Contract Start Date: September 1, 2003
Contract End Date: May 30, 2006
Requested End Date: March 31, 2007
Service Area: Val Verde County
Total Budget Amount: \$520,000
Project Amount: \$500,000
Administration Amount: \$20,000
Households Required: 10
Households Assisted: 6
Amount Drawn: \$160,245

Requested Action

The Department has denied the second amendment request. At the time of the first extension for nine (9) months, the County assured the Department that the contract would be completed by the amended contract end date. To date, thirty seven (37) months since the contract start date, the County has only expended thirty one percent (31%) of the contract funds.

If the board chooses to approve the amendment, the required beneficiaries would be reduced from ten (10) to six (6), the contract end date would be extended from May 30, 2006 to March 31, 2007, and the contract amount would be reduced to \$312,000. The approval of this amendment would require the County to meet the following requirements:

- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

Town of Anthony Contract Number 1000298

Summary of Request

The Town of Anthony (City) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The City states that delays in contract administration were experienced due to restrictive income requirements. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Mayor Art Franco
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Urban/Exurban area of Anthony, El Paso County
Total Budget Amount:	\$187,546
Project Amount:	\$180,333
Administration Amount:	\$7,213
Households Required:	4
Households Projected:	4
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Pearsall Contract Number 1000299

Summary of Request

The City of Pearsall (City) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The City states that delays in contract administration were experienced due to problems with selection of applicants, verification of eligibility, differences among committee members and lack of interest by local contractors. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Mayor George Cabasos
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Rural area of Pearsall, Frio County
Total Budget Amount:	\$520,000
Project Amount:	\$500,000
Administration Amount:	\$20,000
Households Required:	10
Households Projected:	10
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Balmorhea Contract Number 1000300

Summary of Request

The City of Balmorhea (City) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The City states that delays in contract administration were experienced due to restrictive income requirements and lack of interest among contractors. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Mayor Mike A. Rodriguez
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Rural area of Balmorhea, Reeves County
Total Budget Amount:	\$520,000
Project Amount:	\$500,000
Administration Amount:	\$20,000
Households Required:	10
Households Projected:	10
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Presidio Contract Number 1000302

Summary of Request

The City of Presidio (City) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The City states that delays in contract administration were experienced due to procurement issues and adobe construction techniques. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Mayor Alcee M. Tavarez
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Rural Area of Presidio, Presidio County
Total Budget Amount:	\$466,802
Project Amount:	\$448,848
Administration Amount:	\$17,954
Households Required:	9
Households Projected:	9
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

Town of Combes Contract Number 1000303

Summary of Request

The Town of Combes (City) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The City states that delays in contract administration were experienced due to backlog of work, lack of interest among contractors, and the high cost of construction. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Mayor Silvestre Garcia
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Urban/Exurban area of Combes, Cameron County
Total Budget Amount:	\$228,962
Project Amount:	\$220,156
Administration Amount:	\$8,806
Households Required:	5
Households Projected:	5
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

Frio County Contract Number 1000308

Summary of Request

Frio County (County) is requesting a six (6) month extension to extend the end date of their contract from September 30, 2006 to March 31, 2007. The County states that delays in contract administration were experienced due to applicant eligibility issues and lack of response from area contractors. The contract start date was October 1, 2004. The City states that a six (6) month extension is necessary to ensure proper completion of the contract.

Amendment Number:	1
Activity Type:	Owner Occupied Rehabilitation (OCC)
Contract Executor:	Judge Carlos A. Garcia
Contract Consultant:	Colina-Vargas & Associates
Contract Start Date:	October 1, 2004
Contract End Date:	September 30, 2006
Service Area:	Rural area of Frio County
Total Budget Amount:	\$520,000
Project Amount:	\$500,000
Administration Amount:	\$20,000
Households Required:	10
Households Projected:	10
Amount Drawn:	\$0

Requested Action

The Department has denied the amendment request and does not recommend approval. To date, twenty four (24) months since the contract start date, the City has not been environmental cleared and has not committed nor drawn contract funds.

If the board chooses to approve the amendment, the contract end date would be extended for eighteen (18) months. Approval of this amendment would require the City to comply with provisions of the 2006 HOME Program rules. Specifically, the City must meet the following requirements:

- Termination of contract with current consultant.
- Environmental clearance within six (6) months of amendment approval date.
- Demolition of homes must be completed ninety (90) days prior to the amended contract end date. Homes not demolished prior to the deadline become the responsibility of the Administrator for completion.
- Commitment of all contract funds in the TDHCA Contract System must be completed ninety (90) days prior to the amended contract end date. Funds not committed prior to the deadline will not be eligible for reimbursement.
- Inclusion of language in any subcontract that provides the Department the ability to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this contract.
- Inclusion of language in any subcontract that failure of subcontractor/consultant to adequately perform under this contract may result in penalties up to and including Debarment from performing additional work for the Department.
- Authority of the Department to directly review, monitor, and/or audit the operational and financial performance and/or records of work performed under this Contract.
- Method of assistance provided.
- Submission of a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Caney City Contract Number 1000267

Summary of Request

The City of Caney City (City) is requesting to reduce the number of assisted households from five (5) to three (3), or a reduction of forty percent (40%). The reduction in the number of units will result in deobligated funds of \$115,365. The City is also requesting a three (3) month extension in order to complete construction.

	Original	Requested	Change	Percent Reduction
Households	5	3	(2)	40.0%
Budget	\$286,965	\$171,600	(\$115,365)	40.0%

The City has committed assistance to the three (3) households, has provided a program implementation timetable and has assured the Department that the contract will be completed by the extended contract end date. The status of these homes is listed below:

Activity Number	Demolition Date	Status
24556	August 2006	Construction started August 2006
24557	August 2006	Construction started August 2006
24558	August 2006	Construction started August 2006

Amendment Number: 1
Activity Type: Owner Occupied Assistance (OCC) Contract (Reconstruction)
Contract Executor: Mayor Joe Barron
Contract Consultant: GrantWorks, Inc.
Contract Start Date: October 1, 2004
Contract End Date: September 30, 2006
Requested End Date: December 31, 2006
Service Area: Rural area of Caney City, Henderson County
Total Budget Amount: \$286,965
Project Amount: \$275,928
Administration Amount: \$11,037
Amount Committed: \$165,000
Amount Drawn: \$0
Households Required: 5
Households Committed: 3

Requested Action

The Department is unable to recommend the approval of the amendment. If the board chooses to approve the amendment, the required beneficiaries would be reduced from five (5) to three (3), the contract end date would be extended to December 31, 2006, and the contract amount would be reduced to \$171,600. Funds budgeted for administration will be reduced on a pro-rata basis.

Approval of this amendment would require the City to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The Monthly Contract Progress Report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Wolfe City Contract Number 1000282

Summary of Request

The City of Wolfe City (City) is requesting to reduce the number of assisted households from nine (9) to three (3), or a reduction of sixty seven (67%). The reduction in the number of units will result in deobligated funds of \$343,255. The City is also requesting a two (2) month extension in order to complete construction.

	Original	Requested	Change	Percent Reduction
Households	9	3	(6)	67.0%
Budget	\$514,800	\$171,575	(\$343,225)	67.0%

The City has committed assistance to the three (3) households, has provided a program implementation timetable and has assured the Department that the contract will be completed by the extended contract end date. The status of these homes is listed below:

Activity Number	Demolition Date	Status
24491	August 2006	Construction started August 2006
24492	August 2006	Construction started August 2006
24493	August 2006	Construction started August 2006

Amendment Number: 1
Activity Type: Owner Occupied Assistance (OCC) Contract (Reconstruction)
Contract Executor: Mayor Bethel Henslee
Contract Consultant: GrantWorks, Inc.
Contract Start Date: October 1, 2004
Contract End Date: September 30, 2006
Requested End Date: November 30, 2006
Service Area: Rural area of Wolfe City, Hunt County
Total Budget Amount: \$514,800
Project Amount: \$495,000
Administration Amount: \$19,800
Amount Committed: \$164,976
Amount Drawn: \$0
Households Required: 9
Households Committed: 3

Requested Action

The Department is unable to recommend the approval of the amendment. If the board chooses to approve the amendment, the required beneficiaries would be reduced from nine (9) to three (3) and the contract end date would be extended to November 30, 2006, and the contract amount would be reduced to \$171,575. Funds budgeted for administration will be reduced on a pro-rata basis.

Approval of this amendment would require the City to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The Monthly Contract Progress Report must be completed and submitted by the 10th day of each month until the end of the amended contract term.

City of Mesquite Contract Number 1000327

Summary of Request

The City of Mesquite (City) is requesting to reduce the number of assisted households from twenty (20) to three (3), or a reduction of eighty-five percent (85%). The City is also requesting to exceed the \$55,000 cap per house in order eliminate hazards due to lead based paint and to accommodate foundation stabilization work for the three (3) homes. The reduction in the number of units and the increase in the limit per house to \$66,000 for each of the three (3) homes will result in deobligated funds of \$314,080. The City is also requesting a six month extension in order to allow adequate time to complete construction.

	Original	Requested	Change	Percent Reduction
Households	20	3	(17)	85.0%
Budget	\$520,000	\$205,920	(\$314,080)	60.4%

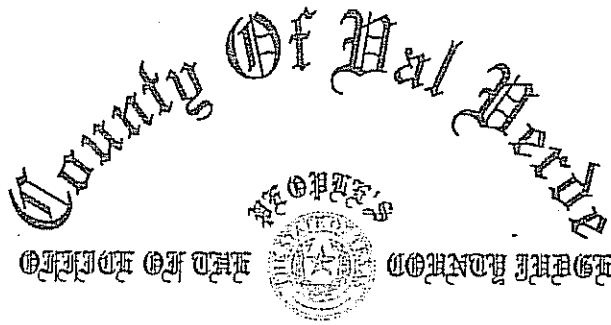
The City recently procured the services of a consultant to assist with program implementation. The City has committed assistance to the three (3) households, has provided a program implementation timetable and has assured the Department that the contract will be completed by the extended contract end date.

Amendment Number: 1
Activity Type: Owner Occupied Assistance (OCC) Contract (Rehabilitation)
Contract Executor: Ted Barron, City Manager
Contract Consultant: HOWCO Consulting Services, Inc.
Contract Start Date: October 1, 2004
Contract End Date: September 30, 2006
Requested End Date: March 31, 2007
Service Area: Urban/Exurban area of Mesquite, Dallas County
Total Budget Amount: \$520,000
Project Amount: \$500,000
Administration Amount: \$20,000
Amount Committed: \$81,549
Amount Drawn: \$0.00
Households Required: 20
Households Committed: 2

Requested Action

The Department is unable to recommend the approval of the amendment. If the board chooses to approve the amendment, the required beneficiaries would be reduced from twenty (20) to three (3), the amount allowed per unit would be increased to \$66,000, the contract end date would be extended to March 31, 2007, and the contract amount would be reduced to \$205,920. Funds budgeted for administration will be reduced on a pro-rata basis.

Approval of this amendment would require the City to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. The report must specify all progress made towards meeting contract performance requirements by the end of the amended contract term. The Monthly Contract Progress Report must be completed and submitted by the 10th day of each month until the end of the amended contract term.



RECEIVED
 AUG 25 2006
 COMPLIANCE

Mike L. Hernandez

County Judge

Phone (830) 774-7501
 Del Rio, Texas 78840

FAX
 830-774-9406

June 20, 2006
 Ms. Lucy Trevino
 Manager, Portfolio Management
 Texas Department of Housing
 and Community Affairs
 P.O. Box 13941
 Austin, TX 78711-3941

Re: HOME Program Contract No. 1000156; Request for Contract Extension

Dear Ms. Trevino,

This letter serves as Val Verde County's request to extend its HOME Program contract expiration date to December 31, 2006, to complete construction of the following three single family homes:

Activity #	Homeowner Name	Property Address	Construction Type	Status
23144	Cayetano Renteria	1105 Barrera, Del Rio	Reconstruction	Foundation complete
23145	Elida M. Rodriguez	609 W. Garza, Del Rio	Reconstruction	Homeowner vacated. windows and doors removed; home ready for demolition
23146	Florencio Trevino	Lot 24, Block NA-1, Cienegas Terrace Estates, Val Verde Co.	Reconstruction	Foundation work in process

The main causes for not fully completing all activities within the expiration date are as follows:

1. In September 2005, an extensive procurement process for securing construction contractors for the first six homes resulted in the submission of only two bids. Unfortunately, only one bidder (EQO Remodeling) submitted bids that were within each home's construction budget. It is our understanding that the lack of interest by local contractors in participating in the HOME Program was primarily due to the smaller size of the homes that were to be constructed (resulting in smaller profit margins) in comparison to the much larger size homes that are still being constructed in the Del Rio area due to population growth.
2. Demolition of three homes (which have since been completed) occurred in mid and late November 2005. The contractor began work in December 2005 and was instructed to commence construction on these first three homes so that progress could be gauged before construction was to begin on the next group (of homeowners) approximately six weeks later. Unfortunately, the progress on the first three homes was slower than anticipated, and work on the next three homes did not occur until April 2006. It is our understanding that the slow construction progress was due to a lack of sufficient working capital by the contractor.

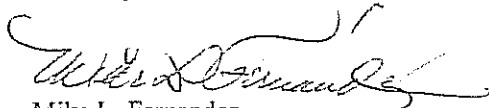
Ms. Lucy Trevino
June 20, 2006
Page 2 of 2

If an extension is granted, Val Verde County will communicate with the homeowners to consider whether to retain EQO Remodeling for completion of their homes or procure another contractor.


Furthermore, Val Verde County's HOME Program planned for the completion of a total of 10 homes. However, and in no fault of the County, four homeowners who initially had been approved for housing assistance and set-up in TDHCA's Contract System, decided in September 2005 to not to participate in the Program. As previously indicated, the County proceeded with the first six homeowners, and immediately began the environmental review, initial inspection, and work write-up on the next homeowners identified on the County's Applicant Ranking List ("waiting list"). Unfortunately, by the time these processes were completed in January 2006, the County decided not to proceed with these four homes due to the lack of time remaining in the County's contract with TDHCA. Nevertheless, if an extension on the time period to complete construction of the three homes (identified in above table) is granted, then the County hereby requests to commence construction work on the other four homes that are ready to proceed. To ensure that these four homes would be completed by the requested extension date, the County will proceed with these homes only if another contractor is identified before August 30, 2006, thereby allowing for sufficient time to complete construction by December 31, 2006.

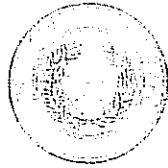
Should you have any questions or need additional information, please feel free to contact me at (830) 774-7501.

Sincerely,



Mike L. Fernandez
County Judge





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

RICK PERRY
Governor

September 25, 2006

The Honorable Mike Fernandez
County Judge, Val Verde County
P.O. Box 4250
Del Rio, TX 78841

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

Re: HOME Contract #1000156 – Owner Occupied Housing Assistance
Denial of Amendment Request #2

MICHAEL GERBER
Executive Director

Dear Judge Fernandez:

The Texas Department of Housing and Community Affairs (Department) is in receipt of a request for a second extension to HOME Investment Partnerships Program (HOME) contract #1000156. The first extension request, approved on November 18, 2005, extended the end date nine months through May 30, 2006. When the first amendment was requested and approved, Val Verde County (County) assured the Department that all contract requirements including construction would be completed by the amended contract end date.

The County's second amendment request states that the delays were caused by high bids received through the procurement process and slow construction by the selected contractor. The County's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the County. In addition, the causes noted by the County for failure to complete all activities within the 33-month contract term are not sufficient to substantiate the multiple delays. Because the approval of a second extension is not justified, the Department has determined that this second amendment request cannot be approved at this time.

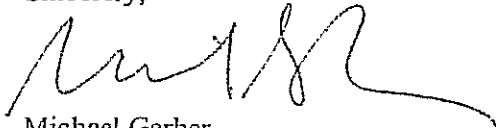
Pursuant to 10 Texas Administrative Code §1.7, Val Verde County may appeal this decision to the Department's Governing Board. To have the appeal considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days from the date of this letter.

If Val Verde County does not wish to appeal the decision, the Department will determine the amount of disallowed costs for the uncompleted homes.

The Honorable Mike Fernandez
September 25, 2006
Page 2

The Department appreciates the County's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at kelly.crawford@tdhca.state.tx.us or (512)475-3262.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Gerber", with a long horizontal flourish extending to the right.

Michael Gerber
Executive Director

MG/LRT

Enclosure: Certificate of Completion

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program
CERTIFICATE OF COMPLETION

Administrator: Val Verde County

Contract No. 1000156

Address: 400 Pecan Street

Contract Beginning 09/01/2003

Contract End Date: 5/30/2006

City: Del Rio TX 78841

Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$490,395.13	\$148,640.13	\$341,755.00
Total Administrative Draws	\$20,000.00	\$2,000.00	\$18,000.00
TDHCA Program Income	\$9,604.87	\$9,604.87	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$520,000.00	\$160,245.00	359,755.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$42,960.00
				Reported Match
				\$33,760.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
10	6	3

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also know that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

(Print) Name of Signature Authority _____

Signature _____

Date _____

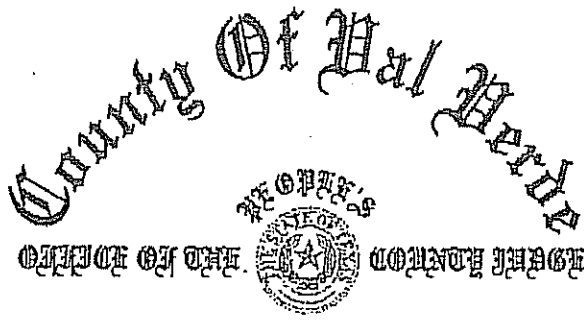
(TDHCA USE ONLY) Portfolio Management Approval

PMC authorizes that the remaining balance of \$359,755.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____

Date _____

PMC Staff -- Initials _____ Date ____/____/____



Mike L. Hernandez

County Judge

Phone (830) 774-7501

Del Rio, Texas 78840

September 27, 2006

Ms. Kelly Crawford
 Director, Portfolio Management & Compliance
 Texas Department of Housing
 and Community Affairs
 P.O. Box 13941
 Austin, TX 78711-3941

Fax No.(512)475-0220

Re: HOME Program Contract No. 1000156; Appeal to Board of Directors

Dear Ms. Crawford:

In accordance with 10 TAC 1.7, Val Verde County hereby appeal the decision made by the Texas Department of Housing and Community Affairs (TDHCA) to decline the County's request to extend its HOME Program contract expiration date to allow the County to complete construction of the homes that were in progress. Val Verde County requests that this appeal letter be presented to the Board of Directors of TDHCA for a final decision.

Sincerely,

Mike L. Fernandez
 Val Verde County Judge

CANEY CITY

15241 BARRON RD.
CANEY CITY, TEXAS 75148
(903) 489-1844

FAX: 903 489 2576

August 7, 2006

Lucy Trevino
Texas Department of Housing and Community Affairs
221 E. 11th St.
Austin, TX 78711-3941

RE: Extension for HOME Contract #1000267

*would like a three month extension
per Sarah 8/11/06
to go to the Board*

Dear Ms. Trevino:

We are writing to request a 2-month extension on the HOME contract for the City of Caney City, contract # 1000267.

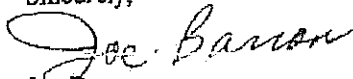
Please note that we have already identified the homeowners to be served under this contract and the funds have been committed. However, due to the delays caused by the county's inspection and permitting of the septic systems, construction has just now started. We anticipate a quick completion of the homes; however, because we are less than two months from the contract expiration date of September 30th, we would rather be safe in case we are slowed by inclement weather or other unforeseen conditions. Therefore, we would like you to consider granting an extension ending November 30th, 2006, so that reconstruction may be completed on the following houses.

24556	Mildred Lenear	4111 Benjamin	24556
24557	Tony Tudor	4621 Leroy Kirby	24557
24558	Ruby Nolan	4476 Leroy Kirby	24558

5 to 3 H H

Please notify us of your decision regarding this matter as soon as possible. If you have any questions, please feel free to contact me at 903-489-1844.

Sincerely,



Joe Barron
Mayor, City of Caney City

Randy Malouf - Builder

P. O. Box 813
Conroe, Texas 77305
Office (936)588-6331
Fax (936)588-7644

August 11, 2006

Joe Barron Mayor
City of Caney City
15241 Barron Rd.
Caney City, TX 75148

Dear Mr. Barron,

We presently have Contracts to build three houses in Caney City, Ruby Nolen - 4476 Leroy Kirby, Mildred Lenear - 4111 Benjamin, and Tony Tudor - 4261 Leroy Kirby. The home owners have moved out of their house and are awaiting demolition. I believe demolition is scheduled to begin the week of August 14. We will need until October 31st to complete the houses, plus two weeks for the power company to hook up power to the houses. If I can be of further assistance please feel free to call.

Sincerely,



Randy Malouf
Owner

August 11, 2006

Lucy Trevino
Texas Department of Housing and Community Affairs
221 E. 11th St.
Austin, TX 78711-3941

RE: Extension for HOME Contract #1000282

Dear Ms. Trevino:

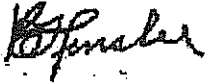
We are writing to request a 2-month extension on the HOME contract for the City of Wolfe City's HOME contract #1000282.

Please note that we have already identified three homeowners to be served under this contract, funds have been committed, and demolition is scheduled for this week. However, because we are less than two months away from the expiration date on our contract, we would rather be safe in the event that we encounter inclement weather or other unforeseen conditions. We are requesting an extension ending November 30th, 2006, so that reconstruction may be completed on the following houses.

Joyce Johnson	230 S. Greenville	24491
Ozie Hashaway	102 N. Hwy. 11	24492
Mary Murphy	402 Williams	24493

Please notify us of your decision regarding this matter as soon as possible. If you have any questions, please feel free to contact me at 903-496-2251.

Sincerely,



Bethel Henslee
Mayor, City of Wolfe City

To: The City Of Wolfe City

From: S & T Custom Homes Inc.

I will start the 3 homes as soon as the demo is complete.
Demolition is in work and should be completed by 8-17-06. Start date of all 3 homes would be 8-21-06

Completion date then would be 11-30-06 this time frame includes 10 days to transfer power from temporary to permanent.

Thanks,
Stephen L. Koch
S & T Custom Homes Inc.

*town of Anthony*P.O. BOX 1269
ANTHONY, TEXAS 79821

(915) 886-3944

FAX:
915 886
3115

August 15, 2006

Ms. Kelly Crawford, Acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

RE: ANTHONY HOME PROGRAM OCC CONTRACT #1000298;
REQUEST FOR EXTENSION

Dear Ms. Crawford:

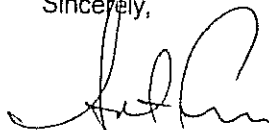
Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner-Occupied Housing Assistance Project. Our contract will expire on September 30, 2006, and we are in need of an extension of the contract period, to ensure the proper completion of our project.

This program has experienced delays due to the consultations and request process surrounding the need to raise the income level in the eligibility criteria. Four months ago, we submitted a request to your offices for authorization to raise the applicable income level for the selection criteria to 50% of the AMFI, and we are still awaiting your response. As you know, the applicable income level is an essential part of the criteria for selection of the recipients of assistance from the program. Until we receive approval from the HOME Program to change this figure, we cannot finalize the selection of recipients.

Please accept this as our official request for an extension of the contract period for our project. We also respectfully request that you notify us of the approval of that extension right away, so that we may be assured that obligations to the construction contractors now working in this program will be met.

We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance your agency provides for our residents in need of affordable housing.

Sincerely,

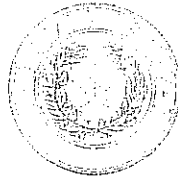


Art Franco
Mayor

RECEIVED

AUG 23 2006

COMPLIANCE



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 8, 2006

The Honorable Art Franco
Mayor, Town of Anthony
P.O. Box 1269
Anthony, TX 79821

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

Re: Denial of Request for Extension, HOME OCC Contract #1000298

Dear Mayor Franco:

MICHAEL GERBER
Executive Director

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 15, 2006 requesting an extension to the above-referenced contract. The Town of Anthony (City) states that delays in contract administration were experienced due to restrictive income requirements.

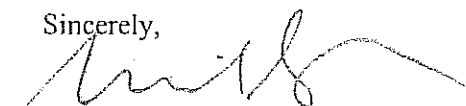
Approximately two years after the start date of this contract, the City has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the City for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The City's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the City. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the City may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the City does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the City's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,


Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOME Investment Partnerships Program

CERTIFICATE OF COMPLETION

Administrator: Town of Anthony
 Address: 401 Oak st.
 City: Anthony TX 79821

Contract No. 1000298
 Contract Beginning 10/01/2004
 Contract End Date: 9/30/2006
 Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$180,333.00	\$0.00	\$180,333.00
Total Administrative Draws	\$7,213.00	\$0.00	\$7,213.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$187,546.00	\$0.00	187,546.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$30,657.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

<u># OF UNITS REQUIRED</u>	<u># OF UNITS SETUP</u>	<u># OF UNITS COMPLETED</u>
4	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also know that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

(Print) Name of Signature Authority _____ Signature _____ Date _____

(TDHCA USE ONLY) Portfolio Management Approval

PMC authorizes that the remaining balance of \$187,546.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____ Date _____

PMC Staff--Initials _____ Date ____/____/____

Town of Anthony

P.O. BOX 1269
ANTHONY, TEXAS 79821

September 18, 2006

(915) 886-3944

Mr. Michael Geber, Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711

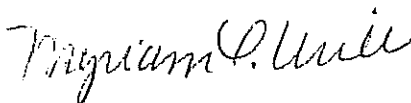
RE: APPEAL OF DECISION TO TERMINATE
HOME PROGRAM PROJECT # 100298

Dear Mr. Geber:

In response to your letter of September 8, 2006, announcing your intent to terminate our HOME Owne-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to the body and to our staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides forward our housing improvement efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

Sincerely,



Myriam P. Uribe
Town Clerk



CITY OF PEARSALL

GATEWAY TO THE WINTERGARDEN

August 15, 2006

COPY

Ms. Kelly Crawford, Acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

**RE: PEARSALL HOME PROGRAM OCC CONTRACT #1000299;
REQUEST FOR EXTENSION**

Dear Ms. Crawford:

Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner-Occupied Housing Assistance Project. Our contract will expire on September 30, 2006, and we are in need of an extension of the contract period, to ensure the proper completion of our project.

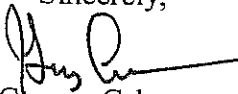
This program has experienced serious delays due to: (1) problems with selection and verification of eligibility; (2) differences of opinion among committee members and a lengthy review process that resulted in an unusual number of meetings; and (3) a lack of interest by local contractors. At this time, we feel that our program is back on track and we are ready to proceed with the completion.

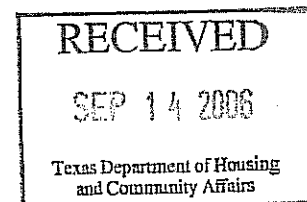
Please accept this as our official request for an extension of the contract period for our project.

We also respectfully request that you notify us of the approval of that extension right away, so that we may be assured that obligations to the construction contractors now working in this program will be met.

We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance that your agency provides for our residents in need of affordable housing.

Sincerely,


George Cabasos
Mayor

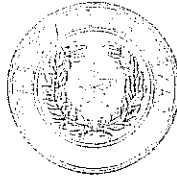


cc: Carlos Colina-Vargas
Files

RECEIVED

SEP 15 2006

COMPLIANCE



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 21, 2006

The Honorable George Cabasos
Mayor, City of Pearsall
213 S. Oak Street
Pearsall, TX 78061

Re: Denial of Request for Extension, HOME OCC Contract #1000299

Dear Mayor Cabasos:

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 15, 2006 requesting an extension to the above-referenced contract. The City of Pearsall states that delays in contract administration were experienced due to problems with selection of applicants, verification of eligibility, differences among committee members and lack of interest by local contractors.

Approximately two years after the start date of this contract, the County has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the City for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The City's failure to complete contract performance requirements within the contract term results in a significant decrease in benefits to the Department and to the City. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the County may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the County does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the City's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,

Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

221 EAST 11th ▪ P.O. BOX 13941 ▪ AUSTIN, TEXAS 78711-3941 ▪ (800) 525-0657 ▪ (512) 475-3800

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas.

MICHAEL GERBER
Executive Director

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program
CERTIFICATE OF COMPLETION

Administrator: City of Pearsall

Contract No. 1000299

Address: 213 S. Oak St.

Contract Beginning 10/01/2004

Contract End Date: 9/30/2006

City: Pearsall TX 78061

Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$500,000.00	\$0.00	\$500,000.00
Total Administrative Draws	\$20,000.00	\$0.00	\$20,000.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$520,000.00	\$0.00	520,000.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	Required Match
				\$89,304.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
10	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also knowlege that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

Print) Name of Signature Authority _____

Signature _____

Date _____

(TDHCA USE ONLY) Portfolio Management Approval

PMC authorizes that the remaining balance of \$520,000.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____

Date _____

PMC Staff -- Initials _____ Date ____ / ____ / ____



CITY OF PEARSALL

GATEWAY TO THE WINTERGARDEN

**DELIVERED BY FACSIMILE AND
CERTIFIED MAIL NO. 74004 2890 0000 1638 5553
RETURN RECEIPT REQUESTED**

September 15, 2006

→ Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

RE: Appeal of Decision to Terminate Home Program Project – Contract No. 1000299

Dear Mr. Gerber:

In response to your letter of September 20, 2006, announcing your intent to terminate our HOME Owner-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to that body and to your staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides toward our housing improvement efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

Sincerely,

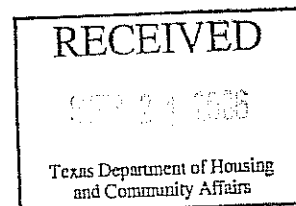
George Cabasos
Mayor

cc: → Ms. Lucy Trevino, HOME Program
City Council Members
Jose G. "Pepe" Trevino, City Manager
Richard "Dick" O'Neil, City Attorney
Carlos Colina-Vargas, AJCP
Files

RECEIVED

SEP 22 2006

COMPLIANCE



City of Balmorhea

Oasis of West Texas

10 San Antonio
PO Box 323
Balmorhea, TX 79718

(432) 375-2307
Fax (432) 375-2200
CityBalm@waveband.net

August 15, 2006

Ms. Kelly Crawford, acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

RE: BALMORHEA HOME PROGRAM OCC CONTRACT # 1000300; REQUEST FOR EXTENSION

Dear Ms. Crawford:

Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner Occupied Housing Assistance Project. Our contract will expire on September 30, 2006 and we are in the need of an extension of the contract period, to ensure the proper completion of our project.

As your staff has been informed, we had experienced serious delays at the beginning of the program, due to encountering the need to raise the income level in the eligibility criteria and the process of obtaining HOME Program approval for the revision. Our program also experienced delays because of the lack of interest among contractors in our area. At this time, we feel that our project is back on track and we are ready to proceed with the completion.

Please accept this as our official request for an extension of the contract period for our project. We also respectfully request that you notify us of the approval of the extension right away, so that we may be assured that obligations to the construction contractors now working in this program will be met.

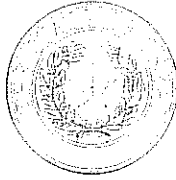
We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance that you agency provides for our residents in need of affordable housing.

Sincerely



Mike A. Rodriguez
Mayor





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 8, 2006

The Honorable Mike A. Rodríguez
Mayor, City of Balmorhea
P.O. Box 323
Balmorhea, TX 79718

Re: Denial of Request for Extension, HOME OCC Contract #1000300

Dear Mayor Rodriguez:

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 15, 2006 requesting an extension to the above-referenced contract. The City of Balmorhea (City) states that delays in contract administration were experienced due to restrictive income requirements and lack of interest among contractors.

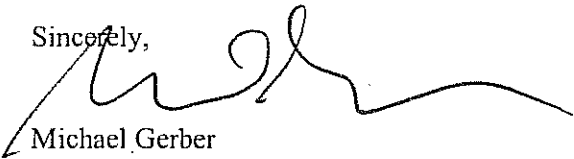
Approximately two years after the start date of this contract, the City has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the City for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The City's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the City. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the City may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the City does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the City's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,


Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

221 EAST 11th ▪ P.O. BOX 13941 ▪ AUSTIN, TEXAS 78711-3941 ▪ (800) 525-0657 ▪ (512) 475-3800

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

MICHAEL GERBER
Executive Director

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program
CERTIFICATE OF COMPLETION

City: City of Balmorhea

Contract No. 1000300

Address: P.O. Box 323

Contract Beginning 10/01/2004

Contract End Date: 9/30/2006

City: BALMORHEA TX 79718

Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$500,000.00	\$0.00	\$500,000.00
Total Administrative Draws	\$20,000.00	\$0.00	\$20,000.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$520,000.00	\$0.00	520,000.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$80,000.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
10	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also acknowledge that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

Print) Name of Signature Authority _____

Signature _____

Date _____

(TDHCA USE ONLY) Portfolio Management Approval

MC authorizes that the remaining balance of \$520,000.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____

Date _____

MC Staff -- Initials _____ Date ____ / ____ / ____

City of Balmorhea

Oasis of West Texas

310 San Antonio
PO Box 323
Balmorhea, TX 79718

(432) 375-2307
Fax (432) 375-2200
CityBalm@waveband.net

September 15, 2006

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

RE: APPEAL OF DECISION TO TERMINATE HOME PROGRAM PROJECT

Dear Mr. Gerber:

In response to your letter of September 8, 2006, announcing your intent to terminate our HOME Owner-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to that body and to your staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

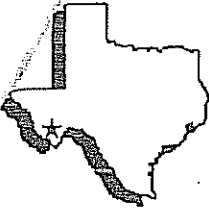
Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides toward our housing improvement efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

Sincerely,



Mike A. Rodriguez
Mayor

cc: Ms. Lucy Trevino, HOME Program



City of Presidio

August 15, 2006

Ms. Kelly Crawford, Acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

RE: PRESIDIO HOME PROGRAM OCC CONTRACT #1000302;
REQUEST FOR EXTENSION

Dear Ms. Crawford:

Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner-Occupied Housing Assistance Project. Our contract will expire on September 30, 2006, and we are in need of an extension of the contract period, to ensure the proper completion of our project.

This program has experienced serious delays due to: (1) consultations concerning the use of adobe construction, a preferred construction technique in this locality; (2) the submission of an official request for approval of adobe construction, and the wait for a response from your staff, which took more than three months; and (3) differences of opinion regarding procurement of construction contracts. At this time, we feel that our program is back on track and we are ready to proceed with the completion.

Please accept this as our official request for an extension of the contract period for our project. We also respectfully request that you notify us of the approval of that extension right away, so that we may be assured that obligations to the construction contractors now working in this program will be met.

We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance that your agency provides for our residents in need of affordable housing.

Sincerely,

Alcee M. Tavarez
Mayor

RECEIVED

AUG 21 2006

COMPLIANCE

(432)

P.O. Box 1899 • Presidio, Texas 79845 • (432) 229-3517 • FAX : 229-3505



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 8, 2006

The Honorable Alcee M. Tavares
Mayor, City of Presidio
PO Box 13941
Presidio, TX 78711

Re: Denial of Request for Extension, HOME OCC Contract #1000302

Dear Mayor Tavares:

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 15, 2006 requesting an extension to the above-referenced contract. The City of Presidio (City) states that delays in contract administration were experienced due to procurement issues and adobe construction techniques.

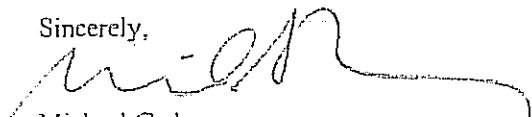
Approximately two years after the start date of this contract, the City has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the City for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The City's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the City. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the City may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the City does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the City's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,


Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

221 EAST 11th • P.O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

MICHAEL GERBER
Executive Director

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOMEL Investment Partnerships Program
CERTIFICATE OF COMPLETION

City of Presidio
 102 W. O'Reilly
 Presidio TX 79845

Contract No. 1000302
 Contract Beginning 10/01/2004
 Contract End Date: 9/30/2006
 Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$448,848.00	\$0.00	\$448,848.00
Total Administrative Draws	\$17,954.00	\$0.00	\$17,954.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$466,802.00	\$0.00	466,802.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$67,327.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
9	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above ereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also knowledge that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

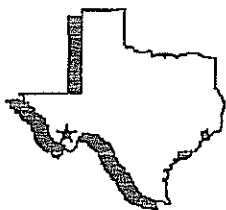
Print) Name of Signature Authority _____ Signature _____ Date _____

(TDHCA USE ONLY) Portfolio Management Approval

MC authorizes that the remaining balance of \$466,802.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____ Date _____

MC Staff -- Initials _____ Date ____/____/____



City of Presidio

September 15, 2006

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

RE: APPEAL OF DECISION TO TERMINATE HOME PROGRAM PROJECT

Dear Mr. Gerber:

In response to your letter of September 8, 2006, announcing your intent to terminate our HOME Owner-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to that body and to your staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides toward our housing improvement efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

Sincerely,

Alcee Tavarez
Mayor

cc: Ms. Lucy Trevino, HOME Program

Town of Combes
P.O. Box 280, 306 Templeton Street
Combes, Texas 78535
956/425-7131, fax 956/412-6795

August 15, 2006

Ms. Kelly Crawford, Acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

**RE: COMBES HOME PROGRAM OCC CONTRACT #1000303;
REQUEST FOR EXTENSION**

Dear Ms. Crawford:

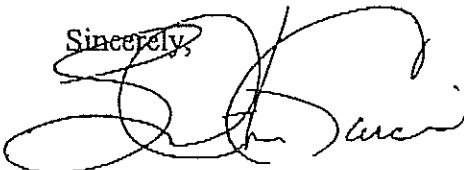
Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner-Occupied Housing Assistance Project. Our contract will expire on September 30, 2006, and we are in need of an extension of the contract period, to ensure the proper completion of our project.

This program has experienced serious delays due to: (1) a backlog of work being experienced by the tech support personnel responsible for the implementation; (2) a lack of interest among area contractors; and (3) the current high costs of construction, which have fostered an over-cautious attitude regarding commitment of funds. At this time, we feel that our program is back on track and we are ready to proceed with the completion.

Please accept this as our official request for an extension of the contract period for our project. We also respectfully request that you notify us of the approval of that extension right away, so that we may be assured that obligations to the construction contractors now working in this program will be met.

We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance your agency provides for our residents in need of affordable housing.

Sincerely,



Silvestre Garcia
Mayor



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 8, 2006

The Honorable Silvestre Garcia
Mayor, Town of Combes
P. O. Box 280
Combes, TX 78535

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogary
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

Re: Denial of Request for Extension, HOME OCC Contract #1000303

Dear Mayor Garcia:

MICHAEL GERBER
Executive Director

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 15, 2006 requesting an extension to the above-referenced contract. The Town of Combes (City) states that delays in contract administration were experienced due to a backlog of work, lack of interest among contractors, and the high cost of construction.

Approximately two years after the start date of this contract, the City has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the City for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The City's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the City. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the City may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the City does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the City's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,

Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

221 EAST 11th • P.O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOME Investment Partnerships Program
CERTIFICATE OF COMPLETION

Administrator: City of Combes
 Address: P.O. Box 280
 City: Combes TX 78535

Contract No. 1000303
 Contract Beginning 10/01/2004
 Contract End Date: 9/30/2006
 Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$220,156.00	\$0.00	\$220,156.00
Total Administrative Draws	\$8,806.00	\$0.00	\$8,806.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$228,962.00	\$0.00	228,962.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$39,628.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
5	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also know that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

(Print) Name of Signature Authority _____ Signature _____ Date _____

(TDHCA USE ONLY) Portfolio Management Approval

PMC authorizes that the remaining balance of \$228,962.00 be deobligated from CSAS and CDB.

Portfolio Management Supervisor _____ Date _____

PMC Staff -- Initials _____ Date ____/____/____

Town of Combes
P.O. Box 280, 306 Templeton Avenue
Combes, Texas 78535
956/425-7131, fax 956/412-6795

September 15, 2006

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, TX 78711

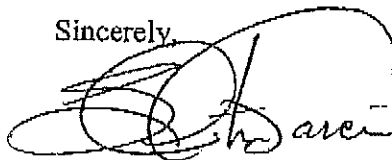
RE: APPEAL OF DECISION TO TERMINATE HOME PROGRAM PROJECT

Dear Mr. Gerber:

In response to your letter of September 8, 2006, announcing your intent to terminate our HOME Owner-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to that body and to your staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides toward our housing improvement efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Silvestre Garcia". The signature is stylized with a large, sweeping initial "S" and "G".

Silvestre Garcia
Mayor

cc: Ms. Lucy Trevino, HOME Program

OFFICE OF THE FRIO COUNTY JUDGE

OFFICE: (830) 334-2154 • FAX: (830) 334-0010
500 E. SAN ANTONIO ST. • BOX 7 • PEARSALL, TEXAS 78061

August 16, 2006

Carlos A. Garcia
COUNTY JUDGE

Ms. Kelly Crawford, Acting Director
Portfolio Management and Compliance
HOME Program
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

Re: HOME PROGRAM OCC CONTRACT #1000308-FRIO COUNTY;
REQUEST FOR EXTENSION

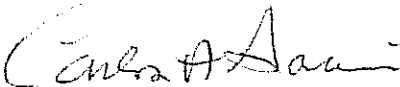
Dear Ms. Crawford:

Thank you for your letter of August 8, 2006, concerning the completion status of our HOME Owner-Occupied Housing Assistance Project. Since our contract is scheduled to expire on September 30, 2006, we are in need of an extension of the contract period, to ensure the proper completion of our project.

As your staff has been informed, we have experienced serious delays at the beginning of the program, due to confusion regarding the eligibility of the recipients and the documentation necessary. We also experienced delays caused by the lack of response from contractors in our area. At this time, we feel that our project is back on track and we are ready to proceed with the completion; however, it is necessary that we be notified that the extension is granted, so that we may be assured that our obligations to the future construction contractors in the program will be met.

We will be grateful for your favorable consideration of our request and your prompt notice of approval, which will allow us to proceed expeditiously with this project. Thank you very much for the assistance that your agency provides for our residents in need of affordable housing.

Sincerely,



Carlos A. Garcia

CAG/mg

xc: Files
xc: Hon. Jesus Salinas
Frio County Commissioner,
Precinct No. 1
405 S. Ash
Pearsall, Texas 78061

xc: Hon. Richard R. Muzquiz
Frio County Commissioner,
Precinct No. 2
P.O. Box 215
Moore, Texas 78057

RECEIVED

AUG 17 2006

COMPLIANCE



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

September 8, 2006

The Honorable Carlos A. Garcia
County Judge, Frio County
500 E. San Antonio Street
Pearsall, TX 78061

RICK PERRY
Governor

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Vidal Gonzalez
Norberto Salinas

Re: Denial of Request for Extension, HOME OCC Contract #1000308

Dear Judge Garcia:

MICHAEL GERBER
Executive Director

The Texas Department of Housing and Community Affairs (Department) has received your letter dated August 16, 2006 requesting an extension to the above-referenced contract. Frio County (County) states that delays in contract administration were experienced due to applicant eligibility issues and lack of response from area contractors.

Approximately two years after the start date of this contract, the County has not received environmental clearance and has neither committed nor drawn any contract funds. The causes noted by the County for failure to complete all activities within the 24 month contract term are not sufficient to substantiate these delays. The County's failure to complete contract performance requirements within the contract term results in a significant decrease in benefit to the Department and to the County. The Department has determined that approval of an extension is not justified, and therefore, the extension request is denied.

Pursuant to 10 Texas Administrative Code §1.7, the County may appeal this decision to the Department's Governing Board. For the appeal to be considered, it must be received by Kelly Crawford, Acting Director of Portfolio Management and Compliance, no later than ten days after the date of this letter.

If the County does not wish to appeal the decision, your contract will terminate on the existing contract end date. Please sign the enclosed Certificate of Completion and return to the Department. Once received, the Department will close the contract and proceed with the deobligation of these funds.

The Department appreciates the County's efforts to provide decent, safe, sanitary, and affordable housing for low and moderate income citizens of Texas. If you have any questions, please feel free to contact me or Kelly Crawford, Acting Director of Portfolio Management and Compliance at (512) 475-3262 or kelly.crawford@tdhca.state.tx.us.

Sincerely,

Michael Gerber
Executive Director

MG/vag

Enclosure (Certificate of Completion)

cc: Carlos Colina-Vargas, Colina-Vargas & Associates, Consultant

221 EAST 11th • P.O. BOX 13941 • AUSTIN, TEXAS 78711-3941 • (800) 525-0657 • (512) 475-3800

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOME Investment Partnerships Program

CERTIFICATE OF COMPLETION

Administrator: Frio County
 Address: 500 E. San Antonio
 City: Pearsall TX 78061

Contract No. 1000308
 Contract Beginning 10/01/2004
 Contract End Date: 9/30/2006
 Activity Code: OCC

CONTRACT BALANCES

	BUDGET	DRAWS TO DATE	REMAINING BALANCE
Total Federal Project Draws	\$500,000.00	\$0.00	\$500,000.00
Total Administrative Draws	\$20,000.00	\$0.00	\$20,000.00
TDHCA Program Income	\$0.00	\$0.00	\$0.00
TDHCA State Funds	\$0.00	\$0.00	\$0.00
TOTALS	\$520,000.00	\$0.00	520,000.00

MATCH INFORMATION

MATCH CODE/TYPE	AMOUNT	MATCH CODE/TYPE	AMOUNT	
				Required Match
				\$96,360.00
				Reported Match
				\$0.00

PERFORMANCE (NUMBER OF UNITS COMPLETED)

# OF UNITS REQUIRED	# OF UNITS SETUP	# OF UNITS COMPLETED
10	0	0

CERTIFICATION

I hereby certify that all activities undertaken by the Administrator with funds provided under the contract identified above hereof, have, to the best of my knowledge, been carried out in accordance with the contract agreement, that the State of Texas is under no obligation to make any further payment to the Administrator under the contract agreement, and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date. I also know that upon TDHCA approval of this Certificate of Completion this contract is closed, subject to additional review by the federal agency granting the contract funds.

 (Print) Name of Signature Authority

 Signature

 Date

(TDHCA USE ONLY) Portfolio Management Approval

PMC authorizes that the remaining balance of \$520,000.00 be deobligated from CSAS and CDB.

 Portfolio Management Supervisor

 Date

PMC Staff --Initials _____ Date ____/____/____



OFFICE OF THE FRIO COUNTY JUDGE

OFFICE: (830) 334-2154 • FAX: (830) 334-0010
500 E. SAN ANTONIO ST. • BOX 7 • PEARISALL, TEXAS 78081

September 15, 2006

Carlos A. Garcia
COUNTY JUDGE

Mr. Michael Gerber Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711

RE APPEAL OF DECISION TO TERMINATE HOME PROGRAM PROJECT

Dear Mr. Gerber:

In response to your letter of September 8, 2006, announcing your internet to terminate our HOME Owner-Occupied Housing Assistance Project, please be informed that we are appealing this decision to the Governing Board of TDHCA. We welcome the opportunity to demonstrate to that body and to your staff that significant progress has been achieved in our project, and that the project can be completed within a period of six months.

Thank you for arranging for our appeal. We are grateful for the support and assistance your agency provides towards our housing improvements efforts, and we appreciate the opportunity to continue our project, which will improve the quality of life for our very lowest income residents.

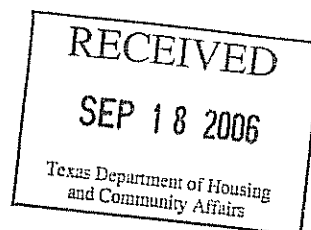
Sincerely,

Carlos A. Garcia
County Judge

CAG/pt

cc: Ms Lucy Trevino, HOME Program

RECEIVED
SEP 19 2006
COMPLIANCE



MESQUITE

T E X A S

Real. Texas. Flavor.

September 13, 2006

Mike Anderson
Mayor

John L. Helman, Jr.
Mayor Pro Tem

David L. Paschall
Deputy Mayor Pro Tem

John Monaco
Councilmember

Stan H. Pickett
Councilmember

Shirley Roberts
Councilmember

Dennis Tarpley
Councilmember

Ted Barron
City Manager

Mr. Michael Gerber, Executive Director
c/o Ms. Lucy Trevino, Manager
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Amendment – Contract 1000327

Dear Mr. Gerber:

The City of Mesquite is requesting an amendment of its Grant Contract and Program Design for HOME OCC Contract 1000327. The amendment will decrease the number of units from 20 to three. These three households are at 30 percent or below the median income. Further, the City requests that the Department grant a contract extension of six months until February 2007 to complete the grant.

In February 2006, the Department mailed to the City a letter concerning their contract performance. The analysis reflected that the contract was behind in the expenditure of funds and local match. The City concluded that due to a shortage of staff and inexperience with the HOME Program, outside assistance would be necessary to complete the program. The City of Mesquite contracted with a consultant in April 2006.

When the HOME program implemented Policy Issuance of March 2006, the City submitted requests for title and lien reports on all of their applications. The City received approximately 25 applications from households contacted either by referral, mail or personal interviews by staff. The results of the title and lien reports indicated that 13 households were not eligible for assistance from the HOME program. These applications have issues with back taxes, federal or state judgments and quit claim deeds although they were income eligible. The City then advertised the HOME program to gain additional applicants. Although the City received applications, the applicants were either over the income limits of 30 percent AMFI or did not submit the documentation to deem them eligible for the program. Others decided not to participate in the OCC program.

Mr. Michael Gerber, Executive Director
c/o Ms. Lucy Trevino, Manager
Texas Department of Housing and Community Affairs
September 13, 2006
Page Two

The City was able to deem program eligible only six applicants in July 2006. The applicants' dwellings were initially inspected in August by a qualified housing inspector and foundation expert. However, the lead based paint inspection and risk assessments were not properly conducted due to a certification lapse by the lead based paint inspector. This lapse was not discovered until the bid packets had been prepared and picked up by contractors. There was not time to redo the inspections and assessments by another inspector and meet the deadline of the grant contract ending date.

Rehabilitation bids for the six applicants were opened on September 11, 2006. Three of the bids exceeded the \$55,000 limit. The average bid for these three dwellings was \$66,000. The most expensive cost item in the bids' review was foundation stabilization. The foundation cost had a range of \$10,500 to \$15,000.

The other three bids are within the financial resources of the grant and the City. However, additional costs may be incurred when the lead based paint inspections and risk assessments are redone. Also, two of the homes will need foundation stabilization work. There is the potential that the foundation work will create other problems and funds may be needed to remedy any deficiencies.

The City requests that the Board allow the reduction of 20 units to three units for substantial rehabilitation. Construction materials have increased substantially since the original Program Design was approved. It also requests that the grant amount of \$55,000 be used for each dwelling rather than \$25,000. However, the City requests that the grant contract not be reduced until the foundation work and lead based paint assessments are completed. The City may then be able to project any additional costs involved within these elements of the project activity.

The City understands that the Department will rescore the application to determine funding within region. The City believes that their score will be within the funding for 2004 program year.

The Board and Department's favorable response to these matters will be appreciated. The City requests that these matters be placed on the October 12 agenda for Board meeting.

Sincerely,



Ted Barron
City Manager

ADDENDUM NO. 1
PROGRAM DESIGN
CITY OF MESQUITE
CONTRACT NO. 1000327

Change 1

Please change paragraph 3 A from:

“The maximum amount of HOME assistance to be provided to an applicant for rehabilitation assistance shall be **\$25,000**. In the event that **twenty-five thousand (\$25,000)** is not sufficient to complete the needed repairs, the Local HOME Supervisor or his/her designee may authorize additional funds to the applicant subject to the availability of funds, or the Administrator may be required to either:

to read:

“The maximum amount of HOME assistance to be provided to an applicant for rehabilitation assistance shall be **\$55,000**. In the event that **fifty-five thousand (\$55,000)** is not sufficient to complete the needed repairs, the Local HOME Supervisor or his/her designee may authorize additional funds to the applicant subject to the availability of funds, or the Administrator may be required to either:

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

**BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, discussion and possible approval of requests for amendments to HOME Investment Partnerships Program (HOME) Tenant Based Rental Assistance (TBRA) contracts involving a requested reduction to the matching requirements thereby significantly decreasing the benefits to be received by the Department.

Requested Action

Approve or deny the requests for amendments.

Background

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) state that 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.

TBRA contract administrators have significant difficulty meeting the match requirements in their HOME contracts. Supportive services is the only eligible category of match for TBRA contracts. Often, supportive services originate from a federal source, such as Medicare/Medicaid, or are used as match for another federal program. It is very difficult for Administrators to verify and document that the match is not derived from a federal source. TBRA Administrators and Department staff spend a significant amount of time and effort to document, prepare, review, and verify the validity of match reported for each individual activity. The process is cumbersome and often a relatively minimal amount of match is verified as valid despite the amount of time and effort required to obtain the information. Administrators have expressed concerns about the burden placed on their staff to track and provide the information needed to meet their match obligations. In most instances, TBRA administrators would have received an award of HOME funds without committing to match.

Reductions to match requirements are also requested when match as originally pledged is no longer available, or more frequently, match documentation submitted by Administrators is not sufficient to meet match criteria defined in federal rules and notices. While eligible sources of match are approved during the award phase, documentation to support the match often reveals issues that are not apparent until the match is reported, including issues with procurement, identity of interest, and the use of federal funding sources; these changes necessitate modifications to match during contract implementation. The HOME Task Force, currently in the internal phase, has identified the TBRA match issue as a concern. Research is being conducted to evaluate and recommend options to resolve the match issue for future TBRA Administrators.

As of federal fiscal year 2005, the Department has approximately \$13.7 million in excess match to carry-over to future years. Also, as part of the Hurricane Rita disaster relief, the Department's entire match requirement for fiscal years 2006 and 2007 has been waived by HUD. Regardless of the waiver, the Department will continue to collect match from contracts already in process. The Department anticipates the carry-over match balance to increase to approximately \$24 million by the end of 2007.

The following Administrators request that the match requirement be eliminated from their contract:

Administrator	Contract Number	Match Reduction
Comal County Housing Authority	542020	\$ 93,700
Affordable Housing of Parker County	542023	5,200
Combined Community Action, Inc.	542027	2,500
Cameron County Housing Authority	542033	200,000
Twin City Mission	542036	150,350
Valley Association for Independent Living	1000196	23,175
Comal County Housing Authority	1000334	67,435
Latino Education Project	1000338	107,100
Combined Community Action, Inc.	1000339	8,500
Affordable Housing of Parker County	1000340	26,000
Texas Neighborhood Services	1000344	22,971
Edinburg Housing Authority	1000346	60,000
El Paso MHMR	1000349	105,050
Ellis Townhomes, Inc.	1000445	243
Housing Authority of Frisco	1000449	41,053
Affordable Housing of Parker County	1000453	28,299
TOTAL MATCH REDUCTION		\$ 941,576

Recommendation

Because of the burden on Administrators and staff to document and review match, and because of the expected increase in the match carry-over over the next two years, the Department recommends that the match requirement for these contracts be eliminated.

The Administrators have attempted to identify alternate sources of eligible match, however, none were identified. The elimination of match would still have resulted in an award of HOME funds. The Administrators are in compliance with all monitoring and auditing requirements for Department programs.

Comal (1) - Oct Bd Mtg.
Ellis (1) -

**Comal County Housing Authority
P. O. Box 310906
New Braunfels, Texas 78131-0906
830-625-6909
830-625-6915 (fax)**

August 01, 2006

**Sandy Mauro
Portfolio Manager
TDHCA
P. O. Box 13941
Austin, Texas 78711-3941**

Dear Ms. Mauro,

This letter is in reference to the MATCH requirements of the TBRA grants. I would like to take this opportunity to give you a brief history of our grant awards from TDHCA for TBRA and our ongoing MATCH challenges.

Comal

Prior to 2003 Comal County Housing Authority had been awarded three (3) TBRA grants numbered, 536062, 539091, 531098 totaling \$841,277. These all utilized a MATCH that revolved around the fair market value of spaces we rented to social service agencies for FSS classes. We utilized this as a MATCH for our \$416,000 grant number 542020 in 2003 as well. After the grant was active and we had been drawing funds for several months we were informed the MATCH was not valid. We designed a new type of MATCH whereby we would provide the participants with free food boxes from the San Antonio Food Bank once per month which in turn would enable the participant to become more self-sufficient and have more household income available to meet their FSS goals. We utilized this MATCH design a second time and were awarded our current TBRA grant number 10000334 for \$347,746 dated October 01, 2004.

Comal

We then used this MATCH design again in 2005 when we applied with our non-profit, Ellis Community Resources, Inc. and received "0" points under the MATCH grade. What a shock this was to us! Under this contract number 10000445 we were awarded only \$30,656. When we applied for this grant the criteria had not yet changed nor was public notice given of the change at the time the application packets were published. When we questioned TDHCA about the seriousness of the impact this had on our application we were given information that the food must be "prepared." We did not know this at the time of the application nor was this information available to the public at the time the packets were posted publically.

Ellis

all match on all their contracts.

Page 2 TBRA Comal HA

I could not cite any other HUD program that compares to the mess that has been caused by the MATCH requirements. The MATCH requirement has ruined the TBRA Program. It has become incredibly burdensome for my staff. They must spend an extraordinary amount of time documenting the MATCH, coordinating the clients so that we can document the MATCH, and performing constant follow-up with the clients so that we meet the amount we pledged in the MATCH. This plus the day-to-day operations of the rental assistance portion of the TBRA program have overwhelmed the staff. We are a Housing Authority and have expensive HA software that performs our file work, but I can honestly say that it is more time consuming for my staff to process 25 TBRA Coupons than it is to process our 300 Vouchers. This is because of the paperwork associated with the MATCH.

Needless to say, the MATCH situation and its ongoing evolution is creating an extreme problem for us which has turned into a nightmare.

Our primary concern is to deliver rental assistance to the homeless. Obviously, the goal of TDHCA is the same as our goal. When programs become so weighed-down with regulations and rules that don't make any sense and perform no practical function that *CONTRIBUTE* to program goals, something is wrong. The time has come for the TBRA MATCH to be abolished. Please remove the MATCH requirement and enable us to return to what TBRA was intended to do, assist the poor with their rent.

Sincerely,

Nadine N. Mardock
Executive Director

AFFORDABLE HOUSING OF PARKER COUNTY, INC.
101 SWAN COURT, SPRINGTOWN TEXAS 76082

September 7, 2006

RECEIVED

Ms. Lucy Trevino
Manager
Portfolio Management Division
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

SEP 13 2006

COMPLIANCE

Re: Request to Remove Match Requirement for Tenant Based Rental Assistance Contracts #1000340 and #1000453

Dear Ms. Trevino:

I am requesting that the Texas Department of Housing and Community Affairs ("TDHCA") remove match requirements for Affordable Housing of Parker County, Inc.'s ("AHPC") HOME funded Tenant Based Rental Assistance ("TBRA") contracts numbers 1000340 and 1000453.

The match requirement for contract 1000340 is \$26,000 and the match requirement for contract 1000453 is \$28,299. The match for contract 1000340 is to be provided in the form of donated professional labor for the self-sufficiency program and the match for contract 1000453 is to be provided in the form of forgiven or paid for security deposits and donated professional labor for the self-sufficiency program. The match type for both projects was submitted in the applications and subsequently approved by TDHCA and included in the contracts mentioned above.

Since the signing of the contracts the following has occurred. First, forgiveness of security deposits was determined by TDHCA to be ineligible for match purposes. Second, communication from TDHCA compliance personnel has notified AHPC that the following items in addition to the waived security deposits were also determined to be ineligible for match purposes even though they would be paid for with private, non-federal funds:

1. Waived application fees
2. Staff mileage incurred to administer the self-sufficiency program
3. Job placement interviews with TBRA recipients
4. Time spent helping TBRA recipients receive medical aid, establishing nurses aides and live-in assistants
5. Staff time spent in interviewing TBRA recipients for self-sufficiency assistance
6. Time spent supervising the self-sufficiency program to ensure the plan is working effectively
7. Cost of postage necessary for communication with TBRA recipients
8. Travel time spent by counselors to perform on-site visits
9. Provision of transportation services to assist tenants in achieving self-sufficiency
10. Mileage and time spent by the self-sufficiency counselor to attend training and group meetings to remain effective in their jobs
11. Time spent working with school counselors and child protective service personnel to stabilize the family environment for recipients of TBRA
12. Time spent working with congressional offices/staffs on social security/SSI issues on behalf of TBRA clients
13. Staff time to make entries on match logs per tenant, compiling TDHCA reports and submitting reports online with hard mailing of backup materials to TDHCA

We do not necessarily agree with the above findings as again they are paid for out of private, non-federal sources. All of the above items are necessary to provide an effective self-sufficiency program. If the value of the in-kind service provision of the required self-sufficiency program and the waiving of security deposits and application fees (both normal and customary charges) are not allowed as match, then it becomes obvious that AHPC cannot meet its contractually required match in the manner proscribed by the contracts. The definition of eligible match for TBRA keeps changing from year to year and from TDHCA staff person to staff person.

AHPC had every intention of providing the match as included in the above-mentioned contracts. However, the elimination of the above listed waiving of fees and self-sufficiency program activities as eligible match has made it impossible to generate the match in the manner proscribed by the contracts. Therefore, we respectfully request that TDHCA amend contract 1000340 and contract 1000453 to eliminate the match requirements.

We look forward to your expeditious consideration of our request. If you have any questions or desire further information or comment, please contact me at (817) 220-5585.

Thank you for your consideration of our request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'A.G. Swan', written in a cursive style.

A.G. Swan
Executive Director

Cc: Michael Hunter - Hunter & Hunter Consultants, Inc.

Combined Community Action, Inc.

165 W. Austin, Giddings, TX 78942
(979) 540-2980 • (979) 542-9565 (fax)
1-800-688-9065



PEOPLE HELPING PEOPLE

August 4, 2006

Sandy Mauro, Manager
Portfolio Management
Texas Department of Housing
and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3941

Dear Sandy:

I am writing this letter to put forward a request that match for Combined Community Action, Inc.'s HOME Tenant Based Rental Assistance program be eliminated from Contract # 542027 with match required of \$2500 and Contract # 1000339 with match required of \$5000.

Combined Community Action, Inc (CCA) is a small, private, non-profit, community action agency that currently serves 10 central Texas counties with a variety of programs. Although the agency has been in existence for 40 years, each and every year has been a struggle for adequate funding. The agency primarily receives awards that are federal funds passed through state agencies. Very few unrestricted moneys are available.

Several years ago, CCA applied for and was fortunate to receive HOME Tenant Based Rental Assistance funds. Tied into this rental subsidy, CCA staff designed a self-sufficiency program that required participants to improve their job skill and/or their education during their time enrolled. While attending school, the program participants must maintain their grades, hold a part time job, and meet with a case manager on a monthly basis. During these meetings goal setting, budget counseling, and other life skills training is provided. Over the years, CCA has received additional TBRA contracts and the program has assisted individuals in becoming nurses, paralegals, physical therapist, locksmith etc.

It has always been difficult to obtain match for these contracts and when the current applications were submitted items were included as match that are no longer being accepted. For example: CCA would purchase groceries with unrestricted funds for a TBRA family that was having difficulty because tuition and fees were being paid or books were being purchased. This was used as match and it is no longer acceptable. Another example: CCA would purchase a tank of gas with unrestricted funds for a TBRA client who traveled over 30 miles one way to attend classes at the nearest Community College. This was used as match and it is no longer acceptable. CCA would pay for a new tire, a new battery, or car repair with unrestricted funds for a TBRA client who needed transportation to get to work or attend a class. This was used as match and it

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AUG 04 2006

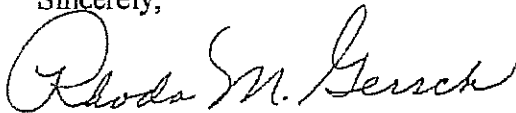
COMMUNITY ACTION

is no longer acceptable. CCA would hold evening group classes for TBRA clients on interviewing for a new job, dressing for success, and resume writing. Local professionals would teach these classes and their fee was used as match. This is no longer acceptable. Other examples could be given.

Combined Community Action, Inc's Tenant Based Rental Assistance program is so much more than providing a rental subsidy. CCA's TBRA program provides hope and guidance to families that have the motivation to improve their lives. Changing the rules creates an undue hardship and burden on the staff to find new ways of meeting this match in an area where resources are few. This is time that is better spent working with the TBRA clients and families.

Once again I would like to request that match be waived or eliminated from the Tenant Based Rental Assistance contracts. If the TDHCA staff or Board has any questions regarding this request I would be happy to respond. I can be reached at (979) 540-2999 or by email at rmgersch@ccaction.com.

Sincerely,



Rhoda M. Gersch
Executive Director

cc: DeAndrea Baker, FSS
Darlene Myers, CFO
chrono
TBRA program files

Cameron County Housing Authority

Board of Commissioners
Jimmy Sanchez, Chairman
Jose Campos, Jr., Vice Chairman
Dr. Ruben Gallegos, Commissioner
Tony Gutierrez, Commissioner

Daisy Flores
Executive Director
65 Castellano Circle
P.O. Box 5806
Brownsville, Texas 78520



August 8, 2006

Texas Department of Housing and Community Affairs
Single Family Finance Production, HOME Program Project Mgr.
Attn: Valerie Gonzales
221 E. 11th St.
Austin, TX 78701

RE: Valerie Gonzales

Dear Mrs. Gonzales

We are requesting a waiver for the match contribution in the amount \$148,223.50 for contract 542033.

The reason for the request is that we use to be able to submit large amounts of in-kind contributions that were donated by our community partnerships.

We were not able to meet your requirements because you would not accept the large amounts. We had to submit an amount per participant per hour which was never amounted to the large amount required.

If you have any questions, please contact my office.

Sincerely

Daisy Flores, Executive Director

DF/al

CENTRAL OFFICE 541-4983	CASA GRANDE 425-3521	LEON GARDENS/EBONY ESTATES 541-4983	LAS PALMAS 233-4402	LA FERIA 797-1041
SECTION 8 541-4983	TANGLEWOOD/NEPTUNE 943-7997	SUNRISE VILLA 361-2599	LA HACIENDA 425-2733	FAX 541-9617

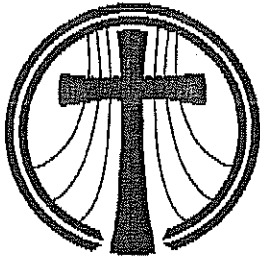
Twin City Mission

"Providing a home for the homeless, being a friend to the friendless and giving hope to the hopeless."

2506 S. College Ave.
Bryan, TX 77801
(979) 822-7511

www.twincitymission.org

PO Box 3490
Bryan, TX 77805
FAX: (979) 822-2674



September 12, 2006

Lucy Trevino, Portfolio Analysis Manager
Portfolio Analysis Division
Texas Department of Housing and Community Affairs
P.O. Box 13941, Suite 800
Austin, TX 78711-3941

Dear Ms. Trevino:

Following a discussion between our program staff and TDHCA staff regarding rules applying to Ineligible Match, we are forwarding to you a summary of the bottom-line financial effect of complying with the HUD guidelines as interpreted to us by TDHCA staff. The following are projected totals for the remainder of the TDHCA contract year (9/1/06 – 3/31/07):

Food Boxes for new move-in	\$1,260.00
Furniture for new move-in	\$1,960.00
Food Boxes for existing clients	<u>\$18,900.00</u>
Total	\$22,120.00

In our rural geographic area, public transportation options are limited and access to area resources is often impacted. Further, we believe all people should have access to food since it is an essential and basic human need. Many of our clients are disabled and on fixed incomes and must make difficult choices between buying food or medicine on a monthly basis. Therefore, we do think it is important to continue to assist with these items.

As these items we have provided are often essential to ensuring client's move toward self-sufficiency, we would respectfully like to request that these funds for match be de-obligated.

Thank you for your consideration of this request. Please do not hesitate to contact me at 979-822-7511 or at weedond@twincitymission.org should you have additional questions.

Sincerely,

Doug Weedon
Executive Director

The Bridge

Housing Services

Support Services

Phoebe's Home

STAR Program

Community Support Services





Oct. Bd Mtg.

3012 North McColl Road, McAllen, TX 78501, 956-668-8245 Fax 956-631-7914

August 11, 2006

Texas Department of Housing and Community Affairs
Attn: Lucy Trevino
221 E 11th Street
Austin, Texas 78701

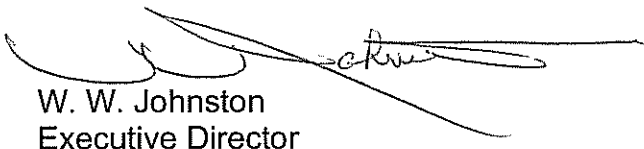
RE: Home TBRA Contract #1000196

Dear Ms. Trevino:

The Valley Association for Independent Living (VAIL) is requesting an amendment to the above referenced contract. We request the match amount you indicate be reduced to zero. The reason for this request is VAIL experienced a fire in our office in October 2005. We were displaced for over six months. We did suffer smoke and water damage which caused damage to our paper files. The records sustaining the damage could not be reconstructed. VAIL continued providing services to our TBRA consumers but were unable to adequately document all of our consumer records. We were also notified that information provided to TDHCA regarding our match was initially accepted and found out later that some information/documentation was disallowed by an audit team from Housing and Urban Development (HUD).

VAIL has made every effort to provide the highest quality level service to our TBRA consumers but because of the above circumstances and situations suffered we were unable to meet the number of consumers anticipated when we applied for these funds. VAIL respectfully requests TDHCA not require VAIL to meet the match requirement because of the hardships VAIL has endured over the past year and because of the reversal findings issued by HUD.

Respectfully submitted;


W. W. Johnston
Executive Director

RECEIVED
AUG 11 2006
COMPLIANCE

Oct. 07 2006



Latino Education Project

August 3, 2006

The Latino Education Project, Inc.

1045 Airline Rd. Suite #2 Corpus Christi, Texas 78412

Phone: (361) 980-0361 Fax: (361) 980-0951

www.latinoeducationproject.org

Sandy Mauro, Manager
 Texas Department of Housing & Community Affairs
 P.O. Box 13941
 Austin TX, 78711-3941

RE: Contract Number: 1000338

Dear Ms. Mauro:

The purpose of this letter is to request the Texas Department of Housing & Community Affairs (TDHCA) reduce the match amount for its current Tenant Based Rental Assistance Program (TBRA). We are requesting the amount of match be reduced to \$53,650 from the original amount of \$107,300. This later amount was proposed with the assumption that our community partners would be able to leverage the TDHCA funds with non-federal funds and that the LEP would be able to raise additional match funds to meet the very ambitious match amount. While our community partners have been willing, and actually have, contributed more services than requested from them, their source of financial support do not meet the non-federal eligibility requirements of the TBRA. As you well know, the Coastal Bend Region in general, and the Nueces County in particular, is known for its extremely poor economic base leading to an inordinate dependence on federal monies, a situation that has been aggravated by recent budget cuts and constraints.

While we cannot produce the original match amount proposed, we have been able to provide quality services to over 35 beneficiaries since the beginning of the program; we have a waiting list of over 25 families waiting to benefit from the TBRA. Let me assure you that all of these beneficiaries face severe emergency situations that include terminal illnesses, homelessness, domestic abuse, victims of fires, and elderly with chronic disabilities. We cannot jeopardize the services provided to them based on the availability of a rather unrealistically high match.

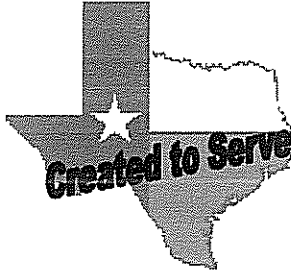
We respectfully request that the Board of Directors of the TDHCA review our request and allow us to continue to meet the needs of these very vulnerable and at risk populations residents of a poverty ridden region. Further, will greatly appreciate it if you would communicate to the board our deep concerns for the match requirement particularly in areas characterized by such high rates of poverty, lack of access to health care and social services, and lack of access to affordable, safe and decent housing. Please contact me at (361) 980-0361 if you should have any questions on this matter.

Sincerely,

Frances Pawlik
 Executive Director



The Latino Education Project, Inc. (LEP) will not discriminate on the basis of race, color, religion, sex, national origin, disability, or familial status.



Texas Neighborhood Services

314 NW 4th Street Mineral Wells, Texas 76067 940.325.6943

Children's Services

Community Services

Workforce Services

Ellis County ★ Erath County ★ Hood County ★ Johnson County ★ Kaufman County
Navarro County ★ Palo Pinto County ★ Parker County ★ Somervell County ★ Wise County

September 5, 2006

Lucy Trevino
221 East 11th
Austin, TX 78711-3941

Dear Ms. Trevino,

I am writing to you regarding the match for our Tenant Based Rental Assistance Program. The original grant application was written and the dollar amount was set at \$22,971.00. Since that time we requested to de-obligate a portion of our funds but the match is still the same. Is there any way we can lower the match requirement?

We are currently looking for ways to meet the required match. The staff member that wrote the original grant application is no longer here, and we do not know exactly what she had in mind for the match. Your department gave us a list of suggestions about what we can use for match, but I am still having a difficult time coming up with the required amount. Even if the match requirement is lowered, I do not know if we can meet the requirements. Can the match requirement be eliminated? If you have any suggestions please let me know as soon as possible.

Thank you for your time.

Sincerely,

Mistie Hott
Operations Manager

RECEIVED

SEP 07 2006

COMPLIANCE



EDINBURG HOUSING AUTHORITY

910 South Sugar Road

P O BOX 295

Edinburg, Texas 78539

Telephone: (956) 383-3839 Fax: 380-6308



9/25/04
Val -
Please log in
Theresa
L.

September 14, 2006

**Texas Department of Housing
And Community Affairs
507 Sabine Suite 400
Austin Texas 78711-3941**

**Re.: Home Program Tenant Based Rental Assistance Contract # 1000346
Match**

Dear Ms. Trevino:

On the original contract, we are obligated to have \$60,000.00 dollars of match. It was to be provided by self-sufficiency programs. After discussing with your office our match submitted, it was match for administrative cost and not for self-sufficiency. Apparently, the obligation needs to be reduced if not eliminated; the resources required to document are burdensome on our limited staff.

We request a waiver or significant reduction on our match.

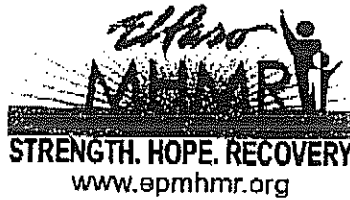
Thank you for your immediate assistance to our request.

If you should have any questions, please feel free to call me at (956) 383-3839 x 33.

Sincerely,

**Mrs. E.L. Trevino
EHA Executive Director**

RECEIVED
SEP 20 2006
COMPLIANCE



9/15/06
Val -
Please log in.
Thanks,
L

P.O. Box 9997 • El Paso, Texas 79995 • 915-887-3410

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September 19, 2006

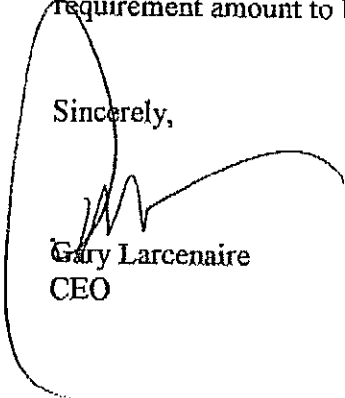
Lucy Trevino, Portfolio Manager
TDHCA
221 E. 11th Street
Austin, Texas 78711-3941

Re: HOME OCC Contract #1000349

Dear Ms. Trevino:

We are requesting a reduction in the match requirement for the above cited grant. We are showing that \$26,316.00 has been spent on furnishings for the clients we serve in our TBRA program. We were advised that this is not an acceptable match for this grant. Therefore, we would like the match requirement amount to be reduced by \$26, 316.00.

Sincerely,



Gary Larcenaire
CEO

**Frisco Housing Authority**

Tel (972) 377-3031
Fax (972) 377-3725
9400 3rd Street #405
Frisco, Tx 75034

September 13, 2006

TDHCA Governing Board
P.O. Box 13941
Austin, Tx 78711-3941

Dear TDHCA Governing Board,

The Frisco Housing Authority was awarded a HOME contract for Tenant Based Rental Assistance in the amount of \$213,476.00 of which \$8211.00 is for administrative costs. The match required on this contract is \$41,053.00.

When this contract was entered into we were under the assumption we had met our match requirement in the form of a donation by the Housing Trust Fund Board of Frisco in the amount of \$50,000. Upon subsequent review we know understand that these funds can't be considered for match requirements.

We have since entered into two collaborative agreements with Frisco Family Services Center and the Collin County Boys and Girls Club. Frisco Family Services Center will provide food pantry services, utility bill assistance, self-sufficiency training and rental assistance when needed. FFSC also helps clients identify needs and then locates specified social services to best meet those needs. The agreement with FFSC promotes the development of and ongoing operation of our computer learning center located at our tax credit property Preston Trace. The Collin County Boys and Girls Club is now operating an after-school program also located at Preston Trace. This after-school program is a free service provided to Frisco Housing Authority, Preston Trace Apartments, and TBRA clients' children. The initial funding for this program came from CDBG grant funds. The funding at this time consists of a donation from Boys and Girls Club and Preston Trace operating funds.

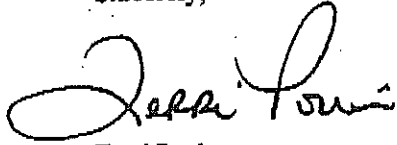
At this time 38 % of our clients on TBRA are either senior citizens or disabled. These residents find it difficult to attend appointments required by Frisco Family Services Center or classes offered by this agency. Only 27% of our TBRA clients have school age children that are eligible for the free after-school program provided by Collin County Boys and Girls Club.

We are constantly looking for opportunities to form partnerships with social agencies to promote our TBRA clients self sufficiency but do find it difficult to find agencies that are not funded completely or partly by the Federal Government. The task of completing such an umbrella of services to qualify for our match amount is incredibly labor intensive and is not supported by the amount of administrative funds associated with this grant.

We are requesting our match requirements be waived or reduced considerably. We will continue to look for opportunities in our community to form partnerships and offer services for our TBRA clients. It is our

goal to move them to a state of self-sufficiency where rental assistance is no longer required. Thank you for your consideration on this matter.

Sincerely,



Terri Porier
Executive Director
Frisco Housing Authority

Attachments:

Frisco Family Services Center Agreement
Collin County Boys and Girls Club Agreement

REAL ESTATE ANALYSIS

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, discussion and possible determination of an appeal on tax-exempt bond credit increase request fee for Eagle's Landing Apartments, #02414.

Required Action

Approve, deny or approve with amendments a determination on the appeal.

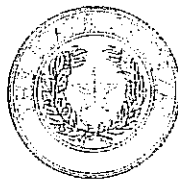
Background

02414 Eagles Landing Apartments

The Applicant submitted the cost certification for the above referenced tax-exempt bond development with a request for a credit increase. Section 50.20(i) of the 2006 QAP states, "As further described in §50.12 of this title, requests for increases to the credit amounts to be issued on IRS Forms 8609 for Tax-Exempt Bond Developments must be submitted with a request fee equal to one percent of the first year's credit amount." The Applicant submitted the credit increase fee and wishes to appeal the amount of the fee. According to the Applicant, they are paying twice for the same credit amount. The Applicant asserts that the fee charged at cost certification, equal to one percent of the first year's credit amount, is a duplicate charge to the commitment fee. The Department disagrees and the Executive Director has denied the appeal. However, the Department will consider this issue as comment for the 2007 QAP. It should be noted that the fee was created to encourage accurate cost estimates at the time of application and to discourage increases and additional processing.

Recommendation

Staff recommends that the request be denied since it is in compliance with the QAP.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

RICK PERRY
Governor

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Norberto Salinas

September 7, 2006

Robert G. Hoskins
NuRock
227 Sandy Springs Place
D103-184
Atlanta, GA 30328
By Facsimile: (770) 552-8748

MICHAEL GERBER
Executive Director

Re: IRS Forms 8609 and Appeal of Tax Exempt Bond Credit Increase Request Fee
for Eagle's Landing Apartments, TDHCA #02414

Mr. Hoskins:

Find enclosed the fully executed IRS Forms 8609 for the above referenced development. The original executed 8609s will follow via regular mail this afternoon and a copy of the originals will remain with the Department and filed directly with the IRS.

The Department also acknowledges receipt of your letter dated August 29, 2006, in which you enclosed a check in the amount of \$8,193.70 for the required tax exempt bond credit increase request fee and a request to appeal the amount of this fee.

In response to your appeal, §50.20(i) of the 2006 QAP states "As further described in §50.12 of this title, requests for increases to the credit amounts to be issued on IRS Forms 8609 for Tax-Exempt Bond Developments must be submitted with a request fee equal to one percent of the first year's credit amount." Staff has correctly applied this requirement to your request for additional tax credits and, therefore, your appeal to the Executive Director is denied. Your request to appeal this issue to the TDHCA Board will be added to the draft agenda for the October 12, 2006 meeting. If you wish to include additional information to present to the Board for this appeal it must be received no later than 5:00pm on October 4, 2006, otherwise your existing letter will represent your appeal. In addition, we will consider this as comment for the 2007 QAP.

If you have any questions please feel free to contact Raquel Morales in Real Estate Analysis at (512) 475-1676 or via email at raquel.morales@tdhca.state.tx.us.

Sincerely,

Michael Gerber
Executive Director

MG:rbm

Enclosure

NuRock

227 Sandy Springs Place
D103-184
Atlanta, Georgia 30328
(770) 552-8070 • (770) 552-8748 fax

VIA FEDERAL EXPRESS

August 29, 2006

Ms. Raquel Morales
Real Estate Analysis
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

AUG 30 2006

RE: Eagles Landing Apartments - #02414

Dear Ms. Morales:

Please find enclosed a check in the amount of \$8,193.70, representing the bond credit increase fee for the \$20,751 in additional credits for the Eagles Landing Apartments #02414.

As indicated, we wish to appeal the amount of this fee at the next TDHCA Board Meeting, as we believe the fee as calculated "double dips" and creates a double charge for the original credits already underwritten.

We wanted to forward the funds to expedite the receipt of the IRS Form 8609s in the interim, however, and if we are successful with this request, we would merely request a refund back from TDHCA.

I believe that you now have all that is required to issue the 8609s, please forward these at your earliest convenience.

If you have any further questions, please do not hesitate to contact Dan Allgeier or myself.

Sincerely,



Robert G. Hoskins
RGH:ast

Enclosure

BOND FINANCE DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Approval of Single Family Mortgage Revenue Bonds, 2006 Series F, Single Family Mortgage Revenue Refunding Bonds, 2006 Series G, and Single Family Mortgage Revenue Bonds, 2006 Series H (Variable Rate Demand Bonds) (Program 68).

Required Action

Approval of resolution 06-037 authorizing issuance of Single Family Mortgage Revenue Bonds, 2006 Series F, Single Family Mortgage Revenue Refunding Bonds, 2006 Series G, and Single Family Mortgage Revenue Bonds, 2006 Series H (Variable Rate Demand Bonds) (Program 68).

Background

As of September 29, 2006, 87% or \$210 million of the \$241 million of Program 66 lendable proceeds have been purchased, or are in the pipeline to be purchased. TDHCA has depleted its current balance of unassisted mortgage funds available for very low, low and moderate income Texans seeking to purchase their first home. On August 15, 2006, TDHCA received \$120 million of additional authority from the Texas Bond Review Board. Staff recommends using this additional authority in combination with \$15 million in commercial paper to issue single family bonds for the purpose of making additional funds available for statewide assisted and unassisted mortgages and Rita Gulf Opportunity (GO) Zone assisted mortgages.

Staff has surveyed our lenders and there remains strong demand for our product. Staff has taken a conservative look at this demand coupled with the holiday season approaching and estimates that Program 68 funds should be available through May 2007. On June 28, 2007, any remaining targeted area set aside of 60% AMFI under Program 66 will be lifted for use statewide. Also during that time, the Department will be able to utilize its 2007 volume cap.

The following table illustrates the various components of this proposed transaction.

Program	Series	Amount *	Purpose	Bond Description
68	2006 F	\$93,000,000	Tax-Exempt Take Out of Additional Authority for Below Market Rate Mortgages	Fixed Rate Bonds
68	2006 G	15,000,000	Tax-Exempt Refunding of Commercial Paper Series A for Below Market Rate Mortgages	Fixed Rate Bonds
68	2006 H	27,000,000	Tax-Exempt Take Out of Additional Authority for Below Market Rate Mortgages	Variable Rate Demand Bonds
Total		<u>\$135,000,000</u>		

* Preliminary, subject to change

Staff successfully incorporated TDHCA's first variable rate demand bonds (VRDB) and an interest rate swap for 30% of the transaction total in March of 2004 with UBS as the Underwriter. Subsequently, TDHCA has issued VRDBs with swaps for 40% of the transaction total in October 2004 with Piper Jaffray as Underwriter and 100% of the transaction total in April 2005 with Bear Stearns as Underwriter.

Staff recommends issuing from 20% to 40% of the transaction, the exact amount dependent on market conditions, in the form of variable rate demand bonds to lower the cost of borrowing to the Department thereby allowing the Department to lower the mortgage rate to first-time homebuyers. In order to reduce interest rate exposure associated with unhedged variable interest rates that change according to market conditions, staff recommends implementing a hedge referred to as an interest rate swap. An interest rate swap is a contractual agreement whereby two parties, called counterparties, agree to exchange periodic interest payments. Through an interest rate swap agreement, TDHCA will pay a highly rated counterparty a fixed interest rate. In exchange, the highly rated counterparty will pay TDHCA a variable interest rate which is reasonably expected to be similar to the variable interest rate TDHCA will pay on the variable rate demand bonds. An interest rate swap contract is a derivative security.

The interest rate swap proposed for this transaction will be very similar to TDHCA's first swap with UBS with the exception that no bond insurance will be required due to the fact that our indenture rating is now rated AAA with Standard and Poor's. A portion of the proceeds from fixed-rate Premium Planned Amortization Class (PAC) bonds will be used in conjunction with \$1.6 million of available zero percent funds to subsidize down payment assistance to all GO Zone mortgage loans and thirty percent of the remaining loans to be made available statewide.

Scenario 1 below reflects TDHCA's proposed structure as compared to 2) a structure comprised of 100% fixed rate bonds, and, 3) TDHCA's Series 2006 A-E bond structure.

Scenario	1 *	2 *	3
Bond Structure	80% Fixed Rate Bonds, 20% Variable Bonds	100% Fixed Rate Bonds	Program 66 \$241 million
Unassisted Mortgage Rate	5.50%	5.65%	5.625%
Assisted Mortgage Rate	6.00%	6.15%	6.125%
Assisted Rita GO Zone Mortgage Rate	5.75%	5.90%	5.875%

* Preliminary, subject to change.

The mortgages will be securitized and will be marketed to very low, low and moderate income residents of Texas.

Continuing with the senior manager rotation plan, Bond Finance recommends UBS Securities LLC, Inc. for this transaction. In keeping with TDHCA's policy of rotating firms in the co-senior and co-manager pool, Bond Finance recommends the following firms and roles for this transaction:

Firm	Role
Lehman Brothers	Co-Senior
Bank of America Securities LLC	Co-Manager
Loop Capital Markets, LLC	Co-Manager
Merrill Lynch & Co.	Co-Manager
Morgan Keegan & Company, Inc.	Co-Manager

The following table provides certain key dates for this plan of finance.

Program Designation	Program 68
TDHCA Board Approval Date	October 12, 2006
Texas Bond Review Board Approval Date	October 13, 2006 (On or Before)
Pricing Dates (2006 F, 2006 G, 2006H)	October 18-19, 2006
Execute Bond Purchase Agreement	October 20, 2006
Pre-Closing/Closing Dates	November 7 / November 8, 2006

Recommendation

Approval of resolution 06-037 authorizing issuance of Single Family Mortgage Revenue Bonds, 2006 Series F, Single Family Mortgage Revenue Refunding Bonds, 2006 Series G, and Single Family Mortgage Revenue Bonds, 2006 Series H (Variable Rate Demand Bonds) (Program 68).

Mortgage Pipeline Information

Current lendable proceeds in existing programs as of September 29, 2006

Program Number	Current Allocation	Rate	Committed/ In Pipeline	Loans Purchased	Uncommitted Allocation
61	175,865,983	4.99%- 5.50%	6,060,121	169,805,862	0.00
62	71,600,000	4.99%	4,195,856	67,404,144	0.00
62A	101,764,092	4.99%	10,032,248	91,731,844	0.00
66	241,384,473	5.625% 5.875% 6.125%	148,903,891	61,280,122	31,200,460
TOTAL:	\$590,614,548		\$169,192,116	\$390,221,972	\$31,200,460

Resolution No. 06-037

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS SINGLE FAMILY MORTGAGE REVENUE BONDS, 2006 SERIES F, SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS, 2006 SERIES G AND SINGLE FAMILY VARIABLE RATE MORTGAGE REVENUE BONDS, 2006 SERIES H; AUTHORIZING THE APPROVAL OF THE FORM AND SUBSTANCE OF THE SUPPLEMENTAL INDENTURES, THE DEPOSITORY AGREEMENT, THE PROGRAM GUIDELINES, THE SERVICING AGREEMENT, THE COMPLIANCE AGREEMENT, THE FUNDING AGREEMENT, THE BOND PURCHASE AGREEMENTS, THE CONTINUING DISCLOSURE AGREEMENT, THE REMARKETING AGREEMENT, THE TENDER AGENT AGREEMENT, THE STANDBY BOND PURCHASE AGREEMENT, THE SWAP AGREEMENT AND THE OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE REVENUE BOND PROGRAM; 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 (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds and to enter into interest rate swap agreements related to 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 mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Act further authorizes the Department to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department or the Texas Housing Agency, its predecessor (the "Agency"), under such terms, conditions and details as shall be determined by the Governing Board; and

WHEREAS, the Agency or the Department, as its successor, has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its Single Family Mortgage Revenue Bonds pursuant to the Single Family Mortgage Revenue Bond Trust Indenture dated as of October 1, 1980 (as amended by supplemental indentures numbered First through Fiftieth and any amendments thereto, collectively, the "Single Family Indenture") between the Department, as successor to the Agency, and The Bank of New York Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) Single Family Mortgage Revenue Bond Program; and

WHEREAS, the Department has issued its Single-Family Mortgage Revenue Refunding Tax-Exempt Commercial Paper Notes, Series A identified in Schedule I to this Resolution (the "Refunded Notes") in order to refund certain single family mortgage revenue bonds of the Department subject to redemption as a result of the receipt by the Department of prepayments on the mortgage loans securing such bonds; and

WHEREAS, Section 302 of the Single Family Indenture authorizes the issuance of additional Bonds for the purposes of acquiring Mortgage Loans or participations therein, payment of costs of issuance, funding of reserves, payments of certain Department expenses and refunding Bonds; and

WHEREAS, the Governing Board has determined to authorize the issuance of the Department's Single Family Mortgage Revenue Bonds, to be known as (i) its Single Family Mortgage Revenue Bonds, 2006 Series F (the "2006 Series F Bonds"), (ii) its Single Family Mortgage Revenue Refunding Bonds, 2006 Series G (the "2006 Series G Bonds") and (iii) its Single Family Variable Rate Mortgage Revenue Bonds, 2006 Series H (the "2006 Series H Bonds") (collectively, the "Series 2006 Bonds") pursuant to the Single Family Indenture (1) with respect to the 2006 Series F Bonds, for the purpose of providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage-backed securities ("Mortgage Certificates") issued and guaranteed by Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"), to fund capitalized interest and to pay a portion of the costs of issuance; (2) with respect to the 2006 Series G Bonds, for the purpose of refunding the Refunded Notes, thereby providing funds to acquire Mortgage Certificates, to fund capitalized interest and to pay a portion of the costs of issuance; and (3) with respect to the 2006 Series H Bonds, for the purpose providing funds to acquire Mortgage Certificates, to fund capitalized interest and to pay a portion of the costs of issuance; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Fifty-First Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Fifty-First Supplemental Indenture") in substantially the form attached hereto relating to the 2006 Series F Bonds, the Fifty-Second Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Fifty-Second Supplemental Indenture") in substantially the form attached hereto relating to the 2006 Series G Bonds, and the Fifty-Third Supplemental Single Family Mortgage Revenue Bond Trust Indenture (the "Fifty-Third Supplemental Indenture") in substantially the form attached hereto relating to the 2006 Series H Bonds; and

WHEREAS, the Fifty-First Supplemental Indenture, the Fifty-Second Supplemental Indenture and the Fifty-Third Supplemental Indenture are hereinafter collectively referred to as the "Supplemental Indentures"; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of a 2006 F/G/H Supplement to Depository Agreement relating to the Series 2006 Bonds (the "Depository Agreement"), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities relating to the Series 2006 Bonds; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Program Guidelines (the "Program Guidelines") in substantially the form attached hereto, setting forth the terms and conditions upon which Mortgage Loans will be purchased by the Department and the terms of such Mortgage Loans; and

WHEREAS, under the Program Guidelines, 100% of the funds available under the Department's single family mortgage purchase program designated as Bond Program No. 68 (the "Program") will be available to Mortgage Lenders participating in a controlled, first-come, first-served reservation system with (a) approximately 30% of such funds reserved in the first year of the Program to finance Mortgage Loans to eligible borrowers having a family income not exceeding 60% of applicable median family income, (b) approximately 20% of such funds reserved in the first year of the Program to finance Mortgage Loans to eligible borrowers in certain targeted areas and (c) approximately 50% of such funds reserved in the first year of the Program to finance Mortgage Loans to eligible borrowers in the Hurricane Rita Gulf Opportunity Zone; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Program Administration and Servicing Agreement (the "Servicing Agreement") in substantially the form attached hereto setting forth the terms under which Countrywide Home Loans, Inc., as master servicer (the "Servicer"),

will review, acquire, package and service the Mortgage Loans and sell the Mortgage Certificates to the Trustee on behalf of the Department; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Compliance Agreement (the "Compliance Agreement") in substantially the form attached hereto setting forth the terms under which Countrywide Home Loans, Inc., as compliance agent (the "Compliance Agent"), will review and examine certain documents submitted by the Mortgage Lenders in connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Funding Agreement (the "Funding Agreement") in substantially the form attached hereto setting forth the terms under which the Servicer will advance funds to the Department to be used to pay a portion of the costs of issuance of the Series 2006 Bonds; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Bond Purchase Agreements relating to the sale of the Series 2006 Bonds (collectively, the "Bond Purchase Agreements") with UBS Securities LLC, as representative of the group of underwriters listed on Exhibit A to this Resolution (the "Underwriters") with respect to the 2006 Series F Bonds and the 2006 Series G Bonds, and as sole underwriter with respect to the 2006 Series H Bonds, and/or any other parties to the Bond Purchase Agreements as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the forms attached hereto setting forth certain terms and conditions upon which the Underwriters and/or any other parties will purchase the Series 2006 Bonds from the Department and the Department will sell the Series 2006 Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreements; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Remarketing Agreement relating to the 2006 Series H Bonds (the "Remarketing Agreement") with UBS Securities LLC, as remarketing agent (the "Remarketing Agent"), in substantially the form attached hereto setting forth the terms under which the 2006 Series H Bonds will be remarketed from time to time; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Tender Agent Agreement relating to the 2006 Series H Bonds (the "Tender Agent Agreement") among the Department, the Remarketing Agent and The Bank of New York Trust Company, N.A., as tender agent and paying agent (the "Tender Agent"), in substantially the form attached hereto setting forth the terms under which the Tender Agent will purchase 2006 Series H Bonds subject to optional and mandatory tender by the owners thereof; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Standby Bond Purchase Agreement relating to the 2006 Series H Bonds (the "Standby Bond Purchase Agreement") with DEPPFA BANK plc, acting by and through its New York Branch (the "Liquidity Bank"), and the Tender Agent, in substantially the form attached hereto setting forth the terms under which the Liquidity Bank will advance funds from time to time for the purchase of 2005 Series H Bonds; and

WHEREAS, the Governing Board has determined that it may reduce its obligation to pay interest on the 2006 Series H Bonds by issuing the 2006 Series H Bonds as variable rate bonds and entering into an interest rate swap transaction (the "Swap Transaction") with respect to the 2006 Series H Bonds, pursuant to which the Department would agree to pay the swap provider a fixed interest rate (the "Fixed Rate"), and the swap provider would agree to pay the Department a variable interest rate based upon a formulation approved by an authorized representative of the Department named in this resolution (the "Floating Rate Option"), on an initial notional principal amount equal to the anticipated principal amount of the 2006 Series H Bonds; and

WHEREAS, the expected close correlation between the Floating Rate Option and the interest rate payable by the Department on the 2006 Series H Bonds, when combined with the Fixed Rate payable by the

Department, will result in the Department having a virtual “synthetic” fixed rate obligation with respect to the 2006 Series H Bonds; and

WHEREAS, the Governing Board has determined to enter into the Swap Transaction with UBS AG or such other swap counterparty approved by an authorized representative of the Department named in this resolution (in any event, the “Swap Counterparty”); and

WHEREAS, the Governing Board desires to authorize the execution of an ISDA Master Agreement, Schedule and Credit Support Annex (collectively, the “Swap Agreement”) in substantially the form attached hereto setting forth the general terms under which the Department will enter into interest rate swap transactions with the Swap Counterparty; and

WHEREAS, the Governing Board desires to grant a subordinate lien on the Trust Estate (as defined in the Single Family Indenture) to the Swap Counterparty as set forth in the Fifty-Third Supplemental Indenture; and

WHEREAS, the Governing Board has been presented with a draft of a preliminary official statement to be used in the public offering of the Series 2006 Bonds (the “Official Statement”) and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board has determined to authorize the investment of the proceeds of the Series 2006 Bonds and any other amounts held under the Single Family Indenture with respect to the Series 2006 Bonds in one or more guaranteed investment contracts (the “GICs”) on or after the closing date or such other investments as the authorized representatives named herein may approve; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed \$1,600,000 of Department funds for any purpose authorized under the Act and the Single Family Indenture, including to pay a portion of the costs of issuance of the Series 2006 Bonds, to fund down payment and closing cost assistance or to fund capitalized interest; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2006 Bonds constitutes “public works” as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Supplemental Indentures, the Depository Agreement, the Program Guidelines, the Servicing Agreement, the Compliance Agreement, the Funding Agreement, the Bond Purchase Agreements, the Continuing Disclosure Agreement, the Remarketing Agreement, the Tender Agent Agreement, the Standby Bond Purchase Agreement, the Swap Agreement and the Official Statement, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the Program in accordance with such documents by authorizing the issuance of the Series 2006 Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the Program; 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 Series 2006 Bonds. That the issuance of the Series 2006 Bonds is hereby authorized, all under and in accordance with the Single Family Indenture, and that, upon execution and delivery of the Supplemental Indentures, the authorized representatives named herein are each hereby authorized to execute, attest and affix the Department's seal to the Series 2006 Bonds and to deliver the Series 2006 Bonds to the Attorney General of Texas (the "Attorney General") for approval, the Comptroller of Public Accounts of the State of Texas (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2006 Bonds to or upon the order of the Underwriters and/or any other parties pursuant to the Bond Purchase Agreements.

Section 1.2--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chair of the Governing Board or the Executive Director of the Department (i) are hereby authorized and empowered to determine which series of the Series 2006 Bonds shall be issued on a taxable or a tax-exempt basis and to determine which series of the Series 2006 Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates (which, with respect to the 2006 Series H Bonds, will be determined from time to time by the Remarketing Agent), principal amounts and maturities of, and the prices at which the Department will sell to the Underwriters and/or any other parties to the Bond Purchase Agreements, the Series 2006 Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair of the Governing Board or the Executive Director of the Department of the Supplemental Indentures, the Bond Purchase Agreements, the Depository Agreement and the Official Statement; provided, however, that: (a) the net effective interest rate on the 2006 Series F Bonds shall not exceed 6.00% per annum, the net effective interest rate on the 2006 Series G Bonds shall not exceed 6.00% per annum and the initial net effective interest rate on the 2006 Series H Bonds shall not exceed 6.00% per annum; (b) the aggregate principal amount of the Series 2006 Bonds shall not exceed \$120,000,000 for the 2006 Series F Bonds, \$15,000,000 for the 2006 Series G Bonds and \$54,000,000 for the 2006 Series H Bonds; (c) the final maturity of the Series 2006 Bonds shall occur not later than September 1, 2038 for the 2006 Series F Bonds, September 1, 2036 for the 2006 Series G Bonds and September 1, 2038 for the 2006 Series H Bonds; (d) the price at which the Series 2006 Bonds are sold to the Underwriters and/or any other parties to the Bond Purchase Agreements shall not exceed 106% of the principal amount thereof for the 2006 Series F Bonds, 100% of the principal amount thereof for the 2006 Series G Bonds and 100% of the principal amount thereof for the 2006 Series H Bonds; and (e) the Underwriters' fee shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2006 Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law. Notwithstanding anything herein to the contrary, the interest rate on 2006 Series H Bonds held by the Liquidity Bank shall be determined as provided in the Standby Bond Purchase Agreement.

Section 1.3--Authorization of Swap Transaction. That the authorized representatives of the Department named in this resolution are hereby severally authorized and directed to negotiate and enter into a confirmation (the "Confirmation") of the Swap Transaction with the Swap Counterparty, provided that (i) the initial notional amount of the Swap Transaction is equal to the anticipated initial principal amount of the 2006 Series H Bonds, (ii) the Swap Transaction shall terminate on the anticipated final maturity date of the 2006 Series H Bonds, (iii) the Fixed Rate may not exceed 5.00% per annum, and (iv) if the 2006 Series H Bonds are not issued by the delivery date of the 2006 Series F Bonds and the 2006 Series G Bonds, the Swap Transaction shall terminate automatically pursuant to the terms of the Swap Agreement, and such authorized representatives are hereby severally directed and authorized, in the name and on behalf of the Department to execute and deliver, and, if requested, affix the seal of the Department to, the Confirmation.

Section 1.4--Approval, Execution and Delivery of the Supplemental Indentures. That the form and substance of the Supplemental Indentures are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Supplemental Indentures, and to deliver the Supplemental Indentures to the Trustee.

Section 1.5--Approval of Depository Agreement. That the form and substance of the Depository Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

Section 1.6--Approval of Program Guidelines. That the form and substance of the Program Guidelines are hereby authorized and approved.

Section 1.7--Approval of Servicing Agreement. That the form and substance of the Servicing Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Servicing Agreement and to deliver the Servicing Agreement to the Trustee and the Servicer.

Section 1.8--Approval of Compliance Agreement. That the form and substance of the Compliance Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Compliance Agreement and to deliver the Compliance Agreement to the Compliance Agent.

Section 1.9--Approval of Funding Agreement. That the form and substance of the Funding Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Funding Agreement and to deliver the Funding Agreement to the Servicer and the Trustee.

Section 1.10--Approval, Execution and Delivery of the Bond Purchase Agreements. That the sale of the Series 2006 Bonds to the Underwriters and/or any other parties pursuant to the Bond Purchase Agreements is 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 Bond Purchase Agreements and to deliver the Bond Purchase Agreements to the Underwriters and/or any other parties to the Bond Purchase Agreements.

Section 1.11--Approval of Continuing Disclosure Agreement. That the form and substance of the Continuing Disclosure Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 1.12--Approval, Execution and Delivery of the Remarketing Agreement. That the form and substance of the Remarketing Agreement are hereby authorized and 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 Remarketing Agreement and to deliver the Remarketing Agreement to the Remarketing Agent.

Section 1.13--Approval, Execution and Delivery of the Tender Agent Agreement. That the form and substance of the Tender Agent Agreement are hereby authorized and 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 Tender Agent Agreement and to deliver the Tender Agent Agreement to the Remarketing Agent and the Tender Agent.

Section 1.14--Approval, Execution and Delivery of the Standby Bond Purchase Agreement. That the form and substance of the Standby Bond Purchase Agreement are hereby authorized and 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 Standby Bond Purchase Agreement and to deliver the Standby Bond Purchase Agreement to the Liquidity Bank.

Section 1.15--Approval of Swap Agreement. That the form and substance of the Swap Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution are hereby authorized to execute, attest and affix the Department's seal to the Swap Agreement and to deliver the Swap Agreement to the Swap Counterparty approved by such authorized representative.

Section 1.16--Approval of Subordinate Lien. That the Department hereby authorizes the granting of a subordinate lien on the Trust Estate to the Swap Counterparty.

Section 1.17--Official Statement. That the Official Statement relating to the Series 2006 Bonds, in substantially the form presented to the Governing Board, is hereby approved; that prior to the execution of the Bond Purchase Agreements, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, are hereby authorized and directed to finalize the Official Statement for distribution by the Underwriters to prospective purchasers of the Series 2006 Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve in order to permit such an authorized representative, for and on behalf of the Governing Board, to deem the Official Statement relating to the Series 2006 Bonds final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), such approval to be conclusively evidenced by the distribution of such Official Statement; and that within seven business days after the execution of the Bond Purchase Agreements, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, shall cause the final Official Statement, in substantially the form of the Official Statement attached hereto, with such changes as such an authorized representative may approve, such approval to be conclusively evidenced by such authorized representative's execution thereof, to be provided to the Underwriters in compliance with Rule 15c2-12.

Section 1.18--Approval of GIC Broker; Approval of Investment in GICs. That the Executive Director or the Director of Bond Finance and the Chair of the Governing Board are hereby authorized to select a GIC Broker, if any, and that the investment of funds held under the Single Family Indenture in connection with the Series 2006 Bonds in GICs is hereby approved and that the Executive Director or the Director of Bond Finance of the Department is hereby authorized to complete arrangements for the investment in GICs or such other investments as the authorized representatives named herein may approve.

Section 1.19--Approval of Verification Agent. That the Executive Director or the Director of Bond Finance and the Chair of the Governing Board are hereby authorized to select a verification agent, if any.

Section 1.20--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the Single Family Indenture, the Swap Transaction, the Supplemental Indentures, the Depository Agreement, the Bond Purchase Agreements, the Continuing Disclosure Agreement, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Swap Agreement.

Section 1.21--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution are each hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of 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 1.22--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B	-	Supplemental Indentures
Exhibit C	-	Depository Agreement
Exhibit D	-	Program Guidelines
Exhibit E	-	Servicing Agreement
Exhibit F	-	Compliance Agreement
Exhibit G	-	Funding Agreement
Exhibit H	-	Bond Purchase Agreements
Exhibit I	-	Continuing Disclosure Agreement
Exhibit J	-	Remarketing Agreement
Exhibit K	-	Tender Agent Agreement
Exhibit L	-	Standby Bond Purchase Agreement
Exhibit M	-	Swap Agreement
Exhibit N	-	Official Statement

Section 1.23--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 Governing Board, Executive Director of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department and the Secretary to the Governing Board.

Section 1.24--Department Contribution. That the contribution of Department funds in an amount not to exceed \$1,600,000 to be used for any purpose authorized under the Act and the Single Family Indenture, including to pay a portion of the costs of issuance of the Series 2006 Bonds, to fund down payment and closing cost assistance or and to fund capitalized interest, is hereby authorized.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Submission to the Attorney General of Texas. That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2006 Bonds.

Section 2.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreements and the requirements of the purchasers of the Series 2006 Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.3--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2006 Bonds and all other Department activities.

Section 2.4--Approval of Requests for Rating from Rating Agencies. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Section 2.5--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2006 Bonds are hereby ratified and confirmed.

Section 2.6--Authority to Invest Funds. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the Single Family Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the Single Family Indenture.

Section 2.7--Redemption of Refunded Notes. That the Executive Director or the Director of Bond Finance is hereby authorized and directed: (i) to instruct the Department staff and the issuing and paying agent for the Refunded Notes to redeem the outstanding Refunded Notes, and (ii) to take all other actions necessary to cause such redemption to occur.

Section 2.8--Eligibility for Refunding Under Commercial Paper Program. That Series 2006 Bonds qualify as “Refunding Bonds” for purposes of the Department’s Amended and Restated Commercial Paper Resolution adopted on June 10, 1996, as amended from time to time.

Section 2.9--Waiver from Texas Bond Review Board. That the Governing Board of the Department ratifies actions taken by the authorized representatives of the Department named in this Resolution seeking from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Determination of Interest Rate. That the Governing Board of the Department hereby declares that the Department shall fix and determine the interest rates on the Mortgage Loans for the Program at the time and in accordance with the procedures set forth in the Single Family Indenture and that such rates shall be established at levels such that the Mortgage Loans for the Program will produce, together with other available funds, the amounts required to pay for the Department’s costs of operation with respect to the Program and debt service on the Series 2006 Bonds, and enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the Single Family Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds.

Section 3.2--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

Section 3.3--Purpose of Series 2006 Bonds. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2006 Bonds constitutes “public works” as contemplated by Chapter 1371, Texas Government Code, as amended.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Series 2006 Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the Single Family Indenture to secure payment of the bonds issued under the Single Family Indenture and payment of the Department’s costs and expenses for the Program thereunder and under the Single Family Indenture, and under no circumstances shall the Series 2006 Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Series 2006 Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 4.3--Purposes of Resolution. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2006 Bonds and the furtherance of the Program contemplated by this Resolution 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.

Section 4.4--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Governing 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 Governing Board as required by Section 2306.032, Texas Government Code, as amended.

Section 4.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Signature page follows.]

PASSED AND APPROVED this 12th day of October, 2006.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

SCHEDULE I

SERIES "A" CP NOTES TO BE REFUNDED WITH 2006 SERIES G BONDS

New CP Issue Date:		6/16/2005					42 Month Rule	10 Year Rule	32 Year Rule
<u>Bond Series</u>	<u>Refunded Bond Series</u>	<u>Tax Status</u>	<u>Amount</u>	<u>Original Bond Issue Date</u>	<u>Original Refunded Bond Issue Date (Earliest)</u>	<u>CP Cusip #</u>			
RMRB 1998A		AMT		12/3/1998	N/A	88274W2Q5	6/3/2002	12/3/2008	12/3/2030
RMRB 1999B-1		AMT	\$ 122,000.00	12/2/1999	N/A	88274W2Q5	6/2/2003	12/2/2009	12/2/2031
RMRB 2000A *		AMT	\$ 2,925,000.00	5/1/2000	12/2/1999	88274W2Q5	6/2/2003	12/2/2009	12/2/2031
RMRB 2000B		AMT	\$ 410,000.00	10/26/2000	N/A	88274W2Q5	4/26/2004	10/26/2010	10/26/2032
Total			\$ 3,457,000.00						

Current Status: Still Outstanding.

New CP Issue Date:		6/30/2006					42 Month Rule	10 Year Rule	32 Year Rule
<u>Bond Series</u>	<u>Refunded Bond Series</u>	<u>Tax Status</u>	<u>Amount</u>	<u>Original Bond Issue Date</u>	<u>Original Refunded Bond Issue Date (Earliest)</u>	<u>CP Cusip #</u>			
RMRB 1998A		AMT	\$ 1,345,000.00	12/3/1998	N/A	88276W2V4	6/3/2002	12/3/2008	12/3/2030
RMRB 1999B-1		AMT	\$ 810,000.00	12/2/1999	N/A	88276W2V4	6/2/2003	12/2/2009	12/2/2031
RMRB 2000A *		AMT	\$ 1,300,000.00	5/1/2000	12/2/1999	88276W2V4	6/2/2003	12/2/2009	12/2/2031
RMRB 2000B		AMT	\$ 2,385,000.00	10/26/2000	N/A	88276W2V4	4/26/2004	10/26/2010	10/26/2032
RMRB 2001A		AMT	\$ 755,000.00	10/30/2001	N/A	88276W2V4	4/30/2005	10/30/2011	10/30/2033
RMRB 2002A		AMT	\$ 1,310,000.00	12/18/2002	N/A	88276W2V4	6/1/2006	12/18/2012	12/18/2034
RMRB 2003A **		AMT	\$ 605,000.00	8/20/2003	12/18/2002	88276W2V4	6/1/2006	12/18/2012	12/18/2034
Total			\$ 8,510,000.00						

Current Status: Still Outstanding.

New CP Issue Date:		8/17/2006					42 Month Rule	10 Year Rule	32 Year Rule
<u>Bond Series</u>	<u>Refunded Bond Series</u>	<u>Tax Status</u>	<u>Amount</u>	<u>Original Bond Issue Date</u>	<u>Original Refunded Bond Issue Date (Earliest)</u>	<u>CP Cusip #</u>			
SF 1996A		AMT	\$ 67,000.00	10/1/1996	N/A	88276W2X0	4/2/2000	10/1/2006	10/1/2028
SF 1997A		AMT	\$ 899,000.00	9/17/1997	N/A	88276W2X0	3/17/2002	9/17/2007	9/17/2029
SF 1997D		AMT	\$ 703,000.00	12/4/1997	N/A	88276W2X0	6/14/2001	12/4/2007	12/14/2029
SF 2002B***		AMT	\$ 565,000.00	6/26/2002	10/30/2001	88276W2X0	4/30/2004	10/30/2011	12/30/2033
SF 2004A		AMT	\$ 786,000.00	4/28/2004		88276W2X0	10/28/2007	4/28/2014	4/28/2036
SF 2004C		AMT	\$ 13,000.00	10/28/2004		88276W2X0	4/28/2008	10/28/2014	10/28/2036
Total			\$ 3,033,000.00						

Current Status: Still Outstanding.

\$ 15,000,000.00

- * Original Issuance Date is 12/2/1999
- ** Original Issuance Date is 12/18/2002
- *** Original Issuance Date is 10/30/2001

EXHIBIT A

List of Underwriters

Senior Manager

UBS Securities LLC

Co-Senior Manager

Lehman Brothers

Co-Managers

Bank of America Securities LLC
Loop Capital Markets, LLC
Merrill Lynch & Co.
Morgan Keegan & Company, Inc.

**THIS ITEM HAS BEEN PULLED
FROM THE AGENDA**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD ACTION REQUEST
October 12, 2006

Action Item

The following action is recommended related to housing activities under the State of Texas Action Plan (Action Plan) for *Community Development Block Grant (CDBG) Disaster Recovery Funds to Areas Most Impacted and Distressed by Hurricane Rita*:

- a) Presentation, Discussion, and Possible Approval to Modify the Action Plan to Require Deferred Forgivable Loans for Beneficiaries Residing in Floodplains.

Required Action

Approval to require deferred forgivable loans for beneficiaries that reside in a floodplain and choose not to relocate outside of the floodplain.

Background

The Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128) applies to the use of funds provided under the CDBG Disaster Recovery Program. The Act states that federal financial assistance for acquisition and construction activities (including rehabilitation) may not be provided in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:

- (i) the community where the assistance will be provided is participating in the National Flood Insurance Program; and
- (ii) the assisted homeowner agrees to obtain flood insurance as a condition of assistance.

The Department is responsible for ensuring that flood insurance is obtained and maintained by each assisted homeowner in a floodplain. If assistance is provided in the form of a loan, the Department must ensure that flood insurance coverage is maintained for the term of the loan. If assistance is provided in the form of a grant, the Department must ensure that coverage is maintained for the anticipated life of the improvement, regardless of transfer of ownership of the assisted property. The anticipated life of the improvement varies depending on the activity. For example, the anticipated life for substantial rehabilitation or reconstruction would be considerably longer than the anticipated life for minor rehabilitation activities such as repairing, weatherizing, or roofing a house which could range from five to fifteen years.

Currently, the Action Plan requires that assistance for housing activities including emergency repairs, rehabilitation, and reconstruction will be provided in the form of a grant. To comply with the requirements of the Flood Disaster Protection Act, the Department would be required to verify that homeowners residing in floodplains obtain and maintain flood insurance coverage for the life of the improvement. Although the Department does require evidence of flood insurance coverage as a condition of assistance, it is not feasible to verify on a yearly basis for the life of the improvement whether homeowners maintain coverage, particularly in cases where a home will be reconstructed. The Department has consulted with the Councils of Governments (COGs) administering housing activities and the COGs agree that deferred forgivable loans should be required.

Staff proposes to require that assistance provided within a floodplain be in the form of a three year, zero percent interest, deferred forgivable loan. As part of its loan processing responsibilities, the Department will monitor for flood insurance coverage on a yearly basis for a three year period. If a disaster occurs in the future and a

beneficiary previously assisted with disaster funds applies for additional disaster funding but did not maintain flood insurance coverage, no further assistance will be provided.

Deferred forgivable loans shall be evidenced by a Note and Deed of Trust against the property and shall be repayable upon sale of the home, whether voluntary or involuntary; refinance; or payoff of any superior lien note, if any, or if the home ceases to be the assisted homeowner's principal residence, whichever is first to occur. Each deferred forgivable loan will be zero percent interest over three years, forgivable at a rate of 33.33% per year of assisted homeowner occupancy.

All loans will be forgiven upon death of the borrower and co-borrower. In the event of sale of the home (voluntary or involuntary), the assisted homeowner will repay the loan balance from the net proceeds of the sale. The net proceeds are the sales price minus superior loan repayment (other than CDBG funds).

Recommendation

Staff recommends approval of deferred forgivable loans for activities in a floodplain. If the Governing Board approves the proposed action, the Department will modify the Action Plan as follows:

- Housing activities will include but not be limited to single and multifamily acquisition, demolition, repair, rehabilitation, reconstruction, or new construction as appropriate for specific local needs to address damage as a result of Hurricane Rita. Flood buyouts of homes damaged by Hurricane Rita in which the owner will repurchase a home are considered housing activities. Assistance provided in a floodplain will be in the form of a three (3) year, zero percent interest, deferred forgivable loan. All other assistance will be in the form of a grant.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, discussion and possible approval of the Housing Trust Fund - Texas Bootstrap Loan Program Notice of Funding Availability (NOFA).

Required Action

Approve, deny or approve with amendments the Texas Bootstrap Loan Program NOFA.

Background

The Department has de-obligated approximately \$2 million from Texas Bootstrap Loan Program contracts awarded in fiscal years 2002, 2003 and 2004 due to nonperformance and unresolved compliance issues. These de-obligated funds were originally generated from the Housing Trust Fund and Bond Proceeds.

In order to recommit and expend these funds expeditiously, staff is recommending a NOFA for approximately \$2 million. All applications for this funding must be received by the Department no later than 5:00 p.m. on November 17, 2006. Funding priority will be given to organizations that have projects that are ready to proceed. It is the Department's intent to expend these funds by December 31, 2007; however, applications that clearly demonstrate the ability to expend the funds by August 31, 2007 will be given the highest consideration.

Recommendation

Approve or approve with modifications the Texas Bootstrap Loan Program NOFA.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Texas Bootstrap Loan Program
Notice of Funding Availability (NOFA)

Texas Bootstrap Loan Program NOFA

The Texas Department of Housing and Community Affairs (TDHCA), through its Office of Colonia Initiatives (OCI), is pleased to announce the availability of approximately Two Million Dollars (\$2,000,000) to purchase or refinance real property on which to build new residential or improve existing residential housing through self-help construction for very low and extremely low income individuals and/or families (owner-builders); including persons with special needs.

The Department has de-obligated these funds from Texas Bootstrap Loan Program contracts awarded in fiscal years 2002, 2003 and 2004 due to nonperformance and unresolved compliance issues. These de-obligated funds were originally generated from the Housing Trust Fund and Bond Proceeds. **In order to recommit and expend these funds immediately, funding priority will be given to organizations that have projects that are ready to proceed. It is the Department's intent to expend these funds by December 31, 2007; however, applications that clearly demonstrate the ability to expend the funds by August 31, 2007 will be given the highest consideration.**

TDHCA administers the Texas Bootstrap Loan Program (the "Program") by working through Colonia Self-Help Centers established under Chapter 2306, Subchapter Z, Section 2306.582 of the Texas Government Code or a nonprofit organization certified by TDHCA as a Nonprofit Owner-Builder Housing Programs (NOHP) as described in Subchapter FF, Section 2306.755 of the Texas Government Code.

To be eligible for state certification, TDHCA may certify NOHP's operated by a tax-exempt organization listed under Section 501(C)(3), Internal Revenue Code of 1986 to:

- (1) qualify potential owner-builders for loans under this subchapter;
- (2) provide owner-builder education classes such as;
 - (a) financial responsibilities of an owner-builder under this subchapter, including the consequences of an owner-builder's failure to meet those responsibilities;
 - (b) building of housing by owner-builders;
 - (c) resources for low-cost building materials available to owner-builders; and
 - (d) resources for building assistance available to owner-builders.
- (3) assist owner-builders in building housing; and
- (4) originate or service loans made by the TDHCA under this subchapter.

In an effort to encourage the production of affordable housing for individuals and families of extremely low income, TDHCA is meeting its goal of directing the funds in accordance with Rider 3, General Appropriations Act 78th Legislative Session. In addition, Section 2306.753(a) of the Texas Government Code directs TDHCA to establish a priority in directing funds to owner-builders with an annual income of less than \$17,500. The maximum amount of funding per organization is \$600,000. The maximum loan amount using TDHCA funds may not exceed \$30,000 per owner-builder. The total amount of loans made with TDHCA and any other source combined may not exceed \$60,000 per household. Projects utilizing additional non-TDHCA resources will be required to provide additional documentation identifying the sources of these additional funds and information about their rates and terms.

To be eligible for a loan, an owner-builder:

- (1) may not have an annual income that exceeds **60 percent**, as determined by TDHCA, of the greater of the state or local Area Median Family Income (AMFI), when combined with the income of any person who resides with the owner-builder;
- (2) must have resided in this state for the preceding six months;

- (3) must have successfully completed an owner-builder education class; and
- (4) must agree to:
 - (A) provide at least **60 percent** of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP; or
 - (B) provide an amount of labor equivalent to the amount required in connection with building or rehabilitating housing for others through a state certified NOHP;
 - (C) TDHCA may select a NOHP to certify the eligibility of owner-builders to receive a loan. A state certified NOHP selected by TDHCA shall use the eligibility requirements established by TDHCA to certify the eligibility of an owner-builder for the program.

Applicants who have received a Program award in the past must have, as of November 17, 2006 100% of all applicants deemed eligible and must have expended and/or have under construction seventy-five percent (75%) of its previous award to be considered under this NOFA.

General Information for NOFA:

At a minimum, the following criteria must be satisfied in the Application for the Texas Bootstrap Loan Program fund. The applicable criteria is further delineated in the Application guidelines, which is part of the application package.

- (1) Needs Assessment—Whether the proposed project meets the demographic, economic and special need characteristics of the population residing in an underserved area (colonia or Economically Distressed County as defined within the application). Provide qualitative and quantitative information, market study, if approved to determine the need of the Texas Bootstrap Loan Program.
- (2) Operational Capability and Experience of Applicant--Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers), in program management, managing self-help housing, volunteer labor projects involving acquisition, rehabilitation, reconstruction, new construction, home buyer education classes, real estate finance counseling and training or other activities relevant to the proposed program.
- (3) Financial Design. Applications for funding will be reviewed for written evidence of the capacity to maintain financial systems, including the responsibility of accounting staff. The Application must adequately describe the lead Applicants and co-Applicants financial standing for the last three years. The review will be based on the supporting financial data provided by Applicants and third party reports such as financial statements and audits submitted with the Application. Submission of "Independent Auditor's Report" dated within 12 months of application deadline date, describing the financial standing of the applicant within the last three years. Report must show evidence of Applicant's capacity to maintain an effective financial system, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.
- (4) Leveraging of public and/or private resources. Does the applicant and/or co-applicant have private-sector support for the project from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government.
- (5) Program Design. Applications for funding will be reviewed for written evidence of how the Owner-Builders will meet the 60% sweat equity requirement. Applicant must describe in detail how the program guidelines will be used to identify and prioritize families earning less than \$17,500. In addition Applicants must provide specific development plans, program schedules and performance benchmarks that will enable them to build units within a 24 month contract.

Applications will then be scored based on Income Targeting, Previous Awards, Past Performance and First Time Applicants, Letters of Support, Readiness to Proceed, Level of Homebuyer Counseling, Lien Position, Operation Capability and Experience and Program Design. TDHCA desires to select a diverse group of state certified, NOHP's that will serve various populations throughout the state.

The NOHP state certification application can be downloaded from TDHCA's web-site located at <http://www.tdhca.state.tx.us/oci/documents/NOHPCertificationWebsite.pdf>. In addition, applicants for this program are encouraged to download the **Texas Bootstrap Loan Program** application from TDHCA's web-site located at <http://www.tdhca.state.tx.us/oci/bootstrap.jsp>. Applicants may also request a hard copy version of the application. Application packages will be transmitted via first class U.S. Postal Service unless applicants request transmittal via overnight courier and provide the name and account number of their desired courier.

TDHCA's Board of Directors reserves the right to change the award amount, and to award less than the requested amount.

Applications must be received at TDHCA on or before 5:00 p.m., Friday November 17, 2006.

FAXED APPLICATIONS WILL NOT BE ACCEPTED.

All interested parties are encouraged to participate in this program. **Applications will be available on October 13, 2006.** Technical assistance for this application will be provided during October 13, 2006 thru November 17, 2006. For additional information or to request an application package, please call Raul Gonzales with the Office of Colonia Initiatives at (800) 462-4251, check TDHCA's web-site at www.tdhca.state.tx.us or e-mail your request to raul.gonzales@tdhca.state.tx.us. Please direct your applications to:

*Texas Department of Housing and Community Affairs
ATTN: Office of Colonia Initiatives
Post Office Box 13941
Austin, Texas 78711-3941*

Or by courier to:
*221 East 11th Street
Austin, Texas 78701*

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Approval of the Texas Bootstrap Loan Program Draft Rules, 10 Texas Administrative Code.

Required Action

Approve the repeal of Title 10 of the Texas Administrative Code Part 1, Chapter 2 and approve, reject or approve with modifications the proposed adoption of the rules governing the Texas Bootstrap Loan Program also known as the Owner-Builder Loan Program.

Background

The current rules regarding the Texas Bootstrap Loan Program are limited to statutory requirements for Owner-Builders and Nonprofit Owner-Builder Housing Program participants. Attached are the proposed Texas Bootstrap Loan Program Rules that reflect staff's recommendations. The Texas Bootstrap Loan Program Rules being recommended by staff further ensures compliance with all statutory requirements and includes revisions of necessary policies and administrative changes to further enhance the Texas Bootstrap Loan Program.

Recommendation

Staff is recommending the proposed repeal of Title 10 of the Texas Administrative Code Part 1, Chapter 2 the current rules for the Texas Bootstrap Loan Program also know as the Owner-Builder Loan Program and the approval of the proposed adoption to the rules governing the Texas Bootstrap Loan Program.



Texas Bootstrap Loan Program Draft Rules
Title 10, Part 1, Chapter 2 Texas Administrative Code

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§2.1. Purpose

(a) This chapter clarifies the administration of the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program also known as the Owner-Builder Loan Program. The Texas Bootstrap Loan Program provides assistance to income-eligible individuals, families and households to finance, acquire, rehabilitate and develop decent, safe and sanitary housing. The Program is administered in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code.

The Texas Bootstrap Loan Program is a self-help construction program that is designed to provide low-income families an opportunity to help themselves attain homeownership or repair their existing homes through sweat equity. All participants under this program are required to provide at least 60 percent of labor that is necessary to construct or rehabilitate the home. All applicable building codes and housing standards are adhered to under this program. In addition, nonprofit organizations can combine these funds with other sources such as private lending institutions, local governments, or any other sources for this purpose. However, all combined repayable loans may not exceed \$60,000 per unit.

§2.2. Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which Texas Bootstrap Loan Program funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of residential housing.

(2) Administrative Deficiencies--The absence of information or a document from the Application as required by these rules.

(3) Applicant--An eligible entity which is preparing to submit or has submitted an Application for Texas Bootstrap Loan Program funds and is designated in the Application to assume contractual liability and legal responsibility to execute the written agreement with the Department.

(4) Application--A written request for Texas Bootstrap Loan Program funds in the format required by the Department.

(5) AMFI--HUD's Area Median Family Income.

(6) Board--The governing board of the Texas Department of Housing and Community Affairs.

(7) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) has the physical and economic characteristics of a Colonia, as determined by the Department.

(8) Committed--Funds budgeted to a household and approved by the Department.

(9) Competitive Application Cycle--A defined period during which applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be

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reviewed in accordance with the rules for Application review published in the NOFA, and Application guidelines. The Department may release funds in a two year funding cycle or less than two years.

(10) Contract--A written agreement, including all amendments thereto; executed by the Department and Technical Assistance Provider.

(11) Department--The Texas Department of Housing and Community Affairs.

(12) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of single family residential housing that meet the Texas Bootstrap Loan Program requirements.

(13) Drawn--Funds approved by the Department and disbursed to the Technical Assistance Provider.

(14) Household--One or more persons occupying a housing unit.

(15) HUD--United States Department of Housing and Urban Development.

(16) Low-Income Families--Owner-Builders may not have an annual income that exceeds 60 percent, as determined by the Department, of the greater of the state or local median family income, when combined with the income of any person who resides with the Owner-Buidler.

(17) New Construction--Any single-family structure not meeting the definition of Rehabilitation or Reconstruction.

(18) NOFA--Notice of Funding Availability, published in the *Texas Register*.

(19) NOHP--Nonprofit Owner-Builder Housing Program.

(20) Nonprofit Organization--A public or private organization that:

(A) is organized under state or local laws;

(B) has no part of its net earnings benefiting any member, founder, contributor, or individual;

(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the Application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization nonprofit under 501(c)(3) of the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.

(D) A private nonprofit organization's pending application for 501(c)(3) status cannot be used to comply with the tax status requirement.

(21) Open Application Cycle--A defined period during which applications may be submitted according to a published NOFA and which will be reviewed on a first come-first served basis until all funds available are committed, or until the NOFA is closed. Applications will be reviewed in accordance with the rules for Application review published in the NOFA, and/or Application guidelines. The Department may release funds in a two year funding cycle or less than two years.

(22) Owner-Builder--A person or household who owns or purchases a piece of real property through a warranty deed; or is purchasing a piece of real property under a contract for deed;

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and who undertakes to make improvements to that property and as further described in Section 2.16 of this chapter.

(23) Program--Texas Bootstrap Loan Program also know as the Owner-Builder Loan Program.

(24) Reconstruction--The rebuilding of a new single-family structure on the same lot where housing exists at the time of Owner-Builder loan application. Texas Bootstrap Loan Program funds may also be used to build a new foundation or repair an existing foundation.

(25) Rehabilitation--Includes the alteration, improvement or modification of an existing single family structure. It may also include moving an existing single family structure to a foundation constructed with Texas Bootstrap Loan Program funds.

(26) Related Party--As defined in Section 2306.6702 of the Texas Government Code.

(27) Self-Help Housing--The self-help housing process enables Owner-Builders to rehabilitate, reconstruct or construct their own homes, usually working together in groups on other eligible Owner-Builder's houses at the same time. Owner-builders use their own "sweat equity" to reduce the cost of their homes.

(28) Single-family structure--A property designed and built to support the habitation of one person or one household.

(29) Technical Assistance Provider (TAP)--A successful Applicant that has been awarded funds and has entered into a contract with the Department to administer the Texas Bootstrap Loan Program.

(30) Unit--A single family structure.

§2.3. Allocation of Funds

(a) The Department administers all Texas Bootstrap Loan Program funds provided to the Department in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code. The Department shall:

(1) solicit gifts and grants to make loans under this chapter.

(2) The Department may also make loans under this chapter from:

(A) available funds in the housing trust fund established under Section 2306.201, of the Texas Government Code; and

(B) federal block grants that may be used for the purposes of this chapter; and

(C) the Owner-Builder revolving loan fund established under 2306.7581, of the Texas Government Code.

(3) In a state fiscal year, the Department may use not more than 10 percent of the revenue available for purposes of this chapter to enhance the ability of tax-exempt organizations described by Section 2306.755(a) of the Texas Government Code to implement the purposes of this chapter.

(b) The Department shall establish an Owner-Builder revolving loan fund for the sole purpose of funding loans under this chapter pursuant to Section 2306.7581 of the Texas Government Code.

(c) The Department shall deposit money received in repayment of a loan under this chapter to the Owner-Builder revolving loan fund pursuant to Section 2306.7581 of the Texas Government Code.

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(d) Each state fiscal year the Department shall transfer at least \$3 million to the Texas Bootstrap Loan Program revolving fund from money received under the federal HOME Investment Partnerships program established under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.) from money in the housing trust fund; or from money appropriated by the legislature to the Department pursuant to Section 2306.7581 of the Texas Government Code.

§2.4. Applicant Requirements:

(a) Eligible Applicant. The following organizations or entities are eligible to apply for the Texas Bootstrap Loan Program:

(1) Colonia Self Help Centers established under Chapter 2306, Subchapter Z, Texas Government Code; or

(2) Nonprofit Owner-Builder Housing Program (NOHP) certified by the Department pursuant to Section 2306.755 of the Texas Government Code.

(b) Ineligible Applicant: The following violations will cause an Applicant, and any Applications they have submitted, to be ineligible:

(1) previously funded Applicant(s) whose funds have been partially or fully deobligated due to failure to meet contractual obligations during 24 month period prior to the Application deadline date;

(2) Applicants who have not satisfied all eligibility requirements described in the NOFA, and application guidelines to which they are responding, and for which Administrative Deficiencies were unresolved;

(3) Applicants that have failed to make timely payment on any loans or fee commitments made with the Department;

(4) Applicants that have been debarred by HUD or the Department; or

(5) Applicant, or their staff, violate the state's revolving door policy.

(c) Communication with Department Employees. Communication with Department employees by Applicants that submit an Application must follow the following requirements. During the period beginning on the date an Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.

(1) the communication must be restricted to technical or administrative matters directly affecting the Application;

(2) the communication must occur or be received on the premises of the Department during established business hours; and

(3) a record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication.

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(d) Noncompliance. Each application will be reviewed for its compliance history by the Department. Applications found to be in Material Noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(e) Eligibility requirements. An Applicant must satisfy the following requirements in order to be eligible to apply for the Texas Bootstrap Loan Program funding and as more fully described in the NOFA and application guidelines, when applicable. The applicant must have the capacity to administer and manage resources as evidence by previous experience of managing state and/or federal programs based on each of the following preferred experience:

(A) Applicant must provide names and details, such as number of houses built, financing structure and construction timelines of previous projects in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program in the areas of property development (including processes related to surveying, platting and recording of property), home loan processing, financing, coordinating with private financial institutions, acquiring, rehabilitating, reconstruction or constructing affordable single-family housing, in managing self-help housing and volunteer labor projects;

(B) Applicant must provide copies of program guidelines used to qualify Owner-Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner-Builders; providing education classes, counseling and training;

(C) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline;

(D) Applicants must have met all performance and expenditure benchmarks as outlined in any existing or prior contracts awarded by the Department;

(E) Applicant must provide copies of documentation from the Texas Secretary of State and Comptroller's Office demonstrating Applicant is in good standing;

(f) If indicated by the Department, comply with all requirements to utilize the Department's website to provide necessary data to the Department.

§2.5. Application Limitations

(a) The Department reserves the right to reduce the amount requested in an Application based on program or project feasibility, need to ensure dispersion of funds, underwriting analysis, or availability of funds:

(b) An award amount for the Texas Bootstrap Loan Program shall not exceed \$600,000 plus administrative fees not to exceed 4% of award amount, except as may be otherwise authorized by the Board or as otherwise stated in the NOFA.

(c) The contract term for the Texas Bootstrap Loan Program shall not exceed 24 months, except as may be otherwise authorized by the Board.

(d) Per household assistance from the Department for any Texas Bootstrap Loan Program Loans may not exceed \$30,000 per-household pursuant to §2306.754(b) of the Texas Government Code. The Owner-Builder must obtain the amount necessary that exceeds \$30,000 from one or more local governmental entities, nonprofit organizations, or private lenders. The total amount of repayable loans made by the Department and other entities to an Owner-Builder under the Program may not exceed \$60,000 pursuant to 2306.754 (b) of the Texas Government Code.

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(e) An award amount for Disaster Relief shall not exceed \$750,000 plus administrative fees not to exceed 4% of award amount per State declared disaster, or as may be otherwise authorized by the Board.

§2.6. Program Activities

All eligible Applicants that satisfy the requirements of §2.4 may apply for Texas Bootstrap Loan Program funding.

§2.7. Prohibited Activities

The following activities are prohibited and are not eligible costs under the Program.

- (a) Payment of delinquent property taxes or related fees or charges on properties to be assisted with Texas Bootstrap Loan Program funds;
- (b) Loan Origination Fees;
- (c) Application fee;
- (d) Discount fees;
- (e) Underwriter fee;
- (f) Loan Processing fees; and
- (g) Other fees not approved by the Department.

§2.8. Distribution of Funds

(a) **Set-Asides:** In accordance with §2306.753(d) at least two-thirds of the dollar amount of loans made under this chapter in each fiscal year must be made to Owner-Builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

(b) **Balance of State:** The remaining one-third of the dollar amount of loans may be made to Owner-Builders in either a county under 2.8(a) of this section or a county not eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

(c) **Redistribution:** In an effort to commit Texas Bootstrap Loan Program funds in a timely manner, the Department may reallocate funds set-aside under 2.8(a), at its own discretion, to other areas of the state if:

- (1) the Department fails to receive a sufficient number of Applications by the application deadline date stated in the NOFA from the set-asides or balance of state;
- (2) no Applications are submitted; or
- (3) Applications from the Set-Aside under 2.8(a) of this section that do not meet eligibility requirements or minimum threshold scores (when applicable), or are financially infeasible as applicable.
- (4) The Department deobligated funds due to nonperformance from previous application cycles.

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(d) Marginal Applications: When the remainder of the allocation within the set-aside under 2.8(a) or the balance of state is insufficient to completely fund the next ranked Application in the set-aside, it is within the discretion of the Department to:

- (1) fund the next ranked Application for the partial amount, reducing the scope of the Application proportionally;
- (2) transfer the remaining funds to either the balance of state or set-aside.

§2.9. Application & Award Process

(a) The Department will publish a NOFA in the *Texas Register* and on the Department's website. The NOFA may be published as either an Open or Competitive Application Cycle. The NOFA will establish and define the terms and conditions for the submission of applications, and may set a deadline for receiving applications under a Competitive Application Cycle. The NOFA will also indicate the approximate amount of available funds.

(b) An Applicant must submit a completed Application to be considered for funding. Applications containing false information and Applications not received by the deadline will be disqualified. Disqualified Applicants are notified in writing. All Applications must be received by the Department by 5:00 p.m. on the date identified in the NOFA, and Application guidelines, regardless of method of delivery.

(c) Applications received by the Department in response to an Application Cycle NOFA will be handled in the following manner:

(1) The Department will accept Applications until the Application deadline date on the NOFA. All Applications must be received during business hours (8:00 a.m. to 5:00 p.m.) on any business day. The Department may limit the eligibility of Applications in the NOFA, and application guidelines.

(2) Each Application will be assigned a "received date" based on the date and time it is physically received by the Department. Then each Application will be evaluated against the criteria outlined in this rule.

(3) The Department will ensure that the Application is reviewed for all materials required under the NOFA, and Application guidelines. Applications must comply with all applicable Texas Bootstrap Loan Program and Housing Trust Fund requirements or regulations established in these rules. Applications that do not comply with such requirements are disqualified. Disqualified Applicants are notified in writing.

(4) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the application, the Department staff may request clarification or correction of such Administrative Deficiencies including both threshold and/or scoring documentation. The Department staff may request clarification or correction in a deficiency notice in the form of a facsimile and a telephone call to the Applicant advising that such a request has been transmitted. An Applicant may not change or supplement an Application in any manner after the filing deadline, except in response to a direct request from the Department. Applicants must submit the requested information to the Department within five business days.

(5) Applicants will be notified of their score in writing no later than seven calendar days after all applications have been scored. If sufficient applications are not received in the set-aside

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area, any remaining funds will be redirected to the balance of the state. Applicants may also receive a partial recommendation for funding. A minimum award amount may be established to ensure feasibility.

(6) Upon completion of the applicable final review and scoring, Applications will be ranked based on set-aside or balance of state and presented to the Executive Awards Review and Advisory Committee (the Committee). The Committee will then recommend to the Board awards of funds to specific Applicants.

(7) The Department may decline to fund any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process.

(8) Subsequently, recommendations for funding will be made available on the Department's website at least seven calendar days prior to the Board meeting at which the awards may be approved.

(9) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.

(10) In the event of a tie between two or more Applicants, the Department reserves the right to determine which Application will receive a recommendation for funding. This decision will be based on housing need factors and feasibility of the proposed project identified in the Application. Tied Applicants may also receive a partial recommendation for funding.

(d) Alternative Dispute Resolution Policy. In accordance with §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, and 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. 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.

§2.10. General Threshold Criteria

At a minimum, the following criteria must be satisfied in the Application for the Texas Bootstrap Loan Program fund. The applicable criteria are further delineated in the Application guidelines and NOFA, which are part of the application package.

(1) Needs Assessment—Applicant must demonstrate whether the proposed project meets the demographic, economic and special need characteristics of the population residing in an underserved area (colonia or Economically Distressed County as defined within the NOFA or application).

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(2) Operational Capability and Experience of Applicant--Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers), in program management, managing self-help housing, volunteer labor projects involving acquisition, rehabilitation, reconstruction, new construction, home buyer education classes, real estate finance counseling and training or other activities relevant to the proposed program.

(3) Financial Design. Applications for funding will be reviewed for written evidence of the capacity to maintain financial systems, including the responsibility of accounting staff. The Application must adequately describe the lead Applicants and co-Applicants financial standing for the last three years. The review will be based on the supporting financial data provided by Applicants and third party reports such as financial statements and audits submitted with the Application. Submission of "Independent Auditor's Report" dated within 12 months of application deadline date, describing the financial standing of the applicant within the last three years. Report must show evidence of Applicant's capacity to maintain an effective financial system, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.

(4) Leveraging of public and/or private resources. Does the applicant and/or co-applicant have private-sector support for the project from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government.

(5) Program Design. Applications for funding will be reviewed for written evidence of how the Owner-Builders will meet the 60% sweat equity requirement. Applicant must describe in detail how the program guidelines will be used to identify and prioritize families earning less than \$17,500. In addition Applicants must provide specific development plans, program schedules and performance benchmarks that will enable them to build units within a 24 month contract.

§2.11. Selection Criteria for Texas Bootstrap Loan Program

(a) Maximum points available is 100. Applications must achieve a minimum threshold score of 70 points based on the Department's review in order to be considered eligible to receive a funding recommendation.

(b) The following selection criteria point breakdown will be utilized when scoring Applications:

(1) **Income Targeting:** (Maximum Points: 13) Points will be awarded based on the percentage of total households targeted to specific income levels as defined by HUD's Area Median Family Income.

- (i) 10% to 19.99% of units at 30% AMFI, 4 points;
- (ii) 20% to 39.99% of units at 30% AMFI, 6 points;
- (iii) 40% to 59.99% of units at 30% AMFI, 8 points;
- (iv) 60% to 79.99% of units at 30% AMFI, 10 points;
- (v) 80% to 100.00% of units at 30% AMFI, 13 points.

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(2) **Previous Award, Past Performance and First Time Applicants.** (Maximum Points: 10) Applicants will receive 10 points for having received an award from the Bootstrap Program and performed in accordance with their contracts and Department rules. If performance benchmarks as outlined in contract have not been met or funds have been deobligated or if Applicant has been found in noncompliance on any prior award described in Section 2.12 of this chapter, a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven for funding purposes if three years from the Application deadline date has elapsed. In an effort to encourage participation in the Texas Bootstrap Loan Program first time Applicants will be awarded 10 points.

(3) **Letters of support.** (Maximum Points: 10) Points will be awarded based on a review of the letters (up to five letters; 2 points per letter up to a maximum of 10 points.) submitted from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government who indicate support to the Texas Bootstrap Loan Program project. To be considered for scoring, the letters must, include the company's name, contact person (full name), address, city, state, and zip code; signed and dated within three months of the application deadline.

(4) **Readiness to Proceed.** (Maximum Points: 10) Points will be awarded based on a review of the commitment letters provided to Owner-Builders interested in participating in the Texas Bootstrap Loan Program. To be considered for scoring, the letters must be on applicant's letterhead, including: Owner-Builder's name, address, city, state, zip code and phone number. Letters must be signed by both Owner-Builder and nonprofit organization and dated within three months of application deadline. 2 point per letter for a maximum of 10 points.

(5) **Level of Homebuyer Counseling for Homebuyer Assistance.** (Maximum Points: 4) Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Maximum of 4 points.

(A) Copy of curriculum meeting Department requirements as described in Application, 2 points; and

(B) Post purchase counseling to be provided, 2 points.

(6) **Lien Position.** (Maximum Points: 10) To encourage participation, the Department may subordinate its lien position if the leveraged loan is greater or equal than the Department's loan. However, liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loan, must be subordinated to the Department's loan. If the Department is in a first lien or in a parity lien position based on this standard, the Applicant will be awarded 10 points.

(7) **Operational Capability and Experience.** (Maximum Points: 10) Points will be awarded based on the number of years of experience the Applicant demonstrates in managing self-help housing and volunteer labor projects, construction, real estate financing, counseling and other relevant activities. For each year of experience in managing self-help housing projects Applicant will be awarded 2 points (maximum of 10 points). Must demonstrate years of experience by providing details of previous projects and/or resumes of persons involved in the self-help project must be submitted with the Application. Project and resumes will be reviewed and verified by the Department staff.

(8) **Program Design.** (Maximum Points: 33) Points will be awarded based on the comprehensive and thorough program design. Points are awarded only to the extent the design is well planned and a sound proposal is submitted:

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- (A) Describe in detail by identifying what construction activities will be done by the Owner-Builder to meet the 60% sweat equity construction requirement will be met; (10 points)
- (B) Provide the program guidelines that will be used select the Owner-Builders; (8 points)
- (C) Describe how families earning less that \$17,500 will be identified and prioritized (5 points)
- (D) Describe the specific development plans, program/construction schedule and performance benchmarks that will enable the Applicant to select and qualify Owner-Builders and build or rehabilitate houses within a 24 month contract; (10 points)

§2.12. Program Administration

(a) Agreement. Upon approval by the Board, Applicants receiving Texas Bootstrap Loan Program funds shall enter into, execute, and deliver to the Department all written agreements between the Department and Applicant.

(b) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Program written agreement provided that:

(1) in the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or \$50,000, whichever is greater; and

(2) in the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award.

(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 consideration.

(c) Sanctions/Deobligation.

(1) The Department may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the program in the following situations:

(A) Technical Assistance Provider has any unresolved compliance issues on existing or prior contracts with the Department;

(B) Technical Assistance Provider fails to set-up programs/projects or expend funds as outlined in the program Contract;

(C) Technical Assistance Provider defaults on any agreement by and between Technical Assistance Provider and the Department;

(D) Technical Assistance Provider misrepresents any facts to the Department during the Program application process, award of contracts, or administration of any Department contract;

(E) Technical Assistance Provider demonstrates the inability to provide adequate financial support to administer the Program contract or withdrawal of significant financial support;

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(F) Technical Assistance Provider fails to build or rehabilitate the number of houses under the contract.

(G) The Department may use all applicable contract provisions and/or any relevant rules to assure compliance with these rules or contract terms.

(d) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for good cause, as determined by the Board.

(e) Additional Funds. In the event the Department has additional funds in the same funding cycle, the Department, with Board approval, may elect to distribute funds to other Applicants.

(f) The Department may terminate a contract in whole or in part. If Technical Assistance Provider has not achieved performance benchmarks outlined in contract within six (6) months of the effective date of the contract, the contract may be terminated. The Department will track substantial progress during the initial six (6) month period and throughout the contract term.

(1) Performance must be satisfactorily completed during the term of the contract as follows:

- (A) By the end of the second quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval a minimum of 50% of the eligible Owner-Builder applicants to the Department.
- (B) By the end of the third quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval 100% of all eligible Owner-Builder applicants to the Department.
- (C) By the end of the fourth quarter from the effective date of the contract period, the Technical Assistance Provider must ensure that 50% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and started construction on their home.
- (D) By the end of the fifth quarter from the effective date of the contract period the Technical Assistance Provider must ensure that 100% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and have started construction on their home.
- (E) By the end of the sixth quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 50% of houses awarded under the contract are completed and meet all applicable codes and standards.
- (F) By the end of the seventh quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 100% of houses awarded under the contract are completed and meet all applicable codes and standards.
- (G) The eighth quarter is reserved to complete and fund the remaining houses, project close-out and the Department monitoring functions
- (H) Loan closing will take place at a title company and the funds will be disbursed upon receipt of proper documentation from the title company selected by the Technical Assistance Provider or the Department. All other draws will be disbursed as described in the Program Documents.
- (I) Quarterly reports are due by the Technical Assistance Provider to the Department on the 20th of the month following the end of each calendar quarter. All funding will be suspended until reports are received.

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(g) Lower percentages may be allowed as approved by the Department due to an extenuating circumstance. An extenuating circumstance is an event or set of incidents beyond the control of the Technical Assistance Provider as determined by the Department.

(h) Roles and responsibilities for administering the program contract. Technical Assistance Provider's (TAP) are required to:

- (1) qualify potential Owner-Builders for loans;
- (2) provide Owner-Builder homeownership education classes;
- (3) assist Owner-Builders in building and/or rehabilitate housing;
- (4) facilitate loans made or purchased by the Department under the Program; and
- (5) implement and administer the Program on behalf of the Department

(i) Loan Origination/Loan Servicing. A Technical Assistance Provider who receives an award or a reservation of funds may request to enter into a Loan Origination and/or Loan Servicing Agreement with the Department. The Department may grant the request upon reviewing the Technical Assistance Provider's capacity to implement those specific functions.

(j) First year consultation agreement. The Technical Assistance Provider agrees that if notified by the Department that Owner-Builder (Mortgagee) has failed to make a scheduled payment due under the Program Loan, or other payments due under the Program Loan documents issued under Contract, within the first twelve (12) months of funding, the Technical Assistance Provider will be required to meet with the Owner-Builder and provide counseling and assistance until the payments are made current. After consultation and in the event that the Department and Technical Assistance Provider are not able to reach a consensus about Technical Assistance Provider's effort to bring the Program Loan current as required under this chapter, the Department may require Technical Assistance Provider to purchase or repurchase the Program Loan in question in full.

(k) Conflict of Interest. The Technical Assistance Provider shall ensure that no employee, officer, or agent of Technical Assistance Provider shall participate in the selection, or in the award or administration of a subcontract supported by funds provided under this program if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or, any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. The Technical Assistance Provider may not accept an application from any of its officers or employees nor any spouse or person related within the third degree of affinity (marriage) or consanguinity (blood) to any officer or employee of the Technical Assistance Provider.

(l) Administrative Fee. The Technical Assistance Provider may request 50% of their administrative fee when 100% of all applicants have been approved by the Department. The remaining 50% may be requested on a unit basis when each home is 100% completed and funded.

(m) Blueprints. If Technical Assistance Provider's activity is interim or residential construction, Technical Assistance Provider must provide an original copy of the proposed blue prints to be approved by the Department prior to accepting applications. Blue Prints must include the required construction requirements pursuant to §2306.514 of the Texas Government Code.

(n) Work Write-up. The Technical Assistance Provider must establish written rehabilitation standards to apply to all rehabilitation projects. At a minimum, these standards must ensure that the home will meet CHS or HQS. Work write-ups must be reviewed and approved by the Department, before rehabilitation is started. The Technical Assistance Provider must also

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adopt a set of general specifications that provide detailed guidance to Owner-Builders and contractors on how to complete specific items in a work write-up.

(o) Loan program requirements. The Department may purchase or originate loans that conform to the lending parameters and the specific loan Program requirements as follows:

- (1) Maximum Loan amount not to exceed \$30,000. If it is not possible for the Owner-Builder to purchase necessary real property and build adequate housing for \$30,000, the Technical Assistance Provider must obtain additional funding from one or more local governmental entities, nonprofit organization, or private lender;
- (2) Minimum Loan amount is \$1,000;
- (3) The total amount of all repayable loans under the Program may not exceed \$60,000 (repayable amortized loans);
- (4) May not exceed a term of 30 years;
- (5) Minimum loan term of 5 years;
- (6) 0% non-interest loans;
- (7) The Department may subordinate to a lien that secures the amount above \$30,000 when necessary as further described in §2.15(c) of this Chapter;
- (8) When refinancing a contract for deed, the Department will not disburse any portion of the Department's loan until the Owner-Builder receives a deed to the property;
- (9) Owner-builder(s) must have resided in this State for the preceding six months prior to the date of application;
- (10) Total Debt-to-Income Ratio: Maximum of 45% (unless otherwise dictated by the mortgage insurer, if any);
- (11) Liabilities: The Owner-Builder applicant's liabilities include all revolving charge accounts, real estate loans, alimony, child support, installment loans, and all other debts of a continuing nature with more than 10 monthly payments remaining. Debts for which the Owner-Builder applicant is a co-signer will be included in the total monthly obligations unless the other party to the note provides evidence in the form of 12 months' canceled checks or bank statements showing that the Owner-Builder applicant has not been making payments on the co-signed loans. There may be no late payments within the past 12 months or the debt will be included. Payments on installment debts which are paid off prior to funding are not included for qualification purposes. Payments on revolving debt will be included in debt ratio calculation, even if the Owner-Builder applicant intends to pay off the accounts, since the Owner-Builder applicant can reuse those credit sources. Any bankruptcy must have been discharged. If an Owner-Builder has had a foreclosure within the past 24 months they may not be eligible to participate in the program.
- (12) Must be a detached single-family residence or property located within the State of Texas. Manufactured homes are not eligible. All property taxes must be current prior to closing;
- (13) The residence must be occupied as the principal residence of the Owner-Builder within thirty (30) days of the later of the end of the construction period or the closing of the loan. Any additional habitable structures must be removed from the property prior to closing.
- (14) Escrow Account- Besides the loan payments, other costs associated with being a homeowner include real estate taxes, hazard insurance and flood insurance premiums, and related costs such as street or water assessments. The Department has an interest in making certain that these costs are paid in order to protect the property from tax sale or foreclosure, and to make certain that funds will be available to repair the property should it be damaged. The Owner-Builders will be required to deposit

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monthly funds to an escrow account with the 1st lien holder in order to pay the taxes and insurance statements. This will ensure that funds are available to pay for the cost of real estate taxes, insurance premiums, and other assessments when they come due. These funds are included in the Owner-Builders monthly payment to the Department. If the Department is in a 1st lien position the Department will establish and administer the escrow accounts in accordance with the Real Estate Settlement and Procedures Act of 1974 (RESPA).

- (15) Non-Purchasing Spouse-An Owner-Builder applicant's spouse who does not apply for the loan will be required to execute the deed of trust as a "non-purchasing" spouse and will not be required to execute the note. For credit underwriting purposes, the Owner-Builder applicant's spouse will be qualified using obligations for which the Owner-Builder applicant's spouse is personally or jointly liable. Only the income of the Owner-Builder applicant spouse will be counted. For program eligibility purposes, the income of a non-applicant spouse must be included in the calculation of family income. Tax Returns, W2's and recent pay check stubs, or Verification of Employment must be submitted to document family income.

(p) The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Texas Bootstrap Loan Program proposal or written agreement provided that:

- (1) in the case of a modification or amendment to the dollar amount of the request or award, such modification or amendment does not increase the dollar amount by more than 25% of the original request or award, or \$50,000, whichever is greater;
- (2) in the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award; and
- (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.

§2.13. Owner-builder qualifications. The Owner-Builder must:

- 1) Own and be refinancing or be purchasing a piece of real property through a warranty deed or Contract for Deed;
- 2) Not have an annual household income that exceeds 60% of the greater of the state or local area median family income as determined by HUD income guidelines;
- 3) Demonstrate the willingness and ability to repay the loan;
- 4) Execute a Self-Help Agreement committing to provide at least 60% of the labor necessary to build the proposed housing working through a state-certified NOHP or; provide an amount of labor equivalent to 60% in connection with building housing for others through a state certified NOHP. For elderly or Owner-Builders with disabilities, 60% sweat equity may be documented in form of volunteers;
- 5) Not have liquid assets in excess of \$25,000 (excluding retirement and/or 401K accounts);
- 6) Successfully complete an Owner-Builder homeownership education class prior to loan approval;
- 7) Be given priority for loans if the Owner-Builder has an income of less than \$17,500 annually.

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- 8) Not be currently in delinquency or in default with child support and/or government loans.
- 9) Not have any outstanding judgments and/or liens on the property.

§2.14. Types of Funding Transactions. All mortgage loans will be evidenced by a promissory note and will be secured by a lien on the subject property. The following transaction types are permitted by the Department under the Program.

(a) **Purchase Money.** In a purchase money transaction, all proceeds are used to finance the purchase of a single-family dwelling unit and/or a piece of real property which will be the Owner-Builders primary residence within 30 days of closing the loan. In this instance, a permanent loan is made and the Owner-Builder's repayment obligation begins immediately. In certain situations, eligible closing costs may be financed by the loan proceeds.

(b) **Residential Construction (One Time Closing with Owner Builder).** An interim construction loan, also known as a residential construction loan, this transaction is treated as a purchase, because it is a one time closing with the Owner-Builder. Construction period is for 12 months at which time payments will begin on the 13th month after closing.

(c) **Interim Construction (Closing with Technical Assistance Provider).** Interim construction is a commercial transaction between the Technical Assistance Provider and the Department. The construction period is for 12 months, once the construction of the home is completed the closing with the Owner-Builder will take place as a purchase money transaction.

§2.15. Leveraged Loans. When additional loans are utilized in addition the loan under this program, lenders are expected to charge reasonable and customary interest rates and fees. The Technical Assistance Provider may be able to help the applicant negotiate favorable terms.

(a) The leverage loan interest rate must be the rate the lender typically charges to its best mortgage applicant customer. An extra amount may not be charged because of low income or other high risk factors. The interest rate may be no more than 2% (200 basis points) above the FHA rate at the time of closing. Also, the lender may not include "points" to buy down or pre-pay the interest.

(b) Loan fees must be minimized and all fees must be reasonable. "Underwriting fees" and similar add-ons are not permitted. The total fees paid to the lender may not exceed 3.5% of the lender's loan. (This limitation on the lender applies regardless of whether the buyer or seller pays the fees.) In general, the Technical Assistance Provider must assure loan fees are minimized. The 3.5% is a maximum, not a baseline.

(c) The Department may accept a parity or subordinate lien position if the leveraged loan is greater or equal than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinated to the Department's loan.

§2.16. Property guidelines and related issues

(a) At a minimum, properties located in a colonia, financed by the Department must meet Colonia Housing Standards ("CHS") only if no additional financing options are available. Properties located in all other areas must meet at a minimum Section 8 Housing Quality Standards (HQS). The applicable "HQS" or "CHS" Inspection report must be completed for

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each subject property where Housing Trust Funds are being utilized for Interim or Residential construction.

(b) If the Technical Assistance Provider is utilizing program funds to construct the home they must conform to §2306.514 of the Texas Government Code.

(c) If the property is located within an incorporated area where certain building codes must be met a certificate of occupancy must be submitted to the Department upon completion of construction. If the property is located outside of an incorporated area, an inspection by a certified third party licensed inspector must be completed and submitted to the Department upon completion of construction. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior closing.

(d) Appraisals will be required by the Department on each loan prior to funding.

(e) Surveys are required. Lot and final surveys will be required to be submitted.

(f) Insurance requirements:

(1) Title Insurance. The title insurance must be written by a title insurer licensed to do business in the jurisdiction where the mortgaged property is located.

(A) Title Commitment. A copy of the preliminary title report including complete legal description, and copies of covenants, conditions and restrictions, easements, and any supplements thereto is required. The preliminary title report should not be more than ninety (90) days old at the time the submission package (Submission or Funding Package) is sent to the Department.

(B) Mortgagee's Policy. The Department requires a Mortgagee's policy of title insurance in the amount of the loan. Loss Payee named shall be: "Texas Department of Housing and Community Affairs". Required endorsements include-T-36 Environmental Endorsement for all loans made by the Department.

(2) Property Insurance.

(A) Interim construction binders are required where construction of the residence is being financed. At the end of the construction period, the binder must be endorsed to remove the "pending disbursements" clause.

(B) Hazard Insurance. The Department requires property insurance for protection against loss or damage from the following perils: fire, windstorm, hail, explosion, riot, and civil commotion, damage by aircraft, vehicles or smoke. Homeowner's policies or package policies that provide property and liability coverage are acceptable. All risk policies are acceptable. The amount of hazard insurance coverage at the time the loan is funded must be no less than 100% of the current insurable value of improvements. In the case of a construction/permanent loan, builder's risk coverage is required for the construction period, provided that the premium for a 12 month homeowner's policy is collected at closing for the purchase of a homeowner's policy at the end of construction. A builder's risk policy is acceptable while the dwelling is under construction as long as it meets the Department's requirements. An acceptable policy either: (1) names the borrower as the insured; or (2) contains a builder's risk endorsement for a policy issued to the borrower. A policy issued only to a contractor is not an acceptable substitute for the property insurance a borrower is required to provide. A builder's risk policy should automatically convert to full coverage

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when the dwelling is completed. Otherwise, acceptable insurance must be obtained to coincide with the expiration of the builder's risk provisions of the policy.

(C) Flood insurance is required for all structures located in special flood hazard areas where the U.S. Federal Emergency Management Agency (FEMA) has mandated flood insurance coverage. The Department will require a life of loan flood certification on all loans. The Department is not originating the loan, but rather purchasing the loan. The flood certification must be part of the Submission or Funding Package and must be transferred to the Department. Flood insurance is not required if the Technical Assistance Provider or Owner-Builder applicant obtains a Letter of Map Amendment from FEMA stating that the area is no longer classified as a special flood hazard area. The letter must include a map illustrating the amended flood hazard area. An Owner-Builder applicant may elect to obtain flood insurance even though flood insurance is not required. However, the Owner-Builder applicant may not be coerced into obtaining flood insurance unless it is required in accordance with this section. Evidence of insurance must be obtained prior to loan funding. Insurance premiums for at least 12 months must be paid in advance. The Department must be named as loss payee (or the policy must be endorsed to the Department).

§2.17. Nonprofit Owner-Builder Housing Program (NOHP) Certification

(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A private nonprofit organization that has submitted a request for certification as a NOHP to the Department. An Applicant for the Texas Bootstrap Loan Program must be a NOHP certified by the Department or as otherwise certified or designated as described in subsection (D) of this section.

(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Secretary of State.

(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.

(4) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(b) Application Procedures for Certification of NOHP. An Applicant requesting certification as a NOHP must submit an application for NOHP certification in a form prescribed by the Department. The NOHP application must be submitted prior to submitting an application for Texas Bootstrap Loan Program funding, and be must recertified every three years. The application must include documentation evidencing the requirements of this subsection.

(1) Applicant must have the following legal status at the time of application to apply for certification as a NOHP:

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(A) The applicant must be organized as a private nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by Charter or Articles of Incorporation.

(B) The Applicant must be registered with the Secretary of State to do business in the State of Texas.

(C) No part of the private nonprofit organization's net earnings may inure to the benefit of any member, founder, contributor, or individual, as evidenced by Charter or Articles of Incorporation.

(D) The Applicant must have the following tax status:

(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a NOPH, or

(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code 501 (c)(3), as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.

(iii) A private nonprofit organization's pending application for 501(c)(3) status cannot be used to comply with the tax status requirement under this subparagraph.

(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's Charter, Articles of Incorporation, Resolutions or Bylaws:

(2) An Applicant must have the following capacity and experience listed in (A) through (C) of this paragraph.

(A) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems" as evidenced by:

(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department; or

(ii) certification from a Certified Public Accountant.

(B) Has a demonstrated capacity for carrying out activities assisted with Texas Bootstrap Loan Program funds, as evidenced by resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with Texas Bootstrap Loan Program funds; or contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with Texas Bootstrap Loan Program funds, to train appropriate key staff of the organization.

(C) Has a history of serving the community within which housing to be assisted with Texas Bootstrap Loan Program funds is to be located as evidenced by:

(i) statement that documents at least one year of experience in serving the community; or

(ii) for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

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(iii) The NOHP or its parent organization must be able to show one year of serving the community prior to the date the Department provides funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing and rehabilitating existing stock. The statement must be signed by the president or other official of the organization.

(3) An Applicant must have the following organizational structure:

(A) written provision or statement in the organizations By-laws, Charter or Articles of Incorporation;

(B) affidavit in a form prescribed by the Department signed by the organization's Executive Director and notarized; and

(C) current roster of all Board of Directors, including names and mailing addresses.

(D) A local or state government and/or public agency cannot qualify as a NOHP, but may sponsor the creation of a NOHP.

(4) Religious or Faith-based Organizations may sponsor a NOHP if the NOHP meets all the requirements of this section. While the governing board of a NOHP sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a NOHP is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the Texas Bootstrap Loan program may not use Texas Bootstrap Loan Program funds to support any inherently religious activities such as worship, religious instruction, or proselytizing;

(C) Texas Bootstrap Loan Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based NOHP uses as its principal place of worship are always ineligible.

(D) Compliance with clauses (A)-(C) of this subparagraph may be evidenced by the Organizations By-laws, Charter or Articles of Incorporation.

(c) The Department may certify NOHP's meeting all of the above criteria operated by a tax-exempt organization listed under Section 501(C)(3), Internal Revenue Code of 1986 to:

- (1) qualify potential Owner-Builders for loans under this chapter;
- (2) provide Owner-Builder education classes;
- (3) assist Owner-Builders in building housing; and
- (4) originate and/or service loans made under this chapter.

OFFICE OF COLONIA INITIATIVES

**BOARD ACTION REQUEST
OCTOBER 12, 2006**

Action Item

Presentation, Discussion and Possible Approval of the Office of Colonia Initiatives, Colonia Housing Standards Draft Rules, 10 Texas Administrative Code, Section 1.18. Chapter 2.

Requested Action

Approve, or approve with revisions, the draft rules for publication in the *Texas Register* for public comment in accordance with Chapter 2001, TEX. GOV CODE.

Background

The U. S. Department of Housing and Urban Development (HUD) approved standards for housing constructed in colonias on July 17, 1996. HUD approved a waiver of Section 92.251(a) of the HOME regulations which requires that housing assisted with HOME funds, at a minimum, meet Section 8 housing quality standards. HUD granted the waiver based on the extraordinarily poor conditions of housing stock in colonias for which the use of the Section 8 standard would create a hardship for potential homeowners who receive assistance. A letter from HUD dated August 26, 1996 also approved the use of the Colonia Housing Standards with any of HUD's FHA programs and with any other source of funds in colonias. In a follow-up conversation with HUD on September 20, 2006, HUD confirmed that the waiver and the rules are still considered current according to HUD policy. The Colonia Housing Standards have not previously gone through the Department's rulemaking process.

Recommendations

Staff recommends board approval of these draft rules for publication in the *Texas Register* and public comment.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Colonia Housing Standards Title 10, Part 1, Chapter 1 Texas Administrative Code

Section 1.18 COLONIA HOUSING STANDARDS

(a) Purpose.

The purpose of this section is to establish housing quality standards for housing projects located in colonias. A colonia is defined in Tex. Gov't Code Ann. Sec. 2306.581 to mean a geographic area located in a county some part of which is within 150 miles of the international border of this state and that:

(1) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code, or

(2) has the physical and economic characteristics of a colonia, as determined by the Texas Department of Housing and Community Affairs.

(b) Colonia Housing Standards.

(1) Site and Neighborhood. The site and neighborhood shall not be subject to serious adverse environmental conditions, including at a minimum, but not limited to,

- (A) flooding;
- (B) open sewers; and
- (C) accumulation of trash or refuse.

(2) Access.

(A) the dwelling unit shall have direct access for the occupants from public roadways;

(B) if new construction, the dwelling unit shall comply with the accessibility requirements specified in Tex. Gov't Code Ann. Section 2306.514; and

(C) the dwelling unit shall have operable doors and windows with serviceable locks.

(3) Structure and Materials. The structure and materials shall be such that the dwelling is structurally sound and does not pose a threat to the health and safety of the occupants, including:

- (A) the structure shall be free from any serious defects such as leaning, buckling, or tripping hazards;
- (B) roof shall be firm and weather tight; and

(C) in the case of a manufactured home, the home must be permanently anchored to the site to prevent movement.

(4) Lead-Based Paint. All structures shall be inspected for defective paint surfaces in units constructed prior to 1978 which are occupied by families with children under seven years of age. In the event a structure built before 1978 has been identified as having been painted with lead-based paint, it must comply with the requirements of Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. Sec. 4822, and the following abatement measures shall be taken if:

(A) the painted surfaces have cracking, peeling, scaling, chipping, or loose paint; or

(B) the family that occupies the unit has a child under seven years of age who is confirmed to have a concentration of lead in whole blood of 25 micrograms of lead per deciliter of whole blood, or higher;

(5) Water Supply. The water supply shall be free of contamination; the water heater shall not be located in a bathroom, bedroom, or clothes closet; and potable water shall be supplied to all kitchens and bathrooms.

(6) Sanitary Facilities. The dwelling unit shall contain its own sanitary facilities which shall be connected to an approved sewer or septic system, shall be in proper working condition and which shall be separate from other rooms to insure privacy. A bathroom shall contain a lavatory sink, a bathtub and/or shower, and a flush toilet.

(7) Interior Air Quality. The air in the dwelling unit shall be free of pollutants, such as carbon monoxide, sewer gas, and fuel gas.

(A) Bathrooms shall have at least one operable window or other adequate exhaust ventilation; and

(B) All windows in the dwelling unit shall have screens to cover each window opening.

(8) Food Preparation. The dwelling unit shall contain space and equipment in the proper operating condition to prepare and serve food in a sanitary manner. Each dwelling unit shall have:

(A) a working stove with a minimum of four operating burners;

(B) provisions for mechanical refrigeration of food at a temperature of not more than 45 degrees Fahrenheit;

(C) adequate sinks with hot and cold water under pressure which shall drain into an approved public or private sewer or septic system; and

(D) adequate lighting and ventilation.

(9) Electrical. Each room in the dwelling unit shall have natural or artificial lighting to permit normal indoor activities.

(A) living areas and bedrooms shall have at least one window;

(B) a ceiling or wall type light fixture shall be present and working in the bathroom and kitchen;

(C) at least two electrical outlets shall be present in the living area, kitchen, and bedrooms;

(D) all rehabilitation and new construction shall comply with the National Electric Code which includes the installation of Ground Fault Interruption Circuits (GFIC) in the kitchen and bathroom; and

(E) all new construction shall comply with the construction standards of Tex. Gov't Code Ann. Section 2306.514 which require accessibility and specify the location of electrical panels or breaker boxes, light switches, electrical plugs, and thermostats. Each breaker box is required to be located inside the dwelling on the first floor.

(10) Thermal Environment. The dwelling unit shall have and be capable of maintaining a healthy thermal environment.

(A) the dwelling unit shall be energy efficient;

(B) the dwelling unit shall have operable windows to provide cross ventilation; and

(C) room heaters that burn natural gas, heating oil, or kerosene, or other flammable fuels shall be vented to prevent fire and safety hazards. All vents shall extend above the peak of the roof.

(11) Security. The dwelling unit shall be secure.

(A) all exterior doors and windows shall be secured with operable locks; and

(B) at a minimum, there shall be one unit Lavatory (UL) approved, battery operated or hardwired smoke detector on each level of the unit.

(c) Appeals and Alternative Dispute Resolution.

(1) The Department provides a process for appeal of decisions made under 10 T.A.C §1.7 and §1.8.

(2) The Department encourages the use of alternative dispute resolution as outlined in 10 T.A.C §1.17.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

OCTOBER 12, 2006

Action Items

Presentation, Discussion and Possible Approval of the Colonia Self-Help Center Draft Rules, 10 Texas Administrative Code, Chapter 3.

Required Action

Review and approval of the Colonia Self-Help Center Draft Rules to 10 Texas Administrative Code, Chapter 3 for publication in the Texas Register for public comment in accordance with Chapter 2001, Texas Government Code.

Background

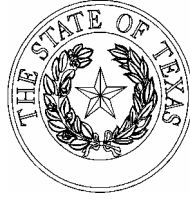
The Colonia Self-Help Center Program was created pursuant to Subchapter Z, Chapter 2306 of the Texas Government Code. To fund the program, approximately \$2.2 million per year is provided to the Texas Department of Housing and Community Affairs (the Department) through a 2.5% set-aside of the annual Texas Community Development Block Grant (CDBG) allocation from the United States Department of Housing and Urban Development (HUD). These funds are transferred to the Department through a Memorandum of Understanding (MOU) with the Office of Rural Community Affairs (ORCA), the state administrator of CDBG funding. As per program rules, CDBG funds can only be provided to eligible units of general local governments.

The Texas Government Code, Ann §2306.582 requires the Department to establish colonia self-help centers in Cameron/Willacy, Hidalgo, Starr, Webb and El Paso counties. Additionally, the Department, if it determines it necessary and appropriate, may establish a Colonia SHC in any other county if the county is designated as an economically distressed area by the Texas Department Water Board. In 2001, two additional self-help centers were established in Val Verde County and Maverick County. The colonias identified under this program have approximately 10,000 colonia residents who qualify as beneficiaries of these services.

The Department has administered the Colonia Self-Help Center Program since 1996. Previously, Colonia Self-Help Center Program requirements and regulations were transmitted through contractual agreements and policy issuances. The Colonia Self-Help Center Program has not previously been covered in The Texas Administrative Code. The Office of Colonia Initiatives has prepared the new Colonia Self-Help Center Draft Program Rules at 10 Texas Administrative Code, Chapter 3.

Recommendation

Staff recommends the Board approve the Colonia Self-Help Program Draft Rules to 10 Texas Administrative Code, Chapter 3.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Draft Colonia Self-Help Center Rules

Title 10, Part 1, Chapter 3 Texas Administrative Code

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§3.1. PURPOSE AND SERVICES

(a) The purpose of this chapter is to establish the requirements governing Colonia Self-Help Centers, created pursuant to Subchapter Z of Chapter 2306 of the Texas Government Code and its funding including the use and administration of all funds provided to the Texas Department of Housing and Community Affairs by the legislature of the annual Texas Community Development Block Grant allocation from the United States Department of Housing and Urban Development. Colonia Self-Help Centers are designed to assist individuals and families of low-income and very low-income to finance, refinance, construct, improve, or maintain a safe, suitable home in the colonias' designated service area or in another area the Department has determined is suitable.

(b) A Colonia Self-Help Center shall set a goal to improve the living conditions of residents in the colonias designated under Section 2306.586(b) of the Texas Government Code within a two-year period after a contract is awarded.

(c) A Colonia Self-Help Center may serve individuals and families of low-income and very low-income by:

- (1) providing assistance in obtaining loans or grants to build a home;
- (2) teaching construction skills necessary to repair or build a home;
- (3) providing model home plans;
- (4) operating a program to rent or provide tools for home construction and improvement for the benefit of property owners in colonias who are building or repairing a residence or installing necessary residential infrastructure;
- (5) helping to obtain, construct, access, or improve the service and utility infrastructure designed to service residences in a colonia, including potable water, wastewater disposal, drainage, streets, and utilities;
- (6) surveying or platting residential property that an individual purchased without the benefit of a legal survey, plat, or record;
- (7) providing credit and debt counseling related to home purchase and finance;
- (8) applying for grants and loans to provide housing and other needed community improvements;
- (9) providing other services that the Colonia Self-Help Center, with the approval of the Department, determines are necessary to assist colonia residents in improving their physical living conditions, including help in obtaining suitable alternative housing outside of a colonia's area;
- (10) providing assistance in obtaining loans or grants to enable an individual or a family to acquire fee simple title to property that originally was purchased under a contract for a deed, contract for sale, or other executory contract;
- (11) providing access to computers, the internet and computer training pursuant to Rider 14, General Appropriations Act.
- (12) providing monthly programs to educate individuals and families on their rights and responsibilities as property owners; and

(d) A Colonia Self-Help Center may not provide grants, financing, or mortgage loan services to purchase, build, rehabilitate, or finance construction or improvements to a home in a colonia if water service and suitable wastewater disposal are not available.

(e) Through a Colonia Self-Help Center, a colonia resident may apply for any direct loan or grant program operated by the Department.

(f) Ineligible activities. Any type of activity not allowed by the federal Housing and Community Development Act of 1974, (42 United States Code §5301 et seq.) is ineligible for funding.

§3.2. DEFINITIONS

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Applicant--A unit of general local government who is preparing to submit or has submitted a Proposal for Colonia Self-Help Center funds.

(2) Board--The governing board of the Texas Department of Housing and Community Affairs.

(3) C-RAC--Colonia Residents Advisory Committee.

(4) Contract Budget--The exhibit of a contract which specifies in detail the contract funds by budget category, which is used in the drawdown processes. The budget also includes all other funds involved that are necessary to complete the performance statement specifics of the contract.

(5) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state and that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Water Code.

(B) has the physical and economic characteristics of a colonia, as determined by the Department and was in existence as a colonia prior to November 28, 1990.

(6) Community Action Agency--A political subdivision, combination of political subdivisions, or nonprofit organization that qualifies as an eligible entity under 42 U.S.C. Section 9902.

(7) Community Development Block Grant (CDBG) nonentitlement area funds--The funds awarded to the State of Texas pursuant to the Housing and Community Development Act of 1974, Title I, as amended, (42 United States Code §§5301 et seq.) and the regulations promulgated thereunder in 24 Code of Federal Regulations Part 570.

(8) Contract--A written agreement including all amendments thereto, executed by the Department and Contractor which is funded with Community Development Block Grant nonentitlement area funds.

(9) Contractor--A unit of general local government with which the Department has executed a contract.

- (10) County--A unit of general local government eligible to administer Colonia Self-Help Center funds.
- (11) Department--The Texas Department of Housing and Community Affairs.
- (12) Executive Director--The Executive Director of the Department.
- (13) HUD--The United States Department of Housing and Urban Development, or its successor.
- (14) Implementation Manual--A set of guidelines designed to be an implementation tool for the Contractor that have been awarded Community Development Block Grant Funds and allows the contractor to search for terms, rules, procedures, forms and attachments.
- (15) Income Eligible Families:
 - (A) Low-and moderate income families means families whose annual incomes do not exceed 80% of the median income of the area, as determined by HUD and published by the Department, with adjustments for family size.
 - (B) Very low-income families means families whose annual incomes do not exceed 50% of the median family income for the area, as determined by HUD and published by the Department, with adjustments for family size.
- (16) Needs assessment--The county must prepare a demographic and characteristics study of the colonias residing in the target area and the housing needs that the Colonia Self-Help Center is designed to address, using qualitative and quantitative information and other source documentation.
- (17) Nonentitlement area--An area which is not a metropolitan city or part of an urban County as defined in 42 United States Code, §5302.
- (18) Nonprofit organization--A public or private organization that:
 - (A) is organized under state or local laws;
 - (B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
 - (C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3), a charitable, nonprofit corporation, or Section 501(c)(4), a community or civic organization, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization nonprofit under the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS.
 - (D) a private nonprofit organization's pending application for 501(c) (3) or (c) (4) status cannot be used to comply with the tax status requirement.
- (19) Open Cycle--A defined period during which Proposals may be submitted and which will be reviewed on a first come first serve basis until all funds are committed. Each Proposal will be assigned a "received date" based on the date and time it is physically received by the Department and will be reviewed in accordance with §3.11 through §3.13 of this chapter.
- (20) ORCA--The Office of Rural Community Affairs.

- (21) PER--Performance Evaluation Report produced by the Unit of local government which should include up-to-date accomplishments in quarterly reports identifying cumulative data including the colonias served, activities performed and total number of beneficiaries.
- (22) Performance Statement--The exhibit of a contract which specifies in detail the scope of work to be performed by eligible activity as noted in Section 3.1 of this chapter.
- (23) Poverty--The current official poverty line established by the Director of the Federal Office of Management and Budget.
- (24) Primary beneficiary--A Low or Moderate income person or family.
- (25) Proposal--A written request for Colonia Self-Help Funds in the format required by the Department.
- (26) Unit of General Local Government--A city, town, county, or other general purpose political subdivision of the State; a consortium of such subdivisions recognized by HUD in accordance with 24 CFR 92.101 and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction. A county is considered a unit of general local government under the Colonia Self-Help Center Program.

§3.3. COLONIA SELF-HELP CENTERS ESTABLISHMENT

- (a) Pursuant to §2306.582 of the Texas Government Code, the Department has established Colonia Self-Help Centers in El Paso, Hidalgo, Starr, Webb, and in Cameron Counties. The Cameron County facility also serves Willacy County. If the Department determines it necessary and appropriate, the Department may establish a Colonia Self-Help Center in any other county if the county is designated as an economically distressed area under Chapter 17, Water Code, for purposes of eligibility to receive funds from the Texas Water Development Board. The Department has deemed it necessary and appropriate to establish additional Colonia Self-Help Centers in Maverick and Val Verde Counties.
- (b) The Department attempts to secure contributions, services, facilities, or operating support from the commissioners court of the county in which the Colonia Self-Help Centers are located to support the operation of the Colonia Self-Help Centers.
- (c) The El Paso Colonia Self-Help Center shall establish a technology center to provide internet access to colonia residents pursuant to Rider 14 of the General Appropriations Act of the 79th Legislature Regular Session.

§3.4. COLONIA SELF-HELP CENTERS DESIGNATION

- (a) The Department shall designate:
 - (1) a geographic area for the services provided by each Colonia Self-Help Center; and
 - (2) In consultation with the Colonia Residents Advisory Committee and the appropriate unit of local government and Colonia Self-Help Center, the Department shall designate five colonias in each service area to receive concentrated attention from the Colonia Self-Help Centers.
- (b) In consultation with the Colonia Residents Advisory Committee and the appropriate unit of local government and Colonia Self-Help Center, the Department may change the designation of colonias made under paragraph (a) (2) of this section.

§3.5. COLONIA RESIDENTS ADVISORY COMMITTEE

(a) The Board shall appoint not fewer than five persons who are residents of colonias to serve on the Colonia Residents Advisory Committee. The members of the Colonia Residents Advisory Committee shall be selected from lists of candidates submitted to the Department by local nonprofit organizations and the commissioners court of a county in which a Colonia Self-Help Center is located.

(b) The Board shall appoint one committee member to represent each of the counties in which a Colonia Self-Help Center is located. Each committee member:

- (1) must be a resident of a colonia in the county the member represents; and
- (2) may not be a board member, contractor, or employee of or have any ownership interest in an entity that is awarded a contract under this chapter.

(c) The Department may also select to have an alternate member from the list for each county in the event that the primary member is unable to attend meetings. Both may attend meetings but if both are present the alternate shall not cast a vote.

§3.6. DUTIES OF THE COLONIA RESIDENTS ADVISORY COMMITTEE

(a) The Colonia Residents Advisory Committee shall advise the Board regarding:

- (1) the needs of colonia residents;
- (2) appropriate and effective programs that are proposed or are operated through the Colonia Self-Help Centers; and
- (3) activities that may be undertaken through the Colonia Self-Help Centers to better serve the needs of colonia residents.

(b) The Colonia Residents Advisory Committee shall meet before the 30th day preceding the date on which a contract is scheduled to be awarded by the Board for the operation of a Colonia Self-Help Center and may meet at other times.

(c) The Colonia Residents Advisory Committee shall advise the colonia initiatives coordinator as provided by §775.004 of the Texas Government Code.

§3.7. OPERATION OF COLONIA SELF-HELP CENTER

(a) The Department shall contract with a unit of general local government for the operation of a Colonia Self-Help Center. The unit of general local government shall subcontract with a local nonprofit organization, local community action agency, or local housing authority that has demonstrated the ability to carry out the functions of a Colonia Self-Help Center under this chapter.

(b) The Department and the Colonia Self-Help Center may apply for and receive public or private gifts or grants to enable the centers to achieve their purpose.

§3.8. DEPARTMENT LIAISON TO COLONIA SELF-HELP CENTERS

- (a) The Department shall designate appropriate staff in the Department to act as liaison to the Colonia Self-Help Centers to assist the centers in obtaining funding to enable the centers to carry out the centers' programs.
- (b) The Department shall make a reasonable effort to secure an adequate level of funding to provide the Colonia Self-Help Center with funds for low-interest mortgage financing, grants for self-help programs, a revolving loan fund for septic tanks, a tool-lending program, and other activities the Department determines are necessary.

§3.9. COLONIA SELF-HELP CENTER SET-ASIDE FUND

- (a) The Department shall establish a fund in the Department designated as the colonia set-aside fund.
- (b) The Department may use money in the colonia set-aside fund for specific activities that assist colonias, including:
 - (1) the operation and activities of the Colonia Self-Help Centers established under this chapter; or
 - (2) reimbursement of Colonia Residents Advisory Committee members for their reasonable travel expenses in the manner provided by Article 6252-33, Revised Statutes, and the General Appropriations Act.; and
 - (3) funding for the provisions of water and sewer service connections.
- (c) The Department may review and approve a Proposal for funding from the colonia set-aside fund that advances the policy and goals of the state in addressing problems in the colonias.

§3.10. ALLOCATION OF COLONIA SELF-HELP CENTER FUNDS

- (a) The Colonia Self-Help Center is funded through a set-aside of the legislature from the annual Community Development Block Grant allocation.
- (b) The Department allocates the Colonia Self-Help Center funds on an annual basis to eligible Counties pursuant to §3.3 of this chapter.

§3.11. DISTRIBUTION OF FUNDS AND PROPOSAL REQUIREMENTS

- (a) The Department distributes Colonia Self-Help Center funds to counties from the 2.5% set-aside of the annual Community Development Block Grant allocation.
- (b) The 2.5% set-aside from the Community Development Block Grant allocation is distributed to a county through the following means:
 - (1) The county submits its Proposal ninety (90) days before the latter of the expiration of its current contract, or when 90% of the funds under the current contract have been expended along with the needs assessment during the open cycle.

(2) Reviews are conducted on a first come first serve basis until all funds are committed. Each Proposal will be assigned a "received date" based on the date and time it is physically received by the Department and will be reviewed in accordance with §3.12 through §3.13 of this chapter.

(3) The Department allocates no more than \$1.2 million per Colonia Self-Help Center contract. If there are insufficient funds available from any specific program year to fully fund a Proposal, then the affected Applicant may accept the amount available at that time and wait for the remaining funds to be committed upon the Department's receipt of the Community Development Block Grant set-aside allocation from the next year.

(c) The county shall complete a needs assessment for each of the selected colonias as outlined under §3.4 of this chapter.

(d) Upon completion of the needs assessments, the county shall publish a Request for Proposals (RFP) for a Colonia Self-Help Center operator and review, score and gain the approval of commissioners' court for the operation of a Colonia Self-Help Center within its respective area.

(e) The county shall establish a Colonia Self-Help Center to provide any or all of the activities outlined under §3.1 (c) of this chapter so long as the activities provided by the Colonia Self-Help Center are in line with the results of the needs assessments. Proposals must cover the following categories:

(1) Description of Colonias to be Served. Information should be sufficient to present an accurate picture of the areas to be served (i.e. number of houses, number of residents, platted/unplatted, water, wastewater disposal, utilities, housing conditions, etc.)

(2) Scope of Work. Based on the results obtained by the needs assessments, the county shall develop a scope of work for each selected colonia. In order to provide these services, the county shall be required to leverage funds, coordinate with financial institutions, prepare grant applications and coordinate with their contracted partners.

(3) Method of Implementation. For each colonia to be served by the Colonia Self-Help Center, the county shall describe the services and activities to be delivered. The county shall describe the years of experience and accomplishments relating to affordable housing projects within the last three years of the organization recommended by the county to operate and manage the daily operation of the Colonia Self-Help Center.

(4) Results. The county must include number of colonia residents to be assisted from each colonia. The county must also specify with Colonia Self-Help Center funds the number of houses to be rehabilitated, number of houses to be reconstructed, number of technical assistance visits, number of grant applications to be submitted for possible leverage, number of checkouts from the tool lending library, etc.

(f) Upon approval from commissioner's court; the county shall submit a Proposal to the Department along with a copy of its needs assessment.

§3.12. COLONIA SELF-HELP CENTER PROCESS OF AWARDS

(a) Upon receipt of the Proposal and needs assessment, the Department will perform an initial review to determine whether the Proposal is complete. Proposed activities must

identify a proposed funding amount and determine that the activities being funded under the Colonia Self-Help Center are eligible under §3.1(c) of this chapter and §105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. Sec.5305(a)). The Proposal must also show how each activity meets a national objective as required by §104(b) (3) of the Housing and Community Development Act of 1974 (42 U.S. C. Sec.5304 (b) (3)).

(b) The Department may reduce the proposed funding amount. Should this occur, the Department shall notify the appropriate county within ten working days of receipt of the Proposal. The Department and the county will work together to jointly agree on the performance measure and proposed funding amounts for each activity.

(c) Upon reaching an agreement with the county, the Department will set a Colonia Residents Advisory Committee meeting. The Colonia Residents Advisory Committee shall meet before the 30th day preceding the date on which a contract is scheduled to be awarded by the Board for the operation of a Colonia Self-Help Center and may meet at other times.

(d) The Department will forward the proposed Performance Statement, Budget and needs assessment to each Colonia Residents Advisory Committee member for its review at least seven calendar days before the scheduled meeting date.

(e) The county is expected to be present at the Colonia Residents Advisory Committee meeting if its Proposal is being considered for a recommendation to the Board for an award. The county shall be available to answer questions that the Colonia Residents Advisory Committee may have on its Proposal.

(f) After the Colonia Residents Advisory Committee makes a recommendation, the recommendation will move forward for the standard award process including Department Review which is anticipated to take a minimum of three weeks.

(g) The county whose Proposal is being presented to the Board shall be required to be present at the Board Meeting.

(h) The Department shall execute four year contracts as required by §2306.587(a) of the Texas Government Code.

§3.13. THRESHOLD SELECTION CRITERIA

(a) At a minimum, the following threshold selection criteria will be utilized in evaluating the Proposals for the Colonia Self-Help Center.

(1) Needs Assessment. The Proposal must meet the demographic, and characteristics of the selected colonias and the needs that the Colonia Self-Help Center is designed to deliver the activities as described in §3.1 of this chapter.

(2) Program Design. Whether the proposed project meets the needs identified in the needs assessment, whether the design is complete and whether the project fits within the community setting. Information required includes, but is not limited to: community involvement; scope of program; income and population targeting; marketing, fair housing and relocation plans and other items as the Department deems applicable.

(3) Capacity of Colonia Self-Help Center provider. The selected Colonia Self-Help Center provider selected by the county must have the capacity to administer and manage financial resources, as evidenced by previous experience of managing state and/or federal programs based on one or more of the following preferred experience:

- (A) three (3) years experience in provision of affordable housing, including new construction; and housing rehabilitation; and experience in homebuyer and down payment assistance programs.
- (B) three (3) years experience in grantsmanship, project planning and development in housing and infrastructure, and project management.
- (C) three (3) years experience in homeownership counseling, home loan processing and coordinating with private financial institutions.
- (D) three (3) years experience in property development, including experience in processes related to surveying, platting, and recording of property.
- (E) three (3) years experience in self-help programs related to housing or infrastructure, including operation of a tool library.
- (F) three (3) years experience in managing state/federally funded projects or projects funded under private foundations and not have major outstanding monitoring or audit issues.

(b) Administrative Costs for Colonia Self-Help Center. Each county is required to contract with a nonprofit organization, community action agency and/or housing authority to provide staff, office space and equipment (computer, facsimile, telephone, copier, etc.) necessary for full operation of the Colonia Self-Help Center.

- (1) the county must determine a reasonable amount of administrative costs, and work with the selected Self-Help Center provider to determine a reasonable amount of operational cost not to exceed twenty (20%) percent which must be included in its Proposal. Costs should also include costs associated with salaries, travel, supplies, training, subscriptions, utilities, rent and other related services for both the county and Colonia Self-Help Center provider.
- (2) a cost allocation plan (indirect cost) will not be accepted under this program.
- (3) cost incurred by colonia self-help center employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the State Comptrollers Travel Allowance Guide.

§3.14. EXPENDITURE THRESHOLD REQUIREMENTS

(a) A county that has a current contract must meet the following expenditure threshold requirements:

(1) 6-Month Milestone. Any County that has not begun any project activities within six months after contract execution will have its funds subject to deobligation. The county will be evaluated after the first six months of the contract period for progress made to carry out project activities.

(2) 12-Month Milestone. The county must expend at least thirty (30%) percent of the total Colonia Self-Help Center funds awarded within twelve (12) months from the start date of the contract.

(3) 24-Month Milestone. The county must expend at least sixty percent (60%) of the total Colonia Self-Help Center funds.

(4) 36-Month Milestone. In order to meet this requirement the county must expend at least ninety percent (90%) of the total Colonia Self-Help Center funds.

(5) 50-Month Milestone. If a county has a contract that is 48 months old or older, one hundred percent (100%) of all activities have completed all contract fund requests, and a Certificate of Completion report (which documents the expenditure of all Colonia Self-Help Center funds utilized for contract activities and does not include any reserved funds other than the funds needed to pay for a final audit) must be submitted to the Department. To meet this threshold, all the Colonia Self-Help Center funds needed for the contract activities, except for the reserved audit funds, must be expended in order to be considered for future funding.

(b) If these thresholds are not met, the Department will apply the options outlined in §3.17 of this chapter.

§3.15. CONTRACT DELIVERY ADMINISTRATION

(a) Upon approval of Colonia Self-Help Center funds by the Board, the Department shall work with the county to deliver a fully executed contract based on the work to be performed with milestones beginning sixty days of award date.

(b) Environmental. Before any funds can be disbursed environmental clearance must be approved by the Department.

(c) Amendments. Any alterations, additions, or deletions to the terms of the contract shall be submitted in writing to the Department. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Colonia Self-Help Center Proposal or written agreement provided that:

(1) in case of a modification or amendment to the dollar amount of the request or award, such modification or amendment does not increase the dollar amount by more than 25% of the original request or award, or \$50,000, whichever is greater;

(2) in the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award; and

(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 decreases the benefits to be received by the Department in the estimation of the Executive Director, will be presented to the Board for approval.

(d) Request for Payments. The county shall submit a properly completed request for reimbursement form, as specified by the Department, on a monthly basis. The Department shall determine the reasonableness of each amount requested and shall not make disbursement of any such payment until the Department has reviewed and approved such request. Payments under the contract are contingent upon the county's full and satisfactory performance of its obligations under the contract.

(e) All eligible activities must meet a national objective and have a corresponding budget line item in the budget. This requirement will be clearly reflected in the performance statement and budget of the contract.

(f) Reporting. The county shall submit to the Department such reports on the operation and performance of the contract as may be required by the Department. Quarterly reports shall be due no later than the twentieth (20th) day of the month after the end of each calendar quarter.

(1) the county shall maintain and submit to the Department up to date accomplishments in quarterly reports identifying quantity and cumulative data including the colonias served, activities performed and total number of beneficiaries.

(2) the county shall submit and maintain program information at the detailed project activity level such as how many low and moderate-income households reside in safe, decent housing, and the number of years of affordability created for these households.

(g) Inspections. All housing rehabilitation and new construction activities must be inspected by an independent licenced inspector to ensure the house is complete, safe and meets at a minimum Colonia Housing Standards. All items noted by the independent licensed inspector must be corrected and repaired. Once all items are corrected a re-inspection will be required.

§3.16. MANUFACTURED HOMES INSTALLED IN COLONIAS

(a) For a manufactured home to be approved for installation and use as a dwelling in a colonia:

(1) the home must be a HUD-code manufactured home, as defined by Section 1201.003, Occupations Code and in accordance to §2306.591 of the Texas Government Code.

(2) the home must be habitable, as described by Section 1201.453, Occupations Code.

(3) ownership of the home must be properly recorded with the manufactured housing division of the department.

(b) An owner of a manufactured home is not eligible to participate in a grant loan program offered by the department, including the single-family mortgage revenue bond program under Section 2306.142, unless the owner complies with Subsection (a).

§3.17. SUSPENSION

(a) Suspension. In the event the county fails to comply with any term of the contract, the Department may, upon written notification to the county, suspend the contract in whole or in part and withhold further payments to the county, and prohibit the county from incurring additional obligations of funds under the contract. If a suspension continues it could move to Sanction/Deobligation under §3.16 of this chapter.

(b) The Department reserves the right to take all allowable actions to enforce the terms of the contract.

(c) Potential allowable actions are covered by Board policy or rules.

§3.18. SANCTION/DEOBLIGATION

(a) Sanction/Deobligation funds. The Department reserves the right to apply appropriate graduated sanctions leading up to, but not limited to, deobligation of funds and future debarment from participating in the program in the following situations:

(1) county has any unresolved compliance issues on existing or prior contracts with the Department;

(2) county fails to set-up programs/projects or expend funds in a timely manner;

(3) county defaults on any agreement by and between the county and the Department;

(4) county misrepresents any facts to the Department during the Proposal process, award of contracts, or administration of contract;

(5) county is unable to provide adequate financial support to administer the contract or withdrawal of significant financial support;

(6) county fails to expend all funds awarded.

(b) The Department may exercise other compliance or enforcement rules as appropriate.

**Housing Tax Credit Program
Board Action Request
October 12, 2006**

Action Item

Request, review, and board determination of six (6) four percent (4%) tax credit applications with TDHCA as the Issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of four (4) four percent (4%) Tax Credit Determination Notices with **TDHCA** as the Issuer for tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
060619	Rolling Creek Apartments	Houston	TDHCA	248	248	\$25,950,402	\$15,000,000	\$1,014,308	\$0
060623	East Tex Pines Apartments	Houston	TDHCA	250	250	\$26,927,462	\$13,500,000	\$1,132,098	\$1,132,098
060624	Havens at Mansfield	Mansfield	TDHCA	100	100	\$10,458,409	\$5,471,000	\$305,518	\$305,444
060625	Generations at Mansfield	Mansfield	TDHCA	160	160	\$17,553,161	\$10,815,000	\$555,572	\$0
060627	Aspen Park Apartments	Houston	TDHCA	256	231	\$15,112,092	\$9,960,000	\$435,465	\$435,465
060629	Villas at Henderson	Cleburne	TDHCA	140	140	\$13,183,829	\$7,200,000	\$407,847	\$407,847



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

**Rolling Creek Apartments
8038 Gatehouse Drive
Houston, Texas**

**Rolling Creek Apartments, L.P.
248 Units
Priority 3**

\$15,000,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Public Input and Hearing Transcript (August 7, 2006)

(Detailed public comment located in Appendix A)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for the Rolling Creek Apartments.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the Rolling Creek Apartments Transaction

Background and General Information: The pre-application was received on April 6, 2006. The application was scored and ranked by staff. The application was induced at the June 9, 2006 Board meeting and submitted to the Texas Bond Review Board for addition to the 2006 Waiting List. The application received a Reservation of Allocation on July 6, 2006. The final date for bond delivery is on or before December 3, 2006, but the anticipated closing date is October 24, 2006. This application was submitted under the Priority 3 category which means at least 75% of the units must have rents at 30% of 80% AMFI.

The most recent version of the market study that was used for the underwriting analysis of this application was received by the Department on September 5, 2006. However, 10TAC Section 50.12 (a)(2) of the 2006 Qualified Allocation Plan requires that all documentation must be submitted to the Department at least 60 days prior to the Board meeting at which the decision to issue the Determination Notice would be made. Another concern of Department staff is that there are several unstablized properties adjacent to the boundaries of the Primary Market Area.

Organizational Structure and Compliance: The Borrower is Rolling Creek Apartments, L.P., of which the general partner is Cynosure Properties, L.P. with Mark Bower having 50% ownership and Daniel Sereni having 50% ownership interest. There are also twenty private limited partner investors. The Compliance Status Summary completed on July 28, 2006 reveals that the principals of the general partner do not have any properties that are currently being monitored by the Department.

Public Hearing: There were one hundred and ninety-six people who signed-in at the public hearing on August 7th with nineteen people speaking for the record. A copy of the transcript is included in this presentation. The proposed site is located in the Cy-Fair Independent School District. There is substantial opposition from elected officials and the general community. The Department received letters

of opposition from State Senator John Whitmire, State Representative Gary Elkins, County Judge Robert Eckels and County Commissioner Jerry Eversole. The Department received 66 letters of opposition from the community along with a petition of opposition with 1,867 signatures. A summary of the public comment is as follows: there is no public transportation in the area; there will be increased traffic congestion on Fairbanks North Houston Road; there is no need for an additional affordable housing community; the development will create additional burden to the local infrastructure and services; the schools will be overcrowded; there will be an oversaturation of economically disadvantaged children and minorities for the census tract; the developer has been fiscally irresponsible in the past, asserting the developer had unpaid federal tax liens and previously filed bankruptcy; and the development will increase flooding in an area that is already prone to flooding.

Census Demographics: The proposed site development will be located at 8038 Gatehouse Drive, Harris County. Demographics for the census tract (5325.00) include AMFI of \$61,996; the total population is 12,145; the percent of population that is minority is 66.79%; the percent of the population that is below the poverty line is 7.92%; the number of owner occupied units is 2,928; the number of renter units is 606 and the number of vacant units is 74. (FFIEC Geocoding for 2006)

Other Salient Information: The Rolling Creek application has previously been withdrawn twice as further described below; however it has never been presented to the Board as a full application. This development was initially submitted under the 2004 program. The applicant withdrew that application due to an error in posting the signage by the required date. The second application was received on August 18, 2005 and was withdrawn by the Applicant on December 12, 2005 because Harris County rescinded the letter of consistency with the county's consolidated plan thereby causing the application to not satisfy threshold requirements. Harris County reinstated the letter after the application had been withdrawn by the Applicant and the bond reservation had expired. A public hearing was held on each of the previous applications with substantial opposition at each hearing.

Summary of the Financial Structure

The applicant is requesting the Department's consideration, approval and issuance of fixed rate tax exempt bonds in the amount of \$15,000,000. Credit enhancement will be provided during the Construction Phase by PNC Multifamily Capital through an irrevocable transferable letter of credit instrument. The bonds will be unrated and privately placed by Capmark Securities, Inc. with Capmark Municipal Mortgage Trust. The term of the bonds will be for 33 years. The construction and lease up period will be for twenty-four months plus one 6 month optional extension with payment terms of interest only during this period.

Recommendation

Staff does not recommend that the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Rolling Creek Apartments because the most recent version of the market study was not submitted 60 days prior to the Board meeting. Additionally, staff has concerns because of the proliferation of six unstablized developments (three of which are family and three are senior) immediately adjacent to the boundaries of the Primary Market Area.

If the Board overturns staff's recommendation and approves this transaction they would need to waive 10TAC Section 50.12(a)(2) of the Qualified Allocation Plan.

RESOLUTION NO. 06-038

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (ROLLING CREEK APARTMENTS) SERIES 2006; 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; (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 (d) to issue its bonds for the purpose of refunding any bonds theretofore issued by the Department under the Act; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Rolling Creek Apartments) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of an Indenture of Trust (the "Indenture") by and between the Department and Wells Fargo Bank, National Association (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Rolling Creek Apartments, LP, a Texas limited partnership (the "Borrower"), in order to finance a portion of the cost of acquisition, construction and equipping of a qualified residential rental Development described on Exhibit A attached hereto (the "Development") 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 June 9, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance the cost of acquisition, construction and equipping of the portion of the Development

to be occupied by individuals and families of low and very low income and families of moderate income 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 Loan Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Loan will be provided for initially by a Letter of Credit issued by PNC Bank, National Association, a national banking association (the "Bank"); and

WHEREAS, it is anticipated that the Note will be secured by a first lien 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 the Trustee; and

WHEREAS, the Department's interest in the Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear pursuant to a Assignment of Deed of Trust and Loan Documents (the "Assignment") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records Harris County, Texas; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Placement Agreement (the "Placement Agreement") with the Borrower, Capmark Securities, Inc., as placement agent, (the "Placement Agent"), Capmark Municipal Mortgage Trust (the "Purchaser"), Capmark Capital Management LLC and any other parties to such Placement Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Purchaser 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 Purchaser or another party to such Placement 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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignment, the Regulatory Agreement, the Asset Oversight Agreement, and the Placement 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 1.14, 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. (i) The Bonds shall bear interest at the rates determined by the Indexing Agent (as defined in the Indenture) in accordance with the provisions of the Indenture; provided that (a) from the Closing Date to and including October 31, 2008, the interest rate shall not be less than 5.875% per annum and (b) from and after November 1, 2008, the interest shall not be less than 6.125% per annum; provided further 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; (ii) the aggregate principal amount of the Bonds shall be \$14,500,000; (iii) the final maturity of the Bonds shall occur on December 1, 2039; and (iv) the price at which the Bonds are sold to the Purchaser or another party to the Placement Agreement shall be the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan 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.

Section 1.6--Approval, Execution and Delivery of the Placement Agreement. That the sale of the Bonds to the Purchaser and any other party to the Placement Agreement is hereby approved, that the form and substance of the Placement Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Placement Agreement and to deliver the Placement Agreement to the Borrower, the Placement Agent, the Purchaser and any other party to the Placement Agreement as appropriate.

Section 1.7--Acceptance of the Mortgage and Note. 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 without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.9--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 1.10--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Placement Agreement
- Exhibit F - Mortgage
- Exhibit G - Note
- Exhibit H - Assignment
- Exhibit I - Asset Oversight Agreement

Section 1.12--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 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.14--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development'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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Placement 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.

Section 2.4--Certification of the Minutes and Records. 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.

Section 2.5--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a rating from 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.

Section 2.6--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.7--Placement Agent. That the placement agent with respect to the issuance of the Bonds shall be Capmark Securities Inc.

Section 2.8--Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.

Section 2.9--Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and Section 1207.008, Texas Government Code, and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the

Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and Chapter 1207, Texas Government Code, 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 Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of 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 Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. 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

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, respectively, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, respectively, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State of Texas is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006.

[SEAL]

By: _____
Elizabeth Anderson, Chair

Attest: _____
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Rolling Creek Apartments, LP, a Texas limited partnership

Development: The Development is a 248-unit multifamily facility to be known as Rolling Creek Apartments and to be located at approximately 8038 Gatehouse Drive (also having been described as approximately the 7800 block of Fairbanks N. Houston (approximately 315 feet north of the northeast corner of Fairbanks N. Houston and Summertree Drive)), Houston, Harris County, Texas 77040. The Development will consist of eleven 3-story residential apartment buildings with approximately 228,484 net rentable square feet and an approximate average unit size of 921.30 square feet. The unit mix will consist of:

60 one-bedroom/one-bath units

104 two-bedroom/two-bath units

84 three-bedroom/two-bath units

248 Total Units

Unit sizes will range from approximately 675 square feet to approximately 1,100 square feet.

The Development will include an administration office, a business center, a fitness room, an activity room, a game room/TV lounge, kitchen facilities, and public restrooms. On-site amenities will include a swimming pool, playground and a picnic area. All individual units will have washer/dryer connections. Additionally, the Development will include 72 garages, 72 carports and 369 uncovered parking spaces



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Rolling Creek Apartments, TDHCA Number 060619

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15 O US Representative: Jackson-Lee, District 18, O
TX Representative: Bohac, District 138 O US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC Resolution of Support from Local Government []
Robert Eckels, Judge, Harris County - O David Turkel, Director, Harris County Community & Economic Development Department - [] Consistent with the HUD approved 2003-2007 Consolidated Plan for Harris County which establishes the need for affordable, rental housing in the county.

Jerry Eversole, Commissioner, Harris County - O

Individuals/Businesses: In Support: 0 In Opposition 66

Neighborhood Input:

See detailed public comment located in Appendix A.

General Summary of Comment:

Public Hearing: Concerns regarding no public transportation in the area, increased traffic congestion, no need for additional affordable housing in the area, creating an additional burden to the local infrastructure and services, schools will be overcrowded, oversaturation of economically disadvantaged children and minorities for the census tract, the developer has been fiscally irresponsible in the past and the development will increase flooding in an area that is already prone to flooding.

Number that attended: 196
Number that spoke: 19
Number in support: 1
Number in opposition: 193
Number Neutral: 2
Number of petition signatures: 1,867

CONDITIONS OF COMMITMENT

Not Recommended due to the following: 10TAC Section 50.12(a)(2) of the QAP requires any outstanding documentation requires under this section must be submitted to the Department at least 60 days prior to the Board meeting. The revised Market Study was received on September 5, 2006 which was not a least 60 days prior to the Board meeting scheduled for October 12, 2006.

Should the Board Approve this award, the Board must waive its rules for the issues listed above and such an award should be conditioned upon the following:

Issuance of up to \$14,500,000 in tax exempt mortgage revenue bonds with an interest rate not to exceed 6.125% and repayment term of 30 years with a 40 year amortization period.

A housing tax credit allocation not to exceed \$999,986 annually for ten years.

Receipt, review, and acceptance of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out is a condition of this report.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re evaluated and an adjustment to the allocation amount may be warranted.

Per §50.12(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



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Rolling Creek Apartments, TDHCA Number 060619

provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Rolling Creek Apartments, TDHCA Number 060619

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$0
Recommendation:		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

Rolling Creek Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 14,500,000
Tax Credit Proceeds	9,663,483
Deferred Developer's Fee	1,747,711
Lender Deposit Reimbursement	9,234
Total Sources	<u>\$ 25,920,428</u>

Uses of Funds

Acquisition and Site Work Costs	\$ 3,591,452
Direct Hard Construction Costs	13,398,543
Other Construction Costs (General Require, Overhead, Profit)	2,073,043
Indirect Construction Costs	516,027
Developer Fees and Overhead	2,788,718
Direct Bond Related	281,670
Bond Purchase Costs	945,000
Other Transaction Costs	2,231,305
Real Estate Closing Costs	94,670
Total Uses	<u>\$ 25,920,428</u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 72,500
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	29,000
TDHCA Bond Compliance Fee (\$40 per unit)	9,920
TDHCA Bond Counsel and Direct Expenses (Note 1)	100,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Trustee Fee	8,000
Trustee's Counsel (Note 1)	5,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,750
Total Direct Bond Related	<u>\$ 281,670</u>

Rolling Creek Apartments

Bond Purchase Costs	
Bond Purchaser	72,500
Placement Agent	145,000
Placement Agent Counsel	20,000
Permanent Lender's Counsel	35,000
LOC Provider	522,500
LOC Provider Counsel	40,000
Borrower Counsel	85,000
Lender Deposit	25,000
Total Bond Purchase Costs	\$ 945,000

Other Transaction Costs	
Tax Credit Application and Determination Notice Fees (if paid at closing)	17,440
Conversion Fee	14,500
Contingency	49,429
Construction Taxes and Insurance	298,436
Operating Deficit Reserve	300,000
Construction Interest	1,526,500
Miscellaneous	25,000
Total Other Transaction Costs	\$ 2,231,305

Real Estate Closing Costs	
Title/Recording Fees	25,000
Permits	34,318
Utility and Impact Fees	35,352
Total Real Estate Costs	\$ 94,670

Estimated Total Costs of Issuance	\$ 3,552,645
--	---------------------

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 5, 2006

PROGRAM: 4% HTC/MRB

FILE NUMBER: 060619

DEVELOPMENT NAME

Rolling Creek Apartments

APPLICANT

Name:	Rolling Creek Apartments, L.P.	Type:	For-profit
Address:	802 N. Carancahuad, Suite 1650	City:	Corpus Christi
State:	TX	Zip:	78470
Contact:	Mark Bower	Phone:	(361) 980-1220
Fax:	(866) 728-2442		

KEY PARTICIPANTS

Name:	Rolling Creek Apartments Group, LLC	(%):	0.01	Title:	Managing General Partner
Name:	Cynosure Developers, LLC	(%):	N/A	Title:	Developer
Name:	Mark T. Bower	(%):	N/A	Title:	50% Owner of Cynosure Developer
Name:	Daniel R. Sereni	(%):	N/A	Title:	50% Owner of Cynosure Developer
Name:	Winchester Properties, Inc.	(%):	N/A	Title:	Co-Developer
Name:	C. D. Henderson	(%):	N/A	Title:	100% Owner of Winchester Properties, Inc.

PROPERTY LOCATION

Location: 8038 Gatehouse Drive

City: Houston

Zip: 77040

County: Harris

Region: 6

QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,014,308	N/A	N/A	N/A
MRB (Tax-Exempt)	\$14,500,000	6.125%	40 yrs	30 yrs
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban	

RECOMMENDATION

NOT RECOMMENDED DUE TO THE FOLLOWING:

- 10TAC Section 50.12(a)(2) of the QAP requires any outstanding documentation required under this section must be submitted to the Department at least 60 days prior to the Board meeting. The revised Market Study was received on September 5, 2006 which was not at least 60 days prior to the Board meeting scheduled for October 12, 2006.

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

CONDITIONS

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST WAIVE ITS RULES FOR THE ISSUES LISTED ABOVE AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

1. Issuance of up to \$14,500,000 in tax-exempt mortgage revenue bonds with an interest rate not to exceed 6.125% and repayment term of 30 years with a 40-year amortization period.
2. A housing tax credit allocation not to exceed \$999,986 annually for ten years.
3. Receipt, review, and acceptance of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out is a condition of this report.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

This report was initially drafted in anticipation of the Board determination of an allocation during first the November 2005 and then the August 2006 TDHCA Board meetings. The primary areas of revision are changes to the PMA and sources and uses and development costs.

10TAC Section 49.12(b) of the QAP requires a letter from the political subdivision or another local official with appropriate jurisdiction stating that the development fulfills a need for additional affordable rental housing. Evidence of a local consolidated plan letter is not normally considered or reviewed by the Real Estate Analysis Division; however this has become a known threshold deficiency which prevents staff from making an affirmative recommendation. Harris County on May 15, 2006 has indicated that the development is consistent with the consolidated plan for Harris County.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 248 **# Res Bldgs** 11 **# Non-Res Bldgs** 1 **Age:** N/A yrs
Net Rentable SF: 235,540 **Av Un SF:** 950 **Common Area SF:** 5,345 **Gross Bldg SF:** 240,885

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 40% plywood/hardboard, 15% masonry veneer, and 45% stucco. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, a self-cleaning oven, laundry connections, a ceiling fixture in each room, individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 200 or more, the Applicant has elected to provide a barbecue or picnic table for every 50 units, community laundry room, controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, public telephone(s) available to tenants 24 hours a day, a service coordinators office in addition to the leasing offices, a swimming pool, two children's

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playgrounds equipped for 5 to 12 year olds/two tot lots/one of each, a furnished and staffed children’s activity center, a tennis court, a basketball court, and a volleyball court.

Uncovered Parking: 421 spaces **Carports:** 72 spaces **Garages:** 72 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The proposed site was purchased from a third party as part of a larger 23.5071-acre tract. An affiliate of the Applicant will control approximately five acres to be used for commercial development. The proposed development will be located on approximately 13-acres with the remaining acreage used for utilities, access (including extension of existing roads), detention and landscaping purposes. The total land area dedicated to the development is approximately 18 acres. Rolling Creek Apartments is effectively a 19-unit per acre (based on 13 acres) new construction development of 248 units of affordable housing located in northwest Harris County. The development is comprised of eleven evenly distributed large garden style, walk-up residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
4	3	12	8	0
6	3	0	12	12
1	3	12	0	12

The development includes a 5,345-square foot community building.

SITE ISSUES

SITE DESCRIPTION

Total Size: <u>18.08 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone: <u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning: <u>No zoning in Harris County</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is a rectangularly-shaped parcel located in the northwest area of Houston, approximately 17 miles from the central business district. The site is situated on the east side of Fairbanks North Houston Road, south of Terrace Brook.

Adjacent Land Uses:

- € **North:** a new single-family residential development immediately adjacent and Breen Drive beyond;
- € **South:** older single-family residential development immediately adjacent and vacant land beyond;
- € **East:** vacant land immediately adjacent and older single-family development beyond; and
- € **West:** Fairbanks North Houston Road immediately adjacent and vacant land beyond.

Site Access: Access to the property is from the north or south from Fairbanks North Houston Road. The development is to have two entries, both off of Fairbanks North Houston Road. Access to Highway 290 is two miles south, which provides connections to all other major roads serving the Houston area.

Public Transportation: METRO, run by the Metropolitan Transit Authority of Harris County, provides public transportation in the City of Houston. The closest bus stops are located at N Houston-Rosslyn Road and North Klein Circle or Fairbanks-N Houston Road and Hwy 290, each more than a mile from the proposed site.

Shopping & Services: The site is within several miles of major grocery, shopping centers, a multi-screen theater, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Adverse Site Characteristics:

- € **Effects on Cypress Fairbanks ISD and the fronting roadway Fairbanks North Houston Road:** On October 24, 2005 a report was completed by Patrick O’Connor & Associates, L.P. specifically addressing anticipated impact on schools and traffic as follows: “The average HTC unit generates 0.78 students. To be conservative, we have utilized the higher ratio of 0.85 students per unit. Given the subject’s 248 units, this would equate to approximately 211 students.” (p. 11) Based on the current

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conditions in the ISD and the projected students which the proposed Rolling Creek Apartments would likely generate, it does not appear that the subject development would place an undue hardship of the capacity of the Cy-Fair ISD.” (p. 12) “At an estimated average of 1.25 cars per units, the proposed subject would add only slightly over 1% to the existing traffic on Fairbanks North Houston. Additionally, based on our experience, a significant percentage of tenants in HTC properties in the Greater Houston Area do not work in typical business hour jobs. They tend to have a higher percentage in the following occupations: Restaurant workers, retail clerks, teachers, police and firemen, nurses. Due to the existing high traffic counts on Fairbanks North Houston road, the impact of the proposed subject property is anticipated to be negligible.” (p. 13)

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 9/29/2005
Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable
Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated June 27, 2006 was prepared by Terracon Consulting Engineers & Scientists and contained the following findings and recommendations:

Findings:

- € **Noise:** “The site is not located within 1,000 feet of a heavily traveled roadway, within 3,00 feet of a railroad easement or within one-half mile of an airport.” (p. 22)
- € **Floodplain:** The subject site is located in a zone-x according to FEMA Agency Flood Insurance Rate Map, Community Panel Number 48201CO445K, and dated April 20, 2000. (p. 6)
- € **Asbestos-Containing Materials (ACM):** “No buildings were located on site; hence, asbestos sampling was not conducted as part of the scope of services.” (p. 22)
- € **Lead-Based Paint (LBP):** “No buildings were located on site; hence, asbestos sampling was not conducted as part of the scope of services.” (p. 22)
- € **Lead in Drinking Water:** “Drinking waster is not provided for the site currently, as the site is vacant land; however if the site is developed, the site would be provided water by the City of Houston. Review of the most recent drinking water quality data for the City of Houston did not indicate lead concentrations above the USEPA drinking water standard. Additionally, due to the age of construction, lead piping in the building is not suspected.” (p. 23)
- € **Radon:** “According to the Final Report of the Texas Indoor Radon Survey 1994, prepared by the TDH, Bureau of Radiation Control, four areas in Texas have geologic conditions supportive of elevated radon potential: the High Plains, the Big Bend area, the Llano Uplift in Central Texas and several counties in Southeast Texas overlying Tertiary sands in the vicinity of some commercial mining activities. According to the survey, the mean residential radon measurement for Harris County is <0.5 picoCuries of radon per liter of air (pCi/L), and the maximum identified level was 3.8 pCi/L. The EPA recommends a guideline of action level of 4.0 pCi/L for annual average indoor radon concentration. According to the survey, none of the 131 homes tested in Harris County exceeded this action level. Based on this information, the site is considered to have a low potential for elevated levels of radon gas. Note, however, testing would be required to confirm specific site concentrations of radon gas.” (p. 22)
- € **Other:**
 - The historical review indicates that the site was developed with apparent oil/gas exploration activities from at least the mid-1940s until the late 1970s.
 - GeoSearch reviewed the Texas Railroad Commission records to identify oil and gas wells on or adjacent to the site. Based on the review of the GeoSearch report, two (2) plugged oil wells were located on the site and four (4) additional oil and or gas wells were located within approximately 200 feet of the site.
 - An apparent pipeline easement was identified transecting the site from the north to the south on the 1944 aerial photograph. No information related to this pipeline was identified; but, it is

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assumed to be related to the historic on-site oil/gas exploration operations. Based on this information, the apparent pipeline appears to constitute and REC (recognized environmental condition) to the site at this time.

- Numerous empty 5-gallon buckets and disintegrating 55-gallon drums were located throughout the site during the site reconnaissance. Several of the 5-gallon drums were labeled “Motor Oil”. Based on the absence of information related to the contents of these buckets and drums, they appear to constitute an REC to the site at this time.
- Trash and debris was observed throughout the site during the site reconnaissance. Based on visual observation approximately 100 dump truck loads of debris, which consisted of tires, wood, metal, concrete, cardboard boxes, glass/plastic bottles, plastic plant pots, construction debris, PVC pipes, cars, and car parts were observed throughout the site.
- While several pond areas were identified on the site and an emergent marsh area was described in the southeast corner of the site, none of the site lies in the 100 or 500 year flood plain according to the most current know flood plain map dated April 20, 2000.

Recommendations: “Based on the scope of services and limitations of this assessment, Terracon did not identify recognized environmental conditions in connection with the site, which in our opinion, warrant additional investigation at this time. Due to existing site conditions, including extensive vegetative overgrowth, artifacts which may indicate additional areas of potential impact (i.e., former wells, pump jack slabs, field lines, etc.) were not visible during the course of the assessment activities performed to date. Terracon recommends that observations be made during the course of any future site clearing/development for such artifacts and that additional environmental investigation be conducted as warranted. Terracon recommends that the location of each well head be identified and included on a survey of the property so that no structures are placed on former well heads.” (p. 3)

Receipt, review, and acceptance of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out is a condition of this report.

INCOME SET-ASIDE

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. As a Priority 2 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 60% of AMGI. Two hundred and forty-eight of the units (100% of the total) will be reserved for low-income tenants. All of the units 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 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

MARKET HIGHLIGHTS

An original market feasibility study dated July 11, 2005 was prepared by Patrick O’Connor & Associates, L.P. for TDHCA and MMA Financial, LLC and a second market feasibility study dated October 17, 2005 was prepared by Patrick O’Connor & Associates, L.P. (“Market Analyst”) for TDHCA and ARCS Commercial Mortgage and a third market feasibility study dated May 1, 2006 was prepared by Patrick O’Connor & Associates, L.P. for TDHCA; and a fourth market feasibility study dated September 5, 2006 was prepared by Patrick O’Connor & Associates, L.P. for TDHCA; all four were compared to each other and contained identical information other than the specific demographic numbers, the adjusted market rents which varied slightly and the definition of the primary market area (PMA). The latter market study specifically was provided because the PMA was modified. Due to the fact that the market feasibility study dated September 5, 2006 was not received at least 60 days prior to the October 12, 2006 Board Meeting it is not being recommended for approval. This most current PMA does not include the tax-exempt bond development approved during the August 2006 Board meeting, #060613 Stonehaven Apartment Homes, which was

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originally included in the third market study and PMA. While the correct PMA appears to be the most justifiable of the different market areas, it is worth noting that within less than ¼ of a mile from three of the five boundaries of the current PMA exist a new transaction targeting families and the other two boundaries have unstabilized developments targeting seniors. If any one of these developments just outside of the PMA were included in the PMA the inclusive capture rate for the development would exceed the department’s 25% limit. The attached map reflects all of the prior market areas. The reports highlighted the following findings:

Secondary Market Information: A secondary market area was not identified in this report.

Definition of Primary Market Area (PMA): “The subject’s primary market area includes those properties bound by Jones Road to the west; FM 1960 to the north; the railroad tracks and Houston North Rosslyn Road to the east, and Highway 290 to the south. This geographic area essentially is contained within the following zip codes: 77040, and 77064.” (p. 37) This area encompasses approximately 29 square miles and is equivalent to a circle with a radius of three miles.

Population: The estimated 2006 population of the most recent PMA was 84,047 and is expected to increase by 2% to approximately 90,858 by 2011. Within the primary market area there were estimated to be 28,013 households in 2006.

Total Primary Market Demand for Rental Units: The Market Analyst calculated a total demand of 1,515 qualified households in the most recent PMA, based on the current estimate of 28,013 households, the projected annual growth rate of less than 1%, renter households estimated at 28% of the population, income-qualified households estimated at 30%, and an annual renter turnover rate of 65 %. (p. 70) The Market Analyst used an income band of \$23,520 to \$39,540.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	52	4%	37	2%
Resident Turnover	1,405	93%	1,495	95%
Other Sources: Section 8 Vouchers	58	3%	41	3%
TOTAL DEMAND	1,515	100%	1,573	100%

p. 70

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 16.4% based upon 1,515 units of demand and 248 unstabilized affordable housing in the PMA (including only the subject) (p. 71). The Underwriter calculated an inclusive capture rate of 15.8% based upon a revised demand estimate for 1,573 affordable units. As noted above inclusion of any one of the new unstabilized five developments (three family and two senior) located just outside the boundaries of the current PMA would cause the inclusive capture rate to exceed the Department’s limit of 25%.

Unit Mix Conclusion: “The proposed subject property will have 24% one-bedroom units, 42% two-bedroom units, and 34% three-bedroom units. Based on discussions with leasing agents and our own analysis of the rental rates at the selected comparable in the primary market, the posed unit mix is appropriate and will complement the local affordable housing market.” (p. 11)

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 1,479 units in the market area. (p. 47)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$625	\$625	\$0	\$725	-\$119
2-Bedroom (60%)	\$751	\$751	\$0	\$995	-\$268
3-Bedroom (60%)	\$861	\$862	-\$1	\$1,215	-\$389

(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 average occupancy for comparable apartments in the subject’s

primary market area was reported at 90.56% in the most recent O'Connor & Associates Apartment Database survey (April 2006). According to the survey, occupancy in the primary market area has increased significantly 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..." (p. 40)

Absorption Projections: "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 with in six to twelve months following completion." (p. 78)

Unstabilized, Under Construction, and Planned Development: The fourth and final market study provided a modified PMA excluding zip code 77041, and therefore excluded a recently approved development, #060613, Stonehaven Apartment Homes. The consideration of Stonehaven as an unstabilized comparable would result in an unacceptable inclusive capture rate of 28%. According to the Market Analyst the market study dated May 1, 2006 contained a PMA that included zip code 77041 because "...it was an under-served area in terms of rent-restricted HTC properties, and the subject would likely draw tenants from this area, despite the fact that Stonehaven is on the opposite side of Highway 290, which is a geographic boundary with different demographic profiles and characteristics of development than those areas north of Highway 290. With the approval of Stonehaven, the Zip Code area 77041 will no longer be considered under-served in terms of rent-restricted HTC properties, and the subject will not be as likely to draw potential tenants from this area" (letter from the Market Analyst dated September 5, 2006).

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the Inwood/Northwest submarket t#14 within the Houston MSA. According to the Department market study; there are -71 units of demand for one-bedroom units at the 60% income level; -98 units of demand for two-bedroom units at the 60% income level; and -49 units of demand for three-bedroom units at the 60% income level (p. III-547).

The Department's market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns to all of the units in the market area. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied). The Underwriter requested additional information from the market analyst. The market analyst submitted additional information as follows to support the original demand conclusions.

Major concerns with Vogt Williams Study

- € *Uses HISTA Data, which is averages of averages, thereby decreasing confidence level of accuracy.*
- € *Arbitrary use of replacement of 2.5% of "Functionally Obsolete" units perpetuates and exacerbates the problem of substandard housing. Without new/newly-renovated product within the submarket, the owners of the "functionally obsolete" complexes have no impetus to demolish or renovate.*
- € *Vogt Williams methodology does not conform to 2006 QAP*
- € *Vogt Williams study states that 21.4% of the population within the submarket is Rent-Overburdened, but does nothing to address this problem*
- € *Vogt Williams study surveyed less than 45% of the complexes within the submarket*
- € *Numerous minor error in project names, number of units, status (tax credit or market, or senior versus family) which diminish the confidence level in conclusions.*

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation. While technically acceptable the numerous attempts at determining a Primary Market Area that provides an acceptable inclusive capture rate is of concern both from an acceptable TDHCA application processing perspective and from a perspective of what is truly appropriate for this development.

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MULTIFAMILY UNDERWRITING ANALYSIS**

OPERATING PROFORMA ANALYSIS

Income: 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 the tenants will pay for electricity and rents and expenses were calculated accordingly. The Applicant's estimate of secondary income included rental income of \$55.2K for garages and carports. The Applicant's total per unit secondary income of \$25.27 exceeds the underwriting guideline of \$15 per unit per month. No additional support for the rental income for garages and carports was provided; however, the Underwriter was able to support an increase in the underwriting secondary income per unit per month to \$20 based on actual collections by Houston area affordable developments. The Applicant's vacancy and collection loss is at the current underwriting rate of 7.50% and their effective gross income is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at \$3,992 per unit is within 5% of the Underwriter's estimate of \$3,994 derived from the TDHCA database. The Applicant's budget shows several line item estimates that deviate significantly when compared to the Underwriter's estimates, particularly: payroll (\$31.7K lower), utilities (\$19.9K lower), and property tax (\$48.6K higher).

Conclusion: The Applicant's estimated income is within 5% of the Underwriter's expectations, total operating expenses are within 5%, and the Applicant's net operating income (NOI) estimate is within the 5% of the Underwriter's estimate. Therefore, the Applicant's NOI should be used to evaluate debt service capacity. Both the Underwriter's and the Applicant's debt service support the proposed debt with a 1.10 and 1.30 debt coverage ratio.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: (18.08) acres	\$960,000	Date of Valuation:	7/7/2006
Appraiser: Robert Coe, II	Firm: Patrick O'Connor & Associates	City:	Houston

APPRAISAL ANALYSIS/CONCLUSIONS

There is no indication that the acquisition of the subject site is an identity of interest transaction and there is no existing building; therefore, an appraisal is not required for use in the underwriting analysis.

ASSESSED VALUE

Land: (23.5) acres	\$548,887	Assessment for the Year of:	2006
Prorated Land: 1 acre	\$23,357	Valuation by:	Harris County Appraisal District
Prorated Land: 18.08 acres	\$422,295	Tax Rate:	3.02697

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and sale agreement (23.5071 acres)		
Contract Expiration Date:	10/ 31/ 2006	Anticipated Closing Date:	9/ 30/ 2006
Acquisition Cost:	\$2,140,096	Other Terms/Conditions:	2.09 per SF (3 rd amend.)
Seller: Saiyed Abidali Zaidi & Meetab Zaidi	Related to Development Team Member: No		

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: Based on the Third Amendment to a Purchase and Sale Contract between an affiliate of the Applicant and a Third Party, a total of 23.5071 acres will be purchased at \$2.09 per square foot. The Applicant provided a second Purchase and Sale Agreement between affiliates for purchase of 5.301 acres out

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of the total 23.5071 acres at a cost of \$797,011 or \$3.45 per foot. Sale of the 5.301 acres results in approximately 18 acres remaining for use in the proposed development.

It should be noted the net site cost of \$1,338,525 (\$1.70/SF, \$74,033/acre, or \$5,397/unit) is less than the subject 18 acres' prorata share of the third party acquisition cost for the original 23.5071 acres. It appears that the Applicant calculated the acquisition cost by subtracting the contract price for the 5.301 acres from the cost for the original 23.5071 acres. Because the Applicant's claimed acquisition cost is less than the Underwriter's calculation of the prorata share of the original acquisition cost, the underwriting analysis will also include this more conservative acquisition cost of \$1,338,525.

Off-Site Costs: The Applicant claimed off-site costs of \$850,394 for utilities and provided sufficient third party certification through a professional engineer to justify these costs.

Sitework Cost: The Applicant claimed sitework costs of \$9.1K per unit and provided sufficient third party certification through a detailed certified cost estimate by Brock P. Mackin engineer and Daryl D. Benkendorfer registered landscape architect to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Novogradac & Company, to preliminarily opine that \$2,251,927 will be considered eligible. The CPA has not specifically 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 however it is assumed that they have done so.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$380.7K or 3% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Fees: The Applicant's contractor general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by \$157,190 based on their own construction costs and the Applicant's estimate of contingencies exceed the Department's 5% guideline for new construction by \$159,791; consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis by \$47,061 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 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 adjusted by the Underwriter, is used to calculate eligible basis and determine the HTC allocation. As a result, an eligible basis of \$21,249,170 is used to determine a credit allocation of \$999,986 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:	Capmark Finance, Inc.	Contact:	John Kuykendall
Tax-Exempt:	\$14,500,000	Interest Rate:	6.125%, fixed
Amort:	480 months		
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	Two consecutive terms totaling thirty-three years. The interim phase shall be thirty-six months, and the permanent period shall be thirty years.		

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MULTIFAMILY UNDERWRITING ANALYSIS**

TAX CREDIT SYNDICATION			
Source:	PNC Multifamily Capital	Contact:	Nicole Flores
Proceeds:	\$9,663,483	Net Syndication Rate:	99%
		Anticipated HTC:	\$976,207/year
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	_____		

OTHER	
Amount:	\$1,144,363
Source:	Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Bond Financing: The tax-exempt bonds are to be issued by TDHCA and privately placed by Capmark Finance, Inc. The permanent financing commitment is consistent with the terms reflected in the original 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.

Deferred Developer's Fees: The Applicant included "Lender Deposit Reimbursement" and Cash Equity as sources of funds. These sources were added to total deferred developer fees for purposes of this underwriting analysis. The total of \$1,756,945 amount to 62% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$14,500,000 indicates the need for \$11,450,402 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,156,722 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$1,014,308), the gap-driven amount (\$1,156,722), and eligible basis-derived estimate (\$999,986), the eligible basis-derived estimate of \$999,986 is recommended resulting in proceeds of \$9,898,871 based on a syndication rate of 99%.

The Underwriter's recommended financing structure indicates the need for \$1,551,531 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cash flow within ten years of stabilized operation.

**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

The Applicant and Developer firms 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.
- € The Developer, Cynosure Developers, LLC, submitted an unaudited financial statement as of August 15, 2005 reporting total assets of \$1.3M and consisting of \$40K in cash, \$1.2M in project investments, and \$3K in fixtures. Liabilities totaled \$1.3M, resulting in a negative net worth of \$20K.
- € The principals of the General Partner, Daniel R. Sereni and Mark T. Bower, submitted unaudited financial statements as of December 31, 2005 and are anticipated to be guarantors of the development.
- € The principal of the Co-Developer, C. D. Henderson, submitted unaudited financial statements as of December 31, 2005 and is anticipated to be a guarantor of the development.

Background & Experience:

- € The Applicant and General Partner are new entities formed for the purpose of developing the project.
- € The principals of the General Partner listed no previous 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 Co-Developer Winchester Properties, Inc. have an acceptable record of previous participation.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

SUMMARY OF SALIENT RISKS AND ISSUES

- ⊘ Significant environmental risk exists regarding the well heads and other more minor Phase I ESA concerns.
- ⊘ Significant changes have occurred to the Primary Market Area which call into question the reliability of the final PMA.

Underwriter:	_____	Date:	October 4, 2006
	<i>Carl Hoover</i>		
Reviewing Underwriter:	_____	Date:	October 4, 2006
	<i>Lisa Vecchietti</i>		
Director of Real Estate Analysis:	_____	Date:	October 4, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

Rolling Creek Apartments, Houston, 4% HTC/MRB #060619

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC (60%)	60	1	1	675	\$686	\$625	\$37,500	\$0.93	\$61.00	\$29.00
TC (60%)	32	2	2	962	823	\$751	24,032	0.78	72.00	34.00
TC (60%)	72	2	2	998	823	\$751	54,072	0.75	72.00	34.00
TC (60%)	84	3	2	1,100	951	\$862	72,408	0.78	89.00	46.00
TOTAL: 248 AVERAGE: 950 \$833 \$758 \$188,012 \$0.80 \$75.10 \$36.85										

INCOME

Total Net Rentable Sq Ft: 235,540

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$20.00
Other Support Income: (describe)

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.45%	\$384	0.40	\$95,285	\$83,651	\$0.36	\$337	3.88%
Management	3.60%	311	0.33	77,139	86,222	0.37	348	4.00%
Payroll & Payroll Tax	11.66%	1,007	1.06	249,659	217,952	0.93	879	10.11%
Repairs & Maintenance	5.18%	447	0.47	110,914	123,820	0.53	499	5.74%
Utilities	2.61%	225	0.24	55,872	35,960	0.15	145	1.67%
Water, Sewer, & Trash	4.19%	361	0.38	89,645	82,200	0.35	331	3.81%
Property Insurance	3.50%	302	0.32	74,922	74,400	0.32	300	3.45%
Property Tax 3.02697	8.18%	707	0.74	175,262	223,910	0.95	903	10.39%
Reserve for Replacements	2.32%	200	0.21	49,600	49,600	0.21	200	2.30%
Other: compl fees, security	0.58%	50	0.05	12,320	12,320	0.05	50	0.57%
TOTAL EXPENSES	46.25%	\$3,994	\$4.21	\$990,619	\$990,035	\$4.20	\$3,992	45.93%
NET OPERATING INC	53.75%	\$4,643	\$4.89	\$1,151,370	\$1,165,513	\$4.95	\$4,700	54.07%
DEBT SERVICE								
Capmark Finance, Inc.	45.41%	\$3,922	\$4.13	\$972,577	\$989,094	\$4.20	\$3,988	45.89%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
Additional Financing	0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW	8.35%	\$721	\$0.76	\$178,793	\$176,419	\$0.75	\$711	8.18%
AGGREGATE DEBT COVERAGE RATIO				1.18	1.18			
RECOMMENDED DEBT COVERAGE RATIO					1.20			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		5.34%	\$5,397	\$5.68	\$1,338,525	\$1,338,525	\$5.68	\$5,397	5.16%
Off-Sites		3.39%	3,429	3.61	850,394	850,394	3.61	3,429	3.28%
Sitework		8.98%	9,080	9.56	2,251,927	2,251,927	9.56	9,080	8.68%
Direct Construction		44.09%	44,565	46.92	11,052,007	11,432,737	48.54	46,100	44.06%
Contingency 5.00%	2.65%	2,682	2.82	665,197	844,024	3.58	3,403	3.25%	
General Req'ts 6.00%	3.18%	3,219	3.39	798,236	888,447	3.77	3,582	3.42%	
Contractor's G & A 2.00%	1.06%	1,073	1.13	266,079	296,149	1.26	1,194	1.14%	
Contractor's Profit 6.00%	3.18%	3,219	3.39	798,236	888,447	3.77	3,582	3.42%	
Indirect Construction		3.35%	3,382	3.56	838,685	838,685	3.56	3,382	3.23%
Ineligible Costs		7.37%	7,453	7.85	1,848,271	1,848,271	7.85	7,453	7.12%
Developer's G & A 2.00%	1.44%	1,454	1.53	360,489		0.00	0	0.00%	
Developer's Profit 13.00%	9.35%	9,448	9.95	2,343,181	2,818,692	11.97	11,366	10.86%	
Interim Financing		5.40%	5,460	5.75	1,354,104	1,354,104	5.75	5,460	5.22%
Reserves		1.21%	1,226	1.29	304,023	300,000	1.27	1,210	1.16%
TOTAL COST	100.00%	\$101,086	\$106.43	\$25,069,353	\$25,950,402	\$110.17	\$104,639	100.00%	
Construction Cost Recap	63.15%	\$63,837	\$67.21	\$15,831,681	\$16,601,731	\$70.48	\$66,942	63.97%	

SOURCES OF FUNDS

						RECOMMENDED	
Capmark Finance, Inc.	57.84%	\$58,468	\$61.56	\$14,500,000	\$14,500,000	\$14,500,000	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$2,771,631
HTC Syndication Proceeds	38.67%	\$39,087	\$41.15	9,693,483	9,693,483	9,898,871	% of Dev. Fee Deferred
Deferred Developer Fees	7.01%	\$7,084	\$7.46	1,756,945	1,756,945	1,551,531	56%
Additional (Excess) Funds Req'd	-3.51%	(\$3,553)	(\$3.74)	(881,075)	(26)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$25,069,353	\$25,950,402	\$25,950,402	\$5,661,995

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Rolling Creek Apartments, Houston, 4% HTC/MRB #060619

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$49.23	\$11,595,291
Adjustments				
Exterior Wall Finish	0.80%		\$0.39	\$92,762
Elderly/9-Ft. Ceilings	3.00%		1.48	347,859
Roofing			0.00	0
Subfloor			(2.24)	(527,610)
Floor Cover			2.22	522,899
Porches/Balconies	\$20.33	21,204	1.83	431,077
Plumbing	\$680	564	1.63	383,520
Built-In Appliances	\$1,675	248	1.76	415,400
Stairs/Fireplaces	\$1,900	88	0.71	167,200
Enclosed Corridors	\$39.31		0.00	0
Heating/Cooling			1.73	407,484
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$63.18	5,345	1.43	337,717
Other:			0.00	0
SUBTOTAL			60.17	14,173,600
Current Cost Multiplier	1.07		4.21	992,152
Local Multiplier	0.89		(6.62)	(1,559,096)
TOTAL DIRECT CONSTRUCTION COSTS			\$57.77	\$13,606,656
Plans, specs, survy, bld prm	3.90%		(2.25)	(530,660)
Interim Construction Interes	3.38%		(1.95)	(459,225)
Contractor's OH & Profit	11.50%		(6.64)	(1,564,765)
NET DIRECT CONSTRUCTION COSTS			\$46.92	\$11,052,007

PAYMENT COMPUTATION

Primary	\$14,500,000	Amort	480
Int Rate	6.125%	DCR	1.18
Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.18
Additional	\$9,693,483	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NO1

Primary Debt Service	\$972,577
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$192,936

Primary	\$14,500,000	Amort	480
Int Rate	6.13%	DCR	1.20
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.20
Additional	\$9,693,483	Amort	0
Int Rate	0.00%	Aggregate DCR	1.20

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NO1)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,255,136	\$2,322,790	\$2,392,474	\$2,464,248	\$2,538,175	\$2,942,441	\$3,411,096	\$3,954,395	\$5,314,376
Secondary Income	19,992	20,592	21,210	21,846	22,501	26,085	30,240	35,056	47,112
Other Support Income: (describ	55,200	56,856	58,562	60,319	62,128	72,023	83,495	96,794	130,082
POTENTIAL GROSS INCOME	2,330,328	2,400,238	2,472,245	2,546,412	2,622,805	3,040,549	3,524,830	4,086,244	5,491,571
Vacancy & Collection Loss	(174,780)	(180,018)	(185,418)	(190,981)	(196,710)	(228,041)	(264,362)	(306,468)	(411,868)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,155,548	\$2,220,220	\$2,286,827	\$2,355,431	\$2,426,094	\$2,812,508	\$3,260,468	\$3,779,776	\$5,079,703
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$83,651	\$86,997	\$90,477	\$94,096	\$97,860	\$119,061	\$144,856	\$176,240	\$260,878
Management	86,222	88809.0267	91473.29748	94217.49641	97044.0213	112500.618	130419.0497	151191.4232	203188.63
Payroll & Payroll Tax	217,952	226,670	235,737	245,166	254,973	310,214	377,422	459,192	679,716
Repairs & Maintenance	123,820	128,773	133,924	139,281	144,852	176,234	214,416	260,870	386,151
Utilities	35,960	37,398	38,894	40,450	42,068	51,182	62,271	75,762	112,147
Water, Sewer & Trash	82,200	85,488	88,908	92,464	96,162	116,996	142,344	173,183	256,353
Insurance	74,400	77,376	80,471	83,690	87,037	105,894	128,837	156,750	232,028
Property Tax	223,910	232,866	242,181	251,868	261,943	318,694	387,740	471,745	698,297
Reserve for Replacements	49,600	51,584	53,647	55,793	58,025	70,596	85,891	104,500	154,685
Other	12,320	12,813	13,325	13,858	14,413	17,535	21,334	25,956	38,422
TOTAL EXPENSES	\$990,035	\$1,028,775	\$1,069,037	\$1,110,884	\$1,154,377	\$1,398,908	\$1,695,531	\$2,055,389	\$3,021,866
NET OPERATING INCOME	\$1,165,513	\$1,191,445	\$1,217,789	\$1,244,547	\$1,271,717	\$1,413,600	\$1,564,937	\$1,724,387	\$2,057,836
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$972,577	\$972,577	\$972,577	\$972,577	\$972,577	\$972,577	\$972,577	\$972,577	\$972,577
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	\$192,936	\$218,869	\$245,212	\$271,970	\$299,140	\$441,023	\$592,360	\$751,810	\$1,085,260
DEBT COVERAGE RATIO	1.20	1.23	1.25	1.28	1.31	1.45	1.61	1.77	2.12

**HTC ALLOCATION ANALYSIS -Rolling Creek Apartments, Houston,4% HTC/MRB
#060619**

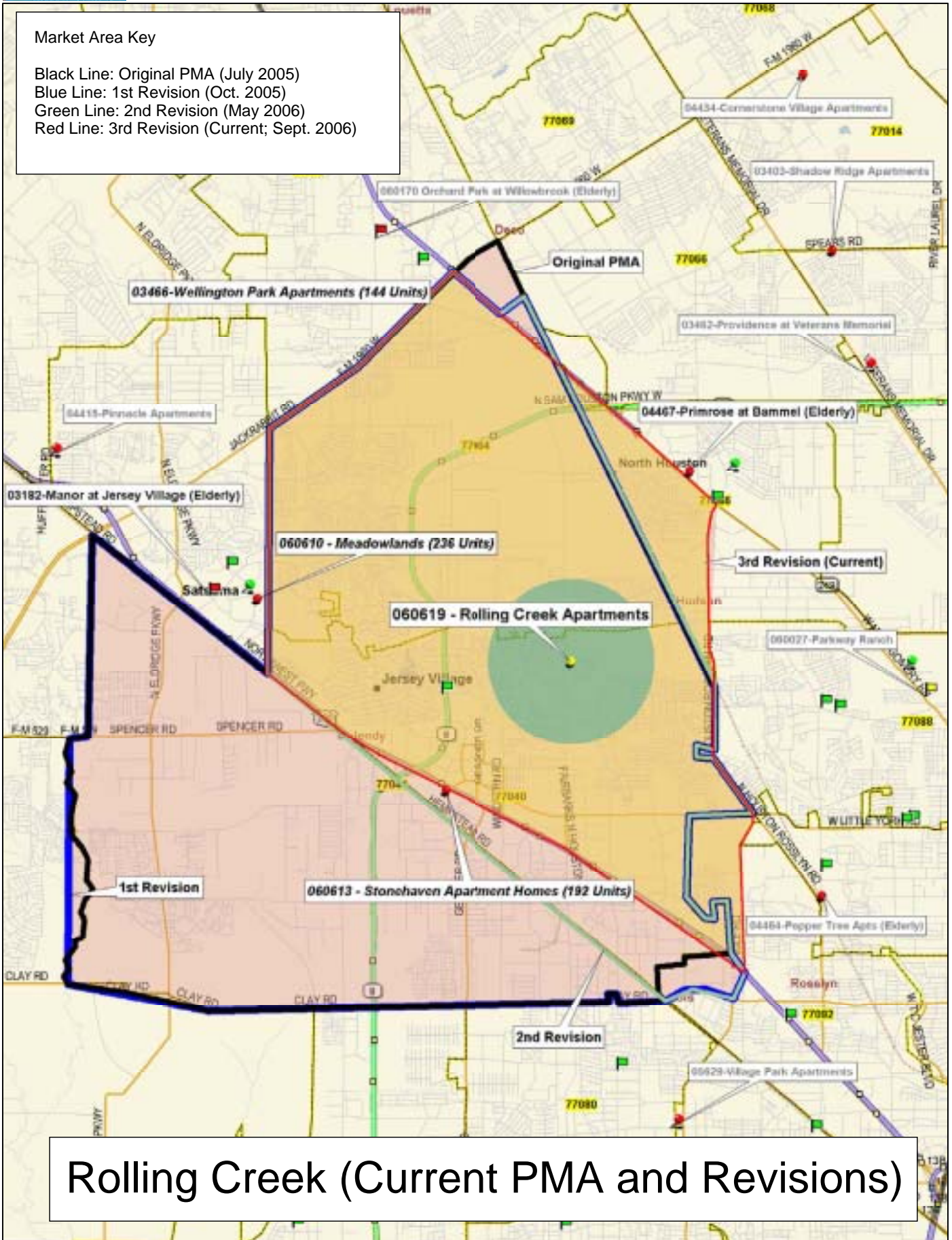
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,338,525	\$1,338,525		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$2,251,927	\$2,251,927	\$2,251,927	\$2,251,927
Off-site improvements	\$850,394	\$850,394		
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$11,432,737	\$11,052,007	\$11,432,737	\$11,052,007
(4) Contractor Fees & General Requirements				
Contractor overhead	\$296,149	\$266,079	\$273,693	\$266,079
Contractor profit	\$888,447	\$798,236	\$821,080	\$798,236
General requirements	\$888,447	\$798,236	\$821,080	\$798,236
(5) Contingencies	\$844,024	\$665,197	\$684,233	\$665,197
(6) Eligible Indirect Fees	\$838,685	\$838,685	\$838,685	\$838,685
(7) Eligible Financing Fees	\$1,354,104	\$1,354,104	\$1,354,104	\$1,354,104
(8) All Ineligible Costs	\$1,848,271	\$1,848,271		
(9) Developer Fees			\$2,771,631	
Developer overhead		\$360,489		\$360,489
Developer fee	\$2,818,692	\$2,343,181		\$2,343,181
(10) Development Reserves	\$300,000	\$304,023		
TOTAL DEVELOPMENT COSTS	\$25,950,402	\$25,069,353	\$21,249,170	\$20,728,141

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		\$21,249,170	\$20,728,141
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$27,623,921	\$26,946,583
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$27,623,921	\$26,946,583
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$999,986	\$975,466

Syndication Proceeds	0.9899	\$9,898,871	\$9,656,151
Total Tax Credits (Eligible Basis Method)		\$999,986	\$975,466
Syndication Proceeds		\$9,898,871	\$9,656,151
Requested Tax Credits		\$1,014,308	
Syndication Proceeds		\$10,040,645	
Gap of Syndication Proceeds Needed		\$11,450,402	
Total Tax Credits (Gap Method)		\$1,156,722	

Market Area Key

- Black Line: Original PMA (July 2005)
- Blue Line: 1st Revision (Oct. 2005)
- Green Line: 2nd Revision (May 2006)
- Red Line: 3rd Revision (Current; Sept. 2006)



Rolling Creek (Current PMA and Revisions)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Production Division

Public Comment Summary

Rolling Creek Apartments

Public Hearing

<i>Total Number Attended</i>	196
<i>Total Number Opposed</i>	193
<i>Total Number Supported</i>	1
<i>Total Number Neutral</i>	2
<i>Total Number that Spoke</i>	19

Public Officials Letters Received

<i>Opposition</i>	4
<i>Harris County Commissioner Jerry Eversole</i>	
<i>Harris County Judge Robert Eckels</i>	
<i>State Senator John Whitmire</i>	
<i>State Representative Gary Elkins</i>	
<i>Support</i>	0

General Public Letters and Emails Received

<i>Opposition Total</i>	1,933
<i>Neighborhood Petition</i>	1,867
<i>Individuals letters and emails</i>	66
<i>Support</i>	0

Summary of Public Comment

- 1 no public transportation in the area
- 2 increased traffic congestion on Fairbanks North Houston Road
- 3 no need for additional affordable housing in the area
- 4 additional burden to the local infrastructure and services
- 5 schools will be overcrowded
- 6 oversaturation of economically disadvantaged children and minorities for the census tract
- 7 developer has been fiscally irresponsible in the past
- 8 development will increase flooding in an area that is already prone to flooding

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

ROLLING CREEK APARTMENTS

PUBLIC HEARING

Austin Grand Ballroom B
Crowne Plaza Hotel
12801 Northwest Freeway
Houston, Texas

August 7, 2006
6:20 p.m.

BEFORE:

TERESA MORALES, Multifamily Bond Administrator

ALSO PRESENT:

Robbye Meyer

ON THE RECORD REPORTING
(512) 450-0342

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P R O C E E D I N G S

MS. MORALES: Can everyone hear me okay? All right. My name is Teresa Morales, and I am with the Texas Department of Housing and Community Affairs, and I'm here this evening to conduct a public hearing for the proposed Rolling Creek Apartments development to be located here in Houston.

To give you some idea as to how we're going to proceed this evening, first, I'm going to give a brief overview of the specific programs that the applicant has applied for with the Texas Department of Housing. And then from there, a member of the development team is here, and he is going to give a brief presentation on the proposed project and highlight some specifics as it relates to the Rolling Creek Project.

Then from there, there is a speech that I have to read for IRS purposes, and it will be at the conclusion of that speech when, for those of you who have filled out a witness affirmation form, if you wish to speak and have your comments be on the record -- for those of you, again, who have filled out that form, then I will be calling you up at that time.

A couple of housekeeping issues: On the table outside of the double doors there was a sign-in sheet, and

I would just like to remind all of you to please sign in.

On the far right-hand side of that sign-in sheet, there are two columns to indicate whether you support or oppose this particular project. I would, again, just remind you to be sure and indicate whether you support or oppose it.

That sign-in sheet is really our only indication to get a clear idea as to exactly how many individuals were present tonight and also how many individuals were present tonight and also how many individuals support or oppose this particular project. And again, if no box is checked, then we will just consider your attitude as being neutral.

VOICE: What?

MS. MORALES: As being neutral.

To begin, there are a couple of things that I wanted to mention about the public hearings that the Texas Department of Housing does.

According to IRS Code, the Department is only required to take public comment on the bond issuance; however, the Texas Department of Housing has extended this to take comment not only on the bond issue but the project itself.

And so those of you who have comments as it relates to the Rolling Creek Project, we ask that you make

those comments. Again, we want to reiterate that TDHCA, per IRS Code, is not required to do this, but because we want the community input and we seek it, that is why we are also soliciting comments for the proposed project.

One of the other things that I wanted to mention is that for all of the public hearings that the Texas Department of Housing does as it relates to applications that are submitted under the Private Activity Bond Program, we actually go to where the proposed development is going to be located and conduct the public hearing in that particular community; that way, those individuals who would be most directly affected by the proposed project, they can come out and make their comments.

The other thing that I wanted to mention is that the time of the public hearing is also convenient for individuals. We hold them in the evening to where those interested individuals can come out after work and make their comments.

There are two programs that the applicant has applied for. One is the Private Activity Bond Program, and the other is the Housing Tax Credit Program. Both of these programs were created by the federal government to encourage private industry to build quality housing that

is affordable to individuals and families with lower-than-average incomes.

The first program is the Private Activity Bond Program. What that is is it refers to the issuance of tax-exempt bonds. The tax-exemption is not an exemption of property tax but rather an exemption to the purchaser of those bonds. The bond purchaser does not have to pay taxes on their investment and the income that they make on that investment.

The way it works is the bond purchaser accepts a lower rate of return, and then for the lender that is involved, will charge a lower interest rate for the mortgage that will be placed on the property to the developer.

Again, they are called tax-exempt bonds, but again that is unrelated to property taxes, and I can tell you that this particular development will be paying full property taxes.

The other program that the applicant has applied for is the Housing Tax Credit Program. The Housing Tax Credit was created as a result of the Tax Reform Act of 1986. The Housing Tax Credit is an investment to the investor that purchases those tax credits. It's an IRS credit to the development. Again,

it is unrelated to property taxes.

The Housing Tax Credit provides equity to the project, which allows the developer to provide lower rents to affordable tenants.

In conclusion, what you have is with the Private Activity Bond Program and also with the Housing Tax Credit Program the tax benefit is going to the investors to help finance these particular projects. This is what gives the developer the opportunity to bring something of high quality to this particular area.

And, again, all of these developments that are funded through the Private Activity Bond Program and with the Housing Tax Credits, they are privately owned and privately managed.

Some of the other things that I wanted to mention with TDHCA is that there are ongoing responsibilities between the affordable housing developments and TDHCA, which would include the compliance monitoring.

There is a compliance period with all of our projects that would be the greater of 30 years or as long as those bonds remain outstanding. So if you have a particular development where the bonds are outstanding for 40 years, then that particular development would be on

hook, so to speak, with the State for that 40-year period.

There are some oversight responsibilities that would include -- one of the things that TDHCA does is we ensure that the units are occupied by eligible households, and what that means is we make sure that all individuals who are living there are indeed supposed to be living there.

One of the other things that we check for is the physical appearance of the actual project, to make sure that the property is being maintained. One of the other things is to make sure the rents are capped at the appropriate levels. And also we make sure that the repair reserve accounts are established and funded. This is a requirement not only with the program, but also you have lenders involved who also require that there are reserve accounts that are established and funded to make sure that any future repairs that would need to be done to the property -- that there is money in those accounts to ensure that those repairs are done.

All of the developments, again, that are funded through the Private Activity Bond Program, they are monitored by the State, by TDHCA, every two years, and desk reviews are done quarterly. And those desk reviews would be -- would consist of financial reviews and audits,

stuff like that.

There are also tenant services that go along with all of our Housing Tax Credit properties, and with all of the tenant services what usually happens is after lease-up there is a survey that is distributed to all of the tenants within that particular development, and what they do is they go through and identify what types of services those tenants would be interested in.

Some of these services could include tutoring or honor roll programs, computer access or educational classes, after-school activities, and also summer camps. One of the other things that I wanted to mention is one of the tenant services that a developer could provide would be down-payment assistance program.

What we like to think of all of our multifamily developments is that it is the first step to home ownership for several people. And so one of the things the developer could offer is a down-payment assistance program to help educate tenants on ways they could actually go about purchasing their own home.

With that being said, what we'll do next is -- a member of the development team, Mr. Dan Sereni, is here and he will give a brief presentation on the proposed project. And what I would ask is that for those of you

who may have questions or comments that you wish to make, I would just ask that you fill out one of the witness affirmation forms and hand it to me prior to speaking.

We want to try to prevent, as much as possible, anyone yelling out from the audience, simply because this proceeding is going to be transcribed, and so the microphone that is going to be picking up any comments that are being made is actually at the podium. So in order to get all of your questions and comments on record, I would please ask that any questions or comments that you have that you do so when I call you up to speak.

So at this point, I would like to turn it over to Mr. Dan Sereni.

MR. SERENI: Hello. I am Daniel Sereni. I'm president of Cynosure Developers.

VOICE: Could you talk a little louder?

MR. SERENI: Sorry. I am Daniel Sereni, and I'm president of Cynosure Developers, who is responsible for putting this Rolling Creek Apartment project forward to the TDHCA.

Ms. Morales pretty much touched on a lot of the program issues that have to do with us building this apartment project, but just to give you an idea from a development standpoint, this project is a multifamily

apartment project.

It consists of 248 units, and I'm sure you're all familiar with -- the property location is south of Terrace Brooks subdivision and just north of Courtyard Glen subdivision right off of Fairbanks North Houston.

It's a 24-acre tract that we have an option on, and what we did is we're in the processing of subdividing it. Until the project closes, it isn't final, but it's being sectioned off into an 18-acre tract that will be the apartment site itself.

The City of Houston -- even though this is in Harris County jurisdiction, it's in the City of Houston ETJ, so that we have to meet all building requirements of the City of Houston. And the City of Houston is making us improve a road that runs kind of -- I guess it's kind of north-south between Terrace Brook and Courtyard Glen; it's called Gatehouse Drive, and that will be the address. It will be 8038 Gatehouse Drive that the apartment project will front on.

Adjacent to that, we'll be required to build approximately a four-and-a-half acre detention pond to detent all run-off water from the entire 24-acre site. And I don't know if you're familiar, but the way Houston and flood control works that what they're trying to do is

maintain all water that was previously on the site on the site until it has a chance to drain off over a period of time.

In addition to that detention pond, there is a five-acre commercial tract that is being carved off in the front that will front right on Fairbanks North Houston. We hope to be able to attract some commercial development on there and, you know, that's kind of wide open on what it could be.

There's a property owner just to our south on the same side -- what is it? -- the east side of the street? -- that we've kind of partnered with on this because we're also -- in addition to improving Gatehouse Drive, there was a lot of talk early on that was the only street that was going to be developed and all the traffic from the apartment complex was going to filter through the two subdivisions.

We were not required to do it but there were some good reasons for us to do it as well and we decided to extend Tami Renee from its current location -- where it ends at the intersection -- to extend it east, down to Gatehouse Drive so that -- and in addition to that, we're having to improve the signal, so it will become a four-way stop there.

So that's going to be the path of least resistance with the traffic that exists. As everyone knows, there's a lot of traffic on Fairbanks North Houston, and even though the opportunity to be able to go through those adjacent subdivisions are there, I think to get into that traffic flow the easiest way is going to be going to the stoplight and gain access that way.

So with subdividing the site, developing Gatehouse Drive, extending Tami Renee, and improving the intersection of Tami Renee and Fairbanks North Houston, we feel like we have a pretty good project there.

I know everybody's kind of resistant to an apartment project going in there, but again this particular tract of land was looked at by Jamie Cornelius, who is the developer of the Terrace Brooks subdivision to our north, and he declined to include it in his development because it's in a separate MUD from his development, and with the detention requirements from the City of Houston and the road improvement requirements, it just didn't make sense from a single-family standpoint.

He could not get enough lots on the footprint of the site to make it make sense financially. So that pretty much left that tract with two options: Either be a multifamily site or it could be an industrial site, which

as everyone knows, that was kind of what was going on in that Fairbanks North Houston area for a long, long time.

There's a transition back to single-family and residential, and we think that putting this project in there will just, you know, benefit that same trend and will be a nice project.

So that's pretty much what the development is about. Now, the fact that this is not a market-rate project, where we can charge whatever rents we want, we have applied to the Texas Department of Housing, as Ms. Morales pointed out, for a multifamily bond program and a Housing Tax Credit Program.

Now, what that does, is it strictly -- all that is is financing. It's basically providing us with a method of financing the project, and what comes along with that financing is a lot of oversight and we feel that -- you know, from our standpoint, we look at both market rate and affordable side a lot, and there are benefits to both sides.

But we really feel the affordable side is a great program, because it does require the developer to provide and monitor these tenant services programs, which a market-rate developer does not have to do.

So we think that's a great thing for the

tenants. You know there's no secret about this. We're a developer. We're in it to put a up project and turn a profit like everybody goes to work and makes a living. You know, that's the way we make our living, but we feel like these are good projects.

This particular project is targeted at the 60-percent-median-income target, and I think current HUD -- HUD came out this year and said that the median income in Houston is \$61,000 and of course, that varies greatly over the area that you're talking about, but in this particular census tract, it was 61,000 plus change.

And 60 percent of that would be a \$36,500-income person. Now, somebody who's making \$36,500 is not an unemployed person. I mean, that's -- you know, I've been there, a while ago, gladly, but there's a lot of people out there, and those are hard-working people and they need a place to live and that's the market we're targeting.

And since we're targeting that market, we're also dictated the amount of rents that we can charge, and we have one-, two-, and three-bedroom units in this projects. It's about 75 percent two-bedroom, about 15 one-bedroom, 10 percent three-bedroom, and we're allowed to charge up to \$686 for a one-bedroom, \$323 [sic] for a

two-bedroom, and \$951 for a three-bedroom.

So those are not small rents, and the people who are going to be moving into these projects are going to have to be gainfully employed and, as Ms. Morales also pointed out, there's a lot of compliance oversight from the Department, where not only are they checked when they move in but annually they are checked to make sure that they comply with those income limits.

So that's briefly what our project is all about, and I'm sure everyone will have a lot of questions, and I'd be happy to answer anything about the specific development things. But we've dealt with everything that's been asked of us by the City and Flood Control and the MUD district, and we just wish you'd give us a chance.

So I'd be happy to answer any questions. Thank you.

MS. MORALES: Okay. It will be at this point when I will read a brief speech that I have to for IRS purposes, and again, for those of you who have filled out a witness affirmation form, at the conclusion of that speech, I will call you up, and you can make your comments at that time.

Again, what we're going to be doing is to allow everyone the opportunity to speak, we're going to be jotting down any questions that you may have as it relates

to the Texas Department of Housing and also, I'm requesting that, Mr. Dan Sereni, that you also keep a list of any questions that come up as it relates to the actual development.

And what we will do is after everyone has had the opportunity to speak then we will go through and answer all of those questions that were raised.

A couple of things that I wanted to mention is that when you do come up to speak that you do state your name for the record, so that the court reporter can get that on there. And, again, to allow everyone the opportunity to speak, we're going to limit all of your comments to three minutes.

One of the other things that I wanted to mention briefly is there is a handout at the back table that looks kind of like this [indicating]. It says Rolling Creek Apartments on here.

A couple of the slides in there that I wanted to draw your attention to is the first one states that the Rolling Creek Apartments Development received a reservation of allocation from the Bond Review Board on July 6, 2006.

The way the program works is that once a reservation is issued, the developer has 150 days from

that date to close on those bonds. With that being said, this particular reservation will expire on December 3, 2006, so a decision must be made and the bonds must be closed by December 3, 2006.

The specifics, as it relates to the break-down for the different units -- the one, two, and three bedrooms -- that information is also on here. The income and the rent limits that Mr. Sereni spoke are also on here. However, I believe that he indicated that the two-bedroom max rent was \$323. That should be \$823, and again, those max income limits -- or excuse me -- max rent limits are on that handout as well.

Also, there is a public comment deadline. For those of you who do not wish to provide any comments tonight, you are encouraged to submit written comments. If after you leave here tonight, you wish to do so, that deadline will be 5:00 p.m. on August 18, 2006, and again, that information is in that handout.

Also, at the table at the back, there is a three-and-a-half-by-five card that looks like this [indicating]. If you didn't pick up a handout, my contact information is on this card. Those of you who wish to take that, you're more than welcome to send your written comments to me via regular mail, e-mail, or you can fax

them to me.

So with that being said, I will go ahead and start the public hearing and read the speech.

Good evening. My name is Teresa Morales and I would like to proceed with the public hearing. Let the record show that it is 6:39 on Monday, August 7, 2006, and we're at the Crowne Plaza Hotel located at 12801 Northwest Freeway, Houston, Texas.

I'm here to conduct a public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 August 30, 2006.

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 to 5:00 p.m. on August 18, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed 15 million 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 proceeds of the bonds will be loaned to Rolling Creek Apartments, L.P., or a related person or affiliate entity thereof, to finance a portion of the costs of acquiring, constructing, and equipping a multifamily rental housing community described as follows:

a 248-unit multifamily residential rental development to be constructed on approximately 18 acres of land located on 8038 Gatehouse Drive, Harris County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

I would now like to open the floor up for public comment. Again, for those of you who have signed up to speak, you will need to fill out a witness affirmation form, and for those of you who would like to bring those up to me, you're more than welcome to do so. The first person that we have today is Jolene

Featherstone.

MS. FEATHERSTONE: Hi. My name is Jolene Featherstone. I live in Courtyard Glen neighborhood. I'm here once again to oppose this project. I believe that we do not need more affordable housing in this area.

I was looking over the numbers here. I pay between the one-bedroom and two-bedroom amount as my mortgage every month, and I only put down a few thousand dollars when I bought my two-bedroom, two-bath home in Courtyard Glen.

So in my opinion, there are numerous homes for lease, rent, or sale in my neighborhood alone right now. We don't need any more affordable housing. We have it right there available in my neighborhood.

I'm a single elementary school teacher, so it has to be affordable, or I could not afford to live there.

As a school teacher also, I see the overcrowding in our schools. Last year, I was at an elementary school within the Cypress-Fairbanks school district with more than 1,400 students. That's more than most middle schools.

I started out in a book room closet as my classroom, was kicked out of there, and put in the corner of a very-open-concept library, and I have to tell you, it was very distracting environment for my children. It

affected my students learning and it affected their scores.

There are numerous elementary schools already slated for starting with more than the normal capacity this year and we don't want this for our elementary, our middle schools, or our high schools either in our area.

I also speak on the behalf of flood victims. My mother's home, when I lived with her in Woodland Trails West flooded twice while I lived there in '98 and in 2001, and to this day, my stomach churns every time there's heavy rains, thunderstorms.

I only moved three miles away from my mother's house, but at the time, my new neighborhood, Courtyard Glen, my streets were out of the flood plain, high and dry.

If the trees and grass surrounding us are replaced with buildings and concrete, there is a possibility of flooding whether they build retention ponds or not. The possibility is still there.

Lastly, I would like to talk about the traffic problems this will create. Fairbanks North Houston already has an overabundant amount of traffic because of the businesses, landfills, and people who use it as a cut-through street to avoid the freeways during rush hour.

Also, my mailbox is located on Gatehouse Drive. I don't want to be run down by someone trying to cut through the neighborhoods to get to Breen or cut through wherever they're trying to get to avoid those couple of lights, because you sit at those lights -- if you've ever been there around five o'clock trying to go that way, you sit there through those lights about three or four times. And people will cut through.

I'm worried about that. I'm worried about the extra 300-plus residents that might be living in this new development cutting through there, not to mention the fact that we have our school children -- most importantly, I'm concerned about them, because they have a bus stop on Summertree and Gatehouse.

And for all of these reasons, and numerous other ones that I don't have time for, I oppose this.

MS. MORALES: Next to speak, I have Janell Horvill and after that Kathleen Rathoul.

MS. HORVILL: Okay. My name is Janell Horvill, and I live in Courtyard Glen subdivision. I, too, purchased my home in February of 1991; single, secretary at the time. It has to be affordable, because I couldn't buy it any other way. Bought my two-bedroom, two-bath home; ended up paying \$475 a month mortgage payment, and I

didn't put anything down. So if somebody really wants a home, they can do it.

Okay. The current Harris County Flood Control District's study says or asked, Why does it flood so much around here? Is new development doing its fair share to address flooding? Is the government doing enough to protect me and my property from flooding? Are public projects being designed the best way possible with respect to drainage and flooding?

Since 1998, the federal government has spent over \$153 million -- that's taxpayers' money -- on buy-outs and repairs due to flooded homes in our area. These flooded homes surround the proposed site of the Rolling Creek Apartments.

This does not include the amount of private insurance spent in that area and does not include the administrative costs to issuing the funds and up to an additional \$35,000 to move each and every family from their home.

In 1992, an engineering firm warned Harris County that building the Sam Houston race track would lead to flooding to the White Oak Bayou, which is in our area.

And April 4, 1994, the race track opened with all its massive amount of concrete.

September 9, 1998, the Tropical Storm Francis flooded our area, including the proposed site for Rolling Creek Apartments, with enough water to float boats on our streets. Residents had to be evicted -- pardon me -- evacuated.

In 2001, after the continuation of new construction to our area and the addition of considerable amounts of paved surfaces, Tropical Storm Allison caused more destruction to homes and our lives in our area, including to the proposed site for the Rolling Creek Apartments, and again, the residents were evacuated.

Then in October of 2002, November of 2003, our residents were flooded again, resulting in some homes flooding a third and a fourth time, and again we were evacuated.

During these years, building continued with Harris County approved detention and retention ponds, and yet the flooding only increased in our area only, which also includes the proposed site for the Rolling Creek Apartments, causing buy-outs of homes and leaving lots now owned and soon to be owned by the Harris County Flood Control District.

Harris County has spent years and millions of dollars improving the drainage control in our area, yet

less than two months ago, June 19, with fewer inches of rain than previous floods, water rose rapidly, proving the required county drain system to be ineffective. Pardon me?

MS. MORALES: Time's up.

MS. HORVILL: Okay. Thank you.

MS. RATHOUL: I feel kind of awkward facing this way instead of the other way.

MS. MORALES: The reason why you're facing that way is because you're making your comments to us as the Department of Housing.

MS. RATHOUL: Okay. Well, I'll make my comments to you all. I'm Kathleen Rathoul. I'm a 29-year resident of Rolling Fork, and I love my neighborhood. I hate to see it ruined by this development. It really makes me sad.

And I'm also concerned about the \$14.6 million that this man is asking for to build 248 units. I have done the math on that. It comes out to \$58,870.96 per unit.

I feel like this is very excessive. I feel like he's going to be making a lot of money at the expense of ruining our neighborhood, and I can't stand to see that. This man is going to become a millionaire and ruin

my neighborhood. I hurts me very much and not to mention the tax credit.

So I just feel like this is too much money for the Housing Department to spend so that he can get rich and ruin our neighborhood.

MS. MORALES: Next to speak I have Barbara Murdock, and after that Representative Gary Elkins.

MS. MURDOCK: Barbara Murdock, 7927 Ensemble. I understand that I have to read verbatim the information that I submitted for it to be accurately entered into the record.

Reasons to deny Rolling Creek application in submarket 14: One, it isn't needed at this location because the Vogt, William & Bowen needs assessment ranks submarket 14 as the third lowest in need among the 32 area submarkets. My data source attached is Total Net Demand by Submarket 2006 to 2009 by Vogt, Williams & Bowen.

Number two: It isn't needed at this location, because more than 75 percent of apartments in submarket 14 are already income qualified. My data source again is Vogt, Williams & Bowen Needs Assessment Demand Calculations in Each SubMarket, Section 3, page 544; Section 3, 939, and so on.

Number three: It isn't needed at this location

because tax-credit apartments were built next to Woodland Lake subdivision in 2002. The Rolling Creek project would result in tax-credit apartments within a half mile of both entrances to the Woodland Lake subdivision. My data source again is Section 3, page 532, Vogt, Williams & Bowen.

Number four: It isn't needed at this location because submarket 14 ranks very low in the ratio of jobs to income-qualified apartments in the Houston metropolitan statistical area. My data source: Vogt, Williams & Bowen's Needs Assessment Labor Force Profiles, Demand Calculations. Attached ratio analysis shows 21 submarkets in the Houston metropolitan statistical area that have four or more jobs per income-qualified apartment.

The other 11 submarkets, including submarket 14, the one we're talking about here tonight, have only two or three jobs. Putting more income-qualified apartments where there are less jobs simply does not make sense of taxpayer money. It just doesn't make sense.

So those are my four key reasons. My attachments, once again, show -- are straight off of the website, the Texas Department website, and it shows submarket 14 as third lowest in need of the 32 submarkets in the Houston metropolitan statistical area, and it shows

us down in the lower quartile of jobs per income-qualified apartment, ranking from the high of ten and the low of two and we're at three. Those are my attachments which I have read verbatim, and I thank for how much you've listened to all of us tonight.

MR. ELKINS: That'll be hard to follow. How much time do I have? All right. My name is Gary Elkins. I'm the state representative from District 135 who this project is located in, and as you know, I'm on record as opposing this project for numerous reasons.

Robbye Meyer has been very helpful. She has come by our office in Austin in Austin many times and has given us the Code so we would know how to oppose this project.

And out of the ten reasons, I think we've found about four of them, and on those grounds we oppose the project.

Barbara was exactly right. There's just absolutely no need for this project in this neighborhood.

Just in the regular market, there's about a 20 percent vacancy rate. Just on vacancies alone, we don't need this, and the only reason it even makes economic sense is because it's being subsidized by the government.

That just doesn't sound like a good use of our

money when we're all suffering from flooding. These people have suffered, many of them three times in just three years, from unbelievable floods that you all -- I know all are in Austin and you all may not know about all the flooding.

Just, like the one lady said, first of all, we hold our breath every time it rains. Just last week or two weeks ago, we were all holding our breath as the bayous got within a foot of overflowing.

But anyway, the other reason is there is an elementary school right there. It's at 999 students out of 1,004 eligible. It has room for ten more students before it's over capacity. Yet there's going to be more students in this project that's going to overflow the school.

Another reason is that we have five affordable housing projects in our community already. We have four other -- this gentleman's application and three other applications for affordable housing. We don't need it.

The vacancy rate is too high. There's just absolutely no need in this community for another affordable housing. And I believe that I speak for probably most of these constituents of mine: We're not against affordable housing; there's a tremendous need for

it.

In San Antonio, they're begging for developers to come please build affordable housing units. In Corpus Christi, they're begging for them, but are they going there where the people want them? No. They're coming here where they're not welcome.

VOICE: It doesn't rain over there.

MR. ELKINS: That's probably right, too. Anyway, we're not opposed to affordable housing. It's just that we have more than our fair share of it in our community, and we respectfully just ask that this Board and this committee respectfully put in a request to deny this application.

And, you know, let me just speak a frustration for me. I've spoken to Robbye. I've spoken to the developers. This process -- and we've worked on trying to get it changed in the legislature, and there's only a few of us -- all of us from Harris County have tried, but the rest of the state wants affordable housing. It's that they all want to come to Harris County.

And so we can't get 51 other members beside the 25 in Houston to help us on this project. But we're in a situation here where everybody here is opposed to this project. Everybody that's going to come up here is

against this project, and it's because the state or the federal government says, You must have a public hearing.

And it gives these people hope that their voices and that their opposition will mean something. But we all know at the end of the day that you can only take testimony as opposed to the bonds. Everybody's opposition tonight -- we haven't heard one opposition to the bond revenues.

All we've heard about is traffic. We've heard about overcrowded schools. We've heard about flooding. All things that are completely irrelevant to this process, and it's wrong.

Our opposition tonight will be nothing because we're not against the bonds. We're against overcrowding of schools. We're against traffic. We're against flooding. There's no need for this project in our community. But those things fall on deaf ears because the rules were written so that only our opposition to whether the bonds should be issued or not are relevant.

I'm sorry. That makes this community and this developer have a conflict that doesn't need to exist. We all know that if he was a private gentleman going and getting private funds from a commercial bank, there wouldn't be a public hearing. He'd have already built

that project and nobody would say a word about it because then he'd be on the hook economically, but now we're subsidizing him through our taxes.

We just think that it's wrong, and I'll be in Austin on August 30th at 10:00 a.m., I guess. When's your hearing? At ten o'clock? Is it August 30th or August 29th?

I'll be in Austin representing these constituents to ask the Board to please oppose the project.

And thank you all for your consideration.

MS. MORALES: Thank you, Representative Elkins, for taking time out of your busy schedule to come down here and make your comments. Also, I noticed in the back there are quite a few of you standing. There are several seats up front if you wish to sit up here where I'm standing at.

The next speaker we have is Leisha Smalley, and after that Suzanne Saur.

MS. SMALLEY: Hi. My name is Leisha Smalley. I just want to go on the record to say that I'm opposed to this. In addition to the overcrowding in the schools that we've all discussed, noone else has mentioned the overtaxing of the volunteer fire department that we have

currently to cover this area.

That volunteer fire department right now is struggling to meet the needs of the community that we have, and I believe that that will be an additional taxing.

The schools are already overcrowded. We have classes that are being held in the libraries, which to me indicates to me that overcrowding exists before this project.

The flooding in early June of this year, water came close to my home and it never has before, even during Allison, and that is with the developments being made with the retention ponds that are supposed to be efficient. Anyway, I just want to reiterate what everybody else has said. Thank you.

MS. SAUR: Hello and good evening to everyone in attendance. Thank you all for coming this evening. My name Suzanne Saur. I have resided in Rolling Fork in Section 2 since August of 2000.

I firmly and strongly believe that there is no need for these apartments in this area. These apartments will add to the ongoing problems in this area. My reasons are as follows:

In this area currently there exists an

overcrowded school system. In this area currently there exists a flooding buy-out. In this area currently there exists a glut of apartments, both market rate and low to moderate income as well.

I attended the meeting that Mr. Bower held in June of this year. I heard nothing that would change my mind about these apartments. I heard nothing that would change my mind regarding my concerns over the way in which Mr. Bower and Mr. Sereni conduct their business affairs.

In fact, his meeting served to reinforce and affirm my opposition to these apartments. I'm an active member of the Fairbanks Area Partnership. As was done twice before, I assure you that FAP has been tirelessly working on media exposure, petition signing, and research.

As before, FAP will be filing an opposition binder with the TDHCA and shipping copies to our politicians as well. This is round three for us.

I ask all of you here tonight to stand ready, be informed, sign the petition, attend the public hearing in Austin, communicate with Governor Perry and the TDHCA.

I urge you to do all that you can do to convince the TDHCA to vote down these apartments, not approve this project, and not award these bonds. Thank you.

MS. MORALES: Next I have to speak is Charles

Jackson and after that, Russell Rush.

MS. WIGGINS: Good evening. I know I don't look like Charles Jackson, but Charles is -- at least I hope not. Charles has asked me, on his behalf, since he had to work tonight, to present a statement to you all. Sure. My name is Jude Wiggins and I'm presenting statement on behalf of Charles Jackson.

I have a sign here or board that I will put in the back that you can see the information on. The apartment housing in the area is very descriptive, and I will put it in the back for you all.

Charles has some information that he said he'd like to share with you. He's opposed to the issuance of the tax-free bonds and the tax credit to build these apartments in the area.

He said, There is no need for this type of development at the time or the near future. TDHCA had a study done by Vogt, Williams & Bowen completed March 20, 2006, and the goals were to evaluate the need for additional affordable rental housing.

The tax credit property occupancy at that time was 89.4 percent, and Rolling Creek needs at least 93 percent to be financially feasible. This report was issued, and since that time, 86 more units have been

included into the area.

The area is overbuilt with relatively new multifamily units. Their other charge was to identify the impact of Hurricane Katrina evacuees. Potentially, 737 evacuees are units in this submarket. Based on the interviews with local property managers and city officials, it appears that they have indeed impacted the area.

According to the property managers, there are at least 141 evacuees, 11 percent of affordable units surveyed, currently being housed at the surveyed tax credit properties, with most using FEMA vouchers.

Therefore, occupancy rates at the tax credit properties at the submarket will be negatively impacted after FEMA discontinues voucher funding. With the potential of 11.4 percent additional vacancies, the occupancy rate would go from 89.4 to 78 percent, even lower than the 93 percent required.

Their third charge was to analyze the affordable housing need by income, the number of bedrooms targeted households. The study concluded to achieve a balanced market, only five percent vacancy rate, this submarket would need only 40 new units from 2006 to 2009.

The addition of Rolling Creek would more than

meet that and cause a negative effect on the housing units. The market is overbuilt. New properties would have to attract tenants from existing properties, leading to additional concessions being offered to maintain an acceptable vacancy rate.

There is no need for this type of development at this time or the near future, and we are opposed to the issuance of tax-free bonds and tax credits to build these apartments in this area.

And one other question that I have for the committee is this is the third time we've seen Cynosure come before the committee, and my question is: Would the community and us, the people, have had three chances to oppose it if we had made a mistake? Thank you.

MR. RUSH: Good evening, everyone. My name is Russell Rush, and my wife and I have lived in Woodlands Trail subdivision for 24 years, and I'm opposed to the issuance of tax-free bonds and tax credits to build these or any apartments in this area.

Mr. Bower spoke at the March 20 meeting of TDHCA Board meeting in reference to a market study done by the TDHCA and he said, quote, So I know that part of what I've been asked to do as a developer is try to develop in areas that have lower concentrations of low income

populations and lower concentrations of minorities -- unquote.

Mr. Bowers' market study indicates that this area has 67 percent minority population. A look at the schools in the immediate area where tenants would send their children show this: there's three schools. There's Frasier Elementary: minorities, 92 percent; white, 8 percent; economically disadvantaged, 66 percent.

Reed Elementary, right across the street: minorities, 77 percent; white, 23 percent; economically disadvantaged, 47 percent.

Dean Middle School: white -- minorities, 80 percent; white, 19 percent; economically disadvantaged, 52 percent.

The district average for economically disadvantaged students is 28 percent and nine schools have single-digit economically disadvantaged student populations.

So, Mr. Bower, if you're trying to develop the areas that have lower concentrations of minorities and low income, you might look to areas that truly need this type of construction. Thank you very much.

MS. MORALES: Next I have Kevin Williams and after that, Phocion Park, Jr.

MR. WILLIAMS: Hi. My name is Kevin Williams. I live in Woodlands Trails West, on what I consider the dry end of the neighborhood, and the 19th of last month, I had water halfway up my drive. That's very unnerving, as I'm sure a lot of you know.

I'd like to ask, has my government gone completely mad? On one hand, I've got FEMA buying homes to tear them down. On the other hand, I've got you guys wanting to give away money to develop. What gives?

There's no rhyme or reason for it. I oppose the bond for that reason. I would like to ask that the State of Texas not waste my money, as a taxpayer. And as a citizen, I'd like to ask that they not waste my time coming down here to talk like this. This is the third time, and I'm tired of it too.

My blood runs American and Lone Star State, red, white, and blue. Please don't make me ashamed of the great state that I believe in. Thanks.

MS. MORALES: Is there a Phocion Park, Jr.? And after that I have Sonya Sampson.

MR. PARK: My name is Phocion Park, and I live in Woodland Trails West, and I want to let you guys know that I'm opposed to the issuance of tax-free bonds and tax credits to build these or any apartments in the area. So

I'm going to follow up what Representative Elkins had said -- alluded to earlier about the tax-free bonds and credits.

First of all, there's no need for this type of development at this time or any time in the near future in our neighborhood. Mr. Bower stated on many occasions that the Rolling Creek Apartments will pay the same taxes that we all pay and at times, he carefully states the same tax rate.

Let's just take a look at that; see whether that's actual truth or not.

Mr. Bower is asking for over \$21 million in tax-exempt bonds and tax credits to build Rolling Creek, and his own market study states that when completed, this complex will appraise for \$7,440,000 and it will pay taxes of \$198,443,000 based on the current tax rates of \$2.66697 per \$100 of appraised value. That's the same tax rate that we're all paying right now.

What I'm asking is, would he be willing to sell these apartments once he's built them for \$7 million? Also, let's take a look at this: according to Bowers study, we're looking at all the single-family homes in this area. That would be Terrace Brook, the new subdivision going up, Courtyard Glen, our neighbors,

Woodland Trails West. Across the street, there's Woodland Lakes, there's Rolling Forks, and I may have missed one or two.

All these average homes in this area, according to his study, are valued at \$121,111. Okay? Let's take the 248 residential units. Let's compare those to our homes. Okay? 248 residential units. That's on page 2 of the handout that you all gave us. Those units would then be worth over \$30 million and pay taxes of \$801,000 a year.

This is over four times what he's going to be paying if he erects these units, subsidized by you all, at taxpayer expense for tax-free bonds and tax credits.

I just do not believe this is fair and really would ask you all to take a hard look at that. Thank you very much.

MS. SAMPSON: Good evening. My name is Sonya Sampson. I live in Courtyard Glen. I've been a homeowner there since 1992. I do appreciate the opportunity to express my opposition of the use of tax-exempt bonds and housing tax credits for construction of the Rolling Creek Apartments to be built at the site of Gatehouse and Tami Renee Lane.

As a homeowner and a taxpayer of this

community, I, who am actively involved in the Texas and Houston Apartment Association, I feel it is an unnecessary expense for the State of Texas and the Texas Department of Housing to grant these funds for many reasons.

First of all, research provided by the apartment data services as of August 1, provides information that there are 5,541 units in the marketplace as of August 1 in the immediate area of the proposed site.

An additional 2,068 units are currently under construction in close proximity to provide housing with average rental rates that are comparable to the proposed site that are not requiring the use of tax-exempt bonds.

There are another 804 apartment homes that are being proposed, and that number does not represent proposed Rolling Creek site. The average occupancy is currently 89 percent citywide in Houston on Class A product.

The average occupancy for the type of product, which is Class B, that is being proposed at the Rolling Creek is 86.1 percent. The absorption rate of apartment units clearly is not keeping up with the number of units that are being developed.

Research and market trends clearly indicate there is an oversupply of units that are operating in the

Houston marketplace, and any new units added will create an additional oversupply of apartment housing.

Secondly, market research also indicates that cities such as Corpus Christi, with an average occupancy of 94.8, and El Paso, with an average occupancy of 94.9, could benefit much more from the tax-exempt bonds and housing tax credits than a city such as Houston with an average occupancy of 89 percent.

Building permits for new residential are up by 24.8 percent from one year ago. There are already several affordable-housing apartments in the immediate area of the proposed site, as well as an abundance of market-rate apartment homes.

The lack of amenities such as public transportation, parks, grocery stores, within walking distance demonstrates that this location is not a fit for what should provide a win-win situation for taxpayers and those who are truly in need of affordable housing.

Again, I ask to the state officials, is this the best city to allocate funds when there is clearly not a shortage of housing?

My recommendation is to use the funds to a location to which they are intended for in areas of Texas cities where there truly is a shortage of housing.

Finally, my question to the decision-makers of the Texas Department of Housing is how can this be a justifiable expense for taxpayers of the State of Texas when there is clearly not a need for a development in this marketplace?

Thank you for your time.

MS. MORALES: Are there any other individuals who have filled out a witness affirmation form? Okay.

Next to speak, I have Virginia Coleman.

MS. COLEMAN: My name is Virginia Coleman. I live in Courtyard Glen. I'm a retired accountant. I do not have a prepared speech for tonight, but there have been many speakers to speak against the issuance of tax-exempt bonds and housing tax credits, and I'm here to take a vote.

Everyone against the issuance of tax-exempt bonds and housing tax credits for this project, would you please stand up?

(Members of audience standing.)

MS. COLEMAN: Thank you.

MS. MORALES: The next person I have is Nelson Hancock, and after that, Kay Quick.

MR. HANCOCK: My name is Nelson Hancock, and I live in Woodlands Lake. I, too, have come down here for

the third time and evidence was presented to this committee in one of the previous hearings to the financial responsibility to the developers.

A credit check was done at the time, and it was less than stellar: There was a previous bankruptcy and many tax liens. I would urge the committee to pull credit on these individuals and their entity to determine the creditworthiness to apply for financial support from the community and our state.

And at that time, use your own judgment to determine whether you think someone who has that kind of financial background and irresponsibility is worthy of our tax money. Thank you.

MS. QUICK: Good evening. My name is Kay Quick, and I live in Rolling Forks subdivision. I've been a resident there about ten years, and I have a couple or three, four questions just to ask and I understand that there won't be an answer given.

My first question to the developer is how many of the tax-exempt and bond -- not tax-exempt but the bond funded apartment complexes has he built in the last ten years and how many are still under oversight? How many of those has he maintained and kept?

My second question would be to the committee or

to the Texas Department of Housing. In the last ten years, how many bond issuances -- how many apartment complexes have you given with bond-issue money and how many do you now have as oversight?

My proposition is that probably once they're built, the bonds are -- the tax credits are sold to companies, the apartment complexes are then sold, the developer makes the money on our money, and the bonds and the apartment complexes are no longer oversight -- or under any kind of oversight. So that's my question.

I would also like to know what MUD district this is going to be part of and just a comment of the -- like other people, the surrounding apartments that are now move-in rates being given for less than \$50. So I'm sure that they are just trying to move people from one place to another. Thank you very much.

MS. MORALES: Are there any other individuals here who, coming in late, have a witness affirmation form that would like to speak?

MR. PEARD: My name is Nace Peard. I reside since '89 in the Steeple Chase neighborhood community. It's located at Jones Road and 290.

I did not plan to speak tonight, but after hearing Representative Elkins, I wanted to go on record of

I'm opposed to this project mainly for the issuance of the bonds and the tax credits because we have a public hearing Wednesday for a different complex near our neighborhood.

We have plenty of apartments. I'm concerned with the whole process, and I think everyone here agrees that we have plenty of ammunition, and I congratulate you all on your fight because it's gallant, and that's why I'm here -- was to learn how we can fight the same.

Nothing against the developers, but if they want to build the complexes and the projects, go get their own money and go do it themselves and risk their financial responsibilities.

I don't want to take time from this -- what this meeting is for but by all means, come join us on our public hearing on the 9th and Wednesday at the Northwest Harris County Public Library near Jones and Grant. Thank you for the opportunity.

MS. MORALES: Are there any other individuals present who wish to speak?

MR. SO: Hi. My name is Phil So. I live in the Courtyard Glen subdivision. I've been there about two and a half years now.

I noticed looking at the TDHCA website the documentation they have on there stating your mission

purpose -- your mission, you know, in life. One of them is to help eradicate poverty. I don't have the exact thing in front of me. You know, don't quote me on this, but it seems like one of your missions is to help eliminate property.

Well, looking at the numbers -- I worked it out -- the maximum rent of the 951 works out to \$11,412 a year, which is certainly more than one-third of the maximum household income.

Now, the generally accepted financial advice that people give is to spend no more than one-third of your income on your housing, and yet you're spending our tax dollars to go and put people into these places where they're going to be trapped; they're not going to be able to afford the place.

I see that as a rather bad use of our tax dollars, and so for that reason, I have to oppose you issuing the tax credits and the bonds for this project, because it doesn't make sense for the people that work there.

MS. MORALES: That's all the witness affirmation forms that I have. Are there any other individuals who wish to speak? Please come forward and just state your name for the record, please.

MS. HARRIS: Hi. My name is Tracey Harris. I wasn't expecting to speak tonight. I live in Terrace Brook. I know there's a lot of people in my neighborhood that could not be here tonight, but we're just as upset as everybody else in all these other subdivisions around us.

I don't recall when the last big rain was -- in June? July? Okay. July 19 -- we're in a brand new subdivision. It flooded. Okay? Our car was wet up to the windows. It flooded parked in a brand new street.

I don't want this apartment complex. I'm not angry at you guys. I'm just upset about the whole thing.

One comment that I want to make is it says here about the income for these people.

I'm all for giving everybody a fair chance. A family of three can earn no more \$32,940. That's three people. That's not one person working real hard to make a good income; that's three people earning around 11 grand a year.

I've lived in apartments before. I moved here from California in November. I moved to Houston for better opportunities, to be away from apartments because that's just how Los Angeles is, unless you're fortunate enough to live in Beverly Hills.

I don't want to live next to an apartment. I

planted my roots here in Houston. I love the people. I love the state. I do not want this apartment complex next to me, because I know what problem it causes. Thank you.

MS. MORALES: Are there any other individuals who wish to speak?

MS. MOSCARIELLO: My name is Elizabeth Moscariello. I live at 8934 Melissa Lea Lane in Rolling Fork, and this past year the home next to me was completely destroyed by fire.

Obviously, our volunteer fire department cannot handle the homes that exist in our area right now. My daughter and two friends were home. They called 911. They saw the smoke coming out the back of the house next door. Nobody came. They called me in Tomball, hysterical, said, Mom, we've called and called; nobody's coming.

I had neighbors go to the fire station. I had neighbors calling 911, and nobody came. Finally, Houston Fire Department people came and then Josey Village fire department. The Houston kids used to live in our neighborhood, and they're now firefighters and they heard it on the radios, and they came because they said, That's our old neighborhood; we know the people there.

It was devastating to us, and I'm really

opposed against our tax money being used for these apartments when our services are not adequate as they are.

Also, I was a teacher at Reed Elementary when we had flooding, and Reed was a shelter.

I had hysterical students in the cafeteria when they saw rain, because their grandparents were home, they were in their trailers down off Fairbanks North Houston, and they were worried that these grandparents were going to be flooded and drown.

So we have had flooding after flooding after flooding after flooding in our neighborhood. And we just keep seeing more development, and it just keeps getting worse. So we are opposed to this apartment complex being built here. Thank you very much.

MS. MORALES: Any other individuals who wish to speak tonight? Okay. I would like to thank all of you for attending this hearing.

VOICE: Got another one.

MR. DELGADO: My name is Victor Delgado. I'm a current resident of Rolling Fork. My profession is a realtor, and I'm also a former land developer.

Basically one of the primary rules that I learned as a developer and as a realtor is that you use a property for the highest and best use. Clearly, based on

all the information we've heard tonight, this is not the highest or best use for this property or this area.

I definitely want to state my opposition to releasing the bonds for that purpose. Thank you.

MS. MORALES: Okay. Are there any other individuals who wish to speak?

(No response.)

MS. MORALES: Okay. I would like to thank you all for attending this public hearing and providing all of your comments. Please rest assured that all of your comments have been recorded and the transcript of this hearing will be provided to our board.

Now what we're going to do is answer any questions that were raised during the public comment period. Again, I would like to adjourn this meeting. And the time is now 7:31, and we will now answer questions.

(Whereupon, at 7:31 p.m., the hearing was adjourned.)

QUESTION-AND-ANSWER SESSION

MS. MEYER: Hi. My name is Robbye Meyer; I'm acting director for multifamily finance for the Department. I didn't get a lot of actual individual questions during your comment that I can answer, but I will answer what I can.

I'm not sure -- I'll let Mr. Sereni tell you what MUD district it is and address a few of the questions, but I will answer the ones that pertain to the Department.

One of the questions had to do with the compliance period and how many developments we've had built over the last ten years. Although I can't tell you how many we've approved and were built in the last ten years, I can tell you the compliance period.

And previous to 2001 -- September of 2001, the compliance period at that time was 15 years per the IRS Code, or as long as the bonds are outstanding. That was prior to September of 2001.

Since then the state legislature -- and you can thank Representative Elkins if he's still here -- they extended that period to 30 years, so there is a minimum 30-year restriction that is put on the property. It's not just the complex itself. If the develop decides to sell

the property to another entity, that entity would have to go by the same restrictions.

So that land-use restriction agreement applies to the property itself, so if it does change hands, they're still stuck with the State looking over their shoulder for the next 30 years, or as long as the bonds are outstanding, if that happens to be a longer term.

I'll let Mr. Sereni answer the question as far as how many that they've built and maintained. The Department does do a financial background check and also a credit check, and that will all be detailed in the underwriting report from the Department. That has not been completed at this time, so I can't answer any questions to that effect; however, that will be presented to the board at the August 30 board meeting for their information.

Try to testify to the expense when FEMA is trying to buy houses and we're trying to put something else in. I can't really answer that question. I have a developer that has submitted an application to the Department at this particular time, and as a department and per our rules, we will treat that application as any other application, and that's exactly what we've done. So it will be up to the board to make a decision of whether

it actually moves forward and the bonds are issued and the tax credits are allocated.

VOICE: Why can't you answer that question? If I go to my boss with a statement like that, I'd be out of there.

MS. MEYER: Well, I can't answer that question because, I mean, that's my job, answering that question. If FEMA is buying up property, then that's what FEMA is doing.

Like I said, we have a developer that has submitted an application, and the board will take that into consideration; that's one of the things that they look at.

I mean, you've made very good comments, and the board will take that into consideration. My job as a state employee is to give all the information to the board and allow them to make that decision.

Yes, ma'am.

VOICE: Who determines who is a member of this board? Is it the legislature, or how do you get to be on this board?

MS. MEYER: The question is, How do you get to be on the Department's board. They are appointed by the governor, and they are confirmed by the Senate.

Yes, sir.

MR. REED: Robbye, my question is -- I almost feel we should be formally introduced, since everybody knows this is Ralph Reed. My question is, how come -- it's obviously a tactic and a technique that the developer is using. He's reapplying time after time. Our geographic location in terms of the overcrowding and flooding has not changed in the last year or two. Should there not be a window; say, in for five years you can't reapply. We're turning the same tables over time and time again; same issues keep re-emerging.

Nothing has changed. Why is it that we continue to go through this vicious cycle time after time? What is the reason for that?

[indiscernible] and, Hey, nothing's changed, Buddy, in two years; in five years you can reapply. What's going on? I don't understand that.

MS. MEYER: This is coming front one more time for the third time because this transaction has not ever been before the board; we've never gotten that far. The TDHCA board has never seen this application in full process; we've never gotten in front of the board for them to make a decision.

Once they make that decision, then you may have

another developer that comes in and buys the same piece of property if the board chooses not to go forward and do the same thing, and we'll be looking at you again with the next developer, but in essence they can submit an application as many times as they so choose if they want to spend the money to do that.

Yes, sir.

VOICE: Can you tell us what put the stop on it the first two times?

MS. MEYER: The first time happened to be a signage issue. The sign went up -- it did not make the time frame that was supposed to be done. And the second time had to do with a requirement that we have that a letter of consistency with a consolidated plan from the governing body -- we have to have a receipt of that letter saying that the governing body supports that and there is a need and it does fit in with the consolidated plan.

Harris County at the time rescinded that right before we were going to the TDHCA board for their decision, and so therefore the second application was withdrawn, and now we have the third one.

Yes, ma'am.

VOICE: Is this not the same developer that, one of the first meetings we had, that had not paid his

taxes? If he has -- he can't pay his taxes --

MS. MEYER: Okay. The question is, is this the same developer from the first time that hasn't paid his taxes?

We've never gotten that far yet. That's the whole point, is we have never taken this transaction all the way through to the board decision where all that information would be available.

So until we get there, I can't answer that question, and the board would make that decision. If there was a problem with that and if they didn't meet the Department's requirements, then, no, they wouldn't move forward.

Yes, sir.

VOICE: How come you can't accept signatures that we have gotten over the past six or eight months and we have to repeat these signatures to get any kind of hearing? What happens to the paperwork?

MS. MEYER: It's actually archived and filed with the previous application. Just as the developer has to file a totally new application and --

VOICE: But what do you do with the paperwork? Do you chuck it?

MS. MEYER: No. It's archived. It's a

separate application, so therefore we go through the same process all over again.

Yes, ma'am.

VOICE: It just seems like the government's against us, you know, and that's the feeling I've gotten from the initial, that you didn't work for the people; you work for the state. But from the get-go you seem to be working for the developer, so I'm getting the impression that it doesn't matter how many times we oppose it; they can just come back until they wear us out. Is that the system? Is that our government?

MS. MEYER: Okay. The question is can they wear you out, keep coming back with applications over and over. The answer to that question is, yes, they can keep coming back; however, as I explained, we've never gone through the full process with them. Until the board actually makes a decision, then, yes, we can keep going through this process. And hopefully that won't happen; we will get to August 30, and the board will have a chance to make a decision one way or the other.

Yes, ma'am.

VOICE: Robbye, if I understood it, though, once it gets to the board, if it's a no, that developer can't continue to come back, but some other developer

could move in, purchase the land, and go through the same process?

MS. MEYER: Well, the question is, if the board chooses to say no to this particular developer, can another developer --

VOICE: Can that developer still continue? Once you've told him no, is it definitively no; this developer has to go away. But another developer can -- if I understand what you're saying, another developer can purchase the land, come in, and we would do this over again.

MS. MEYER: That's correct.

VOICE: But that particular developer couldn't.

MS. MEYER: I don't think he would want to take that chance. They will make that decision if he wanted to come up against the board.

Now, one of the things that the TDHCA board does require is that something drastically has to change if they have declined an application, so there has to be substantial new information for the board to put a transaction for the same development back on the agenda to be considered.

Yes, ma'am.

VOICE: Can we petition Harris County to put a

stop to it? Like you said that they came in and rescinded it?

MS. MEYER: Well, dealing with your local government, I think the question is can you petition Harris County, and you can do whatever you want with Harris County. The letter of consistency, though -- if the development meets the letter -- I mean, if the development meets the standards of the consistency letter, I can't see that Harris County would say it doesn't when it really does.

Now, that's between Harris County and whoever does the letter, but that would -- what you do with Harris County is what you do with Harris County. I can't really answer that question.

Yes, ma'am.

VOICE: [inaudible].

MS. MEYER: Everything the Department does has to do with housing, so that wouldn't help you out.

VOICE: Maybe if it was FEMA money --

MS. MEYER: Okay. You had a question, ma'am?

VOICE: Specifically who has the authority to change the process that TDHCA uses? Suppose some intelligent one would strike those and decide that we ought to look at where housing ought to go, not where

developers want to put it? And instead, have the hearings, you know, focused on putting the cart behind the horse instead of the cart in front of the horse.

Who specifically has the authority to bring TDHCA processes up to date the way the people would like them?

MS. MEYER: The question is pretty much how you change the process?

VOICE: Who has the authority --

MS. MEYER: I will give you a tidbit of information: All of the Department's rules are going before the board on August 30; that includes the Qualified Allocation Plan that runs the Housing Tax Credit Program, which is one of the programs they are applying for. The Private Activity Bond Rules are also at the board on August 30. They will be out for public comment for at least 30 days following that period, and we're having consolidated hearings September 19 through October 12. I believe there is one scheduled for Houston, and you're welcome to attend and make comment.

Those are rather dry documents to read, but if you would like to read them, you can make comment to those rules. And the next process that you would have would be to speak to Representative Elkins back there and have the

legislature change something different in our statute, which is 2306 of the Texas Government Code.

VOICE: Did you just say that the administration, staff, or TDHCA is rewriting the rules for the board to consider implementing?

MS. MEYER: Yes. The staff has already -- we're in the process of drafting our 2007 rules, and that's all our program rules that deal with -- there's a bunch of them: our compliance rules, that have to do with --

VOICE: [inaudible].

MS. MEYER: I encourage you to make public comment on those draft documents. If there's something in there that you would like to change, if there's something in the process that you don't like, please make public comment; otherwise it doesn't get changed; we go right along with the same thing that we have been doing, with minor tweaks here and there and some verifications, and we will move on through the process unless you make public comment.

Yes, sir.

VOICE: Who are you actually accountable to? -- because you're talking about basically writing your own rules. I don't get to do that.

MS. MEYER: Well, the governor --

VOICE: [inaudible] faster than 35 miles an hour or 55 miles an hour down the highway, but I don't get that choice, and I don't think other people get that choice, either.

MS. MEYER: The Department is accountable to the legislature and the governor, and the governor actually signs the Qualified Application Plan every year.

So if you want to make comment to those rules, then you have a chance to do that.

Are there any other questions?

Yes, sir.

VOICE: [inaudible].

MS. MEYER: Could everybody keep your voices down so we can hear, please.

VOICE: I think there's probably a lot of people in this community that have done a lot of things for the needy people, and I think it's disappointing that the Cynosure people have heard the comments of these good people for three meetings and are we not basically talking about a real disservice for these 248 families that we're going to bring in here where we already have problems with schools, we already have problems with traffic, we already have problems with flooding. Are you not concerned about

those issues for these 248 families?

VOICE: How many more times do we have to have this meeting, have all the people get together, for this -- it's the same thing over and over and over.

VOICE: Until they quit.

MS. MEYER: And hopefully that decision will be made on August 30.

Yes, ma'am.

VOICE: My question is to the developers. What is so attractive about this 24 acres here that you keep pursuing it? Maybe we can attack it from a different angle; maybe [inaudible]. What is it? Why do you want this particular property?

VOICE: What is the question?

MS. MEYER: She asked why is this piece of property so attractive to the developer?

VOICE: Thank you.

MR. SERENI: For numerous reasons. It's just like the gentleman who got up earlier and said he's been in the development business; you know, you find a piece of property in an area that seems to work for you. You use different criteria to determine that, and the cost of the land compared to, you know, cost of other land and areas. It's just -- it's a good tract for a lot of different

reasons, and, you know, if you want to stay after the meeting I can talk to you about it.

It's -- the land price is right, you know, and the site lends itself to a number of different --

VOICE: [inaudible]

MR. SERENI: Well, we've addressed all those issues over and over and over again, and a lot of us have a difference of opinion on that, but --

VOICE: [inaudible].

MR. SERENI: It's the same set of problems that everybody has in any area. You know, the developers are always up against the same issues, no matter what site you decide to develop, and I understand your concerns and feelings, but, you know, from our extent it's the business we're in, and we picked that site, and we're invested in it, so there's a reason we keep going there.

MS. MEYER: Yes, ma'am.

VOICE: While he's answering questions, could he respond to that woman's question, please?

While you're answering questions, could you respond to what that woman asked you?

MR. SERENI: What was the question?

VOICE: Okay. Well, I guess that explains it: We don't know what the question was. Thank you.

MS. MEYER: Yes, ma'am.

VOICE: Someone had some data that said that there was a need for low-housing income [sic] in Corpus Christi. Is that what they're referring to?

VOICE: Yes.

VOICE: Have you all applied in Corpus for this same type of apartments to be built?

MR. SERENI: Pardon me?

VOICE: Someone said that Corpus needs low-income housing. Have you all applied for this same thing for Corpus, where you're from?

MR. SERENI: This particular program won't work in Corpus Christi.

VOICE: What?

VOICE: It won't work.

VOICE: Why?

MS. MEYER: Well, the question was, has he applied for this particular program in Corpus. His answer is no. And it is very difficult for bond developments -- tax credit is a different story, but on bond transactions it's very difficult in more rural areas, and -- not that is political rural, but --

VOICE: But why come to a city just because we have a little bit more subsidies, a little bit harder

workers, and build something that's not even needed whenever you say the only reason you don't build in Corpus is because people can't afford the taxes; they don't -- and it's not the same thing that they have the need.

MS. MEYER: You have to use a different program in --

VOICE: May I ask, do you have any of these complexes in your neighborhood?

MR. SERENI: Yes. Numerous ones.

VOICE: Numerous ones, huh?

VOICE: I have -- it's not really a question, but a few weeks ago the Houston Chronicle -- there was an article where the southeast side of Houston desperately needs these apartment. So we're not needing the apartments. Why don't you go where there's a need? Southeast side of Houston needs this type of apartment.

I mean, as smart as what you are, you can go to the internet and look it up, right there in the Houston Chronicle.

MS. MEYER: Are there any other questions?

VOICE: [inaudible].

MS. MEYER: Everybody hold it down so I can hear the question.

VOICE: [inaudible].

MS. MEYER: The question is how quickly will it be disseminated, the answer? The board wants to make a decision on the 30th.

VOICE: Of August.

MS. MEYER: Of August. Now, if you can contact me, I'd be glad to let you know that. We do send out letters to the elected officials once a decision is made on any transaction, so your elected officials would know, but you're welcome to either e-mail Ms. Morales or myself, and we'll be glad to answer that for you as soon as the 30th is done.

Yes, sir.

VOICE: Is that August 30 going to be the final deadline, or is there going to be an appeal available after that?

MS. MEYER: Is August 30 the final deadline?

VOICE: Final decision.

MS. MEYER: If the board makes a final determination on the transaction -- approval or denial -- if it is denied, again, something would have to substantially change with the application in order for it to be brought back.

If the development is approved, the Bond Review Board would also do an approval, and they would be moved

toward closing.

But everything hinges on August 30 at this point.

Yes, ma'am.

VOICE: Is the Bond Review Board decision a public event?

MS. MEYER: It's -- TDHCA is actually an exempt issuer for the Bond Review Board, and so this particular transaction will be submitted as an exempt issue, so the Bond Review Board doesn't necessarily have to meet.

VOICE: Well, then why do we have a bond meeting?

MS. MEYER: Do what, ma'am?

VOICE: Why are we having this meeting if the bonds are -- if the Bond Review Board -- if this project is exempt from the Bond Review Board?

MS. MEYER: Because TDHCA is -- TDHCA's board is also an issuer, and they have the responsibility of approving or denying bonds.

VOICE: Will the bonds -- all of the signatures that we signed and all of this -- will the board get those, too?

MS. MEYER: The petition? Is that what you're asking for? They'll get a copy of one page of it, and

then we'll let them know how many signatures were on that page; we don't print out the whole thing. I don't know if you've seen any of our board books, but they're massive. So we usually print off one page and show the board, this is the petition that was signed and how many signatures were on that particular petition.

Yes, sir.

VOICE: The previous two applications were stopped basically on technicalities. Did they lose their application fee in those transactions? Can you tell us what amount is?

MS. MEYER: Each application to TDHCA is \$11,000, plus the tax credit fee is \$30 per unit, and I can't multiply that quick in my head times 248 units, \$30, and that's times three.

Yes, ma'am.

VOICE: How is the tax credit figured? What is the value of the tax credit?

MS. MEYER: Well, it depends on the syndicator. It's anywhere from probably 86 cents on the dollar to 97 cents on the dollar.

VOICE: So he can sell that to somebody -- tax credits on those bonds he gets almost equal to the cost of building [inaudible].

MS. MEYER: The tax credit works a little differently. The tax credit doesn't actually go to the developer. You'll have an investor that will purchase those tax credits, and it's normally large industrial -- let's just say ExxonMobil -- companies that have large tax liabilities.

They purchase those tax credits. They get a dollar-for-dollar tax credit on their income tax. Okay? And then the investor or the syndicator that's in the middle of that will give the developer a certain percentage of that dollar, whether that be 83 cents, 91 cents, 93 cents on the dollar. So they developer won't necessarily get a dollar-for-dollar tax credit.

VOICE: Are you saying that he gets 83 percent of his investment costs back to him?

MS. MEYER: On however much the tax credits are. And let's just say over -- on an annual basis it's a million dollars. Okay? So if he gets 90 cents on the dollar, then they're going to get \$900,000 in -- it's like a cash equity. Does that make sense?

VOICE: So there's a cap on the tax credits?

MS. MEYER: Yes, ma'am.

VOICE: And that cap is --

MS. MEYER: And that actually will be set by

the Department.

VOICE: At what time?

MS. MEYER: When it goes to the board, the bonds and the tax credits will be a decision by the board at the same time, and they'll be able to see exactly what that number is on an annual basis.

VOICE: So if he sells the property and the bonds don't get retired -- I mean, if I sell my house, my loan is retired if I sell it for what I owe.

MS. MEYER: The bonds can be repaid at some point in time in the future.

VOICE: So he could repay the bonds with a sale --

MS. MEYER: No.

VOICE: -- somebody else could come and buy up the property --

MS. MEYER: Not -- are you talking about right away? That won't happen. I can tell you that: That won't happen.

VOICE: Three years?

MS. MEYER: No. You have a lock on at least 15. I mean, he's stuck with it for at least 15 years, as long as that syndicator is in there, because he has control of that property.

VOICE: [inaudible] syndicator?

MS. MEYER: It's PNC bank.

VOICE: Where do they come in?

MS. MEYER: They're a syndicator of tax credits. There's a bunch of them out there. That just happens to be the one that they chose.

VOICE: So a bank is going to be the holder of the bonds. The bank is responsible for overseeing the property?

MS. MEYER: Mr. Sereni.

MR. SERENI: CapMark is the bond --

MS. MEYER: CapMark Securities is actually the bond purchaser on this particular transaction. I mean, if you want to send me an e-mail or whatever, I'll be glad to give you the specifics of that information; I don't know all that off the top of my head. I'd have to review the application.

Yes, ma'am.

VOICE: I have a question for Mr. Sereni.

MS. MEYER: Okay.

VOICE: My question is -- and of course I have the fear of having my home flooded, and that's what I'm talking about this evening. And -- but you're saying that with the detention pond that you're building in that 14

acres, we should not have problems about flooding. Is that what you're saying?

My question to Mr. Sereni is, if you get the funds and you build this apartment complex and my home floods, will you buy my home at the value it was before the flood?

MR. SERENI: What I'm saying is that as a multifamily developer or a single-family developer, I am meeting all the requirements of Harris County, City of Houston, that any other builder building a single-family residence would have to meet, so that's all I'm required to do.

And those rules, those engineering design criteria, are designed -- they are come about by the engineers that are employed by the City of Houston and Harris County, and whether they work or don't work is really an issue for them; all I know is I have to do what is asked of me by those jurisdictions.

VOICE: So that means you would not buy my home.

VOICE: Right.

MR. SERERNI: No. Realistically, no.

VOICE: Realistically, I could take you to court and sue you then.

MR. SERENI: For what?

VOICE: For buying my home.

MS. MEYER: Are there any other questions?

VOICE: Yes.

MS. MEYER: Yes, ma'am.

VOICE: Do they already own the land, or are they also purchasing the property?

MR. SERENI: We have an option.

MS. MEYER: They have an option to purchase the property at this point. They have not -- they do not own the land.

VOICE: Okay.

MS. MEYER: Yes, ma'am.

VOICE: How long does the board have the information to review before the meeting?

MS. MEYER: They have the full information seven days prior to, which is the same time -- we post it to our website -- the full board materials, everything the board will see, will be posted to the Department's website on -- I do believe it's the 23rd. It's the Wednesday prior to the 30th. It's going to be a rather large board book, so it will probably be late in the evening before it actually hits the web, but it will be there seven days prior to, for sure.

Are there any other questions?

(No response.)

MS. MEYER: I thank everyone for coming and putting in your comments. Again, our rules are going out for public comment, so if you want to make comment, you're more than welcome to, and the board meeting is August 30.

(Whereupon, at 8:07 p.m., the question-and-answer session was concluded.)

Developer Response

**Rolling Creek Apartments
Community Outreach
August 17, 2006**

Summary of Community Outreach

Memo about Meeting with Representative Gary Elkins

Community Contacts Made for June 15th Meeting

Emails sent to Community Contacts

Rolling Creek Apartments – Qualification Guidelines

Home Owner Association Leaders Meeting Transcript – June 15, 2006

Memo Regarding Resolution of Fencing Issue

O’Conner & Associates Appraisal Consulting Assignment – Involving the Effect of the Proposed Rolling Creek Apartments...On the Cypress Fairbanks Independent School District and Its Projected Tax Revenues and The Effect on The Fronting Roadway

**Rolling Creek Apartments
Summary of Community Outreach
August 17, 2006**

Meetings with Elected Officials:

Representative Gary Elkins - Our consultants met with Representative Gary Elkins numerous times about this community, and formally on two occasions – May 11 and sometime in July. Attached is a summary of the May 11th meeting.

Senator John Whitmire - Daniel Sereni met with Laura, the Chief of Staff for Senator John Whitmire's office on June 28, 2006. Dan presented our project and showed her what we were doing for the community.

Commissioner Jerry Eversole - Mark Bower met with Commissioner Jerry Eversole in March of 2006. He noted the intense public pressure he receives from this project, and his belief that we should try to find areas to develop that the local community supports.

Meeting with the Superintendent of the Cypress Fairbanks, I.S.D.:

David Anthony, Ed.D. - Mark Bower met with the Superintendent of the Cypress-Fairbanks, I.S.D., David Anthony, and a member of his staff on August 9, 2006. Dr. Anthony said that they do not oppose our development as long as we are not seeking an exemption from ad valorem taxes. He noted that his district will grow by 6,000 students this year, and the area we are developing is not the fastest growing area of the district. He also noted that almost all the schools have portable buildings – that is a normal part of the growth process. He enforced the districts commitment to provide an educational opportunity to any child that lives in the district. He said anything less would expose him to discriminatory issues.

Meeting with Community Leaders:

Mark Bower met with the leaders of the local community homeownership associations on June 15, 2006 at 7:00 pm. Attached is log of contacts made, a copy of the emails sent to invite people, a copy of the handout provided, a transcript of the meeting, and later correspondence sent to their designated liaison. We discussed all the opposition issues and noted the following items:

Market - We discussed the market in detail, noting that multiple entities study the market before deciding that the market is good for this type of development. They include us, our lender, our tax credit investor and the TDHCA.

Flooding – Flooding is an engineering issue. We explained that the development is designed to absorb as much water after completed as it currently does. This is an engineering issue, and I offered to allow their representative – if they are an engineer, or

the MUD's engineer, for example, to review our engineering plans and make any comments.

Traffic in the local neighborhoods – We consider this one of the areas we can contribute to the most. We explained that the City is requiring us to build Gatehouse Road, connecting the two adjacent neighborhoods for emergency traffic reasons. We appealed this decision numerous times. In addition to building this road, **we will voluntarily build an additional road coming from our community directly to Fairbanks N. Houston. Additionally, we negotiated an easement from the adjacent land owner, so we could go on top of his land and tie directly into the stop light at Tami Renee and Fairbanks N. Houston. We will be changing the stop light to a 4 way stop light. This contribution adds about \$200k to our costs. Common sense tells us that most of our tenants will use the most direct route to enter or exit the community.**

Traffic on Fairbanks N. Houston – See the attached study done by O'Conner & Associates. The conclusion of the traffic study is "Due to the existing high traffic counts on Fairbanks North Houston (28,739 cars in a 24 hour period as of 02/05), the impact of the proposed subject property is anticipated to be negligible".

Fencing – This was another area where we thought we could accommodate the community. At the meeting, we were asked what type of fencing we were installing between our community and the homes that back up to us. I did not know, but told them I would research this and get back to them. The community leaders expressed a desire for us to build a quality wood or fabricated wood type fence that would back against the current home owners' property. I researched the issue and found we originally planned to install a chain link fence along this area – because of the existing fencing. However, **we have committed to the community to install some sort of wooden fencing along the areas that will back up to single family housing.** A copy of the response sent to the person the attendees told me to respond to is attached.

School Issues – Generally, people worry about crowding and the quality of students entering their school. Also, they worry if we are paying our property taxes. We are not, nor will we seek an exemption from Ad Valorem Property Taxes. See the attached study done by O'Conner & Associates which estimates the development will generate ad valorem property taxes over the 30-year term of rent restriction of \$6,756,227.

We emphasized our after school tutoring program and the two large school rooms built into our club house with computers for homework. The O'Conner & Associates study concludes that "it does not appear that the subject development would place an undue hardship of the capacity of the Cy-Fair ISD. Also, please note the meeting documented with the school superintendent, where we said that the district does not oppose our development.

Crime – I pointed that statistically 250 multifamily homes produce about the same crime as 250 single family homes. Crime, safety and the overall appearance are really a

management issue. Good management helps create a sense of community – a place where people feel safe walking their children at night. We showed them our tenant qualification guidelines (copy attached) and told them we have contracted with Capstone Management Company to manage our property. They are the largest property manager in Texas and have a great reputation for keeping that sense of safe community in the properties they manage. I stressed that as a long term owner, maintaining a safe community is one of our highest concerns and would always be monitored.

Property Values – We directed them to the THDCA website and the numerous studies on property values that concluded that apartment communities do not statistically impact the value of an adjacent neighborhood one way or the other.

Our Personal Backgrounds – I pointed out that there is nothing in our past that precludes us from participating in the multifamily bond or tax credit programs.

Commercial Tract Development – I noted that a 5.3 acre tract of land is being purchased on the front of our tract to develop retail and/or commercial. I offered to facilitate a meeting between the community leaders and those developers.

MEMO

TO: MARK BOWERS
FROM: RICHARD PARKER
RE: MEETING WITH REPRESENTATIVE ELKINS

On Thursday, May 11, Chuck Rice and I met with Representative Gary Elkins in his Austin office for nearly an hour concerning the Rolling Creek apartment project. We found him to be very knowledgeable about the project and to have a good grasp of the issues facing everyone involved, including you, the developer, the school districts, the flooding situation and his constituents. I would venture to say that the only real surprise to him came when we explained in some detail how this project would actually help ameliorate the flooding that occurs periodically in the area.

We found Representative Elkins to be very sympathetic to business enterprises in general and to developers. As you know, Mr. Elkins has opposed this project for several reasons, not least amongst them in perceived traffic congestion in the area. The Representative also pointed out to us that recently Wal-Mart pulled out of a project in the area, mainly due to the objections as to increased traffic that the project would create.

We, unfortunately, were not able to persuade the Representative to change his opposition to the project. He believes that the apartments are, at this time, a burden to the area and would likely cause diminished property values. We carefully went over the factors that would mitigate against any property value decline, but he was steadfast in this position.

Thursday 5/25/06 4:20 PM

I called Sterling Association Services, Inc. (281.447.3388) who represents Woodwind Lakes Neighborhood Association. I spoke in detail to Kathleen Thames who said she would email the Board Members regarding the meeting we are trying to set up for either Wednesday 5/31/06, Monday 6/5/06, or Tuesday 6/6/06. She asked that I call her back if I haven't heard from her or a Board Member. They will either call or email me. I left her my email address and telephone number.

Thursday 5/25/06 4:30 PM

I called Principal Management Group (713.329.7100) regarding Woodland Trails CIA. I was informed they do not represent Woodland Trails CIA.

Thursday 5/25/06 4:33 PM

I called Crest Management (281.579.0761) regarding Harvest Bend Meadow. I was informed they do not represent Harvest Bend Meadow.

Thursday 5/25/06 4:35 PM

I called Randall Management (713.728.1126) regarding Courtyard Glen HOA. I was informed they no longer represent Courtyard Glen HOA.

Thursday 5/25/06 4:40 PM

I called AVR Management Consultants (281.481.8062) who represents Woodland Trails West CIA. I spoke to Kathy who said she would call the Board Members regarding the meeting we are trying to set up for either Wednesday 5/31/06, Monday 6/5/06, or Tuesday 6/6/06. She said their regularly scheduled Board Meeting will be on Monday 6/5/06 so that will not work for them but she will discuss the other dates with them and call me back.

Wednesday 5/31/06 10:00 AM

I called Dan Cleveland (713.937.8779) who is listed as the contact for Woodland Trails CIA. There was no answer so I left a message for him to call me.

Wednesday 5/31/06 10:05 AM

I called Lisa Tarnosky (713.937.9590) who is listed as the contact for Alliance of Northwest Communities. There was no answer nor voicemail or answering machine.

Wednesday 5/31/06 10:10 AM

I called Nigel Stokes (281.463.1777) who is listed as the contact for Courtyard Glen HOA. I tried the telephone number many times each time receiving a busy signal.

Wednesday 5/31/06 10:20 AM

I spoke to Betty Evers (832.467.2433) the current President of the Board of Rolling Forks HOA. She said she would check with Wallace McIlrath (past Board President) and Paula Lee to find out if Monday 6/5/06 or Tuesday 6/6/06 evening would work for them. She said she would call me back to let me know.

Wednesday 5/31/06 4:02 PM

I received an email from Kathleen Thames (kathleen@sterlingasi.com) with Sterling ASI who represents Woodwind Lakes Neighborhood Association that states, "The Board President and Vice President would like to meet with you on June 6th."

Thursday 6/1/06 9:30 AM

I called Dan Cleveland (713.937.8779) who is listed as the contact for Woodland Trails CIA. There was no answer so I left a detailed message regarding scheduling a meeting and asked him to call me.

Thursday 6/1/06 9:35 AM

I called Lisa Tarnosky (713.937.9590) who is listed as the contact for Alliance of Northwest Communities. There was no answer nor voicemail or answering machine.

Thursday 6/1/06 9:50 AM

I got in touch with SCS Management (281.463.1777) who represents Courtyard Glen HOA. Terry is the individual who manages Courtyard Glen HOA however her voicemail stated she would be out of the office until next week so I left a message on Kay's voicemail (her assistant who was in a meeting at the time of my call).

Thursday 6/1/06 10:10 AM

I called Kathy with AVR Management Consultants (281.481.8062) who represents Woodland Trails West CIA. The last time we spoke she said she would check with the Board and then call me back. I had to leave a message on her voicemail because she was out of the office but I was assured that someone would be checking her voicemail and would get back to me.

Thursday 6/1/06 10:30 AM

I spoke to Betty Evers (832.467.2433) the current President of the Board of Rolling Forks HOA. She said the Board would prefer not to attend a meeting with us but to have us attend their meeting June 20th at 7:00 PM at the Castle. She said there are a few minutes at the beginning of the meeting where we could speak. She also added that they have already spoken with us.

Thursday 6/1/06 2:30 PM

Dick Sall who said he was on the Rolling Forks HOA Board called to ask about the agenda of the meeting we were trying to schedule. He said his management company sent an email stating we were trying to schedule a meeting however apparently they did not relay the information I gave about what we wanted to discuss at the meeting. So I informed him about the purposes of the meeting.

Thursday 6/1/06 3:30 PM

Ginger from SCS Management (281.463.1777) the company that represents Courtyard Glen HOA returned my call. She stated she had a meeting with the Board this evening and would discuss with them our scheduling a meeting on Tues 6/6/06 (tentatively at 7:00

PM at the Castle). She said she would not be available to attend the meeting on Tuesday but would find out if any of the Board Members could attend and get back with me.

Friday 6/2/06 4:30 PM

I called Advanced Community Management (281.251.2292) who represents the Terrace Brook Subdivision. I spoke with Tempia who took down the information regarding the meeting. She said she would forward the message to the owner of the company who would then forward the information to the Board Members.

Tuesday 6/6/06 AM

I spoke to Carole with the Windfern Forest Utility District (713.466.5075 – wfudbldg@houston.rr.com – 14410 Mauna Loa) regarding using their meeting room as was suggested by Kathleen Thames who represents Woodwind Lakes Neighborhood Association. Carole informed me that only the two HOA's (i.e. The Village of Woodwind Lakes) in their district can utilize the facility.

Tuesday 6/6/06 AM

I spoke to Kathleen Thames who represents Woodwind Lakes Neighborhood Association about the change in the meeting. She said she would email her Board regarding the change.

Tuesday 6/6/06 AM

I spoke to Kathy who represents Woodland Trails West CIA who said David Casal called us and asked us the questions he had for us and has not gotten back with her about attending a meeting with us. She said she would pass on the information about the meeting.

Wednesday 6/7/06 9:55 AM

I spoke to Dan Cleveland's spouse (713.937.8779) who said he actually belongs to the Woodland Trails North HOA not the Woodland Trails CIA. She said she would tell him of the meeting and have him call me.

Wednesday 6/7/06 9:45 AM

I left a voicemail message for Kathy who represents Woodland Trails West CIA regarding the meeting and asked her to return my call.

Wednesday 6/7/06 9:47 AM

I left a voicemail message for Ginger (Robinson) who represents Courtyard Glen HOA regarding the meeting and asked her to return my call.

Wednesday 6/7/06 9:50 AM

I spoke to Tempia regarding the Terrace Brook Subdivision. I asked her to find out if any of the Board members could attend the meeting.

Wednesday 6/7/06 10:30 AM

I spoke to Betty Evers the Board President of the Rolling Forks HOA who said she would forward the information regarding the meeting to the Board Members once she received it.

Thursday 6/8/06 4:15 PM
Sent the attached emails.

Woodwind Lakes Neighborhood Association: Kathleen Thames
(Kathleen@sterlingasi.com) Board President & Vice President interested
Courtyard Glen: Ginger Robinson (grobinson@scsmgmt.com) Waiting to hear back
from Ginger with mgmt co
Woodland Trails West CIA: Cathy (cwinfield@avrmanagement) Waiting to hear back
from Cathy with mgmt co
Terrace Brook Subdivision: Waiting to hear back from Tempia with mgmt co

Woodland Trails CIA: Left messages

Harvest Bend Meadow: No contact no telephone number
Alliance of Northwest Communities: No answer no voicemail
Association of Woodwind Lakes Homeowners: No contact no telephone number

Rolling Forks HOA: No according to Betty Evers (battalou@usa.net) (Board President)
The Rolling Forks HOA hold their monthly Board Meetings at The Castle.

Holiday Inn – 50 people – 1150 sq ft - \$150.00 + tax an hour

Reed Elementary is located at 8700 Tami Renee Lane

Stephanie Crisler

TIMOTHY LEAPER 713-856-7773 CHURCH
 951-257-4490 BUSINESS
 HE LIVES IN THE TRAILER ON
 THE CHURCH LOT.

From: Stephanie Crisler
Sent: Monday, June 12, 2006 2:57 PM
To: Stephanie Crisler; 'premmers@houston.rr.com'; 'babs456@swbell.net'; 'BeverlyOrr@houston.rr.com'; 'houston@clampitt.com'; 'ncangel16@yahoo.com'; 'tammy_duong12@yahoo.com'; 'Wags4ttu@aol.com'; 'laurabush@sbcglobal.net'; 'Suzanne M. Saur and Charles E. Jackson'; 'kathleen@sterlingasi.com'; 'grobinson@scsmgmt.com'; 'cwinfield@avrmanagement.com'; 'info@acmimgmt.com'; 'battalou@usa.net'
Cc: Mark Bower; Daniel Sereni
Subject: Location Change for Meeting Thursday, June 15th 7:00 pm Cornerstone Church RE: Rolling Creek Apartments

I apologize for any inconvenience this may cause but we have moved the meeting location to Cornerstone Church in the Courtyard Glen Subdivision due to recent notice that Reed Elementary will now be unavailable due to renovations. The meeting is still scheduled for Thursday, June 15th at 7:00 pm.

Cornerstone Church

MEET IN FELLOWSHIP AREA

Address: 7791 Hillbarn Drive

Location: Courtyard Glen Subdivision

Directions from Fairbanks N. Houston: Go East on Country View. You will see a Kinder Care on the corner of Fairbanks N Houston and Country View. Take a right at the second stop sign, which is Hillbarn Drive and the Church is located at the end of the street.

Please notify me either by telephone (361.980.1220) or email (scrisler@cynosuregroup.com) if you will be attending the meeting. Again, I apologize for any inconvenience this may have caused.

Sincerely,

Stephanie Crisler
 Cynosure Developers, LLC

From: Stephanie Crisler
Sent: Thursday, June 08, 2006 4:44 PM
To: Stephanie Crisler; 'premmers@houston.rr.com'; 'babs456@swbell.net'; 'BeverlyOrr@houston.rr.com'; 'houston@clampitt.com'; 'ncangel16@yahoo.com'; 'tammy_duong12@yahoo.com'; 'Wags4ttu@aol.com'; 'laurabush@sbcglobal.net'; 'Suzanne M. Saur and Charles E. Jackson'; 'kathleen@sterlingasi.com'; 'grobinson@scsmgmt.com'; 'cwinfield@avrmanagement.com'; 'info@acmimgmt.com'; 'battalou@usa.net'
Cc: Mark Bower; Daniel Sereni
Subject: UPDATE: RE: Meeting Thursday, June 15th 7:00 pm Reed Elementary School RE: Rolling Creek Apartments

UPDATE: I would like to emphasize that this meeting is NOT the public hearing held by the state. This is not a TEFRA hearing. The opportunity to express your concerns to the Texas Department of Housing will come when they arrange the meeting. We expect to keep this meeting small and non confrontational and we appreciate your consideration.

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 Cynosure Developers, LLC

From: Stephanie Crisler
Sent: Thursday, June 08, 2006 4:15 PM

6/12/2006

To: 'premmers@houston.rr.com'; 'babs456@swbell.net'; 'BeverlyOrr@houston.rr.com'; 'houston@clampitt.com'; 'ncangel16@yahoo.com'; 'tammy_duong12@yahoo.com'; 'Wags4ttu@aol.com'; 'laurabush@sbcglobal.net'; 'Suzanne M. Saur and Charles E. Jackson'; 'kathleen@sterlingasi.com'; 'grobinson@scsmgmt.com'; 'cwinfield@avrmanagement.com'; 'info@acmimgmt.com'; 'battalou@usa.net'

Cc: Mark Bower; Daniel Sereni

Subject: Meeting Thursday, June 15th 7:00 pm Reed Elementary School RE: Rolling Creek Apartments

Good afternoon.

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Sincerely,

Stephanie Crisler



802 N. Carancahua, Suite 1650
Corpus Christi, TX 78470
(361) 980-1220
(866) 728-2442 (fax)

Stephanie Crisler

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Tracking: Recipient	Delivery
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Mark Bower	Delivered: 6/8/2006 4:15 PM
Daniel Sereni	Delivered: 6/8/2006 4:15 PM

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6/8/2006

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802 N. Carancahua, Suite 1650
Corpus Christi, TX 78470
(361) 980-1220
(866) 728-2442 (fax)

Rolling Creek Apartments Qualification Guidelines

2006 Maximum Income Guidelines

--Annual household income cannot exceed the maximum income guidelines--

1 person - \$25,520	2 person - \$29,280	3 person - \$32,940
4 person - \$36,660	5 person - \$39,540	6 person - \$42,480

Rental Rates

1 Bedroom - \$606	-	Minimum Income Required - \$18,180
2 Bedroom - \$727	-	Minimum Income Required - \$21,810
3 Bedroom - \$826	-	Minimum Income Required - \$24,780

Capstone Real Estate Services requires all applicants to meet the following criteria in order to qualify for rental housing at Rolling Creek Apartments.

1. Total gross income must be at least two and one-half (2.5) times the amount of rent.
2. No more than two (2) occupants per one bedroom unit, four (4) occupants per two bedroom unit and no more than six (6) occupants per three bedroom unit.
3. Applicants who have been charged, detained or arrested for any type of felony offense or any level of offense involving a sex crime, assault, weapons or drugs that was resolved by conviction, probation, deferred adjudication, court ordered community supervision or pre-trial diversion will not be accepted.
4. Rental History: All applicants over the age of eighteen (18) are required to sign the Lease Agreement and must have a satisfactory, verifiable rental history (i.e., no prior evictions, late payments, NSF check history, unauthorized occupants or property damage). At least one (1) year rental history is required. If applicant does not have prior rental history, an additional deposit may be required.
5. Credit History: Applicant(s) must have a good credit history. Anyone with a bankruptcy or repossession may be required to post an additional deposit in order to be approved. No applicant who has a long term outstanding balance with another apartment community (more than 30 days) will be approved. All outstanding balances to other apartment communities or utility companies must be settled prior to receiving application approval.
6. The Head of Household must be at least eighteen (18) years of age or older.
7. You must include all sources of income, including but not limited to: (a) Third party verification from current employer, for each applicant over the age of 18. (b) Any additional sources of income such as child support, welfare payments, alimony, etc. (c) Bank accounts such as checking, savings, CDs, Money Market Accounts.
8. Pets must be 25 lbs. and under. Pet deposit is required. No more than two (2) pets per apartment.
9. Household income cannot exceed the maximum income allowed under the Low Income Housing Tax Credit Program upon move-in.
10. A household consisting of all full-time students does not meet the LIHTC requirements and will not qualify for housing at this property.

Home Owner Association Leaders Meeting Transcript
June 15, 2006

Mark: So, anyhow...Here's what we have done. Here's what I wrote down. We are going to go over the history of the business. The big issue is 1) Does it make sense to have apartments here at all? And when you resolve that issue - does it make sense to have the type of apartments that we are having? I want to address those issues really quickly, and then address the concerns you guys have brought up in the past, and the general concerns we hear when we are developing apartment communities. And also at the end, bring up and get ideas from you guys because a group of our investors are going to do a commercial development on the front of the property, and we are looking for ideas of what you guys want in the community. You may want...you know, there are lots of things this community needs more of - or wants - a CVS, restaurants, or that type of stuff. But there are about five acres on the front of that that we are going to do something with, and we have a few different strategies. So, I am open to what you guys are interested in. If you have a way you would like to input, or once we get that group together, if you guys are interested in being involved at that at all - please let me know.

Anyhow, you know, obviously from the history point of view, we have been around a while. You have gotten to beat up on me a lot. Last Friday we attended the Texas Department of Housing Board Meeting. We got our inducements, so basically we have to prove this development again - to start again. We will get a bond allocation probably Friday or Monday from the Bond Review Board, and that happens because we applied for bonds. That's the way our program works. We applied for tax credits and bonds. We will get our bonds. Then we have basically 150 days to get to closing. That's what makes our deal a real hard deal, because if you miss the 150 days, you have to start over. And that is what we are doing. We are going to start them all over again.

But, our goals- you kind of know dates. They are trying to get the public hearing scheduled, which is called the TEFRA hearing - a notice that will be on the sign out there - hopefully set for August 1. Obviously, we are probably trying to get it at the same school where we had it last time, and we are shooting for the August board meeting. We don't need the full 150 days. We have done everything. We are basically permit-ready. We could build quickly, if we had all our approvals. We have gone through all the process with our lenders and our tax credit investors, and they are probably 90 percent through their due diligence - and everybody loves it - and we will have final commitments - their boards will meet here in the next couple of weeks - and make final commitments to the TDHCA that they have committed to invest in the project. So, we started early, and we are very fast along, but now we are basically waiting for the process - to get through the TDHCA process and the public process. It will take about 90 days until we look to close.

Mark: Hello. What member are you from?

Man 1: Woodland Lakes.

Mark: So anyhow, I was just kind of telling them quickly what the time frame is and what our schedule is. The big picture, as far as the market is concerned is basically that the tax credit apartment market is 99.5 percent occupied - as a rule. So, basically, it's 100 percent. The little incremental market part that is not occupied is turnover. When you take market rate apartments into account, the Houston market is about 96 to 97 percent occupied - as a whole. So, common sense will tell you - and we have the market studies, we have done a lot of market studies - and common sense will tell you that this market needs apartments, and that's why apartments are a big priority. You know - the mayor, everybody in the City and County governments have gone to Washington and begged Washington to help encourage developers to give us more incentives to put more communities out there, and the federal government has responded - so Houston is going to be booming for a while. There is a sense now - if you consider the New Orleans market - that obviously you have a lot of people here from there. There is a question about if the residents will return to New Orleans. The very first apartment complex (it is now one year after the hurricane) that is on the planning board just recently got approved. So, the New Orleans market is not going to rebuild for now. Some people have that hope or thought - or whether there is a hope or not hope - basically there is that belief that people will go back to New Orleans? And certainly some people will, but the general consensus has come along that most of the people that have been here for over a year now are going to settle. They are going to settle, and have settled, and will for the most part stay here. So, that is where you are finding market studies consistently going. You take that factor into consideration, but the New Orleans factor is not a significant part of the community. And percentage wise, that really isn't a big part of the community - like 2 percent or something for the population, but that is all it took to fill up the rest of the apartments for the apartment community. So, obviously, they are planning apartment communities.

That particular piece of land that we are talking about is about 23 acres. The new single family development next door - that developer told us that single-family housing doesn't work on our property. We talked to him and he won't use it for single families because it is a piece of land with separate mud districts and needs dedicated detention. We have to dedicate almost 5 acres, 4 1/2 or 5 acres to a detention pond. So, basically, the land becomes too expensive and they can't get a high enough density of single family homes on it to make it worthwhile. So that land is going to be one of two things. It is going to be apartments or industrial. If you look to the long term, and read studies about Houston, you will see that the next 15 to 20 years the population is going to approach many many millions. You talk to any of the county commissioners, and their biggest struggle is figuring out how to get the funds to pay for the roads to build the infrastructure for this growth. This is one of the largest cities in the country.

Hi, there. (People come in.) (I'm Patricia) Hi, there.

I was just giving everybody a quick background about our timing and what we are doing, and I will catch you guys up on that at the end and answer those questions – like about the overall market picture. I am just going into what we are going to do, and what your concerns are - then the goal is to listen and see if there are any ways I can address your concerns, and I will be happy to do anything that we can do.

I was just talking about the markets. And basically, I said that land will be either apartments or industrial. We are going to build apartments on it, in one of two ways. There are two ways you can build apartments here. You can build, using some sort of government program. It's not really a government program, but it is the type of program that we are in, or you can build market-rate apartments - either one. We have lined up our financing for a market rate project. We are not willing to take this to a fourth year, but we have put enough money in it, and we are not willing to lose it, either. And again, all our investors and all the lenders - all that believe it is a great market to be in. So, apartments will go there. We are willing to listen to any questions and concerns you have about that, but the bottom line is you are going to have apartments, so what you have to look at is what type of owner you want there. You know, you are going to have one of two types of owners. You are either going to have a market rate owner, or you are going to have a tax-credit owner. A market rate owner is somebody - like I have friends that sell market-rate apartments, and again the market in Houston is great if you are an apartment owner, because they fill up fast and you turn them over. So, as a market rate owner, my goal would be to make it cash flow as much as possible in the short term, so I could turn it over and sell it in two or three years. I have a friend that just sold an apartment complex. He finished it last year and it has been 100 percent full for a while, and he just sold it and made a fortune selling a great complex.

So that is the focus that I would have if I became a market rate owner. A market rate owner does not have after-school care, does not have community services. When you look at what is the same, the construction is 100 percent the same. There is no difference.

The tenants are basically the same, because there is not a different market area that we are going to go that would bring us different tenants. The tenants are typically people driving down your street. We are going to have the exact same qualifications to get people in. The only thing we won't have, is we won't have that upper level income cap that limits people when they first move in to a maximum amount of income. So, we will have some people that make higher amounts of income. But, when you talk about...you know, our tenants, once they qualify for their income, they can get raises, so a family that is making in the mid-30's can be eventually be making in the mid-40's. Or, a family making in the 40's can be eventually making up to 60's. So, you are not going to have any different type of tenant, materially speaking, whether we put market rate apartments there, or whether we put tax credit apartments in here. 80% of the tenants will be the same people. So, in

that regard, whatever the concerns are about crime, traffic, schools, all that - the same things are going to happen. It is not going to be any different whether it's a market rate or tax credit community.

So, that is why I want to get to that point, where you guys, as more or less the community leaders, understand what is going on. We have done some things specifically to address your concerns. We have spent some significant money, because we understood your concerns, and we felt it was the right thing to do, and we will tell you about those, and we are happy to listen to more things like that. You know, bottom line, when you look this project, ask yourself if you are better off with a market rate or tax break community owner.

(Passing out papers) I am handing out tenant qualifications - I don't remember if you have had these before - but you can see what a person has to make to live in a place like this, and what kind of rules we follow.

I guess you know that in a community, as far as crime and everything, is all about what kind of sense of community you create. And a sense of community is really created in apartment communities by your management company - how well a job they do, how well a job do they do screening the applicants, how well of a job that they do enforcing the rules. Because of that, we have hired Capstone Property Management. They are the largest property management company in the state. They are the type of company that when we go to our lenders and when we go to the people that are investing in these projects, they go, "Are you using Capstone? They're great. We are very happy with that decision. They manage great communities."

Anyhow, let's go back. There are differences. I want you to see the differences. In the tax credit program, we are required to own this property for 15 years by law. So, I have no choice but to be an owner that looks to the 15-year horizon - I have a totally different outlook on how I have to manage the property and how I have to make sure that it is managed. It is not a "How much money can I get out today" - it is "Will this thing be a good community in 15 years?" Because, then my goal - if I want to get equity and sell it, as other owners typically do - I have to look at how am I going to sell this thing in 15-plus years from now - and that is 15 plus years after it gets built. So, you must realize that the owner who keeps something for fifteen years or the owner who works as a short-term - 1 or 2 year owner - is a night-and-day different person.

If we are in the tax credit program, we will be heavily monitored. The State will be required to monitor us. If we are a market-rate apartment, we are not required to have any services for our tenants, we are not required to do anything; we basically pay our taxes and anything else. We are just a basic business. Under the tax credit programs, there is a lot of oversight. So, my point to you would be - if you are looking for someone that is going to be a part of the community for 15-plus years - that is what we are going to be by

being part of the tax credit program.

By the way, we are the same. It is the same community, either way, whether you have a market-rate or a tax credit apartment; and my point, again on that piece of land, all that piece of land is either going to be is either industrial or apartments. The single-family developer will not build there - and you can ask the developer next door; he wouldn't buy it - because it is too expensive and he can't get enough density out of it.

So, the issues we have to address - the issues that guys have brought up are property value issues, crime issues, people brought up questions on the environment, you have got flooding, traffic, and school issues. You guys have also had the strategy of finding a bunch of smoking gun issues, checking on my background or whatever, seeing if that would somehow trip up the process. So, those are the basic issues that we have. As far as the property goes - the issues on property values - I would tell you over and over, the TDHCA has a link that cites a bunch of studies, and there is no statistical evidence and nothing shows that property values are impacted one way or the other with apartment communities next to them. It doesn't increase their values, and it doesn't decrease their values. I am moving to Houston after the summer. Houston is one of those places that you chose to live in. You are in a city that has no zoning. This is the largest place in the country where there is no zoning. That is why Houston is a hodgepodge of what it is. We are going to have industry next to residential and we are always going to - until the citizens elect to enact zoning. I think it a smart idea, but we don't have it.

Crime. When you study crime - crime statistics are basically the same. 250 apartments are going to produce roughly the same crime as 250 single-family homes. The only reason you have any difference, is because the property is managed poorly. So, to the extent that you can find people that have examples of an apartment neighborhood that is just horrible to live in, and it is an affordable community, it is because it is not managed properly. I can find you numerous, numerous more neighborhoods that are managed very well, where you have that community feeling, and where people walk around with their kids, and ride their bikes at nighttime, and it is no difference than any other community. And again, that is our goal - to manage it properly. As an apartment owner for 15 years, I don't want to something to get torn up. I have to put a bunch of reserves in savings, my lenders are requiring this, to keep the property looking as new as possible in 15 years.

Lady: Would that be because you want would want to live here yourself?

Mark: Certainly. I wouldn't have any problem living in these places. My sister is going to going to move into one of them. I have no problem with it.

Lady: Would you plan on moving in?

Mark: I wouldn't qualify. I am building multiples of these, so I can't live in multiple places, but if I lived in the neighborhood - would I have a problem living next door to one? No. I live in Corpus Christi now, and like I said, I am moving here. I lived next to our country club, and next to the golf course, is a big affordable community. There is nothing wrong with it. It doesn't hurt our community. It doesn't hurt the value of the Corpus Christi Country Club. It doesn't do anything. It is not a bad place to live. These are nicer places to live than where I lived going to college. These are not bad places.

Now, people have brought up some environmental issues. I will just tell you, and you know it is a very dirty property. There is tons of trash on that property, but I am going to spend a lot of money to have that cleaned up. We have done the environmental studies. So, if anybody is an engineer, you will know that first you do a Phase One - which identifies any potential problems. Then you do a second study, which is called a Phase Two, which basically tries to ascertain if any of those potential problems are serious. And we have done that. So, there are no real issues there. The biggest issue is that somebody used to drill wells here, so there are some oil wells tapped off and there is some light contaminant in some of the soil, but we drilled and have done core samples, and everyone believes it is easy to mitigate, so... And so there are no real environmental concerns.

Now the kind of issues like flooding, traffic, and school issues...people complain about flooding. Houston floods everywhere, yes, and people are complaining about apartment complexes contributing to flooding, but I have not seen a big stink about all those single family developments around here. The bottom line is that it's hypocrisy to say - "We don't want those apartments here, because they are going to flood, versus a house." We get a lot of that argument, so it is one of those arguments that really no one takes very seriously. But, I will tell you, in a flooding-type issue, engineering today is different than it was 20 years ago, and many of the current housing developments are older...and that is one of the reasons we are required to put a 4½ acre detention pond in there. Our land is designed to continue to absorb as much water after construction as it does right now. The detention pond and all the land is designed so that everything flows into it.

You guys are welcome - and this is something I would offer - if you guys have an engineer - if one of you is an engineer - if there is an engineer for your MUD - if you would like to have someone look at our engineering - you are welcome to. We very specifically told our engineer that we don't want water running into the neighborhoods next door when it rains. It all needs to run on our property, and that is obviously the way they are supposed to do it. But we are very emphatic, because we know it is a big concern, and we are next to some single-family houses. So, if you have got somebody that wants to look at that, and make sure they have done a good job, you are welcome to it. Yes, ma'am?

Lady: Show us where is your detention pond? How deep it it?

Mark: Right in front of the road. Here, this is the detention pond. This will be commercial, that is the pond...(explaining). Yes, right through.. that's Gatehouse. The piece on the front will be commercial. The piece right behind it where that line is going through will be the detention pond going back to Gatehouse, and then you have the apartments. Like I said, if you guys have somebody, if your MUD's engineer, or if you have somebody that you would want to review our plans to make sure we did a good job, you are welcome to them.

Traffic. There are two issues with traffic. And one is general traffic. We are paying (even though I will tell you here the result), we will pay a company to come do a study, and what are they going to say? They are going to say there is a lot of traffic. You put 250 apartment units on there, and the impact on traffic is not going to be material. Basically the major traffic count there was quite a few years ago and showed over 8,000 cars going back and forth across the road. If you built 250 apartments compared to 250 single family homes, there are less cars per unit in the apartments, on the average. There are about 1.7 cars per unit on apartments, and there are 2 point something on single family homes. So, we will have less cars per unit than single family homes. Apartments will have less people who work from 8 to 5 compared to people in single-family houses. So, you are not going to have everybody leaving the place at 8 in the morning and everyone coming back at 5 o'clock. You will have a lot of retail workers and service-industry type of workers coming from our apartments. So, that is that side of the traffic.

Another aspect of the traffic issue is something we are able to do something about - because everybody complained about it - and that is Gatehouse Road. We understand the sensitivity to that. We are not required to build a road coming from Gatehouse to Fairbanks North Houston. The city did not require that. The city forced us to connect the two neighborhoods on Gatehouse. They said we had to do it for fire and emergency reasons. They needed to have more than one way to get out of the neighborhoods. So, we had no choice, it was the city. It was purely optional if we wanted to come to Fairbanks North Houston. They didn't care. So we are coming out to Fairbanks North Houston, and it is a county road (so this is an expensive road, it is not a driveway). On top of that, we have worked out a deal with the land owner - the guy that owns the corner lot - and we are moving onto his land, so we can tie into the stoplight on Tami Rene. We will be cutting out all the medians and it will be a four-way stop light instead of a 3-way stoplight.

You know, common sense tells you that the majority of the people of our tenants will go into their place through the stop light and leave through the stoplight - it's direct access - and they will less likely drive into the two adjacent neighborhoods, and that is the best we can do. That is probably a \$400,000 investment; the stop light is about \$106,000. That is something we feel like was the right thing to do, and it was something we have control of.

Lady: On the north side, is there access into Terrace Brook, right here at Claret Cove Lane?
Does Gatehouse go on into Terrace Brook there?

Mark: Yes. You see, there are kind of off-set. They are not the same distance back, or if you drive on that Terrace Brook it is a little further back on Gatehouse, but they require you to go through on both sides. Will people drive into your neighborhood? Certainly. I have no control over that - it is a city requirement. We tried everything. We tried putting fire gates - to see if they would just let us put the road and put fire gates there - and they absolutely refused. We appealed multiple times, and if they would change their minds, we would be happy to change. We could care less. It is not important to us to have access going into the side neighborhoods, but it is a city requirement for fire safety.

Lady: Are you telling us that it is a city requirement, even though when we don't live in the city?

Mark: Whoever permanently decides on that.

Ladies: (Discussion.) But is it the city or the county?

Mark: I am guessing it is the City. I am the financial guy – a CPA. My partner Dan, if you have seen him, is into the construction. I am thinking it is the City.

Lady: So that entrance into the subdivision, into our residence off of Gatehouse, will not be gated?

Mark: It will not be gated. It will be an open road. We appealed that numerous times. We took different people. And we got a different engineer to appeal it. We have one set of engineers for this. We have another set of engineers for another project. We took them up to approach the city, because they said they had more clout, but the city wouldn't budge. Whenever and however this tract gets developed, those roads will connect.

Lady: What about the entrance off of Wine Hill, going into your area?

Mark: What's Wine Hill?

Lady: It is access denied.

Mark: Is that the back end there?

Lady: Yes.

Mark: That they didn't require it, because of some rule on distance or something. That is basically blocked off, and that is permanent, so no one will go in that way. So that is a permanent end of a road. This little road going across here, Gatehouse Road, as far as I am concerned, is one we don't need. But, that is what the city is making us do (I think it is the city). But we put the other road in because it makes more sense to the apartment, it is more attractive to the apartment owners, and it is better for you guys. So, that is the two things on traffic.

Schools. Nationwide, and in this entire county the schools are full. Most all the schools have trailers or whatever you call them - portable buildings. We have them all over Corpus. My daughter's school, every school, has portable buildings. So, I don't know if that is part of the way the schools are planned. You have one of the largest school districts in the country; and, if this gets approved, they know there will be another 250 families moving in. They know statistically about how many children that will be, and they will plan on it and it will happen about two years down the road. And that is just the nature of having one of the largest school districts in the country.

Lady: The birth rate.

Mark: Yeah. That is just what is happening.

Do these school districts have a lot of what you call "problem kids", or kids that need a lot of attention? Certainly. They already have that, and that is just the community. That is Harris County. That is the City of Houston. Our students won't be any different, except we are going to have everyday after school tutoring in our places. Our goal is to establish that feeling of community. Parents care about their kids. These are not parents who move into apartments with kids, hoping they will run around and become gang members. If there is a structured environment there where someone will look after their kids - We build a clubhouse that is about twice the size of an average clubhouse - that is what we have in tax-credit communities - much larger clubhouses. We have two giant schoolrooms, and like a center thing for the tutoring. We have two rooms, so we can divide by age. Because we don't want second grade kids in with junior high kids, or whatever. It will be full of computers and tutors to help them get through their homework. Also, there are numerous other social services that we provide. But that is really the social service for the most families.

Lady: What exactly will be partitioning Courtyard land away from the apartment complex? The residents that live off of Sienna Drive want to back up against the wooded area now.

Mark: These people here? There definitely will be a fence.

Lady: Is it going to be like more space? Or are you just saying the apartments are going to go on the front?

Mark: That's parking. We pulled the apartments in so that there would be space. We don't want the apartments right next to you, looking into your backyard. So, we pulled them in as close as we could, and first we put any garage units - there is one in there. We pulled in front of that and put the parking garage to go around, and then we pulled the building in as close as we could. So we planned it to have the buildings as far away from your homes as possible. And they will be fenced. Some sort of fencing.

Lady: Do you have any idea what kind?

Mark: My guess is that - you know - it is not going to be a brick fence. It will be just like those post things and spaced around. I mean, that is one of those things. We are not... You know, fencing is expensive. It is a tall fence, I know that. It is not something that can easily be climbed over. Most of the houses driving through there already have like wooden fences or something, so their backyards are already private, but if privacy is an issue, we could do something maybe with our fences, to fill them in or something, so that they maintain some privacy. When I think of ideas, those are ideas of something I have got control over. I have control over how well the property is managed, and to make sure it kind of has that community feeling, and that it is well taken care of. Because I don't get my home run, if you believe that we are in this for the money and that's the goal, I don't get my goal for 15 years. So, if I am going to get my goal in 15 years, then I have got to make sure it is well taken care of, so...

Man: Do you think that that fence will be built, or will it be utilizing the current fence that is already there?

Mark: No, it will be built. We have to build our own fencing.

Man: But technically you don't. I mean, there is a fence there. You don't have to put up a fence.

Mark: But we are offering that. So that is an absolute. We are putting up a fence; we are totally fencing in the neighborhood. We will have gated access in and out.

Lady: Because the day that he jumped off the back fences of our subdivision that backs up the back yards of our subdivision...

Mark: Do what, now? I'm sorry?

Man: Yeah. Do you think that, I mean will - this is a trivial issue in the grand scheme of things - but, it seems that that would be a great time to just take out the current fence and reestablish new fencing all the way through, unless there is a space between the - which I can't imagine that there would be-

Mark: The space is not going to be... It will be like that and a bunch of grass is going to grow real high.

Lady: That would be good, if there is grass growing high, that is...

Lady: That is the property line for the patio homes that live back there.

Man: You don't want dead space back there, so what I would think is that ultimately, if you think the fence is going to be rebuilt, then the fence will be taken out that is there, and then a new fence will be installed, so the benefit might fall on the homes.

Mark: All these people have a common fence on this street? Is that how it is?

Lady: Yes. (Discussion) Instead of having their fence that is existing and a dead space and another fence, just have a nice new fence as their back fence and move forward.

Mark: I can't build on their land, so we are still are going to have to build on our land.

Man: Sure, sure...but that is a technicality. In fact, we just had over behind my house, they built the property, and I tried to get my neighbors to go in, not because I think I am better than anybody else, but I like my privacy. So we went with an 8-foot fence. I love it. My neighbors didn't want to pay for it. So, mine goes 8 foot, and then just drops off, and theirs is 6-foot. It is a shame.

Lady: Also, the CVS Pharmacy was built there and it is negotiation on the other side of section _____ they were having a taller fence. Those neighbors that backed up to the CVS Pharmacy. So that might be a good idea, to have an 8-foot fence back there.

Mark: If you would give me...I would be happy to look and see what we have planned, and would be happy if you have a point person you would like me to visit with, I would be happy to see what we can do, and have whoever it would be from our company come out and see what it would take to do that.

Man: What is amazing on, once again on this trivial issue, is that the difference between 6-foot and 8-foot is about 8 foot. Because, when you are looking over a 6-foot fence, especially if you are Mark, or if you are as tall as Mark, he can almost see over a 6-foot fence. But your trajectory raises up that two feet so you can't even see the rooftop of the neighboring house over an 8-foot fence, and it is an amazing difference. My wife looked out and she said, "That is a lot taller than 8-feet," and she is an engineer. (Laughter.)

Lady: Two feet really do make a difference.

Man: Yes, it is true. It is tremendous. There are multiple reasons the neighbors along here would be very pleased to see an 8-foot versus a 6-foot fence put up. And obviously, they would be very pleased to get their back fence in place.

Lady: And I would suggest building something other than with pine. I would suggest going with that new type of fencing that is out that I have read about by the manufacturer of Party Plank. It is a plastic-type thing that is not going to deteriorate.

Mark: I think that is what we are using now. They make it to look like a railing or something, but it looks like wood. Yes, we argued for that. Because, like you say, that is going to last forever, and then we don't...

Lady: It is just useful to have something like that. In the long run, it costs you less, because you don't have to replace it, and it is...

Mark: That's right, and I agree, so...

Lady: I feel like anybody that backs up to an apartment like this deserves to have everything done for them.

Mark: And I agree to that, and if I was living back there, I would want the exact same thing, so...

Lady: And the same thing with the Terrace Wood residents...

Mark: Right. No, whatever we do on one side, we will do on the other; we will do it on all three sides, the backside, too, because there are going to be new homes over there. Who should I contact? Should I contact whoever is in charge...who is in charge of the Courtyard planning? Who is in charge of that home owners project? **(End of tape)**

Mark Bower

From: Mark Bower [mbower@cynosuregroup.com]
Sent: Tuesday, July 11, 2006 10:58 AM
To: 'melissabrandon7886@yahoo.com'
Subject: Fencing around Rolling Creek

Dear Melissa

Thanks so much to you and the other residents for meeting with me a couple of weeks ago.

I went through our plans and am studying the fencing issue. Because everyone else had fences, our original plans called for putting up chain link fencing. However, at your suggestion, we are changing our plans to replace this with some type of wooden fencing. I am looking at two alternatives – 7' vs 8' fencing and wood versus synthetic (like a hardi board) fencing. Once I am comfortable with which alternative we can choose, I will let you know. We will push this fencing as close to the property line as possible so that residents who wish to use the back of our fencing as their fencing may do so.

Please pass this information on to those residents who are interested. Thanks again for meeting we us; and I am, as always, open to any suggestions you may have.

Mark T. Bower, CPA
CEO



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**APPRAISAL CONSULTING ASSIGNMENT
C06-1147-B**

**INVOLVING THE EFFECT OF THE PROPOSED
ROLLING CREEK APARTMENTS,
A PROPOSED 248-UNIT APARTMENT DEVELOPMENT
LOCATED ON THE EAST SIDE OF FAIRBANKS NORTH HOUSTON ROAD, SOUTH
OF TERRACE BROOK, HARRIS COUNTY, TEXAS, ON THE CYPRESS FAIRBANKS
INDEPENDENT SCHOOL DISTRICT
AND ITS PROJECTED TAX REVENUES
AND THE EFFECT ON THE FRONTING ROADWAY**

FOR

**MR. MARK BOWER
CYNOSURE DEVELOPMENT, LLC
5430 HOLLY ROAD, SUITE 8
CORPUS CHRISTI, TEXAS 78411**

BY

**PATRICK O'CONNOR & ASSOCIATES, L.P.
D.B.A. O'CONNOR & ASSOCIATES
2200 NORTH LOOP WEST, SUITE 200
HOUSTON, TEXAS, 77018**

**EFFECTIVE DATE OF THE MARKET ANALYSIS
JUNE 6, 2006**

**DATE OF THE REPORT
JUNE 6, 2006**



June 8, 2006

Mr. Mark Bower
Cynosure Development, LLC
5430 Holly Road, Suite 8
Corpus Christi, Texas 78411

Reference: **The Rolling Creek Apartments:** A proposed 248-unit Housing Tax Credit apartment project, located on the east side of Fairbanks North Houston Road, south of Terrace Brook, in Harris County, Texas.

Dear Mr. Bower:

At your request, we have completed an appraisal consulting assignment for the purpose of analyzing the potential effect of the above-referenced property on the Cypress Fairbanks Independent School District and projection of the estimated tax revenue the proposed subject property would likely generate for the taxing entities; as well as the effect of the proposed development on the fronting roadway. The effective date of the study is June 6, 2006. The date of the report is June 8, 2006.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section.

No other persons provided significant real property appraisal consulting assistance in the preparation of the market analysis.



Patrick C. O'Connor, MAI, President
W. F. Trotter, Jr., MAI

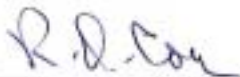
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Mr. Mark Bower
Cynosure Development, LLC
June 8, 2006
Page 2

We certify that we have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that our fee is in no way contingent upon the conclusion. We are neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to our current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of our conclusions.

Respectfully submitted,

PATRICK O'CONNOR & ASSOCIATES, LP
d.b.a. O'CONNOR & ASSOCIATES



Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G



W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- (1) No survey of the subject property was undertaken and the appraiser(s) assume no responsibility associated with such matters.
- (2) The report conclusion is based on responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- (3) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser(s) assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits which have been furnished and have been used in this report are not guaranteed.
- (4) The report conclusion rendered herein is considered reliable and valid only as of the date of the assignment, due to rapid changes in the external factors that can significantly affect the property value.
- (5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- (6) Appraiser(s) assume no responsibility for any hidden agreements known as "side letters", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- (7) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other appraisal and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- (8) The appraiser(s), by reason of this report, are not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made therefore.

- (9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- (10) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering which might be required to discover such factors.
- (11) The construction and physical condition of the improvements described herein are based on plans and drawings provided by the applicant. No liability is assumed by the appraiser(s) for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering which might be required to discover such factors. We urge the user of this report to retain an expert in this field.
- (12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser(s) nor did the appraiser(s) become aware of such during the appraiser(s) visit. The appraiser(s) have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the conclusion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- (13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future, rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser(s) to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- (14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.

- (15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- (16) The assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- (17) We have not made a specific compliance survey to determine if the subject property is in compliance with the American Disabilities Act (ADA). It is possible that compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA could reveal that the subject property is not in compliance with the Act. If so, this could have a negative effect upon the value of the subject property. Since we do not have any direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in analyzing the proposed subject property.

PURPOSE OF APPRAISAL CONSULTING ASSIGNMENT

The purpose of this assignment is to analyze the proposed subject property's affect on the Cypress Fairbanks Independent School District and to project the likely tax revenues it would generate for the taxing entities; as well as analyzing the effect on the fronting roadway.

Definitions

The following applicable definitions are abstracted from The Appraisal of Real Estate, Twelfth Edition, by The Appraisal Institute.

Appraisal Consulting

"The act or process of developing an analysis, recommendation, or opinion to solve a problem, where an opinion of value is a component of the analysis leading to the assignment results.

SCOPE OF APPRAISAL CONSULTING ASSIGNMENT

Scope of Work

The scope of work for this appraisal consulting assignment included 1) interviewing leasing agents and managers of existing HTC complexes in or near the subject's market area to estimate the number of school age children the proposed subject would likely generate; 2) interviewing personnel from the school district to ascertain the existing enrollment, capacity, and future building plans; 3) analyzing the above-mentioned data to determine the effect of the proposed subject on the Cypress-Fairbanks Independent School District; 4) obtained information on the current assessed value of comparable Tax Credit complexes in or near the subject's market area; 5) analyzed the above-mentioned data to project the assessed value for the proposed subject and the potential tax revenue it would likely generate; 6) interviewed personnel from the Texas Highway Department and local governments to obtain current traffic counts and proposed future roadway expansions; and 7) analyzed the data described in #6 to determine the likely effect of the proposed subject property on the fronting roadway.

Use of the Assignment

The use of this assignment is understood to be for decision-making purposes of the client. The client, Mr. Mark Bower of Cynosure Development, intends to use the report in his planning and development of Housing Tax Credit apartment complex, Rolling Creek Apartments. The problem to be solved is project the likely assessed value for the proposed subject and the tax revenues it would generate, analyzed the effect the proposed subject would have on the Cypress-Fairbanks ISD and on the fronting roadway.

Development and Reporting Process of the Assignment

Market data was obtained from sources deemed to be reliable, including, but not limited to, on-site personnel. This report fully discusses all pertinent data, descriptions, and discussions germane to the subject of this report. A copy of this report and the data included herein have been retained in our files.

Effective Date of the Assignment

The descriptions, analyses, and conclusions of this report are applicable as of June 6, 2006.

Date of the Report

The preparation of this report was completed on June 8, 2006.

Data Sources

OConnorData.com, apartment data program, relied upon by leading brokers, investors, and developers for third-party apartment information for the region, was consulted for apartment statistics. Comparable property assessed values and current tax rates were obtained from the Harris County Appraisal District's website. Traffic counts were obtained from governmental sources. Information regarding Cypress Fairbanks ISD was obtained from Cypress Fairbanks ISD personnel and their website.

AD VALOREM PROPERTY TAXES

The subject property is a portion of the following account number by the Harris County Appraisal District: 042-040-000-0033. The taxing authorities for the subject are delineated below, along with the applicable 2005 tax rates for the taxing jurisdictions.

<u>Jurisdiction</u>	<u>2005 Tax Rate</u>
Cypress-Fairbanks Independent School District	\$1.800000
Harris County	\$0.646270
Rolling Fork PUD	\$0.400000
N. Harris-Mont Co. College District	\$0.120700
HC ESD District 9	<u>\$0.060000</u>
Total	\$3.026970

The Harris County Appraisal District has a 2005 assessed value for the parent tract (23.50 acres) of the subject property of \$549,887.

In order to estimate the tax liability of the subject property, the assessed values of other HTC projects were researched. The following are HTC properties in or near the subject PMA, and their assessed values. The Park @ Woodwind Lakes are located at 14333 Philippine, and are currently assessed at \$5,899,641, or \$40,970 per unit. Sugar Creek Apartments are located at 11501 West Road, and are currently assessed at \$6,874,767 or ±\$28,645 per unit. The Saddlewood Apartments are located at 9955 Bammel North Houston Road, and are currently assessed at \$6,935,203, or ±\$36,121 per unit. The Park @ Fallbrook Apartments are located at 10155 Bammel North Houston, and are currently assessed at \$8,538,434, or \$30,494 per unit. Other newer HTC projects in the Houston area are assessed between \$20,000 and \$40,000 per unit.

For the purposes of this analysis, we project the subject assessed value will be approximately \$30,000 per unit, or \$7,440,000 on an "Restricted" basis. Based on the subject's current tax rate of \$3.02697 per \$100 of assessed value we anticipated the real estate tax burden will be approximately \$225,207 on a "Restricted" basis, which equates to \$908 per unit annually.

Over the 30- year term of the rent restrictions, the proposed subject property would generate tax revenues of **\$6,756,227** based on the projected assessed value and the current tax rates.

The following table depicts the 30-year projected revenues to the various taxing entities

Jurisdiction	Tax Rate	30-Year Revenue
Cy-Fair ISD	1.80000	\$4,017,600
Harris County	0.64627	\$1,442,475
Rolling Fork PUD	0.40000	\$892,800
N. Harris-Mont Co. College District	0.12070	\$269,402
HC ESD District 9	0.06000	\$133,920
TOTAL	3.02697	\$6,756,227

Cypress-Fairbanks ISD Analysis

According to the *State of the District 2005 Cypress Fairbanks Independent School District, A Message from the Superintendent*, enrollment at the end of the 2005-2006 school year was over 85,000. Enrollment is projected to increase to over 120,000 by the year 2020. This represents a 41.18% increase, or an average increase of 2.94% annually. The average annual increase translates to a projected 2,500 additional students annually. The projected students generated by the proposed subject (211 students) represents only 8.44% of the projected annual increase in student enrollment for a single year.

The subject site is located on the east side of Fairbanks North Houston Road, south of Terrace Brook. Students in the proposed subject would attend the following schools:

	School	Current Enrollment	% of Capacity	Available
Elementary	Reed Elementary	975	0.975	25
Middle School	Kahla High	1352	0.903333	145
High School	Jersey Village High	3115	0.998667	4

We surveyed the following HTC complexes in or near the subject area to estimate the number of students the subject development might contain.

Complex	Units	Estimated Students	Students/Unit
Arbor Oaks	298	265	0.88926
Copper Tree	324	125	0.38580
Fountains @ Tidwell	188	75	0.39894
Park @ Fallbrook	280	100	0.35714
Park Lane	325	225	0.69231
Sterling Grove	346	350	1.01156
Sugar Creek	240	100	0.41667
Tidwell Estates	132	250	1.89394
Woodglen Village	250	400	1.60000
Average	265	210	0.84951

The Danter Company reported from a survey of HTC properties that the average HTC unit generates 0.78 student. To be conservative, we have utilized the higher ratio of 0.85 students per unit. Given the

subject's 248 units, this would equate to approximately 211 students.

The Cy-Fair ISD reported the following average percentage breakdown of students

Elementary	49.55%
Middle School	27.97%
High School	22.49%

Utilizing the percentages above would result in the proposed Rolling Creek Apartments generating the following students

Reed Elementary	104
Kahla Middle School	59
Jersey Village High School	47

The following table depicts the existing capacity in those school affected by the proposed Rolling Creek Apartments, and the projected students generated by the proposed subject.

	Est. Students from Subject	Existing Capacity
Reed Elementary	104	25
Kahla Middle School	59	145
Jersey Village High School	47	4

According to the Cy-Fair planning office, students in properties directly north of the subject will be changed to Frazier Elementary, which will free capacity in Reed Elementary. Additionally, Cy-Fair has 17 new schools planned with 5 new schools coming on-line next year or having recently come on-line.

Based on the current conditions in the ISD and the projected students which the proposed Rolling Creek Apartments would likely generate, it does not appear that the subject development would place an undue hardship of the capacity of the Cy-Fair ISD.

Additionally, administration of Cy-Fair ISD reported that if classes start to fill, portable buildings are added.

TRAFFIC STUDY

The following table depicts information regarding the roadway which the proposed subject property will front, including the most current traffic counts available, proposed construction, existing configuration, and surrounding development:

FAIRBANKS NORTH HOUSTON ROAD, SOUTH OF RODNEY RAY ROAD		
Traffic Flow/24 Hr.	28,739 cars (2/05)	Fairbanks North Houston Rd.
Street Configuration	2 lanes in each direction with left turn lane, divided roadway with concrete curbs and gutters	
Proposed Construction	No construction currently planned. Fairbanks North Houston Road was expanded 3-to-4 years ago to its current configuration.	
Surrounding Development	Commercial development, church, new single-family residential subdivision to the north of the proposed subject, and vacant land.	

CONCLUSIONS:

Due to the existing high traffic counts on Fairbanks North Houston, the impact of the proposed subject property is anticipated to be negligible.

Certification of Appraisal Consulting Assignment

We certify that, to the best of our knowledge and belief, ...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions conclusions, and recommendations.
- (3) We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (4) We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- (5) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (F) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (7) Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics of the Appraisal Institute, the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.
- (8) Robert O. Coe, II has visited the subject site. W. F. Trotter, Jr. has not viewed the subject site.
- (9) No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- (10) W. F. Trotter, Jr. is an MAI Member of the Appraisal Institute and has completed the continuing education program of the Appraisal Institute. The bylaws and regulations of the Institute require each member to control the use and distribution of each report signed by such member.



Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G



W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

EXHIBITS

HARRIS COUNTY APPRAISAL DISTRICT
 REAL PROPERTY ACCOUNT INFORMATION
042040000033

Tax Year: 2006

Owner and Property Information						
Owner Name & Mailing Address: ZAIDI SAIYED A & MEHTAB 11108 AINSWICK DR BAKERSFIELD CA 93311			Legal Description: TR 9 ABST 188 J CLARKSON			
			Property Address: 7810 FAIRBANKS N HOUSTON RD HOUSTON TX 77040			
State Class Code	Land Use Code	Land Area	Building Area	Neighborhood	Map Facet	Key Map
F1 -- Real, Commercial	4393 -- Auxiliary Improvement	1,023,969 SF	0	9105.01	5063C	410L

Value Status Information				
Capped Account	Value Status	Notice Date	ARB Status	Shared CAD
No	Noticed	4/25/2006	Not Certified	No

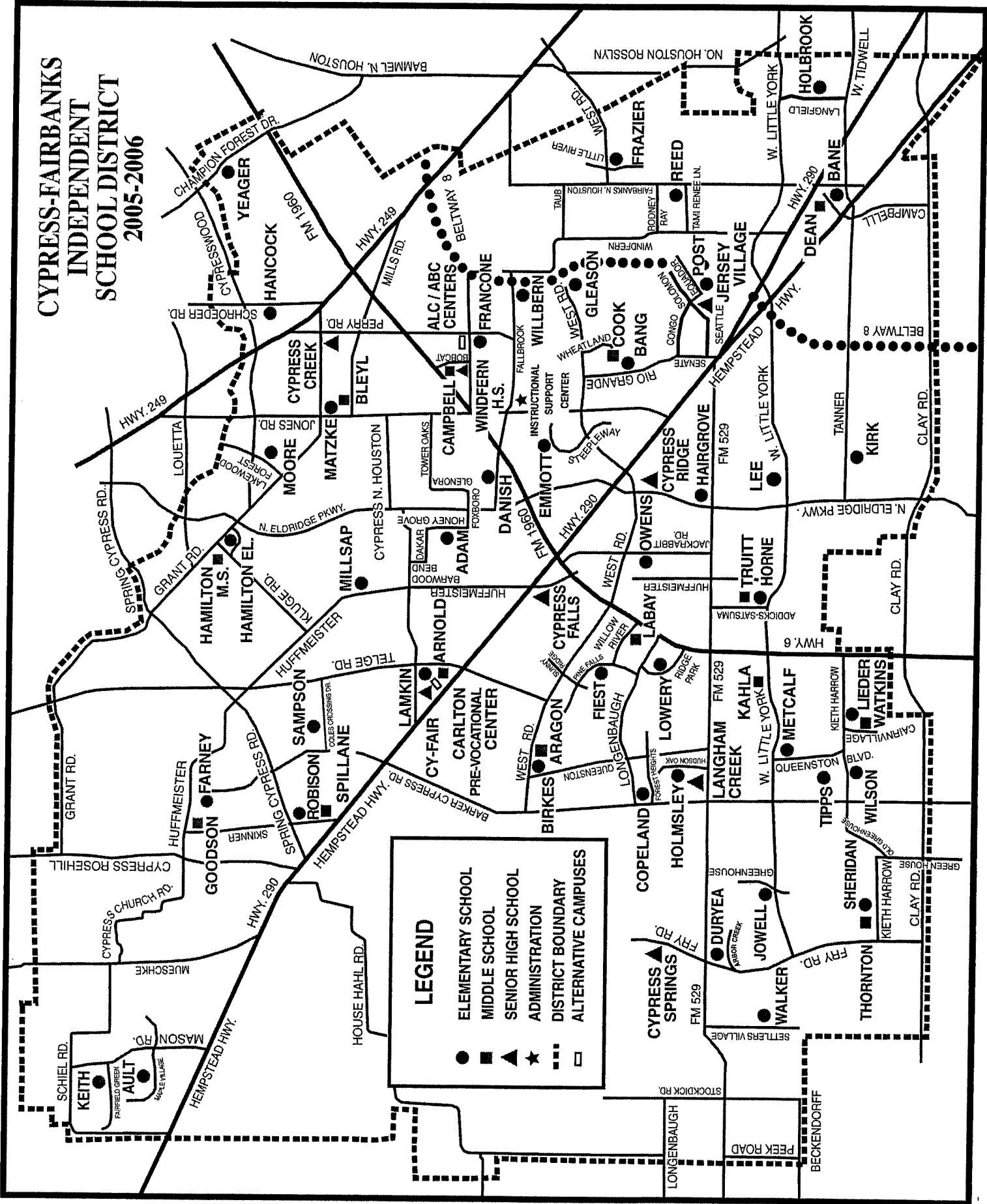
Exemptions and Jurisdictions				
Exemption Type	Districts	Jurisdictions	2005 Rate	2006 Rate
None	004	CYPRESS-FAIRBANKS ISD	1.80000	
	040	HARRIS COUNTY	0.39986	
	041	HARRIS CO FLOOD CNTRL	0.03322	
	042	PORT OF HOUSTON AUTHY	0.01474	
	043	HARRIS CO HOSP DIST	0.19216	
	044	HARRIS CO EDUC DEPT	0.00629	
	045	N HARRIS-MONT COL DIS	0.12070	
	633	HC EMERG SRV DIST 9	0.06000	
	807	ROLLING FORK PUD	0.40000	

Valuations					
2005 Value			2006 Value		
	Market	Appraised		Market	Appraised
Land			Land	548,887	
Improvement			Improvement	1,000	
Total	549,900	549,900	Total	549,887	549,887

Land												
Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Adj Value
1	4393 -- Auxiliary Improvement	AC0	AC	5	1.00	1.00	1.00	--	1.00	\$65,340.00	\$65,340.00	\$326,700
2	4393 -- Auxiliary Improvement	AC7	AC	5	1.00	1.00	1.00	--	1.00	\$32,670.00	\$32,670.00	\$163,350
3	4393 -- Auxiliary Improvement	AC8	AC	14	1.00	1.00	1.00	--	1.00	\$4,356.00	\$4,356.00	\$58,837

Building												
Vacant (No Building Data)												

**CYPRESS-FAIRBANKS
INDEPENDENT
SCHOOL DISTRICT
2005-2006**



LEGEND

- ELEMENTARY SCHOOL
- MIDDLE SCHOOL
- ▲ SENIOR HIGH SCHOOL
- ★ ADMINISTRATION
- - - DISTRICT BOUNDARY
- ALTERNATIVE CAMPUSES



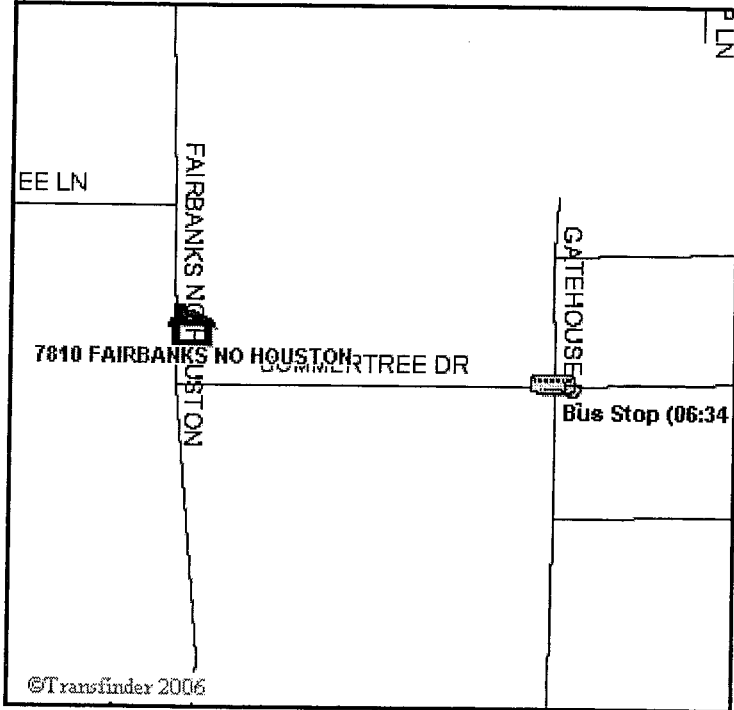
CYPRESS FAIRBANKS ISD



Home Search

Contact Us

7810 FAIRBANKS NO HOUSTON, 77040



Zoom [Reset]



Scale 1,262 feet

*Click anywhere on the map to re-center.

Help: Below is a list of schools and bus stops found for the address you provided. The stop highlighted in yellow is the stop currently being displayed on the map. Click on the "stop name" to display any of the additional stops on the map.

AM - morning pick-up location

PM - afternoon drop-off location

School Information

DEAN MIDDLE SCHOOL

14104 REO ST, HOUSTON, 77040
07:30 AM - 02:30 PM
(713)460-6153

KAHLA SUMMER MIDDLE SCHOOL

16212 W LITTLE YORK RD, HOUSTON, 77084
() -

Courtyard Glen -
SUMMERTREE DR & GATEHOUSE DR
Time: 06:34 AM - Bus: 907

REED ELEMENTARY SCHOOL

8700 TAMI RENEE LANE, HOUSTON, 77040
08:10 AM - 03:10 PM
(713)896-5035

Legend

- Address Entered
- Schools for Address
- Bus stop
- Other Schools

Other Services



If you would like to receive important notifications from the transportation department, including changes to your bus stops and times [\[click here to register\]](#).



- School Day Weather Forecast
- Local Weather Forecast

weather.com



- Printer Friendly Version

If you need assistance or are unable to find the information you need, [click here](#) to contact us.

Bulletins & Notices

For transportation information, please contact the following centers, Barker - 281 463-5978, Eldridge - 281 955-4935, Falcon - 281 897-4380, or Telge - 281 897-4565. Thank you
SUMMER SCHOOL INFO IS AVAILABLE FOR ELEMENTARY AND MIDDLE SCHOOL ONLY.

WELCOME to Cy-Fair Independent School District information web site for the 2006-2007 school year only. This site will remain online throughout the school year for anyone who wishes to research the attendance zones and corresponding schools that belong to their address.

This site is provided for the convenience of CFISD residents. Student information is not provided on this web site.

Newly enrolled students will have to register at their Home Attendance School and have their

ROBERT O. (BOB) COE, II

Work Experience

O'Connor & Associates

2002- Staff Appraiser

Present- Fee Appraisal Work

National Realty Consultants

Fee Appraiser

Fee Appraisal Work of all types of commercial properties

1994- All types of commercial properties including:

2001 Office, Retail, Multi-family, Industrial, Subdivisions, Golf Courses, Hotels,
Condemnation work, Stigmatized properties

Equal & Uniform analyses

Market & Feasibility studies

Carley Gage & Associates

1993- Fee Appraiser

1994- Fee Appraisals of all types of commercial properties

First City, Texas, N.A.

1989- Assistant Vice President

1993 Corporate Lending Officer

Responsible for a portfolio of over \$1 Billion in loans/commitments to Fortune 500 clients

First City, Texas N.A.

1987- Credit Supervisor / Senior Analyst

1989 Responsible for training and supervision of a staff of credit analysts

Assignment, supervision, and review of analytical work

Education

Southern Methodist University, Dallas, Texas

MBA-Finance 1987

University of Oklahoma, Norman, Oklahoma

BBA-Finance 1976

Appraisal/Business Appraisal Classes

Appraisal Institute Classes:

Appraisal Principles (110)

Income Capitalization (310)

Advanced Income Capitalization (510)

Highest & Best Use and Market Analysis (520),

Report Writing (540)

Subdivision Analysis Seminar USPAP

University of Oklahoma:

Graduate level course in Income Property Valuation

Institute of Business Appraisal

Mastering Business Appraisal Skills



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

ROBERT O COE II

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED
BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
TEXAS OCCUPATIONS CODE, CHAPTER 1103,
IS AUTHORIZED TO USE THE TITLE*

**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**

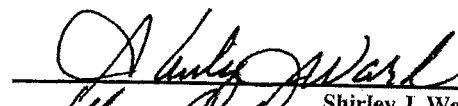
Number: TX-1333157-G

Date of Issue: December 19, 2005

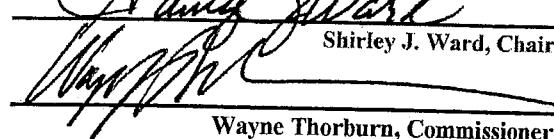
Date of Expiration: December 31, 2007

In Witness Whereof





Shirley J. Ward, Chair



Wayne Thorburn, Commissioner

Shirley J. Ward, Chair

Elroy Carson

L.W. (Wayne) Mayo

Larry D. Kokel, Vice-Chair

Malcolm J. Deason

Paul E. Moore

Dona S. Scurry, Secretary

William A. Faulk, Jr.

Clinton P. Sayers

**QUALIFICATIONS OF
W.F. ("Buddy") TROTTER, JR., MAI**

EXPERIENCE

9/93 – Present	O'Connor & Associates	Houston, Texas
	Commercial Staff Appraiser	1993-1995
	Manager of Appraisal Dept.	1995-1998
	Senior Reviewer	1999-Present
7/90 – 9/93	Fox & Bubela, Inc.	Houston, Texas
	Inspections, research and report preparation for all types of commercial properties, including condemnation appraisal for the Texas Department of Transportation. Major clients included RTC, F.D.I.C., Texas Commerce Bank, Nations Bank, Wells Fargo Bank, private individuals and attorneys.	
4/86 – 7/90	Hill-Thompson, Inc.	Houston, Texas
	Commercial Real Estate Appraiser	
10/83 – 4/86	Austin County Appraisal District	Bellville, Texas
	Manager of Appraisal	

EDUCATION

Rice University – Bachelor of Arts in History, 1971. Major course work in pre-law.

Attended and successfully completed the following courses: Appraisal Institute Courses 1-A-1, 410-A, 410-B, 430-C (USPAP), 540 (Report writing), 510 (Advanced Income Capitalization), 520 (Highest and Best Use), 530 (Advanced Sales Comparison and Cost Approaches), 550 (Advanced Application). American Society of Farm Managers and Rural Appraisers: A-12, Standards and Ethics. Blinn College: Appraisal and Advanced Appraisal, Real Estate Law, Real Estate Marketing, TAAO Courses.

Have attended various seminars, including RTC seminar on Affordable Housing (1991).

PROFESSIONAL AFFILIATIONS

MAI Member of the Appraisal Institute No. 12267
State Certified General Real Estate Appraiser, Texas TX-1322606-G
Real Estate Broker's License, State of Texas #0361814
Chairman, Austin County Appraisal District Review Board 1990
Certified as a General Appraiser in TN, OH, AL, LA, KS, MO, AZ



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This Certifies That

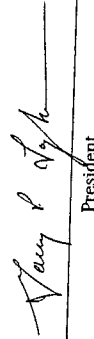
Wilburn Flack Trotter, Jr.

has been admitted to membership as an

MAI Member

*in the Appraisal Institute and is
entitled to all the rights and privileges of membership
subject only to the limiting conditions set forth from time to time
in the Bylaws and Regulations of the Appraisal Institute.*

*In Witness Whereof, the Board of Directors of the Appraisal Institute has
authorized this certificate to be signed in its behalf by the President, and the
Corporate Seal to be hereunto affixed on this 6th day of October 2004*



President

This certificate is the property of the Appraisal Institute and
must be returned to the Secretary upon termination of membership.



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

WILBURN FLACK TROTTER JR

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS REQUIRED
BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
TEXAS OCCUPATIONS CODE, CHAPTER 1103,
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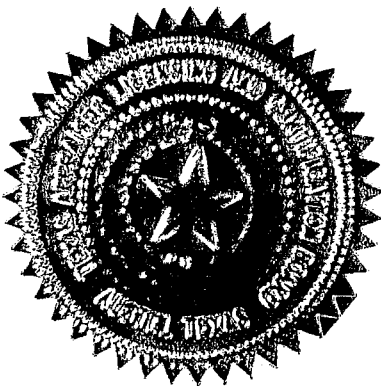
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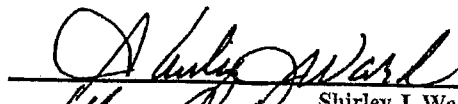
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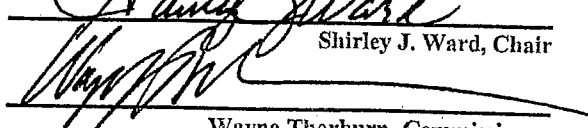
Date of Issue: January 5, 2006

Date of Expiration: February 29, 2008

In Witness Whereof




Shirley J. Ward, Chair


Wayne Thorburn, Commissioner

Shirley J. Ward, Chair

Elroy Carson

L.W. (Wayne) Mayo

Larry D. Kokel, Vice-Chair

Malcolm J. Deason

Paul E. Moore

Dona S. Scurry, Secretary

William A. Faulk, Jr.

Clinton P. Sayers

Community Response

August 7, 2006

TO: Ms. Robbye G. Meyer
Acting Director of Multi-Family Finance
TDHCA
221 East 11th Street
Austin, TX 78701-2410

AUG 15 10:01 AM
Multi-Family Finance Division

FROM: Fairbanks Area Partnership (**FAP**)
8310 Waynemer Way
Houston, TX 77040
premmers@houston.rr.com
713-937-0665
713-460-0788 Fax

RE: Proposed : TDHCA HTC Project
Rolling Creek Apartments
8038 Gatehouse Dr.
Houston, Harris County, TX 77040
Application #05621

Funds Applied For: \$15 million in tax exempt bonds,
\$8.7 million in tax credits.

Developers: Cynosure Developers:
Mark T. Bower and Daniel R. Sereni

Dear Ms. Meyer,

After continued and extensive research, FAP still opposes the issuance of Housing Tax Credits and Tax Exempt Multi-Family Bonds for the proposed Rolling Creek Apartments. The primary argument for our opposition is lack of need.

Current occupancy rates for this area are less than 90%. The first 6 months of 2006 reflect a negative absorption rate. To achieve above average occupancy, rental properties are offering deep concessions. This location is in an already over-built market with 150 plus apartment properties within 5.4 miles. Of the 39 comparable properties in the developers' own market study, over 50% have lower rental rates than the posted rates for the proposed Rolling Creek Apartments. In addition, there are 3 other HTC properties in the PMA and 2 tax-exempt (X9) low-moderate income properties that accept all vouchers from HUD and pay no property taxes. The developers' market study indicates that 93% of proposed tenants would have to come from existing properties in the PMA. Given these factors the financial feasibility of this development is suspect. The developers' own market study submitted with the 2005 application stated this is not the best use of the property.

Additional areas of concern include flooding, schools, a lack of amenities in the area, and the developers' credentials.

Our federal government has spent over \$153 million of taxpayers' money on buyouts and repairs as a result of flooding to homes in the FAP area from 1998 to March 2006 and the spending continues. Please stop the use of government funds to build new construction only to later spend additional funds to buy out these same flooded areas.

In contrast to Mr. Bower' statement in the Houston Chronicle on April 27, 2005 FAP is not opposing this application because of "class warfare". We simply recognize the schools in the immediate area currently average over 60% economically disadvantaged population with an even higher percentage of minorities. Please deny this application and help prevent further development of a concentration of poverty.

It appears from the evidence (public records) that Mr. Bower and Mr. Sereni have not exercised good financial decisions and management resulting in forfeitures of corporate charters, tax liens, bankruptcies and discrepancies in financial filings. Although Mr. Bower, Mr. Sereni and the TDHCA have repeatedly tried to mitigate these facts, they remain an area of deep concern to FAP.

In conclusion, FAP, the grass roots organization representing 10 subdivisions in close proximity to the proposed Rolling Creek Apartments, believes that to approve this application does not show good stewardship of the use of available funds for affordable housing.

We respectfully request you deny this application,

Jackie Remmers, Chairwoman
Fairbanks Area Partnership

Melissa Brandon, Co-Chairwoman
Fairbanks Area Partnership

Enclosures

CC:

Ms. Elizabeth "Beth" Anderson
Mr. Shadrick Bogany
Mr. C. Kent Conine
Mr. Dionicio Vidal (Sonny) Flores
Mr. Vidal Gonzalez,
Mr. Norberto Salinas
Congressman John Culberson
Governor Rick Perry
Lt. Governor David Dewhurst
Speaker Tom Craddick
Senator Jon Lindsay
Senator John Whitmire
Representative Gary Elkins
Harris County Judge Robert Eckels
Commissioner Jerry Eversole
Superintendent Dr. David Anthony

Market Study Analyses Financial Feasibility

There is no need for this type of development at this time or in the near future.

The Cynosure Market Study compares Rolling Creek to a few selected properties to show good occupancy rates and rental rates. The overall picture as outlined in the attached Apartment Data Services report shows a different picture. Their historical data shows negative absorption 10 of the last 24 quarters. If the Katrina effect is taken into consideration it would appear that 12 or more of the last 24 quarters would have negative absorption. (The Vogt Report identified a potential 737 evacuees in the area and the 3rd and 4th quarters of 2005 showed positive absorption of 311 & 355 respectively. Take away the 737 potential evacuees and the same quarters would reflect a negative absorption of 71). In the second quarter of 2006 the market showed a negative 96 unit absorption and we can only assume that a portion of this if not all can be attributed to evacuees finding permanent housing or returning home.

The combined Occupancy rate for all units in the submarket has been over 90% (90.9%) only one time since the 3rd quarter of 2002.

The properties that report higher than normal occupancy levels have resorted to rental concessions to achieve them. These concessions have reduced the *effective* occupancy rate to 86%. Additional Market Rate properties have recently opened and concessions appear more prevalent. One more property would only increase the necessity for all properties to offer concessions.

TDHCA had a study done by Vogt, Williams & Bowen that was completed March 20, 2006. The goals of the study were:

1. Evaluate the need for additional affordable rental housing.

Findings in this submarket (#14) were:

Tax Credit property occupancy was at 89.4% and Rolling Creek needs at least 93% to be financially feasible. Since this report was issued Apartment Data Services reports that apartment **vacancies** have increased by 86 units from March 2006 to June 2006. This area is overbuilt with relatively new multi-family units

2. Identify the impact of Hurricane Katrina

Findings in Submarket #14:

Potentially 737 Evacuees were in units in this submarket. Based on interviews with local property managers and city officials, it appears that evacuees have impacted Tax Credit Properties in this submarket. According to property managers, there are at least 141 evacuees (11.4% of affordable units surveyed) currently being housed at the surveyed Tax Credit Properties, with most using FEMA vouchers. Therefore occupancy rates at Tax Credit Properties in the submarket will be negatively impacted after FEMA discontinues voucher funding, unless Tenants using vouchers are also able to qualify under Tax Credit

Guidelines. With the potential of 11.4% additional vacancies the occupancy rate would drop to 78%. An additional 6.6% of Market Rate properties will also be impacted with the end of the vouchers.

3. Analyze the affordable housing need by income, number of bedrooms and targeted households for the years 2006, 2007, 2008, and 2009.

The study concluded to achieve a balanced market (5% vacancy rate) this submarket would have a Total Net Demand of 40 units from 2006-2009. Of the 41%-60% AMHI Tax Credit Units that Rolling Creek would offer the demand is negative, -188 for 2006, -180 for 2007, -172 for 2008, -164 for 2009.

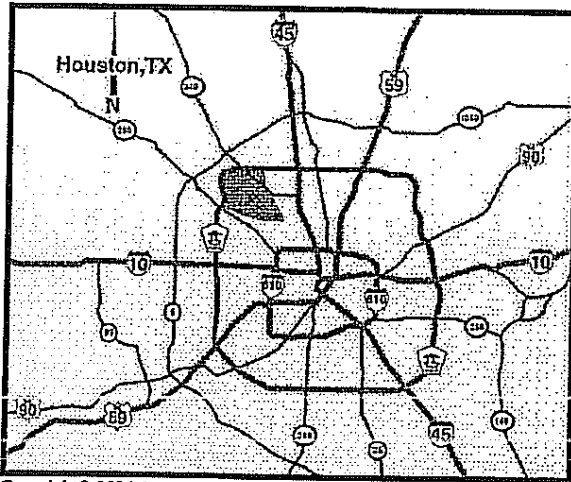
This market is overbuilt; new properties would have to attract tenants from existing properties leading to additional concessions being offered to maintain an acceptable vacancy rate.

Attached as **Exhibit "A"** is a true and correct copy of the Apartment Data Services Report for the Inwood/Northwest area dated July 20, 2006

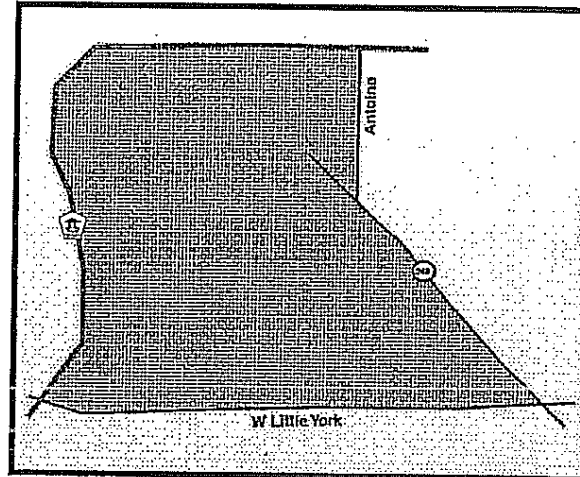
EXHIBIT "A"

**Apartment Data Services Report
Inwood/Northwest
Houston, Tx
Dated July 20, 2006**

Inwood/ Northwest
Market-TRAC - July 20, 2006 - Houston, Tx



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Market Summary: This table shows the general statistics for the market. The prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

# of Operating Communities	35
# of Operating Units	6,607
Avg Units/Community	189
Avg Size (sf)	873
Avg Price (\$/mo)	607
Avg Rental Rate (¢/sf/mo)	69.6
Avg Occupancy	89.4%

Occupancy & Rental Rate Trends: This table shows the occupancy and rental rate trends that have occurred over the last 3, 6 and 12 months. These trends are expressed in annualized terms.

Occupancy:	Last 3 months	-6.7%
	Last 6 months	1.4%
	Last 12 months	15.4%
Rental Rates:	Last 3 months	-2.6%
	Last 6 months	0.6%
	Last 12 months	4.9%

Absorption: This table shows the absorption (change in the number of occupied units) for the market on a quarterly basis. The table displays the number of units absorbed as well as the percentage of units absorbed in relation to the total number of units in the market.

4/06 to 6/06	Units absorbed	-96
	% of market	-1.45%
1/06 to 3/06	Units absorbed	110
	% of market	1.66%
10/05 to 12/05	Units absorbed	355
	% of market	5.37%
7/05 to 9/05	Units absorbed	311
	% of market	4.71%

Construction: This table shows the new construction that has occurred in the market. The average year of construction is calculated based on the number of communities and the number of units in the market.

Units built in 2001 or after	1,302
% of market	19.7%
Avg YOC/communities	1987
Avg YOC/units	1987

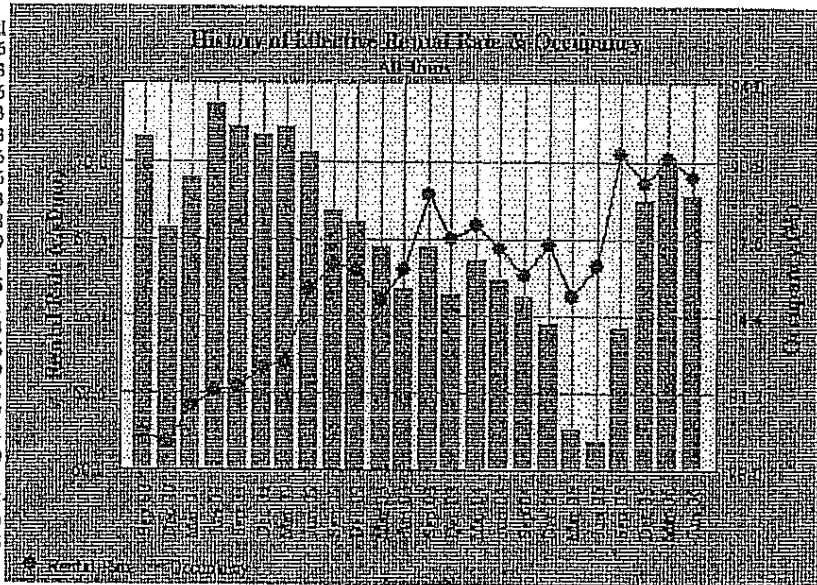
Deposits/Rental Concessions: This table shows the deposits and rental concessions for the market. Three types of concessions are tracked: move-in specials, months free specials and floorplan specific specials.

Avg Security Deposit	\$211
Avg Pet Deposit	\$308
# of communities with:	
Move-in Specials	7
Months Free Specials	4
Floorplan Specials	7

Floorplans (ALL): This table shows statistics for ALL the units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	35	6	23	6	-
# of Units	6,607	1,410	4,416	781	-
Avg Size (sf)	873	936	860	830	-
Avg Price (\$/mo)	607	801	572	457	-
Avg Rental Rate (¢/sf/mo)	69.6	85.6	66.5	55.0	-
Occupancy	89.4%	95.6%	88.2%	85.5%	-

Date	Units	Price	Rate	Occ%	Absorbed
Sep 00	5,037	499	61.2	91.8	-96
Dec 00	5,287	502	60.9	88.1	33
Mar 01	5,287	512	62.1	90.1	106
Jun 01	5,287	516	62.6	93.2	163
Sep 01	5,287	517	62.7	92.2	-53
Dec 01	5,287	522	63.3	91.9	-16
Mar 02	5,287	523	63.5	92.2	16
Jun 02	5,447	546	65.9	91.2	93
Sep 02	5,727	559	66.7	88.8	118
Dec 02	5,727	557	66.5	88.3	-29
Mar 03	5,919	552	65.5	87.3	111
Jun 03	6,154	564	66.5	85.5	95
Sep 03	6,154	584	68.9	87.3	111
Dec 03	6,154	572	67.5	85.3	-123
Mar 04	6,154	576	67.9	86.7	86
Jun 04	6,154	570	67.2	85.9	-49
Sep 04	6,154	562	66.3	85.2	-44
Dec 04	6,154	571	67.3	84.1	-67
Mar 05	6,477	569	65.6	79.7	-14
Jun 05	6,605	581	66.6	79.2	70
Sep 05	6,607	613	70.2	83.9	311
Dec 05	6,607	605	69.3	89.2	355
Mar 06	6,607	612	70.1	90.9	110
Jun 06	6,607	607	69.5	89.4	-96

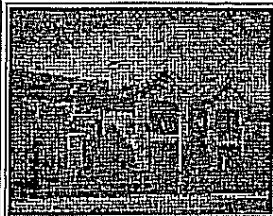


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BELLIAGIO
 15000 PHILIPPINE ST [Map](#)
 HOUSTON TX 77040-1366
 (713) 896-7777

MAP: 409-M
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5342 00
 # UNITS: 235
 YR BLT/RENO: 2003
 OCCUPANCY: 97
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35+

MGT CO: FRANCIS MANAGEMENT
 LSE TERM: 6-18
 PARKING: Assigned/Att Gar.
 PETS: <20#/\$300 (150 NR)/2 Max



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- BBQ Grill
- Self-Clean Oven
- Pantry
- Laundry
- Playground
- Cont-Clean Oven
- Ceiling Fan
- Tennis
- Fitness Center
- Double Oven
- Patio/Balcony
- Water V-ball
- Jogging Trail
- F.F. Refrig
- Extra Storage
- Volleyball
- Access Gates
- Ice Maker
- Mini-Blinds
- Basketball
- On-Site Mgmt
- Dishwasher
- Private Alarms
- Racquetball
- Corporate Rates
- Disposal
- Monitored Alarms
- Jacuzzi
- Short Term Leases
- Microwave
- Vaulted Ceil
- Sauna
- Income Restricted
- High Speed Internet
- Walk-In Closet
- Clubhouse
- Near Transit
- Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
11	1/1	FP		673	850-860	275	50	1.27	\$112,860
24	1/1	FP		678	860	275	50	1.27	\$247,680
24	1/1	FP		807	775-825	275	50	0.99	\$230,400
24	1/1	FP		834	875-925	275	50	1.08	\$259,200
11	1/1	FP		862	880-945	0275	50	1.06	\$120,450
12	1/1	FP		863	910	275	50	1.05	\$131,040
12	1/1	FP		882	840-960	275	50	1.02	\$129,600
9	2/1	FP		943	950-1060	325	50	1.07	\$108,540
24	1/1 Study	FP	Y	1,030	1015-1065	275	50	1.01	\$299,520
10	2/2	FP		1,116	1065-1125	375	50	0.98	\$131,400
8	2/1	FP		1,143	1025-1100	325	50	0.93	\$102,000
8	2/1	FP		1,145	1000-1050	325	50	0.90	\$98,400
11	2/2	FP		1,184	1090-1220	375	50	0.98	\$152,460
12	2/2	FP		1,221	1175-1275	375	50	1.00	\$176,400
12	2/2	FP		1,259	1260-1325	375	50	1.03	\$186,120
7	2/2	FP		1,313	1210-1290	375	50	0.95	\$105,000
16	2/2	FP	Y	1,315	1115-1195	375	50	0.88	\$221,760
235	TOTALS			229,167	\$234,402				\$2,812,830
	AVERAGES			975	\$997			1.02	

SPECIALS:

Information obtained from sources deemed reliable, but is not guaranteed.
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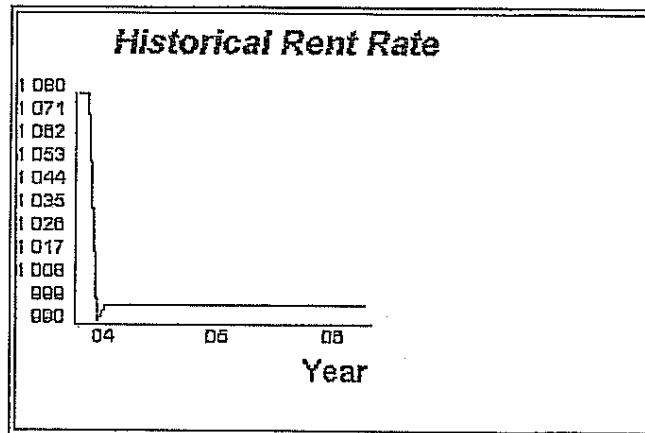
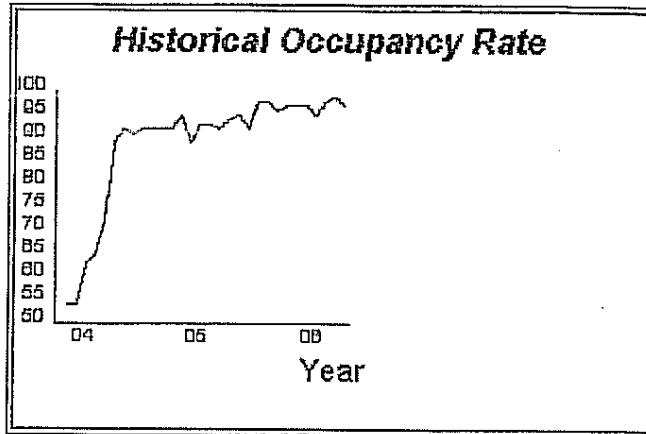
*Concessions on 16 of
 last 19 mos. - stopped
 over last 2 mos* 7/20/2006

HISTORY REPORT FOR BELLIAGIO

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jun 06	\$997.46	\$997.46	97.0		Dec 05	\$997.46	\$919.54	97.0
May 06	\$997.46	\$997.46	99.0		Nov 05	\$997.46	\$919.54	96.0
Apr 06	\$997.46	\$887.56	98.0		Oct 05	\$997.46	\$919.54	98.0
Mar 06	\$997.46	\$887.56	95.0		Sep 05	\$997.46	\$988.85	98.0
Feb 06	\$997.46	\$919.54	97.0		Aug 05	\$997.69	\$920.27	92.0
Jan 06	\$997.46	\$919.54	97.0		Jul 05	\$997.69	\$920.27	95.0

SPECIALS/CONCESSIONS

- Jun 06: No Specials
- May 06: No Specials
- Apr 06: 1Brs- \$100 Off Ea Mo; 2Brs-\$125 Off Ea Mo
- Mar 06: 1Brs- \$100 Off Ea Mo; 2Brs-\$125 Off Ea Mo.
- Feb 06: 1Brs- \$70 Off Ea Mo; 2Brs-\$90 Off Ea Mo.
- Jan 06: 1Brs- \$70 Off Ea Mo; 2Brs-\$90 Off Ea Mo.
- Dec 05: 1Brs- \$70 Off Ea Mo; 2Brs-\$90 Off Ea Mo.
- Nov 05: 1Brs- \$70 Off Ea Mo; 2Brs-\$90 Off Ea Mo.
- Oct 05: 1Brs- \$70 Off Ea Mo; 2Brs-\$90 Off Ea Mo.
- Sep 05: 1Brs- \$100 Off 1st Mo; 2Brs-\$90 Off 1st Mo.
- Aug 05: \$100 Off Ea. Mo. 13mo.Ls; 1st Mo. Free 13mo Ls
- Jul 05: \$100 Off Ea. Mo. 13mo Ls; 1st Mo Free 13mo.Ls
- Jun 05: \$100 Off Ea. Mo. 13mo.Ls; 1st Mo. Free 13mo.Ls.
- May 05: \$50 Off Ea. Mo. 13mo.Ls; 1st Mo. Free 13mo Ls.
- Apr 05: \$50 Off Ea. Mo. 12mo.Ls; 1st Mo. Free 12mo.Ls.
- Mar 05: \$50 Off Ea. Mo. 12mo.Ls
- Feb 05: \$50 Off Ea. Mo. 12mo.Ls
- Jan 05: \$50 Off Ea. Mo. 12mo.Ls



Information from sources deemed reliable but is not guaranteed
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FRANKLIN
 6620 GESSNER DR [Map](#)
 HOUSTON TX 77040-4052
 (713) 895-9200

MAP: 410-W
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5217 00
 # UNITS: 196
 YR BLT/RENO: 2004
 OCCUPANCY: 95
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$40

MGT CO: CENTRAL MANAGEMENT, INC.
 LSE TERM: 3-14
 PARKING: Covered (+30)/Det. Gar (+95)
 PETS: <35#/\$400 (200 NR)

<p><u>Historical Report</u> Including 5-Year Historical Chart</p>	AMENITIES:			
	<input type="checkbox"/> Pools <input type="checkbox"/> Laundry <input type="checkbox"/> Tennis <input type="checkbox"/> Water V-ball <input checked="" type="checkbox"/> Volleyball <input type="checkbox"/> Basketball <input type="checkbox"/> Racquetball <input type="checkbox"/> Jacuzzi <input type="checkbox"/> Sauna <input checked="" type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> BBQ Grill <input type="checkbox"/> Playground <input checked="" type="checkbox"/> Fitness Center <input checked="" type="checkbox"/> Jogging Trail <input checked="" type="checkbox"/> Access Gates <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Corporate Rates <input checked="" type="checkbox"/> Short Term Leases <input type="checkbox"/> Income Restricted	<input type="checkbox"/> Self-Clean Oven <input type="checkbox"/> Cont-Clean Oven <input type="checkbox"/> Double Oven <input type="checkbox"/> F.F. Refrig <input type="checkbox"/> Ice Maker <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input checked="" type="checkbox"/> High Speed Internet <input checked="" type="checkbox"/> Near Transit	<input type="checkbox"/> Pantry <input type="checkbox"/> Ceiling Fan <input checked="" type="checkbox"/> Patio/Balcony <input type="checkbox"/> Extra Storage <input type="checkbox"/> Mini-Blinds <input type="checkbox"/> Private Alarms <input checked="" type="checkbox"/> Monitored Alarms <input checked="" type="checkbox"/> Vaulted Cell <input type="checkbox"/> Walk-In Closet <input type="checkbox"/> Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
15	1/1	FP		675	750	250	0	1.11	\$135,000
18	1/1	FP		765	840	250	0	1.10	\$181,440
20	1/1	FP		820	809-850	250	0	1.01	\$199,080
54	2/2	FP		1,070	950	350	0	0.89	\$615,600
39	2/2	FP		1,075	950	350	0	0.88	\$444,600
10	2/2	FP		1,135	1100	350	0	0.97	\$132,000
40	3/2	FP		1,250	1250	400	0	1.00	\$600,000
196	TOTALS			201,350	\$192,310				\$2,307,720
	AVERAGES			1,027	\$981			0.96	

SPECIALS:

Information obtained from sources deemed reliable, but is not guaranteed.
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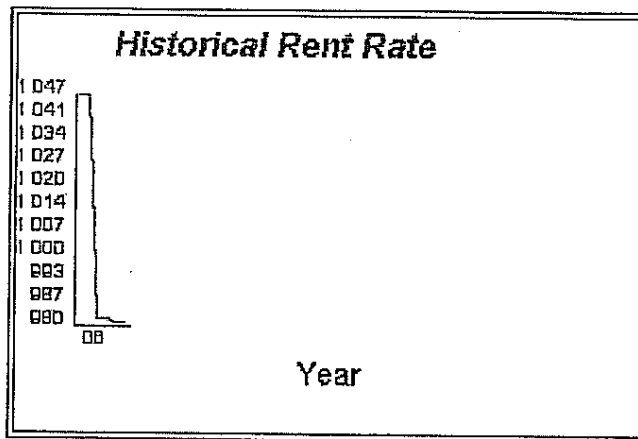
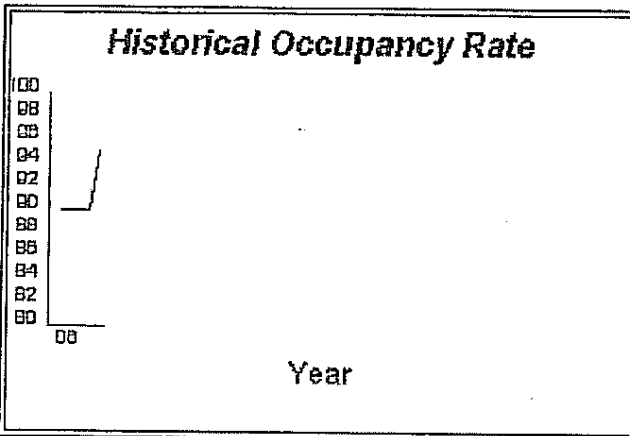
Effectively no specials

HISTORY REPORT FOR FRANKLIN

Month	Ave. Rent	Eff. Rent	Occupancy	Month	Ave. Rent	Eff. Rent	Occupancy
Jun 06	\$981.17	\$981.17	95.0		\$0.00	\$0.00	
May 06	\$981.17	\$981.17	90.0		\$0.00	\$0.00	
Apr 06	\$982.00	\$982.00	n/a		\$0.00	\$0.00	
Mar 06	\$982.00	\$982.00	n/a		\$0.00	\$0.00	
Feb 06	\$1,047.48	\$1,030.48	90.0		\$0.00	\$0.00	
Jan 06	\$1,047.48	\$1,047.48	n/a		\$0.00	\$0.00	

SPECIALS/CONCESSIONS

- Jun 06: No Specials
- May 06: No Specials
- Apr 06: Lk & Ls \$150 Deposit
- Mar 06: Lk & Ls \$150 Deposit
- Feb 06: Lk & Ls \$200 Off
- Jan 06: No Specials

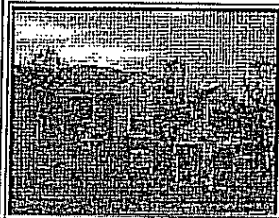


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BELLMEADE
 10802 LEGACY PARK DR [Map](#)
 HOUSTON TX 77064-9463
 (832) 912-7200

MAP: 369-Z
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5516 00
 # UNITS: 336
 YR BLT/RENO: 2003
 OCCUPANCY: 86
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$45

MGT CO: INTERNACIONAL REALTY INC
 LSE TERM: 7-14
 PARKING: Covered (+25)/Det. Gar. (+95)
 PETS: <99#/\$300-400q (150-200 NR)/2 Max/Breed Restr



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wait Carpet

NOTES: Computer lab, oasis style pool, conference center.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
36	1/1		*	696	660-815	100	0	1.06	\$318,600
76	1/1		*	792	732-830	100	0	0.99	\$712,272
48	1/1		*	812	780-885	100	0	1.03	\$479,520
24	2/1		*	1,029	928-1060	200	0	0.97	\$286,272
68	2/2		*	1,056	890-1060	200	0	0.92	\$795,600
60	2/2		*	1,154	912-1185	200	0	0.91	\$754,920
24	3/2		*	1,395	1297-1375	300	0	0.96	\$384,768
336	TOTALS			323,448	\$310,996				\$3,731,952
	AVERAGES			963	\$926			0.96	

SPECIALS: 2mo Free 7mo Ls Prorated; 3mo Free 14mo Ls Prorated

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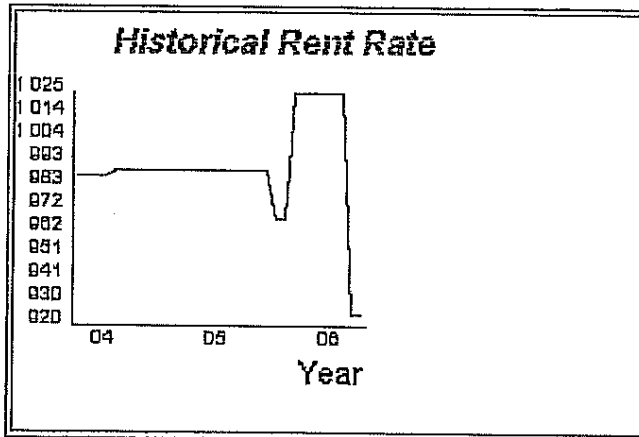
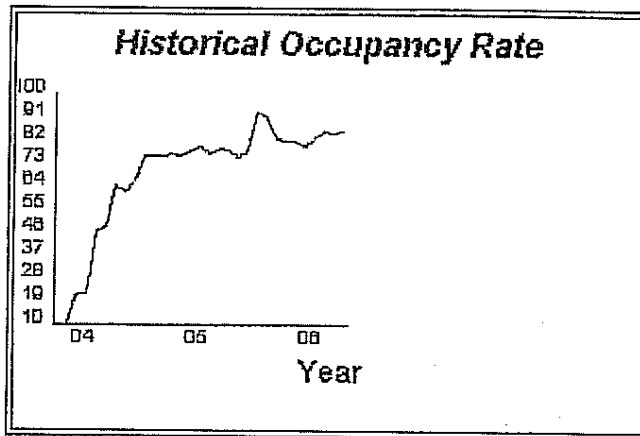
*Specials offered
 in 13 of last 18 mos.
 Concessions back on*

HISTORY REPORT FOR BELLMEADE

Month	Ave. Rent	Eff. Rent	Occupancy	Month	Ave. Rent	Eff. Rent	Occupancy
Jun 06	\$925.58	\$727.06	86.0	Dec 05	\$1,024.52	\$1,024.52	82.0
May 06	\$925.58	\$727.06	85.0	Nov 05	\$1,024.52	\$1,024.52	83.0
Apr 06	\$1,024.52	\$804.73	86.0	Oct 05	\$967.62	\$967.62	91.0
Mar 06	\$1,024.52	\$804.73	83.0	Sep 05	\$967.62	\$967.62	93.0
Feb 06	\$1,024.52	\$804.73	80.0	Aug 05	\$989.35	\$913.64	78.0
Jan 06	\$1,024.52	\$1,024.52	82.0	Jul 05	\$989.35	\$913.64	75.0

SPECIALS/CONCESSIONS

- Jun 06: 2mo Free 7mo Ls Prorated; 3mo Free 14mo Ls Prorated
- May 06: 2mo Free 7mo Ls; 3mo Free 14mo Ls
- Apr 06: 2mo Free 7mo Ls; 3mo Free 14mo Ls
- Mar 06: 2mo Free 7mo Ls; 3mo Free 14mo Ls
- Feb 06: 2mo Free 7mo Ls; 3mo Free 14mo Ls
- Jan 06: No Specials
- Dec 05: No Specials
- Nov 05: No Specials
- Oct 05: No Specials
- Sep 05: No Specials
- Aug 05: 2mo. Free 14mo.Ls; 1mo. Free 8-13mo Ls; \$199 Total Move In.
- Jul 05: 2mo. Free 14mo.Ls; 1mo. Free 8-13mo Ls; 1 Br \$199 Total Move In; 2 Br \$299 Total Move In.
- Jun 05: 2mo. Free 14mo.Ls; 1mo. Free 8-13mo Ls; 1 Br \$199 Total Move In; 2 Br \$299 Total Move In.
- May 05: 2mo. Free 14mo.Ls; 1mo. Free 8-13mo Ls.
- Apr 05: 2mo. Free 14mo.Ls; 1mo. Free 7-13mo Ls.
- Mar 05: 2mo. Free 11-13mo.Ls (1mo. Upfront & 1mo Prorated).
- Feb 05: 2mo. Free 11-13mo.Ls (1mo. Upfront & 1mo. Prorated).
- Jan 05: 2mo Free 11-13mo.Ls (1mo. Upfront & 1mo. Prorated).



Information from sources deemed reliable but is not guaranteed
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BROADSTONE WESTWAY PARK

10800 CLAY RD [Map](#)
 HOUSTON TX 77041-5649
 (713) 983-7700

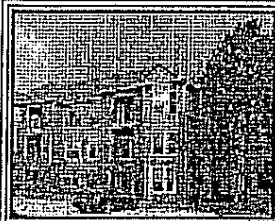
MAP: 449-G
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5401.00
 # UNITS: 336
 YR BLT/RENO: 2004
 OCCUPANCY: 91
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$50+

MGT CO: ALLIANCE COMMUNITIES

LSE TERM: 6-13

PARKING: Det Gar. (+75)

PETS: <50#/\$350-500 (200-350 NR)/2 Max/Breed Restr



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

NOTES: Bay Windows, Media Room, Billiard Room, Park Area

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
84	1/1	FP		678	765-880	250	150	1.21	\$829,080
60	1/1	FP		767	860-870	250	150	1.13	\$622,800
48	1/1	FP		845	935-945	250	150	1.11	\$541,440
36	1/1 Study	FP		941	1005-1035	250	150	1.08	\$440,640
60	2/2	FP		1,116	1145-1170	350	200	1.04	\$833,400
24	2/2	FP		1,176	1195-1220	350	200	1.03	\$347,760
24	3/2	FP		1,354	1455-1475	400	225	1.08	\$421,920
336	TOTALS			305,088	\$336,420				\$4,037,040
	AVERAGES			908	\$1,001			1.10	

SPECIALS: Reduced Rates \$95-200 Off Mkt

Information obtained from sources deemed reliable, but is not guaranteed.
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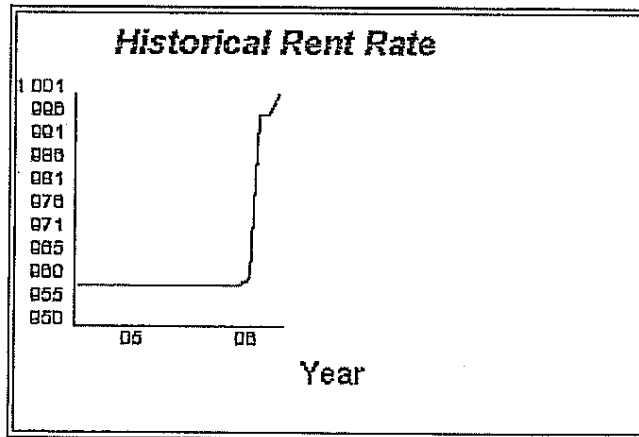
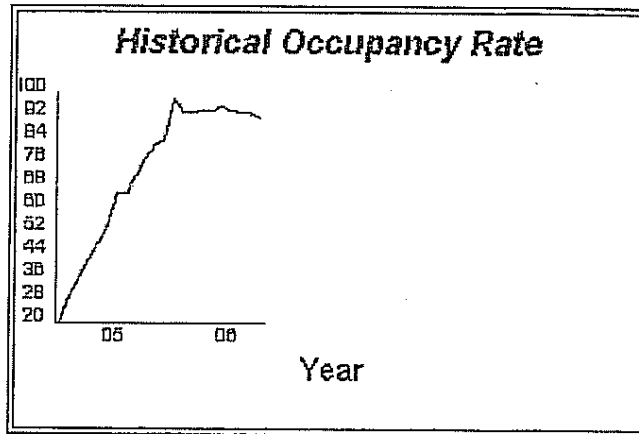
*Concessions in
 place for all of
 last 18 mos.*

HISTORY REPORT FOR BROADSTONE WESTWAY PARK

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jun 06	\$1,001.25	\$901.25	91.0		Dec 05	\$959.11	\$879.11	94.0
May 06	\$996.43	\$896.43	93.0		Nov 05	\$959.11	\$879.11	93.0
Apr 06	\$996.43	\$896.43	93.0		Oct 05	\$959.11	\$926.79	93.0
Mar 06	\$960.54	\$880.46	94.0		Sep 05	\$959.11	\$782.36	98.0
Feb 06	\$959.11	\$879.11	95.0		Aug 05	\$959.11	\$782.36	84.0
Jan 06	\$959.11	\$879.11	94.0		Jul 05	\$959.11	\$782.36	82.0

SPECIALS/CONCESSIONS

- Jun 06: Reduced Rates \$95-200 Off Mkt
- May 06: Reduced Rates \$95-180 Off Mkt
- Apr 06: Reduced Rates \$95-180 Off Mkt
- Mar 06: 3-6wks Free Depends On Ls. Term.
- Feb 06: 3-6wks Free Depends On Ls. Term.
- Jan 06: 3-6wks Free Depends On Ls. Term.
- Dec 05: 3-6wks Free Depends On Ls. Term.
- Nov 05: 2wks Free 6mo Ls.
- Oct 05: 2wks Free 1Brs 12mo.Ls; 4wks Free 3Brs 12mo.Ls.
- Sep 05: 1mo. Free 8-9mo Ls.; 1Brs 2mo. Free 13mo. Ls.; 2&3Brs 3mo Free 13mo. Ls.
- Aug 05: 1mo. Free 8-9mo Ls.; 1Brs 2mo. Free 13mo. Ls.; 2&3Brs 3mo Free 13mo. Ls.
- Jul 05: 1mo. Free 8-9mo Ls.; 1Brs 2mo Free 13mo. Ls.; 2&3Brs 3mo Free 13mo. Ls.
- Jun 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo.Ls Prorated; LK&LS Select Units \$500 Off or \$500 Visa Gift Card.
- May 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo Ls Prorated.
- Apr 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo Ls Prorated.
- Mar 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo.Ls Prorated.
- Feb 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo.Ls Prorated.
- Jan 05: 2mo. Free 12mo.Ls Prorated; 1mo. Free 6mo.Ls.

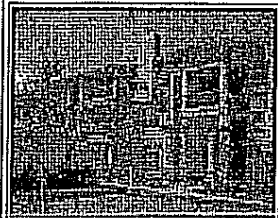


Information from sources deemed reliable but is not guaranteed
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LAS VENTANAS
 13333 WEST RD [Map](#)
 HOUSTON TX 77041-6082
 (281) 970-1330

MAP: 408-E
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5408 00
 # UNITS: 376
 YR BLT/RENO: 2003
 OCCUPANCY: N/A
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$45/55

MGT CO: MBS MANAGEMENT SERVICES, INC
 LSE TERM: 7-12
 PARKING: Covered (+25)/Det. Gar. (+75)
 PETS: <90# (250 NR)/+\$10mo/2 Max/Breed Restr



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

NOTES: Conference Room. Resident Movie Theater. +\$10 For 2nd Floor Units & +\$20 For 1st Floor Units.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
68	1/1	FC		643	699	100	0	1.09	\$570,384
112	1/1	FC	*	809	829	100	0	1.02	\$1,114,176
64	2/2	FC		995	989	200	0	0.99	\$759,552
96	2/2	FC	*	1,131	1069	200	0	0.95	\$1,231,488
36	3/2	FC		1,337	1369	300	0	1.02	\$591,408
376	TOTALS			354,720	\$355,584				\$4,267,008
	AVERAGES			943	\$946			1.00	

SPECIALS: 6wks Free 12mo Ls; No Deposit.

Information obtained from sources deemed reliable, but is not guaranteed
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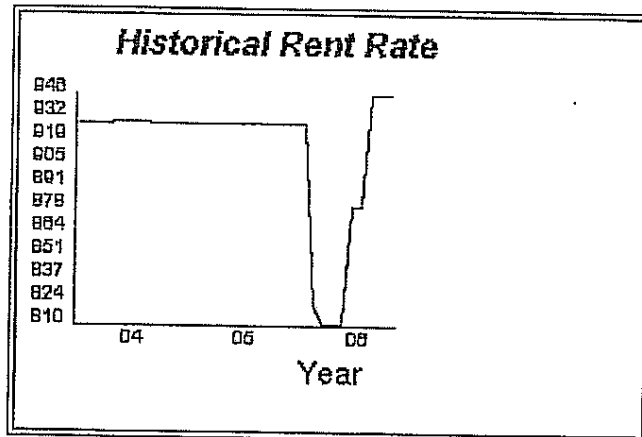
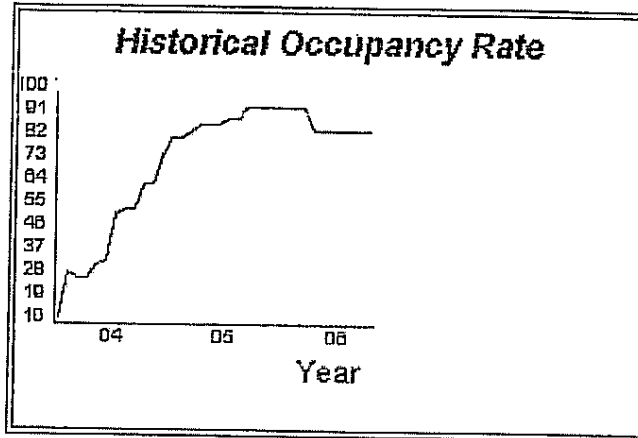
*Concessions in 11 of last
 18 mos, back on for last
 8 mos.*

HISTORY REPORT FOR LAS VENTANAS

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jun 06	\$945.70	\$827.02	n/a		Dec 05	\$811.17	\$811.17	86.0
May 06	\$945.70	\$827.02	n/a		Nov 05	\$811.17	\$811.17	n/a
Apr 06	\$945.70	\$827.02	n/a		Oct 05	\$821.46	\$821.46	n/a
Mar 06	\$880.56	\$843.88	n/a		Sep 05	\$929.12	\$796.77	n/a
Feb 06	\$880.56	\$880.56	n/a		Aug 05	\$929.12	\$729.92	n/a
Jan 06	\$811.17	\$811.17	86.0		Jul 05	\$929.12	\$929.12	n/a

SPECIALS/CONCESSIONS

- Jun 06: 6wks Free 12mo.Ls; No Deposit
- May 06: 6wks Free 12mo.Ls; No Deposit
- Apr 06: 6wks Free 12mo.Ls; No Deposit
- Mar 06: 2wks Free
- Feb 06: \$99 App +Admin; 1mo.Free/No Deposit.
- Jan 06: \$99 App +Admin; Special Rates w/7-8mo.Ls.
- Dec 05: \$99 App +Admin; Special Rates w/7-8mo.Ls.
- Nov 05: \$99 App +Admin; Special Rates w/7-8mo.Ls.
- Oct 05: LK&LS \$99.
- sep 05: 1mo. Free 7mo.Ls.; LK&LS \$99
- Aug 05: 6wks Free 7mo.Ls.
- Jul 05: No Specials
- Jun 05: No Specials
- May 05: No Specials
- Apr 05: LK&LS No App & No Deposit.
- Mar 05: LK&LS No App & No Deposit.
- Feb 05: LK&LS No App & No Deposit.
- Jan 05: LK&LS No App & No Deposit; 1mo. Free 12mo.Ls Move In Jan.

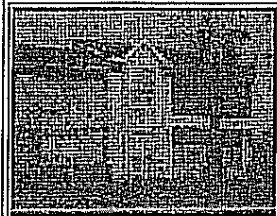


Information from sources deemed reliable but is not guaranteed
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CHELSEA PARK
 11000 CRESCENT MOON DR [Map](#)
 HOUSTON TX 77064-4013
 (281) 890-5066

MAP: 369-X
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5516 00
 # UNITS: 204
 YR BLT/RENO: 1983
 OCCUPANCY: 93
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

MGT CO: UNITED DOMINION REALTY TRUST
 LSE TERM: 6/9/12-14
 PARKING: Assigned
 PETS: NO PETS



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

NOTES: W/D Rental +\$35/mo

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	S/SF	ANNUAL INCOME
40	1/1	FC		665	650-685	150	100	1.00	\$320,400
52	1/1	FC	Y	705	685	150	100	0.97	\$427,440
16	1/1 Townhome	FC	Y	816	745	150	100	0.91	\$143,040
16	1/1.5 Split	FC	Y	816	745	150	100	0.91	\$143,040
48	2/2	FC	Y	995	845	250	100	0.85	\$486,720
32	2/2	FC	Y	1,000	820	250	100	0.82	\$314,880
204	TOTALS			169,132	\$152,960				\$1,835,520
	AVERAGES			829	\$750			0.90	

SPECIALS: \$50-75 Off Ea Mo; LK&LS \$125 Off 1st 2months 12mo.Ls

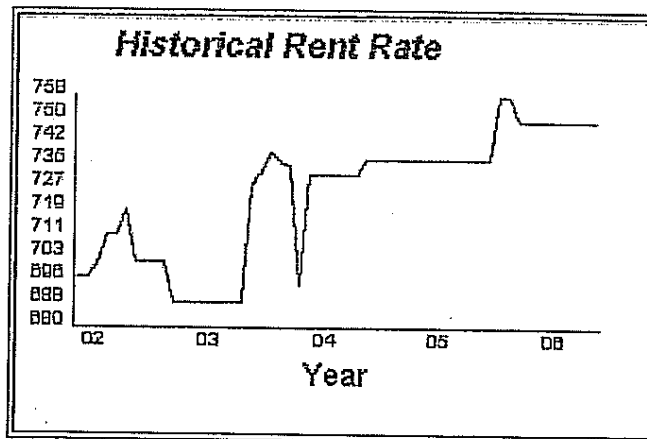
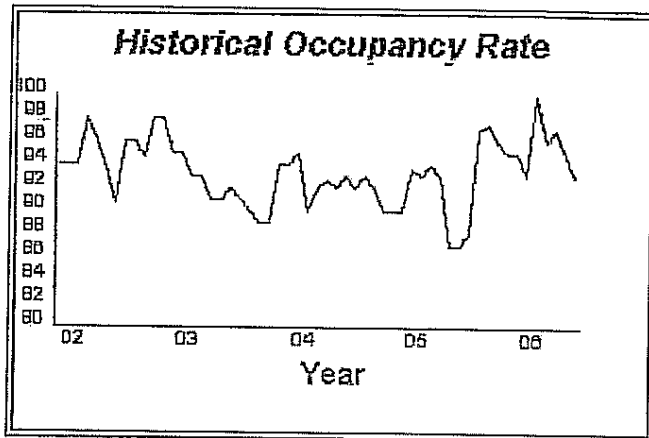
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR CHELSEA PARK

Month	Ave. Rent	Eff. Rent	Occupancy	Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$749.80	\$678.80	93.0	Jan 06	\$749.80	\$699.80	95.0
Jun 06	\$749.80	\$678.80	95.0	Dec 05	\$749.80	\$699.80	95.0
May 06	\$749.80	\$688.80	97.0	Nov 05	\$749.80	\$699.80	96.0
Apr 06	\$749.80	\$688.80	96.0	Oct 05	\$757.94	\$707.94	97.5
Mar 06	\$749.80	\$682.80	100.0	Sep 05	\$757.94	\$757.94	97.0
Feb 06	\$749.80	\$682.80	93.0	Aug 05	\$736.76	\$694.80	88.0

SPECIALS/CONCESSIONS

- Jul 06: \$50-75 Off Ea. Mo; LK&LS \$125 Off 1st 2months
12mo.Ls
- Jun 06: \$50-75 Off Ea. Mo; LK&LS \$125 Off 1st 2months
12mo.Ls
- May 06: \$50-75 Off Ea. Mo; \$250 Off 1st Mo
- Apr 06: \$50-75 Off Ea. Mo; \$125 Off 1st Mo
- Mar 06: \$50-75 Off Ea. Mo; \$199 Off 1st Mo
- Feb 06: \$50-75 Off Ea. Mo; \$199 Off 1st Mo
- Jan 06: \$50-75 Off Ea. Mo.
- Dec 05: \$50-75 Off Ea. Mo.
- Nov 05: \$50-75 Off Ea. Mo.
- Oct 05: \$50-75 Off Ea. Mo.
- Sep 05: No Specials
- Aug 05: LK&LS \$299 Total Move In 1Brs or \$399 Total Move
In 2Brs.
- Jul 05: \$250 Off 1st Mo
- Jun 05: \$250 Off 1st Mo
- May 05: \$250 Off 1st Mo
- Apr 05: \$125 Off 1st&2nd Mo.
- Mar 05: \$125 Off 1st&2nd Mo.
- Feb 05: \$150 Off Ea. Mo. Select Units.



Information from sources deemed reliable but is not guaranteed
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ASCOT COURT
 10910 WEST RD [Map](#)
 HOUSTON TX 77064-7090
 (281) 955-6341

MAP: 409-B
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5517 00
 # UNITS: 149
 YR BLT/RENO: 1984
 OCCUPANCY: 94
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

MGT CO: FINGER COMPANIES
 LSE TERM: 6-12
 PARKING: Open
 PETS: <20#/\$450 (200 NR)/2 Max/Breed Restrict

AMENITIES:

- Pools (2)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

NOTES: French doors, bookshelves, mirroe walls, computer room, free laundry room, kiddie pool

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
24	1/1		*	583	655-695	200	0	1.16	\$194,400
24	1/1	FC	*	668	695-745	200	0	1.08	\$207,360
16	1/1	FC	*	720	720-750	200	0	1.02	\$141,120
32	2/2	FC	*	975	910-960	300	0	0.96	\$359,040
24	2/2	FC	*	1,011	945-1015	300	0	0.97	\$282,240
5	2/2.5 Townhome	FC	Y	1,160	980	300	0	0.84	\$58,800
16	2/2	FC	Y	1,182	990	300	0	0.84	\$190,080
8	3/2	FC	Y	1,182	1040	300	0	0.88	\$99,840
149	TOTALS			131,176	\$127,740				\$1,532,880
	AVERAGES			880	\$857			0.97	

SPECIALS: 1mo. Free Prorated

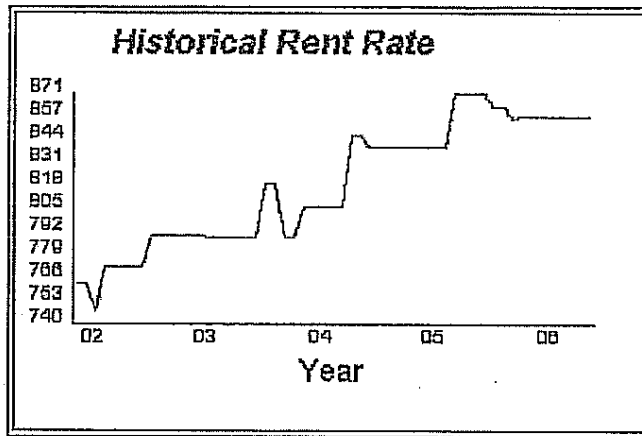
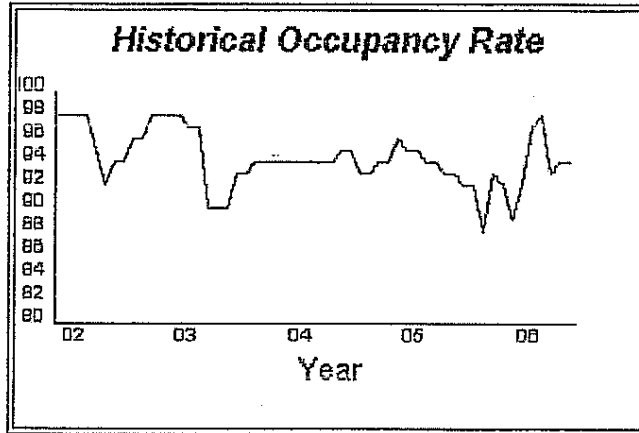
Information obtained from sources deemed reliable, but is not guaranteed
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HISTORY REPORT FOR ASCOT COURT

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$857.32	\$785.65	94.0		Jan 06	\$857.32	\$785.65	89.0
Jun 06	\$857.32	\$785.65	94.0		Dec 05	\$857.32	\$785.65	92.0
May 06	\$857.32	\$785.65	93.0		Nov 05	\$856.11	\$713.51	93.0
Apr 06	\$857.32	\$749.89	98.0		Oct 05	\$863.09	\$719.36	88.0
Mar 06	\$857.32	\$749.89	97.0		Sep 05	\$863.09	\$863.09	n/a
Feb 06	\$857.32	\$785.65	92.0		Aug 05	\$870.54	\$797.77	92.0

SPECIALS/CONCESSIONS

- Jul 06: 1mo. Free Prorated.
- Jun 06: 1mo. Free Prorated.
- May 06: 1mo. Free Prorated.
- Apr 06: 1-2mo Free Prorated On Select.
- Mar 06: 1-2mo Free Prorated On Select.
- Feb 06: 1mo Free Prorated.
- Jan 06: 1mo Free Prorated.
- Dec 05: 1mo Free Prorated.
- Nov 05: Up to 2mo Free Prorated 12mo Ls.
- Oct 05: 2 mo Free Prorated
- Sep 05: No Specials
- Aug 05: 1mo Off 12mo.Ls Prorated.
- Jul 05: 1mo. Off 12mo Ls Prorated.
- Jun 05: 1mo. Off 12mo.Ls Prorated.
- May 05: 1mo. Off 12mo.Ls Prorated.
- Apr 05: \$200-1mo. Off 12mo.Ls Prorated.
- Mar 05: \$200-1mo. Off 12mo.Ls Prorated.
- Feb 05: \$200-1mo. Off 12mo.Ls Prorated.

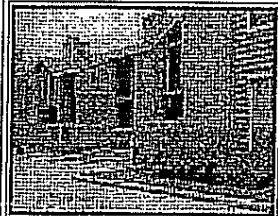


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SAVOY MANOR
 5915 FLINTLOCK RD [Map](#)
 HOUSTON TX 77040-5131
 (713) 462-6429

MAP: 450-C
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5217 00
 # UNITS: 192
 YR BLT/RENO: 1983
 OCCUPANCY: 96
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

MGT CO: ALLIANCE COMMUNITIES
 LSE TERM: 3+\$/6/9/12
 PARKING: Open
 PETS: <50#/\$300 (150 NR)/2 Max/Breed Restrict



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (3)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Ceil
- Walk-In Closet
- Wall-Wall Carpet

NOTES: Courtyard, W/D Rental \$30mo

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
24	1/1			500	465	150	75	0.93	\$133,920
12	1/1			625	525	150	75	0.84	\$75,600
12	1/1 Study	FC		625	535	150	75	0.86	\$77,040
24	1/1	FC		720	540	150	75	0.75	\$155,520
24	1/1 Study	FC		720	565	150	75	0.78	\$162,720
12	1/1	FC	Y	750	580	150	75	0.77	\$83,520
12	1/1 Study	FC	Y	750	585	150	75	0.78	\$84,240
48	2/2	FC	Y	900	715	250	75	0.79	\$411,840
12	2/2	FC	Y	1,050	735	250	75	0.70	\$105,840
12	2/2 Study	FC	Y	1,050	750	250	75	0.71	\$108,000
192	TOTALS			147,960	\$116,520				\$1,398,240
	AVERAGES			771	\$607			0.79	

SPECIALS:

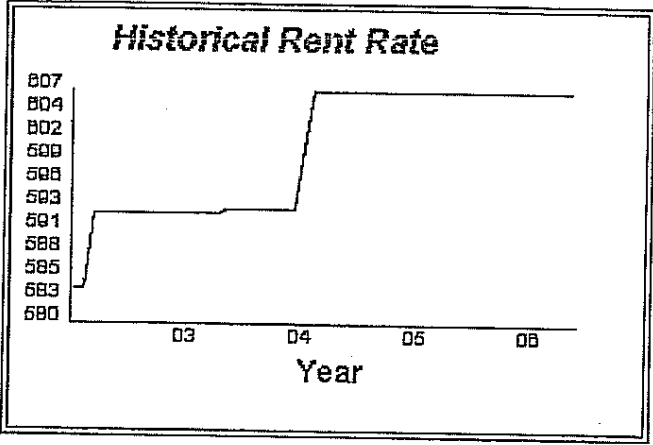
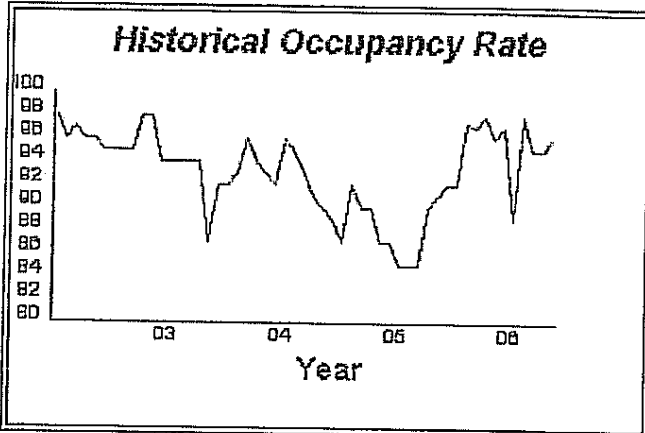
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR SAVOY MANOR

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$606.88	\$606.88	96.0		Jan 06	\$606.88	\$588.75	96.0
Jun 06	\$606.88	\$606.88	95.0		Dec 05	\$606.88	\$606.88	98.0
May 06	\$606.88	\$591.88	95.0		Nov 05	\$606.88	\$606.88	97.0
Apr 06	\$606.88	\$591.88	98.0		Oct 05	\$606.88	\$606.88	97.4
Mar 06	\$606.88	\$588.75	89.0		Sep 05	\$606.88	\$606.88	92.0
Feb 06	\$606.88	\$588.75	97.0		Aug 05	\$606.88	\$606.88	92.0

SPECIALS/CONCESSIONS

- Jul 06: No Specials
- Jun 06: No Specials
- May 06: \$15 Off Mkt.
- Apr 06: \$15 Off Mkt.
- Mar 06: \$20 Off Mkt. 2Brs; \$15 Off Mkt. 1Brs.
- Feb 06: \$20 Off Mkt. 2Brs; \$15 Off Mkt. 1Brs.
- Jan 06: \$20 Off Mkt. 2Brs; \$15 Off Mkt. 1Brs
- Dec 05: No Specials
- Nov 05: Senior Citizens, Students \$25 Off a Month & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Deposit
- Oct 05: Senior Citizens, Students & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Bond
- Sep 05: Senior Citizens, Students & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Bond
- Aug 05: Senior Citizens, Students & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Bond
- Jul 05: Senior Citizens, Students & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Bond
- Jun 05: Senior Citizens, Students & Time Warner Discount 10%; No App or Admin; \$50 Holding Fee; \$87.50 Sure Bond
- May 05: Senior Citizens, Students & Time Warner Discount 10%; No Deposit; \$75 Holding Fee; \$87.50 Sure Bond
- Apr 05: Senior Citizens, Students & Time Warner Discount 10%; No Deposit; \$75 Holding Fee; \$87.50 Sure Bond
- Mar 05: Senior Citizens, Students & Time Warner Discount 10%; No Deposit; \$75 Holding Fee; \$87.50 Sure Bond
- Feb 05: Senior Citizens, Students & Time Warner Discount 10%; No Deposit; \$75 Holding Fee; \$87.50 Sure Bond



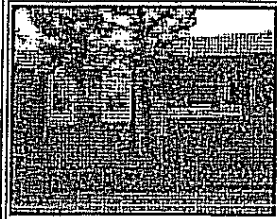
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WINCHESTER PLACE
 10910 GOLD POINT DR
 HOUSTON TX 77064-7091
 (281) 890-6688

[Map](#)

MAP: 409-F
 SCHOOL DIST: CYPRESS FAIRBANKS
 CENSUS TRACT: 5517 00
 # UNITS: 256
 YR BLT/RENO: 1985
 OCCUPANCY: 97 3
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

MGT CO: CNC INVESTMENTS, INC
 LSE TERM: 7/13
 PARKING: Open
 PETS: NO PETS



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (2)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Ceil
- Walk-In Closet
- Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
64	1/1	SC		574	550	150	0	0.96	\$422,400
96	1/1	FC	*	705	595	150	0	0.84	\$685,440
24	1/1.5 Townhome	SC		748	635	150	0	0.85	\$182,880
16	1/1 Den	FC	*	921	715	150	0	0.78	\$137,280
40	2/2	FC	*	1,041	791	300	0	0.76	\$379,680
16	2/2 Den	FC		1,156	865	300	0	0.75	\$166,080
256	TOTALS			197,240	\$164,480				\$1,973,760
	AVERAGES			770	\$642			0.83	

SPECIALS: LK&LS 24hrs 1/2 Deposit & \$20 App

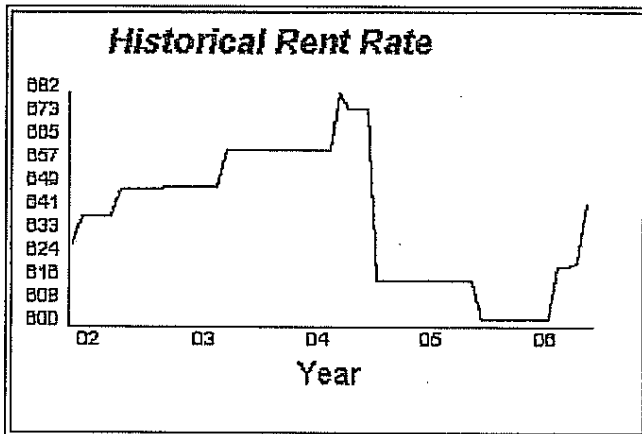
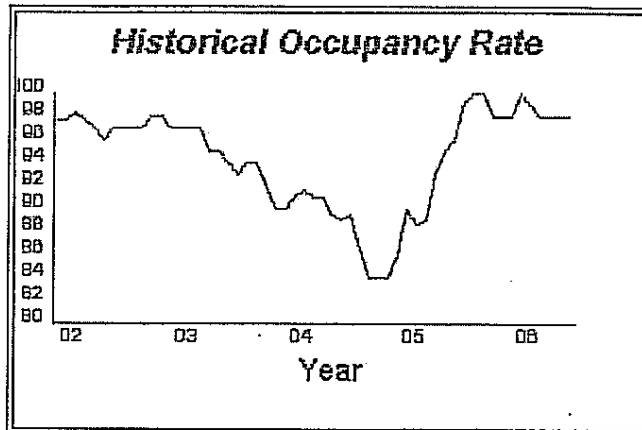
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HISTORY REPORT FOR WINCHESTER PLACE

Month	Ave. Rent	Eff. Rent	Occupancy	Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$642.50	\$642.50	98.0	Jan 06	\$602.50	\$602.50	98.0
Jun 06	\$622.66	\$622.66	98.0	Dec 05	\$602.50	\$602.50	98.0
May 06	\$620.78	\$620.78	98.0	Nov 05	\$602.50	\$602.50	98.0
Apr 06	\$620.78	\$620.78	98.0	Oct 05	\$602.50	\$602.50	100.0
Mar 06	\$602.50	\$602.50	99.0	Sep 05	\$602.50	\$551.84	100.0
Feb 06	\$602.50	\$602.50	100.0	Aug 05	\$602.50	\$551.84	99.2

SPECIALS/CONCESSIONS

- Jul 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Jun 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- May 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Apr 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Mar 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Feb 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Jan 06: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Dec 05: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Nov 05: LK&LS 24hrs 1/2 Deposit & \$20 App.
- Oct 05: No Specials
- Sep 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo.Ls; LK&LS 1/2 Deposit & \$15 App
- Aug 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo Ls; LK&LS 1/2 Deposit & \$15 App.
- Jul 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo.Ls; LK&LS 1/2 Deposit & \$10 App.
- Jun 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo.Ls; LK&LS 1/2 Deposit & \$10 App.
- May 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo Ls
- Apr 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo Ls
- Mar 05: S.C. Discount Up To 10%; Semi Seniors (55+), Firemen, Teachers & Police 5% Disc.1/2mo. Free 6mo.ls: 1mo. Free 12mo.Ls



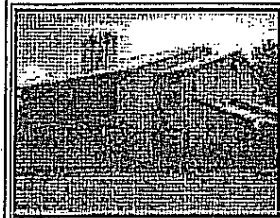
Feb S C Discount Up To 10%; Semi Seniors (55+), Firemen,
05 Teachers & Police 5% Disc 1/2mo Free 6mo ls 1mo Free
12mo Ls

Information from sources deemed reliable but is not guaranteed
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WINDFERN MEADOWS
 12919 WINDFERN RD [Map](#)
 HOUSTON TX 77064-3035
 (281) 469-9608

MAP: 369-U
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5516 00
 # UNITS: 184
 YR BLT/RENO: 1984
 OCCUPANCY: 93
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$30/40

MGT CO: SHENG CORP/RAAMCO TEXAS PROP
 LSE TERM: 6-12
 PARKING: Covered
 PETS: <25#/\$400 (200 NR)



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
92	1/1	FC	Y	750	595	100	100	0.79	\$656,880
46	2/2	FC	Y	1,075	730	200	200	0.68	\$402,960
46	3/2	FC	Y	1,240	845	300	300	0.68	\$466,440
184	TOTALS			175,490	\$127,190				\$1,526,280
	AVERAGES			954	\$691			0.72	

SPECIALS:

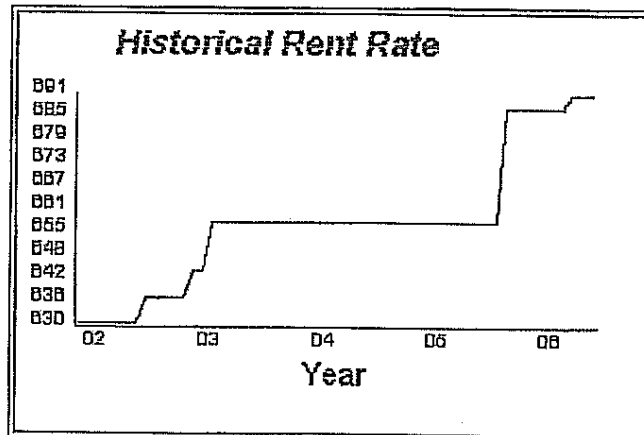
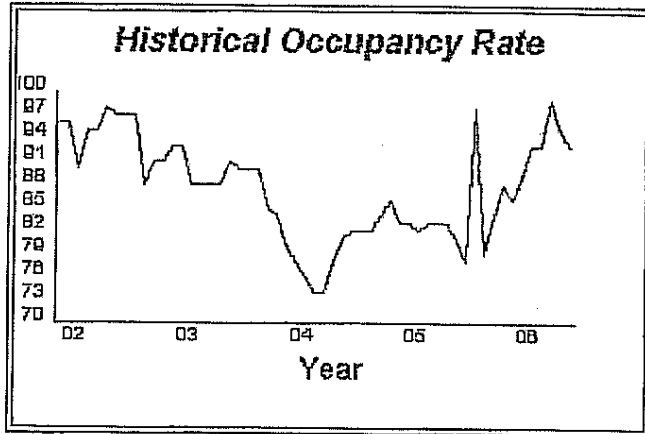
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HISTORY REPORT FOR WINDFERN MEADOWS

Month	Ave. Rent	Eff. Rent	Occupancy	Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$691.25	\$691.25	93.0	Jan 06	\$687.50	\$675.00	86.0
Jun 06	\$691.25	\$691.25	95.0	Dec 05	\$687.50	\$675.00	88.0
May 06	\$691.25	\$691.25	99.0	Nov 05	\$687.50	\$675.00	84.0
Apr 06	\$687.50	\$675.00	n/a	Oct 05	\$687.50	\$675.00	79.0
Mar 06	\$687.50	\$675.00	93.0	Sep 05	\$657.50	\$646.00	98.0
Feb 06	\$687.50	\$675.00	89.0	Aug 05	\$657.50	\$646.00	78.0

SPECIALS/CONCESSIONS

- Jul 06: No Specials
- Jun 06: No Specials
- May 06: No Specials
- Apr 06: Up To 1mo. Free 1Brs 12mo.Ls Prorated.
- Mar 06: Up To 1mo. Free 1Brs 12mo.Ls Prorated.
- Feb 06: Up To 1mo. Free 1Brs 12mo.Ls Prorated.
- Jan 06: Up To 1mo. Free 1Brs 12mo.Ls Prorated.
- Dec 05: Up To 1mo Free 1Brs 12mo.Ls Prorated.
- Nov 05: Up To 1mo. Free 1Brs 12mo.Ls Prorated.
- Oct 05: Up To 1mo. Free (Pick A Flower.) on 1Brs.
- Sep 05: Up To 1mo. Free (Pick A Flower.) on 1Brs.
- Aug 05: Up To 1mo. Free (Pick A Flower.) on 1Brs.
- Jul 05: Up To 1mo. Free (Pick A Flower.) on 1Brs.
- Jun 05: Up To 1mo. Free (Pick A Flower).
- May 05: \$99 Total Move In or 1mo. Free Prorated Over 12-13mo.Ls; \$100 Off 1brs; 1mo. Free (Pick A Flower).
- Apr 05: \$99 Total Move In or 1mo. Free Prorated Over 12-13mo.Ls; \$100 Off 1brs; 1mo. Free (Pick A Flower)
- Mar 05: \$99 Total Move In or 1mo. Free Prorated Over 12-13mo.Ls.
- Feb 05: \$99 Total Move In or 1mo Free Prorated Over 12-13mo.Ls.



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ENCLAVE AT WILLOWBROOK

7250 W GREENS RD Map
HOUSTON TX 77064-1133
(281) 890-7661

MAP: 370-K
SCHOOL DIST: CYPRESS-FAIRBANKS
CENSUS TRACT: 5514 00
UNITS: 260
YR BLT/RENO: 1983
OCCUPANCY: 90
COUNTY: Harris
ELECTRIC: RESIDENTIAL
APP FEE: \$35

MGT CO: CLARK LAUDERDALE COMPANY
LSE TERM: 6-13
PARKING: Open
PETS: <30#/\$400 (150 NR)/1 Max

Historical Report
Including 5-Year
Historical Chart

AMENITIES:

- Pools (1)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Ceil
- Walk-In Closet
- Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
48	1/1	SP		594	625	150	0	1.05	\$360,000
88	1/1	SP	Y	727	655	150	0	0.90	\$691,680
28	1/1	FP	Y	734	675	150	0	0.92	\$226,800
28	1/1 Townhome	SP	Y	833	715	150	0	0.86	\$240,240
32	2/2	FP	Y	977	825	200	0	0.84	\$316,800
14	2/2 Townhome	SP	Y	1,014	855	200	0	0.84	\$143,640
14	2/2 Townhome	FP	Y	1,015	895	200	0	0.88	\$150,360
8	2/2 Townhome	SP	Y	1,061	930	200	0	0.88	\$89,280
260	TOTALS			204,522	\$184,900				\$2,218,800
	AVERAGES			787	\$711			0.90	

SPECIALS: Reduced Rates; Discounted Prorate To Move In.

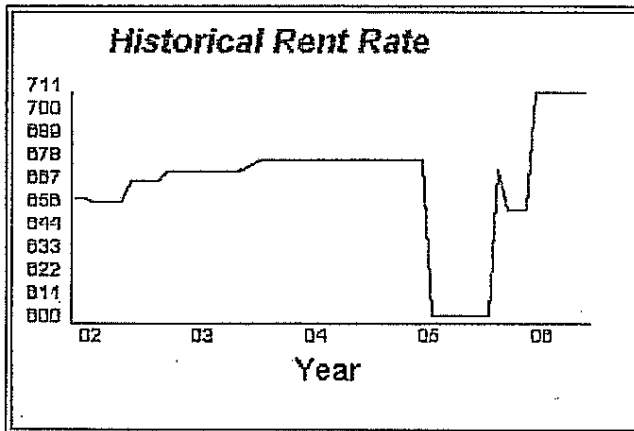
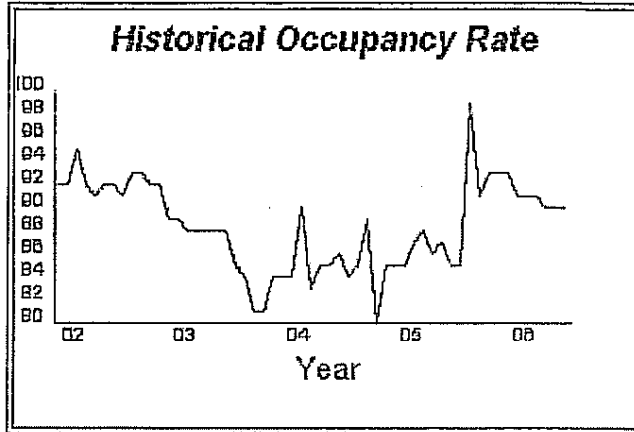
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HISTORY REPORT FOR ENCLAVE AT WILLOWBROOK

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$711.15	\$711.15	90.0		Jan 06	\$654.73	\$654.73	93.0
Jun 06	\$711.15	\$711.15	90.0		Dec 05	\$654.73	\$654.73	93.0
May 06	\$711.15	\$711.15	90.0		Nov 05	\$654.73	\$654.73	93.0
Apr 06	\$711.15	\$711.15	91.0		Oct 05	\$674.19	\$674.19	91.0
Mar 06	\$711.15	\$711.15	91.0		Sep 05	\$604.08	\$604.08	99.0
Feb 06	\$711.15	\$711.15	91.0		Aug 05	\$604.08	\$604.08	n/a

SPECIALS/CONCESSIONS

- Jul 06: Reduced Rates; Discounted Prorate To Move In.
- Jun 06: Reduced Rates; Discounted Prorate To Move In.
- May 06: Reduced Rates; Discounted Prorate To Move In.
- Apr 06: Reduced Rates; Discounted Prorate To Move In.
- Mar 06: Reduced Rates; Discounted Prorate To Move In.
- Feb 06: Reduced Rates.
- Jan 06: No Specials
- Dec 05: No Specials
- Nov 05: No Specials
- Oct 05: Reduced Rents.
- Sep 05: Reduced Rates.
- Aug 05: Reduced Rates.
- Jul 05: Reduced Rates.
- Jun 05: Reduced Rates.
- May 05: No Specials
- Apr 05: No Specials
- Mar 05: No Specials
- Feb 05: 1Brs \$510.

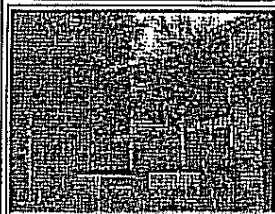


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WILSHIRE PLACE
 6000 HOLLISTER ST Map
 HOUSTON TX 77040-6800
 (713) 895-7600

MAP: 410-Z
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5323 00
 # UNITS: 536
 YR BLT/RENO: 1982 /1996
 OCCUPANCY: N/A
 COUNTY: Harris
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$40/45

MGT CO: VENTERRA MANAGEMENT
 LSE TERM: 1-15
 PARKING: Open
 PETS: <50#/\$400 (200 NR)



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (2)
- Laundry (2)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Cell
- Walk-In Closet
- Wall-Wall Carpet

NOTES: W/D Rental \$40/mo.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
56	1/1			518	540	150	0	1.04	\$362,880
104	1/1			578	550	150	0	0.95	\$686,400
104	1/1	SC		642	565	150	0	0.88	\$705,120
56	1/1	SC	*	716	575	150	0	0.80	\$386,400
80	2/1	SC		851	715	200	0	0.84	\$686,400
96	2/2	FC	*	1,000	765	200	0	0.76	\$881,280
40	2/2.5 Townhome	FC	*	1,193	870	200	0	0.73	\$417,600
536	TOTALS			407,784	\$343,840				\$4,126,080
	AVERAGES			761	\$641			0.84	

SPECIALS:

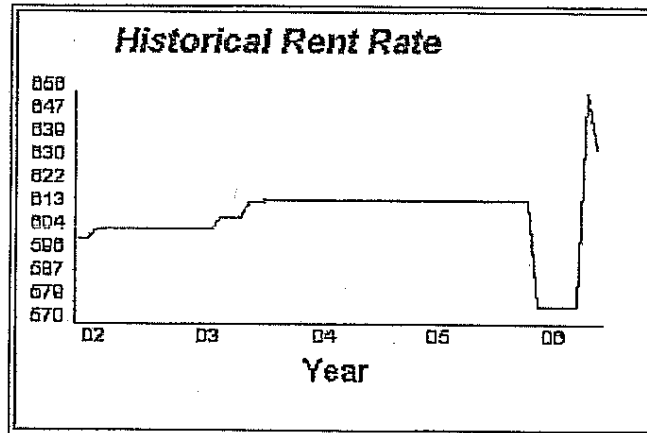
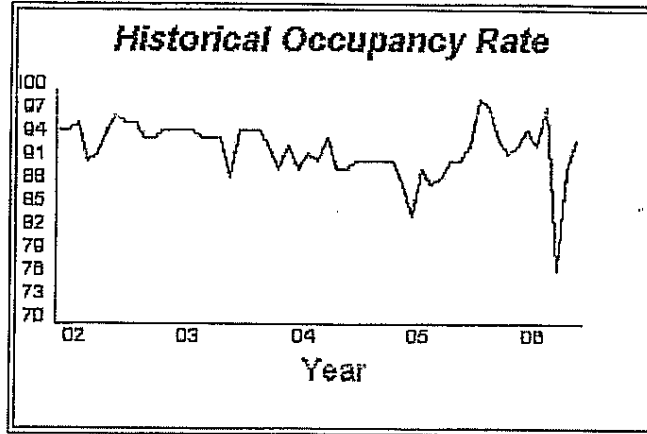
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HISTORY REPORT FOR WILSHIRE PLACE

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$635.45	\$635.45	93.8		Jan 06	\$576.70	\$576.70	93.0
Jun 06	\$655.97	\$655.97	90.0		Dec 05	\$615.60	\$615.60	92.0
May 06	\$576.70	\$576.70	77.0		Nov 05	\$615.60	\$615.60	94.0
Apr 06	\$576.70	\$576.70	98.0		Oct 05	\$615.60	\$615.60	98.0
Mar 06	\$576.70	\$576.70	93.0		Sep 05	\$615.60	\$615.60	99.0
Feb 06	\$576.70	\$576.70	95.0		Aug 05	\$615.60	\$526.04	93.0

SPECIALS/CONCESSIONS

- Jul 06: No Specials
- Jun 06: No Specials
- May 06: \$87.50 Sure Deposit Bond.
- Apr 06: \$87.50 Sure Deposit Bond.
- Mar 06: \$87.50 Sure Deposit Bond.
- Feb 06: \$87.50 Sure Deposit Bond.
- Jan 06: \$87.50 Sure Deposit Bond.
- Dec 05: No Specials
- Nov 05: Prices Depend On Availability & Credit.
- Oct 05: No Specials
- Sep 05: No Specials
- Aug 05: 7wks Free 12mo.Ls (2wks Upfront & 5wks Prorated).
- Jul 05: 7wks Free 12mo.Ls (2wks Upfront & 5wks Prorated).
- Jun 05: 7wks Free 12mo.Ls Prorated.
- May 05: 7wks Free 12mo.Ls Prorated.
- Apr 05: 7wks Free 12mo.Ls Prorated.
- Mar 05: 7wks Free 12mo.Ls Prorated.
- Feb 05: 7wks Free 12mo.Ls Prorated.

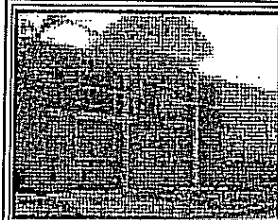


Information from sources deemed reliable but is not guaranteed
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TRAILS OF WINDFERN
 13035 WINDFERN RD [Map](#)
 HOUSTON TX 77064-3000
 (281) 890-6824

MAP: 369-U
 SCHOOL DIST: CYPRESS-FAIRBANKS
 CENSUS TRACT: 5516 00
 # UNITS: 240
 YR BLT/RENO: 1983 /2004
 OCCUPANCY: 89
 COUNTY: Harris
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

MGT CO: CNC INVESTMENTS, INC
 LSE TERM: 9-12
 PARKING: Open
 PETS: <25#/\$400 (200 NR)/1 Max



[Historical Report](#)
[Including 5-Year](#)
[Historical Chart](#)

[More Pictures & Plans](#)

AMENITIES:

- Pools (1)
- Laundry (3)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Access Gates
- On-Site Mgmt
- Corporate Rates
- Short Term Leases
- Income Restricted
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- High Speed Internet
- Near Transit
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Mini-Blinds
- Private Alarms
- Monitored Alarms
- Vaulted Ceil
- Walk-In Closet
- Wall-Wall Carpet

NOTES:

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	NR FEE	\$/SF	ANNUAL INCOME
72	1/1			504	500	175	0	0.99	\$432,000
48	1/1	FC*	*	637	570	175	0	0.89	\$328,320
72	2/2		*	866	645	200	0	0.74	\$557,280
48	2/2		*	920	690	200	0	0.75	\$397,440
240	TOTALS			173,376	\$142,920				\$1,715,040
	AVERAGES			722	\$596			0.82	

SPECIALS: Lk & Ls \$99 Move In 1Brs; \$199 Move In 2Brs.

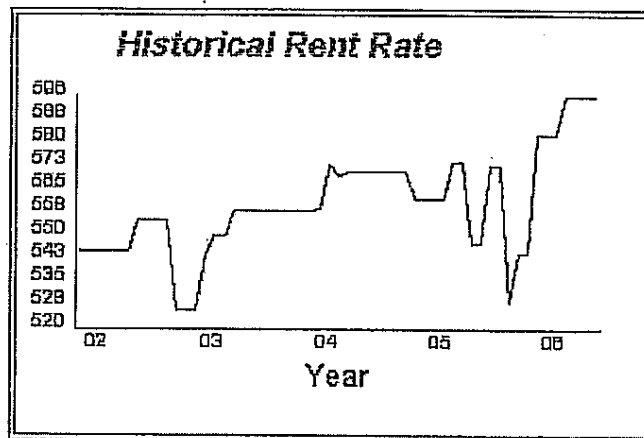
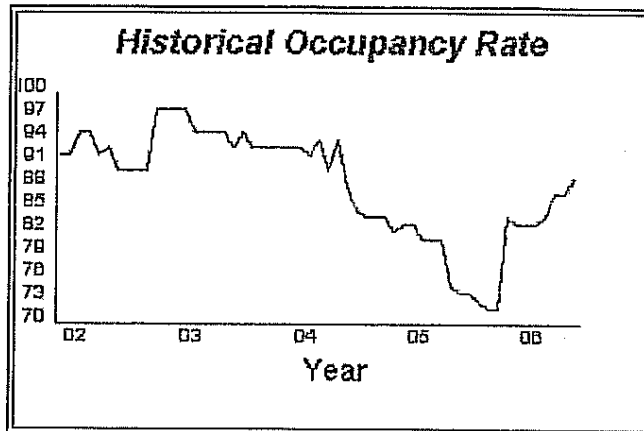
Information obtained from sources deemed reliable, but is not guaranteed.
 ALN Systems, Inc. • 972/931-2553 or 800/643-6416 • www.alnsystems.com

HISTORY REPORT FOR TRAILS OF WINDFERN

Month	Ave. Rent	Eff. Rent	Occupancy		Month	Ave. Rent	Eff. Rent	Occupancy
Jul 06	\$595.50	\$549.50	89.0		Jan 06	\$582.90	\$546.20	83.0
Jun 06	\$595.50	\$557.70	87.0		Dec 05	\$544.30	\$522.45	84.0
May 06	\$595.50	\$557.70	87.0		Nov 05	\$544.30	\$544.30	n/a
Apr 06	\$595.50	\$595.50	84.0		Oct 05	\$529.00	\$492.85	72.0
Mar 06	\$582.90	\$546.20	83.0		Sep 05	\$572.90	\$533.00	73.0
Feb 06	\$582.90	\$546.20	n/a		Aug 05	\$572.90	\$533.00	74.0

SPECIALS/CONCESSIONS

- Jul 06: Lk & Ls \$99 Move In 1Brs; \$199 Move In 2Brs.
- Jun 06: Lk & Ls \$199 Move In 1Brs; \$299 Move In 2Brs.
- May 06: Lk & Ls \$199 Move In 1Brs; \$299 Move In 2Brs.
- Apr 06: No Specials
- Mar 06: \$199 Total Move In 2Brs; \$299 Total Move In 1Brs.
- Feb 06: \$199 Total Move In 2Brs; \$299 Total Move In 1Brs.
- Jan 06: \$199 Total Move In 2Brs; \$299 Total Move In 1Brs.
- Dec 05: \$199 Total Move In 2Brs.
- Nov 05: No Specials
- Oct 05: \$199 Total Move In w/ Approved Credit; 504sqft \$399, 637sqft \$499, Pop A Balloon 2Brs \$10-25 Off Ea Mo
- Sep 05: \$199 Total Move In w/ Approved Credit; 504sqft \$399, 637sqft \$499, Pop A Balloon 2Brs \$10-25 Off Ea Mo
- Aug 05: \$199 Total Move In w/ Approved Credit; 504sqft \$399, 637sqft \$499, Pop A Balloon 2Brs \$10-25 Off Ea Mo
- Jul 05: \$199 Total Move In w/ Approved Credit.
- Jun 05: \$199 Total Move In w/ Approved Credit.
- May 05: \$299 Total Move In w/ Approved Credit.
- Apr 05: \$299 Total Move In w/ Approved Credit.
- Mar 05: \$199 Total Move In w/ Approved Credit; 1mo Free.
- Feb 05: \$199 Total Move In w/ Approved Credit; 1mo Free.



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No Need Concentration of Poverty

There is no need for this type of development at this time or in the near future.

Mr. Bower spoke at the March 20, 2006 TDHCA Board Meeting in reference to a Market Study done by Vogt, Williams & Bowen for the TDHCA and said:

“So I know part of what we’ve been asked to do as developers is try to develop in areas that have lower concentrations of low income population and lower concentrations of minorities”

Cynosures Market Study states that this area has a 67% Minority population. A look at the schools in the immediate area where the tenants would send their children shows:

Frazier Elementary – Minorities - 92% (Asian, African American, Hispanic)
White - 8%
Economically Disadvantaged - 69.2%

Reed Elementary - Minorities - 77%
White - 23%
Economically Disadvantaged - 56.7%

Dean Middle School – Minorities – 80.5%
White - 19.5%
Economically Disadvantaged - 56.4%

Area Average for economically disadvantaged is 60% which is double the School District average of 30%

This application should be denied because the above figures from Cypress Fairbanks ISD show dramatically that the construction of Rolling Creek Apartments will only serve to further concentrate minorities and the economically disadvantaged into the area.

If you are trying to develop the areas that have lower concentrations of minorities and low income you might look to the areas that truly need this type of construction. For example Ault Elementary (1% Economically Disadvantaged), Hamilton Elementary (0.0%), Hamilton Middle School (0.1%), Keith Elementary (1.0%), Robison Elementary (0.1%) and Spillane Middle School (0.1%) are all in ZIP Code 77429. Further, the minority population at these schools range from 13% to 31% and average for all is 22%

**Proximity
To Proposed
Rolling Creek Apartments**

The Market Study/Appraisal submitted by Cynosure states that there is only one HTC property in the Primary Market Area. Within that area there are actually 8 HTC properties (as identified in the Vogt, Williams & Bowen report) and 1 Tax Exempt (X9) low-moderate income properties. An application for an additional HTC property has been filed for Meadowlands Apartments proposed for the northwest corner of Steepleway Blvd and Steeplepark Dr for 232 additional units.

1. The Park at Woodwind Lakes (HTC Property Market rate and Tax Credit (MRT)) 14333 Philippine.
2. Windfern Pointe (Low-Moderate income (X9) Tax Exempt Property) accept Section 8 vouchers. 2.73 miles from proposed Rolling Creek Apartments at 9515 W. Gulf Bank, Houston, TX 77040.
3. Wood Glen Village (MRT) 11111 West Montgomery Rd. Houston, Tx
4. Sandlewood (MRT) Identified in VW&B Report
5. Inwood Terrace (TAX) Identified in VW&B Report
6. Park Lane I (TAX) 5714 W Gulfbank, Houston TX
7. Park Lane II (TAX) 5714 W Gulfbank, Houston, TX
8. Park at Fallbrook (TAX) 10155 Bammel North Houston
9. Primrose at Heritage Park (TAX) (Identified in the VW&B report as not yet built has now completed construction)

In addition within a three mile radius of Rolling Creek there are three HTC properties and one proposed property at the Northwest corner of Steepleway and Steeplepark.

10. Sugar Creek Apartments 11501 West Rd (HTC Property) is within the 3 mile radius.
11. Sprucewood Apartments 12200 Steepleway Blvd (HTC Property) is within the 3 mile radius.

12. The Manor at Jersey Village 12400 Castlebridge Dr (TAX).

13. Meadowlands Apartments (TAX) Proposed at Northwest corner of Steeplepark and Steepleway.

Not only does there appear to be an abundance of Tax Credit properties a MAPQUEST search for Apartments shows 150+ properties within a 5.4 mile radius of the proposed Rolling Creek property. All of these properties are competing for the same tenants and most are offering concessions to get them. Will Rolling Creek have to give concessions as well?

This application should be denied to avoid over concentration that would adversely affect existing Apartment Developments

Public Facilities and Services

The Primary Market area as described in the Cynosure Market Study is primarily residential with some light industrial usage. There are few public services or facilities with the exception of the typical self-service gasoline station and convenience store combinations. All other facilities are accessible only by automobile as no Public Transportation exists or is included in short term planning for the area. There are no sidewalks, no hiking or biking trails. All swimming pools in the area are private.

- Nearest Mall – Willowbrook Mall - 6.78 miles.
- Nearest Hospital – Cypress Fairbanks Medical CTR Hospital – 6.58 miles.
- Nearest Pharmacy – CVS – 2.27 miles.
- Nearest Post Office – Fairbanks – 3.88 miles.
- Nearest Grocery Supermarket – Kroger 3.33 miles.
- Nearest Library – Harris County – 2.49 miles.
- Nearest Public Transportation – Tidwell - 3.1 miles.

There is one public park in the area that is 3.19 miles from Rolling Creek. No other recreational facilities exist with the exception of Golf Courses and a Horse Racetrack that encourages gambling. Neither have been noted as family activities.

Clearly there are few amenities offered in the defined neighborhood.

FLOODING

It is better to prevent a loss rather than recover from one.

FAP residents have watched the area develop, as friends and neighbors spent days living through floods and years trying to rebuild.

1. Since 1998 the federal government has spent over \$153 million of taxpayers' money on buyouts and repairs as a result of flooding to homes in the FAP area alone. **An additional million** was spent from June 2005 to March of 2006. The \$153 million does not include cost to administer the issuance of federal insurance and it does not include the amount of private insurance spent.

(Exhibit "A"- FEMA buyouts in FAP area, 1998 to current, from HCFCD)

(Exhibit "B" – National Flood letter reflecting cost of flood in FAP area)

2. The timeline for the FAP area flooding began in 1992 when Dodson & Associates, an engineering firm contracted by the county, warned that the building of Sam Houston Racetrack would lead to flooding of the White Oak Bayou as per the Houston Chronicle article.

(Exhibit "C" - Chronicle Article).

3. April 4, 1994 the Racetrack opened. September 9, 1998, Tropical Storm Frances deluged the area with enough water to float boats on area streets. Many area residents evacuated with a small percentage taking refuge at Reed Elementary School.

(Exhibit "D" - Chronicle Articles)

4. Flooding was repeated with Tropical Storm Allison in 2001, caused by the unrelenting rain and rapid runoff from the extensive amounts of paved surfaces. The result was further destruction of property.

(Exhibit "E" - Internet Article)

5. Other heavy rains followed, specifically in October 2002 and November 2003; leaving some FAP area residents victims to three and four floods.

(Exhibit "F" – Chronicle Articles)

6. In between those years, subdivisions with detention/retention ponds were built, with permits, under the guidance of engineers, and the blessings of the county. Woodwind Lakes, constructed in 1992, and Oaklake Pointe, constructed in 1997, were both built with ponds as specified by Harris County. Thereafter, subdivisions to the south and east of these were flooded and now consist of lots owned by the Harris County Flood Control District. These lots in Creekside Estates, Burger Estates, Woodland Trails and others once housed families that were forced out by multiple floodings after new developments.

More FEMA funds are allocated for additional buyouts in our area as a result of past flooding.

(Exhibit "G" - HCAD Website Data)

(Exhibit "H" - Leader Article)

7. The proposed site for the apartments and adjacent properties are not designated as wetlands, but nearby residents have noted the land to be wet when it rains and wet when it does not.

(Exhibit "I" - Engineer, Mr. George Nelson's letter)

8. Today, nearby subdivisions, apartments, etc. are being built on this land. It is a known fact that the massive amounts of laid concrete (impervious substances) won't absorb water, so the displaced rains will need to flow elsewhere. While new construction in Harris County is required to be built 18 inches above flood plain; this requirement just diverts runoff to existing subdivisions.

(Exhibit "J" - Harris Co. Flood Plain Mgmt),

(Exhibit "K" - Elevation & Flooding pictures)

9. Even with the detention/retention ponds required, the flood waters rise at rapid rates on homes in this area proving their ineffectiveness. Rain water rose rapidly the morning of June 19, 2006 in neighborhoods surrounding the proposed site. One subdivision directly east and one subdivision directly south of the proposed building site had homes damaged by rain waters and cars towed from the area. Original homes, passed down through families, are being demolished because of flooding exacerbated by new construction.

(Exhibit "L" - June 19th, 2006 flooding reflected in:

Chronicle article, Rolling Fork pictures, Courtyard Glen pictures)

(Exhibit "M" - letter by Mrs. Sharon Speer)

10. Currently, efforts are underway for a substantial flooding and drainage study by HCFCD. The study references many questions including: "Why does it flood...? Is new development doing its fair share to address flooding?" They still do not have the answers, yet building continues.

(Exhibit "N" - HCFCD Website)

Please stop the use of government funds for new construction, only to later use government funds on additional flooded FAP area houses. These are not just buildings; it is families, their homes, their communities, and their lives.

EXHIBIT "A"

**FEMA BUYOUTS
IN FAP AREA
January 1998 – March 2006**

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
7203 WIND ROCK CT	\$124,000.00	77040	10-Mar-03
8811 WIND ROCK	\$95,000.00	77040	17-Mar-03
8702 WIND ROCK CT	\$128,500.00	77040	08-Apr-03
8750 WIND STREAM	\$109,006.00	77040	09-Apr-03
9106 LOREN LANE	\$96,000.00	77040	10-Apr-03
7058 WOODLAND WEST DR	\$72,609.00	77040	10-Apr-03
7119 WIND BROOK ST	\$97,453.00	77040	11-Apr-03
7203 WIND TRAIL	\$105,804.00	77040	11-Apr-03
7207 WIND TRAIL	\$92,140.00	77040	11-Apr-03
7111 River Fern Dr	\$82,124.00	77040	14-Apr-03
7211 WIND TRAIL	\$112,000.00	77040	14-Apr-03
7931 SHADY GROVE DR	\$56,632.00	77040	14-Apr-03
8211 SHADY ARBOR LN	\$91,000.00	77040	14-Apr-03
7410 SHADY VALE LN	\$102,593.50	77040	14-Apr-03
8738 WIND STREAM	\$96,937.00	77040	16-Apr-03
7218 WOOD BLUFF BLVD	\$112,500.00	77040	16-Apr-03
7122 RIVER FERN DR	\$53,450.00	77040	16-Apr-03
8923 WIND STREAM	\$86,026.00	77040	16-Apr-03
8815 WIND ROCK	\$106,500.00	77040	16-Apr-03
7107 WIND BROOK ST	\$133,500.00	77040	17-Apr-03
7126 RIVER FERN DR	\$92,354.00	77040	22-Apr-03
8815 WIND STREAM	\$122,288.00	77040	22-Apr-03
7211 WIND ROCK CT	\$124,500.00	77040	23-Apr-03
8747 WIND STREAM	\$100,066.00	77040	24-Apr-03
8730 WIND STREAM	\$87,626.00	77040	24-Apr-03
8819 WIND STREAM	\$100,500.00	77040	25-Apr-03
8803 WIND STREAM	\$85,535.00	77040	25-Apr-03
8035 Shady Arbor	\$89,442.00	77040	25-Apr-03
8719 WIND ROCK	\$85,401.00	77040	25-Apr-03
8739 WIND STREAM	\$97,630.00	77040	28-Apr-03
8746 WIND STREAM	\$70,795.00	77040	28-Apr-03
8106 SHADY ARBOR LN	\$99,500.00	77040	28-Apr-03
8107 Shady Arbor	\$78,204.00	77040	28-Apr-03
7123 RIVER FERN DR	\$74,785.00	77040	30-Apr-03
8711 WIND STREAM	\$114,344.00	77040	30-Apr-03
9018 LOREN LANE	\$73,201.00	77040	30-Apr-03
8718 WIND ROCK DR	\$119,000.00	77040	01-May-03
9026 LOREN LANE	\$99,000.00	77040	02-May-03
7122 SHADY VALE LN	\$99,000.00	77040	05-May-03
7311 WOOD BLUFF BLVD	\$101,000.00	77040	05-May-03
7938 SHADY GROVE DR	\$98,500.00	77040	05-May-03
7111 WOOD HEATHER LN	\$92,991.00	77040	05-May-03
7206 WIND ROCK CT	\$109,500.00	77040	06-May-03
7126 WOODLAND WEST DR	\$88,199.00	77040	06-May-03
7319 SHADY VALE LN	\$113,000.00	77040	06-May-03
7130 WOODLAND WEST DR	\$93,560.00	77040	08-May-03
7127 RIVER FERN DR	\$63,692.00	77040	08-May-03
9014 LOREN LANE	\$76,664.00	77040	09-May-03
7038 WOODLAND WEST DR	\$64,580.00	77040	09-May-03
7210 WIND ROCK CT	\$118,000.00	77040	09-May-03
9107 LOREN LANE	\$86,703.00	77040	12-May-03
7202 RIVER FERN DR	\$120,000.00	77040	12-May-03
7158 SHADY VALE LN	\$91,536.00	77040	13-May-03
7170 SHADY VALE LN	\$97,000.00	77040	13-May-03
8103 SHADY ARBOR LN	\$100,000.00	77040	13-May-03
8810 WIND STREAM	\$122,994.00	77040	14-May-03

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
7118 WIND BROOK ST	\$96,264.00	77040	15-May-03
7819 SHADY GROVE DR	\$100,000.00	77040	19-May-03
9303 COLE CREEK DR	\$71,653.00	77040	19-May-03
9314 COLE CREEK DR	\$61,119.00	77040	19-May-03
7123 WIND BROOK ST	\$118,372.00	77040	19-May-03
8807 WIND STREAM	\$99,250.00	77040	19-May-03
9103 INCE LN	\$107,921.00	77040	20-May-03
8103 WOOD GROVE CT	\$104,500.00	77040	20-May-03
8807 WIND ROCK	\$126,291.00	77040	21-May-03
7130 RIVER FERN DR	\$92,750.00	77040	21-May-03
7822 MACHALA LN	\$103,525.00	77040	23-May-03
9111 INCE LANE	\$94,000.00	77040	23-May-03
8706 WIND ROCK CT	\$111,500.00	77040	27-May-03
8743 Wind Stream Dr	\$84,355.00	77040	27-May-03
8811 WIND STREAM DR	\$105,500.00	77040	27-May-03
8010 BREEZEWAY DR	\$100,000.00	77040	28-May-03
9310 COLE CREEK DR	\$74,833.00	77040	28-May-03
7803 SHADY GROVE DR	\$72,687.00	77040	28-May-03
7807 SHADY GROVE	\$112,500.00	77040	29-May-03
8710 WIND ROCK CT	\$111,250.00	77040	30-May-03
9022 LOREN LANE	\$69,705.00	77040	30-May-03
7142 WOOD HEATHER LN	\$69,730.00	77040	30-May-03
7327 WOODOAK	\$102,000.00	77040	30-May-03
9215 COLE CREEK DR	\$58,615.00	77040	30-May-03
8002 SHADY ARBOR LN	\$83,863.00	77040	30-May-03
7839 SHADY ARBOR LN	\$99,808.00	77040	02-Jun-03
8715 WIND STREAM	\$94,000.00	77040	02-Jun-03
7802 MACHALA LN	\$112,500.00	77040	03-Jun-03
7023 WOOD BLUFF BLVD	\$99,649.00	77040	03-Jun-03
7150 WOODLAND WEST DR	\$100,000.00	77040	03-Jun-03
7107 RIVER FERN DR	\$88,021.00	77040	04-Jun-03
8715 WIND ROCK	\$112,000.00	77040	04-Jun-03
8907 WIND STREAM	\$64,831.00	77040	06-Jun-03
8714 WIND ROCK CT	\$117,000.00	77040	09-Jun-03
8742 WIND STREAM	\$98,865.00	77040	09-Jun-03
7815 SHADY ARBOR LN	\$112,000.00	77040	11-Jun-03
8719 WIND STREAM DR	\$108,500.00	77040	11-Jun-03
7307 WOOD BLUFF BLVD	\$92,420.00	77040	12-Jun-03
7110 RIVER FERN DR	\$127,500.00	77040	13-Jun-03
9102 INCE LANE	\$96,980.00	77040	13-Jun-03
9010 LOREN LANE	\$79,039.00	77040	16-Jun-03
8903 WIND STREAM	\$98,000.00	77040	17-Jun-03
7203 Wind Dale	\$116,105.00	77040	17-Jun-03
8722 WIND STREAM	\$119,645.00	77040	17-Jun-03
7135 SHADY VALE LN	\$112,000.00	77040	18-Jun-03
7806 MACHALA LN	\$82,682.00	77040	20-Jun-03
7167 SHADY VALE LN	\$91,000.00	77040	20-Jun-03
9110 Loren	\$84,703.00	77040	20-Jun-03
8714 WIND STREAM	\$109,474.00	77040	21-Jun-03
7207 WOOD BLUFF BLVD	\$112,500.00	77040	23-Jun-03
8014 BREEZEWAY DR	\$102,000.00	77040	23-Jun-03
7206 WIND TRAIL	\$111,598.00	77040	23-Jun-03
8751 WIND STREAM	\$82,749.00	77040	23-Jun-03
9006 LOREN LANE	\$112,500.00	77040	24-Jun-03
7006 WOODLAND WEST DR	\$73,762.00	77040	24-Jun-03
8827 WIND STREAM	\$88,500.00	77040	24-Jun-03

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
7111 WIND BROOK	\$80,230.00	77040	25-Jun-03
7039 WOODLAND WEST DR	\$79,916.00	77040	25-Jun-03
7843 SHADY GROVE DR	\$107,000.00	77040	26-Jun-03
8130 SHADY ARBOR LN	\$104,214.00	77040	26-Jun-03
8735 WIND STREAM	\$100,000.00	77040	27-Jun-03
8822 STORM WOOD ST	\$119,500.00	77040	27-Jun-03
9214 COLE CREEK DR	\$77,093.00	77040	27-Jun-03
7106 SHADY MILL DR	\$98,000.00	77040	27-Jun-03
8002 Wood Canyon	\$96,500.00	77040	30-Jun-03
9034 LOREN LANE	\$109,500.00	77040	30-Jun-03
7818 SHADY ARBOR LN	\$104,000.00	77040	09-Jul-03
8727 WIND STREAM	\$82,500.00	77040	10-Jul-03
7034 WOODLAND WEST DR	\$94,306.00	77040	11-Jul-03
9030 LOREN LANE	\$110,000.00	77040	14-Jul-03
7835 SHADY GROVE DR	\$105,647.00	77040	15-Jul-03
8839 STORM WOOD DR	\$111,500.00	77040	16-Jul-03
8126 SHADY ARBOR LN	\$114,000.00	77040	17-Jul-03
9207 COLE CREEK DR	\$58,296.00	77040	18-Jul-03
7818 MACHALA LN	\$104,000.00	77040	18-Jul-03
9038 LOREN LANE	\$103,000.00	77040	21-Jul-03
9111 LOREN LANE	\$86,398.00	77040	22-Jul-03
9114 NOOK COURT	\$112,000.00	77040	24-Jul-03
9222 COLE CREEK DR	\$91,000.00	77040	24-Jul-03
9311 COLE CREEK	\$66,824.00	77040	24-Jul-03
9106 NOOK COURT	\$104,500.00	77040	24-Jul-03
9122 INCE LANE	\$102,731.00	77040	28-Jul-03
8019 BREEZEWAY ST	\$98,000.00	77040	28-Jul-03
7163 SHADY VALE LN	\$99,000.00	77040	29-Jul-03
9115 VINETREE LN	\$107,000.00	77040	30-Jul-03
8062 BREEZEWAY DR	\$102,000.00	77040	31-Jul-03
9317 COLE CREEK	\$111,684.00	77040	31-Jul-03
7823 SHADY GROVE LN	\$101,000.00	77040	01-Aug-03
7219 WOOD BLUFF BLVD	\$106,000.00	77040	01-Aug-03
8711 WIND ROCK	\$122,000.00	77040	04-Aug-03
7211 WOOD BLUFF BLVD	\$117,000.00	77040	04-Aug-03
9223 COLE CREEK DR	\$67,216.00	77040	05-Aug-03
7119 RIVER FERN DR	\$101,759.00	77040	06-Aug-03
7814 SHADY ARBOR LN	\$100,000.00	77040	07-Aug-03
8919 WIND STREAM	\$90,000.00	77040	08-Aug-03
7155 SHADY MILL DR	\$94,000.00	77040	15-Aug-03
7218 Woodland West Dr.	\$96,585.00	77040	18-Aug-03
9203 COLE CREEK DR	\$92,000.00	77040	18-Aug-03
9102 LOREN LANE	\$93,736.00	77040	19-Aug-03
9114 LOREN LANE	\$104,000.00	77040	22-Aug-03
7122 WIND BROOK ST	\$86,886.00	77040	25-Aug-03
8838 STORM WOOD	\$119,000.00	77040	26-Aug-03
9123 NOOK COURT	\$93,245.00	77040	27-Aug-03
7350 WOOD OAK	\$95,500.00	77040	27-Aug-03
7115 WIND BROOK ST	\$96,129.00	77040	28-Aug-03
8118 WOOD DOWNE LN	\$100,500.00	77040	28-Aug-03
8707 WIND ROCK	\$114,900.00	77040	29-Aug-03
9318 COLE CREEK DR	\$27,126.00	77040	29-Aug-03
8018 BREEZEWAY DR	\$92,500.00	77040	05-Sep-03
8927 WIND STREAM	\$96,439.00	77040	05-Sep-03
7119 WOOD HEATHER LN	\$103,000.00	77040	05-Sep-03
9306 COLE CREEK DR	\$90,000.00	77040	11-Sep-03

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
8938 WIND SIDE DR	\$129,377.00	77040	15-Sep-03
7851 SHADY GROVE DR	\$116,000.00	77040	16-Sep-03
8703 WIND ROCK	\$98,296.00	77040	17-Sep-03
7921 SHADY GROVE DR	\$108,000.00	77040	18-Sep-03
8734 WIND STREAM	\$108,000.00	77040	19-Sep-03
7102 WOOD BLUFF BLVD	\$101,296.00	77040	19-Sep-03
7323 SHADY VALE LN	\$112,000.00	77040	22-Sep-03
7139 SHADY MILL DR	\$89,205.00	77040	24-Sep-03
7207 Wind Rock Ct	\$102,500.00	77040	13-Oct-03
9127 LOREN LANE	\$85,654.00	77040	16-Oct-03
7103 WIND BROOK ST	\$127,000.00	77040	17-Oct-03
9110 NOOK Ct.	\$116,500.00	77040	21-Oct-03
9219 COLE CREEK DR	\$92,500.00	77040	27-Oct-03
7111 WOOD ORCHARD DR	\$98,000.00	77040	28-Oct-03
8911 WIND STREAM	\$61,899.00	77040	06-Nov-03
7223 WOOD BLUFF BLVD	\$101,517.00	77040	06-Nov-03
9218 COLE CREEK DR	\$80,377.00	77040	10-Nov-03
9110 INCE LANE	\$99,895.00	77040	18-Nov-03
7043 WOOD BLUFF BLVD	\$102,000.00	77040	18-Nov-03
8026 SHADY ARBOR LN	\$99,500.00	77040	18-Nov-03
8803 WIND ROCK	\$93,543.00	77040	24-Nov-03
7306 Wood Bluff	\$100,000.00	77040	01-Dec-03
9226 Cole Creek Dr.	\$80,000.00	77040	02-Dec-03
8103 WOOD DOWNE LN	\$110,000.00	77040	08-Dec-03
7923 SHADY GROVE DR	\$114,000.00	77040	23-Dec-03
8931 WIND STREAM	\$120,000.00	77040	29-Dec-03
9215 VINETREE LN	\$100,000.00	77040	05-Jan-04
7215 WOODLAND WEST DR	\$112,000.00	77040	06-Jan-04
9211 COLE CREEK DR	\$90,000.00	77040	09-Jan-04
9203 VINETREE LN	\$105,000.00	77040	15-Jan-04
7310 WOOD OAK	\$104,000.00	77040	16-Jan-04
9131 NOOK COURT	\$119,000.00	77040	20-Jan-04
9302 Guywood	\$79,055.00	77040	26-Jan-04
8214 WOOD DOWNE LN	\$104,000.00	77040	28-Jan-04
7360 GAILEY LN	\$330,000.00	77040	30-Jan-04
9211 VINETREE LN	\$93,000.00	77040	03-Feb-04
7334 WOOD OAK	\$105,000.00	77040	04-Feb-04
8002 BREEZEWAY DR	\$103,154.00	77040	06-Feb-04
15702 Jersey Dr	\$121,609.00	77040	06-Feb-04
9119 NOOK COURT	\$121,250.00	77040	12-Feb-04
7326 WOOD OAK	\$103,000.00	77040	12-Feb-04
7222 WOODLAND WEST DR	\$103,000.00	77040	13-Feb-04
7342 GAILEY LN	\$170,500.00	77040	17-Feb-04
8130 BREEZEWAY DR	\$106,000.00	77040	17-Feb-04
9302 COLE CREEK DR	\$89,000.00	77040	17-Feb-04
9115 NOOK COURT	\$108,000.00	77040	23-Feb-04
7027 Woodland West Dr.	\$102,000.00	77040	24-Feb-04
7170 SHADY MILL DR	\$105,000.00	77040	25-Feb-04
7150 SHADY MILL DR	\$89,808.00	77040	26-Feb-04
7215 WOOD BLUFF BLVD	\$113,000.00	77040	26-Feb-04
7306 PIERREPONT	\$119,000.00	77040	26-Feb-04
7810 MACHALA LN	\$104,000.00	77040	27-Feb-04
7134 SHADY MILL DR	\$95,000.00	77040	27-Feb-04
8022 SHADY ARBOR LN	\$95,120.00	77040	27-Feb-04
7310 LAKE LN	\$158,500.00	77040	01-Mar-04
7178 SHADY VALE LN	\$101,000.00	77040	02-Mar-04

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
7913 SHADY GROVE LN	\$105,000.00	77040	02-Mar-04
8935 WIND STREAM	\$96,000.00	77040	05-Mar-04
9131 VINETREE LN	\$97,795.00	77040	10-Mar-04
9130 LOREN LANE	\$118,000.00	77040	16-Mar-04
7210 WIND TRAIL	\$107,250.00	77040	19-Mar-04
7827 SHADY GROVE DR	\$104,000.00	77040	23-Mar-04
7834 MACHALA LN	\$107,000.00	77040	30-Mar-04
7906 SHADY ARBOR LN	\$110,000.00	77040	30-Mar-04
7163 SHADY MILL DR	\$96,000.00	77040	30-Mar-04
9102 WOODLAND OAKS DR	\$110,000.00	77040	02-Apr-04
9102 NOOK CT	\$95,077.00	77040	05-Apr-04
8022 BREEZEWAY DR	\$86,823.00	77040	13-Apr-04
7326 PIERREPONT	\$103,000.00	77040	15-Apr-04
7426 ROLLING FORK LN	\$200,000.00	77040	22-Apr-04
7162 SHADY MILL DR	\$103,904.00	77040	23-Apr-04
8134 SHADY ARBOR LN	\$107,000.00	77040	26-Apr-04
7119 WOOD ORCHARD DR	\$100,000.00	77040	27-Apr-04
7019 WOOD BLUFF BLVD	\$109,000.00	77040	29-Apr-04
8138 SHADY GROVE CT	\$105,000.00	77040	30-Apr-04
9107 VINETREE LN	\$115,000.00	77040	04-May-04
8110 BREEZEWAY DR	\$104,000.00	77040	06-May-04
7107 WOOD BLUFF BLVD	\$106,000.00	77040	14-May-04
8026 BREEZEWAY DR	\$98,734.00	77040	14-May-04
8030 BREEZEWAY DR	\$100,000.00	77040	18-May-04
7311 LAKE LN	\$172,196.00	77040	19-May-04
7911 MACHALA LN	\$110,000.00	77040	19-May-04
7118 SHADY VALE LN	\$99,000.00	77040	21-May-04
7119 SHADY VALE LN	\$103,000.00	77040	21-May-04
7146 WOOD HEATHER LN	\$120,000.00	77040	25-May-04
9207 VINETREE LN	\$90,691.00	77040	25-May-04
7310 GAILEY LN	\$182,500.00	77040	26-May-04
9114 INCE LANE	\$121,000.00	77040	27-May-04
7166 WOODLAND WEST DR	\$115,000.00	77040	27-May-04
7054 WOODLAND WEST DR	\$114,000.00	77040	28-May-04
8018 SHADY ARBOR LN	\$103,000.00	77040	28-May-04
7926 SHADY ARBOR LN	\$103,000.00	77040	07-Jun-04
7363 GAILEY LN	\$135,000.00	77040	08-Jun-04
7111 SHADY VALE LN	\$106,000.00	77040	09-Jun-04
7307 GAILEY LN	\$133,933.00	77040	11-Jun-04
7855 MACHALA LN	\$100,777.00	77040	14-Jun-04
9123 VINETREE LN	\$128,000.00	77040	14-Jun-04
7210 WOOD BLUFF BLVD	\$124,000.00	77040	15-Jun-04
7102 SHADY VALE LN	\$103,000.00	77040	16-Jun-04
7315 WOOD BLUFF BLVD	\$120,000.00	77040	24-Jun-04
8003 SHADY ARBOR	\$116,000.00	77040	24-Jun-04
7142 SHADY MILL DR	\$99,500.00	77040	24-Jun-04
7315 SHADY VALE LN	\$121,000.00	77040	28-Jun-04
7346 WOODOAK DR	\$104,000.00	77040	30-Jun-04
7923 SHADY ARBOR LN	\$107,000.00	77040	01-Jul-04
7919 SHADY GROVE DR	\$117,000.00	77040	02-Jul-04
7115 SHADY VALE LN	\$98,204.00	77040	07-Jul-04
8123 SHADY GROVE DR	\$103,000.00	77040	09-Jul-04
7319 WOOD BLUFF BLVD	\$119,000.00	77040	13-Jul-04
8006 SHADY ARBOR LN	\$94,000.00	77040	13-Jul-04
7823 SHADY ARBOR LN	\$87,794.00	77040	14-Jul-04
7311 GAILEY LN	\$140,000.00	77040	16-Jul-04

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
7843 MACHALA	\$104,000.00	77040	16-Jul-04
8206 WOOD DOWNE LN	\$104,000.00	77040	21-Jul-04
8118 SHADY GROVE LN	\$77,007.00	77040	26-Jul-04
7115 WOOD HEATHER LN	\$98,000.00	77040	27-Jul-04
7827 MACHALA LN	\$105,000.00	77040	27-Jul-04
7110 SHADY MILL DR	\$95,000.00	77040	27-Jul-04
8023 SHADY ARBOR LN	\$101,499.00	77040	28-Jul-04
7803 SHADY ARBOR LN	\$125,000.00	77040	29-Jul-04
8221 N. Tahoe	\$400,000.00	77040	29-Jul-04
8107 WOOD CANYON DR	\$122,000.00	77040	30-Jul-04
7054 Wood Bluff Blvd	\$104,000.00	77040	30-Jul-04
7231 WOODLAND WEST DR	\$105,000.00	77040	30-Jul-04
7022 WOODLAND WEST DR	\$101,196.00	77040	02-Aug-04
7114 SHADY VALE LN	\$99,000.00	77040	03-Aug-04
7222 WOOD BLUFF	\$111,000.00	77040	03-Aug-04
7106 SHADY VALE LN	\$104,000.00	77040	04-Aug-04
7303 PIERREPONT DR	\$121,000.00	77040	05-Aug-04
8119 SHADY ARBOR LN	\$110,000.00	77040	10-Aug-04
7103 WOOD ORCHARD	\$102,768.00	77040	11-Aug-04
7314 SHADY VALE LN	\$101,000.00	77040	13-Aug-04
7422 WINDFERN	\$162,192.00	77040	16-Aug-04
8723 WIND STREAM	\$120,000.00	77040	19-Aug-04
8106 WOOD CANYON DR	\$106,000.00	77040	19-Aug-04
7822 SHADY ARBOR LN	\$101,000.00	77040	20-Aug-04
7103 WOOD HEATHER LN	\$104,000.00	77040	20-Aug-04
8103 SHADY GROVE DR	\$112,000.00	77040	23-Aug-04
7351 WOODOAK DR	\$87,731.00	77040	24-Aug-04
7318 WOOD OAK	\$107,000.00	77040	27-Aug-04
7330 WOOD OAK	\$103,000.00	77040	27-Aug-04
7103 WOOD BLUFF BLVD	\$110,000.00	77040	27-Aug-04
7838 MACHALA LN	\$101,192.00	77040	30-Aug-04
9122 LONG BARREL LN	\$100,514.00	77040	30-Aug-04
7138 WOODLAND WEST DR	\$95,000.00	77040	30-Aug-04
7162 WOODLAND WEST DR	\$100,000.00	77040	30-Aug-04
9119 LONG BARREL LN	\$121,000.00	77040	31-Aug-04
8134 BREEZEWAY DR	\$124,000.00	77040	31-Aug-04
9307 COLE CREEK DR	\$81,000.00	77040	31-Aug-04
7807 SHADY ARBOR LN	\$110,000.00	77040	20-Sep-04
7305 LAKE LN	\$170,000.00	77040	01-Oct-04
9115 LOREN LANE	\$117,000.00	77040	08-Oct-04
9106 INCE LANE	\$119,000.00	77040	14-Oct-04
8102 WOOD GROVE CT	\$104,000.00	77040	14-Oct-04
7122 SHADY MILL DR	\$102,000.00	77040	19-Oct-04
7018 WOOD BLUFF BLVD	\$110,000.00	77040	21-Oct-04
7139 SHADY VALE LN	\$100,542.00	77040	21-Oct-04
7811 MACHALA LN	\$106,000.00	77040	22-Oct-04
7114 SHADY MILL DR	\$100,000.00	77040	22-Oct-04
7147 WOOD HEATHER LN	\$102,168.00	77040	27-Oct-04
7006 SHADY GROVE CT	\$112,000.00	77040	28-Oct-04
7935 SHADY GROVE DR	\$120,000.00	77040	28-Oct-04
8010 SHADY GROVE DR	\$109,000.00	77040	28-Oct-04
8018 SHADY GROVE DR	\$103,000.00	77040	28-Oct-04
7814 MACHALA LN	\$100,119.00	77040	02-Nov-04
7811 SHADY GROVE DR	\$124,000.00	77040	03-Nov-04
7815 MACHALA	\$109,000.00	77040	05-Nov-04
7803 MACHALA LN	\$117,000.00	77040	08-Nov-04

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
8102 WOOD CANYON DR	\$100,000.00	77040	08-Nov-04
9126 LOREN LANE	\$117,353.00	77040	11-Nov-04
9119 INCE LANE	\$110,000.00	77040	16-Nov-04
7146 SHADY MILL DR	\$102,000.00	77040	16-Nov-04
9131 LOREN LANE	\$107,000.00	77040	17-Nov-04
7123 WOOD HEATHER LN	\$91,018.00	77040	18-Nov-04
7422 GAILEY LN	\$207,500.00	77040	30-Nov-04
7806 SHADY ARBOR LN	\$109,000.00	77040	03-Dec-04
7002 WOODLAND WEST DR	\$121,000.00	77040	09-Dec-04
7134 WOOD HEATHER LN	\$95,658.00	77040	09-Dec-04
7123 WOOD ORCHARD DR	\$104,000.00	77040	10-Dec-04
9118 INCE	\$114,000.00	77040	15-Dec-04
7318 PIERREPONT DR	\$98,000.00	77040	16-Dec-04
7154 SHADY MILL DR	\$102,923.00	77040	20-Dec-04
8111 WOOD CANYON DR	\$116,000.00	77040	22-Dec-04
7959 SHADY ARBOR LN	\$112,520.00	77040	10-Jan-05
8110 SHADY GROVE LN	\$109,000.00	77040	13-Jan-05
7311 PIERREPONT DR	\$98,000.00	77040	18-Jan-05
9023 TAUB RD	\$140,000.00	77064	18-Jan-05
7302 GAILEY LN	\$192,500.00	77040	28-Jan-05
7014 WOODLAND WEST DR	\$94,720.00	77040	25-Feb-05
7206 WOOD BLUFF BLVD	\$100,070.00	77040	28-Feb-05
7131 RIVER FERN DR	\$108,500.00	77040	02-Mar-05
7909 SHADY GROVE LN	\$102,000.00	77040	18-Mar-05
8122 SHADY ARBOR LN	\$95,399.06	77040	21-Mar-05
7047 WOOD BLUFF BLVD	\$88,287.00	77040	28-Mar-05
7134 RIVER FERN DR	\$116,250.00	77040	07-Apr-05
8115 WOOD CANYON DR	\$96,566.00	77040	15-Apr-05
7103 RIVER FERN DRIVE	\$14,000.00	77040	19-Apr-05
7023 WOODLAND WEST DR	\$98,011.00	77040	09-May-05
8114 WOOD CANYON DR	\$106,000.00	77040	16-May-05
0 Cole Creek	\$13,500.00	77040	16-May-05
9315 COLE CREEK DR	\$87,500.00	77040	16-Aug-05
7114 River Fern	\$15,000.00	77040	17-Oct-05
0 Windstream (lot 12)	\$17,500.00	77040	24-Oct-05
0 Windstream (lot 13)	\$15,500.00	77040	24-Oct-05
7115 RIVER FERN DR	\$117,000.00	77040	26-Oct-05
8814 WIND STREAM	\$108,500.00	77040	07-Nov-05
7118 RIVER FERN DR	\$120,000.00	77040	17-Jan-06
TOTAL 77040	\$38,872,174.56		

PropertyAddress	PurchasePrice	Zip(PropAddress)	DateOfClosing
9023 TAUB RD	\$140,000.00	77064	18-Jan-05
TOTAL 77064	\$140,000.00		

TOTAL - 77040 & 77064 \$39,012,174.56

EXHIBIT "B"

**NATIONAL FLOOD INSURANCE COST
IN FAP AREA
January 1998 – March 2006**

**NATIONAL FLOOD INSURANCE PROGRAM
BUREAU AND STATISTICAL AGENT
LOSS DOLLARS PAID FOR LOSSES OCCURING 1/1/1998 - 3/31/2006**

DATA AS OF 3/31/06

ZIP	TOTAL PAID
77040	\$112,226,169.27
77064	\$2,383,051.13
TOTAL	\$114,609,220.40

EXHIBIT "C"

**HOUSTON CHRONICLE ARTICLE
"ENGINEER'S WARNING"**

Warnings on flooding ignored, lawyers say

By JO ANN ZUNIGA

Staff

Two lawyers representing 275 flood victims living along White Oak Bayou said Tuesday that Harris County ignored an engineer's warnings that the Sam Houston Race Track development would increase flooding in that area.

Larry J. Doherty and James Blackburn Jr. said a 1992 letter from *Dodson & Associates*, an engineering firm contracted by the county, warned the track's development would divert a 1,800-acre drainage area into the bayou.

The letter by engineer *Roy D. Dodson* to Commissioner Jerry Eversole and other county officials, said, "I am sure you would never knowingly support a project which could harm significant numbers of Harris County residents, and which would expose the county to significant risk of expensive litigation and other costs.

"Throughout this three-mile stretch of White Oak Bayou, there are many homes which may be adversely affected by this diversion . . ."

Six years later, the engineer's predictions came true, Blackburn and Doherty said, when homes were flooded from Tropical Storm Frances on Sept. 9, 1998.

The lawyers represent the residents in a pending lawsuit against the county and its flood control district for extensive flood damage. It is scheduled for trial in April 2001 and the letter was discovered in pre-trial investigations, the lawyers said.

Eversole referred inquiries to the Harris County Attorney's Office, and Cathy Sisk, assistant county attorney, who called the letter a "smoking gun" attempt in preparation for trial.

"The county is aware of that letter," she said. "He (*Dodson*) wrote that letter in 1992 and engineering studies were done to address his concerns.

"The flooding was not caused by anything the county did or did not do. It was due to Tropical Storm Frances."

Dodson could not be reached for comment, but the residents' lawyers pointed out that county commissioners in October awarded his firm \$50,000 to help with the county's defense.

County Flood Control District director Art Storey, who also received a copy of the letter in 1992, said, "It is irresponsible to say we ignored any correspondence."

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EXHIBIT "D"

**CHRONICLE ARTICLES
TROPICAL STORM FRANCES
EFFECT ON FAP AREA**

Frances' floodgates open wide on Houston area / WhiteOak spills banks, fills homes

By T.J. MILLING, JOE STINEBAKER, SALATHEIA BRYANT, ARMANDO VILAFRANCA
Staff

The streets along **White Oak Bayou** became rivers and homes became islands in a gushing stream of flood waters spawned by Tropical Storm Frances Friday.

The area on the northwest side where the bayou meanders through middle-class suburbs bore the brunt of the flooding. Hundreds of homes were waist-deep in water by early morning as the bayou's overflow coursed through neighborhoods, catching many people off guard. Few had time to save much.

"It came up so fast we didn't have time to save much," office manager Sandy Shaw said, standing on Fairbanks White Oak, the high road that leads into Woodland Oaks subdivision. "In 45 minutes, it went from the driveway to 6 inches deep in the house. We couldn't move fast enough."

Neighbor Paul Will said it was the worst flooding he had seen in his 13 years in Woodland Oaks, including Hurricane Alicia in 1983. Many residents got their cars out early, forming a line that snaked around Fairbanks White Oak. Water lapped the windshields of those left on neighborhood streets.

The waters started receding by midday as the bayou slipped back into its banks, but the flooded streets just emptied through the houses into easements and ditches behind them. The dangerous muddy back current gushed through windows doors and garages, tearing down fences and washing away belongings.

Cypress Fairbanks volunteer firefighters in canoes and fishing boats and County Commissioner Steve Radack in his precinct's airboat ferried out hundreds of stranded residents.

"We had some elderly people and kids who wanted to get out," Radack said. "A few of them were pretty scared."

Those who got out and couldn't find shelter with friends or family were taken to Reed Elementary School on nearby Tami Renee. Nick and Hughleene Erdely sat quietly at a table in the school cafeteria, surrounded by barking dogs, running children and evacuated homeowners huddled in blankets.

The Erdleys, who live in 9100 block of Loren Lane, were two of nearly 300 evacuees at the school Friday afternoon. Although they had been there for hours, they had managed to keep in good spirits. They were joined by their house guest, Shirley Dunlap, a native Houstonian who now lives in Baltimore.

"She was going to move back," Nick laughed. "But she's not sure after this."

Travis Singleton, a spokesman for the Cypress-Fairbanks Volunteer Fire Department, said calls for

help had begun streaming in about 6 a.m.

"We immediately realized there was a problem and there was going to continue to be a problem," Singleton said.

Despite hundreds of rescues and evacuations, he said, not one resident or rescue worker was injured - "just fatigue and stress from the situation."

But a combination of neighborhood volunteers and others with the Cypress-Fairbanks Independent School District, Red Cross and Salvation Army ensured that evacuees had food, drinks, blankets, towels and other essentials. A local Kroger grocery donated baby food and diapers as well.

"All the things just fell in the right places," Singleton said. "It's nice to see when things work well."

Rescue workers were taking boats throughout the North Pine and White Oak Manor trailer parks and the Woodland Oaks, Woodland Oaks West and Woodland Trails Manor neighborhoods, evacuating some 400-500 people - including 172 residents of the *Woodwind Lakes* Restorative Care home.

When Radack's airboat arrived at the Erdleys' about 10:30 a.m., they were ready to get out.

Nick Erdley said he had just come out of the shower about 7:30 Friday morning to his wife's announcement that water was rising in their garage. They and Dunlap spent the next hour-and-a-half moving their possessions up off the floor.

But as water began coming in around doors, under walls and seeping through bricks, they realized they were fighting a losing battle.

"The water just kept coming," Hughleene said. "It came in the hall, and in the bathroom."

"If you'd open the door, it would just knock you down," Dunlap added. They went out a back window and around the side of the house into waist-deep water.

"The current was so fast when we came around the corner of the house, we had to hold on to each other," Dunlap said.

Once the boat got them to dry land, the three rode in the back of a furniture-hauling truck and finally made it to the elementary school, where they continued to wait all afternoon for word of when they could return. Making it even worse, the Erdleys have no flood insurance.

"I know we've got a lot of loss," Nick said. "How much I don't know."

Father south of the bayou, residents of The Park at White Oak Condominium were more angry at the lack of city response to flooding problems than sad at the loss of their personal possessions.

"What has the city done to improve the flooding situation?" said an upset and wet Rose Reagan. "They've spent taxpayer money to build a park (at the Wortham Center.) They should be more concerned about problems with flood control."

"This was not a hurricane. It was a tropical storm, and the bayou turned into a lake."

The Inwood Forest subdivision was a little more fortunate, but flood waters trapped residents in their homes most of the day.

"You feel like you're locked up, cabin fever," said Lou Donato, 51, who spent the morning checking his e-mail and playing games on his personal computer.

White Oaks Bayou skirts the southern edge of the subdivision, and water overflowing from its banks flooded the intersection of Antoine and Victory at the entrance of the subdivision.

"I don't even remember it being this bad before. It has come up our driveway in the past, but it hasn't ever gotten up this far in our yard before. We've never had water go in the house before," said Ann Richardson, 60.

But at least one resident in Woodland Trails, one of the worst-hit neighborhoods, tried to look on the bright side.

"It's been a unique day," 19-year-old college student Angela Williamson said. "It's not everyday you can pull out the Waverunner (water bike) and go riding down the street."

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HOUSTON CHRONICLE ARCHIVES

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Frances brings economic `catastrophe' /Storm's remnants affect East Texas

By ERIC BERGER, DAN FELDSTEIN, RAD SALLEE, JOANN ZUNIGA, T.J. MILLING, ERIC
HANSON, JULIE MASON
Staff

Tropical Storm Frances took a heavy monetary toll on the Houston area, with preliminary estimates of insured losses from flooded vehicles and wind-driven rain between \$65 million and \$75 million.

"For the private insurance industry, this is a fairly major catastrophe for Harris County," said Jerry Johns of Southwestern Insurance Information Service.

Harris County Flood Control District Director Michael Talbott estimated about 1,000 homes along **White Oaks Bayou** were under at least 18 inches of water at the peak of the flooding. Previous flooding in 1989 and 1992, he said, had flooded only about 400 homes in the area.

Estimates of monetary loss from flooded homes, insured by the National Flood Insurance Program, were not available late Friday.

After giving coastal and nearby-inland Texas a thorough whipping for three days, the remnants of Frances moved slowly to the interior Saturday.

Though the low-pressure area, downgraded from tropical depression status, continues to weaken as it moves north-northeast at about 6 mph, it is expected to bring moderate to heavy rain across portions of southeast and East Texas. More heavy rain is expected in Louisiana and Mississippi.

On Wednesday, Thursday and Friday, the storm hammered mid-Texas coastal areas with torrential rain that flooded thousands of homes, forced countless evacuations, shut down major freeways and brought the Houston area to a near standstill.

The center of the sprawling storm finally made landfall about 1 a.m. Friday north of Port Aransas, bringing unexpectedly heavy and continuous rain to a wide area.

Stranded flood victims had to be evacuated from suburbs, apartment buildings, a major downtown bus stop, a nursing home in northwest Houston and other areas.

Two fatalities reported

Two fatalities were blamed on Frances-spawned weather - a woman whose car was struck Thursday afternoon by a skidding truck south of Houston and a man who died Friday after a tornado struck his Cutoff, La., mobile home Thursday.

A United Parcel Service cargo jet skidded off a rain-slick runway and into the muddy infield at

Ellington Field about 6:25 Friday morning. The crew was evacuated with no injuries.

Tornado-like winds screamed into La Porte about 4:30 a.m. destroying three detached garages and piercing nearby homes with debris. No one was reported injured.

Waterfront communities that already endured high tides, driving rain and 60-mph winds on Wednesday and Thursday had to swallow even more rain on Friday. Frances destroyed beaches, businesses, dunes and homes on Galveston Island, Bolivar Peninsula, Brazoria County, Kemah.

In Kemah, five restaurants on the Clear Creek Channel known as ""Restaurant Row" were closed Friday after heavy rains, high tide and a couple of shrimp boats caused extensive damage. Hardest hit were Landry's, the Flying Dutchman Restaurant and a boardwalk that connects all the restaurants. The two restaurants had about 2 feet of water inside, and crashing waves broke out several windows and uprooted the landscaping.

In Surfside Beach, a tidal surge wiped out a mile-long artificial sand dune system built just last winter to protect the Galveston Island village of 600 people.

""I don't think anyone was prepared," said Coast Guard Petty Officer Rob Williams.

But the dune absorbed much of the tide's punch, sparing the expensive homes behind it. Still, freezers, furniture and other belongings were inundated.

The 900-home Sea Isle subdivision on the island was swamped with waist-deep tide and floodwaters. Most of the homes are on pilings, but the water flooded many garages, storage buildings and cars. On the bay side of the island, the water eroded the foundations of many ground-level homes.

While the coast took the hardest punch, the storm's biggest surprise was probably the massive rainfall it unexpectedly dumped on inland communities - up to a dozen inches on areas where, at most, forecasters had predicted 2 to 3 inches.

""This storm changed the rules in the middle of the game," said Harris County Judge Robert Eckels.

White Oaks hardest hit

Swollen bayous around Houston spilled into streets, swamped freeway underpasses and flooded homes. By far the worst flooding occurred in suburbs along White Oak Bayou north of Highway 290, which was swollen about 3 feet over its banks.

""It's like walking through a bog," Paul Will, a Woodland Oaks resident, said after fording the lake in his back yard to survey his living room. ""We've never had flooding like this."

After surveying some of the flooded areas, Mayor Lee Brown vowed to ""aggressively pursue" federal disaster-relief funding.

Hundreds of residents were rescued by Cypress Fairbanks volunteer firefighters and County Commissioner Precinct 3 workers. About 400 evacuees took refuge at Reed Elementary School waiting for the muddy floodwaters to recede. After nightfall, only about 50 were left.

Except for White Oaks and Buffalo bayous, most of the city's other waterways were near capacity but did not overflow, said Talbott of the flood control district. Outside of some flooding in Jersey Village and along the coast, he said only a handful of homes were seriously flooded in other parts of the county.

The problem along **White Oaks Bayou**, he said, was due almost entirely to the localized heavy rain - nearly 12 inches - that fell in the area.

""The bands of rainfall just kind of lined up on us, and hit this area like a freight train," Talbott said.

The rising White Oak Bayou also forced an evacuation of the 172 residents of Mariner Health Center at *Woodwind Lakes*, a nursing home at Windfern and Gulf Bank. The water reached the doors by 9 a.m., and by the time the residents, many of them bed- and wheelchair-bound, were evacuated four hours later, water had risen to to cover the first floor.

Rising water also clogged major freeways in morning rush hour, causing miles of backups. Some remained dirty, impassable moats well into the evening.

Buses, cars swamped...

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SITTING DUCKS ON BAYOU? / Residents say county adding to flood woes

By JOE STINEBAKER
Staff

FOR RESIDENTS OF *Creekside Estates*, the crack of thunder and the patter of rain on the roof inspire dread.

Jean Zieman moves her car to safety several neighborhoods away. Up the street, Sheila Wyborny stares out her front window.

And they wait for the flood - the flood that Harris County officials say comes only once in 50 to 100 years, but that residents of this suburban neighborhood in northwest Houston are convinced will come much sooner and much more often.

Zieman and Wyborny are among hundreds of residents of neighborhoods along White Oak Bayou locked in a political and legal battle with Harris County and the Harris County Flood Control District. They claim that, far from protecting their neighborhoods from flooding, the county has worsened the situation by catering to developers. They intend to sue.

County officials are frustrated and angered by those complaints. They say they are doing their best to control flooding all over the county and cannot be held responsible for floods sparked by unusually large amounts of rainfall in an area already known to be flood prone.

Only eight months ago, a massive storm produced by Tropical Storm Frances nearly wiped out a handful of neighborhoods just east of Jersey Village along White Oak Bayou. Accustomed to periodic street flooding from water emptying into the nearby bayou, residents of *Creekside Estates* and surrounding neighborhoods slept soundly as rain drummed their roofs in the early morning hours of Sept. 11. But by dawn, they were waking in panic.

Wyborny, a retired teacher, listened to the news briefly after her alarm went off.

"I heard this drip, drip, drip and thought 'What the heck?' " she said. She walked downstairs and found 4 inches of water covering the carpeted floor at the front of her house. Before long, it was several feet deep.

Just down the street, Zieman also was battling the water. She estimates she made 200 trips up and down her stairs, moving mementos and possessions to higher ground.

Zieman, who as a child in Britain watched as German bombers rained hell from the skies during World War II, was aghast.

"I'm not a scaredy-cat, but I was shaking," she said. "I was shaking."

By midafternoon, the water was receding, being sucked into White Oak Bayou with such force that several

residents reported seeing a current in their homes. When it was over, there were millions of dollars in damage, months of work ahead, and an expensive lesson in hydrology and politics in the residents' future.

What Harris County called "an act of God," residents of *Creekside Estates*, Jersey Village, Woodland Trails, Woodland Oaks and other neighborhoods along White Oak Bayou called negligence.

"God didn't do this to us," Wyborny said. "Man did."

Wyborny, Zieman and about 150 of their neighbors along White Oak Bayou, between the West Belt and North Houston-Rosslyn Road, have banded together and intend to file a lawsuit against the Harris County Flood Control District and, perhaps, local developers. The suit is expected to be filed within several weeks.

Residents say that unrestrained development upstream and a modified dam installed in the bayou by the Flood Control District in 1994 have made them sitting ducks. Unhappy with the response of county officials, they say they have nowhere else to turn but the courts.

Jim Blackburn, one of several attorneys handling the case, said there is no question that the county has contributed to the problem and tried to cover it up.

Blackburn said the county is manipulating figures to show that the flooding along White Oak Bayou was a "100-year flood," meaning that such water levels could be expected only about once every 100 years. He and his team of lawyers, engineers and hydrologists say they can prove it.

"This was not a 100-year flood, as far as we're concerned," Blackburn said. "This wasn't the big one."

But with 10 to 12 inches of rain falling in a relatively short time, it was a massive one, said Art Storey and Mike Talbot, the county's top two flood-control officials.

"That was a horrible flood," Storey said. "It was unprecedented, it was unexpected, and it brought pain to a lot of people. That was a pretty freakish event."

Blackburn and others are convinced that one of the main reasons for the September flooding was the presence of a large W-shaped metal structure in the bayou that Blackburn calls a dam, but that the Flood Control District calls a "transition control structure."

The structure crosses the bayou about 1,000 feet upstream from the North Houston-Rosslyn Road bridge. How the dam got there, and why it remains, is an essential element in the argument over who is to blame for the flooding.

Under a master plan adopted by the Flood Control District in 1984, White Oak Bayou was to be widened and paved from Buffalo Bayou upstream to Jersey Village, Blackburn said. In addition, nearly a half-dozen large detention ponds were to be built to help hold floodwater until it could be released into the bayou once the levels in the bayou had dropped.

Instead, Blackburn said, the money ran out in 1994, and the county widened only to near the North Houston-Rosslyn Road bridge. There the Flood Control District installed the dam.

So, on the downstream side of the dam is a widened, sometimes paved, fast-moving bayou. On the upstream side, is a narrower, overgrown bayou that moves far more slowly.

The result, said Blackburn, is that floodwater overflows the bayou upstream of the dam as it waits to be

channeled into the faster-moving bayou downstream. Those living downstream of the dam are much better protected from flooding now, he said, while those living upstream are in far greater danger.

"There's a saying that Harris County doesn't control floods, they just move them around," Blackburn said. "This may be the most obvious example."

Blackburn cites the Flood Control District's own figures, which he says show that the dam essentially moved the flooding along White Oak Bayou farther upstream. According to the figures, hundreds of households along the middle portion of the bayou flooded in the years before the dam was built, while few flooded upstream.

Once the dam was built, however, the situation was reversed. The September floods produced few problems downstream from the dam, while hundreds of homes upstream flooded for the first time.

But Storey and Talbott say those figures prove the success, not failure, of the county's projects. They say the figures show that the finished portion of the widening project did what it was designed to do - it protected those homeowners along the improved portion of the bayou.

By their estimates, had the Flood Control District project not been in place, there would have been the same amount of flooding upstream and an additional 1,000 homes would have flooded downstream.

"Our accusers would almost want us to feel guilty that communities that have flooded many times before, didn't flood this time," Storey said. "I really think that validates our program, rather than challenges it."

Storey and Talbott say the dam does not slow the flow of water from the unimproved channel into the improved portion. The structure is in place only to protect the part of the project already finished. Without it, they say, the changing water speed at the transition would cause massive erosion upstream - destroying that portion of the bayou and leading to heavy sediment deposits in the improved section.

Residents remain unconvinced, and their lawsuit will ask a court to order that the dam be removed and that residents upstream be compensated for the damage to their homes.

Although Storey objects to that request, he admits the situation is complex.

"It's a hard thing to understand, and a jury might not comprehend it," he said. "So we might lose."

Another situation that Blackburn and his clients say has contributed greatly to the flooding is what they call unrestrained development along the unimproved bayou north and west of the dam.

That development - shopping centers, utility districts and neighborhoods - diminishes the amount of soil that can absorb heavy rains, and alters the natural flow of water into the bayou. As a result, they say, rainwater is channeled to the bayou more slowly and is then forced into heavier, quicker-flowing channels.

"We feel that all of the upstream development contributes to the flooding," Wyborny said. "They're building and building and building, and they don't care where the water goes."

Blackburn said state law forbids developers or property owners from increasing the flow of drainage such that it harms neighbors or their property. As a result, developers in Harris County are required to build detention ponds to help retain water during heavy storms until it can be safely released later. Blackburn said these ponds can sometimes take up as much as 15 percent of the property - property he said developers

would prefer to use.

So Harris County devised a plan along White Oak Bayou by which developers would be exempted from the detention-pond requirement by paying the Flood Control District a \$3 ,000 fee for each acre developed. The idea was that the district would use that money and some of its own to build a handful of much larger detention ponds to offset many smaller ones.

Developers jumped at the cheaper alternative, Blackburn said. Although the county bought the land for the detention ponds, few were ever built. So development continued, he said, while flood-prevention practices were sidestepped or delayed.

"What the county did was turn (developers) into violators of the law," Blackburn said. "But the real scam was the county. That's part of the mind-set, which we don't let the public in on the secret of how bad this flooding is."

Storey agrees with Blackburn and the residents that development has outstripped the bayou's ability to handle the runoff, but he flatly denies claims that the county has catered to developers. Instead, he says, a depressed local economy in the 1980s led to far lower developer participation in the detention-pond project than expected. As a result, the Flood Control District took in less money than expected.

Then there were the floods of 1989, which taxed even the portions of the bayou farthest downstream, which were deeper and wider than the other portions and were paved with concrete. In addition, environmentalists were complaining about the paving of Harris County's bayous, leading to pressure for more natural solutions.

All those problems led Storey to modify the original plan. Instead of deepening, widening and paving White Oak Bayou to Jersey Village, from Buffalo Bayou downtown, later phases were slated for widening but not deepening or paving. "The '89 floods were a wake-up call," Storey said. "We needed to come up with an updated solution on how to do it."

The district has since increased its reliance on detention ponds along the bayou's upper stretches. Instead of dawdling, as Blackburn claims, Storey and Talbott say the county has already bought land for, begun work on, or expanded at least five large detention ponds - ranging in size from 4 to 100 acres. Those ponds already offer some protection to residents along the bayou, they said, and will offer even more as others are completed. As they are completed, even more of the bayou - including the portion so heavily flooded in September - will be widened and improved. Then, Storey said, Wyborny, Zieman and their neighbors will have as much protection as the district can be reasonably expected to provide.

"People have been flooding for 30 years along White Oak Bayou," Storey said. "I know I sound a bit defensive and aggressive about this, but I think we've done as appropriate a project as we are allowed to do."

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EXHIBIT "E"

**INTERNET ARTICLE
TROPICAL STORM ALLISON**

Tropical Storm Allison

Over the past decade, meteorologists have made efforts to increase public awareness of the threat of inland flooding associated with landfalling hurricanes and tropical storms, and for good reason. Over the past thirty years, flooding caused by the excessive rainfall from tropical cyclones have been the primary cause of U.S. tropical cyclone-related fatalities and have caused billions of dollars in damages. Inland flooding can result from any landfalling tropical system, from weak depressions to hurricanes. This makes damaging flood events from tropical cyclones more frequent than significant wind damage events, which only occur with hurricanes.

As stated above, inland floods due to tropical cyclones can cause tremendous damage to property and agriculture, as well as significant loss of life. In 1994, Tropical Storm Alberto lingered over southwest Georgia for weeks, causing \$1.2 billion in economic losses (\$110 million insured, all figures in 2001 dollars) and killing 33 people. Five years later, moisture streaming northward from Hurricane Floyd flooded areas from North Carolina to Maine, and was the primary cause of Floyd's \$6.4 billion in losses (\$2.6 billion insured) and the deaths of 77 people.

One problematic scenario with regard to inland flooding would be for a tropical system to stall over a low-lying major metropolitan area. The intense rainfall, coupled with extensive amounts of paved surfaces that prevent proper drainage, would rapidly create serious flooding conditions. Unfortunately, this scenario became reality in June 2001 when the remnants of Tropical Storm Allison flooded southeast Texas over the course of five days, subsequently creating the largest losses ever incurred by a tropical storm. The weak tropical system ended up causing over \$5 billion in economic losses (over \$2.7 billion insured), primarily in the Houston metropolitan area. After leaving Texas, Allison's remnants also caused flooding and wind damage in 5 other states, adding another billion dollars to the total loss (\$800 million insured), making Allison the fifth most costly natural disaster in U.S. history. The losses stemming from Allison's flooding came as a surprise to the commercial and industrial property insurance industry. This is because weak and/or decaying tropical systems were not considered by the industry as a potential source of catastrophic loss. Further, any flooding would have to occur in the commercial or industrial sections of a major city, an unlikely scenario. Allison, however, demonstrated that weak storms could indeed cause catastrophic flooding, and highlighted the need to re evaluate underwriting practices dealing with flood. What follows is a detailed look at Tropical Storm Allison, its impact on Houston, and what can be learned from this record breaking event.

Storm History

Tropical Storm Allison developed from a weak tropical wave that moved north from Mexico's Yucatan Peninsula into the Gulf of Mexico on June 4, just days into the 2001 hurricane season. The next morning, a low – pressure center began to develop within the wave just off the coast of Texas. The circulation around the low pressure allowed thunderstorm activity to increase rapidly, and by late afternoon the low had intensified and was classified as the first tropical storm of the 2001 Atlantic season. The peak winds associated with Allison occurred that afternoon, with hurricane hunter aircraft surveillance finding sustained winds of 95 km/h (60 mph) associated with thunderstorms to the north and east of Allison's center of circulation. A few hours later, Allison's winds weakened to 80 km/h (50 mph) as the center of circulation moved ashore near Galveston. Once ashore, Allison weakened quickly into a tropical depression.

While Allison's winds quickly subsided after landfall, the rain did not. From June 5th to 7th, heavy rains fell over southeast Texas and Louisiana as Allison moved inland. Some areas, including Houston, received 150-250 millimeters (6-10 inches) of rain in just five hours. During this time, Allison was moving slowly northward, and its rains shifted away from Houston into northern Texas.

However, by June 8th, the center of Allison began to drift back towards Houston. As Allison moved closer to the coast, the system began to draw in moisture from the Gulf of Mexico, and rainfall intensified. The intense rain developed directly over the eastern sections of Houston. For the second time in 4 days, the city faced torrential rainfall, with some areas receiving an additional 510 millimeters (20 inches) of rain in just a twelve-hour period. The ground, rivers, and bayous around Houston, already saturated from Allison's first visit, couldn't handle this second inundation, and the result was severe flooding throughout the region. By the time Allison drifted eastward from Texas the next day, many locations in Houston had received over 760 millimeters (30 inches) of rain in just 5 days.

Wind Damage

Winds associated with Allison's circulation were generally too light to cause any significant damage to buildings. There were sporadic reports of lost shingles and downed signs, particularly in Galveston. A thunderstorm within Allison's circulation also spawned a tornado, touching down in Manvel, Texas, damaging one home. Other wind-related losses were incurred from rainfall penetration of walls and roofs. The intrusion of rainwater into buildings caused damage to wiring, insulation and contents, and minor structural damage to wood-frame homes. Tropical Storm Allison near maximum intensity in the Gulf of Mexico, 5 PM EST on June 5th. The center of circulation, exposed and lacking thunderstorm activity, is near the Texas coast. The majority of high winds associated with Allison are well to the north and east of the center, imbedded within thunderstorms.

Flood Damage

Allison flooded over 67,000 homes in southeast Texas, primarily in the Houston metropolitan area. Of the affected homes, over 3,500 were beyond repair, and another 10,000 had major damage. Automobile losses were also very high, with an estimated 105,000 motor vehicles submerged by the flood, many of them abandoned on interstate highways running through downtown Houston. Commercial and industrial flood losses from Allison were very high due to flooding in downtown Houston, with at least 526 commercial and industrial properties receiving flood damage. Several skyscrapers had their ground floors and basements flooded, submerging cars, inventory, and electronic equipment. Some buildings' roofs collapsed due to the weight of rainwater. Underground tunnels lined with restaurants and shops, designed to keep Houston residents out of the muggy summer air, filled with water. The Houston theatre district and adjacent symphony hall flooded, destroying costumes and sets, as well as irreplaceable musical instruments and manuscripts. Houston bus stations and light rail lines were damaged. Barges and ships broke from their moorings in the Houston Ship Channel, while sediments from flood runoff filled in dredged ship channels.

Similarly, floodwaters filled the basements of hospitals in the Texas Medical Center, the largest medical complex in the United States. The flooding caused power failures at eight hospitals in the complex, and in some cases the deluge destroyed emergency generators as well. The loss of power caused a rush to save people on life support machines, who were then evacuated and relocated to other hospitals. Besides the immediate danger to patients, the flooded basements at the Texas Medical Center also destroyed sophisticated medical equipment, records, and laboratories. Notable losses from the Texas Medical Center include magnetic resonance imaging (MRI) machines, radiology equipment, and electron microscopes. Losses to ongoing medical research were staggering. Over 30,000 laboratory animals drowned in the flood, and loss of power destroyed cell cultures and other perishable items. An untold amount of research

documentation was lost in the flood as well. This extensive damage at the Texas Medical Center in turn caused significant business interruption expenses, as the center was forced to shut down two hospitals for several months. The destruction of diagnostic equipment such as MRI machines and other medical labs located in hospital basements delayed thousands of medical tests and scans. Other major business interruption losses in the Houston area included the port of Houston, which needed to be dredged to return to full operation, and the cancellation of over 1,000 commercial flights at Bush Intercontinental Airport, primarily caused by the inability of employees to get to work.

Residents of Houston move their damaged belongings out to the curb. Allison flooded 67,000 homes and caused the largest loss ever to the National Flood Insurance Program.

Loss Summary

Economic loss due to Tropical Storm Allison is estimated to be around \$6 billion, and could increase as losses continue to develop. The Houston Chronicle reported economic losses of \$4.88 billion in Houston alone, which included \$2.04 billion from public facilities (mostly the Texas Medical Center), \$1.08 billion in commercial and industrial losses, and \$1.76 billion in residential losses. The National Flood Insurance Program has received about 30,000 claims from Allison, and has estimated a loss of \$1 billion dollars to the program, the largest loss in the program's history. Flood damage to commercial properties and automobiles in Texas were the main source of losses due to Allison. Over 100,000 automobile claims were filed in the state, amounting to an estimated payout of over \$500 million. Meanwhile, claims for about ten thousand commercial properties amounted to a \$1.6 billion loss, with payouts averaging hundreds of thousands of dollars per claim. This amount of loss per claim is unprecedented, and is due to the flooding of a concentrated area of expensive commercial properties in downtown Houston. In comparison, Hurricane Floyd in 1999 caused widespread flooding from South Carolina to Maine, generating ten times the commercial claims of Allison. However, commercial losses from Floyd only amounted to \$1.24 billion, an average payout of around \$10,000 per claim, an order of magnitude less than Allison. The lower loss is due to Floyd primarily flooding buildings designed for light commercial use, rather than skyscrapers with hundreds of millions of dollars of property in their basements.

Discussion

Tropical Storm Allison demonstrated the potential of severe flooding stemming from tropical systems, as well as the need to consider this peril when assessing catastrophe reinsurance opportunities. Major floods from tropical systems in the United States occur about three times a decade, though insured losses will vary widely depending on the location of the flooding. Due to limited amounts of private-sector flood insurance for residential properties, large insured flood losses will typically originate in major cities with large industrial and commercial complexes.

Cities at high risk to inland

Floodwater is pumped out of the 4-level underground parking garage at the Bank of America building in downtown Houston. Dozens of cars were totally submerged in the basement, and one woman drowned while trying to move her car to a safer location.

EXHIBIT "F"

**CHRONICLE ARTICLES
FLOODING – October 2002
FLOODING – November 2003**

HOUSTON CHRONICLE ARCHIVES

Date: WED 10/30/02

Section: A

Page: 1

Edition: 3 STAR

*Area residents relive all-too-familiar story /Flooding caps 10
straight soggy days*

By S.K. BARDWELL, PEGGY O'HARE, ROMA KHANNA, RAD SALLEE, RICHARD STEWART,
CINDY HORSWELL
Staff

Floodwaters from a surprise downpour slowly receded from the Houston *area's* north side Tuesday as rain-weary *residents* sorted through the soggy debris of their homes and tried to salvage swamped cars.

The torrential rains - climaxing a 10-day stretch of gray, soggy weather - pushed water into many houses and more than 1,000 apartments, but no deaths or serious injuries were reported in *this area*.

At least three deaths in communities east of here were blamed on the weather system, however, as it spawned tornadoes and rainstorms as far away as Mississippi.

One victim, a Beaumont woman, apparently drowned after her car was trapped by rising water in an underpass. Two other people died in Louisiana after a tornado smashed a mobile home.

Clear skies were a welcome sight for **Houston-area residents after the deluge**, which hit late Monday and early Tuesday. Despite the recent wet weather, the intensity of the overnight rains caught many by surprise, dumping 5 to 8 inches of water in some neighborhoods.

The National Weather Service reported a 24-hour rainfall record of 8.04 inches at Bush Intercontinental Airport, said meteorologist Chuck Roeseler. He added that, with 14.65 inches so far this month, this is the third-rainiest October in the *area's* history, behind 1949's 17.64 inches and 1984's 16.05 inches. Normal rainfall for October is 4.5 inches.

Many residents who had fallen asleep to the sound of rainfall were awakened by rising water, and some motorists found themselves stranded on freeways.

"I woke up and someone was screaming," said Chemeka Jones, who lives at the Arbor Court apartments at 802 Seminar near Greens Bayou. "That's the only reason I got up, and the water was already up to my waist." She said she grabbed her 1-year-old daughter and headed for higher ground.

A neighbor, Wilbur Ball, said *residents* began calling the city for help evacuating about 9 p.m. Monday. At 8 a.m. Tuesday, he said, rescue workers arrived to lead them through the floodwaters to a Metropolitan Transit Authority bus.

"The exact same thing happened last year when Allison came," Ball said, referring to the tropical storm that overpowered the city in June 2001. "It took them forever to get us out."

District Chief Jack Williams said Houston firefighters conducted rescues in that *area* throughout the night and concentrated on getting people out of harm's way. In many cases they used boats or formed human

chains to lead them to safety, Williams said, but the bus could not get into the *area* until Tuesday morning.

Later in the day, Ball, Jones and about 20 other *residents* who fled the Greenspoint *area* waited at the Melrose Community Center on East Canino Road, unsure of where they would go. "We lost everything," Ball said. "Furniture, clothes, everything."

Jim White, Harris County's emergency management coordinator, said about 120 people in the county were evacuated from homes overnight.

In the Inwood Forest subdivision, Houston firefighters rescued six people who were trapped in a pickup and had only about a foot of breathing space left, said Senior Capt. Mark Donovan.

Someone in the pickup had called for help with a cell phone, Donovan said. The firefighters found the group, including an 80-year-old woman, stuck in the fast-moving overflow of **White Oak Bayou**.

Also in Inwood Forest, resident Susan Becnel said she tried to move furniture upstairs but finally gave up and took refuge there with her aged, blind dog.

The waterline on her walls was about a foot high Tuesday as workers who had been helping her renovate and paint the house ripped up sodden carpet.

Ruthell Jones said the water ruined carpet and drywall in her home that had replaced what was destroyed by Allison.

Darlene Scott said she and other drivers slept in their cars overnight on the North Freeway after finding the exit ramps flooded.

About 4 a.m., she said, she and others finally drove the wrong way on the freeway to escape.

"I wouldn't have done it, except I was desperate," she said. "I had to go to the bathroom so bad."

The northwest Houston subdivision of Arbor Oaks, which spans both **White Oak Bayou** and Vogel Creek, was a maze of tow trucks, city vehicles and heaps of ruined furniture and carpeting Tuesday.

Many *residents* , still hurting from last year's tropical storm, cringed at the idea of rebuilding yet again.

"We just got the new carpet in January and the furniture last month," said Debbie McCarthy, who was in tears.

CityView Apartment Homes, which owns 15 apartment communities within a three-mile radius in the Greenspoint *area* , reported *flooding* in about 1,250 units, said spokeswoman Shannon Otermat. By comparison, she said, nearly 2,200 units were damaged by Allison last year.

At the Springfield at CityView complex at 17435 Imperial Valley, 212 of the 220 downstairs units were flooded, said assistant manager Gena Guerrero. "A lot of personal belongings lost, a lot of heartbreak," she said.

In Beaumont, city workers found the body of Theresa Charles, 43, early Tuesday as they pumped water from an underpass. Police said she apparently drove into the underpass on Martin Luther King Parkway before dawn, unaware that it was flooded.

The emergency room at Christus St. Elizabeth Hospital, Beaumont's main trauma center, took on 4 to 5 feet of water and patients had to be moved to other floors. No injuries were reported.

The two deaths in southern Louisiana occurred early Tuesday about 30 miles northwest of Lafayette.

The victims, a 33-year-old woman and a 16-year-old girl, were in a mobile home that was thrown at least 300 yards by a tornado, officials said. Five other occupants were severely injured.

Also hard-hit was Liberty County, northeast of Houston, where about 10 inches of rain was measured within 24 hours and a tornado destroyed two mobile homes, authorities said.

The *residents* had heeded a tornado warning, however, and vacated the mobile-home park west of Dayton, officials said.

High water kept FM 834 closed in the Hull and Hardin areas Tuesday night.

Although most Houston-*area* roads were dry and streams were beginning to recede by midday Tuesday, some flood warnings remained in effect.

Frank Gutierrez of the Harris County Office of Emergency Management said the San Jacinto River was expected to crest Tuesday night and probably would push Lake Houston about 3 .6 feet over its spillway. That could cause *flooding* downstream, he said, in areas such as Magnolia Gardens and Banana Bend.

Many bayous crested below flood stage, including upper White Oak and Greens bayous, he said.

Metro bus operations were almost back to normal Tuesday, and operations also were returning to normal at Houston's two big airports.

State transportation officials said all main freeway lanes in the Houston *area* were open by Tuesday afternoon, but the North Belt frontage roads remained impassable at the Hardy Toll Road and between Wilson Road and Garrett.

...
RAINFALL TOTALS Inches of rain in the 24-hour period ending at 8 a.m. Tuesday, according to the Harris County Office of Emergency Management:

Humble

7.28"

Greenspoint

6.18"

Jersey Village

7.13"

Webster

5.08'

Piney Point

3 .27"

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HOUSTON CHRONICLE ARCHIVES

Date: TUE 11/18/03

Section: A

Page: 1

Edition: 2 STAR

***Torrential troubles from relentless storm /Freak system cuts swath
of destruction***

By RAD SALLEE, MIKE TOLSON, SALATHEIA BRYANT, DALE LEZON, ERIC HANSON,
LUCAS WALL
Staff

What started as just another gloomy Monday, overcast and drizzly, turned into a nightmare of *torrential* rains, tornadoes and monstrous traffic jams as a freakish *storm* swept across Southeast Texas.

...

Between 11 a.m. and 4 p.m., CenterPoint Energy spokeswoman Alicia Dixon reported about 55,000 customers lost power to their homes, mostly in Fort Bend County, the Spring Branch area and Jersey Village. The high winds and heavy rain were expected to leave the area by midmorning today, Roeseler said. "The rest of the week looks fairly benign," he said.

...

HOUSTON AREA DRENCHED

A chain of slow-moving thunderstorms dumped heavy rain and spawned numerous tornadoes across the upper Gulf Coast Monday.

Tornado reports

Meadows Place (Kirkwood at W. Bellfort)

Southmore near South Freeway

West of Bush Intercontinental Airport

Brazoria

Dickinson

El Campo

Bay City

Pierce

Wharton

Boling

Midfield

Inches of rainfall in selected areas for 24-hour period ending 5:30 p.m. Monday

West of Bush Intercontinental Airport Tornado reported

White Oak Bayou Helicopter rescue of stranded trucker

W. Bellfort at Kirkwood Roof of apartment complex torn off

W. Bellfort at Dairy Ashford Day care center and gas station damaged by wind

Southmore near South Freeway St. James Episcopal Church sanctuary destroyed

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EXHIBIT "G"

**HCAD WEBSITE
DATA REFLECTING OWNERSHIP BY HCAD
IN FAP AREA**

**Flooded Property Purchased by HCAD
in FAP area
between March 2003 to March 2006**

Owner Name	Property Address	Zip	Home Price Paid
HARRIS COUNTY FLOOD CONTRL MCDONALD LESTER	8002 BREEZEWAY ST 8006 BREEZEWAY ST	77040 77040	\$103,154
HARRIS COUNTY FLOOD CONTRL	8010 BREEZEWAY ST	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8014 BREEZEWAY ST	77040	\$102,000
HARRIS COUNTY FLOOD CONTRL	8018 BREEZEWAY ST	77040	\$92,500
HARRIS COUNTY FLOOD CONTRL	8019 BREEZEWAY ST	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL	8022 BREEZEWAY ST	77040	\$86,823
GOMEZ AUDELINA & BRIGIDO	8023 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8026 BREEZEWAY ST	77040	\$98,734
HARRIS COUNTY FLOOD CONTRL	8030 BREEZEWAY ST	77040	\$100,000
ABBIT BRIAN JEROD & KIM D	8031 BREEZEWAY ST	77040	
GONZALEZ SAMUEL	8034 BREEZEWAY ST	77040	
LAFORME LORI & FRANK	8038 BREEZEWAY ST	77040	
HOWELL EVERETT M &	8042 BREEZEWAY ST	77040	
OVENS BLAIR ANDREW & DONNA M	8046 BREEZEWAY ST	77040	
HOWELL SHELLY J	8047 BREEZEWAY ST	77040	
POPE TERRI L	8050 BREEZEWAY ST	77040	
OCHOA JOSE F	8054 BREEZEWAY ST	77040	
LAWLER THOMAS E III &	8058 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8062 BREEZEWAY ST	77040	\$102,000
LOCKHART JOSEPH CLAY	8102 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8106 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8110 BREEZEWAY ST	77040	\$104,000
FRIDY MYRON	8114 BREEZEWAY ST	77040	
HALL PATRICIA S	8118 BREEZEWAY ST	77040	
KOMINEK JAMIE E	8122 BREEZEWAY ST	77040	
LANMAN DONALD E & NORINE J	8126 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8130 BREEZEWAY ST	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8134 BREEZEWAY ST	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	0 Cole Creek Dr	77040	\$13,500
GRAY BRIAN M & LEONICKA	9202 COLE CREEK DR	77040	
HARRIS COUNTY FLOOD CONTRL	9203 COLE CREEK DR	77040	\$92,000
HARRIS COUNTY FLOOD CONTRL	9207 COLE CREEK DR	77040	\$58,296
HARRIS COUNTY FLOOD CONTRL	9211 COLE CREEK DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	9214 COLE CREEK DR	77040	\$77,093
HARRIS COUNTY FLOOD CONTRL	9215 COLE CREEK DR	77040	\$58,615
HARRIS COUNTY FLOOD CONTRL	9218 COLE CREEK DR	77040	\$80,377

HARRIS COUNTY FLOOD CONTRL	9219 COLE CREEK DR	77040	\$92,500
HARRIS COUNTY FLOOD CONTRL	9222 COLE CREEK DR	77040	\$91,000
HARRIS COUNTY FLOOD CONTRL	9223 COLE CREEK DR	77040	\$67,216
HARRIS COUNTY FLOOD CONTRL	9226 COLE CREEK DR	77040	\$80,000
HARRIS COUNTY FLOOD CONTRL	9302 COLE CREEK DR	77040	\$89,000
HARRIS COUNTY FLOOD CONTRL	9303 COLE CREEK DR	77040	\$71,653
HARRIS COUNTY FLOOD CONTRL	9306 COLE CREEK DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	9307 COLE CREEK DR	77040	\$81,000
HARRIS COUNTY FLOOD CONTRL	9310 COLE CREEK DR	77040	\$74,833
HARRIS COUNTY FLOOD CONTRL	9311 COLE CREEK DR	77040	\$66,824
HARRIS COUNTY FLOOD CONTRL	9314 COLE CREEK DR	77040	\$61,119
HAYTER BRENDA M	9315 COLE CREEK DR	77040	\$87,500
HARRIS COUNTY FLOOD CONTRL	9317 COLE CREEK DR	77040	\$111,684
HARRIS COUNTY FLOOD CONTRL	9318 COLE CREEK DR	77040	\$27,126
HARRIS COUNTY FLOOD CONTRL	7302 GAILEY LN	77040	\$192,500
HARRIS COUNTY FLOOD CONTRL	7307 GAILEY LN	77040	\$133,933
HARRIS COUNTY FLOOD CONTRL	7310 GAILEY LN	77040	\$182,500
HARRIS COUNTY FLOOD CONTRL	7311 GAILEY LN	77040	\$140,000
NELSON ELAINE F & PATRICK	7323 GAILEY LN	77040	
HERRERA AVEL F	7334 GAILEY LN	77040	
HARRIS COUNTY FLOOD CONTRL	7342 GAILEY LN	77040	\$170,500
HARRIS COUNTY FLOOD CONTRL	7360 GAILEY LN	77040	\$330,000
HARRIS COUNTY FLOOD CONTRL	7363 GAILEY LN	77040	\$135,000
HARRIS COUNTY FLOOD CONTRL	7422 GAILEY LN	77040	\$207,500
JASSO ALEX & MARY G	7431 GAILEY LN	77040	
HEINRICH ALFONS J	7510 GAILEY LN	77040	
SUMMERS T A JR	7511 GAILEY LN	77040	
APFFEL MARGARET ANN	7519 GAILEY LN	77040	
CASSIDY LINDA L	7602 GAILEY LN	77040	
HAMBLIN VICKIE	7604 GAILEY LN	77040	
HARRIS COUNTY FLOOD CONTRL	9302 GUYWOOD ST	77040	\$79,055
SOMOZA ELDER D & MATILDE	9303 GUYWOOD ST	77040	
MORENO DEMETRIO	9306 GUYWOOD ST	77040	
ROSALES SHARON &	9307 GUYWOOD ST	77040	
DELOSSANTOS VERONICA	9311 GUYWOOD ST	77040	
NEEL RUSSELL L & LINDA R	9314 GUYWOOD ST	77040	
HAWKINS CAROLYN F	9315 GUYWOOD ST	77040	
ENRIQUEZ ROSA A &	9318 GUYWOOD ST	77040	
ALANIS ALMA N & JUVENTINO	9319 GUYWOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	9102 INCE LN	77040	\$96,980
HARRIS COUNTY FLOOD CONTRL	9103 INCE LN	77040	\$107,921
HARRIS COUNTY FLOOD CONTRL	9106 INCE LN	77040	\$119,000
JORDAN MARY J	9107 INCE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9110 INCE LN	77040	\$99,895

HARRIS COUNTY FLOOD CONTRL	9111 INCE LN	77040	\$94,000
HARRIS COUNTY FLOOD CONTRL	9114 INCE LN	77040	\$121,000
MYERS BILLY	9115 INCE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9118 INCE LN	77040	\$114,000
HARRIS COUNTY FLOOD CONTROL	9119 INCE LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	9122 INCE LN	77040	\$102,731
HARRIS COUNTY FLOOD CONTRL	15702 JERSEY DR	77040	\$121,609
GARDNER JONATHON &	15703 JERSEY DR	77040	
FRANKEL GARY J & NANCY	15706 JERSEY DR	77040	
METCALF TAMMIE	15710 JERSEY DR	77040	
LADNER JOHN T & KATHERINE	15714 JERSEY DR	77040	
GIERING INVESTMENTS LP	15715 JERSEY DR	77040	
CHALLENGER ROBERT M &	15718 JERSEY DR	77040	
HARRIS COUNTY FLOOD CONTRL	7305 LAKE LN	77040	\$170,000
WILSON CONNIE J	7307 LAKE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7310 LAKE LN	77040	\$158,500
HARRIS COUNTY FLOOD CONTRL	7311 LAKE LN	77040	\$172,196
WHITTON NED & CONNIE	7315 LAKE LN	77040	
CORTES MARIA	9110 LONG BARREL LN	77040	
GUERRERO RAFAEL & ANA B	9111 LONG BARREL LN	77040	
ZAMARRON LUIS G	9114 LONG BARREL LN	77040	
BILLICK ANTHONY III	9115 LONG BARREL LN	77040	
NEISWANGER JACK P	9118 LONG BARREL LN	77040	
HARRIS COUNTY FLOOD CONTRL	9119 LONG BARREL LN	77040	\$121,000
HARRIS COUNTY FLOOD CONTRL	9122 LONG BARREL LN	77040	\$100,514
WILL PAUL C JR	9002 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9006 LOREN LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	9010 LOREN LN	77040	\$79,039
HARRIS COUNTY FLOOD CONTRL	9014 LOREN LN	77040	\$76,664
HARRIS COUNTY FLOOD CONTRL	9018 LOREN LN	77040	\$73,201
HARRIS COUNTY FLOOD CONTRL	9022 LOREN LN	77040	\$69,705
HARRIS COUNTY FLOOD CONTRL	9026 LOREN LN	77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	9030 LOREN LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	9034 LOREN LN	77040	\$109,500
HARRIS COUNTY FLOOD CONTRL	9038 LOREN LN	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	9102 LOREN LN	77040	\$93,736
HAGGERTON MORRIS R JR &	9103 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9106 LOREN LN	77040	\$96,000
HARRIS COUNTY FLOOD CONTRL	9107 LOREN LN	77040	\$86,703
HARRIS COUNTY FLOOD CONTRL	9110 LOREN LN	77040	\$84,703
HARRIS COUNTY FLOOD CONTRL	9111 LOREN LN	77040	\$86,398
HARRIS COUNTY FLOOD CONTRL	9114 LOREN LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTROL	9115 LOREN LN	77040	\$117,000
MENDEZ LUIS E	9118 LOREN LN	77040	

SULLIVAN EMMANUEL J	9119 LOREN LN	77040	
CURRY VERONICA SUE	9122 LOREN LN	77040	
FREYRE AMANDA &	9123 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9126 LOREN LN	77040	\$117,353
HARRIS COUNTY FLOOD CONTRL	9127 LOREN LN	77040	\$85,654
HARRIS COUNTY FLOOD CONTRL	9130 LOREN LN	77040	\$118,000
HARRIS COUNTY FLOOD CONTRL	9131 LOREN LN	77040	\$107,000
HARRIS COUNTY FLOOD CONTRL	7802 MACHALA LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7803 MACHALA LN	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	7806 MACHALA LN	77040	\$82,682
SEELING JACK	7807 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7810 MACHALA LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	7811 MACHALA LN	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7814 MACHALA LN	77040	\$100,119
HARRIS COUNTY FLOOD CONTROL	7815 MACHALA LN	77040	\$109,000
HARRIS COUNTY FLOOD CONTRL	7818 MACHALA LN	77040	\$104,000
RUIZ JOE PAUL & PATRICIA	7819 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7822 MACHALA LN	77040	\$103,525
ALEMAN ANDRES	7823 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7827 MACHALA LN	77040	\$105,000
HERNENDEZ ROSA C & ETAL	7830 MACHALA LN	77040	
MOSQUEDA STEVEN & MARY	7831 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7834 MACHALA LN	77040	\$107,000
YOUNG SAMUEL & BRENDA	7835 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7838 MACHALA LN	77040	\$101,192
GARRISON RONALD & SHEILA	7839 MACHALA LN	77040	
ORTEGA FRANCISCO	7842 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7843 MACHALA LN	77040	\$104,000
VELASQUEZ JUAN R & PETRA G	7846 MACHALA LN	77040	
FIGGS HELEN M	7847 MACHALA LN	77040	
TAM ANNIE	7850 MACHALA LN	77040	
GALLEGOS JESUS	7851 MACHALA LN	77040	
GATES BRENDA	7854 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7855 MACHALA LN	77040	\$100,777
JIMENEZ MARIO	7902 MACHALA LN	77040	
DAVIS LEE	7903 MACHALA LN	77040	
GRESHAM THOMAS MICHAEL &	7906 MACHALA LN	77040	
DAVIS RAYMOND	7907 MACHALA LN	77040	
RODRIGUEZ ENRIQUE &	7910 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7911 MACHALA LN	77040	\$110,000
HARKSEN FLORA	7914 MACHALA LN	77040	
ROCHE JACUELINE	7915 MACHALA LN	77040	
BATTEN LIVING TRUST	7918 MACHALA LN	77040	
DAY JOANNE	7922 MACHALA LN	77040	

BARBER VANCE H	7830 SHADY ARBOR LN	77040	
PENAE ROBERTO & MARIA D	7831 SHADY ARBOR LN	77040	
RAYFORD TERRY J	7834 SHADY ARBOR LN	77040	
SANCHEZ JOSE	7835 SHADY ARBOR LN	77040	
RENERIA PRAXEDES	7838 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7839 SHADY ARBOR LN	77040	\$99,808
DRISKILL CYNTHIA J	7842 SHADY ARBOR LN	77040	
AGUILAR DANIEL M & MARIA E	7843 SHADY ARBOR LN	77040	
GORGUA IGNACIO	7846 SHADY ARBOR LN	77040	
LYNN TATUM	7847 SHADY ARBOR LN	77040	
WHATLEY EMILY LOUISE	7850 SHADY ARBOR LN	77040	
HUGHES MARY ANN &	7851 SHADY ARBOR LN	77040	
GARICA GEORGE & SERAFINA	7854 SHADY ARBOR LN	77040	
LOPEZ JULIO C & GENOVEVA	7855 SHADY ARBOR LN	77040	
PAYNE CHARLES L & TAMARA B	7858 SHADY ARBOR LN	77040	
PENDING	7859 SHADY ARBOR LN	77040	
TREVINO RENE	7902 SHADY ARBOR LN	77040	
WILSON CAROLYN JO	7903 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7906 SHADY ARBOR LN	77040	\$110,000
GONZALEZ MARIO & ROSA L	7907 SHADY ARBOR LN	77040	
REYES IRVIN & GLADIS	7910 SHADY ARBOR LN	77040	
HINSON LARRY L	7911 SHADY ARBOR LN	77040	
SANCHEZ CELSA	7914 SHADY ARBOR LN	77040	
OROZCO FELIPE	7915 SHADY ARBOR LN	77040	
ARRENDONDO ANTONIO	7918 SHADY ARBOR LN	77040	
DELGATTO JOSEPH E &	7919 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7923 SHADY ARBOR LN	77040	\$107,000
HARRIS COUNTY FLOOD CONTRL	7926 SHADY ARBOR LN	77040	\$103,000
REYES ALFREDO	7927 SHADY ARBOR LN	77040	
BECKER MICHAEL	7930 SHADY ARBOR LN	77040	
REECE JAMES D	7931 SHADY ARBOR LN	77040	
TATE ALVIN VIVIAN M	7934 SHADY ARBOR LN	77040	
KELLEY VERONICA & BOWMAN	7935 SHADY ARBOR LN	77040	
FLORES MOISES	7939 SHADY ARBOR LN	77040	
GOLDEN HARMON & MAXINE	7943 SHADY ARBOR LN	77040	
RODENBECK MICHELLE & ERIC	7947 SHADY ARBOR LN	77040	
VAVRICKA C L	7951 SHADY ARBOR LN	77040	
MUDRY STEPHEN C	7955 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7959 SHADY ARBOR LN	77040	\$112,520
HARRIS COUNTY FLOOD CONTRL	8002 SHADY ARBOR LN	77040	\$83,863
HARRIS COUNTY FLOOD CONTRL	8003 SHADY ARBOR LN	77040	\$116,000
HARRIS COUNTY FLOOD CONTRL	8006 SHADY ARBOR LN	77040	\$94,000
MARQUEZ LORENZO	8007 SHADY ARBOR LN	77040	
GARCIA FELIX P & MARIA E	8010 SHADY ARBOR LN	77040	

ALVAREZ NERY N	8011 SHADY ARBOR LN	77040	
GARCIA ARMANDO	8014 SHADY ARBOR LN	77040	
HA TUAN	8015 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8018 SHADY ARBOR LN	77040	\$103,000
THOMAS TONYA	8019 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8022 SHADY ARBOR LN	77040	\$95,120
HARRIS COUNTY FLOOD CONTRL	8023 SHADY ARBOR LN	77040	\$101,499
HARRIS COUNTY FLOOD CONTRL	8026 SHADY ARBOR LN	77040	\$99,500
SIMON KINNIE & BERNADETTE	8027 SHADY ARBOR LN	77040	
ROSALES GABRIEL	8030 SHADY ARBOR LN	77040	
TORRES JUANA E & EDDIE	8031 SHADY ARBOR LN	77040	
STREBECK D G	8034 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8035 SHADY ARBOR LN	77040	\$89,442
ISLAND ORLANDO	8102 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 SHADY ARBOR LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8106 SHADY ARBOR LN	77040	\$99,500
HARRIS COUNTY FLOOD CONTRL	8107 SHADY ARBOR LN	77040	\$78,204
CHAVEZ MARCO	8110 SHADY ARBOR LN	77040	
GARCIA ANNA	8111 SHADY ARBOR LN	77040	
PATEL KN	8114 SHADY ARBOR LN	77040	
SANFORD ROCKY ALLEN	8115 SHADY ARBOR LN	77040	
CASTANEDA GUILLERMINA	8118 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8119 SHADY ARBOR LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	8122 SHADY ARBOR LN	77040	\$95,399
HEADRICK SALLY S	8123 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8126 SHADY ARBOR LN	77040	\$114,000
MACIEL GILBERTO	8127 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8130 SHADY ARBOR LN	77040	\$104,214
ALLMAN DOUGLAS	8131 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8134 SHADY ARBOR LN	77040	\$107,000
LAI HUGH VAN	8135 SHADY ARBOR LN	77040	
SHAFER SUSAN L	8138 SHADY ARBOR LN	77040	
GUERRA SILVIA &	8139 SHADY ARBOR LN	77040	
COOPER CARLA I	8203 SHADY ARBOR LN	77040	
SYER J L	8207 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8211 SHADY ARBOR LN	77040	\$91,000
TOMPKINS TROY & ROBYN	8215 SHADY ARBOR LN	77040	
HA LYNN K	7002 SHADY GROVE CT	77040	
CAMPBELL MICHAEL EDWARD	7003 SHADY GROVE CT	77040	
HARRIS COUNTY FLOOD CONTRL	7006 SHADY GROVE CT	77040	\$112,000
HU SHAO LEAN	7007 SHADY GROVE CT	77040	
MACK WILLIAM J & TERI L	7010 SHADY GROVE CT	77040	
LLOYD JOYCE W	7402 SHADY GROVE LN	77040	
NIELSEN MARK DAVID	7406 SHADY GROVE LN	77040	

HARRIS COUNTY FLOOD CONTRL	7803 SHADY GROVE LN	77040	\$72,687
HARRIS COUNTY FLOOD CONTRL	7807 SHADY GROVE LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7811 SHADY GROVE LN	77040	\$124,000
JENSON LARRY A & JUDITH	7815 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7819 SHADY GROVE LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7823 SHADY GROVE LN	77040	\$101,000
HARRIS COUNTY FLOOD CONTRL	7827 SHADY GROVE LN	77040	\$104,000
LYELL DAVID D	7831 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7835 SHADY GROVE LN	77040	\$105,647
SALINAS GERARDO & VERONICA	7839 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7843 SHADY GROVE LN	77040	\$107,000
DIVIN LEON	7847 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7851 SHADY GROVE LN	77040	\$116,000
RODRIGUEZ BENIGNO	7903 SHADY GROVE LN	77040	
FERMAN PEDRO A	7905 SHADY GROVE LN	77040	
CLARK BYRON & APRIL J	7907 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7909 SHADY GROVE LN	77040	\$102,000
TIJERINA DAVID JR & MARCIA	7911 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7913 SHADY GROVE LN	77040	\$105,000
SMITH SHARYN M	7915 SHADY GROVE LN	77040	
TAM ANNIE	7917 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7919 SHADY GROVE LN	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	7921 SHADY GROVE LN	77040	\$108,000
HARRIS COUNTY FLOOD CONTRL	7923 SHADY GROVE LN	77040	\$114,000
HODRICK LEON & ANGELA M	7925 SHADY GROVE LN	77040	
GUTIERREZ ISMAEL	7927 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7931 SHADY GROVE LN	77040	\$56,632
CAMPBELL MICHAEL E	7934 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7935 SHADY GROVE LN	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	7938 SHADY GROVE LN	77040	\$98,500
PICCOLO J N	8002 SHADY GROVE LN	77040	
LOCKE RUSSELL & DEBRA	8006 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8010 SHADY GROVE LN	77040	\$109,000
WELLS FARGO BANK NA	8014 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8018 SHADY GROVE LN	77040	\$103,000
BROCATO CHARLES	8022 SHADY GROVE LN	77040	
LOVE HOWARD STEPHEN &	8023 SHADY GROVE LN	77040	
PARKS MELISSA N	8102 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 SHADY GROVE LN	77040	\$112,000
CASTRO JORGE G	8106 SHADY GROVE LN	77040	
PEREZ ELEANOR	8107 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8110 SHADY GROVE LN	77040	\$109,000
VARNER BETTY JANE	8111 SHADY GROVE LN	77040	
DURAN SAUL E	8114 SHADY GROVE LN	77040	

TALLEY BILLY W	8115 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8118 SHADY GROVE LN	77040	\$77,007
SON JIN & GEUM JUNG	8119 SHADY GROVE LN	77040	
SCOTT BUFFY &	8122 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8123 SHADY GROVE LN	77040	\$103,000
BECK SHERRY T HARMON	8126 SHADY GROVE LN	77040	
RODRIGUEZ DANIEL	8127 SHADY GROVE LN	77040	
NOUR ABDOULSHAK	8130 SHADY GROVE LN	77040	
KELM R A	8131 SHADY GROVE LN	77040	
GRAY IRENE	8134 SHADY GROVE LN	77040	
MORALES ESTEBANA Y	8135 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8138 SHADY GROVE LN	77040	\$105,000
LIAU JON LIU & AUDREY T	8139 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7106 SHADY MILL DR	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL	7110 SHADY MILL DR	77040	\$95,000
HARRIS COUNTY FLOOD CONTRL	7114 SHADY MILL DR	77040	\$100,000
GOFORTH VIRGINIA	7118 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7122 SHADY MILL DR	77040	\$102,000
CERVANTES ISMAIL	7126 SHADY MILL DR	77040	
MCDANIEL J L	7127 SHADY MILL DR	77040	
RIOS PABLO &	7130 SHADY MILL DR	77040	
PINEDA MARIA V	7131 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7134 SHADY MILL DR	77040	\$95,000
RUBIO ERASMO	7135 SHADY MILL DR	77040	
SOSA SANTOS &	7138 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7139 SHADY MILL DR	77040	\$89,205
HARRIS COUNTY FLOOD CONTRL	7142 SHADY MILL DR	77040	\$99,500
FLORES JOSE C	7143 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7146 SHADY MILL DR	77040	\$102,000
CASTILLO MARIO V	7147 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7150 SHADY MILL DR	77040	\$89,808
CHARLES REGINALD & MONICA	7151 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7154 SHADY MILL DR	77040	\$102,923
HARRIS COUNTY FLOOD CONTRL	7155 SHADY MILL DR	77040	\$94,000
ANDREWS GARY M	7158 SHADY MILL DR	77040	
FERGESON C E	7159 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7162 SHADY MILL DR	77040	\$103,904
HARRIS COUNTY FLOOD CONTRL	7163 SHADY MILL DR	77040	\$96,000
CONTRERAS RICARDO DE ANDA	7166 SHADY MILL DR	77040	
KOOP FREDERICK W	7167 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7170 SHADY MILL DR	77040	\$105,000
ROSALES ALBERTO & ANA	7171 SHADY MILL DR	77040	
REXER FRED L & LINDA A	7175 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7102 SHADY VALE LN	77040	\$103,000

HARRIS COUNTY FLOOD CONTRL	7106 SHADY VALE LN	77040	\$104,000
CASTRO ROSA L &	7107 SHADY VALE LN	77040	
VILLEDA TERESA	7110 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7111 SHADY VALE LN	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7114 SHADY VALE LN	77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	7115 SHADY VALE LN	77040	\$98,204
HARRIS COUNTY FLOOD CONTRL	7118 SHADY VALE LN	77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	7119 SHADY VALE LN	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	7122 SHADY VALE LN	77040	\$99,000
HERRERA PEDRO	7123 SHADY VALE LN	77040	
KRAM L A	7126 SHADY VALE LN	77040	
SKRIVANEK KATHY	7127 SHADY VALE LN	77040	
MORAN TOM	7130 SHADY VALE LN	77040	
STECK LANCE P	7131 SHADY VALE LN	77040	
LOREDO RAUL O &	7134 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7135 SHADY VALE LN	77040	\$112,000
ALVAREZ BEATRIZ	7138 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7139 SHADY VALE LN	77040	\$100,542
WOODRUFF EMMITT C	7142 SHADY VALE LN	77040	
SOLORZANO ANA &	7146 SHADY VALE LN	77040	
NGUYEN DUNG K	7151 SHADY VALE LN	77040	
LEACH DWAIN & JUNE	7155 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7158 SHADY VALE LN	77040	\$91,536
SEPULVEDA LUIS	7159 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7163 SHADY VALE LN	77040	\$99,000
GUTIERREZ FRANCISCO	7166 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7167 SHADY VALE LN	77040	\$91,000
HARRIS COUNTY FLOOD CONTRL	7170 SHADY VALE LN	77040	\$97,000
THOMAS DONOVAN L & ROXANNA	7171 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7175 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7178 SHADY VALE LN	77040	\$101,000
MANI JOSE M	7179 SHADY VALE LN	77040	
GORDON SCOTT D & DEBRA J	7302 SHADY VALE LN	77040	
HUERTA JULIETA &	7303 SHADY VALE LN	77040	
OISHI TAKESHI	7306 SHADY VALE LN	77040	
FED NATL MTG ASSN	7307 SHADY VALE LN	77040	
MORIN MARIA	7310 SHADY VALE LN	77040	
SHARON ROSE OF	7311 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7314 SHADY VALE LN	77040	\$101,000
HARRIS COUNTY FLOOD CONTRL	7315 SHADY VALE LN	77040	\$121,000
MCSHON JOHN LARRY	7318 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7319 SHADY VALE LN	77040	\$113,000
FLORES JOSE H & EVA M	7322 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7323 SHADY VALE LN	77040	\$112,000

HENDRIX JOHN A & TERESA Y	7326 SHADY VALE LN	77040	
RESULTS PROPERTIES LTD	7327 SHADY VALE LN	77040	
ESCALANTE RODOLFO & EMILIA	7402 SHADY VALE LN	77040	
JUAREZ JESUS	7403 SHADY VALE LN	77040	
TINGLER CANDY	7406 SHADY VALE LN	77040	
JUREN PAUL A & DEBORAHA	7407 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7410 SHADY VALE LN	77040	\$102,500
PUENTE MARIA Y	7411 SHADY VALE LN	77040	
REYNOLDS ALBERT L	8802 STORM WOOD ST	77040	
SEGARRA SARIS E	8803 STORM WOOD ST	77040	
MCFALLS STANTON S & PRIMA	8806 STORM WOOD ST	77040	
BRUCIA J J	8807 STORM WOOD ST	77040	
FRIAS M A	8810 STORM WOOD ST	77040	
BELALCAZAR SANDRA	8811 STORM WOOD ST	77040	
WALPOLE MELISSA M	8814 STORM WOOD ST	77040	
ALDY STEPHANIE &	8815 STORM WOOD ST	77040	
FORE WAYNE R & CLARICE	8818 STORM WOOD ST	77040	
CRUZ LEONARD H	8819 STORM WOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	8822 STORM WOOD ST	77040	\$119,500
MARTINEZ GILBERT & MERCEDES	8826 STORM WOOD ST	77040	
REED AMY D	8830 STORM WOOD ST	77040	
MALONE JOE H	8834 STORM WOOD ST	77040	
PHILLIPS PAMELA J	8835 STORM WOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	8838 STORM WOOD ST	77040	\$119,000
HARRIS COUNTY FLOOD CONTRL	8839 STORM WOOD ST	77040	\$111,500
HUBBARD ROBERT M	9102 VINETREE LN	77040	
KERR CHARLOTTE SUSAN	9106 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9107 VINETREE LN	77040	\$115,000
MALEK ELIZABETH	9110 VINETREE LN	77040	
AMAYA ROSIBEL & JULIO	9111 VINETREE LN	77040	
WINTER ANDREA R	9114 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9115 VINETREE LN	77040	\$107,000
HOLLINGSWORTH HAROLD &	9118 VINETREE LN	77040	
VILLARIEL JORGE	9119 VINETREE LN	77040	
SANCHEZ GUADALUPE & GLORIA	9122 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9123 VINETREE LN	77040	\$128,000
MEZA FRANCISCO J & WINDE L	9126 VINETREE LN	77040	
HOUSTON CHRISTIAN UNITED	9127 VINETREE LN	77040	
CHACON JUAN J & ESPERANZA	9130 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9131 VINETREE LN	77040	\$97,795
GELDER GLENN	9134 VINETREE LN	77040	
SALMERON ROBERTO &	9135 VINETREE LN	77040	
OWENS DAVID J	9138 VINETREE LN	77040	
HERNANDEZ EUNICE & EUNICE	9139 VINETREE LN	77040	

RUNNELS MARY MAUMEE	9142 VINETREE LN	77040	
LACY LEROY JR	9143 VINETREE LN	77040	
PRYMMER KATHRYN R	9202 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9203 VINETREE LN	77040	\$105,000
GERARDO JOSE L & LAURA	9206 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9207 VINETREE LN	77040	\$90,691
GARCIA RAMON VILLEGAS	9210 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9211 VINETREE LN	77040	\$93,000
HARRIS COUNTY FLOOD CONTRL	9215 VINETREE LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7103 WIND BROOK ST	77040	\$127,000
HARRIS COUNTY FLOOD CONTRL	7107 WIND BROOK ST	77040	\$133,500
HARRIS COUNTY FLOOD CONTRL	7111 WIND BROOK ST	77040	\$80,230
HARRIS COUNTY FLOOD CONTRL	7115 WIND BROOK ST	77040	\$96,129
HARRIS COUNTY FLOOD CONTRL	7118 WIND BROOK ST	77040	\$96,264
HARRIS COUNTY FLOOD CONTRL	7119 WIND BROOK ST	77040	\$97,453
HARRIS COUNTY FLOOD CONTRL	7122 WIND BROOK ST	77040	\$86,886
HARRIS COUNTY FLOOD CONTRL	7123 WIND BROOK ST	77040	\$118,372
FRYE DEBRA K	7202 WIND DALE ST	77040	
HARRIS COUNTY FLOOD CONTRL	7203 WIND DALE ST	77040	\$116,105
CANTU NANCY Y	7206 WIND DALE ST	77040	
MATTA JOSEPH & KARIN	7207 WIND DALE ST	77040	
LOPEZ JOSE G &	7210 WIND DALE ST	77040	
HARRIS COUNTY FLOOD CONTRL	7203 WIND ROCK CT	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	7206 WIND ROCK CT	77040	\$109,500
HARRIS COUNTY FLOOD CONTRL	7207 WIND ROCK CT	77040	\$102,500
HARRIS COUNTY FLOOD CONTRL	7210 WIND ROCK CT	77040	\$118,000
HARRIS COUNTY FLOOD CONTRL	7211 WIND ROCK CT	77040	\$124,500
HARRIS COUNTY FLOOD CONTRL	8702 WIND ROCK ST	77040	\$128,500
HARRIS COUNTY FLOOD CONTRL	8703 WIND ROCK ST	77040	\$98,296
HARRIS COUNTY FLOOD CONTRL	8706 WIND ROCK ST	77040	\$111,500
HARRIS COUNTY FLOOD CONTRL	8707 WIND ROCK ST	77040	\$114,900
HARRIS COUNTY FLOOD CONTRL	8710 WIND ROCK ST	77040	\$111,250
HARRIS COUNTY FLOOD CONTRL	8711 WIND ROCK ST	77040	\$122,000
HARRIS COUNTY FLOOD CONTRL	8714 WIND ROCK ST	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	8715 WIND ROCK ST	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	8718 WIND ROCK ST	77040	\$119,000
HARRIS COUNTY FLOOD CONTRL	8719 WIND ROCK ST	77040	\$85,401
HARRIS COUNTY FLOOD CONTRL	8803 WIND ROCK ST	77040	\$93,543
HARRIS COUNTY FLOOD CONTRL	8807 WIND ROCK ST	77040	\$126,291
HARRIS COUNTY FLOOD CONTRL	8811 WIND ROCK ST	77040	\$95,000
HARRIS COUNTY FLOOD CONTRL	8815 WIND ROCK ST	77040	\$106,500
FERNANDEZ ROBIN F & TRAVIS	8930 WIND SIDE DR	77040	
ONEAL ALVIN A & JANICE M	8931 WIND SIDE DR	77040	
GONCALVES EDELBERTO	8934 WIND SIDE DR	77040	

ROY RUSSELL L	8935 WIND SIDE DR	77040	
HARRIS COUNTY FLOOD CONTRL	8938 WIND SIDE DR	77040	\$129,377
WALKER RICHARD MARTIN	8939 WIND SIDE DR	77040	
0 Windstream (lot 12)			\$17,500
0 Windstream (lot 12)			\$15,500
HARRIS COUNTY FLOOD CONTRL	8711 WIND STREAM DR	77040	\$114,344
HARRIS COUNTY FLOOD CONTRL	8714 WIND STREAM DR	77040	\$109,474
HARRIS COUNTY FLOOD CONTRL	8715 WIND STREAM DR	77040	\$94,000
HARRIS COUNTY FLOOD CONTRL	8719 WIND STREAM DR	77040	\$108,500
HARRIS COUNTY FLOOD CONTRL	8722 WIND STREAM DR	77040	\$119,645
HARRIS COUNTY FLOOD CONTRL	8723 WIND STREAM DR	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	8727 WIND STREAM DR	77040	\$82,500
HARRIS COUNTY FLOOD CONTRL	8730 WIND STREAM DR	77040	\$87,626
HARRIS COUNTY FLOOD CONTRL	8731 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8734 WIND STREAM DR	77040	\$108,000
HARRIS COUNTY FLOOD CONTRL	8735 WIND STREAM DR	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8738 WIND STREAM DR	77040	\$96,937
HARRIS COUNTY FLOOD CONTRL	8739 WIND STREAM DR	77040	\$97,630
HARRIS COUNTY FLOOD CONTRL	8742 WIND STREAM DR	77040	\$98,865
HARRIS COUNTY FLOOD CONTRL	8743 WIND STREAM DR	77040	\$84,355
HARRIS COUNTY FLOOD CONTRL	8746 WIND STREAM DR	77040	\$70,795
HARRIS COUNTY FLOOD CONTRL	8747 WIND STREAM DR	77040	\$100,066
HARRIS COUNTY FLOOD CONTRL	8750 WIND STREAM DR	77040	\$109,006
HARRIS COUNTY FLOOD CONTRL	8751 WIND STREAM DR	77040	\$82,749
HARRIS COUNTY FLOOD CONTRL	8803 WIND STREAM DR	77040	\$85,535
HARRIS COUNTY FLOOD CONTRL	8807 WIND STREAM DR	77040	\$99,250
HARRIS COUNTY FLOOD CONTRL	8810 WIND STREAM DR	77040	\$122,994
HARRIS COUNTY FLOOD CONTRL	8811 WIND STREAM DR	77040	\$105,500
PLADSRI C	8814 WIND STREAM DR	77040	\$108,500
HARRIS COUNTY FLOOD CONTRL	8815 WIND STREAM DR	77040	\$122,288
HARRIS COUNTY FLOOD CONTRL	8819 WIND STREAM DR	77040	\$100,500
MONTALVA CATALINA	8823 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8827 WIND STREAM DR	77040	\$88,500
HARRIS COUNTY FLOOD CONTRL	8903 WIND STREAM DR	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL	8907 WIND STREAM DR	77040	\$64,831
HARRIS COUNTY FLOOD CONTRL	8911 WIND STREAM DR	77040	\$61,899
HOLLIS ROBERT	8915 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8919 WIND STREAM DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	8923 WIND STREAM DR	77040	\$86,026
HARRIS COUNTY FLOOD CONTRL	8927 WIND STREAM DR	77040	\$96,439
HARRIS COUNTY FLOOD CONTRL	8931 WIND STREAM DR	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	8935 WIND STREAM DR	77040	\$96,000
HARRIS COUNTY FLOOD CONTRL	7203 WIND TRAIL ST	77040	\$105,804
HARRIS COUNTY FLOOD CONTRL	7206 WIND TRAIL ST	77040	\$111,598

HARRIS COUNTY FLOOD CONTRL	7207 WIND TRAIL ST	77040	\$92,140
HARRIS COUNTY FLOOD CONTRL	7210 WIND TRAIL ST	77040	\$107,250
HARRIS COUNTY FLOOD CONTRL	7211 WIND TRAIL ST	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	7203 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7206 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7207 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7210 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7211 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7214 WIND TRAIL ST	77040	
ROMERO ANTONIA	7218 WIND TRAIL ST	77040	
JONES DOUGLAS S	7219 WIND TRAIL ST	77040	
LONKOUSKI SHIRLEY	7222 WIND TRAIL ST	77040	
BRANNON DAVID E & KAREN	7223 WIND TRAIL ST	77040	
CHAU TERRY	7226 WIND TRAIL ST	77040	
MANN A S	7227 WIND TRAIL ST	77040	
ROBERTSON JAMES F	7402 WINDFERN RD	77040	
HARRISON STEPHEN &	7418 WINDFERN RD	77040	
PENDING	7422 WINDFERN RD	77040	\$162,192
HARRIS COUNTY FLOOD CONTRL	7430 WINDFERN RD	77040	
GARZA DANIEL J	7438 WINDFERN RD	77040	
MAHAFFEY DAVID M & BARBARA G	7502 WINDFERN RD	77040	
SVADLENAK LEATHA E	7003 WOOD BLUFF BLVD	77040	
CARR L L	7007 WOOD BLUFF BLVD	77040	
GARCIA JOSE L & MARIA D	7011 WOOD BLUFF BLVD	77040	
SOTO JOSE	7014 WOOD BLUFF BLVD	77040	
VAN PELT WILLIAM T JR &	7015 WOOD BLUFF BLVD	77040	
GARCIA I J	7018 WOOD BLUFF BLVD	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	7019 WOOD BLUFF BLVD	77040	\$109,000
HARRIS COUNTY FLOOD CONTRL	7022 WOOD BLUFF BLVD	77040	
HARPER TERRY C &	7023 WOOD BLUFF BLVD	77040	\$99,649
HARRIS COUNTY FLOOD CONTRL	7026 WOOD BLUFF BLVD	77040	
ALFORD ALICE	7027 WOOD BLUFF BLVD	77040	
CHRISTIAN STEVEN L	7030 WOOD BLUFF BLVD	77040	
MOYA JAVIER G	7031 WOOD BLUFF BLVD	77040	
FREY FRANK P & BARBARA J	7034 WOOD BLUFF BLVD	77040	
MASSEY STEPHEN C & SUSAN D	7035 WOOD BLUFF BLVD	77040	
MONTGOMERY CHERILYN J	7038 WOOD BLUFF BLVD	77040	
CARDONA GREGORIO	7039 WOOD BLUFF BLVD	77040	
HUFFMAN DENNIS	7042 WOOD BLUFF BLVD	77040	
SILGUERO OSCAD PAUL & E	7043 WOOD BLUFF BLVD	77040	\$102,000
HARRIS COUNTY FLOOD CONTRL	7046 WOOD BLUFF BLVD	77040	
MARTINEZ VICTOR D & ROSA	7047 WOOD BLUFF BLVD	77040	\$88,287
HARRIS COUNTY FLOOD CONTRL	7050 WOOD BLUFF BLVD	77040	
ANDREWS STEVEN E & LAURA J	7051 WOOD BLUFF BLVD	77040	
SINGH GURCHARAN &			

HARRIS COUNTY FLOOD CONTROL	7054 WOOD BLUFF BLVD	77040	\$104,000
TROJAN H J	7055 WOOD BLUFF BLVD	77040	
WOLVERTON W R	7058 WOOD BLUFF BLVD	77040	
GUERRA R E	7062 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7102 WOOD BLUFF BLVD	77040	\$101,296
HARRIS COUNTY FLOOD CONTRL	7103 WOOD BLUFF BLVD	77040	\$110,000
PALACIOS CARLOS A & YESENIA S	7106 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7107 WOOD BLUFF BLVD	77040	\$106,000
PERRY MIGNONNE &	7110 WOOD BLUFF BLVD	77040	
O'KEEFE ADELBERT I &	7111 WOOD BLUFF BLVD	77040	
FORSON SALLY MARIE	7114 WOOD BLUFF BLVD	77040	
RUVALCABA MARIO &	7115 WOOD BLUFF BLVD	77040	
GRIFFITH J M	7119 WOOD BLUFF BLVD	77040	
KEY MAX E	7203 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7206 WOOD BLUFF BLVD	77040	\$100,070
HARRIS COUNTY FLOOD CONTRL	7207 WOOD BLUFF BLVD	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7210 WOOD BLUFF BLVD	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	7211 WOOD BLUFF BLVD	77040	\$117,000
TREVINO DAVID & DEABORAH	7214 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7215 WOOD BLUFF BLVD	77040	\$113,000
HARRIS COUNTY FLOOD CONTRL	7218 WOOD BLUFF BLVD	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7219 WOOD BLUFF BLVD	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7222 WOOD BLUFF BLVD	77040	\$111,000
HARRIS COUNTY FLOOD CONTRL	7223 WOOD BLUFF BLVD	77040	\$101,517
AHLHORN CLIFFORD R	7302 WOOD BLUFF BLVD	77040	
GALVAN ANA	7303 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7306 WOOD BLUFF BLVD	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7307 WOOD BLUFF BLVD	77040	\$92,420
BORCHERS BARBARA	7310 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7311 WOOD BLUFF BLVD	77040	\$101,000
MCKENZIE LEONA	7314 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7315 WOOD BLUFF BLVD	77040	\$120,000
BARLEY ARNOLD H	7318 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7319 WOOD BLUFF BLVD	77040	\$119,000
MADDOX ROSEMARY V & TINA	7322 WOOD BLUFF BLVD	77040	
TOBIAS ADOLFO E	7323 WOOD BLUFF BLVD	77040	
JUAREZ SERGIO	7326 WOOD BLUFF BLVD	77040	
LANSFORD BRANDON	7327 WOOD BLUFF BLVD	77040	
MARTINEZ JOSE T & DIANEY C	7330 WOOD BLUFF BLVD	77040	
LOONEY WAYNE	7331 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	8002 WOOD CANYON DR	77040	\$96,500
LITTLE GREGORY A & DEBORAH	8003 WOOD CANYON DR	77040	
MILLER TIMOTHY & TRACY	8006 WOOD CANYON DR	77040	
DIAZ ALEJANDRO	8007 WOOD CANYON DR	77040	

GLEASON M W	8011 WOOD CANYON DR	77040	
CALDERON VINCENTE JR	8014 WOOD CANYON DR	77040	
MORALES DANIEL	8015 WOOD CANYON DR	77040	
RAMOS DORA E	8018 WOOD CANYON DR	77040	
GARZA CESAR G	8019 WOOD CANYON DR	77040	
ULMA JAN	8023 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8102 WOOD CANYON DR	77040	\$100,000
RAMIREZ JOSE F	8103 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8106 WOOD CANYON DR	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8107 WOOD CANYON DR	77040	\$122,000
RODRIGUEZ RAQUEL	8110 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8111 WOOD CANYON DR	77040	\$116,000
HARRIS COUNTY FLOOD CONTRL	8114 WOOD CANYON DR	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8115 WOOD CANYON DR	77040	\$96,566
LATHAM W D	8119 WOOD CANYON DR	77040	
FERGUSON LOUIS PAUL JR	8102 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 WOOD DOWNE LN	77040	\$110,000
HERNANDEZ DAVID T & LERA	8106 WOOD DOWNE LN	77040	
TUMIS F	8107 WOOD DOWNE LN	77040	
BRYAN OLAN M JR	8110 WOOD DOWNE LN	77040	
BONILLA DELGADINA &	8111 WOOD DOWNE LN	77040	
SCHULZE HARLIE H &	8114 WOOD DOWNE LN	77040	
KROLCZYK LILLIAN M	8115 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8118 WOOD DOWNE LN	77040	\$100,500
REYNA LUIS M	8119 WOOD DOWNE LN	77040	
GUERRERO RUDY A	8202 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8206 WOOD DOWNE LN	77040	\$104,000
CRUZ MANUEL A	8210 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8214 WOOD DOWNE LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	8102 WOOD GROVE CT	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	8103 WOOD GROVE CT	77040	\$104,500
TOLSON ZACHARY W	8106 WOOD GROVE CT	77040	
TREVINO MARGARET &	8107 WOOD GROVE CT	77040	
LOPEZ SERGIO & ELIZABETH	8110 WOOD GROVE CT	77040	
GIRON MARIA E	8111 WOOD GROVE CT	77040	
MARTINEZ MARIA A	8115 WOOD GROVE CT	77040	
HARRIS COUNTY FLOOD CONTRL	7103 WOOD HEATHER	77040	\$104,000
MIDKIFF ROBT L	7107 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7111 WOOD HEATHER LN	77040	\$92,991
HARRIS COUNTY FLOOD CONTRL	7115 WOOD HEATHER LN	77040	\$98,000
LYLES LAWRENCE & WANDA	7118 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7119 WOOD HEATHER LN	77040	\$103,000
HENRIQUEZ JUAN A &	7122 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7123 WOOD HEATHER LN	77040	\$91,018

REYES JORGE & MATILDA	7126 WOOD HEATHER LN	77040	
SKYLANE HOUSTON LTD	7127 WOOD HEATHER LN	77040	
HIGGINS RORY	7131 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7134 WOOD HEATHER LN	77040	\$95,658
NEWSOME JAMES STERLYN	7135 WOOD HEATHER LN	77040	
BENSON SR EUGENE T	7139 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7142 WOOD HEATHER LN	77040	\$69,730
RODGERS MICHAEL L	7143 WOOD HEATHER LN	77040	
HARRIS COUNTY FLOOD CONTRL	7146 WOOD HEATHER LN	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	7147 WOOD HEATHER LN	77040	\$102,168
CRAWFORD JAMES	7306 WOODOAK DR	77040	
WICK KENNETH FRANK & SUSAN	7307 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7310 WOODOAK DR	77040	\$104,000
ALLMAN EARL DOUGLAS & TR	7311 WOODOAK DR	77040	
HERRERA NADINE	7314 WOODOAK DR	77040	
SMITH CARRIE A	7315 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7318 WOODOAK DR	77040	\$107,000
ALLMAN EARL DOUGLAS & TR	7319 WOODOAK DR	77040	
MASON RICHARD	7322 WOODOAK DR	77040	
ALLMAN EARL DOUGLAS & TR	7323 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7326 WOODOAK DR	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	7327 WOODOAK DR	77040	\$102,000
HARRIS COUNTY FLOOD CONTRL	7330 WOODOAK DR	77040	\$103,000
MARTELL CARLOS G &	7331 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7334 WOODOAK DR	77040	\$105,000
BARTON KIMBERLY J	7338 WOODOAK DR	77040	
CLARK ANNE H	7342 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7346 WOODOAK DR	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	7350 WOODOAK DR	77040	\$95,500
HARRIS COUNTY FLOOD CONTRL	7351 WOODOAK DR	77040	\$87,731
MATTHEWS G ALLEN & SONDR	7354 WOODOAK DR	77040	
PALACIOS JUAN C JRQ	7355 WOODOAK DR	77040	
FIGUEROA MICHAEL & YVONNE	7358 WOODOAK DR	77040	
LOPEZ CLAUDIA M	7359 WOODOAK DR	77040	
FRANCO CARLOS & ANNA	7362 WOODOAK DR	77040	
MORENO LILIA	7102 WOOD ORCHARD DR	77040	
HARRIS COUNTY FLOOD CONTRL	7103 WOOD ORCHARD DR	77040	\$102,768
KING R H	7106 WOOD ORCHARD DR	77040	
GARCIA JOHN T	7107 WOOD ORCHARD DR	77040	
TIJERINA ISIAS R & LUCY	7110 WOOD ORCHARD DR	77040	
HARRIS COUNTY FLOOD CONTRL	7111 WOOD ORCHARD DR	77040	\$98,000
GALVAN EUGENIO	7114 WOOD ORCHARD DR	77040	
MIKULAS SHANNON L	7115 WOOD ORCHARD DR	77040	
MCVICKER RUTH ELAINE	7118 WOOD ORCHARD DR	77040	

HARRIS COUNTY FLOOD CONTRL	7119 WOOD ORCHARD DR	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7123 WOOD ORCHARD DR	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	9102 WOODLAND OAKS DR	77040	\$110,000
GONZALES ALONZO	9103 WOODLAND OAKS DR	77040	
LOCASCIO NORMAN & MARTHA	9106 WOODLAND OAKS DR	77040	
NUNEZ CRISIAN EDUARDO	9107 WOODLAND OAKS DR	77040	
PENA EDGAR & LORENA	9110 WOODLAND OAKS DR	77040	
BORDOVSKY STANLEY C	9111 WOODLAND OAKS DR	77040	
HUNTER JOY	9114 WOODLAND OAKS DR	77040	
MILLER JACK JR	9115 WOODLAND OAKS DR	77040	
ROWLAND JOHN E SR	9118 WOODLAND OAKS DR	77040	
SHERWIN JAMES L	9119 WOODLAND OAKS DR	77040	
HARRIS COUNTY FLOOD CONTRL	7002 WOODLAND WEST DR	77040	\$121,000
HARRIS COUNTY FLOOD CONTRL	7006 WOODLAND WEST DR	77040	\$73,762
SERRANO DELIA& CHRISTOPHER	7010 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7014 WOODLAND WEST DR	77040	\$94,720
HERNANDEZ MANUEL	7018 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7022 WOODLAND WEST DR	77040	\$101,196
HARRIS COUNTY FLOOD CONTRL	7023 WOODLAND WEST DR	77040	\$98,011
MARTINEZ OSCAR L	7026 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7027 WOODLAND WEST DR	77040	\$102,000
CAMPOS JUAN C	7030 WOODLAND WEST DR	77040	
ALVAREZ GABRIEL R &	7031 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7034 WOODLAND WEST DR	77040	\$94,306
SCHAD R J	7035 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7038 WOODLAND WEST DR	77040	\$64,580
HARRIS COUNTY FLOOD CONTRL	7039 WOODLAND WEST DR	77040	\$79,916
HARRIS COUNTY FLOOD CONTRL	7054 WOODLAND WEST DR	77040	\$114,000
HARRIS COUNTY FLOOD CONTRL	7058 WOODLAND WEST DR	77040	\$72,609
DILLON JACKIE & LILLIAN	7102 WOODLAND WEST DR	77040	
LOYOLA GERARDO L	7106 WOODLAND WEST DR	77040	
BARTON RICK E	7107 WOODLAND WEST DR	77040	
GALDAMEZ ELIAS E	7110 WOODLAND WEST DR	77040	
FRAIRE MANUEL D & MARIBEL	7114 WOODLAND WEST DR	77040	
REYES LUIS E & ROSA E	7118 WOODLAND WEST DR	77040	
LOPEZ MARTIN & SANDRA	7122 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7126 WOODLAND WEST DR	77040	\$88,199
HARRIS COUNTY FLOOD CONTRL	7130 WOODLAND WEST DR	77040	\$93,560
RODRIGUEZ JOE E SR	7134 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7138 WOODLAND WEST DR	77040	\$95,000
ARNDT EDWIN WILLIAM	7142 WOODLAND WEST DR	77040	
JOHNSON ROBERTA K	7146 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7150 WOODLAND WEST DR	77040	\$100,000
ASTON R W	7154 WOODLAND WEST DR	77040	

ORTEGA RICARDO	7158 WOODLAND WEST DR	77040	
PARADISSIS BETTY	7159 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7162 WOODLAND WEST DR	77040	\$100,000
CHAFFIN MARK D & REBECCA M	7163 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7166 WOODLAND WEST DR	77040	\$115,000
TRAN PHUNG V	7167 WOODLAND WEST DR	77040	
WOODLAND TRAILS WEST CIA	7171 WOODLAND WEST DR	77040	
WOODLAND TRAILS WEST CIA	7171 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7215 WOODLAND WEST DR	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	7218 WOODLAND WEST DR	77040	\$96,585
GARCIA ROBERT D	7219 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7222 WOODLAND WEST DR	77040	\$103,000
SINGER HOWARD	7223 WOODLAND WEST DR	77040	
HANEY J B	7226 WOODLAND WEST DR	77040	
CHAIX JEAN EMILE &	7227 WOODLAND WEST DR	77040	
HARRIS COUNTY FLOOD CONTRL	7231 WOODLAND WEST DR	77040	\$105,000
BLACKWELL JEFFREY W &	7302 WOODLAND WEST DR	77040	
REYES MARK A	7303 WOODLAND WEST DR	77040	
PENDING	8902 TAUB RD	77064	
TANG MARY	9017 TAUB RD A	77064	
HARRIS COUNTY FLOOD CONTRL	9023 TAUB RD	77064	\$140,000

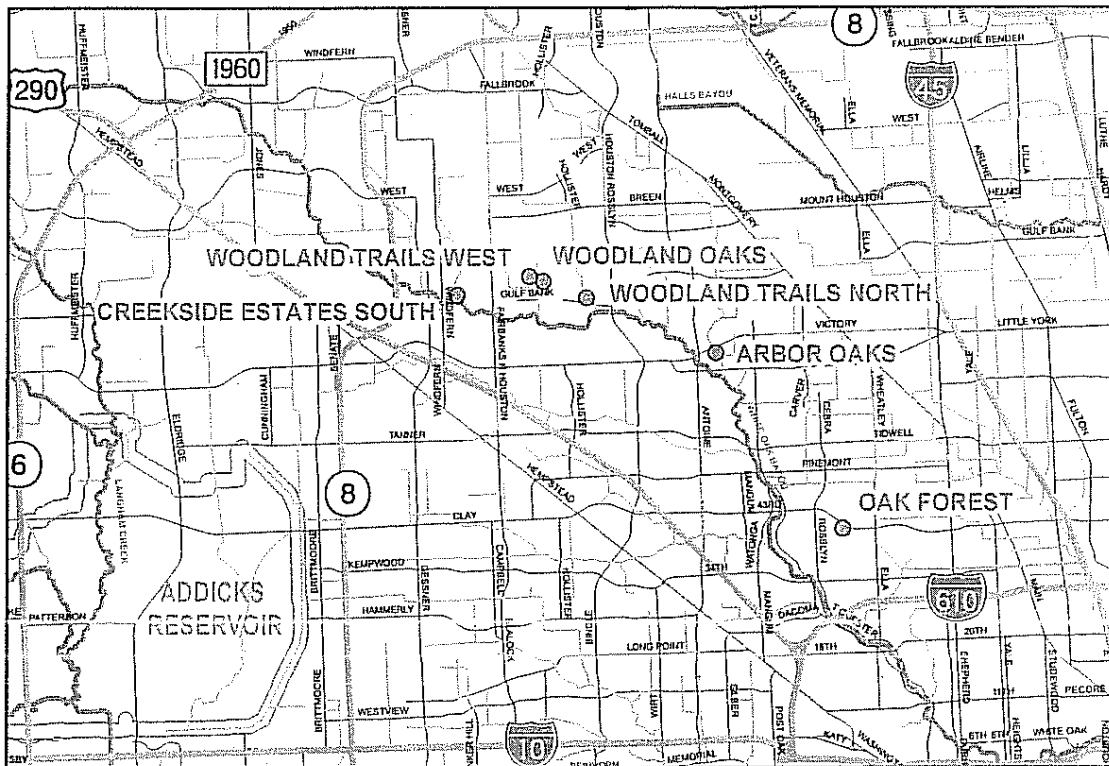
Above valued at OVER \$38 MILLION

**PROPERTY, privately owned prior to floods
Now owned by HCAD**

**AND MORE HOMES WILL BE PURCHASED BY HCAD IN
THE NEAR & DISTANT FUTURE**

EXHIBIT "H"

**LEADER NEWSPAPER
REFLECTING FUTURE AREA BUYOUTS**



Flood Control moves forward with voluntary buyout program

The Harris County Flood Control District is moving forward with a voluntary home buyout program that will allow 14 homeowners in *The Leader* coverage area to move to higher ground.

The homeowners are part of a 2005 Pre-Disaster Mitigation Grant Program that allows residents located hopelessly deep in the 100-year floodplain to move to higher ground. The program is funded by the Federal Emergency Management Agency and the Flood Control District to

On April 18, Harris County Commissioners Court approved the Flood Control District to send the properties to the Harris County Right-of-Way Division and move forward with the voluntary buyout process.

The Right-of-Way Division will hire independent appraisers to assess each property's fair market value and make formal offers for each home.

If homeowners accept the offers, the process will proceed like a traditional real estate transaction. If dissatisfied

with the offers, homeowners can hire their own independent appraisers for further negotiation.

In addition to receiving fair market value for their homes, homeowners are eligible to receive up to \$35,000 in relocation assistance, which includes a housing supplement, brokerage fees and moving costs.

The 14 properties are located in the northwest Houston neighborhoods of Creekside Estates South, Woodland Trails West, Woodland Trails North, Woodland Oaks, Arbor Oaks and Oak Forest.

In the past, the Flood Control District has purchased a total of 333 homes on a voluntary basis in these same neighborhoods.

The properties are among 164 county-wide whose homeowners expressed interest in participating in the program, which will cost an estimated \$20 million. The homes were chosen based on repetitive loss data from the FEMA flood insurance database.

Once the voluntary buyout

process is complete and homeowners have moved to higher ground, the Flood Control District will demolish the homes. The land is required by federal guidelines to remain as open space in perpetuity to prevent other homes in that same location from flooding in the future. However, the Flood Control District offers various programs that allow nearby residents to turn these open spaces into parks and community gardens.

Call the Flood Control District at 713-684-4035 for more information on voluntary home buyout programs.

EXHIBIT "I"

ENGINEER, Mr. George Nelson

Mr. George T. Nelson
Courtyard Glen Subdivision
Houston, Texas 77040

My name is George T. Nelson and I am a Mechanical Engineer with over twenty-two years of experience in research and development, with a background in education, construction and environmental safety, and am also a resident of Courtyard Glen Subdivision.

I am writing in regard to the Rolling Creek Apartments, a project proposed to be located east of Fairbanks North Houston, North of Sumertree, with a proposed entry on Gatehouse Drive (a street in Courtyard Glen).

When I first read about this project, I took an objective view looking at the long and short term effects that could come from building this type of complex (multi family – controlled rents) in this area. Asking myself what impact would this have on the community?

I have lived in this community for several years and have walked the site of the proposed Rolling Creek Apartments several times over the years. I have noticed this property is a low lying area that is wet most of the time and the water tends to run off into adjacent properties, namely Courtyard Glen to the south. This proposed site of the apartments also has contamination within its soil, which is evident by an oily substance in and around the area. There are rusting barrels, tires, discarded items and other containers that have been dumped there.

With the recent bulldozing of trees and construction of two new housing projects on the North and East side of the building site, I have watched, for the first time, rain water now runs east away from main drains and Fairbanks Drainage System as opposed to running toward the main drains.

The proposed Rolling Creek Apartment usage of Gatehouse Drive as an entry or access way through Courtyard Glen would be a danger to the children who play in the area, a burden on the community and destructive to the streets.

This area is overwhelmed with traffic, dumps, and lack of adequate infrastructure and parks.

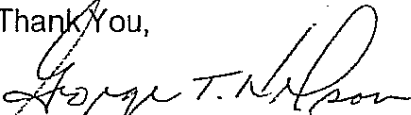
There are no shopping centers, grocery stores, sidewalks, or public transportation in this area. Thus people walking would need to walk on busy, dangerous streets to get to any of the above necessary public facilities.

Page 2

In my professional and personal view, this projected location for the development of Rolling Creek Apartments is not environmentally sound for reasons such as: Loss of green space, lack of infrastructure, destructive to existing habitat, excess traffic & pollution, and potential flooding of existing subdivisions, etc....

With this outcry, I oppose this project and ask you to vote 'no' on the building of Rolling Creek Apartments.

Thank You,



George T. Nelson

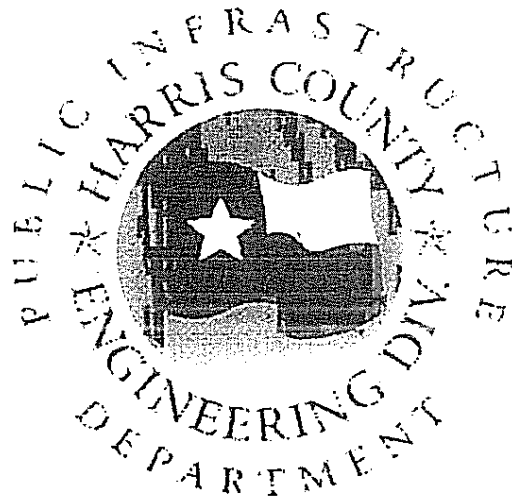
EXHIBIT "J"

**REGUALATIONS FOR HARRIS COUNTY, TEXAS
FLOOD MANAGEMENT PLAN**

REGULATIONS OF HARRIS COUNTY, TEXAS

FOR

FLOOD PLAIN MANAGEMENT



AS

AMENDED 15 JULY 1997
EFFECTIVE 28 AUGUST 1997
AMENDED 7 MARCH 2000

HARRIS COUNTY
PUBLIC INFRASTRUCTURE DEPARTMENT
ENGINEERING DIVISION

PERMIT OFFICE
9900 NORTHWEST FRWY, STE 100
HOUSTON, TEXAS 77062
(713) 356-3000

2. In the "Shaded X" Zone it must be determined that the ground level is above the base flood elevation before a Class "I" Permit may be issued. The County Engineer may rely on data in his possession to make such a determination or require the submittal of topographical information by the applicant.
- (b) Where a conditional letter of map amendment has been obtained from the Federal Emergency Management Agency for property which has been elevated by the use of fill above the elevation of the base flood, the inspections required in Sections 5.02 (a) (1 & 2) must be made. The lowest floor of any structure shall be at least eighteen (18) inches above the base flood elevation.
 - (c) The permit must be posted on the jobsite and be visible from the street.

SECTION 4.05 - CONDITIONS OF A CLASS "II" PERMIT

A Class "II" Permit will be issued for any development when the proposed development is to be made on land located in any "A" Zone, below the base flood elevation in any Zone, in a floodway, or in a "V" Zone.

- (a) Notwithstanding anything below to the contrary, no development or other encroachment is allowed in a floodway which will result in any increase in the base flood elevations within the floodway during discharge of water of a base flood.
- (b) The following conditions must be met for new construction or substantial improvement of a structure:

Correction:

**Section 4.05 (b) should state:
....located in an "A" Zone and**

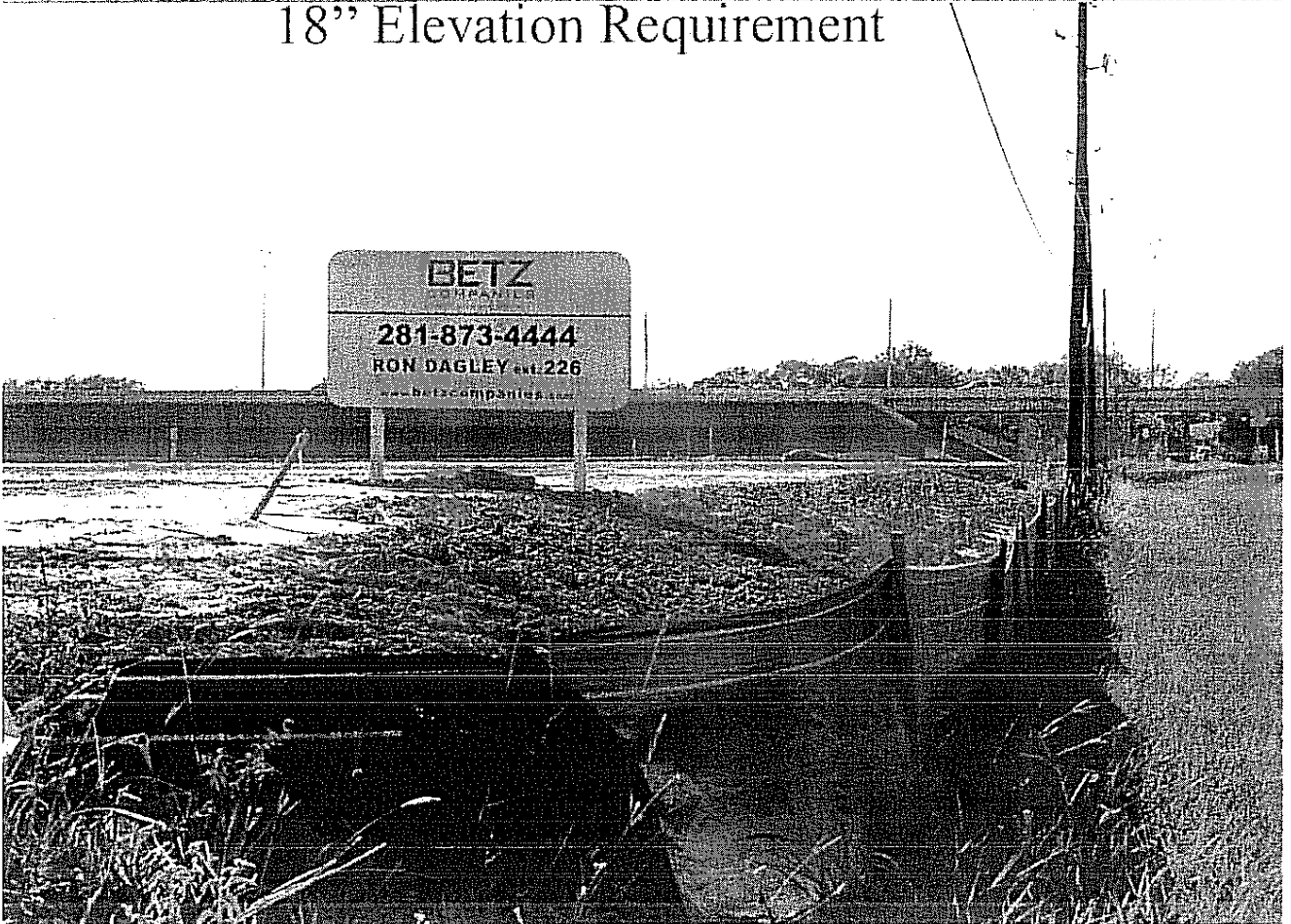
1. The top of the slab of the lowest habitable floor must be elevated to eighteen (18) or more inches above the base flood elevation or to the level of the crown of the nearest public street, whichever is higher, except in a floodway where the bottom of the lowest supporting member of the structure shall be elevated eighteen (18) or more inches above base flood elevation.

EXHIBIT "K"

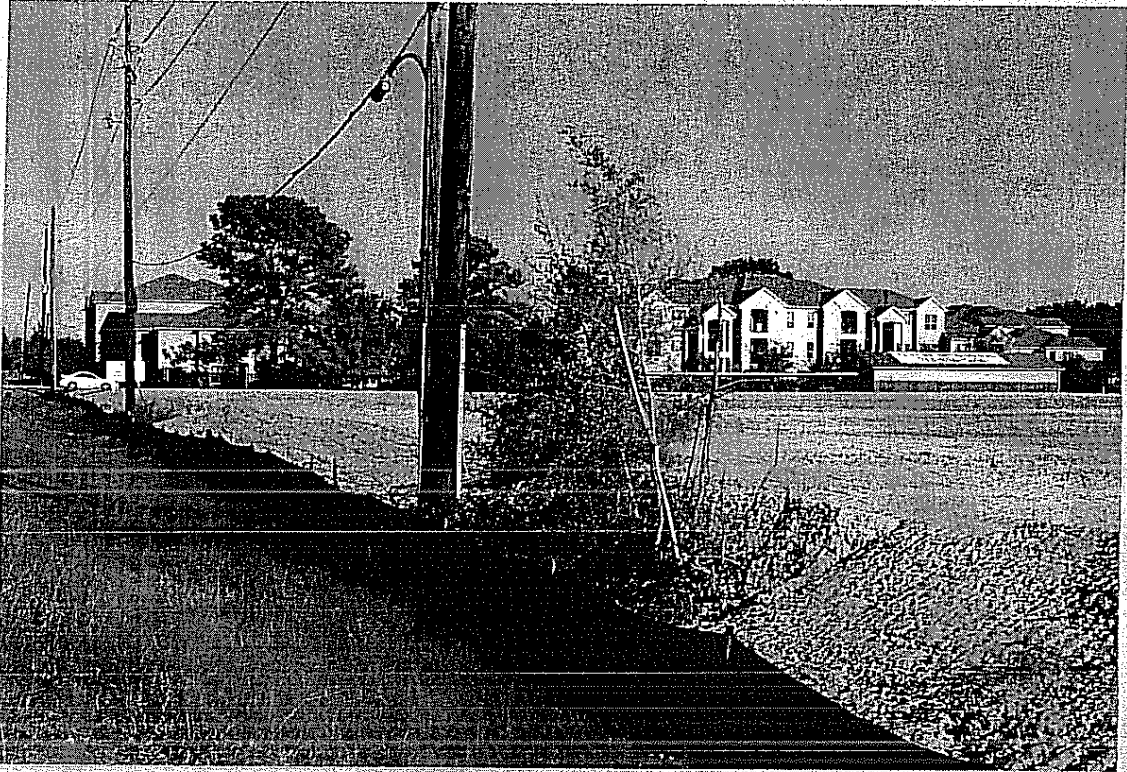
**ELEVATION AND FLOODING
PICTURES**



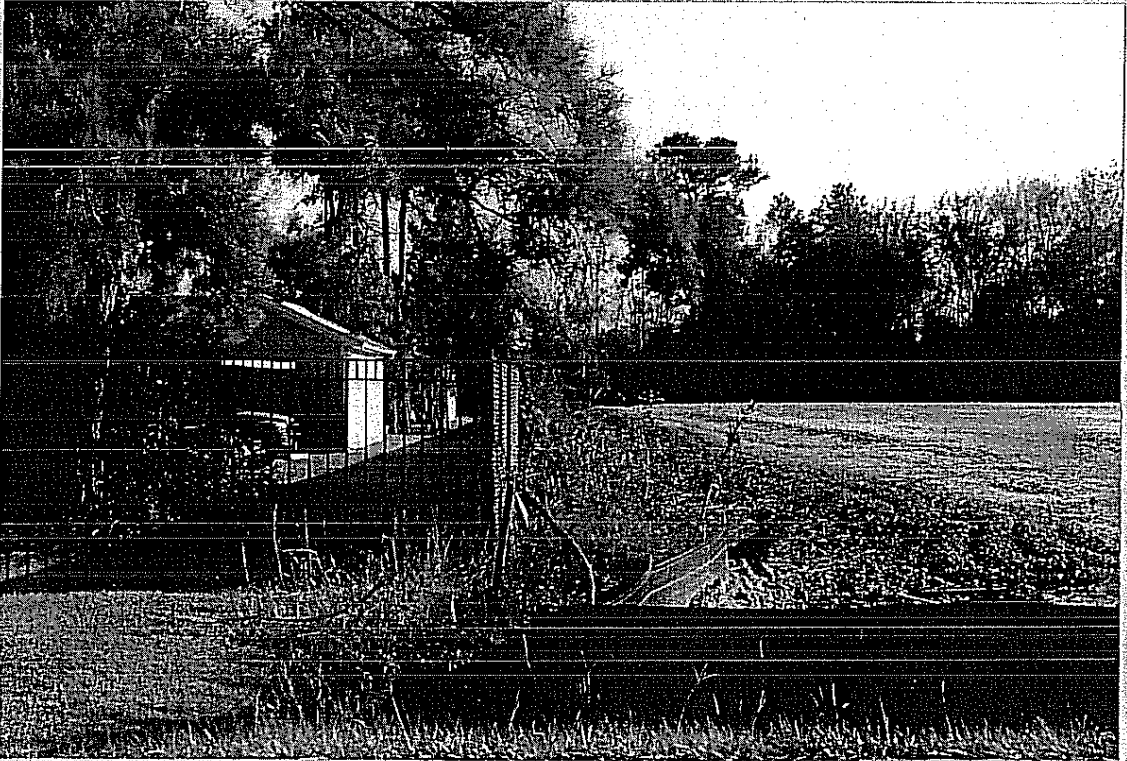
18" Elevation Requirement



New construction in Harris County is required to be built 18 inches above flood plain.



Location: Philippine and Beltway 8 immediately north of White Oak Bayou.



Existing apartments adjacent to new development.
(Note elevation difference)

Pictures of flood damage near proposed apartments



EXHIBIT "L"

**NEIGHBORHOOD FLOODING
JUNE 19, 2006**

June 20, 2006, 5:23AM

Storm stirs Allison memories

Conditions were similar to the ones that led to 2001's '500-year flood'

By ERIC BERGER

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As forecasters and public officials watched another dawdling low pressure system on their radars Monday evening, they began to believe the unthinkable — that Allison just might happen again.

After all, it's June and all the elements were present to create another "500-year flood" five years later. A broad low-pressure system, still lingering in the area, had already saturated the ground and brought most bayous near the top of their banks. And all the necessary ingredients, such as warm, humid air to fuel thunderstorms, were present in abundance for further convection.

All that was needed, then, was something akin to the knockout punch Tropical Storm Allison delivered on the evening of June 8 and into the morning hours of June 9 in 2001: hours upon hours of downpours across the city at rates as high as 1 inch every 15 minutes, turning freeways into canals and the Texas Medical Center into a pond.

Indeed, by Monday afternoon forecasters were airing another worst-case scenario with predictions of an additional 5 to 10 inches of rain, and possibly more, late Monday and early today. Such totals would prove especially disastrous in southeast Houston, where Monday's rains were heaviest.

"That's our main concern" said Bill Read, meteorologist in charge of the Houston/Galveston office of the National Weather Service.

Unlike Allison, which was a fading tropical depression, this June's low-pressure system didn't have tropical origins. Allison's pressures were lower at the surface, whereas the present system is found higher up in the atmosphere.

Yet both weather systems worked on a similar physical principle, said Chris Hebert, a forecaster with Houston-based ImpactWeather. Because air in the center of the system has a lower pressure, it draws in air from the outside of the system, an effect similar to the "negative pressure" systems found in some quarantine areas to prevent the spread of airborne viruses.

If the drawn-in air happens to be warm and moist — as air over the Gulf of Mexico is, especially after baking in the sun — so much the better for stirring up a tempest of thunderstorms. Such were the conditions Sunday afternoon that led to Monday's storms. Similar conditions were expected heading into early this morning.

Fortunately for the greater Houston area, forecasters were fairly confident by Monday afternoon that the low-pressure system would continue its slow westward track and not revisit the area later this week, thus avoiding setting the stage for further deluges and potentially Allison-like conditions.

"I'm not seeing anything to indicate that the system might return," Hebert said.

After this morning, forecasters expect rain chances of 20 to 30 percent for the rest of the week, with highs in the low 90s and lows in the lower 70s.

As a result of Monday's flooding, and in anticipation of further problems this morning, Gov. Rick Perry deployed state resources to Houston in support of local officials, including 50 large Army National Guard trucks with crews, two helicopters, 30 Parks and Wildlife rescue boats and seven swift water rescue teams from Texas Task Force One.

"We are closely monitoring the situation and are prepared to provide full support to local officials," Perry said. "We will do whatever it takes to help keep Texans in the affected region safe."

Monday's rainfall, though painful, wasn't particularly historic for a city such as Houston that is accustomed to heavy rainfall. A 10-year storm in Houston, for example, is a 100-year flood in Chicago.

Monday's storm's flooding also didn't measure up to Tropical Storm Frances, which struck Houston in 1998 and delivered 15 inches of rain to many parts of the city.

The rain wasn't even all that needed. A wetter-than-normal May — when much of the Houston area received nearly 9 inches — had broken a mild drought for Harris County. Now, with Monday's rain, the city surged a few inches ahead of normal annual rainfall through this time of year.

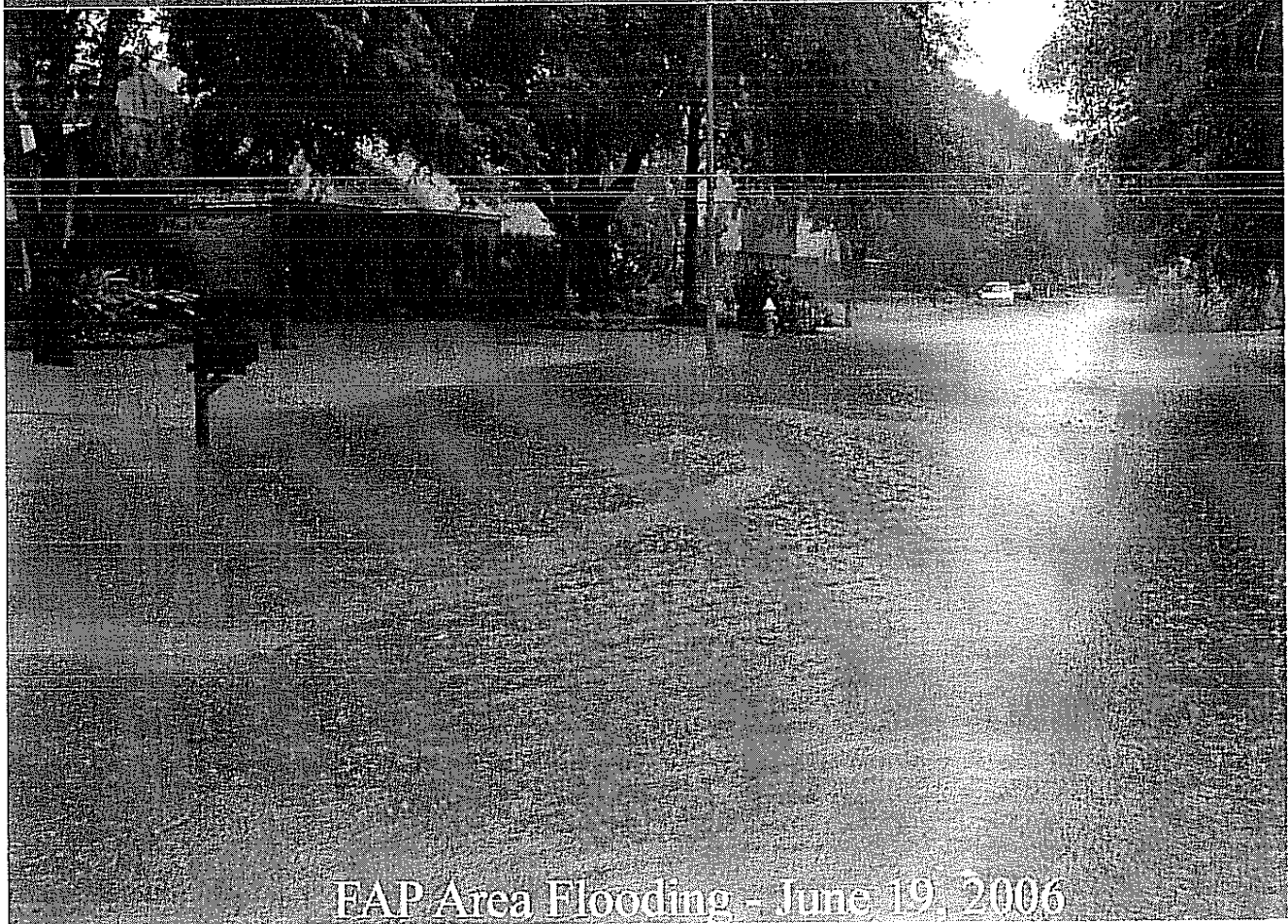
Chronicle reporter Rad Sallee contributed to this report.

eric.berger@chron.com

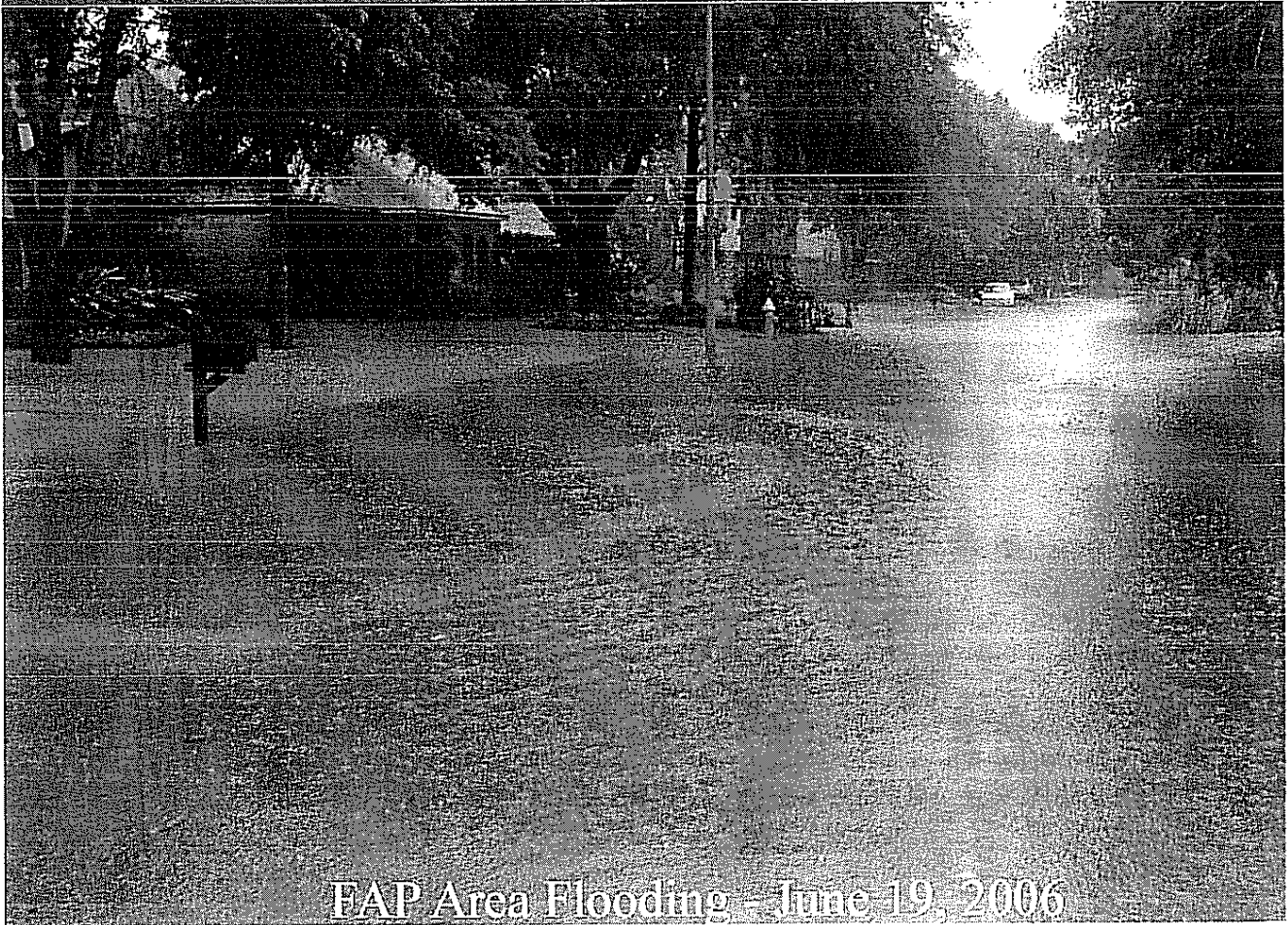
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EAP Area Flooding - June 19, 2006



EAP Area Flooding - June 19, 2006



EXHIBIT "M"

NEIGHBOR LETTER

July 20, 2006

My name is Sharron Speer. For almost 10 years, my husband, Allan and I have lived at 7602 Rolling Fork Lane, Houston, Texas in Burger Estates. Our home was built by my parents in 1963, when Burger Estates was one of the few neighborhoods between the edge of northwest Houston and the Cypress-Fairbanks area. At that time, it was a small quiet neighborhood surrounded by many acres of heavily wooded land, and bordered by White Oak bayou on the south and Rolling Fork Creek on the east. During the next 30 years, vast acres of beautiful wooded land would be replaced by homes, businesses and roads, and this area of Harris County would literally explode with expansion

In 1997, Allan and I moved to Burger Estates, into what had been my parents' dream home. It had been built by my parents, grandfathers, and uncles, all who were master craftsmen. Not only was the house sound, but built by men and women whose standards and work ethics were of the highest quality. Over the years, the house held many wonderful memories for us and our children. So, it was with great joy that we moved into it. The area had grown in an explosion of new neighborhoods. Now more than ever, people are surprised when they come into our small neighborhood of only two streets, which is still quietly tucked away in some of the most beautiful wooded property in Harris County.

In 1997, a new gated community, Oaklake Pointe, was begun on Gessner Road, at the edge of White Oak Bayou. The deeply wooded property, which would be the site for this development, was cleared of virtually every tree. At this same time, excavation was begun on the section of White Oak Bayou between Gessner Road and Windfern Road. This area would become the southern boundary of Oaklake Pointe. The vast amount of land which was pushed up from the banks of the bayou, raised the level upon which the homes would be built by more than a dozen feet. Not only did this raise the level of the development, but also made a much wider pathway for the flow of the water that would pass under the bridge at Windfern Road. Once the water passed under the bridge, it would again flow into the original unimproved channel, which was MUCH narrower than the newly excavated section.

Realizing what these changes might do to the homes in Burger Estates, we along with other neighbors, contacted the Harris County Flood Control District. I personally spoke to Clay Haynes. He tried to assure me that the excavation of White Oak Bayou and the building of Oaklake Pointe would NOT affect our neighborhood. He also told me that the plans for this had been approved by "very competent engineers", whose job it was to review what impact such a project would have. Although we did not agree with this explanation, we had no else to assist us. Our fears of how this development would affect our neighborhood only increased.

Because my parents were the original owners of our home, we knew with certainty that from 1963 until 1995, there had only been one time during which Rolling Fork Creek actually flooded its banks and crept into Burger Estates. And we knew this episode of

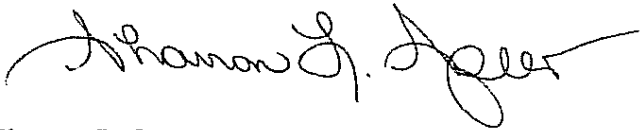
flooding was only after the Harris County Flood Control District had excavated Rolling Fork Creek.

In 1998 Tropical Depression Francis struck Houston. A significant amount of rainfall fell, but nothing that this area of the Gulf Coast had not experienced before. However, this amount of rainfall was enough to cause severe flooding in Burger Estates. One acre south of our home, our neighbors' homes were flooded with as much as 5 feet of water. Although the water from Rolling Fork Creek, which is at the edge of our property, crept to our back door, we were spared this time. Homes that had been built over 30 years earlier, were now flooded for the first time ever! The homeowners in Burger Estates, many of whom were senior citizens, now had to get flood insurance in addition to their homeowner's insurance. This was an expense they dared not do without. The peace and serenity of our neighborhood would never be the same.

Since this first flooding in 1998, two additional floods have struck Burger Estates. Building continues to encroach on our small neighborhood. New homes, vast apartment complexes and businesses have replaced even more of the trees and land of this area. In 2001 our home as well as many of our neighbors, was flooded by Tropical Storm Allison. When many of these same neighbors were flooded again in the fall of 2003, it was more than they could endure. Approximately, one fourth of our neighbors gave up their life-long dreams and took buyouts from the Harris County Flood Control District and FEMA. To leave the place that was home for them and their children caused an indescribable sadness. It was also the end to their nightmare that reoccurred every time rain was predicted or thunder was heard.

Was this unprecedented flooding of our neighborhood caused by the continual development and changing of the flow of White Oak Bayou? We are convinced that it was. After the second flood struck Burger Estates, we confronted the Harris County Flood Control District. They still maintained that the development had little to do with the flooding problems that we experienced; that in fact, we should "not have built our homes so close to the bayou". Yet they continue to allow developers to build new neighborhoods and businesses in our same area.

The facts remain: Organic breathes and drinks in water. Inorganic, especially cement, only holds water until it is displaced somewhere else. Whether this "somewhere" else is into homes is irrelevant to developers and apparently, to the Harris County Flood Control District. **Continued development of this area and most certainly that of Rolling Creek Apartments will only exacerbate flooding in our area. My husband and I adamantly request the TDHCA Board to deny this application for the construction of Rolling Creek Apartments.**

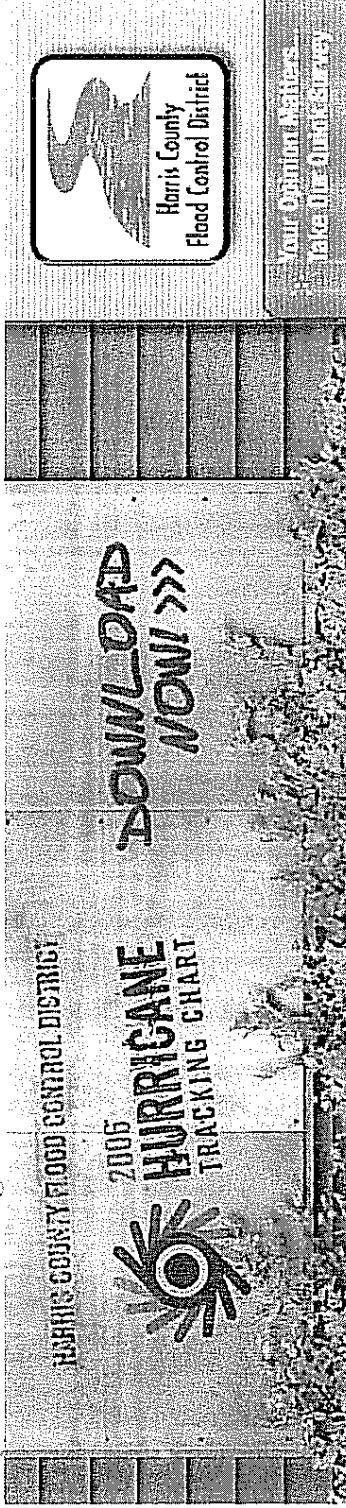


Sharron L. Speer

EXHIBIT "N"

**HARRIS COUNTY FLOOD CONTROL DISTRICT
WEB PAGE**

<http://www.hcfdcl.org>



∴ Tropical Weather Center

Tropical Storms and Hurricanes are a significant threat to the Texas Gulf Coast. Stay informed and prepared!

∴ Urban Stormwater Management Study

Efforts are underway for a substantial flooding and drainage study that will explore complex issues countywide.

∴ Flood Insurance: Who Needs It?

Homeowners insurance doesn't cover you for flooding. Get the info you need about your best protection against flood damages.

∴ Flood Preparedness

Are you and your family ready for the next flood? It's only a matter of time. Learn facts that could save your life.

∴ Major Projects

The District is implementing many major flood damage reduction projects throughout Harris County. See where they are, what they are, and how the work is benefiting local residents.

Urban Stormwater Management Study

- Why does it flood so much around here?
- Why do some areas flood more than others?
- Why don't we build better drainage systems so the roads don't flood?
- Is new development doing its fair share to address flooding?
- Is the government doing enough to protect me and my property from flooding?
- Are public projects being designed the best way possible, with respect to drainage and flooding?

The Effect on Local Area Schools Of the proposed Rolling Creek Apartments

Data concerning the schools was collected from the Cypress Fairbanks Independent School District (CFISD). This data is analyzed and compared with data collected by researchers in the field of education reform.

- ♦ Schools in the immediate area average 60% economically disadvantaged population with even higher percentage of minorities. According to current CFISD zones students residing at the proposed Rolling Creek Apartments would attend Frazier Elementary and Dean Middle School.

Exhibit "A"

- ♦ It is highly likely that the performance of the staff at local schools is affected negatively by the high percentage of students from low-income households.

Exhibit "B"

- ♦ The academic performance of all students, in schools declines as the percentage of students from low-income households increases as shown by education researchers.

Exhibit "C"

- ♦ The academic performance of students from low-income households is higher when they attend schools with lower percentages of students from low-income households.

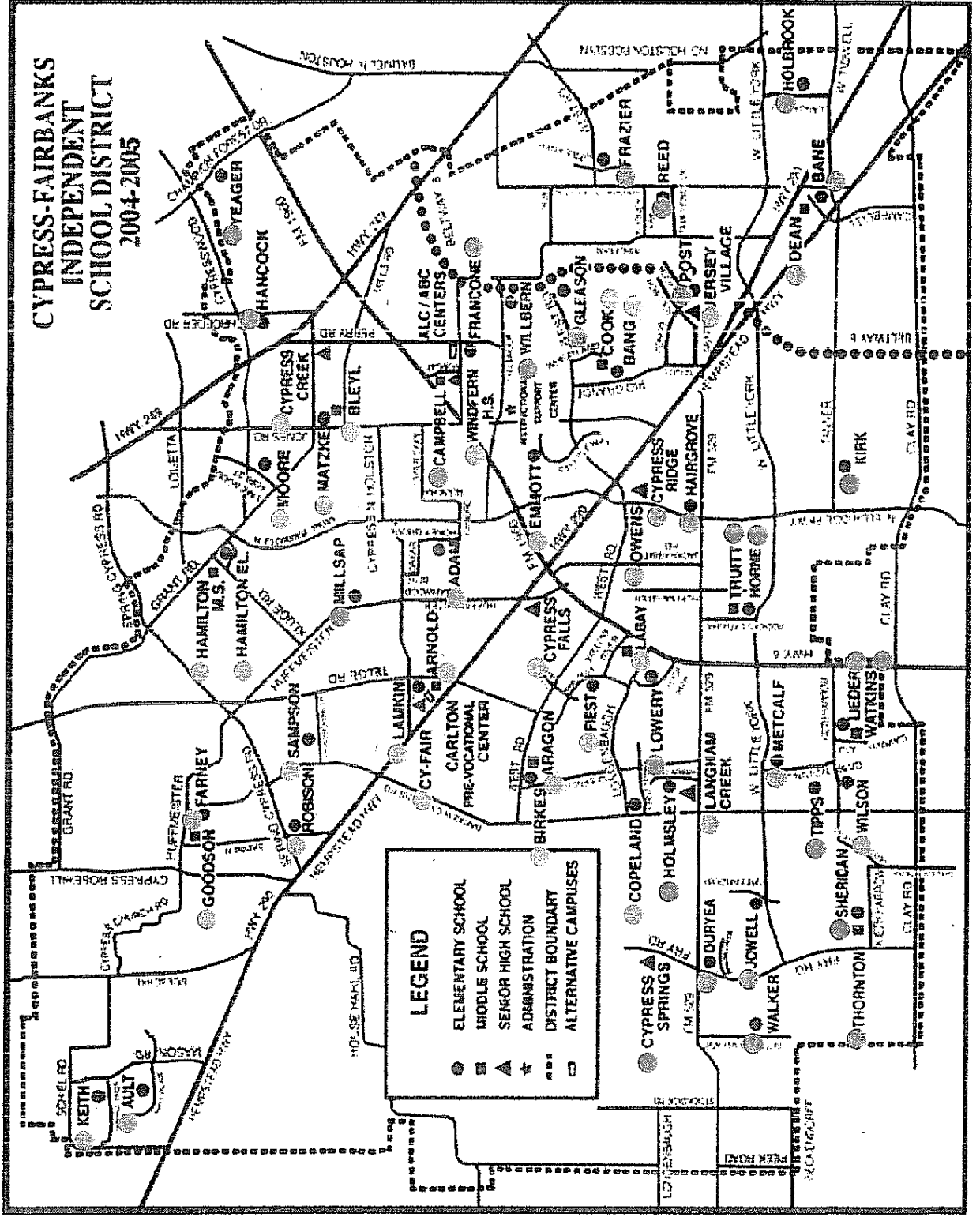
Exhibit "D"

Please deny this application and help prevent the further development of an already existing high concentration of poverty.

Exhibit "A"

**CYPRESS FAIRBANKS ISD ETHNIC RECAP
AND ECONOMICALLY DISADVANTAGED**

District Map



CFISD ECONOMICALLY DISADVANTAGED BY CAMPUS

SCHOOL	PERCENT ECONOMICALLY DISADVANTAGED	SCHOOL	PERCENT ECONOMICALLY DISADVANTAGED
BANE ELEMENTARY	79.2	LEE ELEMENTARY	54.3
CAMPBELL MIDDLE SCHOOL	41.0	LIEDER ELEMENTARY	70.5
CYPRESS RIDGE	36.0	MATZKE ELEMENTARY	38.8
CYPRESS SPRINGS	35.8	METCALF ELEMENTARY	67.6
DEAN MIDDLE SCHOOL	56.4	MILLSAP ELEMENTARY	33.9
FRANCONE ELEMENTARY	52.0	OWENS ELEMENTARY	36.4
FRAZIER ELEMENTARY	69.2	POST ELEMENTARY	52.2
HAIRGROVE ELEMENTARY	69.4	REED ELEMENTARY	56.7
HANCOCK ELEMENTARY	38.2	SHERIDAN ELEMENTARY	53.7
HOLBROOK ELEMENTARY	72.4	THORNTON MIDDLE SCHOOL	50.0
HOLMSLEY ELEMENTARY	42.4	TIPPS ELEMENTARY	64.0
HORNE ELEMENTARY	40.5	TRUITT MIDDLE SCHOOL	45.4
JOWELL ELEMENTARY	52.6	WALKER ELEMENTARY	60.4
KIRK ELEMENTARY	49.1	WATKINS MIDDLE SCHOOL	42.5
		WILLBERN ELEMENTARY	43.4
		YEAGER ELEMENTARY	33.9

RED SCHOOLS ARE ABOVE THE DISTRICT AVERAGE OF 30%

CFISD ECONOMICALLY DISADVANTAGED BY CAMPUS

SCHOOL	PERCENT ECONOMICALLY DISADVANTAGED	PERCENT ECONOMICALLY DISADVANTAGED
ADAM ELEMENTARY	23.3	29.7
ARAGON MIDDLE SCHOOL	11.1	10.3
ARNOLD MIDDLE SCHOOL	26.9	0.0
AULT ELEMENTARY	1.0	0.1
BANG ELEMENTARY	25.7	25.2
BIRKES ELEMENTARY	1.5	1.0
BLEYL MIDDLE SCHOOL	29.2	29.9
COOK MIDDLE SCHOOL	27.7	28.4
COPELAND ELEMENTARY	0.1	22.6
CYFAIR	0.1	19.6
CYPRESS CREEK	17.3	15.4
CYPRESS FALLS	19.7	0.1
EMMOTT ELEMENTARY	25.0	1.0
FARNEY ELEMENTARY	13.1	0.1
FIEST ELEMENTARY	13.4	29.8
GLEASON ELEMENTARY		19.8
GOODSON MIDDLE SCHOOL		
HAMILTON ELEMENTARY		
HAMILTON MIDDLE SCHOOL		
JERSEY VILLAGE		
KEITH ELEMENTARY		
LABAY MIDDLE SCHOOL		
LAMKIN ELEMENTARY		
LANGHAM CREEK		
LOWERY ELEMENTARY		
MOORE ELEMENTARY		
ROBISON ELEMENTARY		
SAMPSON ELEMENTARY		
SPILLANE MIDDLE SCHOOL		
WILSON ELEMENTARY		
WINDFERN		

GREEN SCHOOLS ARE BELOW THE DISTRICT AVERAGE OF 30%

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	Est	Male	Female
ADAM ELEMENTARY												
Grade 01	149		18	14	24	93	4	36		18	77	72
Grade 02	146		18	7	20	101	8	31		19	65	81
Grade 03	147		20	6	27	94	11	39		19	74	73
Grade 04	166		21	8	32	105	9	35		1	87	79
Grade 05	164		12	15	34	103	15	46		3	80	84
Grade EE	16		1		5	10	13	2			12	4
Grade KG	142	1	17	9	30	85	8	28		21	74	68
Totals:	930	1	107	59	172	591	68	217		81	469	461
ARAGON MIDDLE SCHOOL												
Grade 06	423	1	31	37	57	297	35	43		4	230	193
Grade 07	433		32	38	80	283	31	52		9	232	201
Grade 08	478	1	44	36	68	329	25	53		10	257	221
Totals:	1334	2	107	111	205	909	91	148		23	719	615
ARNOLD MIDDLE SCHOOL												
Grade 06	421	1	38	64	97	221	28	118		18	213	208
Grade 07	436	1	33	75	104	223	44	133		18	221	215
Grade 08	457		34	60	105	258	30	102		17	256	201
Totals:	1314	2	105	199	306	702	102	353		53	690	624
AULT ELEMENTARY												
Grade 01	148		5	6	18	119	13	4		6	84	64
Grade 02	173		4	4	12	153	13	4		4	82	91
Grade 03	140	2	2	7	15	114	10	6		5	66	74
Grade 04	137		1	3	13	120	14	2		3	74	63
Grade 05	126		7	6	4	109	11	9		1	71	55
Grade EE	12					12	9				7	5
Grade KG	165	1	6	5	11	142	12	2		7	93	72
Totals:	901	3	25	31	73	769	82	27		26	477	424
BANE ELEMENTARY												
Grade 01	147		14	15	110	8	11	123		77	79	68
Grade 02	118		7	9	88	14	7	87		48	65	53
Grade 03	130		7	17	98	8	14	107		53	73	57
Grade 04	146		8	14	110	14	16	114		36	73	73
Grade 05	127		12	19	82	14	25	96		19	71	56
Grade EE	16		1	4	9	2	13	9		14	14	2

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bill	EsI	Male	Female
Grade KG	142		8	25	101	8	11	103	62	21	83	59
Grade PK	103	1	12	10	75	5	6	92	57	16	43	60
Totals:	929	1	69	113	673	73	103	736	352	108	501	428
BANG ELEMENTARY												
Grade 01	161		13	19	27	102	10	38	18	18	89	72
Grade 02	161		16	30	36	79	20	47	18	18	98	63
Grade 03	145	1	13	30	27	74	14	37	12	12	72	73
Grade 04	161		14	23	37	87	17	36	3	3	78	83
Grade 05	173		21	18	42	92	11	45	6	6	91	82
Grade EE	4			1		3	4				2	2
Grade KG	147		12	21	32	82	8	42	11	11	63	84
Totals:	952	1	89	142	201	519	84	245	68	68	493	459
BIRKES ELEMENTARY												
Grade 01	244	1	26	34	53	130	22	39	29	29	130	114
Grade 02	236		28	34	64	110	15	37	25	25	116	120
Grade 03	220	2	17	27	45	129	17	26	7	7	110	110
Grade 04	206		32	38	43	93	21	41	6	6	101	105
Grade 05	220	1	29	25	50	115	20	38	4	4	105	115
Grade EE	51		3	1	22	25	46	7			24	27
Grade KG	263	1	28	38	53	143	20	25	26	26	122	141
Totals:	1440	5	163	197	330	745	161	213	97	97	708	732
BLACK ELEMENTARY												
Grade KG	1					1					1	
Totals:	1					1					1	
BLEYL MIDDLE SCHOOL												
Grade 06	454	2	41	76	102	233	44	142	21	21	212	242
Grade 07	484		39	76	113	256	49	144	30	30	249	235
Grade 08	483	2	38	67	111	265	46	129	21	21	248	235
Totals:	1421	4	118	219	326	754	139	415	72	72	709	712
CAMPBELL MIDDLE SCHOOL												
Grade 06	485		60	81	203	141	56	207	32	32	260	225
Grade 07	492		59	101	204	128	45	214	42	42	268	224
Grade 08	491	3	55	84	181	168	40	182	23	23	259	232
Totals:	1468	3	174	266	588	437	141	603	97	97	787	681

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bl	Isl	Male	Female
COOK MIDDLE SCHOOL												
Grade 06	425		56	54	117	198	38	115	18	234	191	
Grade 07	511	1	70	81	150	209	53	150	28	265	246	
Grade 08	479	1	57	59	145	217	25	127	24	229	250	
Totals:	1415	2	183	194	412	624	116	392	70	728	687	
COPELAND ELEMENTARY												
Grade 01	157		14	9	12	122	7	6	8	88	69	
Grade 02	175	1	15	12	18	129	10	7	10	95	80	
Grade 03	165		22	8	16	119	14	8	6	88	77	
Grade 04	166		12	13	15	126	11	15	3	83	83	
Grade 05	184		14	10	19	141	8	11	2	107	77	
Grade EE	27		2	9	16	27	9	21	21	21	6	
Grade KG	142	1	15	9	15	102	12	8	15	71	71	
Totals:	1016	2	94	61	104	755	89	55	44	553	463	
CYFAIR												
Grade 09	1,247	5	54	95	175	918	102	119	13	634	613	
Grade 10	966	2	33	67	125	739	87	78	14	496	470	
Grade 11	824	4	30	53	105	632	77	53	6	415	409	
Grade 12	724	1	29	50	77	567	61	44	2	348	376	
Totals:	3761	12	146	265	482	2856	327	294	35	1893	1866	
CYPRESS CREEK												
Grade 09	825	5	63	113	170	474	65	165	34	416	407	
Grade 10	692	1	40	78	125	448	69	122	18	354	338	
Grade 11	664	2	37	65	98	462	66	105	11	325	339	
Grade 12	598	1	42	58	85	412	44	70	7	298	300	
Totals:	2779	9	182	314	478	1796	244	482	70	1395	1384	
CYPRESS FALLS												
Grade 09	876	1	95	139	261	360	62	220	46	441	435	
Grade 10	875	1	101	154	227	392	72	176	26	446	429	
Grade 11	846	1	117	120	190	418	65	151	23	427	419	
Grade 12	720	1	96	93	183	347	43	107	21	363	357	
Totals:	3317	4	409	506	861	1537	242	654	116	1677	1640	
CYPRESS RIDGE												
Grade 09	1,047	2	106	185	480	274	95	440	117	560	487	

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	EsI	Male	Female
Grade 10	812	2	125	139	333	213	64	292		50	403	409
Grade 11	784	1	101	142	296	244	76	257		49	402	382
Grade 12	706		107	121	264	214	59	221		23	350	356
CYPRESS RIDGE	3349	5	439	567	1373	945	294	1210		239	1715	1634
Totals:												

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	EsI	Male	Female
Grade 09	1,287	2	77	308	570	330	111	528		90	696	591
Grade 10	1,049		59	244	419	327	101	386		51	522	527
Grade 11	851	3	60	178	317	293	68	260		32	398	453
Grade 12	784	3	39	138	292	312	81	248		14	369	415
CYPRESS SPRINGS	3971	8	235	868	1598	1262	361	1422		187	1985	1986
Totals:												

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	EsI	Male	Female
Grade 01	165		10	23	89	43	12	61		12	93	72
Grade 02	144		13	21	67	43	7	77		25	68	76
Grade 03	147	1	8	28	74	36	12	84		11	71	76
Grade 04	136	1	13	21	66	35	10	64		4	72	64
Grade 05	117		5	33	49	30	13	66		3	60	57
Grade EE	16		1	4	8	3	14	3			10	6
Grade KG	191		17	33	91	50	13	105		16	107	84
Grade PK	147	1	38	18	68	22	7	104		52	65	82
DANISH ELEMENTARY	1063	3	105	181	512	262	88	584		123	546	517
Totals:												

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	EsI	Male	Female
Grade 06	431		26	61	267	77	48	251		61	214	217
Grade 07	465	2	44	62	272	85	42	273		64	226	239
Grade 08	447	1	30	59	259	98	44	234		72	245	202
DEAN MIDDLE SCHOOL	1343	3	100	182	798	260	134	758		197	685	658
Totals:												

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	EsI	Male	Female
Grade 01	255		5	67	124	59	26	150		31	132	123
Grade 02	269	1	7	76	141	44	22	160		41	147	122
Grade 03	229	1	12	68	102	46	11	135		15	108	121
Grade 04	199	1	7	60	97	34	17	118		11	114	85
Grade 05	247		8	86	105	48	26	134		13	134	113
Grade EE	6			2	3	1	2				4	2
Grade KG	263	1	10	70	119	63	14	130		34	143	120
Grade PK	127	1	4	33	85	4	1	104		22	54	73
DURYEA ELEMENTARY	1595	5	53	462	776	299	119	931		167	836	759
Totals:												

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	FIR	BII	Est	Male	Female
EMMOTT ELEMENTARY												
Grade 01	132		22	24	29	57	6	30		25	59	73
Grade 02	145		22	28	24	71	11	38		19	80	65
Grade 03	149		24	32	31	62	18	36		15	83	66
Grade 04	134	1	22	16	28	67	12	30		1	59	75
Grade 05	138		25	25	23	65	15	42		3	69	69
Grade EE	27		1	4	11	11	23	5			21	6
Grade KG	146		23	17	31	75	10	36		16	75	71
Totals:	871	1	139	146	177	408	95	219		79	446	425
FARNEY ELEMENTARY												
Grade 01	183	1	10	11	28	133	11	29		11	96	87
Grade 02	209		8	11	32	158	12	25		7	95	114
Grade 03	208		7	7	34	160	22	32		14	103	105
Grade 04	182		8	8	40	126	10	23		5	91	91
Grade 05	198		12	9	45	132	23	28		6	94	104
Grade EE	30	2	2	2	5	21	27	3			20	10
Grade KG	196		9	9	29	149	13	18		15	92	104
Totals:	1206	3	56	55	213	879	118	168		58	591	615
FIRST ELEMENTARY												
Grade 01	151		21	21	22	87	17	22		18	66	85
Grade 02	142		17	20	31	74	13	26		11	78	64
Grade 03	138		13	22	20	83	14	15		8	60	78
Grade 04	158		22	20	28	88	18	24		6	83	75
Grade 05	167	1	18	19	28	101	15	19		2	86	81
Grade EE	21		3	1	4	13	20				14	7
Grade KG	134		20	19	20	75	9	16		11	76	58
Totals:	911	1	114	122	153	521	106	122		56	463	448
FRANCOE ELEMENTARY												
Grade 01	121		6	22	61	32	16	57		8	64	57
Grade 02	118		6	26	55	31	10	61		21	55	63
Grade 03	133		11	34	55	33	13	74		10	59	74
Grade 04	157		14	29	83	31	14	79		17	79	78
Grade 05	129		10	23	54	42	7	58		8	63	66
Grade EE	7		1	1	3	3	6	1			5	2
Grade KG	134	1	8	25	71	29	16	69		19	64	70

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bill	Est	Male	Female
Grade PK	54			11	43			45	30	4	22	32
FRANCONE ELEMENTARY Totals:	853	1	55	171	425	201	82	414	148	86	411	442
FRAZIER ELEMENTARY												
Grade 01	134		20	22	82	10	5	85	39	34	75	59
Grade 02	124		10	25	77	12	8	99	52	16	61	63
Grade 03	147		18	16	100	13	15	99	46	28	79	68
Grade 04	176		26	28	109	13	13	130	17	27	86	90
Grade 05	148		17	31	87	13	12	93	8	21	83	65
Grade EE	2		1		1		1				1	1
Grade KG	139		17	14	92	16	11	95	54	29	63	76
Grade PK	92		17	9	65	1	2	65	49	30	56	36
FRAZIER ELEMENTARY Totals:	962		126	145	613	78	67	666	265	185	504	458
GLEASON ELEMENTARY												
Grade 01	164		37	13	49	65	8	44	29	28	93	71
Grade 02	137		27	10	45	55	13	41	28	23	71	66
Grade 03	121		33	2	26	60	9	23	14	8	60	61
Grade 04	125		19	5	44	57	13	36	15	4	70	55
Grade 05	138		20	16	30	72	15	29	6	3	66	72
Grade EE	16		3	1	5	7	13	2	1		12	4
Grade KG	133		29	6	40	58	6	41	36	22	70	63
Grade PK	76		19	7	40	10		55	32	28	43	33
GLEASON ELEMENTARY Totals:	910		187	60	279	384	77	271	161	116	485	425
GOODSON MIDDLE SCHOOL												
Grade 06	446		26	37	73	308	32	46		4	231	215
Grade 07	462		18	42	85	315	36	50		9	238	224
Grade 08	424		13	43	67	298	26	41		6	215	209
GOODSON MIDDLE SCHOOL Totals:	1332		57	122	225	921	94	137		19	684	648
HAIRGROVE ELEMENTARY												
Grade 01	130		4	5	109	12	15	96	59	31	69	61
Grade 02	163		10	13	115	25	14	117	65	32	81	82
Grade 03	142		7	12	101	22	14	99	34	23	70	72
Grade 04	126		7	15	92	12	11	95	14	6	60	66
Grade 05	149		4	13	105	27	17	94	14	8	71	78
Grade EE	26			3	16	7	26	7			22	4
Grade KG	143		10	19	96	18	15	93	50	32	67	76
Grade PK	81		6	6	68	1	3	65	48	16	41	40

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bill	EsI	Male	Female
HAIRGROVE ELEMENTARY Totals:	960	48	86	702	124	115	657	284	148	481	479	
HAMILTON ELEMENTARY												
Grade 01	148	9	6	6	127	8	6	2	73	75		
Grade 02	125	8	4	9	104	19	5	3	65	60		
Grade 03	117	8	5	7	96	14	3	1	47	70		
Grade 04	154	10	7	10	127	16	4	79	75			
Grade 05	156	11	2	11	131	12	6	82	74			
Grade EE	19	3	3	16	19	2	3	16	3			
Grade KG	108	4	5	5	94	10	6	89	39			
HAMILTON ELEMENTARY Totals:	827	51	32	48	695	98	32	11	431	396		
HAMILTON MIDDLE SCHOOL												
Grade 06	428	2	15	20	351	39	45	5	212	216		
Grade 07	451	18	22	42	368	57	40	1	232	219		
Grade 08	493	24	26	44	396	40	35	6	249	244		
HAMILTON MIDDLE SCHOOL Totals:	1372	57	68	126	1116	136	120	12	693	679		
HANCOCK ELEMENTARY												
Grade 01	143	1	18	33	60	17	52	22	77	66		
Grade 02	122	1	15	28	51	11	50	16	58	64		
Grade 03	137	1	20	37	39	13	57	11	67	70		
Grade 04	130	17	28	31	54	14	48	7	69	61		
Grade 05	135	14	32	38	50	16	59	7	62	73		
Grade EE	22	1	7	8	19	5	8	14	8			
Grade KG	157	18	40	39	59	15	53	15	86	71		
HANCOCK ELEMENTARY Totals:	846	103	205	212	321	105	324	78	433	413		
HOLBROOK ELEMENTARY												
Grade 01	135	4	41	68	22	12	98	14	65	70		
Grade 02	133	2	45	69	16	12	93	23	68	65		
Grade 03	126	3	37	63	23	9	87	19	67	59		
Grade 04	110	5	37	47	21	11	80	8	58	52		
Grade 05	130	2	43	59	25	17	81	11	63	67		
Grade EE	2	1	1	1	2	1	1	1	1			
Grade KG	145	4	37	91	13	12	114	37	69	76		
Grade PK	66	2	19	44	1	1	60	9	29	37		
HOLBROOK ELEMENTARY Totals:	847	22	259	442	122	76	614	96	420	427		
HOLMSLEY ELEMENTARY												

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Blk	EsL	Male	Female
Grade 01	155		11	17	69	58	12	70	31	35	80	75
Grade 02	135		12	22	57	44	14	54	17	32	69	66
Grade 03	170	1	9	16	74	70	15	61	28	24	100	70
Grade 04	134		6	8	61	59	14	55	12	11	56	78
Grade 05	157	1	8	25	67	56	14	59	8	18	75	82
Grade EE	29		2	5	8	14	27	13			18	11
Grade KG	145		9	19	58	59	16	48	20	35	87	58
Grade PK	114	1	17	11	75	10	5	61	35	44	55	59
HOLMSLEY ELEMENTARY Totals:	1039	3	74	123	469	370	117	441	151	199	540	499

HORNE ELEMENTARY

Grade 01	157		23	40	41	53	11	66	40	40	92	65
Grade 02	169		22	28	57	62	11	69	51	51	87	82
Grade 03	139		18	26	47	48	11	41	29	29	73	66
Grade 04	167		20	38	49	60	11	75	16	16	90	77
Grade 05	167		13	44	53	57	15	74	17	17	90	77
Grade EE	7			2	3	2	4	1			4	3
Grade KG	155		17	33	35	70	10	47	37	37	89	66
Grade PK	63		15	9	31	8	2	42	40	40	35	28
HORNE ELEMENTARY Totals:	1024		128	220	316	360	75	415	230	230	560	464

JERSEY VILLAGE

Grade 09	896	5	95	106	335	355	71	264	52	52	454	442
Grade 10	721		73	94	239	315	54	201	25	25	365	356
Grade 11	747	3	77	90	232	345	44	170	20	20	377	370
Grade 12	653		76	70	190	317	54	127	12	12	343	310
JERSEY VILLAGE Totals:	3017	8	321	360	996	1332	223	762	109	109	1539	1478

JJAEP

Grade 06	1				1						1	
Grade 08	6				2	4	2				4	2
Grade 09	9			2	5	2	2				7	2
Grade 10	2				2						2	
Grade 11	5		1	1		3	2	1			4	1
Grade 12	2				1	1					2	
JJAEP Totals:	25		1	3	11	10	6	1			20	5

JOWELL ELEMENTARY

Grade 01	218	1	12	44	108	53	12	118	42	34	122	96
Grade 02	199		5	41	102	51	20	102	39	22	97	102

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	FIR	Bill	EsI	Male	Female
Grade 03	188		8	39	87	54	9	92	29	21	94	94
Grade 04	163		14	25	80	44	6	76	22	5	90	73
Grade 05	181		12	41	80	48	20	97	13	8	103	78
Grade EE	24			5	7	12	19	4			16	8
Grade KG	183		9	41	96	37	11	94	49	16	99	84
Grade PK	95		8	19	59	9	3	76	42	19	46	49
JOWELL ELEMENTARY	1251	1	68	255	619	308	100	659	236	125	667	584
KAHLA MIDDLE SCHOOL												
Grade 06	478		35	104	231	108	52	272	52	52	246	232
Grade 07	470		25	106	243	96	47	257	47	47	223	247
Grade 08	452	2	33	112	210	95	48	240	51	51	233	219
KAHLA MIDDLE SCHOOL	1400	2	93	322	684	299	147	769	150	150	702	698
KEITH ELEMENTARY												
Grade 01	184		7	10	35	132	10	11		13	99	85
Grade 02	189		6	17	34	132	12	23		11	94	95
Grade 03	190		11	8	46	125	13	17		9	94	96
Grade 04	202	1	4	21	29	147	17	19		2	115	87
Grade 05	161		11	16	35	99	24	21		6	82	79
Grade EE	12		1			11	10				6	6
Grade KG	194		7	9	36	142	15	19		7	105	89
KEITH ELEMENTARY	1132	1	47	81	215	788	101	110	48	48	595	537
KIRK ELEMENTARY												
Grade 01	148		27	23	64	33	2	67	45	23	79	69
Grade 02	139		27	30	54	28	6	69	36	17	68	71
Grade 03	140	1	17	22	59	41	11	65	36	11	58	82
Grade 04	104		22	15	48	19	8	53	25	3	51	53
Grade 05	134		20	28	53	33	10	64	26	2	67	67
Grade EE	24		3	3	11	7	22	4			17	7
Grade KG	156	2	24	26	72	32	11	79	55	16	78	78
Grade PK	59		7	9	41	2	1	43	33	15	25	34
KIRK ELEMENTARY	904	4	147	156	402	195	71	444	256	87	443	461
LABAY MIDDLE SCHOOL												
Grade 06	410	2	47	46	147	168	29	118		32	233	177
Grade 07	479	1	49	61	179	189	41	147		37	249	230
Grade 08	486		52	71	157	206	50	145		29	267	219
LABAY MIDDLE SCHOOL	1375	3	148	178	483	563	120	411	98	98	749	626

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	Est	Male	Female
LAMKIN ELEMENTARY												
Grade 01	201		24	34	36	107	12	57		19	101	100
Grade 02	184		27	34	30	93	14	49		26	100	84
Grade 03	192		19	44	40	89	12	56		15	87	105
Grade 04	190		22	26	40	102	13	51		4	93	97
Grade 05	167	1	21	30	42	73	10	51		5	81	86
Grade EE	25		1	8	3	13	23	7		1	16	9
Grade KG	208		26	34	41	107	15	32		26	103	105
Grade PK	81		16	15	32	18	2	52		48	47	34
Totals:	1248	1	156	225	264	602	101	355		144	628	620
LANGHAM CREEK												
Grade 09	913		65	145	276	427	66	258		64	462	451
Grade 10	902	4	75	120	243	460	71	220		29	439	463
Grade 11	774	2	92	81	171	428	57	131		19	403	371
Grade 12	678	1	63	83	146	383	59	129		14	344	334
Totals:	3267	7	295	429	838	1698	253	738		126	1648	1619
LEE ELEMENTARY												
Grade 01	167		35	9	90	33	14	91		43	96	71
Grade 02	152		28	13	83	28	10	75		42	86	66
Grade 03	151		26	10	77	38	10	83		31	85	66
Grade 04	139		23	8	90	18	18	82		7	73	66
Grade 05	149		26	13	79	31	16	86		12	68	81
Grade EE	8		2		3	3	5				5	3
Grade KG	158	1	29	11	85	32	10	75		38	83	75
Grade PK	88		17	2	65	4	3	58		34	41	47
Totals:	1012	1	186	66	572	187	86	550		213	537	475
LIEDER ELEMENTARY												
Grade 01	116		11	10	75	20	4	75		40	67	49
Grade 02	127		6	20	75	26	12	88		36	66	61
Grade 03	119	1	4	11	81	22	11	79		30	64	55
Grade 04	145		7	15	93	30	17	105		23	74	71
Grade 05	132		8	16	86	22	12	83		14	66	66
Grade EE	10		1		8	1	10	4			7	3
Grade KG	128		9	14	85	20	11	94		49	73	55
Grade PK	77		4	6	61	6		69		35	43	34
Totals:	854	1	50	92	564	147	77	602		165	460	394

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	BII	Est	Male	Female
LOWERY ELEMENTARY												
Grade 01	136		7	8	30	91	15	26		16	70	66
Grade 02	128	1	5	12	23	87	7	32		16	65	63
Grade 03	142		5	14	22	101	7	22		6	66	76
Grade 04	171		6	13	18	134	20	24		2	93	78
Grade 05	155	1	4	17	31	102	16	31		3	85	70
Grade EE	11			1	3	7	10	2			6	5
Grade KG	149	1	7	12	36	93	12	38		17	79	70
Totals:	892	3	34	77	163	615	87	175		60	464	428
MATZKE ELEMENTARY												
Grade 01	155	1	10	22	63	59	15	71	25	15	79	76
Grade 02	143		12	15	51	65	9	54	19	18	70	73
Grade 03	150		10	19	47	74	21	54	16	15	81	69
Grade 04	130		7	13	36	74	20	40	9	3	73	57
Grade 05	171		13	26	42	90	19	51	4	6	86	85
Grade EE	16		1		5	10	15	3			12	4
Grade KG	142		9	10	50	73	7	51	22	12	67	75
Grade PK	62		11	9	35	7	2	52	18	13	34	28
Totals:	969	1	73	114	329	452	108	376	113	82	502	467
METCALF ELEMENTARY												
Grade 01	185		12	31	118	24	16	131	62	35	92	93
Grade 02	200	2	8	35	123	32	10	128	52	39	108	92
Grade 03	196	1	10	30	129	26	9	139	55	33	99	97
Grade 04	170		9	35	98	28	17	117	30	8	75	95
Grade 05	175	2	4	41	92	36	20	103	12	8	93	82
Grade EE	29		1	10	16	2	25	10	1		22	7
Grade KG	194	4	11	36	108	35	21	131	57	34	96	98
Grade PK	121		11	7	92	11	1	95	57	32	54	67
Totals:	1270	9	66	225	776	194	119	859	326	189	639	631
MILLSAP ELEMENTARY												
Grade 01	161		4	16	56	85	8	50	35	6	72	89
Grade 02	170	1	6	11	63	89	26	59	39	6	96	74
Grade 03	153		7	13	47	86	11	45	29	6	85	68
Grade 04	152	1	15	13	36	87	18	41	17	5	71	81
Grade 05	161	1	9	17	35	98	11	42	7	2	80	81

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	FIR	BII	Esl	Male	Female
Grade	7	1	2	3	4	5	6	5	4	3	5	2
Grade EE	138	1	2	8	59	68	6	56	42	3	74	64
Grade KG	56	4	4	3	46	3	1	13	35	12	30	26
Grade PK	988	4	47	82	342	523	86	339	204	40	513	485
MILLSAP ELEMENTARY	Totals:											
MOORE ELEMENTARY												
Grade 01	154	2	16	13	12	111	6	25	9	9	78	76
Grade 02	153	2	16	18	21	96	9	32	10	10	79	74
Grade 03	161	14	13	12	122	16	16	23	1	1	93	68
Grade 04	195	16	18	20	141	16	16	27	4	4	100	95
Grade 05	151	15	10	15	111	13	13	20	4	4	75	76
Grade EE	7			1	6	5	5	1			4	3
Grade KG	139	1	14	14	8	102	13	20	11	11	73	66
MOORE ELEMENTARY	Totals:	5	91	86	89	689	78	148	39	39	502	458
OWENS ELEMENTARY												
Grade 01	159	1	18	13	66	61	4	52	37	26	91	68
Grade 02	134	16	16	19	54	45	10	55	34	19	69	65
Grade 03	130	15	13	13	49	53	12	41	25	7	57	73
Grade 04	134	16	16	15	44	59	5	42	16	7	76	58
Grade 05	133	1	13	12	50	57	17	43	12	7	74	59
Grade EE	4			1	1	2	3	1		1	3	1
Grade KG	178	2	17	16	67	76	9	65	51	19	88	90
Grade PK	81	16	16	7	53	5	4	49	39	26	39	42
OWENS ELEMENTARY	Totals:	4	111	96	384	358	64	347	214	112	497	456
POST ELEMENTARY												
Grade 01	164	11	30	53	53	70	14	77	19	22	85	79
Grade 02	129	6	21	53	49	49	9	72	26	16	74	55
Grade 03	142	9	20	64	48	48	16	69	17	13	69	73
Grade 04	155	9	29	64	53	53	15	77	15	6	87	68
Grade 05	151	10	30	54	57	57	18	75	13	5	73	78
Grade EE	2			1	1	1	1	1			2	2
Grade KG	152	10	27	67	48	48	7	82	37	12	75	77
Grade PK	64	11	8	41	4	4	1	48	28	17	31	33
POST ELEMENTARY	Totals:	1	66	165	397	330	81	501	155	91	496	463
REED ELEMENTARY												
Grade 01	146	1	7	7	97	34	12	83	34	35	68	78
Grade 02	145		5	14	88	38	4	80	30	33	71	74

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	FIR	Bill	EsI	Male	Female
Grade 03	144	1	14	14	88	27	10	94	33	33	71	73
Grade 04	141		11	12	81	37	10	72	8	4	65	56
Grade 05	148		12	10	75	51	12	72	8	13	74	74
Grade EE	29		6	9	11	3	28	10			21	8
Grade KG	147	2	9	14	91	31	15	79	34	31	75	72
Grade PK	81		11	5	62	3	3	67	41	27	47	34
REED ELEMENTARY	981	4	75	85	583	224	94	557	188	176	512	469
Totals:												
ROBISON ELEMENTARY												
Grade 01	212		7	19	27	159	9	12		6	109	103
Grade 02	224		11	14	27	172	10	24		14	117	107
Grade 03	217		7	26	24	160	9	14		6	128	89
Grade 04	201		8	26	19	148	12	12		1	99	102
Grade 05	184		9	9	27	139	13	17		7	86	98
Grade EE	25		1	4	4	16	24	2			12	13
Grade KG	262	1	10	20	34	197	16	8		6	118	144
Grade PK	47	1	6	2	27	11	4	26		31	21	26
ROBISON ELEMENTARY	1372	2	59	120	189	1002	97	115		71	690	682
Totals:												
SAMPSON ELEMENTARY												
Grade 01	236		18	6	13	199	12	5		3	119	117
Grade 02	221	1	21	2	12	185	11	1		6	94	127
Grade 03	228		13	6	17	192	16	7		4	133	95
Grade 04	215	1	16	8	16	174	16	1		1	116	99
Grade 05	178		8	2	15	153	4	1			96	82
Grade EE	18			1	3	14	16				14	4
Grade KG	243		12	5	20	206	7	3		6	118	125
SAMPSON ELEMENTARY	1339	2	88	30	96	1123	82	18		20	690	649
Totals:												
SHERIDAN ELEMENTARY												
Grade 01	177		6	22	107	42	14	102		31	91	86
Grade 02	194	1	5	34	101	53	17	100		25	107	87
Grade 03	179		7	30	99	43	12	100		26	86	93
Grade 04	180		7	30	104	39	19	94		8	91	89
Grade 05	176	1	6	30	94	45	19	91		6	97	79
Grade EE	12			1	5	6	9	2			8	4
Grade KG	196	2	10	26	114	44	21	107		23	97	99
Grade PK	88		3	1	73	11	5	50		19	42	46
SHERIDAN ELEMENTARY	1202	4	44	174	697	283	116	646		138	619	583
Totals:												

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bll	Est	Male	Female
SPILLANE MIDDLE SCHOOL												
Grade 06	484		31	52	67	334	32	34		8	240	244
Grade 07	428	4	29	41	69	285	33	37		2	217	211
Grade 08	427		27	40	67	293	28	39		7	235	192
SPILLANE MIDDLE SCHOOL Totals:	1339	4	87	133	203	912	93	110		17	692	647
THORNTON MIDDLE SCHOOL												
Grade 06	576		16	148	283	129	57	306		39	290	266
Grade 07	581		34	150	274	123	38	301		51	307	274
Grade 08	595		22	141	269	163	47	270		48	304	291
THORNTON MIDDLE SCHOOL Totals:	1752		72	439	826	415	142	877		138	901	851
TIPPS ELEMENTARY												
Grade 01	189	1	10	36	111	31	17	119	51	30	100	89
Grade 02	171		13	38	97	23	7	109	47	34	96	75
Grade 03	177		9	50	90	28	11	102	33	40	96	81
Grade 04	176		12	42	94	28	20	111	25	8	89	87
Grade 05	174		15	40	90	29	14	107	20	13	98	76
Grade EE	18		1	1	12	4	16	11	1		12	6
Grade KG	171	1	9	35	96	30	13	107	49	25	87	84
Grade PK	120		10	25	82	3	5	100	54	17	76	44
TIPPS ELEMENTARY Totals:	1196	2	79	267	672	176	103	766	280	167	654	542
TRUITT MIDDLE SCHOOL												
Grade 06	456		52	83	193	128	43	213		48	241	215
Grade 07	451	3	54	101	180	113	36	203		41	236	215
Grade 08	493	1	66	108	185	133	31	220		43	243	250
TRUITT MIDDLE SCHOOL Totals:	1400	4	172	292	558	374	110	636		132	720	680
WALKER ELEMENTARY												
Grade 01	235		6	52	130	47	17	138	52	36	127	108
Grade 02	235		10	43	133	49	23	137	45	41	119	116
Grade 03	266		12	59	140	55	20	159	53	26	136	130
Grade 04	230		8	41	115	66	21	135	25	10	123	107
Grade 05	239		10	57	120	52	20	146	25	12	128	111
Grade EE	26			6	12	8	20	6			22	4
Grade KG	271	1	8	39	154	69	12	158	54	59	134	137
Grade PK	134		6	17	104	7	6	109	54	37	69	65
WALKER ELEMENTARY Totals:	1636	1	60	314	908	353	139	988	308	221	858	778

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	F/R	Bll	Esl	Male	Female
WATKINS MIDDLE SCHOOL												
Grade 06	420	4	36	65	177	138	41	184	20	32	207	213
Grade 07	427	3	32	71	186	135	30	194	30	36	231	196
Grade 08	445		39	59	198	149	30	171	27	37	237	208
WATKINS MIDDLE SCHOOL Totals:	1292	7	107	195	561	422	101	549	77	105	675	617
WILLBERN ELEMENTARY												
Grade 01	157		26	20	68	43	8	52	20	32	90	67
Grade 02	167		35	22	65	45	16	39	30	37	80	87
Grade 03	157	1	35	24	64	33	17	76	27	16	78	79
Grade 04	149	1	21	18	57	52	21	39	9	5	91	58
Grade 05	138	1	23	22	56	36	12	63	5	5	64	74
Grade EE	9		2	2	3	2	9	4			7	2
Grade KG	157		48	16	49	44	13	55	22	42	88	69
Grade PK	63		20	8	34	1	5	45	21	26	35	28
WILLBERN ELEMENTARY Totals:	997	3	210	132	396	256	101	433	134	163	533	464
WILSON ELEMENTARY												
Grade 01	155		17	28	42	68	12	46	29	29	80	75
Grade 02	146	3	22	23	39	59	18	50	36	36	90	56
Grade 03	154		21	20	40	73	10	45	21	21	87	67
Grade 04	167	1	15	20	43	88	17	51	6	6	91	76
Grade 05	171	3	23	29	51	65	23	47	11	11	99	72
Grade EE	17	1		1	7	8	15	1			15	2
Grade KG	123	1	18	13	26	65	7	23	17	17	69	54
Grade PK	39		8	8	16	7	2	27	19	19	26	13
WILSON ELEMENTARY Totals:	972	9	124	142	264	433	104	290	139	139	557	415
WINDFERN												
Grade 11	15		2	4	2	7		2			8	7
Grade 12	167		6	17	60	84	22	34		1	70	97
WINDFERN Totals:	182	8	21	62	91	91	22	36	1	1	78	104
YEAGER ELEMENTARY												
Grade 01	153	1	13	16	44	79	6	48	23	17	86	67
Grade 02	150		11	19	53	67	4	51	28	10	73	77
Grade 03	137		12	13	35	77	12	36	19	5	67	70
Grade 04	136		11	12	33	80	13	41	13	6	69	67
Grade 05	135	1	6	7	35	86	9	40	5	3	66	69

ETHNIC RECAP AS OF April 20, 2006

SCHOOL NAME	Total	Am Ind.	Asian	Afr. Am.	Hispanic	White	Sped	I/R	Bll	Est	Male	Female
Grade EE	11				6	5	10	3			11	
Grade KG	136		10	10	48	68	7	46	24	16	75	61
Grade PK	85		12	18	49	6	3	55	27	20	46	39
YEAGER ELEMENTARY	943	2	75	95	303	468	64	320	139	77	493	450
District Totals:	87,348	204	7,380	12,222	29,124	38,418	7,622	28,656	5,304	6,689	44,982	42,366
Ethnic Recap By Grade												
Grade 01 Totals:	6,987	12	594	911	2,497	2,973	482	2,598	950	922	3,682	3,305
Grade 02 Totals:	6,844	15	568	948	2,425	2,888	514	2,587	870	927	3,523	3,321
Grade 03 Totals:	6,763	15	558	935	2,359	2,896	545	2,489	785	651	3,444	3,319
Grade 04 Totals:	6,715	8	563	874	2,293	2,977	611	2,437	432	267	3,487	3,228
Grade 05 Totals:	6,734	18	540	997	2,242	2,937	639	2,448	299	292	3,464	3,270
Grade 06 Totals:	6,338	14	510	928	2,055	2,831	574	2,094		374	3,264	3,074
Grade 07 Totals:	6,570	17	536	1,027	2,181	2,809	562	2,195		415	3,394	3,176
Grade 08 Totals:	6,656	17	534	965	2,068	3,072	512	1,989		394	3,481	3,175
Grade 09 Totals:	7,100	20	555	1,093	2,272	3,160	574	2,014		416	3,672	3,428
Grade 10 Totals:	6,019	10	506	896	1,713	2,894	518	1,475		213	3,027	2,992
Grade 11 Totals:	5,510	16	517	734	1,411	2,832	455	1,130		160	2,759	2,751
Grade 12 Totals:	5,032	7	458	630	1,300	2,637	423	980		94	2,487	2,545
Grade EE Totals:	700	3	41	93	241	322	615	136	3	2	485	215
Grade PK Totals:	2,364	5	311	302	1,566	180	78	1,778	955	691	1,195	1,169
Grade KG Totals:	7,016	27	589	889	2,501	3,010	500	2,506	1,030	871	3,618	3,398

Exhibit "B"

**EFFECT OF POVERTY ON
SCHOOL STAFF PERFORMANCE**

Exhibit "B"

Effect of Poverty on School Staff Performance

The reasons given, in the research, for high concentrations of students from low-income households having a negative effect on **all** students within a particular school are:

- ♦ A difficulty in attracting good teachers (1)

Thus, Baltimore City winds up with considerably less money for ordinary instruction than its suburban neighbors have. Teacher salaries reflect that fact. At all levels, from beginning salaries on up, Baltimore City trails surrounding suburbs (Maryland State Department of Education, 1998a, page 20; see Table 10). In both recruiting teachers and retaining them, Baltimore City operates at a significant disadvantage. It is not surprising, therefore, that Baltimore City also has a higher proportion of its teachers who have a provisional certificate—17 percent compared to an average of 2 percent in the suburbs (Maryland State Department of Education Division of Certification and Accreditation, 1999).⁵ Recent discussions of school reform have focused on teacher quality as a crucial factor in school performance; Baltimore City, however, is in a weak position to compete for and retain the most qualified teachers.

- ♦ Teacher absenteeism (2)

The percentage of teachers who reported that teacher absenteeism was a problem in their school increased to higher-than-expected levels in high poverty schools.

- ♦ Teachers not suited to the curriculum that they are teaching (2)

Other NCES data show that teachers in poorer schools are less likely to have majored or minored in the subject they teach and schools serving larger percentages of low-income students have higher numbers of teachers who are teaching out of field. (Whitmire, 1997)

- ♦ In class distractions (2)

The percentage of 8th-grade teachers who reported spending more than one-fifth of their time on classroom discipline increased

sharply from 12% in low poverty schools to more than 21% when the concentration of students in the school living in poverty reached over forty percent. (Lipmann, 1996)

- ♦ A slower pace of teaching (2)

The slow pace of instruction and lower skill level, so often used in lower-ability classes hinder student motivation and achievement.

Research done by Edward Fuller of the Charles A. Dana Center at the University of Texas at Austin indicates that such negative effects occur in the local schools (5):

Fort Bend ISD students lucky enough to live in the upscale neighborhoods surrounding Clements or Eklins high schools have some of the most qualified teachers within the seven-county Houston area.

But their counterparts growing up in the poorer Fort Bend County communities that feed into Willowridge and George Bush high schools are left with teachers who are less experienced, uncertified in the subjects they're supposed to teach, and more likely to leave for other jobs.

The disparity in teacher quality in the Fort Bend ISD is typical at most of the middle and high schools throughout the seven-county Houston area, according to recent research compiled by University of Texas researcher Edward Fuller.

Fuller's findings quantify the commonly held notion that the state's best teachers work in the most affluent schools, leaving less-qualified educators to teach low-income students. And the schools with the least-qualified teachers typically struggle the most on the tests that are used to label schools as successes or failures.

"Principals hire the best they can get." said Fuller, whose research specializes in teacher hiring and retention. "The problem is sometimes the best they can get isn't very good."

Fuller's formula takes three factors into account at each school: the teacher employment turnover rate, percentage of teachers with less than three year' experience and those teaching courses outside their area of certification. Using the latest available data from the 2003-04 school year, Fuller assigned every campus a Teacher Quality Index based on how they compare with other schools. Those that fall in the top 10% statewide are given a rating of 1. Schools in the bottom 10% are rated a 10.

The school districts included in this analysis are those in the Region IV Texas Education Service Center's seven-county area: Harris, Fort Bend, Galveston, Brazoria, Chambers, Liberty and Waller.

Exhibit "C"

**EFFECT OF POVERTY
ON ACADEMIC PERFORMANCE**

Exhibit "C"

Effect of Poverty on Academic Performance

There have been numerous studies of the effects of poverty on academic performance. Numerous recent studies have shown that when the concentration of students from low-income households in a school rises above a certain percentage, the level of academic achievement for **all** students within that school is reduced.

M. Orr, C. Stone and C. Stumbo's report "Concentrated Poverty and Educational Achievement" (1) states:

We have long known that poverty has detrimental impacts on **individual** students in poverty, but it is only recently that it has been demonstrated that high levels of poverty school-wide create **additional** educational challenges for the systems and the students they serve.

and

At least as far back as the Coleman report (1966), we have known that an individual's poverty level has an effect on academic achievement. As socioeconomic status goes down, so do test scores and other indicators of student performance. Less widely known is the finding that the level of poverty schoolwide also has an effect on an individual student's achievement--**whether or not that student is in poverty**. Research shows that test scores of **all** students, both poor **and** non-poor, decline as they are in schools with increasing numbers of fellow students in poverty. The U.S. Department of Education's **Prospects** report (Puma, Jones, Rock & Fernandez, 1993) finds that even though non-poor students perform consistently better than their low-income classmates, the performance of non-poor students nevertheless declines as the proportion of their classmates below the poverty line increases (see Figure 1). Overall, the report finds that "students in low-poverty schools score from 50 to 75 percent higher in reading and math than students in high-poverty schools" (Puma et al., 1993, page xxx). Further, the report finds a "tipping point" of sorts, where school poverty begins to seriously effect student performance. "School poverty depresses scores of **all** students in schools where at least half the children are eligible for subsidized lunch and seriously depresses the scores when more than 75 percent of students live in low income households" (Puma et al., 1993, emphasis added). For example, note how, in the sample depicted in Figure 1, **non-poor** students in schools with 50 percent or more

of their students in poverty scored at approximately the same level as did **poor** students in schools with less than 20 percent of their students in poverty. While individual students in poverty pose an educational challenge to a school system, high levels of school-wide poverty pose an even greater challenge.

Professor Stone specializes in American politics, urban affairs, local government and public policy at the University of Maryland and has published a number of books relating to the reforming of urban schools.

A survey of research papers by the Wake County Public School System's Evaluation and Research Department " (2) concluded that:

A large body of research shows that an individual student who is eligible for free or reduced price lunch is at risk for academic failure. The risk factors for individual students can be ameliorated by extra support and academic assistance to ensure academic success. A high concentration of low-income students in a school, however, appears to have negative effects on students, teachers, and the school, and these effects extend beyond the effect of the individual students' economic condition. For example, researchers have reported that:

- "In schools with above average poverty rates, the poverty level of the school influences the scores of all children, including those from more advantaged families. Low-income students in high-poverty schools are doubly at risk..." (U.S. Department of Education, 1996). (Also see Kennedy, Jung, and Orland, 1996)
- Low-income students in low poverty schools score better than low income students in high poverty schools. (U.S. Department of Education, 1996)
- Students' achievement showed sharp declines when the school poverty concentration rose above 40%. (Lippman, Burns, and McArthur, 1996)

A similar study looked at some of the negative effects of poverty and found that:

- Achievement of average students in high-poverty schools is lower than achievement of Title I students in low-poverty schools. (Puma, Jones, Rock, & Fernandez, 1993)

In a review of literature on the impact of magnet schools, the authors concluded that:

- Low-income students achieve better educational results in classrooms where the majority of students are economically advantaged. (Yu and Taylor, eds., 1997)

Another Wake County Public School System report "The Effect of School Poverty Concentration in WCPSS" (3) states:

Individual students from low-income families have a statistically higher risk of dropping out of school, low academic achievement, and retention in grade, among other negative outcomes.

and

... a relationship between school poverty and school performance, although this relationship appears strongest at the "extremes" of the WCPSS range, particularly as the concentration rises above 35-40%. In other words, elementary schools at the highest level within WCPSS's range of poverty probably do experience an impact on student growth due to that high concentration.

This report also contains a graph (Figure 1) of academic performance with respect to the percentage of students from low-income households.

Exhibit "D"

**IMPROVING ACADEMIC PERFORMANCE
OF STUDENTS
FROM LOW-INCOME HOUSEHOLDS**

Exhibit "D"

Improving Academic Performance of Students From Low-Income Households

One positive way to address the poor academic performance in the area schools is to reduce their overall population as suggested in the Montana Rural Education Association's study "Results of Four-State Study: Smaller Schools Reduce Harmful Impact of Poverty on Student Achievement" (4).

New research shows that smaller schools in four widely divergent states reduce the harmful effects of poverty on student achievement. Smaller schools help students from less affluent communities narrow the academic achievement gap (as measured by state sanctioned standardized tests) between them and students from wealthier communities.

and

"Excellence" Effects: Small Schools Are Better for Most Communities

In Georgia, Ohio, and Texas, there is strong evidence that students in the less affluent communities in each state perform better when they attend smaller schools. The lower the income in the community, the more student achievement is benefited by smaller schools. The lower the income of the community served by the schools, the more achievement sags in larger schools and surges in smaller schools. In Montana, a state that maintains many small schools and few large ones, this "excellence" effect of small schools was also evident, but not as strong.

and

Schools "At-Risk" of Lower Student Performance

These results indicate that many schools are too large to produce top performance given the level of income in the community they serve...

- *Texas:* Between 26 and 57 percent of Texas schools (depending on grade level tested) would likely produce lower average student scores if the schools were larger, or higher scores if the schools were smaller. These schools serve

between 27 and 46 percent of the Texas students tested in those grades.

furthermore

These relationships are consistently strong for the critical grades when children are at or approaching the age when they are most at-risk of dropping out of school.

and

- In Texas, at the 10th grade level, **57 percent** of the schools are too big to maximize achievement, given the income level of the communities they serve, and would likely produce higher scores if they were smaller. These schools serve **almost half (46%) of 10th graders**.

When the Montana Rural Education Association examined the effect of poverty, the following observations were made (4):

Researchers calculated the percentage of the variance in test scores that can be explained by the level of the poverty in the communities served by schools. We call this statistic "**poverty's power rating**" because it suggests how much negative impact poverty has over student achievement. This statistic was calculated for larger and for smaller schools (those above and below the median size) in each state.

In all four states, smaller schools cut poverty's power rating by between 20 and 70 percent, and usually by 30-50 percent, depending on grade level. In Georgia, Ohio, and Texas, smaller schools reduce the negative effect of poverty on average student achievement in every grade tested. In Montana, smaller schools significantly cut poverty's power rating in two of the three grades tested

and

Texas: In all grades and in all subject areas tested (reading, mathematics, and writing), poverty's power rating is substantially lower in smaller schools than in larger schools.

- In **larger schools**, poverty's power rating ranged **from at least 30 percent to as high as 62 percent**, depending on grade and subject area.

- In **smaller schools**, poverty's power rating ranged **from as low as 3 to no higher than 31 percent**.
- In the **critical grades 8 and 10**, where children are at or approaching the age when they are most at-risk of dropping out, small schools cut poverty's power over achievement by **80 to 90 percent** in reading, writing, and mathematics.

The Montana Rural Education Association examined the effect of race and made the following observations were made (4):

Results Are Not Related to Race

These results were not significantly altered (but slightly strengthened in most cases) when researchers controlled for race. Small schools are a major positive factor in student achievement among the poor, race notwithstanding

and

Although the relationship between school size, poverty, and student achievement may not depend on race, it is often true that minority groups live in communities where poverty rates are quite high, and they are therefore very likely to attend schools that are too large to produce highest levels of achievement.

- In Texas, these relationships are particularly strong for Hispanic students. Hispanic enrollment in schools too large to expect top performance is between 2.5 and 3 times the rate of Hispanic enrollment in schools that are not too large.
- In Georgia, African-American enrollment in schools too large to expect optimum achievement in their community is between 2.4 and 3.8 times the rate of African-American enrollment in schools that are not too large.

References

1. Orr, M., Stone, C., Stumbo, C. "Concentrated Poverty and Educational Achievement". University of Maryland College of Behavioral and Social Sciences.
2. WCPSS Evaluation and Research Department. (March 1999) "The Impact of Poverty Upon Schools". Wake County Public School System, North Carolina.
3. WCPSS Evaluation and Research Department. (March 2000) "The Effect of School Poverty Concentration in WCPSS". Wake County Public School System, North Carolina.
4. "Results of Four-State Study: Smaller Schools Reduce Harmful Impact of Poverty on Student Achievement". Montana Rural Education Association.
5. (July 17, 2005) "Low-income schools lack top teachers", Houston Chronicle article

**THE FINANCIAL BACKGROUNDS
OF
MARK T. BOWER & DANIEL R. SERENI**

FAP firmly believes the TDHCA *may use* its wide discretion under the applicable statutes to consider additional relevant facts in its evaluation process. The examination of the financial backgrounds and compliance history of Mr. Mark T. Bower and Mr. Daniel R. Sereni fall under TDHCA'S discretionary power.

It appears from the evidence (public records) discussed below that Mr. Bower and Mr. Sereni have not exercised good financial decisions and management resulting in forfeitures of corporate charters, tax liens, bankruptcies and discrepancies in financial filings. Although Mr. Bower, Mr. Sereni and the TDHCA have repeatedly tried to mitigate these facts, they remain an area of deep concern to FAP.

I. Mark T. Bower

A. Certified Copies of records filed with the County Clerk's Office in Nueces County, Texas show:

1. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date filed: 1/17/1997
- c. Doc #: 970200052
- d. Name of taxpayer: Mark Todd Bower
Mark T. Bower, CPA
- e. Kind of tax: 941
- f. Tax Period: 3/31/1996 & 6/30/1996
- g. Unpaid balance of assessment: \$28,346.34
- h. A general search of the Nueces County Clerk's website indicate the Internal Revenue Service filed a "Release Of Lien" on 11/16/2005.

2. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service

- b. Date Filed: 7/30/1998
- c. Doc #: 980201046
- e. Name of taxpayer: Mark T. & Annette A. Bower
- f. Kind of tax: 1040
- g. Tax Period: 12/31/1996
- h. Unpaid balance of assessment: \$32,298.76
- i. "Certificate of Release of Federal Tax Lien" filed 8/06/2004, Doc# 2004040550

3. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date Filed: 10/16/1998
- c. Doc #: 1998046210
- d. Name of taxpayer: Mark T. & Annette A. Bower
- e. Kind of tax: 1040
- f. Tax Period: 12/31/1997
- g. Unpaid balance of assessment: \$13,643.84
- h. A general search of the Nueces County Clerk's website indicate the Internal Revenue Service filed a "Release Of Lien" on 5/19/2005.

The above tax liens were in existence during the first and second application periods. Mr. Bower was seeking tax free bonds and tax credits while he owed taxes to the federal government.

B. A general search of civil court records on The Nueces County District Clerk's Office web site had the following results:

- Case Number: 980602900; Rivero, Omar, Etal vs. Mony Securities Corp., Etal; Cause of Action; Accounts, Contracts, Notes. Mr. Bower was one of 5 Defendants in the case. The case was filed on 11/25/1998 and was disposed on 7/20/2001. Docket entry shows the case was dismissed.
- Case Number: 0004498000; Cruse, Joe, Etal vs. Mony Securities Corp., Etal; Cause of Action; Other Civil Causes. Mr. Bower was one of 9 Defendants in the case. The case was filed on 8/14/2000 and Mr. Bower was dismissed from the case on 10/25/2002.

- Case Number: 9905232000; Nueces, County of vs. Bower, Mark T., Etal; Cause of action; Delinquent Taxes. Mr. Bower was one of 2 Defendants in the case. The case was filed on 9/28/1999 and disposed on 7/21/2000.
- Case Number: 986073000; American Express Travel Related Services Co., Inc. vs. Bower, Mark T.; Cause of action; Accounts, Contracts, Notes. Mr. Bower was one of 2 Defendants in the case. The case was filed on 10/06/1999 and was dismissed for want of prosecution on 4/17/2003.
- Case Number: 996179000; Holt, Howard, Etal vs. Bower, Mark, Etal; Cause of action; Accounts, Contracts, Notes. Mr. Bower was one of 3 Defendants in the case. The case was filed on 4/13/1998 and dismissed for want of prosecution on 11/15/1999.

C. Documents on file with the Secretary of State's Office and Comptroller of Public Accounts Office in Austin, Texas show:

- LarFel, Inc., formed on May 27, 1997, Charter Number: 1447362-00 of which Mark T. Bower is its Registered Agent and Board of Director forfeited its right to do business on 12/15/1998 and its Charter was forfeited on 8/20/1999 for failure to file a current year franchise tax report.

Public records appear to indicate that Mr. Bower has little or no experience in the "affordable housing" market, and **no experience** in Texas. Cynosure Developers, LLC was formed 8/23/2004. After 24 months in existence they still have still no past or current projects. Public records appear to indicate Mr. Bower has a history of litigation issues and tax issues. Cynosure's history with the TDHCA demonstrates a history of paperwork issues and history of inattention to detail issues.

II. Daniel R. Sereni

A. Certified Copies of Court records filed with the Clerk of the United States Bankruptcy Court Southern District of Texas show:

1. Case Number: 91-21594-C-7; In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General Partnership dba Pacific Coast Builders, A General Partnership
 - Voluntary Petition Filed 8/08/1991
 - Estimated Liabilities in Thousands of Dollars: 100-499
 - Estimated Number of Creditors: 16-49
 - Estimated Number of Assets in Thousands of Dollars: Under 50
 - Type of Business: Construction
 - Nature of Business: Residential and light commercial construction
 - Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of Debtor: Richey, Matthew, Former Partner Case Number: 390-367-39-H 13 in Oregon, Filed on 12/12/1990
 - Mr. Sereni's bankruptcy was dismissed on 12/18/1991 for failure to file IBM mailing cards (notice mail to creditors)
 - Report of Abandonment Filed on 2/11/1992

2. Case Number: 94-21973-M-7; In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General Partnership dba Pacific Coast Builders, A General Partnership
 - Voluntary Petition Filed: 9/12/1994
 - Estimated Liabilities in Thousands of Dollars: 100-499
 - Estimated Number of Creditors: 16-49
 - Estimated Number of Assets in Thousands of Dollars: Under 50
 - Type of Business: Construction
 - Nature of Business: Residential and light commercial construction
 - Total Assets: \$3,770.00
 - Total Liabilities: \$130,717.89

- No Assets Available to Pay Creditors
- Debtor Discharged: 1/12/1995
- Case Closed: 2/09/1995

B. Documents on file with the Secretary of State's Office and Comptroller of Public Accounts Office in Austin, Texas show:

- Falcon Realty Sales Co. Inc., although officially formed on February 1, 1960, Charter Number: 00094349-0, Falcon dates back to August 15, 1953, wherein its predecessor, Pummill Development Company, more specifically its shareholders, voted to amend its charter and change its name to Falcon Realty Sales Co., Inc and saw the emergence of the "Cross" family as officers. Mr. Sereni's wife is Jane Cross Sereni. PIR reports show Mr. Sereni as the President on October 10, 2002. On 2/13/2004, Falcon, with Mr. Sereni as President, forfeited its right to do business and/or its certificate of authority was revoked for failure to pay franchise taxes and/or failure to file a franchise tax return. It was not until May of 2004 that Falcon paid all of its franchise taxes and became eligible for reinstatement.
- Texas Plantations, Inc., formed by members of the "Cross" family on November 12, 1970, Charter Number: 00283905-0. Mr. Sereni's wife is Jane Cross Sereni. Records on file indicate Mr. Sereni had no specific role with this corporation, however, it subsequently merged in October 31, 1991 with Falcon Realty Sales Co., Inc. of which Mr. Sereni was President.
- Texas Plantations Incorporated, formed on May 23, 1993, Charter Number: 1273013-00 of which Daniel R. Sereni is its Secretary, Registered Agent, and Vice President forfeited its right to do business on 3/09/1999 and its Charter was forfeited on 8/20/1999 for failure to file a current year franchise tax report. The records indicate this Corporation transacted business under the assumed name of TPI in all counties of Texas.

- Texas Plantations Development, a Texas Corporation, formed on March 24, 1994, Charter Number: 1306831 of which Daniel R. Sereni is one of its initial Directors, President, and Registered Agent is an active corporation and in good standing. The records indicate this Corporation transacted business under the assumed names of Texas Plantations and TPD in all counties of Texas.
 - Burrito on the Rio, Inc., formed on May 16, 2000, Charter Number: 0158281600 of which Daniel R. Sereni is one of its initial Directors, President, and Registered Agent received notice from the Secretary of State's Office that there were grounds for forfeiture of the charter or certificate of authority. On 2/13/2004, the company was forfeited or its certificate of authority was revoked. It was not until May of 2004 that Burrito paid all of its franchise taxes and became eligible for reinstatement. The company's status is currently "NOT IN GOOD STANDING".
- C. A general search of the civil records of the United States District Courts for the Southern District of Texas Official web site (PACER) had the following result:
- Case Number; 7:94-cv-00102; Rivas v. Sereni, et al; Cause of Action; Farm worker Rights. Mr. Sereni and Mrs. Sereni were the 2 Defendants in the case. Texas Plantation Development, a Texas Corporation dba Texas Plantations was the company involved in the suit. The case was filed on 6/02/1994 and was "Dismissed-Settled" on 8/02/1994.
- D. An internet search was conducted using iDocket.com of the Hidalgo County District and County Courts. The search had the following results concerning DANIEL R. SERENI:
- Case Number: C-1025-01-C 214726; Rene Soliz vs. Daniel Sereni, Individually, Jeffrey Rotunno, Individually, Etal; Cause of Action; Accounts, Contracts, notes. Mr. & Mrs. Sereni, Falcon Realty Sales Co., Inc., and Texas Plantations, Inc. were 4 of 7 Defendants in the case. The case was filed on 6/08/2001

and was disposed on 10/27/2003. Docket entry shows an Agreed Motion of Non-Suit with Prejudiced was filed.

- Case Number: C-4559-95-B 134187; Edward Murphy vs. Dan Sereni & Jane Cross; Cause of Action; Injury or Damage Other Than Motor Vehicle. The case was filed on 8/31/1995 and was dismissed for want of prosecution on 8/18/1998.

Public records appear to indicate Mr. Sereni, like Mr. Bower, has a history of litigation issues and financial issues of his own as well. Mr. Sereni has little or no experience in the "affordable housing" market.

Cynosure's October 2005 response to Mr. Sereni's involvement with Texas Plantations was that Mr. Sereni's ex-wife had control of the company. At that time, Mr. Sereni was still married. Their divorce was not final until April, 2006. The records indicate at one time or another Mr. Sereni had and currently has some type of connection or involvement with all 3 companies.

Additional responses from Cynosure stated that no company owned or controlled by Mr. Sereni has had its authority to do business terminated by the State of Texas. The above discussion on Falcon Realty Sales Co. Inc, Texas Plantations Incorporated, and Burrito on the Rio, Inc. contradict this statement.

III. Cynosure

Cynosure's compliance history as it relates to the TDHCA application process is unfavorable.

For example:

During Cynosure's first application to TDHCA the notification sign was not posted within the statutory time prescribed.

During the second application the notification sign posted on Fairbanks N. Houston RD., Houston, TX lists the address of the proposed development as 7810 Fairbanks N. Houston Rd., while the application lists the address as 8038 Gatehouse Dr., Houston, TX

Also during the second application period Mr. Bower allowed the water commitment for Rolling Creek Apartments to lapse on 8/6/2005. He did not request another water commitment until 9/27/2005.

The only way to judge a person's future action is on their past actions. Mr. Bower and Mr. Sereni do not appear to have exhibited fiscal responsibility and due diligence in the past. The information provided to you should raise many critical questions. The investigation of Mr. Bower and Mr. Sereni raises serious issues and concerns about their respective past, present and future.

Based on the facts above, FAP respectfully requests that you DENY this application in accordance with the Texas Department of Housing and Community Affairs Multifamily Finance Division 2006 Multifamily Housing Revenue Bond Program and the Texas Administrative Code, specifically, Title 10, "Community Development", Part I., "Texas Department of Housing and Community Affairs", Chapter 35, "Multifamily Housing Revenue Bond Rules", Rule 35.6, "Application Procedures, Evaluation and Approval", (i): which states as follows:

"Public Hearings; Board Decisions

The Department's Board will consider the following topics in relation to the approval of a proposed Development:

(11) 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."

In addition, a possible review of section 35.6 (g), "Evaluation Criteria" (5)(C) and (6) might be warranted in this case.

Further authority is found in the Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2006 Housing Tax Credit Program Qualified Allocation Plan and Rules with Amendments, section 50.10, "Board Decisions; Waiting List: Forward Commitments", (a), "Board Decisions." (2) which states as follows:

In making a determination to allocate tax credits, the Board shall be authorized to not rely solely on the number of points scored by an Application. It shall in addition, be entitled to take into account, as it deems appropriate, the discretionary factors listed in this paragraph. The Board may also apply these discretionary factors to its consideration of Tax Exempt Bond Developments. If the Board disapproves or fails to act upon an Application, the

Department shall issue to the Applicant a written notice stating the reason(s) for the Board's disapproval or failure to act. In making tax credit decisions (including those related to Tax Exempt Bond Developments), the Board, in its discretion, may evaluate, consider and apply any one or more of the following discretionary factors: (2306.111(g)(3) and 2306.066(f))
(S) any matter considered by the Board to be relevant to the approval decision and in the furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code; or
(T) other good cause as determined by the Board.

In addition, a possible review of section 50.5, "Ineligibility, Disqualification and Debarment, Certain Applicant and Development Standards, Representation by Former Board Member or Other Person.", (a)3 and (b)(1) might be warranted in this case.

*Supporting documents available on request

HCFCD gets more FEMA funds for buyouts

By Greg Densmore
Editor

Harris County Flood Control District has received an additional \$6 million from the Federal Emergency Management Agency to purchase homes through a voluntary home buyout program.

HCFCD's local match is \$2 million, bringing to total to \$8 million, said Heather Saucier, the District's media and communications manager.

According to Saucier, the FEMA funds were made available through a Hazard Mitigation Grant Program HCFCD applied for after Hurricane Rita devastated parts of Texas last year.

Most of the homes eligible for the grant money are located in northwest Harris County. HCFCD expects to be able to purchase between 50 and 70 homes and help residents move to higher ground.

"Homes included in the initial grant application were chosen because they were located hopelessly deep in the floodplain or had repetitive loss claims," noted Saucier.

In other news, Saucier said HCFCD has awarded a \$5.9 million contract to Shaw Environmental, Inc., to begin excavating a stormwater detention basin adjacent to Greens Bayou.

The basin is located at the confluence of Greens and

Garners bayous in northeast Harris County. The first of two construction phases is expected to begin in August and take 300 working days to complete, according to Saucier.

The basin will benefit those residents living near Greens Bayou downstream of the basin site. Its purpose is to store stormwater that might otherwise flood homes and businesses.

It is hoped the new stormwater detention basin adjacent to Greens Bayou will be as successful as HCFCD projects that prevented flooding in the city of Jersey Village when a heavy storm hit that area June 19.

The projects involved the widening of White Oak Bayou, the building of a secondary channel to divert stormwater around Jersey Village and excavation of massive stormwater detention basins.

"The channel was within inches of going over its banks," said Jersey Village Mayor Ed Heathcott. "Had the Flood Control District not done the work on White Oak Bayou, we would have flooded."

During the June 19 storm, which dropped more than 10 inches of rain in some parts of the city, White Oak Bayou did not flood any homes, as it has in the past in Jersey Village. Saucier said results of preliminary modeling show that water surface elevations

in White Oak Bayou were reduced by 1 foot to 1.5 feet in the Jersey Village area, keeping stormwater within the channel's banks.

Jersey Village also escaped flooding during heavy rains last December because of HCFCD projects, said Saucier.

"The citizens of Jersey Village recognize the benefits of the improvements to White Oak Bayou in our area," said Heathcott.

To date, HCFCD has spent an estimated \$68 million to:

- Widen 7.5 miles of White

Oak Bayou from Tidwell to the Sam Houston Tollway;

- Construct the Jersey Village Channel, which diverts some water in White Oak Bayou around the city of Jersey Village;

- Purchase roughly 500 acres of property for 10 regional detention basins, and construct eight of those 10 basins.

The combined storage capacity of these eight completed basins is 1.1 billion gallons of stormwater, or more than two Reliant Astrodomes of volume.

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Opposition remains against apartment complex / Housing board to decide fate of Rolling Creek project on Nov. 10

By KIM JACKSON

Staff

Northwest Harris County residents who showed up at a recent public hearing voiced opposition to a proposed low-to-moderate income apartment complex near their homes off *Fairbanks* - North Houston Road.

Several people at the meeting were members of the grassroots *Fairbanks Area Partnership* coalition, a group working to defeat Cynosure Developers' attempts to secure funding for the Rolling Creek Apartment complex.

The coalition has collected close to 1,500 signatures on a petition against the project.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build the 248-unit apartment complex at 8038 Gatehouse Drive.

Several residents spoke at the meeting, saying they do not want the Texas Department of Housing and Community Affairs to approve the developer's application to build the complex on a 25-acre site at Gatehouse Drive and Tami Renee Lane, because it would add to the *area*'s flooding, traffic, apartment vacancy and school overcrowding problems.

Build it somewhere else, they said.

Mark Bower, co-manager of Cynosure Developers, said the company would proceed with the application process despite community opposition.

The state housing department's board is expected to make a decision on Cynosure's application at a Nov. 10 meeting.

Jackie Remmers, a Rolling Fork subdivision resident and coalition committee chairman, said several residents have signed up to ride a bus to Austin to speak against the application at that board meeting.

Robbye Meyer, multifamily bond administrator for the housing department, said the six-member board would receive copies of all public and written comments made at the public hearing, as well as comments submitted to the department through Oct. 28.

"We (housing department staff) will give an objective recommendation to the board on whether or not the project is financially feasible," Meyer said. "The board is the one who takes public comments into account and makes the determination whether or not the application moves forward."

Rodney Coleman, a Rolling Fork subdivision resident, said he was concerned about overdevelopment and flooding in the *area*, which is located in the White Oak Bayou watershed.

"Our family has been personally devastated three times by flooding," Coleman said. "Land development in the White Oak Bayou watershed is obviously way ahead of what the watershed can handle. The amount of runoff that would come from this 25-acre (apartment) development is going to hurt us downstream."

Neighbor Terry Ryan asked why the state would approve another affordable-housing complex when there already are three others, and numerous privately funded apartment complexes, in the *area*.

Woodland Trails resident Deborah Garza said Reed Elementary, which is located across the street from the proposed complex, already is overburdened and overcrowded.

"This school does not have the space or funding to provide services for children from an economically disadvantaged background," Garza said. "There are other schools and locations that could give them the services they need."

After the hearing, Bower said he did not want to comment on the issues raised by residents.

In past Houston Chronicle articles, Bower said his company is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

Bower said project plans include a 5-acre detention pond to hold water and prevent further flooding. He said the company would sponsor after-school programs for children who live in the complex, and would install a four-way traffic light at Tami Renee Lane and *Fairbanks* -North Houston so that there is a safe way to get in and out of the street that leads to the proposed complex.

Bower has said that the people who will live in the complex will be hard-working people - just like *area* neighborhoods. He said the property would be gated and guarded.

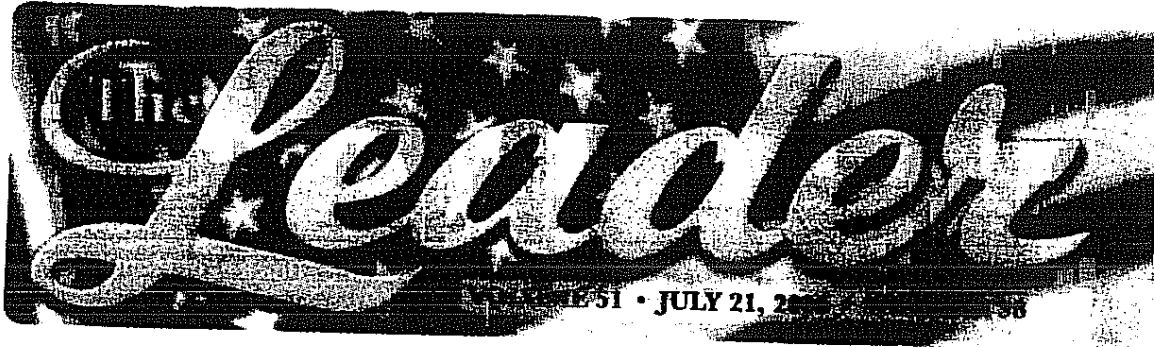
Rolling Creek's tenants could earn no more than \$21,000 to \$42,000 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

WANT TO COMMENT?

The Texas Department of Housing and Community Affairs is taking comments on the Rolling Creek Apartment project, 8038 Gatehouse Drive, until 5 p.m. Oct. 28.

- Comments can be sent to Robbye Meyer at: TDCHA, P.O. Box 13941, 507 Sabine St., Suite 700; Austin, Texas, 78711-3941; or by e-mail to robbye.meyer@tdhca.state.tx.us. She also can be contacted at 512-475-2213 or 512-475-0764.
- Application vote: The state housing department's six-member board is scheduled to vote on the Rolling Creek application at its Nov. 10 meeting, which starts at 10 a.m. in the TDHCA board room, 507 Sabine St., Austin, Texas.

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Round two coming up

Fairbanks Area Partnership hosts barbecue to raise funds in fight against development

By Greg Densmore
Editor

A fund-raising barbecue to help a Fairbanks-North Houston neighborhood fight a proposed apartment complex will be held 1 p.m. to 5 p.m. Sunday, July 31, at the Rolling Fork Clubhouse, 9110 Rodney Ray.

In addition to barbecue, the event features a silent auction as well as bingo and children's games. Tickets cost \$7 for adults and \$4 for children 6 years old and under. A limited number of tickets will be sold at the door, and takeout will be available.

Proceeds will benefit the Fairbanks Area Partnership, which opposes the issuance of tax-exempt, multi-family bonds and tax credits for the construction of the Rolling Creek Apartments at 8038 Gatehouse. The site of the complex is located south of Breen one block east of Fairbanks-North Houston Road.

Earlier in the year, the developers of the project withdrew their application following

strong opposition by residents of the Rolling Fork, Courtyard Glen, Woodwind Lakes, Wood Trails West and Carriage Lane subdivisions.

Over 400 community members attended a February public hearing at Bane Elementary School to protest the project. Prior to that meeting, petitions with over 1,200 signatures opposing the complex were collected.

However, the Corpus Christi-based developers, Mark Bower and Daniel Sereni of Cynosure Development, have since reapplied and are now waiting approval of a bond allocation from the Texas Bond Review Board, said FAP member Marianne West.

Efforts to contact either Bower or Sereni for comment were unsuccessful.

"There are several reasons why we oppose the project," said West.

Foremost on the list is the probability that the project will cause increased flooding in the Fairbanks-North Houston area. Past flooding has resulted in over \$38 million of flood

buyouts for the area.

"There is also concern about the imminent cut-through traffic in Courtyard Glen due to the location of the entrance of the apartments," said West. "Our research shows there is no need for more apartments in this area."

The developers' decision to resurrect the project means there will be another comment period during which the Texas Department of Housing and Community Affairs will decide whether to issue the bonds.

Also on the horizon — another public hearing and, for FAP, another petition-signing campaign.

"New petitions will have to be submitted," said West.

Those who attend the July 31 benefit will have the opportunity to sign a petition. Petitions will also be circulated throughout the affected neighborhoods.

"FAP volunteers are committed to see this effort through to its conclusion," said West.

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Meeting to spotlight apartment plans /Residents can discuss Rolling Creek proposal

By KIM JACKSON

Staff

State housing department officials said they will not delay a public hearing tonight on the proposed Rolling Creek Apartment complex project off *Fairbanks* -North Houston Road in the aftermath of Hurricane Rita.

Gordon Anderson, spokesman for the Texas Department of Housing and Community Affairs, said residents are encouraged to come out and voice support, concerns and comments at the state-sponsored hearing, which starts at 6:30 p.m. at Reed Elementary School, 8700 Tami Renee Lane.

Members of the grassroots *Fairbanks Area Partnership* coalition, who are battling the Rolling Creek Apartment developers' attempts to secure state funding for a low- to moderate-income apartment complex near their homes off *Fairbanks* -North Houston Road, said they expect to see a turnout at the public hearing.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build a 248-unit apartment complex at 8038 Gatehouse Drive.

"We are cautiously optimistic that we will have a sizable crowd there even though some people are still getting back in town," said Jackie Remmers, a Rolling Fork subdivision resident and FAP committee chairwoman. "I will be surprised if we don't have at least as many as at the last public hearing in February - we had over 400 people there."

The coalition held a community rally Sept. 17 to garner support for their cause, and to gather signatures on a petition opposing issuing tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the construction of the proposed Rolling Creek Apartment complex.

Remmers said more than 300 people came and went throughout the course of the two-hour rally. She said residents and public officials - state Reps. Peggy Hamric, R-Houston, and Gary Elkins, R-Houston, and a representative from U.S. Rep. John Culberson's office - voiced concerns about potential flooding, traffic and school overcrowding issues if the apartment complex is built.

"We already have three housing tax-credit, and one (U.S. Department of Housing and Urban Development) Section 8, apartment properties in this *area*," Remmers said. "This *area* had an

80 percent apartment occupancy rate pre-Katrina. Some facilities are full now, but they won't be full forever."

The state housing board should make a decision on the Cynosure's application at a Nov. 10 meeting in Austin.

Mark Bower of Cynosure Developers said his company is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

Bower said project plans include a 5-acre detention pond to hold water and prevent further flooding. He said the company would invest \$20 million in the project and, in addition to a quality construction, would sponsor after-school programs for children who live in the complex.

Bower said the impact on traffic in the *area* should be minimal. The company is also building a traffic light at Tami Renee Lane and *Fairbanks* -North Houston so that there is a safe way get in and out of the street that leads to the proposed complex. That light will benefit existing neighborhoods that branch off of Tami Renee Lane, he said.

The federal government offers tax-exempt bonds and tax credits as an incentive for developers to build housing with controlled rents.

Rolling Creek's tenants could earn no more than \$25,620 to \$42,480 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

WANT TO GO?

- What: Public hearing on proposal to build a low- to-moderate-income apartment complex at 8038 Gatehouse Drive, off *Fairbanks* -North Houston Road.
- When: 6:30 tonight
- Where: Reed Elementary, 8700 Tami Renee Lane.
- Details: For more information, contact Robbye Meyer at the Texas Department of Housing and Community Affairs, 507 Sabine, Austin, Texas 78701; 512-475-2213; and/or robbye.meyer@tdhca.state.tx.us.

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Group to rally against housing complex /State to host Sept. 29 hearing on low-income apartments

By KIM JACKSON

Staff

Members of the grassroots *Fairbanks Area Partnership* coalition are preparing for their next battle against a developer trying to secure state funding for a low-to-moderate income apartment complex near their homes off *Fairbanks* -North Houston Road.

The coalition will hold a community rally, 11 a.m.-1 p.m. Saturday in front of Faith Assembly Church, 7755 *Fairbanks* -N. Houston Road.

At the rally they will gather support and signatures on a petition opposing issuing tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the construction of the proposed Rolling Creek Apartment complex.

Coalition members said they also would collect donations of nonperishable food items, personal hygiene items, medical supplies and school supplies for Hurricane Katrina Relief efforts at the rally.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build a 248-unit apartment complex at *Fairbanks* North Houston Road near Summertree Drive.

The developer submitted the application this week, and the housing board should make a decision on the matter at a Nov. 10 meeting in Austin.

Mark Bower of Cynosure Developers said he has no comment about residents' decision to hold the rally, and does not believe it will have an impact on the state's decision to fund the apartment project.

Jackie Remmers, a Rolling Fork subdivision resident and FAP committee chairman, said coalition members will encourage residents to speak against the project at a state-sponsored public hearing 6:30 p.m. Sept. 29 at Reed Elementary School, 8700 Tami Renee Lane.

"Our big concern is flooding," said Remmers. "I have talked to so many people who are not aware of how much the government has already spent on flood repairs and home buyouts in our *area* and it still floods. Who wants to build another apartment complex where it floods?"

Remmers said coalition members also believe the *area* already has a sufficient number of affordable income apartment complexes, two within two miles of the proposed Rolling Creek project, and that transportation for residents would be an issue because there is no public transportation available within walking distance of the proposed complex.

Bower said Cynosure is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

"We are building a 5-acre detention pond to hold our water, and prevent further flooding," Bower said. "We also did a traffic study and found the impact of our traffic on *Fairbanks* -North Houston, which is already a busy street, would be negligible."

"I think there is a misconception out there that the people we will bring will be on welfare and commit crimes. The people that will live in our complex will be hard-working people - just like many of the neighborhoods in the *area*. No one would lend us money if we planned on building a complex that we would allow to deteriorate and bring in crime. We wouldn't either - we have \$20 million invested in the project."

Melissa Brandon, coalition secretary and a Courtyard Glen resident, said residents who oppose the project want Texas Department of Housing and Community Affairs board members to take the opposition into consideration when they make their decision about issuing bonds and tax credits for the project.

The federal government offers tax-exempt bonds and tax credits as an incentive for developers to build housing with controlled rents.

Rolling Creek's tenants could earn no more than \$25,620 to \$42,480 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

Brandon said residents in several neighborhoods, Rolling Fork, Woodwind Lakes, Courtyard Glen, Carriage Lane, Woodland Trails West, Creekside Estates, Burger Estates, Terrace Brook and Laurel Creek, have sent letters of opposition to the state agency and the coalition's petition has over 1,200 signatures.

More than 400 people spoke out against the project at a public hearing in February, and Cynosure Developers withdrew their application a month later.

However, the same company reapplied for state funding in April.

"We have to believe that somehow our voice makes a difference," Brandon said. "We hope in the future, the state changes its criteria to take into account how a project affects the surrounding community."

Gordon Anderson, spokesman for the Texas Department of Housing and Community Affairs, said public comments and letters of opposition, or support, are not assigned points in the overall score given to the application, but board members do take those factors into account before making their decision.

"It does catch the board's attention when there is significant opposition to a project, and they are sensitive to the community, but they are also sensitive to the need for affordable housing in an *area*," Anderson said.

"We always encourage public comment."

WANT TO GO?

- What: *Fairbanks Area Partnership* Coalition will hold a community rally to inform *area* residents about their opposition to a proposed low-to-moderate income apartment project on *Fairbanks* N. Houston Road, and to gather signatures on a petition opposing the issuance of tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the project
- When: 11 a.m. to 1 p.m. Saturday.
- Where: In front of Faith Assembly Church, 7755 *Fairbanks* -N. Houston Road

WANT TO GO

- What: Public hearing on proposal to build a low- to-moderate-income apartment complex on the 7800 block of *Fairbanks* North Houston.
- When: 6:30 p.m. Sept. 29
- Where: Reed Elementary, 8700 Tami Renee Lane.
- Details: For more information contact Robbye Meyer at the Texas Department of Housing and Community Affairs, 507 Sabine, Austin, Texas 78701; 512-475-2213; and/or robbye.meyer@tdhca.state.tx.us.

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FAP fund-raising barbecue draws large crowd

Member neighborhoods of the Fairbanks Area Partnership hosted a very successful fund-raising barbecue July 31 at the Rolling Fork Clubhouse, 9110 Rodney Ray.

Many of the more than 700 ticket-holders arrived early for the scheduled 1 p.m. start of the barbecue dinner and kept the servers busy filling plates with brisket, chicken, sausage, beans and salads until the doors closed at 5 p.m. and even later. There was a spirited silent auction, raffles and bingo as well.

Residents of Rolling Fork, Courtyard Glen, Woodwind Lakes and Woodland Trails West joined forces to raise money for anticipated expenses to fight the construction of the Rolling Creek Apartments. The site of the apartments is 8038 Gatehouse, south of Breen and one block east of Fairbanks-N. Houston.

Petitions were available for signatures at the barbecue. There will be another opportunity for signatures at the Rolling Fork Clubhouse from

10 a.m. to 2 p.m. Saturday, Aug. 27.

Anyone 18 years or older can sign the petition as well as multiple adult members of a household. The group is anticipating collecting many more than the 1,200 signatures it collected last January and February prior to the public hearing at Bane Elementary in February.

Shortly after the February hearing, Mark Bower and Daniel Sereni of Cynosure Development withdrew their application. However, they have since reapplied and are now awaiting approval of a bond allocation from the Texas Bond Review Board.

The developers' decision to resurrect the project means there will be another comment period during which the Texas Department of Housing and Community Affairs will decide whether to issue the bonds. Another public hearing will possibly be held this fall.

The FAP opposes these apartments mainly because of the likelihood of increased flooding in the Fairbanks-North Houston area. Past flooding has resulted in more than \$38 million of flood buyouts and almost twice that amount in flood repairs.

Additionally, the group notes that local schools would see an increase in the enrollment of economically disadvantaged students, further stretching their already thin resources.

Finally, FAP believes the project would fuel an increase of traffic in the neighborhood.

"The entrance to the apartments on Gatehouse will dramatically increase cut-through traffic in Courtyard Glen," said FAP member Marianne West, "especially at the intersection of Gatehouse and Summer-

tree," which is the first school bus stop in the Courtyard Glen Subdivision.

FAP hopes for an even larger turnout at a Public Awareness Rally set for Saturday, Sept. 17, from 11 a.m. to 1 p.m. at Faith Assembly Church, 7755

Fairbanks-N. Houston. Government officials who have opposed Rolling Creek have been invited to speak.

Anyone interested in becoming involved with FAP or making a donation should e-mail Jackie Remmers at primmers@houstonsrr.com or e-mail West at fandmwest@earthlink.net.

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AROUND THE *AREA*

BARBECUE DINNER

Coalition to host July fund-raiser

The *Fairbanks Area Partnership*, a coalition of neighborhoods, will host a fund-raiser barbecue from 1-5 p.m. July 31 at the Rolling Fork Clubhouse, 9110 Rodney Ray. The *Fairbanks* -North Houston *area* group is opposing the issuance of tax-exempt multifamily bonds and tax credits for the construction of Rolling Creek Apartments at 8038 Gatehouse Drive.

In addition to the dinner, there will be a silent auction, bingo games, and children's activities. Tickets are \$7 for adults; \$4 for children ages 6 years and younger. New petitions opposing the project will be available for signing at the barbecue.

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Gordon Anderson, spokesman for the Texas Department of Housing and Community Affairs, said residents are encouraged to come out and voice support, concerns and comments at the state-sponsored hearing, which starts at 6:30 p.m. at Reed Elementary School, 8700 Tami Renee Lane.

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By KIM JACKSON

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WANT TO COMMENT?

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- Application vote: The state housing department's six-member board is scheduled to vote on the Rolling Creek application at its Nov. 10 meeting, which starts at 10 a.m. in the TDHCA board room, 507 Sabine St., Austin, Texas.

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March 29, 2006, 11:02PM

Housing shortage could leave evacuees homeless

Study finds few apartments the poor can afford

By **MIKE SNYDER**

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Thousands of Houston hurricane evacuees will be unable to find apartments they can afford as their city vouchers expire in coming months, raising concerns that a number could end up homeless.

A new study of the Houston area's rental housing market, commissioned by the Texas Department of Housing and Community Affairs, found a shortage of almost 14,000 apartments affordable to families of five earning up to \$26,360 a year — the income category thought to apply to most Hurricane Katrina and Rita evacuees living in Houston.

It found a surplus of 2,685 apartments affordable to families earning from about \$27,000 to about \$40,000 annually. This is the income range primarily served by the federal Low-Income Housing Tax Credit program.

States award tax credits to low-income housing developers, who sell them to investors to help pay for their developments. They are the nation's largest financing source for low-cost housing.

The Treasury Department recently authorized an additional \$3.5 million in tax credits to help Texas hurricane evacuees, and the state has asked for an additional \$45 million in credits. But the new study shows that reliance on this program to house evacuees is not likely to be effective.

The study "demonstrates conclusively that additional low-income housing tax credit apartments will not serve to house the overwhelming numbers of lower-income families who are in need of housing in the wake of the hurricanes," said John Henneberger, co-director of the Austin-based Texas Low-Income Housing Information Service.

The city vouchers generally will expire in September or October. But about 6,700 of the almost 35,000 tenants using vouchers signed six-month leases that are starting to expire now, and landlords are not obliged to extend the leases.

An unspecified number of evacuees will qualify for the Federal Emergency Management Agency's individual assistance program, which will provide cash payments that the tenants can use to pay their rent. That assistance will end about a year from now.

Other options are scarce. More than 16,000 people are on a waiting list for public housing in Houston, and the list for federal Section 8 subsidized housing vouchers has been closed since 2001.

Evacuees in Houston are worried about what they will do when their vouchers and other assistance end, said Dorothy Stukes, the president of the ACORN Katrina Survivors Association.

Stukes said she and her son-in-law hope to buy property to build a house in the Houston area, but she has been unable to find a job that would make this possible.

Evacuee Kemberly Samuels, 52, said she has reviewed apartment listings in the newspaper but can't see how she could pay for housing on her own.

"I have no idea what I'm going to do," said Samuels, who worked in the New Orleans public school system for many years but hasn't found a job in Houston. "A lot of people are saying that they're just going to be homeless."

While it's likely that some evacuees will become homeless, predicting the number is difficult, said Anthony Love, the chief executive officer of the Coalition for the Homeless of Houston-Harris County.

"The worst-case scenario would be a deluge of individuals heading toward services or headed for the streets," Love said. Agency leaders have been discussing ways to increase their capacity to meet the additional demand, he said.

Advocates for affordable housing have long known that the supply of housing available to very poor families is insufficient in Houston and nationally. The state study provides a more precise measure of the shortage in the Houston area.

The study by Vogt Williams & Bowen projects the shortage in Houston will grow to almost 24,000 apartments by 2009.

The state housing agency ordered the study after some members of its board questioned the accuracy of market studies submitted by developers to support their tax credit applications, agency spokesman Michael Lyttle said.

The Texas Low-Income Housing Information Service, which features an article on the state study in its latest newsletter, is lobbying members of Congress to change the tax credit formula in a way that would expand the use of the program to build apartments for the very poor.

While this would result in fewer tax-credit apartments being built because they would require higher subsidies, it would create units that "would actually be affordable to very low-income evacuees," the newsletter says.

Information about evacuees' income levels is limited, but the available evidence suggests most are in the "very poor" category. A survey by the Washington Post, the Henry J. Kaiser Foundation and the Harvard School of Public Health showed that among Katrina evacuees who fled to Houston shelters, seven in 10 did not have a checking or savings account.

mike.snyder@chron.com

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July 20, 2006, 12:11PM

ROLLING CREEK APARTMENT COMPLEX

Developer reapplies for building permit

Residents can make comments about the project at Aug. 7 meeting

By **KIM JACKSON**

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Several residents say they are preparing for the third round of a fight against a developer that plans to build a low- to moderate-income apartment complex near their neighborhoods off Fairbanks-North Houston Road.

In April, Corpus Christi-based Cynosure Developers submitted its third application with the Texas Department of Housing and Community Affairs for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build the 248-unit Rolling Creek apartment complex, 8038 Gatehouse Drive.

Taking comments

The state housing department will hold a public hearing on Cynosure's application at 6 p.m. Aug. 7 at the Crowne Plaza Hotel's Plaza Room, 12801 Northwest Freeway. The department will take public comments on the project at that time, said Gordon Anderson, the state housing department's spokesman.

Members of the grass-roots Fairbanks Area Partnership coalition, a group of residents opposed to the construction of that Rolling Creek apartment complex, said they will voice opposition to the project as they have done at the two public hearings on the two defunct applications the developer submitted in 2005.

"We are not surprised that they (Cynosure owners) reapplied," said Jackie Remmers, committee chairman of the Fairbanks Area Partnership. "We have been waiting."

The applications

Cynosure withdrew the first application in February 2005, and the second application in December 2005. The state housing department board did not have a chance to make a final decision on either application, and the developer was eligible to apply again in the 2006 funding cycle, Anderson said.

Daniel Sereni, co-manager of Cynosure Developers, said the company withdrew its first application for business reasons, and the second application because of skyrocketing construction costs in the aftermath of hurricanes Katrina and Rita.

Sereni said he is aware the coalition has not given up efforts to have the company's application denied. He said he understands their concerns.

At both public hearings in 2005, residents opposed to the project said it could add to the area's flooding, traffic, apartment vacancy and school overcrowding problems.

Petition drive

The coalition continues to gather signatures on a petition against the project. The group will be collecting signatures today at the entrance to the Courtyard Glen subdivision on Summertree Drive from 4-7 p.m.; Tuesday from 4-7 p.m. at the Rolling Fork Clubhouse, 9110 Rodney Ray; Thursday from 6-8 p.m. at the Woodland Trails club and pool, 7446 Woodland West Drive;

Also on Monday, July 31 from 5-7 p.m. at the Woodwinds Lakes family pool, 9015 Woodwind Lakes Drive.

kimberlye.jackson@chron.com

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Total # 1867

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 STAMI RENE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
KATH	<i>[Signature]</i>	8403 Holmwood	77040	713 849 3391	
FRANK MARTIN	<i>[Signature]</i>	8314 Holmwood Dr	77040	713 896-8852	
George Robinson	<i>[Signature]</i>	715 13th Ave N.	77590	409 949 9892	
Jose Ramirez	<i>[Signature]</i>	7871 Gatehouse	77040	713 899-9019	
Maria Senaides	<i>[Signature]</i>	7871 Gatehouse Dr	77040	713 849-9019	
JEFFREY ARNTZEN	<i>[Signature]</i>	7851 Gatehouse Dr	77040	713 937-8482	
Fran Alexander	<i>[Signature]</i>	7847 Gatehouse Dr	77040	713 896-9608	
Jan Nguyen	<i>[Signature]</i>	8310 Holmwood Dr	77040	713 937 8692	
Cherice	<i>[Signature]</i>	8002 Woodland	77040	713 937 7774	
KHANH PHAM	<i>[Signature]</i>	7870 Whitehill	77040	(832) 530-1941	
Carolyn Saylor	<i>[Signature]</i>	7802 Whitehill	77040	713 983 9887	
Joan C. Valdez	<i>[Signature]</i>	7111	11111	713 702 8534	
Frederico Valdez	<i>[Signature]</i>	8323 Holmwood Dr	77040	713 856 9580	
MARIA L. NIETO	<i>[Signature]</i>	8323 Holmwood Dr	77040	713 856 9580	
JESUS DAVAL NIETO	<i>[Signature]</i>	8323 Holmwood Dr	77040	713 856 9580	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BOND FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Contact information will be kept in confidential and will only be used to update residents regarding this issue.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Blanca Lopez	<i>[Signature]</i>	9918 W. Hill	77040	713 254 2574	
Jared Chlebicki	<i>[Signature]</i>	7850 Hillbarn Dr	77040	713 937 4438	
Isabella Lamphere	<i>[Signature]</i>	7850 Hillbarn Dr	77040	713 937 4438	
Julie Heilmann	<i>[Signature]</i>	7854 Hillbarn	77040	713 244-6941	
Maritza Canaud	<i>[Signature]</i>	8206 Summertree	77040	713-937-8502	
MARY L. LAWRENCE	<i>[Signature]</i>	7855 Sun Crest Dr	77040	832-467-9141	
Diana Pena	<i>[Signature]</i>	7858 Terra Cotta	77040	713-849-3926	
Brenda Bell	<i>[Signature]</i>	7854 Terra cotta	77040	713-849-9933	brebell@sbcglobal.net
Donald Follard	<i>[Signature]</i>	7854 Terra cotta	77040	713-849-9933	
DAKIE PEREZ	<i>[Signature]</i>	7847 Terra Co Hill	77040	281 748 7557	
Glen & Sue Bost	<i>[Signature]</i>	8323 E Ridge	77040	713 937 6994	
Rigoberto Guevara	<i>[Signature]</i>	8322 Summertree	77040	713-550-3515	rigo.inhouston@yahoo.com
Miriam Martinez	<i>[Signature]</i>	8322 Summertree	77040	713-550-3515	miriam71078@yahoo.com
GEORGE NELSON	<i>[Signature]</i>	8410 Holmwood Dr	77040	832-467-0252	GTNELSON@SBCGLOBAL.NET
Bettie Nelson	<i>[Signature]</i>	8410 Holmwood Dr	77040	832-467-0252	BE-Nelson@SBCGlobal.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
EG Jeff Lewis		7838 REDLANDS	77040	713-896-0611	0FBUL@SBCGLOBAL.NET
CG ANNE HARRIK		7839 Greenbriar	77040	713-896-6232	janee.nawil@escglobal.net
GEERY PICOLO		7897 Goddard Dr.	77040	713-466-6412	
RF Kim Nguyen		8907 Fairbloom Ln.	77040	713-937-1632	ms_knguyen@yahoo.com
Nancy M. Hester		8425 CIENNA DR	77040	713-983-7016	
PEGGY L. WARD		8334 CIENNA DR.	77040	713-896-4287	WARDCIENNA@SBCGLOBAL.NET
GENEVA FEATHERSTONE		1111 Creekside Green Ct	77040	281-969-9516	
Yvonne Patricia R. Green		7855 Winehill Ln.	77040	713-983-6572	
Donna Duke		8310 Cienna Dr.	77040	713-983-8827	dare@dduke.net
Larry Gomez		12703 Enchanted Path	77044	281-454-7430	
Sarah Robinson		8214 Summerfield	77040	713-896-0027	srobinson1@prodigy.net
Maria P. Moreno		8422 Holmwood Dr.	77040	713-896-8964	
Genesis Nino		6031 SHIRING WINDS	77086	281-951-5040	nisaac@aol.com
Griseida Orlinos		6031 SHIRING WINDS	77086	281-951-5040	
Ann E. Gandy		8411 Holmwood Dr.	77040	713-983-8894	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 IAMLRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Viktor Braun	<i>[Signature]</i>	7879 6th St	77040	713-456-1370	
Joyce M. William	<i>[Signature]</i>	8435 Cienna Dr.	77040	713-856-9691	
Rose G. Morales	<i>[Signature]</i>	8423 Cienna Dr.	77040	913-983-7016	
Luis M. Moreno	<i>[Signature]</i>	8322 Cienna Dr.	77040	713-872-2865	
Jane Carroll	<i>[Signature]</i>	8319 Cienna Dr.	77040	713-954-9442	
Linda Luster	<i>[Signature]</i>	8303 Cienna Drive	77040	713-856-6109	
Linda Tristan	<i>[Signature]</i>	8215 Cienna Dr.	77040	713-849-3271	
Stephanie Justin	<i>[Signature]</i>	8215 Cienna Dr.	77040	(7) 819-3271	
Michael Noguera	<i>[Signature]</i>	8203 Cienna Dr.	77040	832/8167-0546	
Amparo Noguera	<i>[Signature]</i>	8306 Holwood Dr.	77040	713-896-8500	
MEN NGUYEN	<i>[Signature]</i>	7910 Winemilk Ln	77040	713-466-3599	
Ever Moya	<i>[Signature]</i>	10070 Westpark	77082	713-334-1167	
Andres Moya	<i>[Signature]</i>	10070 Westpark	77042	(713) 334-1167	
MARCELO Moya	<i>[Signature]</i>	10070 Westpark Dr.	77042	(713) 334-1167	
Raquel Moya	<i>[Signature]</i>	8203 Summer Tree Dr.	77040	713-844-7921	

CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BOND FOR ROLLING CREEK APARTMENTS: 8700 FAMILRENEE HOUSTON TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students; our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG Elizabeth Foster	<i>Elizabeth Foster</i>	7834 Redlands	77040	713-937-8328	betsyflo@earthlink.net
Amanda Terry	<i>Amanda Terry</i>	7801 Redlands	77040	832-467-0378	
Kim D	<i>Kim D</i>	7819 Redlands	77040		
Cynthia Lartigue	<i>Cynthia Lartigue</i>	7806 Redlands	77040		
LAZARAD SAREZ	<i>Lazara D. Sarez</i>	7803 REDLANDS	77040	713-849-4902	
Jeremy Flores	<i>Jeremy Flores</i>	8339 E Ridge	77040	(713) 732-5190	
DIANA CISNEROS	<i>Diana Cisneros</i>	8347 E. Ridge	77040	713-983-9034	
Samuel Acuna	<i>Samuel Acuna</i>	H..	281	704-4971	
Alice Perabo	<i>Alice Perabo</i>	7826 Hillbarn	040	713 856-9311	
David Nickerson	<i>David Nickerson</i>	7815 Hillbarn	77040	832 6871076	nickerson-d@yahoo.com
Samuel Herrera	<i>Samuel Herrera</i>	7819 Hillbarn Dr.	77040	(832) 467-3869	
Arceli Herrera	<i>Arceli Herrera</i>	7819 Hillbarn Dr.	77040	(832) 467-3869	
BARBARA KASEL	<i>Barbara Kassel</i>	7831 Hillbarn Dr.	77040	713-949-9060	
Maria Rodriguez	<i>Maria Rodriguez</i>	7838 Hillbarn Dr.	77040	832-5777645	
Manisco Rodriguez	<i>Manisco Rodriguez</i>	7858 Hillbarn Dr.	77040	832-5773450	

RF=Rolling Fork CG=County/Giert WT=Woodwind Lakes WL=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Ronald L Dimon	<i>Ronald Dimon</i>	7819 Mauve wood	77040	713-937-4956	
Josephine Thompson	<i>Josephine Thompson</i>	7827 Mauve wood	77040	713-896-1272	
Breezy Bailey	<i>Breezy Bailey</i>	7839 Mauve wood	77040	832-423-5466	
Yolanda Vargas	<i>Yolanda Vargas</i>	7830 Mauve wood	77040	713-446-5799	
Baron Vargas	<i>Baron Vargas</i>	7830 Mauve wood	77040	713-466-5499	
Kevin M. Richey	<i>Kevin M. Richey</i>	7825 Mauve wood	77040	713-466-5103	
J.R. Estrada	<i>J.R. Estrada</i>	7814 Mauve wood	77040	713-849-9587	
Bonnie J. Lee	<i>Bonnie J. Lee</i>	7814 Mauve wood Dr	77040	713-849-9587	
Nicholas Carrillo	<i>Nicholas Carrillo</i>	7810 Mauve wood Dr	77040	713-896-6012	
Maria Gonzalez	<i>MARIA GONZALEZ</i>	7806 Mauve wood Dr	77040	713-896-6012	
Terry Harrison	<i>Terry Harrison</i>	7807 Mauve wood	77040	281-914-8073	
M. W. Hartman	<i>M. W. Hartman</i>	7803 Mauve wood	77040		
Gregory L. Eaton	<i>Gregory L. Eaton</i>	8403 BRIDGE DR	77040	832-677-2174	
Mary Colton	<i>Mary Colton</i>	8407 EASTSIDE DR	77040	832-677-2174	
Gabriela Lavy	<i>Gabriela Lavy</i>	8419 E. RIDGE	77040	832-467-7118	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Elia Lara	<i>Elia Lara</i>	8419 E. RIDGE	77040	(832) 576-7734	
Janemarie Boyle	<i>Janemarie Boyle</i>	7803 Gatehouse	77040	(713) 896-0307	Janemarie@Yahoo.com
Mary J. Barclay	<i>MARY J. Barclay</i>	8423 E. RIDGE	77040		
Wilfred Anderson	<i>Wilfred Anderson</i>	7435 E. Ridge	77040	713-856-8442	
Ava Valenzuela	<i>Ava Valenzuela</i>	7807 Gatehouse	77040	713-983-8548	
Wade Wood	<i>Wade Wood</i>	7811 Gatehouse	77040	713-937-6301	wwood@mail.eui.net
Rhonda Wood	<i>Rhonda Wood</i>	"	"	"	
JOSE GONZALEZ	<i>JOSE GONZALEZ</i>	"	"	832 260 6288	
Patty Gonzalez	<i>Patty Gonzalez</i>	7823 Gatehouse	77040	832-250-6288	
Edgardo Lopez	<i>Edgardo Lopez</i>	7014 Gatehouse	77040	713-466-0549	
William A Stone	<i>William A Stone</i>	7818 Gatehouse	77040	713-889-4991	
Janette Stoney	<i>Janette Stoney</i>	7010 Gatehouse	77040	713-849-4971	
Jose Luis Zamora	<i>Jose Luis Zamora</i>	7815 Gatehouse Dr.	77040	(512) 988-2563	
Bethel Gomez	<i>Bethel Gomez</i>	"	"	"	
11th Hunter	<i>11th Hunter</i>	7922 Gatehouse 2	77040	"	

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIRENE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Contact information will be kept in confidential and will only be used to update residents regarding this issue.			
Printed Name	Signature		
John Gillard			
Collie Gillard			
MACARIO SALAZAR			
Hilda Arevalo			
Nina Saavedra			
Nicolas Saavedra			
Noel Gutierrez			
Rosa Velasquez			
Sara Gutierrez			
Balvino Gutierrez			
TEO PARIS			
JOSH HERNANDEZ			
Kristen Saucedo			
Anali Saavedra			
GARY BUAREN			
Street Address	Zip	Telephone	E-mail Address
7826 Gatehouse Dr.	77040	(281) 385-9135	johndgillard@yahoo.com
7826 Gatehouse Dr.	77040	281 385 9135	creucallie@yahoo.com
7831 Gatehouse	77040		
7834 Greenedge	77040	713 983 7224	
7835 Gatehouse Dr.	77040	281-804-5789	
7835 Gatehouse Dr	77040	281-804-6744	
7839 Gatehouse Dr.	77040	281-932-1105	noel700@netzel.com
7839 Gatehouse Dr.	77040	713-956-150	
7839 Gatehouse Dr	77040	713-240-5293	
7839 Gatehouse Dr	77040	713-856-5150	
7838 GATEHOUSE DR	77040	713-937-7808	
8406 Country View Dr.	77040	832-2756769	
8406 Country View Dr	77040	281-733-5385	
7830 Bedlands Dr.	77040	832-467-2209	
7828 BEDLAND PA	77040		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TEXAS

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Colleen O'Brien	<i>Colleen O'Brien</i>	9018 Mauna Loa	77040	713-937-3340	colleen1@houston.tx.us
RF Dr. Steinmeyer	<i>Dr. Steinmeyer</i>	9018 Mauna Loa	77040	713-937-3340	drsteinmeyer@houston.tx.us

5

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE.

Reasons for opposition:
Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am

Printed Name	Signature	Street Address	Zip	Telephone	E-ma
Alan L Schroeder	<i>Alan L Schroeder</i>	8923 Weymouth Way	77040	832 541 7704	
Wil D. Schroeder	<i>Wil D. Schroeder</i>	" "	" "	" "	
Brad D. Schroeder	<i>B. Schroeder</i>	" "	" "	" "	
KAREN ALLISON	<i>Karen Allison</i>	8222 Weymouth Way	77040	713 937-9252	
ELLEN E. BURCH	<i>Ellen E. Burch</i>	8330 (Kumby View)	77040	832-243-0320	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=CJ

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMU RENEE
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am

Printed Name	Signature	Street Address	Zip	Telephone	E-m
Amy Wendt	Amy Wendt	8331 Waynemer Way	77040	(713) 466-3037	
Helen A Jones	Helen A. Jones	8331 Waynemer Way	77040	713-466-3037	
Maria Infante	Maria Infante	8335 Waynemer	77040	832-467-1276	
Adelija Infante	Adelija Infante	8335 Waynemer Way	77040	832-467-1276	
Pedro INFANTE, JR.	Pedro Infante Jr.	8335 WAYNEER WAY	77040	832-467-1276	
JACQUE MILKOWSKA	Jacquie Milkowska	8343 Waynemer	77040	713 466-4712	
Grey Milkowski	Grey Milkowski	11	77040	713 466-4712	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrriage Lane LC=Laurel Creek TB=Terrace Brook CS=Cr

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Cherise Roberts	<i>Cherise Roberts</i>	7430 Woodbrook Dr. <small>Hwy. A. 77040</small>	77040	(832) 724-7789	
JOHN A. HENDRIX	<i>John A. Hendrix</i>	7326 SHADY VALE	77040	713 896 1742	
Huy Phan	<i>Huy Phan</i>	7443 Woodland	77040	832-281-5061	
ASHLEY RAMI	<i>Ashley Rami</i>	7123 WOODLAND WEST	77040	832 466 8634	RFAJ@MSN.COM
DAVID CASALE	<i>David Casale</i>	8436 BATTLEWIND DR	77040	713 915 8662	dcasale@capitol4.com
DANA CASALE	<i>Dana Casale</i>	8436 BATTLEWIND DR	77040	832-875-1636	dingobm-ebb@aol.com
FARICIA K PEDERSEN	<i>Faricia K Pedersen</i>	7307 HERBERT DR	77040	832-8770-319	
Gino Casares	<i>Gino Casares</i>	8035 Trailside Dr	77040	(832) 661-2773	
Sandra Gonzalez	<i>Sandra Gonzalez</i>	8035 Trail Side Dr	77040	832-806-3547	eggillen@hotmail.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

10

PETITION OPPOSING THE ISSUANCE OF TAX-EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
STACEY KEITH	<i>Stacey Keith</i>	8031 SPLITOAK DR	77040	713-406-0116	STUSWIFE5198@G.MAIL.COM
Melissa Self	<i>Melissa Self</i>	8085 Split oak dr	77040	832-256-0619	my.murdermail@aol.com
Ralph Otero	<i>Ralph Otero</i>	8014 Sweet gum trail	77040	912-596-7748	FO10107@aol.com
Carmon Otero	<i>Carmon Otero</i>	8014 Sweet gum trail	77040	713-876-7248	roterof@aol.com
Phillip Nguyen	<i>Phillip Nguyen</i>	8242 old trailer	77040	713-466-1721	None
FERESA HENDRIK	<i>Feresa Hendrik</i>	7326 Shady Vale Ln	77040	713-886-1742	tyh0334@aol.com
PAUC-JUREN	<i>Pauc-Juren</i>	7407 SHADYVALE	77040	713-937-7376	
Dilcea White	<i>Dilcea White</i>	8114 Log hollow	77040	713-937-0517	aaron.white@us.army.mil
Gilberto Orellana	<i>Gilberto Orellana</i>	8114 Log hollow	77040	713-937-0517	
Arnold H. Barley	<i>Arnold H. Barley</i>	7318 Wood Bluff	77040	713-937-2918	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LG=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

13

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMMRENEE, HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
JOHN J. DARBY		9214 MAYNA LOA LYS	77040	713-937-3532	jdarby@sbcglobal.net
Eli Self		8035 Split Oak Dr	77040	832-256-0617	ExtremeDesigns@Aol.com
Vicki Maetinez		6135 Lawford LN	77040	713-460-5112	Vicki-Martinez@SBCGlobal.NET
Stacey Pendergrast		7619 Western Oak Ln	77040	713-849-9082	staceyphone@hotmail.com
Barry Leitko		7431 Shady Vale Ln.	77040	713-937-0626	bleitko@earthlink.net
Bartley Lewis		7423 Penepoint	77040	713-466-6260	Bartley.Lewis@DYONYX.COM
GAIL LEWIS		7711 Woodland W Dr	77040	713-856-6891	mglangj@sbcglobal.net
Pamela Oberlis		7411 Woodbark Dr	77040	713-856-7466	pa0@FUT.NET
Aleuda Alvarez		8114 106 Holland	77040	713-882-1152	aleuda1@yahoo.com
Sarel Sacer		7327 Crookston Ln	77040	832-722-2165	Sarel_1231@yahoo.com
CHRIS RUPE		7256 N. Broomfield St	77040	832-859-9100	
Tracey Juren		7327 Woodbark Ln	77040	832-330-6069	
Virginia Tayle		9023 Western Oak Ln	77040	713-937-6022	gtags@aol.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF DAVIE HAMBUN	<i>Dave Hamblin</i>	9207 TISH ST	77040	713-959-5373	<i>damblin@cs.net.com</i>
RF VAN HAMBUN	<i>Van Hamblin</i>	9207 Tish Court	77040	713-988770	
PAL McLeroy	<i>Paul McLeroy</i>	10527 Horseshoe Bend	77064	832-6781-8512	
Therh Hyngh	<i>Therh Hyngh</i>	3310 creek Court	77066	281-580-7298	
Roberto Morales	<i>Roberto Morales</i>	9133 Log Hollow	77040	713 329 9351	
Anna Daniels	<i>Anna Daniels</i>	8133 Log Hollow	77040	773 329 9351	
Daryl Coon	<i>Daryl Coon</i>	7419 Woodoak	77040	713 937-8763	
Dennis Swick	<i>Dennis Swick</i>	7419 Woodoak	77040	881-989-8763	N/A
Natalie Rogers	<i>Natalie Rogers</i>	8030 Bigoak Trail	77040	713 466-1487	<i>Natt1986@yahoo.com</i>
Jackie Barley	<i>Jackie Barley</i>	7318 Wood Bluff	77040	713-937-6652	
Seantle Rooser	<i>Seantle Rooser</i>	7715 TranBlazer	77040	832 467 0688	
Ray R. Gunn	<i>Ray R Gunn</i>	8058 SPL T PL	77060	713 715-957-8077	
Ann Burrow	<i>Ann Burrow</i>	7422 woodoak	77040	281 4054681	
JANICE Z ROONEY	<i>Janice Z Rooney</i>	7319 WOODLAND WESS	77040	281 744 0031	
RENE RAMIREZ	<i>Rene Ramirez</i>	7423 WOOD OAK	77040	713-983-4265	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WF=Woodland Trails GL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Patricia Guerra	<i>Patricia Guerra</i>	8038 Split Pine Dr	77040	713 937 3657	
Consuelo Guerrero	<i>C. Guerrero</i>	7334 Piemont Dr	77040	713 896 6292	
AURA KANIVICKA	<i>Aura Kanivicka</i>	8510 Battle Plains	77040	713 466 9544	
Fatsy Johike	<i>Fatsy Johike</i>	8122 Big Oak Trail Dr	77040	713 466 9628	
Janus Rockett	<i>Janus Rockett</i>	7407 Pierrefont	77040	713 896 0174	
Zachary Lewis	<i>Zachary Lewis</i>	7423 Pierrepont Dr	77040	713 466 6260	
Rosa Artega	<i>Rosa Artega</i>	7411 Shady Mill	77040	713 881 3303	rosa_arteaga@aigag.com
Sid T. Flores	<i>Sid T. Flores</i>	9623 Western Oak	77040	713 937 1622	lflores931@aol.com
Leandra Bonjamat	<i>Leandra Bonjamat</i>	7647 Woodbushway	77040	713 937 6887	
Desiree Morsa Duanna	<i>Desiree Morsa Duanna</i>	7447 Woodland West	77040	713 937 1687	
Tim Ferguson	<i>Tim Ferguson</i>	7818 Azalea Ave	77040	713 896 1732	
LINA GARCIA	<i>Lina Garcia</i>	8039 Log Hollow	77040	713 849 2371	
Rosabel Tobias	<i>Rosabel Tobias</i>	7323 Wood Bluff	77040	713 466 7119	
Black John	<i>Black John</i>	2523 Wood Bluff	77040	713 692 3539	
Paul J. Smith	<i>Paul J. Smith</i>	207 W. 34th	77018	713 272 8732	

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Kim Kaase	<i>Kim Kaase</i>	8911 Opus Ct	77040	713-849-5213	Kkaase@theofis.com
Danetta Naegel	<i>Danetta Naegel</i>	8202 Split Oak Dr	77040	713-896-0378	Danetta.Naegel@FMCTI.COM
LISA GRASSHOFF	<i>Lisa Grasshoff</i>	8039 Big Buck Trail	77040	713-896-7724	lgrasshoff@stcs.org
Henry Culp	<i>Henry Culp</i>	7539 Quiet Forest	77040	832-282-0515	HenryCulp@hotmail.com
Dwaine Campbell	<i>Dwaine Campbell</i>	8035 Log Hollow Dr	77040	713-937-0609	dcamp@all2EZ.net
Diana Rivera	<i>Diana Rivera</i>	8518 Battle Oak Dr	77040	713-466-6877	
Theresa BeneFiel	<i>Theresa Bengiel</i>	8135 Log Hollow Dr	77040	713-983-9236	
Sandy Hebecher	<i>Sandy Hebecher</i>	7523 Steady Mill Dr.	77040		
Gloria McAlister	<i>Gloria McAlister</i>	7224 Battle Hills Dr.	77040	713-896-4975	
ADROPH BAMILITA JR	<i>Adolph Bamilita Jr</i>	8120 Summer Trails	77040	713-849-0394	ADROPH@TERRAS BUS SALES.COM
Frank Ngyung	<i>Frank Ngyung</i>	8026 Log Hollow	77040	713-849-3431	
AURELIO CALIXTO	<i>Aurelio Calixto</i>	7330 Shady Mill	77040	832-335-4026	calixto1972@yahoo.com.mx
Lucy Marcia	<i>Lucy Marcia</i>	71510 Split Oak Ct	77040	281-429-8040	
RUSSELL E OWENS	<i>Russell E Owens</i>	7407 Woodoak	77040	713-849-4616	
Laurie Covington	<i>Laurie Covington</i>	8027 Summer Trail Dr	77040		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLRENEE HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL Sherry Hamilton	<i>Sherry Hamilton</i>	1502 Allegro Dr	77040	713-937-6579	gdwinc@stargoba.com
WL Bobbie Jannis	<i>Bobbie Jannis</i>	7610 Crescendo Ct	77040	713-466-6874	
WL Todd Farris	<i>Todd C Harris</i>	7610 Crescendo Ct.	77040	713-466-3334	
Pedro H Gonzalez	<i>Pedro H Gonzalez</i>	8002 Summer Trail Ln	77040	713-299-4236	
Deborah da Silva	<i>Deborah da Silva</i>	8219 DINDRAL	77040	713-896-0014	
DAVID ESCOBAR	<i>David Escobar</i>	8127 Summer Tr	77040	713-938-6867	
Leonardo Alvarez	<i>Leonardo Alvarez</i>	8235 Winding Meadow	77040	713-856-2858	
Tammy S. Volbert	<i>Tammy S. Volbert</i>	8202 Split Oak Dr.	77040	713-896-0378	
FRANK RADTKE	<i>Frank Radtke</i>	7310 Woodland Dr	77040	713-937-6570	
WAYNE DAVIS	<i>Wayne Davis</i>	7423 SHADYVALE	77040	713-896-1355	
Stuart Pibeith	<i>Stuart Pibeith</i>	8031 Split Oak	77040	713-557-8053	
Christopher Culp	<i>Christopher Culp</i>	7531 Quiet Forest	77040	713-992-9558	Big Culp 2000@yahoo.com
Susan P. Silverman	<i>Susan P. Silverman</i>	7479 Woodrose Dr.	77040	713-416-0604	
Alice King	<i>Alice King</i>	8126 Log Hollow Dr.	77040	713-896-1570	alickelking@yahoo.com
Alaysa Obelus	<i>Alaysa Obelus</i>	7411 Woodlark Dr.	77040	713-856-7466	alobelus@earthlink.net

RF=Rolling Fork CS=Coulevard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL Tamod Gullett	<i>Tamod Gullett</i>	4307 Woodwind Lakes Dr	77040	832-467-9387	amf6
RL Rebecca Waterman	<i>Rebecca Waterman</i>	5706 Golden Chord Cir	77040	713-896-9796	rebecca.waterman@sbcglobal.net
CE MARIA DOWSON	<i>Maria Dowson</i>	8833 Wind Side Dr	77040	713-937-4628	
CE Michael Dowson	<i>Michael Dowson</i>	8823 Wind Side Dr	77040	713-937-4698	
WL Jill Hawkins	<i>Jill Hawkins</i>	9129 Rhoads Ln	77040	832-467-9501	jhawkins@lo.kodab.com
WL BERTHY HAWKINS	<i>Berthy Hawkins</i>	9127 RHAPSODY LN	77040	832-467-9501	
WL Ronda Doxey	<i>Ronda Doxey</i>	7602 Crescent Dr	77040	713-937-2602	rdoxey@yahoo.com
WL Derek Schoof	<i>Derek Schoof</i>	78719 Lennock Ln	77040	713-849-4245	
WL PHUONG TERRE TRAM	<i>Phuong Terre Tram</i>	7619 ALLEGRO DR	77040	713-896-4798	TRAM@BIETH.CO.COM
RF IRMA HUSSER	<i>Irma Hussler</i>	9223 Vespera	77040	413-466-1830	irma.hussler@monten.svc
WL TOMMY LEO	<i>Tommy Leo</i>	7911 Ensemble Dr.	77040	832-677-4098	tommyleo@gmail.com
SAM VARIO	<i>Sam Vario</i>	7703 WINDMILL W.	77040	713-966-8530	
MARIA CULP	<i>Maria Culp</i>	1539 QUIET FOREST	77040	713-937-8613	
Mark Burrow	<i>Mark Burrow</i>	7422 Woodoak	77040	2774.6045	
ALLINE RIZO	<i>Alline Rizo</i>	7518 QUAIL FOREST	77040	713-466-3158	

RF=Rolling Fork CG=Courtyard Glen WWF=Woodwind Lakes WLF=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS. 8700 TAMIRENEE, HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Sandra T. Sprawl	Sandra Sprawl	9019 Mauna Loa	77040	(832) 467-0602	ssprawl@hotmail.com
RF Shannon Berry	SBerry	9014 Mauna Loa	77040	713 507-0175	shannon.berry@watsonuxatt.com
RF Jodie Schrader	Jodie Schrader	9027 Mauna Loa	77040	(713) 937-7465	
RF Terry Campbell	Terry Campbell	9011 Mauna Loa	77040	(832) 830-4776	Terry@RealtorAir.com
RF Angie Campbell	Angie Campbell	9011 Mauna Loa	77040	(832) 830-4776	acampbell@ambakercorp.com
RF Robert Fairchild	Robert Fairchild	9010 Mauna Loa	77040	713.983.8079	
RF Scott Miller	Scott Miller	9014 Mauna Loa	77040	(713) 934-0113	SCOTT.MILLER@SBCglobal.net
RF Arthur Cortez	Arthur Cortez	9022 Mauna Loa	77040	(713) 856-9293	AUSJOYA.HOL.COM
RF Virginia Cortez	Virginia Cortez	9022 Mauna Loa	77040	713 856-9293	AUSJOYA@AOL.COM
RF Harold Sprawl	Harold Sprawl	9019 MAUNA LOA	77040	832-467-0602	hfsprawl@academxplanet.com
RF Pat Williams	Pat Williams	8315 Wesleymer way	77040	713 849-9207	
RF Howard Singer	Howard Singer	7223 Woodland w.	77040	713 937 7183	
RF Leah Singer	Leah Singer	7223 Woodland w.	77040	713 937 7183	
RF Genevieve Johnson	Genevieve Johnson	7402 Preereport Dr.	77040	713.466-0699	
RF Kevin Kearney	Kevin Kearney	7319 Woodland	77040	713-849-5445	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes W=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
LINDA COARLAND	<i>Linda Coarland</i>	7634 Rolling Rock	77040	713 466 9978	
HELEN R. BARACCARO	<i>Helen R. Baraccaro</i>	7725 Allegro Drive	77040	713-937-8609	
Dorothy S. Baraccaro	<i>Dorothy S. Baraccaro</i>	7723 Allegro Drive	77040	713-937-8609	
Larry E. Blessitt	<i>Larry E. Blessitt</i>	7650 Rolling Rock	77040	713 866 4415	L.Blessitt@SmithA.com
DARREC MIGUEZ	<i>Darrec Miguez</i>	7722 ALLEGRO	77040	713-466-9404	DMIGUEZ@SBCCGLOBAL.NET
Thalia Halen	<i>Thalia Halen</i>	7726 Allegro	77040	713-466-8233	
Ann Holder	<i>Ann Holder</i>	7635 Rolling Rock	77040	713-983-8503	
CAROLE HUNT	<i>Carole Hunt</i>	7635 Rolling Rock	77040	713-983-8503	
RICHARD STEWART	<i>Richard Stewart</i>	7623 Rolling Rock St	77040	713-466-4704	
MARIE STEWART	<i>Marie Stewart</i>	7623 Rolling Rock St	77040	713-466-4704	
BRIAN J PENS O	<i>Brian J Pens O</i>	7622 " " "	"	713 856 8036	
Deborah Bravuff	<i>Deborah Bravuff</i>	7734 Allegro	"	832 467 2454	
FRANCISCO TORRES	<i>Francisco Torres</i>	7611 Rolling Rock St.	77040	(713) 937 4771	
MIGNA H. TORRES	<i>Migna H. Torres</i>	7611 Rolling Rock St.	77040	713-937-4771	
CHARLES TRYGSTAD	<i>Charles Trygstad</i>	7610 Rolling Rock St	77040	713 849-0573	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

Date July 31st

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL LINDA A. WISCHNIEWSKY	<i>Linda Wischniewsky</i>	7715 Allegro Drive	77040	832-243-0884	n/a
WL LAURCA A. PICKERING	<i>Laurca A. Pickering</i>	7711 Allegro Drive	77040	713-937-3141	n/a
WL DARRELL W. BORCHARDT	<i>Darrell Borchardt</i>	7711 Allegro Drive	77040	713-937-3141	n/a
WL TERESA COLE	<i>Teresa Cole</i>	7714 Allegro	77040	713-545-6537	
WL ROGER D MCGAFFIN	<i>Roger D McGaffin</i>	9202 Symbol Ct	77040	713 937 3046	rdmcfaffin@houston.rr.com
RF RICHARD HILDEBRANDT	<i>Richard Hildebrandt</i>	8247 WYNNEMER WAY	77040	713 896 9431	RAHILDEBRA@EXCITE.COM
WL VICTORIA THOMAS	<i>Victoria Thomas</i>	7922 Adagio Ave	77040	713 849 5008	N/A
WL HEATHER HUNTINGTON	<i>Heather Huntington</i>	7902 Scherzo Ln	77040	713 826 3130	-
WL KELLY THOMAS	<i>Kelly Thomas</i>	8723 Senecade Ln.	77040	713-890-4588	N.K.MATRAS@Flash.net
RF SALLY SYER	<i>Sally Syer</i>	8810 Dongs Dr	77040	713 466 0209	Sally.Syer@CFsd.net
WL SHAELYN MORGAN	<i>Shaelyn Morgan</i>	7706 ADAGIO AVE	77040	281-650-4000	Smearmorgan@yahoo.com
WL ROBERT MAGEE	<i>Robert W. Magee</i>	7703 Cadenga Ct.	77040	281-772-7919	Bds.Magee@sbccglobal.net
CG MIKE YOUNG	<i>Mike Young</i>	7802 Greenacre Dr.	77040	713 896-9547	
CG LINDSAY YOUNG	<i>Lindsay Young</i>	7802 Greenacre Dr.	77040	713-896-9847	
WL NANNY DANA	<i>Nanny Dana</i>	9307 Woodwind Lakes Dr	77040	832 467 9307	n/a

RF=Rolling Fork CG=Courtyard Glen WL=WoodWind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT MAURIE HANEY	<i>Maurie Haney</i>	7226 Woodland W.	77040	713 466 8840	
WT Mark Letko	<i>Mark Letko</i>	7431 Shady Vale	77040	713-937-0626	
JULIA PEREZ	<i>Julia Perez</i>	8235 Old Trail	77040	713 937-0130	
CY4 DENNIS DANAVUSIK	<i>Dennis Danavusik</i>	8302 Copperwood Dr	77040	713 466 4899	
WWL Karen Schmidt	<i>Karen Schmidt</i>	8111 Waynemer Way	77040	713-466-5317	
FANIQA LIPON	<i>Faniqa Lipon</i>	8031 Log Hollow	77040	713-856-9019	
RF MARY ANN O'NEAL	<i>Mary Ann O'Neal</i>	8123 Leguista	77040	713-937-3501	
RF JERRY X: O'DNEAL	<i>Jerry O'DNeal</i>	8123 Leguista	77040	713-937-3501	
RF JAMES M. O'DNEAL	<i>James M. O'DNeal</i>	8123 Tiger Ln.	77040	713-937-3501	
M Veronica Mcbutin	<i>Veronica Mcbutin</i>	9202 Cymbal Ct	77040	713-937-3046	
RF Kendra D. Pope	<i>Kendra D. Pope</i>	8222 Ivan Reid	77040	713 530 3315	
WL SANDRA TELLO	<i>Sandra M. Tello</i>	8730 Andante Dr	77040	713.937.9294	tello_s@sbccglobal.net
RF Deborah Mattern	<i>Deborah Mattern</i>	8203 ProJack	77040	713 466 9677	debmattern@johoo.com
WL MARY ANN HABERMAN	<i>Mary Ann Haberman</i>	8715 SEKEUADE LN	77040	832-243-5175	haberman_david@yahoo.com
WL DAVID HABERMAN	<i>David Haberman</i>	8715 Sevevale Ln	77040	" "	" "

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Myra Gidney	<i>[Signature]</i>	9100 Sugar Maple	77064	713-937-8907	Myra-Gidney03@yahoo.com
Roder B. Rocks	<i>[Signature]</i>	4630 W. A. Yeauss	77035	713-721-4575	
Melissa L. Pinter	<i>[Signature]</i>	302 Caplin	77022	713-695-8099	-
Carol L. Davis	<i>[Signature]</i>	7838 Hillcrest St	77040	713-647-5700	Carol@blisswood.net
Mike Colson	<i>[Signature]</i>	7838 Hillcrest	77040	713-647-5102	
KARL GRUBE	<i>[Signature]</i>	1311 ANTONI	77055	713-647-5178	
Cherlyn Mann	<i>[Signature]</i>	423 Whitecap	77586	281-326-3315	
Keith Bowman	<i>[Signature]</i>	12403 CAREN CT	77031	(281) 568-5261	
Nancy Vigneaux	<i>[Signature]</i>	7914 Scherzo Lane	77040	713 849-0994	
Garnen M. Shell	<i>[Signature]</i>	9115 Woodwind Lakes	77040	713-896-7062	DMSDVM@aol.com
Carole S. Pope	<i>[Signature]</i>	8222 Ivan Reid	77040	713 856-6802	taz miss@sbglobal.net
PATTI SKINNER	<i>[Signature]</i>	8006 SOUTHA Ct.	77040	713-466-5894	
MARTIN MATRAS	<i>[Signature]</i>	8723 Seaview Ln	77040	713-856-4588	
Jarra Foster	<i>[Signature]</i>	8710 Serenade Ln	77040	713 983-8764	djanm@sbglobal.net
Jeff Vavukan	<i>[Signature]</i>	8015 Ivan Reid	77040	713 521-0029	jvavukan@vavukanlawfirm.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+BurgerEstates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL MELANIE ROSS	Melanie Ross	7514 Allegro Dr	77040	713-963-8716	Melndave.ross@yahoo.com
WL NANCY WILSON	Nancy Wilson	7522 Allegro Dr	77040	713-849-2459	nanwil@houston.rr.com
WL JENNIFER DEY	Jennifer Dey	51026 Heather Run	77040	713-983-6113	Jennifer.Dey@globalnet.com
WL DAVID ROSS	David Ross	7514 Allegro Dr	77040	713-983-8716	
WL LINDA WOODARD	Linda Woodard	7615 CRESCENDO CT	77040	832-826-6165	
WL DAN WOODARD	Dan Woodard	7615 CRESCENDO CT	77040	713-881-515	CRESCENDO@SBCGLOBAL.NET
WL BARBARA DOOLEY	Barbara Dooley	7526 Allegro Dr	77040	713-896-8681	bd626@swbell.net
WL MITCH DOOLEY	Mitch Dooley	"	"	"	"
WL JOHN F. OYEN	John F. Oyen	7518 Allegro Dr	77040	713-849-6639	joyen@houston.rr.com
WL JUDITH C. OYEN	Judith C. Oyen	7518 ALLEGRO DR	77040	713-849-6639	joyen@houston.rr.com
WL HELM M. LAUGHLIN	Helm M. Laughlin	7530 Allegro Dr	77040	713-983-9038	
WL DOUGLAS E. LAUGHLIN	Douglas E. Laughlin	7530 ALLEGRO DR	77040	713-896-1291	D.E.LAUGHLIN@SBCGLOBAL.NET
WL FRANK DICTMAN	Frank Dictman	7506 ALLEGRO DR	77040	713-896-1291	
WL DEBRA DICTMAN	Debra Dictman	7506 ALLEGRO DR	77040	713-896-1291	
WL JOHN EREMILLO	John Eremillo	7502 Allegro Dr	77040	713-983-8716	john@eremillo.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WIL Barb Faygstad	<i>Barb Faygstad</i>	7610 Rolling Rock ST	77040	(713) 844-0573	
1 Sherri Merola	<i>Sherri Merola</i>	7730 Allegro Dr	77040	713-849-9654	
1 JESSICA O'SULLIVAN	<i>Jessica O'Sullivan</i>	7707 ALLEGRO DR	77040	281-772-7846	
1 JEN O'SULLIVAN	<i>Jen O'Sullivan</i>	7707 ALLEGRO DR	77040	281-772-7846	
1 PAUL # NGUYEN	<i>Paul # Nguyen</i>	7722 Allegro Dr	77040	713-426-9404	
1 NELDA G. FORD	<i>Nelda G. Ford</i>	7614 Rolling Rock	77040	713856-9020	
1 BOBBY R FORD	<i>Bobby R Ford</i>	7614 Rolling Rock	77040	713856-9020	
1 CARMEL BERNETT	<i>Carmel Bennett</i>	7630 Rolling Rock	77040	713-866-8885	
1 HUOY TRINH	<i>Huoy Trinh</i>	8622 CONCESSION	77040	713937-1308	
1 PHOENIX NGUYEN	<i>Phoenix Nguyen</i>	"	77040	"	
1 PAUL # NGUYEN	<i>Paul # Nguyen</i>	"	"	"	
1 PHILLIP H NGUYEN	<i>Phillip H Nguyen</i>	"	"	"	
1 Kay Hein	<i>Kay Hein</i>	7615 Rolling Rock St	77040	713-849-9866	
1 CHARITRE MINGO	<i>Charitre Mingo</i>	7603 Rolling Rock	77040	713-937-6018	
1 Charles Mingo	<i>Charles Mingo</i>	7603 Rolling Rock	77040	713 937-6018	

RF=Rolling Fork CG=County Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WNL Sharon Siebern	Sharon Siebern	9207 Symphonic	77040	713-849-5596	jsiebern@pdq.net
WNL Anna Tran	Anna Tran	9115 Symphonic	77040	713-849-9043	thuyanna@gmail.com
WNL Marc Escobedo	Marc Escobedo	9107 Symphonic	77040	713-896-1811	
WNL Mary Escobedo	Mary Escobedo	9107 Symphonic	77040	713-896-1811	
WNL SAM ES C. HARTMAN	SAM ES C. HARTMAN	8106 Leticia DR	77040	713-462-0791	jhartman@foxpd.com
WNL Jan Hartman	Jan Hartman	8106 Leticia DR	77040	713-462-0791	" " " "
WNL Gail Evechart	Gail Evechart	8110 Leticia DR	77040	713-937-9892	
WNL Karl Kovalyuk	Karl Kovalyuk	9106 Symphonic	77040	713-466-1382	
WNL DAVID ROSE	David Rose	9110 Symphonic	77040	281-808-5052	
WNL Marc BORSCHNEK	Marc Borschnek	9118 Symphonic	77040	713-856-7139	
WNL William L. Young	William L. Young	9202 Symphonic	77040	713-466-5800	
WNL Deborah Wilkins	Deborah Wilkins	9206 Symphonic	77040	713-466-9825	
WNL Chad Wilkins	Chad Wilkins	9206 Symphonic Ln	77040	713-466-9825	
WNL Cary W. Wilkins	Cary Wilkins	9206 Symphonic Lane	77040	713-466-9825	Cwilkins@houstan.vr.com
WNL Eric Wilkins	Eric Wilkins	9206 Symphonic Lane	77040	713-466-9825	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind-Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
JANET McDAVEL	JANET McDAVEL	7914 Ensemble Dr	77040	713-849-2212	
WILDA PECORE	Wilda Pecore	9006 Ensemble Ct	77040	713-883-8361	
ALBERT PECORE	ALBERT PECORE	2006 ENSEMBLE C.	77040	713-983-8361	
Judi Wiemann	Judi Wiemann	9016 Ensemble Ct.	77040	713-408-9318	
Sandra Kopesky	Sandra Kopesky	9014 Ensemble Ct	77040	713-849-4824	
JOHN GORSKY	JOHN GORSKY	8006 ENSEMBLE	77040	713-937-8988	JDEER@SBGGLOBAL.NET
ELLEN GORSKY	ELLEN GORSKY	8006 ENSEMBLE	77040	713-937-8988	EFLOOR@SBGGLOBAL.NET
Jeanie Timmerman	Jeanie Timmerman	8019 Ensemble Dr	77040	713-849-5580	
Shelley ROTH	Shelley ROTH	7902 Ensemble	77040	713-937-1044	
Sandra Lang	Sandra Lang	7907 Ensemble Dr	77040	713-849-4886	
Austoni Mathis	Austoni Mathis	7915 Ensemble Dr	77040	713-983-0488	amathis@aol.org
Kim Zachary	Kim Zachary	7919 Ensemble Dr	77040	713-851-1120	
Nate Ellis	Nate Ellis	7919 Ensemble	77040	713-559-0121	
Barbara Henderson	Barbara Henderson	7918 Ensemble Dr.	77040	713-466-4893	texas.cats@sbglobal.net
Faye & Hosein Raja	Fatihah Raja	8011 ENSEMBLE Dr	77040	713-849-9377	

RF=Rolling Fork CG=County Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient, affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
W/L Carolyn Ebe	<i>Carolyn Ebe</i>	9114 Rhapsody Ln	77040	713-849-2195	kabygeorge@aol.com
W/L A. Jason Mathen	<i>AJM</i>	7702 Cadogan Ct.	77040	713-849-6889	jasob@monarchlandscaping.com
W/L Lucille DeFatta	<i>Lucille DeFatta</i>	7742 Allegro	77040	713-832-1259	
W/L Doris Garrison	<i>Doris Garrison</i>	7815 Cadogan Ct.	77040	713-466-8074	
W/L Ken Hein	<i>Ken Hein</i>	7615 Rollingwood	77040	713-849-9866	
W/L BARBARA MURDOCK	<i>Barbara Murdock</i>	7927 Ensemble	77040	713-937-0708	barb.murdock@gmail.com
W/L Tom Campbell	<i>Tom Campbell</i>	7634 Rollingwood	77040	713-466-9998	
W/L Joseph DeFatta	<i>Joseph DeFatta</i>	7742 Allegro DR	77040	213 937-1259	
W/L E.P. Garrison	<i>E.P. Garrison</i>	7815 Cadogan Ct.	77040	713 466 8074	
W/L Brenda Mulkenbach	<i>Brenda Mulkenbach</i>	7714 Melody Circle	77040	713-466-5257	
W/L LYNNE JAMES	<i>Lynne James</i>	7815 Aldago	77040	832 467-4160	
W/L JOYCE C. KRAFT	<i>Joyce C. Kraft</i>	7710 Allegro Dr.	77040	713.983.7738	J.KRAFT@SBCGLOBAL.NET
W/L MARIANNE WEST	<i>Marianne West</i>	8719 Golden Chord	77040	713 849-0368	
W/L Findley L. West	<i>Findley L. West</i>	8719 Golden Chord Cir	77040	713-849-0364	
W/L TAMMY HICKL	<i>Tammy Hickl</i>	8210 Iron Bird	77040	7138490745	

RF=Rolling Fork CG=Country Glen WWL=Woodyard Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Terry Brownley	<i>Terry Brownley</i>	8122 Westeth	77040	713/852-8046	Herobear@yahoo.com
WT Rhonda Elswell	<i>Rhonda Elswell</i>	8127 Summer Trail	77040	(713) 937-6867	rlc014@netzero.net
WT <i>[Signature]</i>	<i>[Signature]</i>	8118 Los Hornos Blvd	77040	(713) 937-1403	gail-clipton@gdp.com
WT Cecilia Howell	<i>Cecilia Howell</i>	9310 Cypresswood	77040	713-466-3786	
WT Veronica Alcin	<i>Veronica Alcin</i>	8110 Jimmy Trail	77040	713/819-2535	
WT Leticia A. Vallego	<i>Leticia A. Vallego</i>	8106 Warren	77040	713/466-0317	
WT Eusebio Hernandez	<i>Eusebio Hernandez</i>	8115 Trail Side Dr	77040	713/988-9218	
WT James Blaney Jr	<i>James Blaney Jr</i>	7226 Woodlawn West	77040	713-466-8860	Bigcitylaw@houstons.ar.com
WT Ramona Sanderson	<i>Ramona Sanderson</i>	7430 PIEREPONT	77040	713-896-1653	
WT Sheila Swatford	<i>Sheila Swatford</i>	818 Split Oak Dr	77040	713-896-7705	SandSwatford@earthlink.net
WT LARRY BIERSTADT	<i>Larry Bierstadt</i>	8131 Big Oak Tr Dr	77040	713-856-9391	ALANMINUM@SWBELL.NET
WT Ramon Rodriguez	<i>Ramon Rodriguez</i>	809 Big Oak Trail	77040	713-937-9936	
WT Veronica Rodriguez	<i>Veronica Rodriguez</i>	809 Big Oak Trail	77040	713-937-9936	
WVWL Lyle A. Schmitt	<i>Lyle A. Schmitt</i>	8111 Westmore Way	77040	713-466-5312	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LO=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Debra Valentine	<i>Debra Valentine</i>	17 Rocky	77040	713 937 4684	rvvalentine@houstonschools.com
WV Joekye Ferguson	<i>Joekye Ferguson</i>	7818 Adagio Ave	77040	713 896 1732	fergyusonj@houstonschools.com
RF Keith Duffer	<i>Keith Duffer</i>	83020 Jayana Way	77040	713 896 7752	kd-duffer@houstonschools.com
CL FRANCISCO GUTIERREZ	<i>Francisco Gutierrez</i>	8430 BRIDGEFORD	77064	713-851-6838	
RF THANH VU	<i>Thanh Vu</i>	8834 FAIRBLOOM LN	77040	713-466-6971	
RF DONNA HARRISS	<i>Donna Harriss</i>	2227 Plum Lake Ln	77040	713-937-3696	donna.harriss@photobiz.com
RF MICHAEL PIERSON	<i>Michael Pierson</i>	8415 EVERSTAN	77040	713-849-2836	MPPIERSON@LOCKE-LEWIS.COM
WT Mike Rogers	<i>Mike Rogers</i>	1727 Fair Oak	77040	713 937 3637	MRogers@yates.com
WT Debra S. Armstrong	<i>Debra S. Armstrong</i>	8147 Sweetgum Tree	77040	713-849-5237	DARMSTRONG 82@houstonschools.com
WT MARSHALL A. SPEARS	<i>Marshall A. Spears</i>	8010 SPLITPINE DR	77040	281-4999905	
WT RENE FREIHA	<i>René Freiha</i>	7323 Woodcar Dr.	77040	713-8960272	
WT JOSE M. ALVAREZ	<i>Jose M. Alvarez</i>	8206 Winding Meadows	77040	832-230-8694	
WT Tami Brooks	<i>Tami Brooks</i>	6434 Battleaxe	77040	713-844-7039	tami.brooks@cs.com
WT Maria Mirandol	<i>Maria Mirandol</i>	8427 Twin Lamps	77064	713 832 4674	
WT RASHA E. BROWN	<i>Rasha E. Brown</i>	7523 Quiet Forest	77064	832-474-2798	7523 Quiet Forest

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WWT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMILRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Terry L. Markowski II	<i>[Signature]</i>	8110 Warren Rd	77040	713-856-7820	tlm2@earth.net
WT Leona McKenzie	<i>[Signature]</i>	7314 Wood Bluff	77040	713 466 5673	amuel73@netzero.net
WT Elizabeth Alvarez	<i>[Signature]</i>	8206 Winding Meadows	77044	832-230-8699	
WT Joel Stokes	<i>[Signature]</i>	8030 Log Hollow Dr	77040	(713) 856-5969	
WT Annal M. Domante	<i>[Signature]</i>	8030 Log Hollow Dr			
WT H.C. Patricia Ferrman	<i>[Signature]</i>	7905 SHADY GROVE LN	77040	(713) 856-6448	
WT LESUE Bottsunon	<i>[Signature]</i>	8419 BATTLE PLAINS	77040	(832) 3167	
WT Genevieve Flores	<i>[Signature]</i>	8102 Summer Trail	77040	713 896 0960	
WT Jeff Qualls	<i>[Signature]</i>	7234 Wind Trail	77040	713 466 0349	
WT Holly Hodson	<i>[Signature]</i>	805 Split Out Dr	77040		
WT ABED HALABI	<i>[Signature]</i>	8207 WINDING MEADOWS		713-466-8906	
WT John Christensen	<i>[Signature]</i>	8019 Log Hollow	77040	713-937-9354	
WT Barbara Williams	<i>[Signature]</i>	8134 WATSON Rd	77040	713 580-3549	
WT Charles Helm	<i>[Signature]</i>	7366 Woodcreek	77040	713 466-3888	
WT Yanina Spruessa	<i>[Signature]</i>	7523 Flour Oaks Dr	77040	713-849-9007	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS. 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WP Patricia DeLaRosa	<i>Patricia DeLaRosa</i>	8119 Trail Side Dr	77040	713-412-5117	patricia.delarosa@epson.com
WT Ann Atkinson	<i>Ann Atkinson</i>	7702 Wester Oak Ln	77040	713-983-0354	
WT Margie Shirey	<i>Margie Shirey</i>	7646 Western Oak Ln	77040	713-320-5721	
Arnold Mandeviz	<i>Arnold Mandeviz</i>	16639 Spung Glade	77429	281-203-3495	
WT KARL SCHREYER	<i>Karl Schreyer</i>	7707 Woodland West	77040	713-856-8635	
WT Roy Kelly	<i>Roy Kelly</i>	8103 WARDEN RD	77040	713-937-7460	ALKelly@SBCGlobal.net
WTW Anne Clark	<i>Anne Clark</i>	7342 Woodoak Dr	77040	713-856-6226	ROSS7342@SBCGlobal.net
WT Mary Bland	<i>Mary Bland</i>	7418 Stady Vale Ln	77040	713-927-8734	
WT Helen Kelly	<i>Helen Kelly</i>	8103 Warren Rd	77040	713-937-7460	
WT Patricia Willis	<i>Patricia Willis</i>	7435 Woodoak Dr.	77040	713-856-8380	
Whyesenia miranda	<i>Whyesenia miranda</i>	8059 Split Pine	77040	713-983-8671	
CF Claude L Bohannon	<i>Claude L Bohannon</i>	8419 Battle Plains Dr	77040	832-270-3167	
WT Sharon Wisteman	<i>Sharon Wisteman</i>	7526 Flair Oaks Dr	77040	713-849-3602	swisteman@houston.rr.com
WT Jill E. Eaton	<i>Jill E. Eaton</i>	8511 Battle Plains Dr	77040	713-937-8887	jillc.wayne-ent.com
WT Michael Duce	<i>Michael Duce</i>	8102 Summer Trail Dr	77040	713-886-0460	mike-d.futrel.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL REENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Katie Clarke		8110 Redwood Kamiah, Tx	77567	—	KTelarke05@yahoo.com
Joel Clarke		2110 Redwood Neman, Tx	77567	—	joelclarke05@yahoo.com
RF DeLores Ann Winston		8306 Pastelero	77040	713-856-5701	MIMAWUWINSTON@yahoo.com
RF Ethel V. PERRY		✓	✓	✓	
CL Julie walker		8002 Roundbank	77047	713-896-8292	chachachita@yahoo.com
RF Mercedes Wilkerson		8326 Cantelarcha	77040	713-822-1820	CLCMINNTO@yahoo.com
CL Curtis Walker		8002 Roundbank	77047	713-856-8792	707A
WT Gail Long		17711 Woodlark W Dr	77040	713-856-6896	mijlong@sbcglobal.net
RF David D. Hildebrandt		8247 Wayneme-Way	77040	713-896-9431	david@sbcsbcglobal.net
WT Alice Casper		8211 Windsorwood	77040	713-856-9911	bugladys@earthlink.net
WTW Ann Tagle		7623 Western Oaks Ln	77040	713-937-0683	
WTW Max Key		7203 Wood Bluff Blvd	77040	713-856-5115	keykey@houston.rr.com
WTW Shelley Howell		8047 Breereway	77040	713-937-0210	shawell88@yahoo.com
WTW PAT OLENS		8047 Breereway	77040	713-937-3711	
WTW CRAIG BEAN		7430 STUDY VALE	77040	713-937-4767	PMR4BEAN@aol.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLERNEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT <i>Crispin Kroger</i>	<i>[Signature]</i>	3102 Trailside	77040	832-250-1900	
WT <i>Cynthia Kroger</i>	<i>[Signature]</i>	8102 Trailside	77040	832-250-1900	
WT <i>Maryloue Owen</i>	<i>[Signature]</i>	8110 Trailside	77040	713-896-4720	
WT <i>Stephen Overby</i>	<i>[Signature]</i>	8110 Trailside	77040	713-896-4720	
WT <i>Susan Burosky</i>	<i>[Signature]</i>	8103 Trailside	77040	713-849-4989	
WT <i>Peter Burosky</i>	<i>[Signature]</i>	8103 Trailside	77040	713-849-4989	
WT <i>DAVID (M.D.) CARVER</i>	<i>[Signature]</i>	8038 Trailside	77040	713-844-3096	
WT <i>Ken Reed</i>	<i>[Signature]</i>	8130 WARREN RD	77040	713-896-8058	
WT <i>Cindy Reed</i>	<i>[Signature]</i>	8130 Warren Rd	77040	713-856-8058	
WT <i>Leo Starn</i>	<i>[Signature]</i>	8106 Trailside Ln	77040	713-937-6831	
RF <i>PAM Fuchs</i>	<i>[Signature]</i>	8918 Fairbourn Ln	77040	713-856-8944	
WT <i>Debra Garcia</i>	<i>[Signature]</i>	6103 Big Oak Hill	77040	632-4671463	
WT <i>Harold Hodson</i>	<i>[Signature]</i>	8015 Split Oak Dr	77040	713-937-4585	
WT <i>Zachary Anderson</i>	<i>[Signature]</i>	8016 Sweetgum Tr	77040	281-639-2032	
WT <i>Deborah Barber</i>	<i>[Signature]</i>	7707 Trailsider Dr	77040	713-951-6693	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
TRUNG H NGUYEN	<i>Trung H Nguyen</i>	8403 Oakwood	77040	713 896-4018	
TRUNG LAI	<i>Trung Lai</i>	8907 LAWKLIFF	77040	713 896 1820	
WTH Angela Martinez	<i>Angela Martinez</i>	8115 Big Oak Tr.	77040	713 466 7249	
WTH Elizabeth Moreno	<i>Elizabeth Moreno</i>	7326 Shady Mill Dr	77040	713 466 4457	
WTH Marie Rozachy	<i>Marie Rozachy</i>	8003 Big Oak Trail	77040	713-937-3277	
WTH Lewis S. Cropper	<i>Lewis S. Cropper</i>	8118 Log Hollow	77040	213-937-1405	gail-clinton@aol.com
WTH Kristopher L. Cooper	<i>Kristopher L. Cooper</i>	8211 Winding Meadow Ct	77040	713-856-9911	
CG Philip So	<i>Philip So</i>	7815 Mauve wood Dr	77040	713 937 1482	
WTH Susan M. Wick	<i>Susan M. Wick</i>	7307 Woodbark	77040	713 937 6558	
WTH Harold F. Blazevich	<i>Harold F. Blazevich</i>	8231 Winding Meadow	77040	713-896-7560	HBLAZEVIK@YAHOO.COM
WTH Armando Huerfca	<i>Armando Huerfca</i>	7623 Woodlands West Dr	77040	713-955-8634	
WTH Helen Huerfca	<i>Helen Huerfca</i>	7623 Woodlands West Dr	77040	713 953 8634	
WTH KENNETH SALVAGE SR.	<i>Kenneth Salvage Sr.</i>	7419 SHADY MILL	77040	852-850-5245	
WTH ANTONIO CERVANTES	<i>Antonio Cervantes</i>	8115 RAIL-SIDE DR.	77040	713-883-9218	
WTH TOM PENNILL	<i>Tom Pennill</i>	8147 Big Oak Teal Dr.	77040	713-787-6272	

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIL RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.
 Reasons for opposition:
 By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF JUDY D. BAKER	<i>Judy D. Baker</i>	8306 Waynemer Way	77040	832-467-0366	mrjobb@ev1.net
RF MICHAEL P. LONG	<i>Michael P. Long</i>	8306 Waynemer Way	77040	832-467-0366	mrjpb@ev1.net
RF MITCHELLE VANA	<i>MICHELLE VANA</i>	8711 LAMAR BLVD	77040	713-896-1280	micv@adl.com
CE SHERYL QUALLS	<i>Sheryl Qualls</i>	7234 Wind Trail St.	77040	713-466-0349	sheryl.qualls@cfisd.net
NET JASON BROOKS	<i>Jason Brooks</i>	8134 DARTLEAVE	77040	713-896-0777	Customkr@aol.com
CG KRISTIE LILLY	<i>Kristie Lilly</i>	7838 Greendale Dr.	77040	713-896-0777	nettalilly@hotmail.com
WT PATTI REAGY	<i>Patti Reagy</i>	7119 Lady Will Dr.	MOB	(13)213-1040	Engage - 12@yahoo.com
WT WILLIAM BEAN	<i>William Bean</i>	8147 B.S. BARK DR	77040	713-783-6372	Fez.Pencil at People PC. com
WT HUNG NGUYEN	<i>Hung Nguyen</i>	8010 Sweet Gum Trace	77040	713-937-8108	
CG ANNE SO	<i>Anne So</i>	7815 MAUNWOOD DR	77040	713 937 1482	philanne-so@yahoo.com
WT Elizabeth Haney	<i>Elizabeth Haney</i>	7226 WOODLAND W	77040	713 466 8840	
WT CHAU PHAN	<i>Chau Phan</i>	4443 Woodland Way	77040	713-937-8111	
WT SOHAN PHAN	<i>Sohan Phan</i>	7000 S. Woodland	MOB	713-937-8111	
WT DORA CLEMENTS	<i>Dora Clements</i>	8110 Log Hollow	77040	713-937-8111	dcllements41@yahoo.com
WT ANNA ALBA	<i>Anna Alba</i>	8010 Log Hollow	77040	952-4728	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Lakes WL=Woodland Trails CLE=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.
 Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WVW KRISTY SIMPSON		0200 BRAHMS LN.	77040	713 937-7810	KSIMPSON30HOUSTON.RR.COM
MICHAEL KLING		" "	" "	" "	MICHAEL.KLING@AOL.COM
MARGARET BANKS		7802 BRAHMS CT	77040	713 937-1583	mmbanks@houston.rr.com
BIO JONES		7804 BRAHMS CT	77040	713 705-9667	biojones@yahoo.com
ANGELA BOND		7806 BRAHMS CT	77040	713-466-6226	MRS.SG.BJ@yahoo.com
DAVID BANKS		7802 BRAHMS CT.	77040	713 937 8883	David.M.Banks@BHF.Bilton.com.
PATRICIA EDWARDS		7802 BRAHMS CT	77040	713 937-1583	—
Kelly Johnson		7810 Brahms Ct	77040	713 896-0232	—
Tara Johnson		7810 Brahms Ct.	77040	713 896-0232	—
ROBERTA DANIEL		9218 BRAHMS LN	77040	713 937-7650	—
Tim Benford		9222 BRAHMS LN	77040	713 937-7507	—
Kimberly Kulig		9231 Brahms Lane	77040	713 896-6639	—
RUTH EDWARDS		2227 Brahms Lane	77040	713-966-6447	—
LEE EDWARDS		2227 Brahms Lane	77040	713-966-6447	—
Melissa Parks		8107 Shady Grove	77040	713-849-8682	melissa-parks@sbcglobal.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ROSALIE GORSKI	<i>Rosalie Gorski</i>	2722 Quince	77043	713-579-1017	Ro.10Gorski AOL
FRANCIS D.BELLO	<i>Francis D. Belli</i>	1801 Cogwood	77062	713-762-1653	
Theresa Messina	<i>Theresa Messina</i>	8231 Brinkworth	77070	281-8074107	
Sara D.Bello	<i>Sara D. Belli</i>	411 Dolphin	77363	713-416-6216	
GEORGIA MRZA	<i>Georgia Mrza</i>	1915 Westland	77054	713-688-2737	
RAY ZOBEL	<i>Ray Zobel</i>	15603 GLEBEY	77377	281-376-3580	
DUC C. DINH	<i>Duc C. Dinh</i>	10307 EMNORA	77043	713-973-2912	DKDINH80@YAHOO.COM
GEORGE R. HARTEN	<i>George R. Harten</i>	27180014 CANNON	77093	713-760-9412	
William T. Luetge	<i>William T. Luetge</i>	3000 GYMERIDGE Dr. 1014	77057	713-974-5203	
JORGE L. ESPINOSA	<i>Jorge L. Espinosa</i>	7802 ALLEGRO DR.	77040	713-849-9513	
CARLA ESPINOSA	<i>Carla Espinosa</i>	7802 Allegro Dr.	77040	713-849-9513	
Cherubeth Beck	<i>Cherubeth Beck</i>	7811 Allegro Dr.	77040		
PAUL GUARIGLIA	<i>Paul Guariglia</i>	7819 Allegro Dr.	77040	832-230-9266	
Julie Fowler	<i>Julie Fowler</i>	2216 Cheshire	77018	713-686-1025	
Laura Schroeder	<i>Laura Schroeder</i>	1577 Wakarusa	77018	713-681-7193	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
DAVID MOORE		9273 Brahm's	77040	713 466 463	
Sandra Morrison		9223 Brahm's Ln	77040	213-466-4636	
De A Mento		9219 Brahm's	77040	713 937-3585	
PATRICIA PANDSI		9202 Brahm's Way	77040	713 891-8167	
Roy Cody		9134 Brahm's Ln	77040	713 937 7067	
JAMES CODY		9134 Brahm's Ln	77040	713 937 7067	
CANTON CODY		8015 Sonata Ct	77040	713 849 9244	
Sheryl Cody		8015 Sonata Ct	77040	713 849 9244	
Jessie Eb Rose		9130 Brahm's Ln	77040	713-252-8158	
Jose Dominguez		9102 Brahm's Ln	77040		
Art Fong		9102 Brahm's Ln	77040		
Shereen Fong		9102 Brahm's Ln	77040		
Mildred Adair		5202 Fardmore Dr.	77092		
MARY S BOWLIN		8818 LANARFIELD DR.	77040	(713) 937-3028	
THOMAS S BOWLIN		5400 Poinciana Dr.	77040	(713) 624-6143	
LISSA M. NEWBURN		5400 Poinciana Dr.	77040	(713) 624-6143	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laural Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WML KLAUS MUELLER	<i>Klaus Mueller</i>	9203 SYMPH. LN.	77040	713 849 3696	
WML MARIANNE MUELLER	<i>Marianne Mueller</i>	9203 SYMPHONIC CN.	77040	713 849-3696	
WML Nina Zeitz	<i>Nina Zeitz</i>	9211 Symphonick Ln	77040	713-849-5159	
WML Elyse Zeitz	<i>Elyse Zeitz</i>	9211 Symphonick Ln	77040	713 849-5159	
WML Arthur Petisco	<i>Arthur Petisco</i>	9211 Symphonick Lane	77040	713-849-5159	
WML Rhonda Dube	<i>Rhonda Dube</i>	9219 Symphonick Lane	77040	713-896-1507	
WML Elena Bachiko	<i>Elena Bachiko</i>	9214 Symphonick Ln	77040	713-849-3625	
WML Denir Nolinski	<i>Denir Nolinski</i>	9210 Symphonick	77040	713 584 9804	
WML John A. Sieben	<i>John A. Sieben</i>	9207 Symphonick Ln	77040	713-844-5596	
WML Eric Halen	<i>Eric Halen</i>	9218 Symphonick	77040	713-466-1108	
WML Angelea Halen	<i>Angelea Halen</i>	9218 Symphonick	77040	713)466-1108	
WML Joan H. Cook	<i>Joan H. Cook</i>	9215 Symphonick Lane	77040	(713) 852-9901	
WML Sharon Webb	<i>Sharon Webb</i>	9111 Symphonick Lane	77040	713 849-6634	
WML Rebecca Shaw	<i>Rebecca Shaw</i>	9103 Symphonick	77040	713-850-8110	
WML Donna Bonopka	<i>Donna Bonopka</i>	7907 Scheraga Ln	77040	713-406-8727	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ROBERT J. MURDACK	<i>Robert J. Murdock</i>	7927 ENSEMBLE DR	77040	832-326-5712	
MOSEEN RAJA	<i>Mossein Raja</i>	8011 ENSEMBLE DR.	77040	713-849-9377	MOSEEN RAJA@NETSCAPE.COM
JANNETT CONROU	<i>Jannett Conrou</i>	8215 ENSEMBLE DR.	77040	832-567-8094	JCONROU@JSM ON LINE.NET
DAN COOK	<i>Dan Cook</i>	7210 ENSEMBLE DR	77040	713-787-0337	dancok@yahoo.com
MARIA O. MURPHY	<i>Maria O. Murphy</i>	8003 ENSEMBLE DR	77040	713-856-6856	
ALICE L. FARRACK	<i>Alice L. Farrack</i>	8014 ENSEMBLE DR	77040	713-301-3265	afarrack@houston.rr.com
SARA TRIGG	<i>Sara Trigg</i>	9111 Brahms Lane	77040	713-896-6757	strigg7337@rol.com
SIM SNOW	<i>Sim Snow</i>	"	"	"	SNOW9111@SBCGLOBAL.NET
COLLEEN BURNHAM JR	<i>Colleen Burnham Jr</i>	9002 ENSEMBLE CT	77040	713-849-7574	
CAROLYN D DAVIS	<i>Carolyn D Davis</i>	8007 ENSEMBLE CT	"	713 849 2052	denise_davis@yahoo.com
CHARLES A DAVIS	<i>Charles A Davis</i>	"	"	"	
TERRY SHINN	<i>Terry Shinn</i>	7903 ENSEMBLE DR	77040	713-896-8835	TSHINN@HOUSTON.RR.COM
DAVID F ROCK	<i>David F Rock</i>	9007 ENSEMBLE CT	77040	713-637-1934	md.frock@pdq.net
Vanessa Egan	<i>Vanessa Egan</i>	7914 ENSEMBLE DR	77040	713-849-2212	egans0720@sbcglobal.net
JASON EGAN	<i>Jason Egan</i>	"	"	"	"

RF=Rolling Fork CG=Courtyard Glen WVK=WoodWind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLERNEE, HOUSTON, TX 77040 (2006)

Our area has sufficient, affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Rose Moriarty	<i>Rose Moriarty</i>	9002 Rhapsody	77040	713-849-7003	rose@mariartykey.com
Wade Moriarty	<i>Wade Moriarty</i>	9002 Rhapsody	77040	713-849-7663	wmariarty@houston.rr.com
Thomas Ray	<i>Thomas Ray</i>	9006 Rhapsody	77040	713-937-8002	TR.PRAY@aol.com
Paula Ray	<i>Paula Ray</i>	9006 Rhapsody	77040	713-937-8002	FRAY2006@YAHOO.COM
Dorothy Moreland	<i>Dorothy Moreland</i>	9010 Rhapsody	77040	713-997-6628	DOTSOPHIE41@AOL.COM
Gerard T. Morrow	<i>Gerard T. Morrow</i>	9010 Rhapsody	77040	713-950-6628	Gerard.Morrow@Aurora.net
Bernice Wilson	<i>Bernice Wilson</i>	8610 Friedland Ln	77040	713-957-1066	
Stephen Williams	<i>Stephen Williams</i>	10435 Emmora	77043	713-984-8479	
Kristie Thigpen	<i>Kristie Thigpen</i>	10435 Emmora	77043	832-496-8183	
Diane Morrow	<i>Diane Morrow</i>	9014 Rhapsody Ln	77040	713-849-3966	
Mike Morrow	<i>Mike Morrow</i>	9014 Rhapsody Ln	77040	832-265-8966	
Amanda Kullman	<i>Amanda Kullman</i>	9018 Rhapsody Cir	77040	832-474-3959	AKullman4@yahoo.com
Jodi Consmros	<i>Jodi Consmros</i>	9018 Rhapsody Ln	77040	832-960-0257	clausman@yahoo.com
Cathy Mery	<i>Cathy Mery</i>	9022 Rhapsody Ln	77040	832-467-1388	cathy.mery@att.net
Curis Watson	<i>Curis Watson</i>	9123 Rhapsody	77040	713-987-9977	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
TRICIA J. MORGAN	<i>[Signature]</i>	9219 WOODWIND LAKES DR HOUSTON TX	77040	713 937 6694	
CALVIN W. GROSSLEY	<i>[Signature]</i>	9315 WOODWIND LAKES HOUSTON, TX	77040		Coronet440@earthlink.net
HANSA PANCHOL	H. Panchol	9319 Woodwind Lakes Houston, TX 77040	77040	713-896-0184	Panchol1@aol.com
JULIE SMAISTRLE	Julie Smaistrle	9323 Woodwind Lakes Dr Houston, TX 77040	77040	713-240-5521	
MICHELLE BERRYHILL	<i>[Signature]</i>	9130 Woodwind Lakes Dr.	77040	713.937.6112	MBerryhill@houston.rv.com
MELANIE NEVELS	<i>[Signature]</i>	9122 WOODWIND LAKES	77040	713-852-6056	
HEATH NAVELS	<i>[Signature]</i>	9122 WOODWIND LAKES	77040	713-852-6056	
KIMBERLY FLAVIANI	<i>[Signature]</i>	9118 WOODWIND LAKES	77040	713-466-1194	kimflaviano@yahoo.com
FRANCESCA HUDSON	<i>[Signature]</i>	9106 WOODWIND LAKES	77040		
JASON NEVELS	<i>[Signature]</i>	9106 WOODWIND LAKES	77040		
RAY PAVIA	<i>[Signature]</i>	9107 Woodwind Lakes	77040	713-849-0381	
AUDREY TEEMIN	Audrey Teemin	9111 Woodwind Lakes Dr.	77040	713-849-3756	
CYNTHIA BAILY	<i>[Signature]</i>	9103 Braehm Lane	77040		
MICHAEL J. MORGAN	<i>[Signature]</i>	9219 WOODWIND LAKES DR	77040		
Evelyn Cummings	<i>[Signature]</i>	9303 Woodwind Lks Dr	77040		

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX-EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CATHERINE MASON	Catherine Mason	7923 ENSEMBLE	77040	713-466-8700	CATELIERM@Yahoo.com
JAMES MASON	James K. Mason	SAME	77040	SAME	
LAN LEO	LAN LEO	7911 Ensemble	77040	713-481-6771	cinclyleo@gmail.com
Cregs Halbwix	Creg Halbwix	8010 Ensemble	77040	832-625-1800	
Kristine Harward	Kristine Harward	8010 Ensemble	77040	832-625-1800	
CHARLES BELL	Charles Bell	7802 ENSEMBLE	77040	713 983 8785	
Lindy Bell	Rundy Bell	" "	77040	"	
Bob Whitehurst	R Whitehurst	7906 Ensemble	77040	713 466 8376	bubwhitehurst@hotmail.com
Nora Whitehurst	Nora Whitehurst	" "	"	"	
Susan Bellinghursen	Susan Bellinghursen	7923 ENSEMBLE	77040	713-937-6770	sbellin24@aol.com
RON ORWERTH	RON ORWERTH	9003 Ensemble	77040	713 895-7645	peopleearthlink.net
Tandy Detworth	Tandy Detworth	" "	77040	"	fortworth@avites
Delia Carlock	Delia Carlock	1803 Manser	77040	281/906-4051	Engineering.com
Joe Walker	Joe Walker	8023 ENSEMBLE DR	77040	713 966-6694	
Jacelynn Walker	Jacelynn Walker	8023 Ensemble	77040	713-466-6694	

RF=Rolling Fork CG=Courtyard Glen WW=Woodward Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMU RENEW, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RONALD HARRISON	Ronald Harrison	8027 ENSEMBLE DR	77040	713-466-3304	RONH@DELTAINS.COM
Dale Ruthven	[Signature]	8026 ENSEMBLE DR	77040	713-466-0368	druthven@Houston.RR.COM
Judy Ruthven	Judy Ruthven	8026 ENSEMBLE DR	77040	713-466-0368	" "
Carolyn Summy	Carolyn Summy	8022 Ensemble Dr	77040	713-856-6961	Carolyn.Summy@SBCglobal.net
Carols Jones	[Signature]	8018 Ensemble Dr	77040	832-293-4859	" "
William Dimpers	[Signature]	2023 Aberdeen Dr	77573	281-316-6517	Bill617@HoustonRR.com
Lewis Anderson	[Signature]	7011 Ensemble Ct	77040	281-285-6000	" "
JANE HENDERSON	[Signature]	9011 ENSEMBLE CT	77040	713-937-4390	TRAVELBIZ@AOL.COM
Chip Barnett	[Signature]	9015 Ensemble Ct	77040	713-466-6843	" "
JANICE ADAMS	[Signature]	7814 Ensemble Blvd	77040	713-466-5602	" "
LINDA LIGHT	Linda Light	7818 Ensemble Ave	77040	713-466-4487	Marnon@Newn.com
Warren Light	Warren Light	7818 Ensemble Dr	77040	713-466-4487	warren@wnlight.com
Nancy Fuller	Nancy Fuller	7910 Ensemble Dr	77040	713-896-4409	nancyfuller1040@yahoo.com
Tommy Fuller, JR	Tommy Fuller jr	7910 Ensemble Dr	77040	713-896-4409	" "
Sharon Fuller III	Sharon Fuller jr	7910 Ensemble Dr	77040	713-896-4409	" "

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes J WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLEREE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Glenda Barrett	<i>Glenda Barrett</i>	9122 Rhapsody	77040	713-983-9971	gbarrow@aol.com
Robert King	<i>Robert King</i>	8211 BoJack	77040	713-937-4148	kingrickrob@aol.com
Beverly King	<i>Beverly King</i>	8211 BoJack	77040	713-937-1144	R.King@SouthwesternSpring.net
Miranda Savin	<i>Miranda Savin</i>	9122 Rhapsody Ln	77040	713-850-8873	mirandas@earthlink.net
DAVID SEUCIR	<i>David Seucir</i>	9122 Rhapsody Ln	77040	"	tlbbcat@yahoo.com
Trenna Fuller	<i>Trenna Fuller</i>	9119 Rhapsody Ln	77040	713-849-1314	
WIM GULFE	<i>Wim Gulfe</i>	9119 Rhapsody Ln	77040	281-688-3083	RMBFULL@AOL.COM
Kim Jaffrey	<i>Kim Jaffrey</i>	9115 Rhapsody Lane	77040	832-467-9351	kjaffrey@sbcglobal.net
Jamie Robinson	<i>Jamie Robinson</i>	9107 Rhapsody Lane	77040	713-249-4733	NTEG RWR 74@yahoo.com
Roy Robinson	<i>Roy Robinson</i>	9107 Rhapsody Lane	77040	713-254-6408	RRobins2412@AOL.com
Alissa Darries	<i>Alissa Darries</i>	9103 Rhapsody	77040	713-937-1667	aced@sbcglobal.net
Evann Darries	<i>Evann Darries</i>	9103 Rhapsody	77040	713-937-1667	aced@sbcglobal.net
Jim McAllister	<i>Jim McAllister</i>	9102 Rhapsody	77040	713-849-5394	
Gay Firth	<i>Gay Firth</i>	"	"	"	
Gary Zhang	<i>Gary Zhang</i>	9022 Rhapsody	77040	832-467-7388	gzhang@hotmail.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMILRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL MAGGIE DJIE	<i>Maggie Djie</i>	9003 Rhapsody	77040	713-937-1668	DJIEML@AOL.COM
WL BING DJIE	<i>Bing Djie</i>	9003 Rhapsody Ln	77040	713-937-8608	DJIEBT@AOL.COM
WL Victor E. Koston	<i>Victor E. Koston</i>	9015 Rhapsody Ln	77040	713-591-8417	veko7@aol.com
WL CMS Wheeler	<i>CMS Wheeler</i>	9023 Rhapsody	77040	713-849-2524	CHRISLWHEELER@SBCglobal.net
WL Danna Cotton	<i>Danna Cotton</i>	13206 Clearwater Falls	77041	713-876-0166	
WL EDWIN VIGNEAUX	<i>Edwin Vigneaux</i>	7914 Scherzo Ln	77040	713-849-0994	
WL Christine Yep	<i>Christine Yep</i>	9003 Brahms Ln	77040	713-849-4732	
WL Kacey A. Spencer	<i>Kacey A. Spencer</i>	7510 Allegro Dr	77040	832-467-3318	Kacey@KaceySpencer.com
WL Shen Alsquith	<i>Shen Alsquith</i>	7603 Allegro Ct	77040	713-849-8594	Sheri-carsten@hotmail.com
WL David Belin	<i>David Belin</i>	890 Melissa Ln	77040	713-291-5554	
WL JOHN STAMMER	<i>John W. Stammer</i>	" "	77040	713-291-9954	
WL Amir Mosaafa	<i>Amir Mosaafa</i>	7719 Cadenza	77040	713-937-6959	Amir.Mosaafa@SBCglobal.net
WL Clyde Hough	<i>Clyde Hough</i>	7711 Cadenza	77040	713-937-3191	M.MOSAFA@data.state.tx.us
WL James Slatk	<i>James Slatk</i>	8830 Andante	77040	713-896-4433	
WL James Slatk	<i>James Slatk</i>	8719 Serrano	77040	713-480-2152	

WF=Rolling Fork CG=Courtyard Glen WM=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMM RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
DO THI TRAN	<i>Dolubhan</i>	7819 Ensemble Dr.	77040	(713) 596-7544	
<i>Diana Miller</i>	<i>Diana Miller</i>	7806 Ensemble Dr.	77040	713-63082	
Mr. & Mrs. Robert C. Michaels	<i>Mr. Robert C. Michaels</i>	8307 Tessa Ct.	77040	713-466-7833	
Mr. & Mrs. Jerry & Barbara	<i>Jerry & Barbara</i>	8002 June Keen	77040	713-466-1882	
Mr. & Mrs. Rody Smith	<i>Rody Smith</i>	8734 Congo Ln.	77040	713-466-3770	
Cody Smith	<i>Cody Smith</i>	8774 Congo Ln.	77040	713-223-1712	<i>Cody.Smith80c@msn.com</i>
Vince (Dillon) Johnson	<i>Vince Johnson</i>	9110 Airways Lane	77040	832-5638399	
MARK HOELSCHER	<i>Mark Hoelscher</i>	8607 Concrete Cir.	77040	713-896-5526	
Ryan Yep	<i>Ryan Yep</i>	9203 Brahm Ln.	77040	713-252-2457	<i>ryep87@yahoo.com</i>
Virginia Emmott	<i>Virginia Emmott</i>	7131 Holmsley Ln.	77040	713-466-7153	
Becky Press	<i>Becky Press</i>	8603 Prelude Ct.	77040	713-466-7828	
Ma Press	<i>Ma Press</i>	8603 Prelude Ct.	77040	713-466-7828	
Jimmie Bergren	<i>Jimmie Bergren</i>	8124 Wynneway Way	77040	713-937-4557	
Paul Bergren	<i>Paul Bergren</i>	" "	" "	" "	
Paul Bergren	<i>Paul Bergren</i>	8067 Sonata Ct.	77040	832-746-6426	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WNL HARDING YES	<i>[Signature]</i>	9203 BRAHMS LN	77040	713-849-4732	MARANDY@HOUSTON.LL.COM ✓
WNL JENNIFER VANCE	<i>[Signature]</i>	8214 WAYNE WY	77040	281-384-0638	JENANDABBAS@hotmail.com ✓
WNL JUSTIN D LOVERN	<i>[Signature]</i>	EMMETT RD	77040		
CS SHILEY R. FALK	<i>[Signature]</i>	8127 WAYNE WY	77040	832 865 8635	
CS HENRY FALK	<i>[Signature]</i>	8634 BART FONE	77040	713-466-7755	
WNL AMANDA K. VINCENT	<i>[Signature]</i>	9226 BRAHMS LN.	77040	713-903-9727	adkvincer@yahoo.com ✓
WNL DEBORAH SUBKE	<i>[Signature]</i>	8707 GOLDEN CHURCH	77040	713 849-5637	dsu66@dHouston.r.r.com ✓
WNL JOCELYN LABAREE	<i>[Signature]</i>	7802 CAENLA	77040	713 849-8391	Jocelyn.Labaree@Houston.r.r.com ✓
WNL JAMES R. HADEN	<i>[Signature]</i>	9323 ORATORIO CT	77040	713-983-9756	jhadene@Houston.r.r.com ✓
WNL AMANDA LAUGHAN	<i>[Signature]</i>	8015 IVANHEID DR.	77040	832 245 5084	bslrra@laughanbaufirm.com ✓
WNL SCHUK KAMMED	<i>[Signature]</i>	8126 Summer Trwl	77040	713 849 0594	
WNL ARLON KAMMED	<i>[Signature]</i>	↓	↓	↓	
EH ELEANORA HOFFMAN	<i>[Signature]</i>	9203 Cymbral Court	77040	713 683 3703	
AK FURTHER HOFFMAN	<i>[Signature]</i>	" "	" "	" "	

RF=Rolling Fork CG=CourtYard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laural Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040. (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Gail Clopton	Gail Clopton	8118 Log Hollow	77040	7139371403	gail_clopton@aol.com
WT Vanessa Linn	Vanessa Linn	2010 Sweetgum Tr	77040	713-937-8108	vns5phn@yahoo.com
WT P. MIKE FERREIRA	Mike Ferreira	8407 BATTLE FLAINS	77040	713 466-8820	
WT Phoebe Watchford	Phoebe Watchford	8218 Spirit Oak Drive	77040	7138967705	
WT Jeff Basley	Jeff Basley	7318 Wood Bluff	77040	713-213-0160	DazookaFly@yahoo.com
WT Ernest Linn	Ernest Linn	8031 Log Hollow Dr	77040	713 856-7019	
WT Judy Luchek	Judy Luchek	8035 Western Trail	77040	713-896-7454	jaluchek@academicplanet.com
RF Richard Clements	Richard Clements	8110 Log Hollow Dr	77040	7138494859	aslan4141@yahoo.com
WL Elizabeth Boyles	Elizabeth Boyles	8914 Melissa Lea	77040	713-906-2535	eboyles@artisansfield.com
WL Mary Miller	Mary Miller	7614 Crescendo Ct	77040	713-896-7761	
WL Thomas N. Burney	Thomas N. Burney	8022 Ernsamb Dr	77040	713-858-6961	Trumney@Tc-con.com
WL KARI CARROLL	Kari Carroll	9110 Rhogoody Ln	77040	281.222.1025	Maetilde@aol.com
WL Yonaste Evans	Yonaste Evans	8731 Andante	77040	713 89100406	David.evans@houston.ti.com
WL DALE ROWLEY	Dale Rowley	8710 Golden Chord	77040	713 896-3199	LDR1957@SBCGLOBAL.NET
WL IOLENE ROWLEY	Iolene Rowley	8710 Golden Chord	77040	713 896-3199	

RF=Rolling Fork CG=Courtyard/Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Bowli AKGAS		9311 Woodwind Lakes Dr	77040		
Andy Hu		8215 Woodwind Lakes Dr	77040		ahhu@houstons-rr.com
Tina Chang		8215 Woodwind Lakes Dr	77040		
Grace Hu		9215 Woodwind Lakes Dr	77040		
DAVID SIEHL		9115 WOODWIND LAKES DR	77040		
Dana Brennan		9110 Woodwind Lakes	77040		
KENNETH CHOXOKA		7707 Schizzo Lane	77040		kc.koxopka@yahoo.com
MELINDA NEGLI		7735 Melody Lane	77040		mnegli@houstons-rr.com
Daniel R NEGRE		7735 Melody Circle	77040		
Kim BRANSON		8227 WAYNE MEBER WAY	77040		KIM.BRANSON@SBCGLOBAL.NET
Jenna Priesmeyer		8746 Serenade Ln	77040		
Jessica Lantrip		9218 Merika Dr.	77040		jessica@marika.net
Gwen Bartle		8715 Andante Dr.	77040		gbartley@cpsg-inc.com
Thomas Harvey		8603 Concerto	77040		
STACIA FAJFARA		8603 CONCERTO	77040		SAFKERP@AOL.COM

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WF=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WV James Music		8739 Andant Houston	77040	713 856-8353	gknhm@aol.com
WV David Foster		8710 Serenade Lane	77040	713-883-8764	
RF Louisa Boyd		9007 Tamirenee	77040	713-937-4505	
WV David Serick		9136 Frisvold	77040	713-856-8873	
WV Michael Serick		946 Frisvold	77040	713-856-8873	
WV Paula Maddon		8208 Waymerville Way	77040	713-983-0543	madden0654@sbcglobal.net
Belinda Rowell		919 Woodward Lab	77040	713-819-3928	belinda.rowell@pdg.net
Shirley Jones		7702 melody Cir	77040	713 849-5567	Sjones6838@aol.com
ANN BARTLEY		5715 ANDANTE	77040	713-937-547	
GREG PATTERSON		9418 OPAL KID	77040	832-671-1300	GREGS.PATNA.PATTERSON@GMAIL.COM
Dana Patterson		"	"	713-409-0228	"
Mujat Shuff		910 SONATA	77040	713 466 7936	pat.s.huff@gmail.com
Patricia Smith		8608 Camp LN	77040	713 646 7436	
Darin Dupont		9326 ORATIO	77040	713 937 6658	DARIN@HOUSTON.AOL.COM
RF James O'Neal		8915 Meadow Lea	77040	713-937-9994	

RF=Rolling Fork CG=Courtyard Glen WV=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Maura Gidney		9107 Sugar Maple	77067	713-937-8907	Maura.Gidney03@yahoo.com
Delores Gidney		9607 Sugar Maple	77064	713-937-8907	
Daniel Gidney		9607 Sugar Maple	77064	713-937-8907	
Jonathan Waterman		8706 Golden Church Circle	77040	713-896-9796	
Phil D. Kanner		8702 Golden Church	77040	713-957-1946	
Cherlene Noland		8931 ANDANTE DR	77040	713-376-1068	chenoland@houston.rr.com
Chris Davis		5867 E. Ashland Dr	37215	605 665 2040	
MARILYN CAUSEY		8910 ANDANTE DR	77040	7-849-9555	M.J.Causey@sbcglobal.net
Elizabeth Blanchard		7811 Adagio Ave	77060	713-466-1670	chskleb@aol.com
RICHARD H STONE		7811 ADA GLO AVE	77040	713 466,1620	chskleb@aol.com
Mary DeBauche		7910 Sonata Ct	77040	713-466-9366	mary_debauche@yahoo.com
Melanie Harrison		7727 Melody Cir	77040	713-896-6420	
Leah Harrison		7727 Melody Cir	77040	713-896-6420	leah101664@hotmail.com
Jim P. Harrison		7727 Melody Cir	77040	717-896-6420	Jim.billik@hotmail.com
Dawn Richardson		8718 Animate Drive	77040	713 466 1591	TDavidRichardson@58010ba1.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLRENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Allen Barnett	<i>Allen Barnett</i>	7902 Allegro Dr.	77040	713-466-0766	Allen.Barnett@VerizonBusiness.com
Cindy Barnett	<i>Cindy Barnett</i>	7902 "	"	"	cindybarnett@houston.rr.com
Glen h Snyman	<i>Glen Snyman</i>	8907 Opus Ct	77040	713-849-8699	gsnyman@houston.rr.com
Amanda Rizzo	<i>Amanda Rizzo</i>	8907 Opus Ct	77040	713-849-8699	arizzo80@yahoo.com
Bobbie Snydam	<i>Bobbie Snydam</i>	8907 Opus Ct	77040	713-849-8699	
Gigi Rhodes	<i>Gigi Rhodes</i>	8910 Opus	77040	713-849-8699	
David Rhodes	<i>David Rhodes</i>	8910 Opus	77040	713-849-8699	Gig1AKhcode@aol.com
Cheryl walls	<i>Cheryl walls</i>	8902 Opus	77040	713-849-8699	"
MARTIN MCCRAY	<i>Martin McCray</i>	791A ALLEGRO DR	77040	713-937-7938	cmw@subbell.net
JAMES WATERS	<i>James Waters</i>	7906 Allegro Dr.	77040	713-856-5651	mccray1@secobear.net
BRENDA WATERS	<i>Brenda Waters</i>	7906 Allegro Dr.	77040	713-937-3211	
JULIE ROUSHANI	<i>Julie Roushani</i>	7910 ALLEGRO DR.	77040	713-937-3211	
SYRUS ROUSHANI	<i>Syrus Roushani</i>	7910 ALLEGRO DR.	77040	713-849-9737	
Sandra J Davison	<i>Sandra J Davison</i>	8903 Opus Ct	77040	713-849-3452	
Ben Davison	<i>Ben Davison</i>	8903 Opus Ct	77040	713-849-3452	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodland Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WNL Nancy Adkins	<i>Nancy Adkins</i>	8706 Andante Dr	77040	713-844-0627	NL-adkins@hotmail.com
WNL EARL REYNOLDS	<i>Earl Reynolds</i>	8702 ANDANTE DR	77040	832-467-3073	EREYNOLDS@excelfly.com
WNL Lavana Reynolds	<i>Lavana Reynolds</i>	1.	4	7	"
WNL Linn Sie	<i>Linn Sie</i>	8706 Andante Dr	77040	713-398-4411	Mlee06@yahoo.com
WNL Eshelita Castaneda	<i>Eshelita Castaneda</i>	8202 ANDANTE DR	77040	832-467-8897	"
WNL MERYL HAWK	<i>Meryl Hawk</i>	8710 ANDANTE DR	77040	713-852-7468	
WNL Linda L. Breche	<i>Linda L. Breche</i>	8710 ANDANTE DR	77040	713-852-7468	
WNL Jane Breche	<i>Jane Breche</i>	8710 ANDANTE DR	77040	713-852-7468	
WNL Hana Khan	<i>Hana Khan</i>	8703 Andante Dr	77040	713-937-7024	
WNL TURAB A. MIR	<i>Turab Mir</i>	8703 ANDANTE DR	77040	713-937-7024	
WNL DANNY HUNYKUT	<i>Danny Hunykut</i>	8711 ANDANTE DR.	77040	413/937-1371	
WNL KELLIE MERTZ	<i>Kellie Mertz</i>	"	"	11	
WNL ELAINE KIDD	<i>Elaine Kidd</i>	8814 Andante Dr	77040	713 891 0540	
WNL Connie Mout	<i>Connie Mout</i>	8739 Andante Dr	77040	713 852 8353	
WNL CHERIE DUPHORENE	<i>Cherie Duphorene</i>	9526 ORANGE CT	77040	713 937 0658	Cheried@houston.tx.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
DARWIN L. KEYS	<i>[Signature]</i>	8639 BART LN	77040	713 466 5842	
ROSEMARY A KEYS	<i>[Signature]</i>	8639 BART LN	77040	713 466 5842	
DARWIN L. KEYS JR.	<i>[Signature]</i>	8641 BART LN	77040	713 859 3850	
MARIE J. KEYS	<i>[Signature]</i>	8635 BART LN	77040	713-466-7800	
STERN JONES	<i>[Signature]</i>	8652 BART LN	77040	713-466-3840	
BRENDA STONES	<i>[Signature]</i>	8652 BART LN	77040	713 466 3840	
ALLEN DOSS	<i>[Signature]</i>	8641 BART LN	77040	832 274 1468	
Glen M Rieger	<i>[Signature]</i>	7151 Fairbanks	77040	713 816 4536	
Ansgre Rieger	<i>[Signature]</i>	7151 Fairbanks	77040	713 816 4536	
Aileen Dando	<i>[Signature]</i>	8450 Bart Lane	77040	214-466-5541	
S. Samuel Sanchez	<i>[Signature]</i>	8450 Bart Lane	77040	214-466-5541	
Mike Dando	<i>[Signature]</i>	8654 Bart Lane	77040	713 966 1060	
Cong Tang	<i>[Signature]</i>	8642 Bart LN	77040	832 282 9941	
Lily Sun	<i>[Signature]</i>	8642 Bart LN	77040	713 849 8039	
JOSEPH SUN	<i>[Signature]</i>	8807 WINDSIDE DR	77040	832-467-1884	

RF=Rolling Fork CG=Courtyard Glen VWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
MIT Victor Robles		7507 Split Oak Ct	77040	713-937-6856	
CS BOBBY G. WOODS	B. G. Woods	8219 SUMMERTREE	77040	713-849-8551	
CS PAULETTE L. WOODS	Paulette Woods		77040		
CS JOSE LANDAVERA	Jose Landavera	7823 WINE HILL	77040		
CS BOB FISK	Bob Fisk	8422 CLOVER	77040		
CL HERMAN BRADLEY WALKER	Herman Bradley Walker	5607 BRIDGEMAN LN	77064	713-896-9778	
CG KIMPHAWA THURMANN	Kimphawa Thurmann	8403 HILWOOD DR	77040	713-849-3341	
CG TINA COOK	Tina Cook	8415 SUMMERTREE	77040	713-896-4826	
CG Graham Thomas	Graham Thomas	8435 SUMMERTREE	77040	713-849-4408	
CG Frank Conmartin	Frank Conmartin	8415 RIENNA	77040	713-856-6155	
CG LOUIE GARCIA	Louie Garcia	7810 BEDLANDS	77040	713-440-7403	RIBBONMAY@EVL.NET
RF JUDY CORNETH	Judy Corneth	8315 Ivan Reid	77040	713-201-8681	jcorneth5@houston.rr.com
RF MARILYN BAIRD	Marilyn Baird	8310 TIGER	77040	713-937-0680	
CG LAURA GARZA	Laura Garza	8320 CIENNA DR.	77040	713-987-3255	
RF Young Hwan Sew	Young Hwan Sew	8134 IVAN REID	77040	713-466-7305	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Minnie Baker	<i>Minnie Baker</i>	8503 Methodist Dr.	77046	713-937-9319	
NO Nolla Sheehan	<i>Nolla Sheehan</i>	9518 Kelsey Meadows	77040	713-856-7748	nolla_sqs@eglobal.net
RF Stan Jones	<i>Stan Jones</i>	8727 Lanceliff	77040	913-849-3328	stan.jones@rrsi.com
RF Jacob Watson	<i>Jacob Watson</i>	8907 Rocky Lane	77040	713-937-4027	javolf@daol.com
CL Peter McLean	<i>Peter McLean</i>	8419 PEARLEDOWNE	77064	713-466-1850	+tweetcannon@3mail.com
RF GIRARD KEIM	<i>Girard Keim</i>	7015 Dony's Dr.	77040	713-466-4420	
RF William VAEER	<i>William Vaeer</i>	8139 Culthamer Way	77040	713-937-0711	W_VAEER@eglobal.net
WL Ken Burke	<i>Ken Burke</i>	8006 Bando St.	77040	3280-2250	
(CL) George Ann Wagner	<i>George Ann Wagner</i>	8459 Bridgefoot Lane	77064	713-937-3584	
RF CAROL ANNALS	<i>Carol Annals</i>	8011 Debbie Lay Dr	77040	713-466-1150	DONNE-HAKAS@AOL.COM
HW Greg Boyd	<i>Greg Boyd</i>	15022 Forest Lodge	77070	281-370-5402	
RF Kieran Keyden	<i>Kieran Keyden</i>	8515 Shamrock Ln	77040	713-937-4964	
Pamela Beyer	<i>Pamela Beyer</i>	8302 Tiger Ln.	77040	713-466-5547	
HB JANICE BROOKS	<i>Janice Brooks</i>	7414 Redland Wood	77040	713-983-6825	jbrooks663@aol.com
RF Mellen Miller	<i>Mellen Miller</i>	8802 Dony's	77040	713-937-4767	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overburdened, and the district's average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation available to the area, and the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I am of legal age and I reside at the address stated and I am of legal age.

Printed Name	Signature	Address	Zip	Telephone	E-mail Address
CG Beverly A. Orr	<i>Beverly A. Orr</i>	Warehouse	77040	713-466-7218	
CG Annette Wickdick	<i>Annette Wickdick</i>	8411 Summer	77040	713-896-9329	
Lilly Burciaga	<i>Lilly Burciaga</i>	7931 Springfern Ln	77040	713-983-9690	lillyburciaga@hotmail.com
CG David Gray	<i>David Gray</i>	8302 Summer	77040	713-896-9670	dave.d.gray@yahoo.com
CG Julie Hunt	<i>Julie Hunt</i>	8303 Cienna	77040	713-849-4118	huntjul@yahoo.com
WVW Carolyn Johnson	<i>Carolyn Johnson</i>	9215 Gymbal Ct	77040	713-849-2630	CKBH10@AOL.COM
CG Mrs. Colon	<i>Mrs. Colon</i>	8207 S. Woodlake	77040	713-983-7166	
CG Nancy Davis	<i>Nancy Davis</i>	7802 Winehill Ln	77040	832-467-2078	nrdavis84@slslabel.net
WVW David Richardson	<i>David Richardson</i>	8718 Audubon Dr	77040	713-253-0998	
CG Brenda Prother	<i>Brenda Prother</i>	8330 Summer	77040	713-849-4525	houstan@clark.it.com
DAVID Blend	<i>David Blend</i>	2418 Shady Lake Ln	77040	713-927-8734	D819nd162000@yahoo.com
WVW Reynold Decou	<i>Reynold Decou</i>	8634 Golden Chase Ln	77040	713-466-3489	redecou@houston.com
WVW Karen Decou	<i>Karen Decou</i>	8634 Golden Chase Ln	77040	713-466-3489	
CG LAURA PFEIFFER	<i>Laura Pfeiffer</i>	8231 E. RIDGE LN	77040	713-983-9611	LAURA.PFEIFFER@MARTZ.COM
WVW Terri Szalkowski	<i>Terri Szalkowski</i>	8011 Concerto Circle	77040	713-856-8764	

RF=Rolling Fork CG=Courtyard Glen WVW=Woodwing Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS. 8700 TAMIRENEE HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG Maria S. Perales	<i>[Signature]</i>	8219 Cienna drive	77040	(713) 856-9169	
CG Charles A Gardner	<i>[Signature]</i>	7831 Greenidge Dr. 7831-40	77040	713 466 4892	
CG Ella L. Gardner	<i>[Signature]</i>	7831 Greenidge Dr.	77040	713-466-4892	
WT Julia A Terraza	<i>[Signature]</i>	8210 Split Oak	77040	713-849-0363	
CG Sally Prosser	<i>[Signature]</i>	8218 Copperwood	77040	(713) 849-0005	
CG Rosalie Leone	<i>[Signature]</i>	8226 Summer Tree	77040	713 466 9226	
WHL Denise Priesmeier	<i>[Signature]</i>	8746 Serenade Ln.	77040	713-937-8436	
CG Gayle Maloney	<i>[Signature]</i>	7802 Hillbarw	77040	713-849-8502	
CG LINDA NICKELS	<i>[Signature]</i>	8203 Hollowood	77040	713-710-0294	
CG Dorothy F. Monahan	<i>[Signature]</i>	8311 Cienega Dr.	77040	713-922-2235	
CG M S Sawyer	<i>[Signature]</i>	8311 Cienega Dr.	77040	713-922-2235	
WHL JOSEPH E. CARR	<i>[Signature]</i>	8735 SERENADE LN	77040	713 466 9333	
CG Lou Salazar	<i>[Signature]</i>	7835 Greenedge	77040	713 849 4354	lsalazarli@yahoo.com
WHL Ivona Teckels	<i>[Signature]</i>	9515 W. Gulf Bank #57	77040	713 849 4354	
WHL Kimberly Watson	<i>[Signature]</i>	7731 Abagio Avenue	77040	713 896-9635	

RF=Rolling Fork CG=Courtyard Glen WML=Woodwing Lakes WT=Woodland Trails GL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG RICHARD NGUYEN	<i>[Signature]</i>	831 Summer Tree	77040	832-646-6587	
CG Joe Whisenant	<i>[Signature]</i>	8215 Summer Tree	77040	281-827-8893	
CG Michael Freeman	<i>[Signature]</i>	8215 Summer Tree	77040	713-466-8548	
CG Robert Drake	<i>[Signature]</i>	8410 Cirrus DR	77040	713-937-1340	
CG KIM CARICO	<i>[Signature]</i>	7906 WINEHILL LN	77040	713-849-5699	
CG CATHY TRAN	<i>[Signature]</i>	831 Summer Tree	77040	713-834-4710	cletrane@hotmail.com
CG Karen Goss	<i>[Signature]</i>	8227 S.Ridge Dr.	77040	713-466-4460	
CG Georgia Sumner	<i>[Signature]</i>	8431 Cienna DR	77040	713-466-8934	
CG Tien Nguyen	<i>[Signature]</i>	8415 Holmwood	77040	832-279-8370	
CG Victoria Bosquez	<i>[Signature]</i>	7914 Round Bank	77040	713-466-6601	vbosquez@gmail.com
CG DANIEL G BOSQUEZ	<i>[Signature]</i>	7914 ROUND BANK DR	77064	713-466-6601	
CG Monica Lopez	<i>[Signature]</i>	7902 Winehill Ln.	77040	713-856-6828	make/sabelle@hotmail.com
CG Sheronda Thomas	<i>[Signature]</i>	8435 Summer Tree	77040	713-849-4468	
CG Sam Herrera	<i>[Signature]</i>	7819 Hillbarn Dr.	77040	(832) 467-3869	
CG Steve Kleinman	<i>[Signature]</i>	2202 Carriage Dr.	77040	713-826-0663	SteveKleinman@StcGlobal.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WL Scott Holschouse	<i>Scott Holschouse</i>	7815 Ensemble	77040	713 466 1373	<i>symp_hayman@hotm.a.l.c</i>
RF Lucile Emmott	<i>Lucile Emmott</i>	9027 RIVER LAKE	77040	713-466-3720	<i>lucileem@earthlink.net</i>
RF Phillip KARAM	<i>Phillip Karam</i>	81131 BO JACK DR	77040	713-849-0123	
RF SUSAN STALEY	<i>Susan Staley</i>	8134 Debbie Gay	77040	713-466-4086	<i>Phikara@EVI.net</i>
CG David Roberson	<i>David Roberson</i>	8403 Whispering	77040	713 876 6208	<i>JU5033@A.O.L.</i>
CG SUE ANN KINSELY	<i>Sue Ann Kinsey</i>	8219 East Ridge Dr	77040	713 974 0676	<i>SKINSELY@SAC.GLOBAL.NET</i>
CG Charles Dickie	<i>Charles Dickie</i>	8919 East Ridge Dr	77040	713 974 0676	
CL Diana Tierney	<i>Diana Tierney</i>	11727 Standing Rock	77555	281 255 8028	
CG KATHLEEN	<i>Kathleen</i>	8323 RABBIT DOWN	77064	713 466 6358	
RF CARLOS ONTIZ	<i>Carlos Ontiz</i>	34002 Church Light	77064	713-737-7357	<i>peaseg.kb@libertymutual.com</i>
RF Mary Ann	<i>Mary Ann</i>	7910 WINEHILL LN	77040	713-466-3599	<i>peaseg.kb@libertymutual.com</i>
RF Mary Ann	<i>Mary Ann</i>	9338 BO JACK	77040	713-858-8073	<i>peaseg.kb@libertymutual.com</i>
RF Mary Ann	<i>Mary Ann</i>	8834 Spring	77040	713-466-4422	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwild Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG Virginia Silstrap	<i>Virginia Silstrap</i>	7846 Wine Hill	77040	832-876-6857	v-gilstrap@sushell.net
CG LAUREL WOOD	<i>Laurel Wood</i>	8210 HOLMWOOD BLVD	77040	913-819-4606	LWEEED40@SBCGLOBAL.NET
RF David Koenig	<i>David Koenig</i>	8846 Dony's Dr.	77040	713-659-1355	
CG Gloria Leone	<i>Gloria Leone</i>	8226 Summertree Dr.	77040	(832) 326-8334	N/A
CL Edward F Bannot	<i>Edward F Bannot</i>	8438 Sandcreek Ln	77061	713-466-1590	ELB@windstream.net
CL Norma Bannot	<i>Norma Bannot</i>	8438 Sandcreek Ln	77064	713-466-1590	EdBannot@yahoo.com
CG Maricela Peña	<i>Maricela Peña</i>	7858 TERRA COTTA	77040	713-849-9396	
CG Thomas Viviano	<i>Thomas Viviano</i>	8210 Cienega Dr	77040	713-466-1747	
CG ERICA MORALES	<i>Erica Morales</i>	8322 CIENEGA DR	77040	956-778-1242	
CG EMMA MORALES	<i>Emma Morales</i>	8322 CIENEGA DR	77040	956-956-6800	
CG Jose Castro	<i>José Castro</i>	8326 Summertree	77040	939-8092	
CG Dona Sposito	<i>Dona Sposito</i>	8310 Summertree	77040	832-858-3412	
CG Jay Baker	<i>Jay Baker</i>	8407 Cienega	77040	713-816-2652	
CG NDRITA PEINADO	<i>NDRITA PEINADO</i>	8334 Summertree Dr	77040	713-501-8234	
Bertha Davila	<i>Bertha Davila</i>	7858 Lumber Jack	77048	713-674-3247	BerthaGarcia@RBC-USA.com

RF=Rolling Fork CG=Countryard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek LG=Laurel Brook TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRNEE, HOUSTON, TX 77040 (2006)

Our area has sufficient, affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Virginia Plummer	<i>Virginia Plummer</i>	8019 Trail Side Dr	77040	713-937-9441	
OF PATRICIA PLUMMER DEES	<i>Patricia Dees</i>	8033 OAKLAND FOREST	77040	713-846-9151	
CS Kenneth Winkelmann	<i>Kenneth Winkelmann</i>	8819 Wind Side	77040	713-937-4670	
CS JUAN A. AGUILAR	<i>Juan Aguilars</i>	7814 WINDMILL	77040	713-402-8303	
OG STEVE GRAY	<i>Steve Gray</i>	6815 Oakwood Ln	77040	713-494-0186	
DF WILLIAM PETERSON	<i>William Peterson</i>	6891 OAKWOOD TRL	77040	713-849-1974	
CG FU PHAN	<i>Fu Phan</i>	7919 Gravel House	77040	713-849-3706	
RF LAUREN KELLEN	<i>Lauren Kellen</i>	818 Tiger Ln.	77040	713-218-2220	
William R. March	<i>William R. March</i>	7407 Woodbloss	77040	713-466-5089	
Karen Custer	<i>Karen Custer</i>	8402 Sorrel	77040	713-466-1663	
RF James h Syes	<i>James h Syes</i>	8810 Doms	77040	713-466-0209	
CG Digna Coutierrez	<i>Digna Coutierrez</i>	8315 HAMMWOOD DR.	77040	713-983-7209	
DAVID CONNELL	<i>David Connell</i>	7903 Rolland Woods Dr	77040	713-856-9345	
CG JUAN A. AGUILAR	<i>Juan Aguilars</i>	8814 WINDMILL LN	77040	882-243-0714	
RF VICTOR LANDA	<i>Victor Landa</i>	8227 BOJACK	77040	713-937-4450	

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
DeAnna mureski	<i>DeAnna Mureski</i>	10003 Williams Field	77064	281-477-9915 773-	
GG Gonzalez Juanita	<i>Juanita Gonzalez</i>	8202 Holmwood Dr.	77040	713-856-8597	
CG Maria I. Lopez	<i>Maria I. Lopez</i>	7902 Winehill Ln	77040	713-856-6828	
WT DENNIS RAY ANDERSON	<i>Dennis Ray Anderson</i>	7518 Split Oak Ct.	77040	713-344-1637	danderson214@houstn.rd.com
CG O. Eunice Mangum	<i>Eunice Mangum</i>	7822 Winetull	77040	713-856-6066	
T.H. Mangum	<i>T.H. Mangum</i>	14415 Papaco Dr	77077	281-576-4547	
MARIE BUSNOCK	<i>Marie Busnock</i>	4408 Hunters Lodge Dr	77065	817-671-6407	
CG James Cunningham	<i>James Cunningham</i>	8487 Summerlee Dr	77040	713-849-0102	
RF FRANK R WARGO	<i>Frank R. Wargo</i>	8210 Letica Dr.	77040	713-466-1046	
RF KAREN H. WARGO	<i>Karen H. Wargo</i>	8210 Letica Dr.	77040	713-466-1046	
CG Song Robinson	<i>Song Robinson</i>	7919 Gate House Dr	77040	713-869-3706	
LC Cynthia Hedring	<i>Cynthia Hedring</i>	8827 Village Terrace	77040	281-856-1000	
WT Judy Jones	<i>Judy Jones</i>	7639 Woodland W.	77040	713-937-2306	
WT Lauren Jones	<i>Lauren Jones</i>	7639 Woodland W.	77040	713-937-2306	
CG Denise Dornbusch	<i>Denise Dornbusch</i>	8302 Cappanwood	77040	713-466-1899	dornbusch@willdu.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Cahage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG Sean Prather		8330 Summerlee	77040	832-6930631	Sean.Prather@yahoo.com
CG Ana Delgado		8403 Cienna	77040	713-8120033	Vicncarol@hotmail.com
CG Florence Gortie Perez		8403 Cienna	77040	713-937-9318	florenceingf@netscape.net
CG GARY DEWES		7245 Fairbanks N. Houston	77040	281-778-5483	gabvnes@briarica.com
CG SAIRA SAANTEDRA		8406 Summerlee	77040	713-231-3432	
CG AINSE YORK		8406 Summerlee	77040	713-231-3432	
CG Tea Williams III		8435 Cienna	77040	713-296-9035	
CG Tona Harris		7826 Langshire	77040	832-755-4085	tonaharris@sbccglobal.net
CG Carolyn King		7838 Summerlee	77040	713-936-6631	
CG Mireya Morales		8427 Cienna	77040	(713) 937-7138	
CG FRANCISCO MORALES		8427 Cienna	77040	(713) 937-7138	
CG MARLION Mc-CARTHY		8222 Summerlee	77040	832-467-1929	
ROBERT BAKER		911 0th St.	77009	713-201-1703	
Suan Garcia		3326 Cienna	77040	713-937-8619	
Seanell Walker		8303 E. Kidder Dr	77046	713-849-2448	Seanell.Walker@usday.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.
 Reasons for opposition:
 By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
1 Samia Khan	Samia Khan	8703 Andante Dr.	77040	713-937-7024	
2 Aitezaz Khan	Aitezaz Khan	8703 Andante Dr.	77040	713-937-7024	
CG Cynthia Depatie-Bowes	C. A. Depatie-Bowes	8093 Riverside Walk Ln	77064	713-939-2201	cdbtex@hotmail.com
RF Jenni Ferreira	Jenni Ferreira	8331 Debbie Gay	77040	713-896-7299	jymom@evl.net
CG DOROTHY E. Smith	Dorothy E. Smith	8327 Summerville	77040	713-937-3337	
CG Doris Reed	Doris Reed	7815 Redlands	77040	913-849-5564	Resd-Doris@50cglobal.net
CG Barbara Wood	Barbara Wood	8331 E Ridge Dr	77040	713-896-1655	
BE Linda Cassidy	Linda Cassidy	7602 Lily Lane	77040	713-896-0814	
BE HAROLD L. WELLS	Harold Wells	7602 GALLEY LANE	77040	713-896-0814	
RF DIANE CONNER	Diane Conner	8514 Metrodale Dr	77040	713-849-4491	
RF Jose Wiggins	José Wiggins	8215 Teresa Ct	77040	713-466-3400	
RF WALLACE W. WELLS	Wallace W. Wells	8415 Mainbluff Ln	77040	713-896-3500	
RF Hans Heipikhov	Hans Heipikhov	9035 Laurelcliff Ln	77040	713-896-6285	
RF Loliana Villarreal	Loliana Villarreal	8614 Friobend	77040	713-504-6969	Chipi@Houston.RR.COM
RF BOB HARRIS	Bob Harris	8311 FAIRBANKS	77040	713-466-1050	

RF=Rolling Fork CG=Courtyard Glen WWL=WoodWindLakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Shawn Crawford		8115 Ivan Reid	77040	832-257-9076	
RF Angela McCallum		8115 Ivan Reid	77040	713-628-0987	angmccallum@yahoo.com
SARA M VOHL		5022 MAVER LOFT LN	77040	713 856 1124	
BARBARA Coulter		8902 Rocky Ln.	77040	713-896-1677	
RF Mary McCoy		2 Dony's Ct	77040	713-957-4579	vmccoy@houston.rr.com
RF KWAN JUNG SEN		8134 IVAN REID	77040	713-466-7383	
RF Bruce Bourgeois		8706 Dony's Dr.	77040	713 466 8434	bbourgeois@houston.rr.com
BE Bob Boyd		9115 Burger	77040	713 666 7779	
RF MIKE BUCKLEY		8100 DEBBIE GAS	77040	713-849-2694	
RF Michael Hopley		8055 Laurel Ct	77040	713-856-6655	michei@hotmail.com
RF ROBERTO OVALLE		8614 FRIO BENJ	77040	713-868-6969	M-ASTERS @ HOUSTON. RR. COM
WTW Russell Rush		8015 SWEETGUM TRACE	77040	713-546-1434	RUSSELL, RUSH @ WNETHAM
LC Vickie Menard		8706 Laurel Trace	77040	713-896-7313	MENARD1 @ HOUSTON. RR. COM
RF Rebecca Thomas		8919 Melissa Lea Ln.	77040	713-846-1364	rebeccathomas76@yahoo.com
CL JEANNIE BUDZISZ		8307 Westbank	77064	713 437 1238	mbudzisz@houston.rr.com

RF=Rolling Fork CG=Courtyard Glen WM=Woodwind Lakes VOT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
LC LARRY MENARD	<i>Larry Menard</i>	8406 LAUREL TRACE	77040	(713) 896-4313	L.MENARD1@HOTMAIL.COM
RF Tom Stouot	<i>Tom Stouot</i>	8902 DOWNS DR	77040	713 896 0738	TJSTOUOT@HOTMAIL.COM
RF Gyla Molick	<i>Gyla Molick</i>	8114 Debbie Gay	77040	713-937-3188	gylamolick@yahoo.com
CL Elizabeth Herrera	<i>Elizabeth Herrera</i>	8318 APOTHECARY LAKE	77061	713 937 1377	EMANQUEZ@HOUSTON.RL.COM
RF Betty Whitten	<i>Betty Whitten</i>	8302 WAYNEMER WAY	77040	713 896-7752	Betty.Whitten@verizonwireless.com
WL Bryan Causey	<i>Bryan Causey</i>	8710 ANDANTE DR	77040	713-899-9594	
RF David Buckley	<i>David Buckley</i>	8110 Debbie Gay Dr.	77040	713-849-9696	
WT Ernest L. Wallingford	<i>Ernest L. Wallingford</i>	9327 Jaywood Sh.	77040	713-466-5828	
RF JAMES PUGHEN	<i>James Pughen</i>	8514 DONALD LANE	77040	713-896-8532	JAMES@BURNLEYMFG.COM
RF MARY J. MARRA	<i>Mary J. Marra</i>	8942 Fairblow Ln.	77040	713-466-8725	marjrichardson@hotmail.com
RF KEVIN LAFFERTY	<i>Kevin Lafferty</i>	8806 OUTVIEW CT.	77040	713-849-3371	KEVINLAFF@AOL.COM
RF DONNA HAWKINS	<i>Donna Hawkins</i>	9446 WINDBOW	77040	713 849 9985	donnahawkins1@sbcglobal.net
RF JAMES C. MILLER	<i>James C. Miller</i>	8802 DONY'S	77040	713-837-8767	
CL Alvin O. Wilson	<i>Alvin O. Wilson</i>	8006 Old Meadow Ln	77064	713-937-9771	
RF Elizabeth McCullough	<i>Elizabeth McCullough</i>	8631 Laurelwood	77040	713-828-8580	

RF=Rolling Fork CG=Courtyard Glen WWF=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
OF VIRGINIA MCDONALD	<i>Virginia M. Dwyer</i>	1342 Caroline	77018	(713) 812-9368	uote.mcdavid@cs.com
OF MARK McDAVID	<i>Mark McDavid</i>	1342 Cheshire	77018	713 812-9368	sendtrout1959@gsa.ho
Amy Sater	<i>Amy Sater</i>	3614 Clowdelle	77025	713-482-1783	esater@houston.rr.com
Deborah Exley	<i>Deborah Exley</i>	16122 Tahoe	77040	713-466-5941	
RF MINH PHAM	<i>Minh Pham</i>	8315 PASTA DR	77040	713 466 4760	
RF Robert Ortiz	<i>Robert Ortiz</i>	8915 Wilson Road	77040	713-466-8746	
Heather Davidson	<i>Heather Davidson</i>	7927 Crystal Moon	77040	832-880-3545	heatherdavidson@houston.rr.com
RF LAURA M. MARSH	<i>Laura Marsh</i>	9118 Wilomill	77040	713-751-3269	ladywolf9118@att.net
RF TRESA ECHLIN	<i>Tresa Echlin</i>	8207 DebbieGAY	77040	713-849-2355	trusa_echlin@spegld.net
RF Mona Deutsch	<i>Mona Deutsch</i>	9231 Ymena	77040	713-466-8994	mona.l.deutsch@exxonmobil.com
RF LE SI	<i>Le Si</i>	8911 FAIRBLOOM LN	77040	713-856-8968	les198@hotmail.com
RF ELIZABETH HONEY	<i>Elizabeth Honey</i>	8303 PARTLOW	77040	832-467-1002	
CG Jolene D. Featherstone	<i>Jolene D. Featherstone</i>	8331 Cienna	77040	713-997-8507	jolene.featherstone@cfisd.net
RF Joe Gandy	<i>Joe Gandy</i>	8506 Boraldale Ct.	77040	713-466-1769	jgandy3@sbccglobal.net
CF Kevin Shirline	<i>Kevin Shirline</i>	8603 Remond bank Ct	77064	713-783-8770	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes zWT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040. (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Mary Sharp Williams	Mary Sharp Williams	8850 Dandy Dr	77040	713-466-9528	Mwilliams.jkpc@sbcglobal.net
RF PATTIE ACKERMAN	Pattie Ackerman	8334 DEBBIE GAY DR	77040	713-849-9415	paleboady@sbcglobal.net
RF Linda Gonzales	Linda Gonzales	8415 Wilson Reid	77040	713-466-8746	Linda.gonzales@csfd.net
RF WANDA BUCKLEY	Wanda M. Buckley	8110 Debbie Gay Dr.	77040	713-849-9696	buckley.m@swebell.net
WT Wendy Howell	Wendy Howell	8042 Brezeway St.	77040	713-896-9386	whowell@stewart.com
CL LAWRENCE WAGNER	Lawrence Wagner	8439 BRIDGEFOOT LN	77064	713-937-3584	
MM David Kallus	Dil J. Kallus	9207 Volwind Lakes Dr.	77040	713-483-8075	david@DHJA.com
RF Julie Gandy	Julie Gandy	8506 Donaldale Ct	77040	713-466-1769	jgandy3@sbcglobal.net
CL Marcia Mingo	Marcia Mingo	7723 Sunbonnet	77064	832-467-0919	mamingo@akingump.com
RF Dena Britton	Dena Britton	8510 Donaldale Ct	77040	713-937-1057	DBritton@esrb.com
RF GARY FREEMAN	Gary Freeman	8406 Moshang Court	77040	713-937-4080	
BE Connie Winston	Connie Winston	7315 Lake Ln	77040	713-937-1417	
RF Pamela A. Meerbreij	Pamela Meerbreij	8903 Dorys Dr	77060	713-937-6884	nodachance@aol.com
MM TRUNK NISWEN	Trunk Niswen	7623 ALLEGRO DR	77040	713-829-0786	N/A
RF James M. DeWitt	James M. DeWitt	9023 Lawrence Dr	77040	713-937-8423	

RF=Rolling Fork CG=Courtyard Glen WW=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Richard Dalton	Richard Dalton	8914 Wilson Road Dr	77040	(713) 937-28530	rdalton3@houstonsun.com
RF Sharon Dalton	Sharon Dalton	8914 Wilson Road Dr.	77040	(713) 937-8530	
RF COX, Aarniel	Aarniel Cox	8215 RIDGEFORSAT	77088	281-497-6658	
RF Allen L. Speer	Allen L. Speer	7602 Rolling Forest	77040	713 466 0140	
RF Hakan Trincelid	Hakan Trincelid	8506 Noshwood Ct	77040	877-467-3807	
RF Patricia Smith	Patricia Smith	8618 Friebend	77040	713 849 5260	
RF Cathy Fields	Cathy Fields	8067 Split Pine	77040	713-937-1440	cat9field@aol.com
RF Donna Jones	Donna Jones	8727 Laurel Cliff Ln.	77040	713-849-3328	misdjones@earthlink.net
RF Stephen Kallus	Stephen Kallus	17 Donys Ct	77040	832-467-2028	
RF Mike Thomas	Mike Thomas	8303 Debbie Gay Dr	77040	713-856-9330	
RF Judy Hall	Judy Hall	8306 Bob Jackson	77040	713-937-1789	judy-hall@seeglobal.net
RF William C. Tippit	William C. Tippit	9138 Winkson	77040	713-937-7677	
RF Lori Boyd	Lori Boyd	9001 Tami Renee Ln.	77040	713 937 4505	
RF Camille Bailey	Camille Bailey	9003 Paddy Ln	77040	713 932 9662	cm_bailey@seeglobal.net
RF Doris Cooper	Doris Cooper	9014 Donys	77040	713-466-7968	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WWT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 IAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.
 Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Jani's Hales	Jani's Hales	8223 Old Trail	77040	713 4663757	ajhales@swebell.net
ALAN HALES	Alan Y. Hales	8223 Old Trail	77040	713-466-3757	alxie.walker@swebell.net
NED E WHITTON	Ned E. Whitton	7315 LAKE LANE	77040	713-937-1418	
VIRGINIA F. COLEMAN	Virginia F. Coleman	8210 Summerside Dr	77040	713-937-1487	
Judy Monroe	Judy Monroe	8918 Mulberry Lane	77040	713-937-7980	jimmusa46@yahoo.com
CASEY WINDRIDER	Casey Windrider	9023 LAWYER	77040	713 937-8423	
Jean Dale	Jean Dale	7807 Brahm's Ct	77040	(713) 466-9008	wjdale@juno.com
WARREN DALE	Warren Dale	7807 Brahm's Ct	77040	713-466-9008	
LOUISE WONZER	Louise Wonzer	8202 BO JACK	77040	913 466 0355	l.wonzer@andres.com
W. M. STAFFORD	W. M. Stafford	15406 Lead Lane	77040	713-466-4079	
Karla Parker	Karla Parker	9103 WITKROW	77040	713-983-6220	
Nick Parker	Nick Parker	9103 WITKROW	77040	713-983-6220	
MATHG E WOODS	Mathg E Woods	8207 Bodack	77040	713-466-1615	
Monica Brown	Monica Brown	8510 Battleground	77040	713-896-9314	
Dante Martin	Dante Martin	8938 Fairbloom	77040	713-896-8690	mookiedale@juno.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WLF=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BOND FOR ROLLING CREEK APARTMENTS, 8700 JAMLENREE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
John C. Crain		8410 Oldband Ln	77040	832-243-9133	
John E. Pyle		8014 Ivan Reid Dr	77040	713-937-7914	tpeserpyles@aol.com
Joe Ferreira		8331 Debbie Gay	77040	713-896-7299	Sabbatini@evl.net
Sharon Speer		7602 Rolling Fork	77040	713-466-0440	SA-SPEER@EV1.NET
Rodney Coleman		9111 Wilomill Dr	77040	713-937-4664	whitngc1@sbcglobal.net
Ginger Nastro		9018 Fairbloom Ln	77040	713-849-3789	gingerwestra@sbcglobal.net
Ron Richey		7826 Mauveewood	77040	713-466-8403	twidwell@sbcglobal.net
Heriman Hernandez		9123 Wilomill	77040	713-983-0877	
Cristina Hernandez		9123 Wilomill	77040	713-983-0877	
Trang Vo		9143 Wink Bow	77040	713-466-7316	
Dianne Clark		9139 Wink bow	77040	713-856-5118	dclark9199@sbcglobal.net
Russell Matzen		8203 Bo Jack	77040	713-466-7677	
Abner F. Knight		8334 Bo Jack	77040	713-937-4755	ABNER.KNIGHT@YAHOO.COM
Nancy Vo		9143 Wink Bow	77040	713-466-7316	
Lien T. Lai		8407 Oldband Ln	77040	832-467-2797	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WUL DAWN SZALOWSKI		8601 Concepcion Circle	77040	713-856-8764	
RF Shannon Thomas		8303 Debbie Court Dr	77040	713-856-9330	
CG Charlotte Zuk		7831 Waverly Hill	77040	713-896-0827	
CG Nancy Baker		8407 Cienna	77040	713-816-0993	
CG Debra Hollingsworth		8819 Cienna	77040	832-230-4986	
CG SYLVIA MARTINEZ		8423 Summertime	77040	713-466-1010	
AB DANIEL PHAM		7907 Orion Park Dr	77040	281-974-7388	clpham2000@yahoo.com
CG Monica A. Kleinman		8202 Cienna	77040	71851-9227	
CG Veronica Niccolo		7891 Galt Road		281-7466-6412	
CG PEDRO SANCHEZ		8310 Summer Tree	77040	(713) 856-7680	
AB Anareal Creath		8222 Bo Jack Dr.	77040	(713) 985-8678	aklee@uh.edu
RF HOMER WOLFSON		8907 Rocky Ln	77040	713-957-4027	
RF Christy E. Jones		8126 Bo Jack	77040	713-896-8773	
RF Leda Krolczyk		8334 Debbie Way	77040	713-849-9415	
BE Jackie Boyd		9115 Banger	77040	713-466-7779	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Valerie L. Vallot	<i>Valerie Vallot</i>	8046 TRAIL SIDE DRIVE	77040	713-896-9027	vvalot@houston.rr.com
Enrice Fuentes	<i>Enrice Fuentes</i>	10422 N. Fagenwick	77041	(713) 937-7915	
WT Carmen Mendezla	<i>Carmen Mendezla</i>	7906 Yellow Pine Dr.	77040	(713) 937-1796	
WT Ernest Mendezla	<i>Ernest Mendezla</i>	7906 Yellow Pine Dr.	77040	(713) 937-1796	
WT David Hilborn	<i>David Hilborn</i>	8042 Trail Side Dr.	77040	(713) 849-2888	
WT Cynthia Hilborn	<i>Cynthia Hilborn</i>	8042 Trail Side Dr.	77040	(713) 849-2888	
WT Debbie Stockton	<i>Debbie Stockton</i>	8055 Trail Side Dr	77040	713-896-1334	
WT Kenneth Stockton	<i>Kenneth Stockton</i>	8055 Trail Side Dr	77040	713-896-1334	Knnth Stockton @ AOL. Com
WT Nicole Jones	<i>Nicole Jones</i>	8051 Trail Side Dr	77040		
WT Chad Jones	<i>Chad Jones</i>	8051 Trail Side Dr	77040		
WT Timothy C. Astor	<i>Timothy C. Astor</i>	8023 Trail Side Dr	77040	713-896-4631	
WT Turea Simpson	<i>Turea Simpson</i>	8107 Trail Side Dr	77040	713-466-1169	tureaf@hotmail.com
WT John Simpson	<i>John Simpson</i>	8107 Trail Side Dr	77040	713-466-1169	jmsbigike@houston.rr.com
WT MELANIE HOENAK	<i>Melanie Hoenak</i>	8059 TRAIL SIDE DR	77040	832-230-1179	MHOENAK@EARTHLINK.NET
WT ANGEL LOPEZ	<i>Angel Lopez</i>	8059 TRAIL SIDE DR	77040	832-230-1179	ALOPEZ@EARTHLINK.NET

RF=Rolling Fork CG=Courtyard Glen WWL=WoodWind Lakes / WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMM RENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Karina Barros Lima	Karina Barros Lima	8215 Gannon Point	77040	713 885 6545	aimce@hoobka.com
RENEE MIRANDA	<i>[Signature]</i>	8150 Log Hollow Dr	77040	713 466-1324	P.MIRANDA@JERTIS LUX.COM
Diana Miranda	Diana Miranda	8150 Log Hollow Dr	77040	713 466-1324	N/A
SHERI HARVEY	<i>[Signature]</i>	8215 Harwood	77040	713 937 6477	shzess@aol.com
Olivia Riha	Olivia Riha	8618 Concerto Cir	77040	832-283-4196	rihatopia@hotmail.com
JESSE B. RIHA	J.B. Riha	8618 Concerto Cir.	77040	832-283-4184	rihjb@hotmail.com
Steven David	<i>[Signature]</i>	7722 Woodland West	77040	713-897-4557	
Viloo Hattiangadi	V. Hattiangadi	7723 Adagio Ave	77040	713 937 1660	
Sue Massey	Sue Massey	7034 Wood Bluff Bl	77040	713-849-5356	
Nancy Santana	<i>[Signature]</i>	7615 Sunbonnet	77064	713 856-8278	nancy.santana@public.com
Stacy Peterson	<i>[Signature]</i>	6982 Oakwood Park	77040	832 723 0290	Stacy_Traveler@yahoo.com
SAM VARIO	Samuel J. Varis	7703 WOODLAND WEST	77040	713-466-8530	
TANY VAREZA	Tany Varis	6818 OAKWOOD HOLLOW CT	77040	713-842-5796	TANYV@LSPT.CC
MIGUEL MORENO	<i>[Signature]</i>	8422 HOLLYWOOD DR.	77040	713.896.8964	MMoreno1@HOUSTON.RR.COM
James Marshall	James Marshall	8923 Wilson Reid	77040	713/8499266	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Robert Fastner	<i>Robert Fastner</i>	8335 Debbie Gay Dr	77040	832-467-2299	RobertFastner
CG Graciela Ramirez	<i>Graciela Ramirez</i>	8215 Holmwood	77040	832-969-0718	—
EH Eileen Holsouser	<i>Eileen Holsouser</i>	7815 Ensemble DR	77040	713-466-1323	ES.HOLSouser@hotmail.com
TB ASHLEY SEELUE	<i>Ashley Seelue</i>	8311 TERRACE BROOK DR	77040	832-230-8025	seelue@education.com
RF Parthi Blackwell	<i>Parthi Blackwell</i>	7302 Woodland	77040	713-466-0547	jblackwell@houston.rr.com
RF Ken McALPINE	<i>Ken McAlpine</i>	8210 TIGER LN	77040	832-255-0074	KMcALPINE TX @ AOL.COM
RF TRIP CHAPMAN	<i>Trip Chapman</i>	8234 LARK	77040	281-513-3573	TRIP.Chapman@billedpaper.com
WB Sue Peterson	<i>Sue Peterson</i>	10730 Valley Forge	77042	713-977-5599	—
RF Nick Svedeen	<i>Nick Svedeen</i>	8206 WALKER	77040	713-896-1093	NICKS@ALLPOINTSINSURANCE.COM
WB Evelyn Holsitch	<i>Evelyn Holsitch</i>	8331 Apothecary	77064	713-837-7021	—
WB Marilyn Klander	<i>Marilyn Klander</i>	8503 Pebblesdowne Dr	77064	713-931-1959	Mama Klander@yahoo.com
BV Betty Dital	<i>Betty Dital</i>	8022 Oakwood (Nalwa)	77040	713-856-9401	—
JO JASON OHM	<i>Jason Ohm</i>	8319 TERRACE BROOK DR	77040	818-554-7241	JASOHN1@YAHOO.COM
BV Debbie Frank	<i>Debbie Frank</i>	8322 Holmwood Dr	77040	713-931-8739	—
RF Martha Munoz	<i>Martha Munoz</i>	8231 Irica Ct	77040	713-896-0878	—

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Carolyn McDavid	<i>Carolyn McDavid</i>	6015 RENA	77042	713-681-1815	
CG Kathleen Leonard	<i>Kathleen Leonard</i>	7883 Gate House	77040	713-584-8009	
CG ANGELO COOK	<i>Angelo Cook</i>	8415 Summer Tree	77040	713-876-4820	
CG Jose DiCasper	<i>Jose DiCasper</i>	5426 Holmwood	77040	281-657-5229	
RF Albert King	<i>Albert King</i>	7434 Spring Fenwick	77040	713-466-5628	
RF Victor Delgado	<i>Victor Delgado</i>	8707 Wagonwheel	77040	281-793-7227	
Monique Johnson	<i>Monique Johnson</i>	8403 Summer Tree	77040	713-849-3582	
Kam Wood	<i>Kam Wood</i>	8210 Holmwood DR	77040	713-849-4606	
Way Neil	<i>Way Neil</i>	8311 Holmwood Dr	77040	832-660-1205	
Cathy Fullman	<i>Cathy Fullman</i>	9818 Summer Tree	77046	713-896-0937	
RF Kathleen Ragsdale	<i>Kathleen Ragsdale</i>	9018 Tammi Renee	77040	713-937-7648	
Wilson Robinson		7382 Worneth Ln	77040	713-849-2240	
Rachael Warner	<i>Rachael Warner</i>	8630 Reddick Rd	77041	832-483-8322	
Louanne R. Orr	<i>Louanne R. Orr</i>	7875 Lakewood Dr	77040	713-466-7012	
Melissa Brown	<i>Melissa Brown</i>	9819 Worneth	77040	713-849-5822	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLERNEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WT Alberto Lopez	<i>[Signature]</i>	8247 Split Oak Dr.	77040	713-983-7429	Alberto Lopez@usa.com
WT Mary Grace Lopez	<i>[Signature]</i>	8247 Split Oak Dr.	77040	713-983-7429	marygrace@usa.com
RF Jeannette Hullum	<i>[Signature]</i>	8122 Debbie Gay Dr	77040	713-466-0969	none
RF Sharon Foster	<i>[Signature]</i>	8102 IAN REID	77040	713-849-0742	S.Foster1@Houston-PRC
CG Carlos N. ...	<i>[Signature]</i>	7903 C19th house	77040	713-983-0714	
CG Barbara Bizer	<i>[Signature]</i>	8322 Summerfield	77040	713-466-8158	
CG Ronald Malone	<i>[Signature]</i>	7127 Majestic Apts D	77040	713-466-8158	
CG Marisela Landis	<i>[Signature]</i>	9482 Derritt	77000	832-7880010	
CG Viona K Howe	<i>[Signature]</i>	7857 Knowledge	77040	713-466-5846	
CG SERSIO LEON	<i>[Signature]</i>	8334 Summer meadows	77040	713-51-7030	
CG A G SENCIO	<i>[Signature]</i>	8219 ONE WILCO	77040	713-856-9168	
CG ERIC YBARRA	<i>[Signature]</i>	7802 Brook Trilce	77040	281-220-9784	eric_ybarr@yahoocor
TB KHANH RANG	<i>[Signature]</i>	8310 Terrace-Beech Dr	77040	713-	khany@yahoocor
CG Ella Mae Drake	<i>[Signature]</i>	8410 Ciemwa Dr.	77040	713-937-1340	
CG Paulino O. Ororio	<i>[Signature]</i>	8323 church Light Ln	77064	832-467-1058	

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CL Chris KRob	<i>Chris KRob</i>	11000 Crescent - Mon	77064	832 671 6160	
RF KEISHA SMALLER	<i>Keisha Smaller</i>	8122 W Agnerece Way	77040	713 896 6371	
CG Clarence Lewis	<i>Clarence Lewis</i>	8434 CAENNA	77040	713 907 0914	
TB MARK TATE	<i>Mark Tate</i>	8407 TERRACE BROOK DR	77040	832-243-5270	
CL JOHNNIE MCMILLIAN	<i>Johnnie McMillian</i>	7914 SUNBONNET LN	77064	713 896 8672	
CG Johnie McMillian	<i>Johnie McMillian</i>	7059 Gatehouse Dr.	77040	713 937 8432	BAMN@DNetzone.com
CL Evelyn Rochel	<i>Evelyn Rochel</i>	8631 Upperbrooks	77064	713-983-7555	
WML CRAIG W KEMPLE	<i>Craig W Kemple</i>	9106 Brahm's LN	77040	713-849-3015	
WML JOYCE KEMPLE	<i>Joyce Kemple</i>	9106 Brahm's	77040	713 809-3015	
WML BRENDA CARE	<i>Brenda Care</i>	8735 Sonnade	77040	713-466-5800	
Madeline D'Agostini	<i>Madeline D'Agostini</i>	11914 HEYON WEST ST Houston	77064	713-906 6675	
WT Christy Shepard	<i>Christy Shepard</i>	11415 Shady Mill Houston	77040	713-896-0789	
WT Christy Shepard	<i>Christy Shepard</i>	7415 Shady Point Houston	77040	713 896-0789	
WT W.M.F. SHEPARD	<i>W.M.F. Shepard</i>	7415 Shady Point Houston	77040	713 896-0789	
CG W.M.F. Shepard	<i>W.M.F. Shepard</i>	7854 WYNEMILL LN	77040	713-207-8065	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX-EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WC WADE COAKEN	<i>Wade Coaken</i>	4014 Parkmead - Dr	77040	713-203-5676	
<i>Bridget Maein</i>	<i>Bridget Maein</i>	7310 Shadyvale Ln	77040	713-896-0398	
WTS Sherry Tillis	<i>Sherry Tillis</i>	8127 Big Oak Trail	77040	713-983-7600	Sherry Tillis Dental worker Saker
WTL Veronica Chan	<i>Veronica Chan</i>	8110 Summer Trail	77040	713-844-2535	
TB Minh Nguyen	<i>Minh Nguyen</i>	8302 Whisper Point	77040	713-937-7691	
CE Miguel Tehate	<i>Miguel Tehate</i>	7846 Beechwood	77040	713-542-0884	
WTL Rosa Gonzalez	<i>Rosa Gonzalez</i>	8002 Summer Trail	77040	713-845-2218	
CL Elena Martinez	<i>Elena Martinez</i>	8351 pebbledew	77064	713-896-9839	
WTL SOFIA CARRERA	<i>Sofia Carrera</i>	7310 Shadyvale Ln	77040	713-896-0398	CARRERA.SOFIA@yahoo.com
TB Phillip R. Reid	<i>Phillip R. Reid</i>	8315 Terrace Brook Dr	77040	713-858-6041	PhillRReid@aol.com
TB MANUEL DEL RIO	<i>Manuel Del Rio</i>	8334 Terrace Brook Dr	77040	281-802-6751	
WT Deborah Turner	<i>Deborah Turner</i>	7407 Shadyvale Ln	77040	713-937-7376	
RF RUSSELL TURNER	<i>Russell Turner</i>	9014 TAMIRENEE	77040	281-657-5484	
WT MAELO CASTILLO	<i>Maelo Castillo</i>	7147 SHADY MILL	77040 (892)	876-4057	
WML John Miertschin	<i>John Miertschin</i>	8615 Concerto Cir	77040	713-466-4150	JOHNMIERTSCHIN@SBCGLOBAL-NET

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 IAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF RF LORI CHAPIN	<i>Lori Chapin</i>	8234 LETICA	77040	713-849-5140	lchapin@houston.rr.com
RF Kory Chapin	<i>Kory Chapin</i>	8234 Letica	77040	713-849-5140	Kspac4@yahoo.com
OF PHIL PETERSON	<i>Phil Peterson</i>	6982 OAKWOOD PARK	77040	(832) 253-7445	philip.peterson@us.af.mil
CL VIRGINIA HURLEY	<i>Virginia Hurley</i>	8610 BRIDGES FORT	77064	713-466-5827	
CL ANTONIO JANTZIAN	<i>Antonio Jantzian</i>	8358 BIRKSWORTH	77064	713-819-0401	jjantzian@yahoo.com
CE TERRY GARCIA	<i>Terry Garcia</i>	7214 River Fern	77060	713-896-4164	
WD RAY DAVIS	<i>Ray Davis</i>	7907 MACHALA LANE	77040	713-208-2587	MAHALLA79@SBC6609AC.NET
RF JON STANLEY	<i>Jon Stanley</i>	8315 CHELSEA COURT	77040	713-496-7267	stanley5@earthlink.net
RF ANNETTE MCNASPY	<i>Annette McNaspy</i>	8615 Emerald	77040	713-690-4340	menaspv@sbcglobal.net
RF RONALD MURPHY	<i>Ronald Murphy</i>	8231 TRUCA CT	77040	713-896-0878	RWMURPHY@ATT4U.COM
RF ANGELICA LANDER	<i>Angelica Lander</i>	8319 Ivan Reid Dr	77066	713-466-1486	alandar@ev1.net
WTO DARYL TILHIS	<i>Daryl Tilhis</i>	8127 Big Oak Trail	77040	713-993-7602	DLV3316@yahoo.com
WTO RUBEN CHAN	<i>Ruben Chan</i>	8110 Summer Trail Dr	77040	(832) 455-4055	homeswithruben@yahoo.com
RF BILL FERGUSON	<i>Bill Ferguson</i>	8215 IVAN REID	77040	713-466-9469	SBF0R@YAHOO.COM
RF PAXTON WILLIAMS	<i>Paxton Williams</i>	8850 DAVIS DR	77040	713-466-9508	REGRESSES.PKWC@ATT.NET

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMU RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Ang Robles	<i>Ang Robles</i>	7507 SplitHart	77040	713-937-1856	arobles@fvc.cc
WTKatherine Smith	<i>Katherine Smith</i>	8135 Split Pine	77040	713-983-7300	kathiesmith@earthlink.net
Aethere Rossion	<i>Aethere Rossion</i>	8414 Carriage Creek	77040	832-971-0264	Aethere@hotmail.com
Ms Ann A. Cappelle	<i>Ann A. Cappelle</i>	8223 Debbie Gaylor	77040	713-896-6387	acappelle@houstonsr.com
MM Maria Montoya	<i>Maria Montoya</i>	8810 Wind Side Dr	77040	713-896-8023	maria.montoya@proton.com
LF Elma Garcia	<i>Elma Garcia</i>	8507 Shellville Ct	77040	713-937-0431	regle225m@yaho.com
TB Tina Reid	<i>Tina Reid</i>	8315 Terrace Brook	77040	713-856-6041	
DF Pat Cook	<i>Pat Cook</i>	8028 Debusman Blvd	77040	832-467-0972	
CG Bei Lam	<i>Bei Lam</i>	7066 WinkHill	77040	713-896-1320	
WTKathy Kellen	<i>Kathy Kellen</i>	7402 Woodoax Dr	77040	713-896-0532	safetyeagle@aol.com
WTEsther Kellen	<i>Esther Kellen</i>	7402 Woodoax Dr	77040	713-896-0532	
AF JEANINE STRATTON	<i>Jeanine Stratton</i>	8203 Panna	77040	713-957-8761	JA
TP James Nunnery	<i>James Nunnery</i>	8507 Terrace Brook	77040	713-983-5881	jp224411@y14.com
CG TERESA MADSEN	<i>Teresa Madsen</i>	8410 SUMMERTREE DR	77040	713/942-4248	
RF Jean Booth	<i>Jean Booth</i>	8215 Wayne Meadows	77040	713/406-3621	911booth@aol.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
OK W. T. SLYDER	<i>W. T. Slyder</i>	8010 Oakwood Forest Dr.	77040	713-896-1506	
WT Matt Delasalle	<i>Matt Delasalle</i>	7511 Split Oak Ct	77040	713-906-5903	delasallef2k@gmail.com
CHRISTINE FLAVIANI	<i>Christine Flaviani</i>	11910 THORNTON BLVD #104	77065	281-477-6052	sulfrenbelle@yahoo.com
WT Pedro H Gonzalez	<i>Pedro H Gonzalez</i>	8007 Summer Trail Dr	77040	713-299-4236	GONZALEZplumbingco, LLC.com
WT Patricia Schoellkopf	<i>Patricia Schoellkopf</i>	1326 Shady Grove	77040	713-406-8200	
WT ROBERT M. SCHOELLKOPF	<i>Robert M. Schoellkopf</i>	1326 SHADY GROVE	77040	466-8200	NWCROSSINGWAYPERMITS.COM SCHOELLKOPFCO PROPERTIES.COM
WL BETTY L. EISEN	<i>Betty L. Eisen</i>	7627 PLUMBER DR	77048	713-849-0490	betty Eisen@aol.com
WYATHY COAINES	<i>Wathy Coaines</i>	833 S Cinnamon Dr	77020	713-466-6763	Kathryn L. Coaines at sbc globalnet
TB MICHAEL DUNN	<i>Michael Dunn</i>	8303 TERRACE BROOK DR.	77040	713-896-8036	mdunn0430@yahoo.com
RF JUDITH CORVENKO	<i>Judith Corvenko</i>	9023 MAYNE WAY	77040	281-559-2900	Judith Ombertundingcorp.com
RF TR. GENEVA N	<i>Geneva N</i>	8507 Terrace Rk.	77040	713-983-8844	
LB Leticia Benavides	<i>Leticia Benavides</i>	7902 ROUND BAY	77064	882-467-0761	
WL EDWARD S. FARRU	<i>Edward S. Farru</i>	7610 Crescendo Ct	77040	713-466-6874	
RF Norbert Khalifa	<i>Norbert Khalifa</i>	8330 Debbie Gay Dr	77040	713-856-8818	norbertd07@aerthlink.net
RF STACEY LIVES-KHALIFA	<i>Stacey Lives-Khalifa</i>	8330 Debbie Gay Dr	77040	713-856-8818	"

RF=Rolling Fork/ CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LG=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Caroline Delgado	<i>Caroline Delgado</i>	8407 Waynem	77040	713-985-7447	anadelgado@comcast.net
RF JENIFER STOKER	<i>Jennifer Stoker</i>	8205 FAETHA	77040	713-937-8761	JENIFER@ZEM.NE.X
TB GIAO PHAM	<i>Giao Pham</i>	8223 WHISPER POIN	77040	713-896-8553	giao_pham@hotmail.com
TB HAU NGUYEN	<i>Hau Nguyen</i>	8223 WHISPER POIN	77040		
CL VICTOR BENAVIDES	<i>Victor Benavides</i>	7902 Round Bank Dr	77064	832-467-0761	
RF TRONG VO	<i>Trong Vo</i>	9143 WINKBOW	77040	(713) 466-7316	trongvo@sbcglobal.net
RF QUICK RAY	<i>Quick Ray</i>	8202 TUGER	77040	713-896-8775	Rayquick@IntegrityHome.com
WT SHARON BOUNTIN	<i>Sharon Bountin</i>	7014 SPIRIT CAR Ct	77040	(832) 467-9990	sharonb@att.net
BABE ELLIS	<i>Babe Ellis</i>	17002 SKYVIEW PACE	77095	832	BABEFTT@SBCGLOBAL
RF Richard A. Tompkins	<i>Richard A. Tompkins</i>	8606 Frio Bend	77040	713-896-6721	
A. Redette Tompkins	<i>A. Redette Tompkins</i>	8606 Frio Bend	77040	713-896-6721	you have it Thank
WT FRED PLUMMER	<i>Fred Plummer</i>	8019 Trail side Dr	77040	713-937-9441	fred.plummer@powerwell-services.com
TD SIMON DAVIDSON	<i>Simon Davidson</i>	7927 Crystal Meadows	77040	713-832-2305	SDAVIDSON3@Houston-RR.com
RF Boushy Leuthvienh Thuan	<i>Boushy Leuthvienh Thuan</i>	8802 Outview Ct	77040	832-8780661	
CL JOE WAGZ	<i>Joe Wagz</i>	8571 Sorrel	77064	713-896-1675	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIR REFEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Betty M. Evers	<i>Betty M. Evers</i>	8919 Mauna Loa	77040	832-467-2433	katalan@usa.net
WV LAURE Austin	<i>Laurie Austin</i>	8058 Breangway	77040	832-768-3168	—
RF Pamela S Nelson	<i>Pamela S Nelson</i>	8135 Ivan Reid Dr.	77040	713-849-5386	pamnelson@houston.rv.com
RF Gary W Nelson	<i>Gary W Nelson</i>	8135 Ivan Reid			
TB Pepe Niki	<i>Pepe Niki</i>	2650 Campbell	77040	712-299-8824	
April Cobb	<i>April Cobb</i>	8130 Gray Jay	77040	713-553-7888	
RF Jody Williams	<i>Jody Williams</i>	8315 Bayview	77040	713-849-9207	
ALC Brenda Fultz	<i>Brenda Fultz</i>	9410 Walnutbrook	77040	713-896-8113	JIM AND BELINDA jmandbelinda@sweb.net
WL Eugene Jefferson	<i>Eugene Jefferson</i>	4814 Adagio Ave	77040	713-856-5714	eugene.jefferson@dx.com
WTV Stanley Sparks	<i>Stanley Sparks</i>	8010 Split Pine Dr.	77040	832-443-9735	STANLEY@RICHTAPMEDICAL.COM
F Jeanine R Franck	<i>Jeanine R Franck</i>	7814 Cadanga Ct	77040	832-467-3641	
CL Kimberly Soto	<i>Kimberly Soto</i>	8508 Old Meadow Ln	77064	713-305-4416	ksoto@houston.rbl.com
WTV ERNEST LAMAS	<i>Ernest Lamas</i>	8106 Split Pine	77040	713-896-7194	1/0 ernest@awesomenet.net
CHAR TRIEU LAMAS	<i>Char Trieu Lamas</i>	8106 Split Pine	77040	713-896-1926	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WTW MaryAnn Martinez	<i>M.A. Martinez</i>	8115 Wood Grove Ct	77040	713 899 8968	XTX 1000 @ msn.com
WT Elizabeth Pades	<i>Elizabeth Pades</i>	2806 Langfeld Dr	77040	713 444 2721	-
WTW Ewne Wynne	<i>Ewne Wynne</i>	8038 Trail Side Dr	77040	713 844 3096	1wynne@brievco.com
<i>Timothy E. Astor</i>	<i>[Signature]</i>	8023 Trailside Dr	77040	713 844 4631	
WTW Isabel Williams	<i>Isabel Williams</i>	8122 Trail Side Dr.	77040	713 849 0954	kiskiw@earthlink.net
OE Susan Ferguson	<i>Susan Ferguson</i>	6891 Colwood Trail	77040	713 849 1974	
WTW KELLY SMITH	<i>Kelly Smith</i>	7431 WOODAK DR	77040	713 983 9660	
WTW Vicky Leach	<i>Vicky Leach</i>	8211 Split Oak Dr	77040	713 466 3350	vleach@houston.mn.com
Barbara Winton	<i>Barbara Winton</i>	8575 Dredgale Ct	77040	713 896 9197	barbarawinton@earthlink.com
CS Stacey Vickers	<i>Stacey Vickers</i>	7823 Greenedge Dr.	77040	832 545 8020	stacey-vickers@hotmail.com
WTW Kevin Williams	<i>Kevin Williams</i>	8122 TRAIL SIDE	77040	713 849 0954	williams.kevin@earthlink.net
WTW Lisa Coley	<i>Lisa Coley</i>	8203 Split Oak Drive	77040	713 466 8764	L.Coley6401@aol.com
RF Debra Hart	<i>Debra Hart</i>	8130Twin Reed Dr.	77040	713 896 4141	hartdebra@yahoo.com
WTW Dyanette Waldron	<i>Dyanette Waldron</i>	7906 Sedge Dr	77040	713 937 3851	
WTW Jome Wiseman	<i>Jome Wiseman</i>	7607 ALLEGRO CT.	77040	713 466 6621	

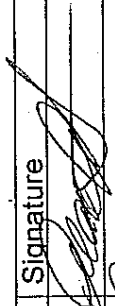
RF=Rolling Fork CG=Courtyard Glen WW=Woodwind Lakes WT=Woodland Trails CL=Cottage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040. (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ARMAA, ANN		8405 LYUENARD	77040	713-466-1344	ARMAA@AOL.COM
WTW PAULA McLANE	Paula McLANE	8019 SPLIT OAK DR	77040	(713) 937-1492	TOMAZA@HOUSTON.TX.RR.COM
FRANCOIS FRANK	J. S. French	1814 CEDENZA CT	77040	832-407-3081	fjfrank@houston.tx.rr.com
CL Luadalupe Perez	Luadalupe Perez	8522 Old meadows	77064	713-896-7192	
RF Terry Clifton	Terry R. Clifton	8331 Ivan Reid	77040	713-983-6141	
RF SALLY CLIFTON	Sally Clifton	8331 Ivan Reid	77040	713-983-6141	CLIFTONSALLY@YAHOO.COM
DE MARIAN COHEN	Marian Cohen	8107 Oakwood Place	77040	713-466-8778	
DE MARGARET CLEW	Margaret Clew	8888 OAKWOOD PARK	77040	713-937-3370	
DE WILLEN MARCONTELL	Willen Marcontell	8006 Oakwood Forest Dr.	77040	713-847-5848	wampato@plg.net
WTW Dewey Smith	D. Y. Smith	7431 Woodoak Rd.	77040	713-983-7660	
RF Gail Flaviani	Gail Flaviani	8311 JACKSON	77040	713-846-1678	
RF SHIRLEY	John Dandy	8210 Debbie Court	77040	713-466-7760	John.dandy@shesglobal.net
MT TAMIKE GARCIA	Tammike Garcia	8811 Stone Brook	77040	113 8910 4153	
WTW Barney Shirey	Barney Shirey	7646 WESTER OAK LANE	77040	832 758 6451	bshirey@shirey@yahoo.com
WTM Connie Dieringer	Connie Dieringer	8203 Split Oak Dr.	77040	713-466-8764	Connie0518@aol.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WB MARK CISNEROS		7630 LEATHEN MARK	77044	713-817-5715	
Pat Remmers		8310 Weynemer	77040	713/937-0665	
RF GUY MILKOVICH		8343 WAYNEMER CUMY	77040	713/466-4712	gemjdm1@aol.com
JACKIE MILKOVICH		8343 Waynemer	77040	713/466-4712	"
RF Rick Bailey		8125 Debbie Gay	77060	713-876-6604	
Miranda Senciv		9126 Phagsody Ln	77040	713-856-8873	miranda.s@comcast.net
MARIA ASEURBE		1922 SUMNER TWIN DR	77003	713-851-0636	maslag@yahoo.com
WTW GERARDO GURROIA		7718 WOODLAND WEST DR	77040	832-335-0990	
RF Jeanne Breisford		8103 Ivan Reid Dr	77040	(713) 959-8203	jeannebreisford@global.net
MS Jim Fultz		9410 Walnut Brook Ct	77040	(713) 896-8113	jimandbelinda@swebell.net
WTW Robert A. Herrin		8210 Windy Meadow	77040	832-2885613	
CL Lynn Blair		7514 Gold Dust Ln	77064	713-896-0832	Lo Blair@Austonia.R.R.com
CL Rusty Schwartz		7514 Gold Dust Ln	77064	(713) 896-0832	
WTW Michael J. McLane		8019 SPIRIT OAK DR	77042	(713) 937-1497	mjmc@khoustonsr.r.com
MS NOLAN JIMENEZ		8407 Westbank ave	77064	713 849 9253	Ivy Sealock@yahoo.com

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Crestside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAML RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WB Lucile S. Marshall	<i>Lucile S. Marshall</i>	5 Riverway	77056	713-843-5304	lcsr@aol.com
WTV J G GUSTAFSON JK	<i>J G Gustafson</i>	8031 Summer Place Dr	77046	832-274-1107	olddde38@jshoo.com
RF Kathy Knight	<i>Kathy Knight</i>	8534 B Jack Dr	77040	713-937-4955	Kathy.knight@yahoo.com
TB Julia Banda	<i>Julia Banda</i>	8830 Terrace Brook Dr	77041	713-983-7709	Banda1994@yahoo.com
MATT SPROTT	<i>Matt Sprott</i>	8362 Sorrel Drive	77064	713-252-1866	
CG Roy Maglin	<i>Roy Maglin</i>	8218 Cienna Dr.	77040	832-202-2555	rmaglin@gmail.com
W PAUL DUNN	<i>Paul Dunn</i>	7823 Redlandada	77040	713-825-8008	
WML Sheri Toyner	<i>Sheri Toyner</i>	8006 Ivan Blvd	77040	713-849-1996	toiyoner@houston.ir.com
SS Sonya Sampson	<i>Sonya Sampson</i>	8214 Cienna Dr.	77040	713-849-3470	ssampson7@sbcglobal.net
Steve Myers	<i>Steve Myers</i>	9007 Rocky Ln	77040	713-466-3710	
RF Sandra Kelley	<i>Sandra Kelley</i>	8118 Tiger Lane	77046	713-244-0978	Sandra.kelley@partners.kille.com
WL Chaeler Thomas	<i>Chaeler Thomas</i>	7610 Allegro Ct	77040	713-937-4189	
WF Terry Byrd	<i>Terry Byrd</i>	8307 So Jacks	77040	713-896-8742	Byrd3@flash.net
RF Wesley Byrd	<i>Wesley Byrd</i>	8507 So Jacks Dr.	77040	713-303-6200	celestial_lantern@yahoo.com
CG WOLFE MARCELA	<i>Marcela Wolfe</i>	7910 REDCHANDS	77040	713-404-7403	RIBBONMANPEVY.HGT

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WF=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Ethelene Marshall	<i>Ethelene Marshall</i>	8923 Wilson Blvd	40	713-849-9266	
NTW JOHN DEEKEN	<i>John Deeken</i>	8418 Baithroads	77040	2817935806	
RF BETT SUZANNE STUE	<i>Suzanne Stue</i>	830 PAETOW	77040	832-467-8920	'jcktsaw@hal-pe.org
WP JULY GARCIA	<i>July Garcia</i>	7245 Fairbanks N Hwy 151	77040	713-856-6682	CASTANEDA MIC @ 53261-6421.N.E.P
WML DAN CASTANEDA	<i>Dan Castaneda</i>	8107 ANDANTE DR	77040	832-467-2497	
RF TRACEY HARRIS	<i>Tracey Harris</i>	8301 TERRACE BROOM	77040	818-554-8013	REDIESTARBARBE@AOL.COM
FB Alexandre Harris	<i>Alexandre Harris</i>	8319 Terrace Brook	77048	248-390-5868	harris@cmich.edu
RF Christine Femmes	<i>Christine Femmes</i>	830 Weymeyer	77040	713-937-0605	
RF Jacalyn Femmes	<i>Jacalyn Femmes</i>	8310 Weymeyer	77040	713-937-0665	pfemmes@houstontx.cc.edu
RF Charles Jackson	<i>Charles Jackson</i>	8310 Parkton Lane	77040	832-620-6640	JACKSON@HLL-PC.ORG
RF Rick Baile	<i>Rick Baile</i>	8123 Diddis Gray	77060	713-891-6604	rbai145@houstontx.cc.edu
RF Sandra Riebeling	<i>Sandra Riebeling</i>	8123 Dobbie Hwy	77046	713-896-6604	sriebeling@houstontx.cc.edu
TB Nicholas Gabb	<i>Nicholas Gabb</i>	8150 Gray Jay Dr.	77040	713-553-5809	ncobb@ieee.org
NTM Sylvia DeLeon	<i>Sylvia DeLeon</i>	718 Woodland West Dr.	77040	832-241-0830	sdeleon@trademarktransf.com
NTM Elizabeth Herrera	<i>Elizabeth Herrera</i>	870 Winding Meadow Ct	77040	832-286-9813	lizherrada@yahoo.com

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF David Almaguer	<i>[Signature]</i>	8167 Waybama Way	77040	713 953 0720	
RF DAVID WML	<i>[Signature]</i>	8306 B. Jacob Dr	77040	713-937-1789	
TB Sherry Durnn	<i>[Signature]</i>	8303 Terrace Brook Dr	77040	713-896-8036	divasherry@yahoo.com
WT Michelle Astor	<i>[Signature]</i>	8083 Trail Sidel	77040	413-896-4621	WTFIRST
RF SACK LEE	<i>[Signature]</i>	8327 IVAN REIS	77040	713-937-1337	CAILLELEE@SBC62081111
RF Irma Doway	<i>[Signature]</i>	8210 Debbie Gay	77040	713-466-7760	imadoway@yahoo.com
RF Rebecca Stevens	<i>[Signature]</i>	8210 Debbie Gay	77040	713-269-8774	rebecastevens@hotmail.com
VL Greg Kaase	<i>[Signature]</i>	8911 Opus Ct.	77040	713-849-5215	gregkaase@yahoo.com
RF Pamela Ellermann	<i>[Signature]</i>	2715 Austin Dr	77040	713-243-2884	
WTW Kay Delasalle	<i>[Signature]</i>	7511 Spl. + Oak Ct	77040	713 937-1313	KBD@Houston.rr.com
CL JOHN KLANDER	<i>[Signature]</i>	8503 Pebblestone	77064	713-937-7759	john.klander@cityofhouston.net
TB FLAVIA KUNDA	<i>[Signature]</i>	8215 Garrison Point	77040	832-567-8970	flavia@boobka.com
AFK Sathryn Fastner	<i>[Signature]</i>	8335 Debbie Jay	77040	832-437-2299	keastner@att.net
CL Chris Leal	<i>[Signature]</i>	8503 Apollo way Ln	77064	713-466-8249	leal@leal.com
CL ELVA GARCIA	<i>[Signature]</i>	8222 Coppinwood	77040	832-467-2682	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WF Lisa Grashoff	<i>Lisa Grashoff</i>	8039 Big Oak Trk.	77040	713-2016227	Lgrashoff@SJCS.org
RF Daniel Salvage	<i>Daniel Salvage</i>	9035 Fairblow	77040	713-478-8081	Dsalvidge@juno.com
DF JANIE SUDMAN	<i>Janie Sudman</i>	8023 Oakwood Park	77040	713-937-4517	Jsaldana2@Xhouston.rr.com
TB Chris Mucci	<i>Chris Mucci</i>	8307 Terrace Park Dr	77040	713-816-9916	Chris 8047@excite.com
WTP Deborah Perkins	<i>Deborah Perkins</i>	8031 Summer Trail Dr	77040	281-830-2085	
WT Francesca Mazzoni	<i>Francesca Mazzoni</i>	7803 Capoverde	77040	713-983-9327	
CG Claudia Tomayo	<i>Claudia Tomayo</i>	8326 Helmswood Dr	77040	881-250-4012	ClaudiaTomayo@yahoo
GN Gladys Videl	<i>Gladys Videl</i>	8135 Big Oak Trail	77040	713/937/0584	guidese@horizonOFFshore.com
OF Judy Worley	<i>Judy Worley</i>	8106 Oakwood Pl	77040	713-983-0343	jw@vival.com
HOANG THI	<i>Hoang Thi</i>	8431 BERTLEIGH	77040	713-896-6574	
Laura Mazzoni	<i>Laura Mazzoni</i>	8431 Bertleigh	77040	713-928-3186	
CS Debbie Winkelman	<i>Debbie Winkelman</i>	889 Windside Dr	77040	713-937-4670	
CG Jose A. Leon	<i>Jose A. Leon</i>	8211 EAST RIDGE	77040	713-896-0761	
OF Deborah Fabilske	<i>Deborah Fabilske</i>	6815 Oakwood Lane	77040	713-937-7109	
WV HELEN C. WILKINSON	<i>Helen C. Wilkinson</i>	8727 ANAKAT	77040	713-983-9733	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WTP=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
AF Calvin Cappelle		8223 Debbie Alley	77040	713-996-6388	Cappelle2@Houston.AA.COM
TB Karrie Kenyon		8331 Terrace Brook	77040	954-404-5594	KARRIEKENYON@AOL.COM
TB Patricia Kenyon		8331 Terrace Brook	77040	713-271-9405	KENYONPA@AOL.COM
AF FERT ANUEL		6994 AERONA PL C/E	77040	713-207-5625	FANUEL@HOUSTON.AA.COM
RF DAVID HICKL		8210 IVAN REID	840	713-849-2745	
WL Ellen Nickels		9103 Woodwind Lakes Dr	77040	832-467-4118	JAYSMICHAEL@EARTHLINK.NET
RF Binh Truong		8802 Outview Ct	77040	832-535-4319	BinhCTruong@yahoo.com
WTW CURT HIBBS		8510 Battcoat	77040	713-896-9314	
WHL HECTOR MEDINA		8415 LAUREL TRACE	77040	738-568132	
DF Linda Calmes Muffler		6888 Oakwood Grove	77040	713-849-4535	
DF James O Mathol		8415 Laurel Trace	77040	713-849-4535	
CL Aida Abensur		8327 Twin Lamps	77064	713-551-1766	
TB Jennifer Kastner		8307 Terrace Park	77040	281-765-2929	
WNL Suzanne Foubert-Williams		8727 Andante Dr	77040	713-983-9733	
TB Douglas Hewett		8218 Terrace Brook Dr	77040	713-819-9046	BDSH7758@ev1.net

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodwind Lakes WL=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040. (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Gary Booth	<i>Gary Booth</i>	8215 Lakeside Blvd	77040	713 442 3624	gbooth@aol.com
RF SANTIAGO TRUSILLO	<i>Santiago Trusillo</i>	8130 JUAN RUIZ	77040	713-856-4141	N/A
CL Fernando Valles	<i>Fernando Valles</i>	7814 Sunbonnet Lane	77040	832-681-6294	fvalles@houstons-rr.com
CL Cristina Valles	<i>Cristina Valles</i>	7814 Sunbonnet Lane	77040	832-681-6297	cvalles@houstons-rr.com
RF SAMUEL BURNETT	<i>Samuel Burnett</i>	13 DORIS CT.	77040	713-466-0213	
WTR GREGORY JUDKINS	<i>Gregory Judkins</i>	8181 SPYRIVE DR	77040	713-983-8524	gjjudkins1@houstons-rr.com
WTR JAY MICHAELS	<i>Jay Michaels</i>	9103 Woodland Lakes	77040	832-467-4118	jaysmichaels@earthlink.net
RF Blanca A. Castro	<i>Blanca A. Castro</i>	8203 Ladbroke Ln	77040	713 849 0967	fred2905@sbcglobal.net
WTR Dora Clements	<i>Dora Clements</i>	8110 Log Hollow	77040	713 844 4859	dclements41@yahoo.com
CL Sylvia Lopez	<i>Sylvia Lopez</i>	8371 Sorrel Dr	77064	713 846-7675	Slopez 777@peoplenet.com
WTR Cynthia March	<i>Cynthia March</i>	7407 Wood Bluff	77040	713 466 5089	cmhmbc@aol.com
RF SOFIA ORTIZ	<i>Sofia Ortiz</i>	8580 D Jack	77040	713 502 6977	Sofiaortiz@att.net
OF ESTER ALMENDAREZ	<i>Ester Almendarez</i>	8023 OAKWOOD GARDEN	77040	713-937-9517	EALMENDAREZ@HOUSTON-RR.COM
RF Shari Erickson	<i>Shari Erickson</i>	8330 Tiger Ln	77040	713-466-0008	
WTR William Vasquez	<i>William Vasquez</i>	7014 WOODBLUFF	77040	713 937 8879	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WTR=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 6700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Paulaus Alleman	<i>Paulaus Alleman</i>	8522 Langfoster Ln	77064	713 937-0591	Paulaus@att.net
Gerald Alleman	<i>Gerald Alleman</i>	8522 Langfoster Ln	77064	713 937-0591	gja0591@aol.com
James Phillip	<i>James Phillip</i>	8431 Red Lake	77064	713 983 7331	
Linda Smith	<i>Linda Smith</i>	10011 Loch Dane Dr Houston	77070	281-379-3354	Linda.Smith@csd.net
Mary Stewart	<i>Mary Stewart</i>	10011 Loch Dane Dr	77070	281-379-3354	
Josh Lambury	<i>Josh Lambury</i>	7916 Roundbank	77064	832-883-6454	
Carlos General	<i>Carlos General</i>	2714 westbank ave	77114	832-881-2224	westbank17588@aol.com
Alison A. Lane	<i>Alison A. Lane</i>	7758 Roundbank	77064	832 467-8730	
MAINGNEWSEN	<i>MAINGNEWSEN</i>	888627 RIVER CROSS	77064	713-466-5457	
NIDIA M. YERZ	<i>Nidia M. Yerez</i>	8403 TWIN LAMPS LN	77064	713-957-3170	
Eugene George	<i>Eugene George</i>	9006 Bova	77064	713 956 8222	
INANDA DICKERSON	<i>Inanda Dickerson</i>	7727 Westbank Ave	77064	713 295-1644	
NESTOR MONTOYA	<i>Nestor Montoya</i>	8627 KENNETH	77064	713-983-8794	
Shelley Shelton	<i>Shelley Shelton</i>	7815 Sunbark	77064	713 416 4125	
Manica Raynes	<i>Manica Raynes</i>	8314 Wayward	77064	713 937-8890	manica145@aol.com

RF=Rolling Fork CG=County Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

8

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF LAWRENCE LUKER	<i>Lawrence Luker</i>	8311 Tessa Ct. No.	77040	713-466-1515	
RF Nancy Carew	<i>Nancy Carew</i>	8310 Tessa Ct. No.	77040	713-466-8265	
RF Bill Carew	<i>Bill Carew</i>	8310 Tessa Ct. No.	77040	713-466-8265	
RF O.D. Pugh	<i>O.D. Pugh</i>	8315 Tessa Ct. No.	77040	713-466-4569	
RF ANN PUGH	<i>Ann Pugh</i>	8315 TESSA CT. No.	77040	713-466-4569	
RICHARD LESLIE	<i>Richard Leslie</i>	8303 TESSA C.	77040	713-466-9813	
RF E.H. Stork	<i>E.H. Stork</i>	8314 TESSA CT.	77040	713-466-9064	
RF Roslyn Potcinske	<i>Roslyn Potcinske</i>	8127 IRVIN REID	77040	713-466-7669	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

13

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Jean A. Saur	J. A. Saur	8050 HANLEY AVE. 930 BROWN LANE	77478		
J. Kirk Plogianich	J. K. Plogianich	110 Aloway Sugarland	77479		
Catherine Kramich	C. Kramich	610 Cal Drway Pt. Sugarland	77479		
William D. Moye	William D. Moye	934 Pennsylvania C. Sugarland	77478		
Jane M. Moye	Jane M. Moye	934 Pennsylvania C. Houston	77478		
Robert Serr	Robert Serr	11526 E. Green Forest	77071		
Rick D. Pierce	Rick D. Pierce	10440 SUTER	77099		
Hollis Alexander	Hollis Alexander	12114 V Ln	77071		
DAYD CRANDALL	Dayd Crandall	2855 COMPTON CREEK LATER BLDG 121	77094		
Patricia M. Pearson	Patricia M. Pearson	910 Brosswick Dr. Sugar Land, Tx.	77478		
Arnell L. Pearson	Arnell L. Pearson	910 Brosswick Dr. Sugar Land, Tx.	77478		
KENNETH LANGEN	Kenneth Lengen	12815 SPANGLIFF OAKS SUGAR LAND TX	77478		
CHARLOTTE LANGER	Charlotte Langer	5010 Bruce Court Blvd #201 Sugarland TX 77477	77477		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

15

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLA RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Tat Dresner	<i>Tat Dresner</i>	1319 E Ingers	77086	281-472-4133	
Zanatlidge	<i>Zanatlidge</i>	3606 Chocoma	77571	281.723.0963	
RF Lucy Sanchez III	<i>Lucy Sanchez III</i>	8307 Parklane	77040	713 582 0026	
Javier Gonzalez	<i>Javier Gonzalez</i>	1810 S. Everglades	77536	281 976 9536	
Lindy Davila	<i>Lindy Davila</i>	709 Wisdom Dr	77534	281 479 0954	
Leah Kell	<i>Leah Kell</i>	6530 Everhill Dr	77450		
Laci Jankowiak	<i>Laci Jankowiak</i>	747 Woodlark Dr.	77040	(713) 830 278	
MEISSA AGUILAR	<i>Meissa Aguilar</i>	1131 TRAVELERS WALK	77065		
JESSICA AGUILAR	<i>Jessica Aguilar</i>	019 ROLLINGBROOK DR	77521		
Ernie Aguilar Jr.	<i>Ernie Aguilar Jr.</i>	2779 Deeringhill Dr.	78745	512-633-7540	
Delia M. Aguilar	<i>Delia M. Aguilar</i>	11311 Sunclay Way Cir	77065	281 890-1350	
RF Ryan Sanchez	<i>Ryan Sanchez</i>	8307 Parklane	77040	713 585 4625	
Stannard Murata	<i>Stannard Murata</i>	1805 Everglades Dr	77536	281 476 4536	
RF Catherine Knowlton	<i>Catherine Knowlton</i>	2606 Fish Ct	77040	713-466-6292	
RF [Name]	[Signature]	[Address]	[Zip]	[Phone]	[Email]

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WF=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

15

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BOND FOR ROLLING CREEK APARTMENTS, 8700 TAMLERNEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Delores Tamborello	<i>Delores Tamborello</i>	5948 Kildgery Dr. Pasadena TX	77504	713-369-8812	delores_tamborello@kindermorgan.com
Cindy Franklin	<i>Cindy Franklin</i>	11293 Hambleton Way Houston TX	77065	281-955-8501	CINDY-FRANKLIN@KINDERMORGAN.COM
Donna Rhodes	<i>Donna Rhodes</i>	19011 Summer Anne Sugar Land TX	77346	281-852-3117	donna_rhodes@kindermorgan.com
Jay Reppond	<i>Jay Reppond</i>	10327 Downcrest Way Houston TX	77478	281-271-5261	Jay-Reppond@Kindermorgan.com
Evelyn Monroe	<i>Evelyn Monroe</i>	17718 GOLF CLUBS	77532	281-328-1374	N/A
Paul h. Hart	<i>Paul h. Hart</i>	8810 Driftstone Dr	77379	281-251-4776	N/A
RAYMOND BANDIER	<i>RAYMOND BANDIER</i>	3618 Bear Lake Dr	77345	713 369 8988	✓
NEIDA SHEALY	<i>NEIDA SHEALY</i>	13410 OAK ALLEY	77429	713 369 8977	
Mary Anne McKinney	<i>Mary Anne McKinney</i>	314 Briar Ridge Rd	77571	281 471 1536	✓
Stephanie Bogenschultz	<i>Stephanie Bogenschultz</i>	1715 NINE LANE	77019	713-369-9070	
BLETT BIANCHI	<i>BLETT BIANCHI</i>	5718 ANCIENT OAK	77346	281-852-3139	
Sharon Soderman	<i>Sharon Soderman</i>	5638 DUNN CREEK	77069	81-433-7748	✓
TODD MENOX	<i>TODD MENOX</i>	3839 ABERDEEN	77025	713/665-2157	
JIMMY GALINDO	<i>JIMMY GALINDO</i>	637 HARVARD	77007	(713) 369-9272	
		16710 Caribbye	77084	713-369-8806	

RF=Rolling Fork | CG=Courtyard Glen | WM=Woodwind Lakes | WT=Woodland Trails | CL=Carriage Lane | LC=Laurel Creek | TB=Terrace Brook | CS=Creekside | BE=Burger Estates

4

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CARL DE ROSA	Carl De Rosa	8814 Fair Harbour Lane	77040	713-461-3346	CarlDeRosa@aol.com
KATHY DE ROSA	K. De Rosa	None			allende224@aol.com
Cliff T. Hendley	Cliff T. Hendley	10718 Clear Cove Lane	77041	713-466-7569	TEANDE@aol.com
Rebecca Hendley	Rebecca Hendley	10718 Clear Cove Ln	77041	713-501-5144	RKHENDLE@OLEMISS.EDU

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

12

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
STACY BAGWORTH	[Signature]	5131 Prelude Ct	-	713 896 6046	
JAMIN SIMMONS	[Signature]	8687 Prelude Ct		-	
KAREN LADK	[Signature]	8623 Prelude Ct.	77040	713-896-9128	karenladk@houstonsrr.com
ELSA WILMINGTON	[Signature]	8615 Prelude Ct.	77040	832-467-9357	elsagundo@houstonsrr.com
MIKE WILMINGTON	[Signature]	8615 Prelude Ct	77040	832-467-9357	mike.wilmington@gmail.com
		8619			
		8611			
Corey Otten	[Signature]	8607 Prelude Ct	77040	713 896 9128	61kotten@houstonsrr.com
Ann Otten	[Signature]	8607 Prelude Ct	77040	713 896 9128	
Jon Sharp	[Signature]	8614 Prelude Ct	77040	91856-8966	JSharp832@houstonsrr.com
Shana Sharp	[Signature]	8614 Prelude Ct	77040	91856-8966	
Karen Travillo	[Signature]	8611 Prelude Ct	77040	713-896-0755	KHT21@aol.com
Jim Canillo	[Signature]	8611 Prelude Ct	77040	713-896-0755	" "
Abma Dany	[Signature]	8622 Prelude Ct	77040	832-832-8371	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

Ann

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WTU Andres Alba	Andres Alba	8010 Logholow	77040	832-882-4722	
WTU Kenneth F. White	Kenneth F. White	7307 Woodoak	77040	713-937-6538	
WTU Carlos Renteria	Carlos Renteria	8235 Old Trzpl	77040	713-937-0130	
WTU Stephen Wraitchford	Stephen Wraitchford	8218 Split Oak Dr	77040	713-896-7705	
WT Barbara Bierstedt	Barbara Bierstedt	831 Big Oak Trail	77040	713-896-1817	
WTU Kevin R. Rose	K.R. Rose	8139 Split Oak Dr.	77040	713-896-0714	
WTU Lisa S. Rose	Lisa S. Rose	8139 Split Oak Dr.	77040	713-896-2714	
WT Laura Hernandez	Laura Hernandez	7418 Woodoak Dr.	77040	713-983-6346	Hernandez203@Houston.RR.com
WTU Karla K. Lewis	Karla K. Lewis	7423 Pierrepont	77040	713-466-6260	Klewis@hindallfoster.com
Linda Jefferson	Linda Jefferson	7816 Adalgio Ave	77040	713-856-5714	
Greg Hoffman	Greg Hoffman	9215 Gymbal Ct	77040	713-561-6370	
Mike Doxey	Mike Doxey	71602 Crescendo Ct	77040	713-937-6012	Mdoxey@hmtank.com
Richard L. Glead	Richard L. Glead	77807 Cadena Ct	77040	713-983-8437	
WTU Douglas S. Trevelath	Douglas S. Trevelath	8702 SEPENOE LN	77040	713-896-9477	
JAMES S. ADKINS	James S. Adkins	8206 AUDUBON DR	77040	713-849-0627	

RF=Rolling Fork CG=Courtyard Glen WW=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION PROPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLRENEE, HOUSTON, TX 77040 (7006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ENRIQUE LOPEZ	<i>Enrique Lopez</i>	8006 Bova Rd.	77064	713-856-2922	
Josie Lopez	<i>Josie Lopez</i>	8006 Bova Rd.	77064	713-856-8292	
Margarita Lopez	<i>Margarita Lopez</i>	8303 Bova Rd	77064	713-896-9452	
Jorge Hernandez	<i>Jorge Hernandez</i>	10104 Morocco Rd	77041	713-922-9538	
LINA HOOVER	<i>Lina Hoover</i>	811 Lovett	77006	713-520-0602	
<i>[Signature]</i>	<i>[Signature]</i>	511 Lovett	77006	713-570-0602	
JOSE M. SALDANA	<i>[Signature]</i>	8207 Holmwood	77046	713-983-9286	
FRANISCA Saldana	<i>[Signature]</i>	8207 Holmwood	77040	713-983-9286	
Digna Bernal	<i>[Signature]</i>	8214 Holmwood	77040	713-856-6006	
Sixto P. Mejia	<i>[Signature]</i>	8214 Holmwood	77040	713-856-6006	
Sore A Mejia	<i>[Signature]</i>	8214 Holmwood	77040	713-856-6006	
ERIKA Araya	<i>[Signature]</i>	8701 Hammerly	77070	713-932-9558	
Manuel Gonzalez	<i>[Signature]</i>	8202 Holmwood Dr.	77040	713-856-8597	
Carlos Esquivel	<i>[Signature]</i>	8202 Holmwood Dr.	77040	713-856-8597	
<i>[Signature]</i>	<i>[Signature]</i>	7386 Whittell Ln	77040	713-849-3842	

RF=Rolling Fork CG=Courtyard Glen WWT=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROL G.CREEK APARTMENTS .8700 TAML RENEE HOUSTON TX 771 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
1 RICHARD McLOY		2 Downys Ct, Houston	77040	713 937-4579	rmccoy@houstan.rr.com
2 Raymond Hoppe		13546 LEONICK Dr. Houston	77041	832-452-5858	rhopper2@houstan.rr.com
3 William L. Long		102 Trinity Lakes, Woodlands	77381	281-719-0901	william@houstan.rr.com
4 BERRY Goss		5211 Celestial	77039	281-449-1235	Bgoss@va.net
5 Patrick Callcott		1723 Mellow Ridge	77379	832-928-4996	prollet@vantageps.com
6 TRAVIS MATSUNO		10432 HAMMILL	77413	714-979-9445	travis@matson.com
14 Jim Bynoch		9011 Briarforest	77024	713-463-5040	jbynoch@chesco.org
7 William Spijkerman		9714 Tangle Lane	77339	713-823-1515	wspijkerman@yahoo.com
8 Tammy Spijkerman		3714 Tangle Lane	77339	713-823-0908	Tammyspijkerman@yahoo.com
9 Carol Zafereny		10807 Tupper Lake	77042	713-783-5811	chafferty@resno.ots
10 Rhonda McDonald		12439 W. Houston	77077	281-589-7817	r.honda.mcdonald@earthlink.net
11 Joe Cartwright		2822 Garity Crk	77469	281-341-9543	JCartwrt@Springenergy.com
12 Bill Kirchheiner		4838 Taylor Lake Ct.	77469	281-763-4333	billkirchheiner@springenergy.com
13 TOM RIPPSTEIN		16339 Lobo	77379	713-245-2650	rip@ppg.net
14 Pat Harrison		58 Samba Park	77375	281-225-8430	pharrison@hokms.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLERNEE, HOUSTON, TX 77041 2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
TAD P. LITTLE	Jad Little	483 OLD HICKORY DR	77302	936-321-2057	Tad.LITTLE@ApacheCorp.com
Michele Broughton	MBroughton	7575 Katy Fwy #916	77024	832-444-3192	shelli310@msn.com
GARY LOU MARBLE	Gary Lou Marble	7335 CORNWALL BRIDGE LN	77041	713-466-6053	GARY.MARBLE@APACHECORP.COM
Rebekah Doherty	Rebekah Doherty	3016 Main #1503	77002	713-296-6071	rebekeh.doherty@spacel.com
Charlotte Krecow	Charlotte Krecow	1710 Woodland Park	77077	281-589-2981	ckrecow@sbcsglobal.net
Jim Teasdale	Jim Teasdale	1631 AVERAGE DR	77077	281-493-2773	jim.teasdale@spacel.com
JANE GILKINSON	Jane Gilkinson	13615 Apple Tree	77079	913-485-3591	JANE.GILKINSON@APACHECORP.COM
JANICE BARKER	Janice Barker	4205 Austin Meadows	77479	281-865-9912	janicebarker@houston.rr.com
PAMELA M. LEIGHTON	Pamela M. Leighton	12900 BRAR FOREST #40	77077	281-694-4977	pam.leighton@spacel.com
Dominick Valle	Dominick Valle	1526 morning Park Dr.	77494	281-693-2776	domvalle@msn.com
MARGARET GRANT	Margaret Grant	7914 Jambou Dr	77036	713-783-9666	
Tomika Samuels	Tomika Samuels	8206 Soledad Dr.	77093	281-277-1727	tomika.samuels@houston.rr.com
Kristy Cullter	Kristy Cullter	5510 S Rice Avenue	77081	713-662-3908	kristy.cullter@spacel.com
KATHY POWELL	Kathy Powell	1011 Bassetdale Ln	77084	281-463-1949	kathy.powell@spacel.com
Serome Powell	Serome Powell	1011 Bassetdale Ln	77084	281-463-1949	

RF=Rolling Fork, CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLING CREEK APARTMENTS, 8700 IAMI RENEE HOUSTON, TX 77124 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
MARIE JOHNSON		2458 FATH LN ^{HOUSTON TX 77124}	77445		
ANDY CUTZELL	A. Cutz	26211 MOONBUNDS ST ^{HOUSTON TX 77124}	77694		
Christopher Johnson	C. Johnson	1335 Silverado #224	77077		
Michael Hendrick	M. Hendrick	3002 Holly Hill	77054		
ADELENNE COKE	Adelenne U. Coke	27614 SOUTHWIND DR	77372		
DOROTHY COKE	Dorothy U. Coke	27614 SOUTHWIND	77372		
CHAROL LUYTON	Charol Luyton	7215 Bayou Oaks Dr	77088		
SHARON FARRER	Sharon Farrer	6908 Cedar Creek	77020		
JAMES GARRETT	James Garrett	4638 YERA JAWN DR	77088		
Diana Garrett	Diana Garrett	4038 Vera Jean Dr	77088		
George Luyton	George Luyton	7215 Bayou Oaks	77088		
GEORGE LUYTON	George Luyton	7215 BAYOU OAKS	77088		
Ann Parker	Ann Parker	8800 Hammockly	77088		
Enna Miano	E. Miano	8656 Jones Rd.	77065		
JOSE BOGGS	Jose Boggs	6833 L. KENNEDY	77018		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the distinct average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Rick Soukup	<i>Rick Soukup</i>	4915 BLUEBERRY HILL	77084	281-856-8570	
Kim Hersheff	<i>Kim A. Hersheff</i>	15222 Yokpoint Dr.	77084	281-859-3584	
Claire Ito	<i>Claire Ito</i>	12306 Jayann	77077	281-568-6317	
Sam Cattel	<i>Sam Cattel</i>	24211 Moss Ridge Ct	77091		
Marian Myhberg	<i>Marian Myhberg</i>	10508 Brantley Bank Lane Houston	77066	281-893-2984	
Jennifer Han	<i>JENNIFER PHAN</i>	11035 Springwing Drive	77064	281-894-7292	
Andy Francis	<i>Andy Francis</i>	2087 Plum Trails	77449		
Daniel Schubert	<i>Daniel Schubert</i>	91 DOTS	77010	713-466-5853	
Myrle Phante	<i>Myrle Phante</i>	10026 Timber oak	77080	713-973-8128	
PEI FANG LI	<i>Pei Fang Li</i>	11804 Spring grove	77099	281-530-6261	
Bim Li	<i>Bim Li</i>	15583 Clare Cove	77041	713-896-4956	
Diana Duker	<i>Diana Duker</i>	10123 Golden Star Lane	77064		
Tommy Duker	<i>Tommy Duker</i>	11 " " "	" "		
Tommy Duker Jr	<i>Tommy Duker Jr</i>	11 " " "	" "	832-681-0915	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

5

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WU MARIA ELENA HANSON	Maria Elena Hanson	8726 SERENADE LN	77040	713-849-1949	Elenahanson@bcgglobal.net
WU IRVING P. HANSON	Irving P. Hanson	8726 SERENADE LN	77040	713-849-1949	irvhanson@SFBGLOBAL.NET
WU HELEN SCHUTZ	Helen Schutz	8719 Serenade Ln	77040	713-849-4245	hschutz@houston.rr.com
Carla Pond	Carla Pond	8831 Wilson Road	77040	713-983-7600	CPOND@N7corp.com
Tim Pond	Tim Pond	8831 Wilson Road	77040	713-983-7600	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

11

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RICHARD C. GARCIA	<i>R. C. Garcia</i>	14 Downy Ct	77040	713-983-0795	R1COLC@EARTHLINK.NET
MARILYN ADAMS	<i>Marilyn Adams</i>	8415 LYLEWOOD CT	77040	713-937-7269	
TOM EASTLAND	<i>Tom Eastland</i>	8415 WESTMONT LN	77040	713-466-5485	TOMEASTLAND@MSN.COM
Julie Jackson Lusby	<i>Julie Jackson Lusby</i>	9007 Mauna Loa Ln	77040	281-804-8341	julie@jacksonhill.net
Roy Cain	<i>Roy Cain</i>	30114 TESSMANE CT	77040	713-466-6188	RC19370@TIAOL.COM
Pete Linden	<i>Pete Linden</i>	8910 Chet	77040	713-937-8912	
SHARKA CARLSON	<i>Sharika Carlson</i>	8303 BU JACK	77040	713-849-9210	sharika@earthlink.net
Jane M ^{rs} I/raha	<i>Jane M^{rs} I/raha</i>	8415 Mainbridge Rd	77040	713-849-8908	bigmac3000@sbcglobal.net
Christian Carlson	<i>Christian Carlson</i>	8303 Bo Jack	77040	713-849-9110	
ANGIE E. Garcia	<i>Angie E. Garcia</i>	14 Downy Ct	77040	713-983-0795	
ELVIA LANDA	<i>Elvia Landa</i>	8327 BO JACK DR	77040	713-744-450	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

AK

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.
 Reasons for opposition:
 By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
SPINELLI ARLAN	<i>[Signature]</i>	8527 Chucky Light	77064	713-907-3144	
Janice Quarles	<i>[Signature]</i>	8615 Daybreak	77064	713-460-3673	
Margarita Ramirez	<i>[Signature]</i>	7815 West Rd Harbor	77064	832-877-2641	
David J. Harek	<i>[Signature]</i>	8623 Bridgeport	77064	832-467-9672	
Dorinda Countryman	<i>[Signature]</i>	8142 Little River	77064	713-983-7936	
Tina M. George	<i>[Signature]</i>	8164 Little River	77064	713-983-7266	
Billy Jennings	<i>[Signature]</i>	7826 Rowland Dr	77064	713-460-4906	
Colbie Caswell	<i>[Signature]</i>	9365 Appleton	77064	832-407-2001	
Robbie Berry	<i>[Signature]</i>	7815 Sunbarnet		832-275-1881	
Shirley Vaquero	<i>[Signature]</i>	7910 Longshirln	77040	713-498-6999	
Andrew Kim	<i>[Signature]</i>	14722 Windlelea Ln	77041	832-233-9006	
ARMY NEWSON	<i>[Signature]</i>	7515 GARDNER	77064	281-855-2971	
April Diboniewicz	<i>[Signature]</i>	7515 Gold Dust	77040	281-855-2971	
CAKOL KAKA	<i>[Signature]</i>	7822 Sunbarnet Lane	77064	713-937-2460	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

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14

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040. (2006)
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the distinct average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Todd Davis	<i>Todd Davis</i>	7402 Senata	77040	713-937-0739	t-wdavis1@ey.com
Wendy Davis	<i>Wendy Davis</i>	"	"	"	"
Frence Simon	<i>Frence Simon</i>	7101 Alega Drive	77040	713-896-4148	simonwine@sbcglobal.net
MARK NOLET	<i>Mark Nolet</i>	8711 SERENADE LN	77040	713-983-6179	marknolet@houston.rr.com
Bobbie Gates	<i>Bobbie Gates</i>	8739 Wilson Road	77040	713-466-0735	hobbiegates@sbcglobal.net
Sarah Whitaker	<i>Sarah Whitaker</i>	8003 Ivan Reid	77040	713-937-3233	sarahwhitaker@att.net
Sally Whitaker	<i>Sally Whitaker</i>	8003 Ivan Reid	77040	713-937-3233	"
Rocky Rusinovich	<i>Rocky Rusinovich</i>	8726 Andante Dr. Houston TX	77040	713-856-9508	"
Jeff Rusinovich	<i>Jeff Rusinovich</i>	"	"	"	"
Patti Friegloff	<i>Patti Friegloff</i>	8707 Serenade Ln	77040	713-896-9477	"
Yvette McClasky	<i>Yvette McClasky</i>	8927 Andante	77040	713-849-8522	"
Edwardo Ponceledo	<i>Edwardo Ponceledo</i>	7802 Calista Ct	77040	713-896-8391	eponceledo@houston.rr.com
DAVID NOVISK	<i>David Novisk</i>	8931 Andante	77040	713-805-8177	"
Wanda Gaudin	<i>Wanda Gaudin</i>	8811 Outview Ct	77040	713-896-8957	claudin@houston.rr.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Byrger Estates

15

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)
 Reasons for opposition:
 Our area has sufficient, affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Maida Trinnic		8106 Debbie Gay	77040	713-896-4114	/
Andrea Trinnic		8106 Debbie Gay	77040	713-896-4114	/
ZORAN TRINNIC		DITTO	77040	713-896-4114	/
Marina Trinnic		same	same	same	/
Chris Dean		14555 Philippe	77040	832-415-4444	/
Jason Tomlinson		4325 betty	77401	713-664-5570	/
Crissie Champagne		15913 Lakeview	77040	713-937-7770	/
Richard Woods		21012 Twila Springs Dr	77045	713-592-7479	/
LISA CLANSON		7288 Snoddy Dr	77040	713-937-0020	/
Adam Steagy		91226 Mcgrad	77040	832-372-1961	/
John Richard		7618 Kelly Koeb	77042	713-963-9153	/
CHRIS MARTIN		9506 Greenwood	77070	281-955-0831	/
Kenn Fenske		8210 WIMBLETON LN	77070	281-444-7805	/
Ryan Bannier		2003 LAZYMOON	77008	281-282-2051	/
Charles N. Anderson		8065 Jones	77065	281-253-9755	/

RF=Rolling Fork CG=Courtyard Glen CWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

6

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Anthony Flaviani	<i>[Signature]</i>	9118 Woodwind Lake	77040	713-466-1191	anthony@flaviani.net
Mark D. Smith	<i>[Signature]</i>	8860 Congo Ln	77040	832-814-9003	
Max Stutz	<i>[Signature]</i>	9222 Merna	77040	281-471-9000	SP8843@SBCglobal.net
Cheryl Stuetz	<i>[Signature]</i>	9222 Merna	77040	281-471-9000	SP8843@SBCglobal.net
JL Robert Lander	<i>[Signature]</i>	9218 Merna	77040	713-466-3385	
JJ Jessica Lander	<i>[Signature]</i>	9218 Merna	77040	713-466-3385	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

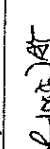
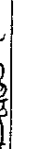
(2)

2
PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BOND FOR ROLLING CREEK APARTMENTS, 8700 TAMPLERENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Tom Doen		8985 Andamir	77040	7138966700	pcoen@houston.rr.com
Julie Lyons		8135 Clarewood	77060	832-467-1987	LYONSFAMILY@FIRESCOPE.NET

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
1 Bob Lawterip		# 5 Dony's	77040	713 464 5914	
2 DEBI LAWTRIP		# 5 Dony's	77040	713 825 7203	
3 Tony Schubert		# 9 Dony's	77040	713 466 5 853	
4 Helen Schubert		9 Dony's	77040	713 466 5 853	
Kalen Alvarez-Kessse		31861 Tres Lomas	78163	830 980 6452	
Ana Alvarez-Kessse		" "	"	830 980 6452	
Annam Kessse		31861 Tres Lomas	78163	830 980 6452	
Tracy Berg		11803 Campus Dr	77066	281-857-9537	
Mitch Berg		1803 Campus Dr	77065	" " "	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
1 Bob LAWRIE	[Signature]	# 5 Dony's	77040	713 466 5914	
2 DEBI LAWRIE	[Signature]	# 5 Dony's	77040	713 525 7203	
3 Tony Schuber	[Signature]	# 9 Dony's	77040	713 466 5853	
4 Helen Schubert	[Signature]	9 Dony's	77040	713 466 5853	
Kalen Alvarez-Keesee	[Signature]	31861 Tres Lomas	78163	830 980 6452	
Ana Alvarez-Keesee	[Signature]	" "	"	830 980 6452	
Arian Keesee	[Signature]	31861 Tres Lomas	78163	830 980 6452	
Tracy Berg	[Signature]	11803 Campos Dr	77065	281-857-9937	
Mitch Berg	[Signature]	1803 Campos Dr	77065	" "	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

6

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Bernhard Winkler	<i>[Signature]</i>	9507 Fernwood East	77040	713 466 3672	
Ronald Winkler	<i>[Signature]</i>	9507 Fernwood East	77040	713 466 3672	
Bernhard Winkler	<i>[Signature]</i>	9507 Fernwood East	77040	713 466 3672	
Michael Farmer	<i>[Signature]</i>	9415 Fairwood Forest	77040	713 524 2400	
David Kasperke	<i>[Signature]</i>	9511 Bryon Lake Ln	77040	713 784 4400	
Gundi Kasperke	<i>[Signature]</i>	9515 Lemwood Dr	77040	713-983-9456	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrage Lane LC=Laurel Creek TB=Terract Brook CS=Creekside BE+Burger Estates

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Kristin Hamisi	<i>Kristin Hamisi</i>	8810 Village Hills Spiny	77379	713 935 8000	KHamisi@NA-TOL.COM
Randy Smith	<i>Randy Smith</i>	8734 Congo Ln	77040	213 466 3770	
Donna Henderson	<i>Donna Henderson</i>	9027 Aurora Lakes	77040	713-937-3696	donna.henr@P.Houston.Com
Donna Henderson Monda Smith	<i>Monda Smith</i>	8734 Congo Lane	77040	713-466-3770	
Dana Brittain	<i>Dana Brittain</i>	8514 Doran Dale	77040	713 937 1057	
TIM GREENSHIELD	<i>Tim Greenshield</i>	8700 JAMI RENEE	77040	713-937-9550	
Laurie Reid	<i>Laurie Reid</i>	8211 Holmwood	77040	713-937-4564	
Adelga Cavasevic	<i>Adelga Cavasevic</i>	7827 Wine Hill	77040	713 306 0530	Adelga.cavasevic@Apt.com
Mary Harrack	<i>Mary Harrack</i>	8703 Galena Church	77040	281 451 7762	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

6

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Linda Banes		7300 Bell Creek Blvd	77040	281 436-1717	LINDA@HOUSTON.ER.COM
Bernice Spence		6018 Hoover	77042	713-682-6794	bernice.hausor@isd.org
Lori Roesel		7034 Pine Vista	77069	713-690-8084	lroesel@sbcglobal.net
Steven Roesel		7034 Pine Vista	77042	713-690-8084	stross@sbcsglobal.net
Claudia DeWitt		1005 Rancho Blanco Arling, TX	77516	956-783-9475	claudia-dewitt@hotmail.com
Oscar Hernandez		8610 Golden Chalice Cir	77040	713-849-0675	owls93@excite.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

(2)

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RICHARD JOHNSON	<i>Richard Johnson</i>	11803 DOUBLTREE	07070	(2) 890-1658	
Sherry Johnson	<i>Sherry Johnson</i>	11803 Double Tree Ave. Dr	77070	281-890-1658	
CHRISTINE Beckov	<i>Christine M. Beckov</i>	585 Spring Hill	77085	281-447-7260	
Angela Hernandez	<i>Angela Hernandez</i>	8010 Golden Church Circle	77050	(713) 849-0675	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

1

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ABNER KNIGHT	<i>Abner F. Knight</i>	8839 Co JACK	77040	713 937 4755	ABNER.KNIGHT@YAHOO.COM

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

14

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMLRNREE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Rick Soukup		4915 BLUEBERRY HILL	77084	281-856-8570	
Kim Hensleff		15222 Yokpoint Dr.	77084	281-859-3584	
Chaire Ito		12306 Jagan	77077	281-5676317	
Pam Cuttler		24211 Mokida Ct	77441		
Marian Myshberg		6502 Brattley Brook Lane Houston	77066	281-893-2984	
Jennifer Phan		11035 Springsong Drive	77064	281-894-7292	
Jody Francis		2827 Plum Trails	77449		
Daniel Schubert		91 Doors	77070	713-466-5853	
Nguyen Phauke		10026 Timber oak	77080	713-973-8728	
PEIFANG LI		11804 Spring grove	77099	281-532-6261	
Bin Li		10583 Clare cove	77041	713-896-4956	
Diana Dukes		10123 Golden Sunshine	77064		
Tommy Dukes		" " "	" "		
Tommy Dukes Jr		" " "	" "	832-681-0905	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

9

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
WNL Philip M. Hyatt	<i>Philip M. Hyatt</i>	7915 Sonata Court	77040	713-896-6330	cyblings1@aol.com
WNL Becky Hyatt	<i>Becky Hyatt</i>	7915 Sonata Ct	77040	713-896-6330	ba/hyatt@aol.com
WNL Kellie M Mandour	<i>Kellie M. Giste</i>	7907 Sonata Ct	77040	713 466-1493	
WNL Vicki Fong	<i>Vicki Fong</i>	7914 Sonata Ct	77040	713 849-5518	
WNL Neal Farmer	<i>Neal Farmer</i>	7911 Sonata Ct	77040	713 849 9860	nmfarmer@bellsouth.net
WNL BOB WHITE	<i>Bob White</i>	7919 Sonata Ct	77040	832 467 3339	Bwhite@verizon.net
WNL Tanna Ritter	<i>Tanna Ritter</i>	7918 Sonata Ct.	77040	713 - 896-8537	fanhow@sbcglobal.net
WNL Catherine Kallus	<i>Catherine Kallus</i>	9207 Woodward Lakes Dr	77040	713 988 8875	cc.kallus@sbcglobal.net
WNL Krissy White	<i>Kristine White</i>	7919 Sonata	77040	832 467 3339	kcwneilwhite@yahoo.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS-8700 TAMIRENEE HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Maria G. Rows	<i>[Signature]</i>	8411 E. Rielge	77040	713-849-9738	
ERIC MANALE	<i>[Signature]</i>	7803 MAUVEWOOD	77040	713 466 5326	
Ashley Jones	<i>[Signature]</i>	7843 Terra Cotta	77040	713 856 8773	
David Hunter	<i>[Signature]</i>	7803 Terra Cotta	77040	713-856-8773	
Lenny Rost 1,4	<i>[Signature]</i>	7835 Terra Cotta	77040	713-816-2120	
Susan Gibbons	<i>[Signature]</i>	7839 Terra Cotta	77040	713-934-3086	
HUY NGUYEN	<i>[Signature]</i>	7850 Terra Cotta	77040	713-856-7418	
Yunmi Seadato	<i>[Signature]</i>	7850 Terra Cotta	77040	713-856-7418	
Rohana Smith	<i>[Signature]</i>	7823 Terra Cotta	77040	713-466-8896	Smith.97378@houston.rr.com
Anita Holt	<i>[Signature]</i>	7807 Terra Cotta	77040	832-462-4726	
Stephanie Bush	<i>[Signature]</i>	7810 Terra Cotta	77040	713-896-8264	
Joe Holland	<i>[Signature]</i>	7803 Terra Cotta	77040	771-772-7877	
Marcia Torres	<i>[Signature]</i>	7803 Hillbarn Dr.	77040	281-704-4471	
Toss Andrews	<i>[Signature]</i>	7806 Hillbarn Dr.	77040	713 899 9561	Toss.Andrews@Aflac.com
Patricia Andrus	<i>[Signature]</i>	7806 Hillbarn Dr.	77040	713-849-4361	

Contact information will be kept in confidential and will only be used to update residents regarding this issue.

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CHAMON CHOWDHURY	<i>A. Chowdhury</i>	8238 Brentford Dr.	77083	281-277-8033	removed @ kamrulwisa@yahoo.com
SLEEVAMMA MUDURAI	<i>S. Mudurai</i>	518 Scarlet Maple Drive, Sugarland TX 77479		281-565-0255	
Sue Mahony	<i>Sue Mahony</i>	1611 Park Maple Dr Katy TX 77450		281 879 5452	
Dorothy Schieffe	<i>Dorothy Schieffe</i>	16314 Acapulco Dr. Houston TX 77056	77056	213 937 9214	
Kristin Morgan	<i>K Morgan</i>	7906 Adagio Houston, TX 77040		832-603-1262	
Kim Morgan	<i>Kim Morgan</i>	8535 Woodway Houston, TX 77063			
Megan McWiley	<i>Megan McWiley</i>	8505 Woodway Houston, TX 77063			
WL Carlos Rodriguez	<i>Carlos Rodriguez</i>	7902 Adagio Ave. Houston, TX 77040	77040	(13) 835-1463	
WL Nichole Burns	<i>Nichole Burns</i>	1902 Adagio Ave. Houston TX 77040	77040	(832) 816-1145	
WL Robin Chandler	<i>R Chandler</i>	7822 Adagio Ave Houston TX	77040	713. 896. 6861	
WL James Chandler	<i>J Chandler</i>	7822 Adagio Ave Houston TX	77040	713. 896. 6861	
WL Frank Kurapat	<i>Frank Kurapat</i>	Houston Tex	77040		
WL Ronnie Kenny	<i>Ronnie Kenny</i>	7707 Adagio	77040		
Lyn Green	<i>Lyn Green</i>	7722 Adagio	77040		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RICHARD STANS		7731 ADAGIO AVE	77040	713-896-8107	
Kelli Bair		8585 Woodway Apt 132 Houston TX 77063	77063		
Michael Brooks		3585 Woodway Houston TX 77063	77063		
Kelly Standridge		7807 Adagio Ave Hou, TX 77040	77040	713-856-7854	Kellys@KCBG.com
JOHN WARNE		7807 ADAGIO AVE HOU TX 77040	77040	713-856-7854	JohnW@KCBG.com
STEPHEN D JAMES		7815 ADAGIO AVE HOU TX 77040		832-467-4160	
Gregory Klauwoll		8707 Serenade Ln Hou TX 77040	77040	713-849-5794	GKClouston@hotmail.com
Brooke Candell		8707 Serenade Ln	77040	713 849 5794	"
Brandi Nolte		8711 Serenade Ln	77040	713-993-6179	mnotet@houston.rr.com
M.ike Revere		8727 Serenade Ln	77040	713 813 2766	reverebl@msn.com
Luz E. Revere		8727 Serenade Ln 77040	77040	713-818-3136	"
VAN D PHAM		8743 SERENADE LN.	77040	713-819-2824	"
Lois Sorrentino		8742 Serenade Ln	77040	713 896 0828	
Bob Weber		9114 Rhapsody Ln	77040	713 594 0767	Rswheber@siggroup.com
Carolyn Ebe		9114 Rhapsody L.	77040	713 822 7045	babygeorge@aol.com

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carrriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N, Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Caroline Delgado	Caroline Delgado	2407 Wagners Way	77046	713 983 7947	vncars1@hotmail.com
WUIE GRACIA Mui Sr.		7810 BELLAIR	77042	713 466 7403	RIBBONCHALK@EUI.NET
RF CLAIRE D. BLACK	Claire D. Black	8310 Debbie Hwy	77040	713 937 6285	
PHOCION PARK JR.	Phocion Park Jr.	8114 TRAIL SIDER	77040	713 896 1562	phocionpark@juno.com
RF Elizabeth Mascariello	Elizabeth Mascariello	8934 Melissa Ln	77040	713 466 6789	bethgma@peoplepc.com
John Doucet	John Doucet	8410 Courtyard Blvd	77040	713 285 0941	jsd1rac@swbell.net
Berry Casper	Berry Casper	9543 Kelsey Meadows	77040	832 467 1913	bcasp@knetmail.com
Shirley Roberts	Shirley Roberts	8707 Sparrowwood	77040	937 323 237	
Peter Roberts	Peter Roberts	8707 Sparrowwood	77040		
CLARENCE KAMBA	Clarence Kamba	8906 ANDANTE DR	77040	713 896 1059	KAMBA@SWBEL-NET
Nelson Hancock	Nelson Hancock	8703 Garden View	77040	281 451 7232	nhancock@houston.tn.com
Kim Nguyen	Kim Nguyen	8026 Log Hollow	77040	713 937 7922	
JANICE BROOKS	Janice Brooks	7946 Terrace Brook	77040	713 485 6828	jbrooks663@aol.com
Pearl Fevilan	Pearl Fevilan	8723 Streamwood	77040	713	
Nancy Doud	Nancy Doud	7722 Woodland West	77040	713 849 4557	

RF=Rolling Fork CG=Courtyard Glen WML=Woodland Lakes WT=Woodland Trails CL=Carnegie Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

8

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Ann Richardson	<i>Ann Richardson</i>	8306 Debbie Gay	77040	713-937-6624	richardsonpa1@sbcglobal.net
Kristina Tristan	<i>Kristina Tristan</i>	8315 Waynes Lane	77040	713-937-8617	whitbritishparts.com
RF Victor Delgado	<i>Victor Delgado</i>	8419 Sarah	77040	713-937-4664	
Patrick Williams	<i>Patrick Williams</i>	9111 Wilomil Dr	77040	713-937-4664	
Jody Williams	<i>Jody Williams</i>				
Shirley Nolan	<i>Shirley Nolan</i>				
ROONEY COLEMAN	<i>Rooney Coleman</i>				
GAIL COLEMAN	<i>Gail Coleman</i>				

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

11

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)
 Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Gabriel Alvarez	<i>Gabriel Alvarez</i>	8235 W. Wainwright	77040	713 498 6339	
George W. Raffoul	<i>George Raffoul</i>	9018 Tami Renee	77040	(713) 937-7648	
JILL K. HESTER	<i>Jill K. Hester</i>	8915 Tami Renee	77040	713-849-4146	
CHARLES H. HESTER	<i>Charles H. Hester</i>	8915 Tami Renee Ln.	77040	713 849 4146	
HLANA HALABI	<i>Hana Babji</i>	3207 Winding Meadows	77040	713-466-2906	
LAVERA TAMBURELLO	<i>Lavera Tamburello</i>	8311 Silver Field	77040	713-937-9296	
JOHN TAMBURELLO	<i>John Tamburello</i>	8311 Silver Field	77040	713 818 1401	
Chad Sadaj	<i>Chad Sadaj</i>	8914 Tami Renee	77040	713-856-9443	
Beatrice Yanes	<i>Beatrice Yanes</i>	9011 Tami Renee	77040	832 243 9365	
Robert Hyde	<i>Robert Hyde</i>	8907 Tami Renee	77040	713 896 7809	
Becky Hyde	<i>Becky Hyde</i>	8907 Tami Renee	77040	713-896-7809	

RF=Rolling Fork CG=Courtyard Glen WML=Woodwind Lakes WT=Woodland Trails CL=Carrriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

14

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Huong Websterfield	<i>Huong Websterfield</i>	9206 Downfields Dr.	77064	713-369-9298	diame-westfield@kindergarten.org
RF- Whit Kelley	<i>Whit Kelley</i>	8326 Part low Ln	77040	713-888-0163	rkelly@houston.tx.com
RF- Shelby Z. Bryant	<i>Shelby Z. Bryant</i>	8330 Partlow	77040	713-466-3000	
RF- Lyman Maddox	<i>Lyman Maddox</i>	8323 Partlow	77040	(713) 896-1607	
RF- Susan Madolax	<i>Susan Madolax</i>	8323 Partlow	77040	713-896-1607	
RF- ANISSAN E. VEENA	<i>Anissa Veena</i>	9214 TISA CT.	77040	773-596-7896	
RF- MITCHELL Mc MULLEN	<i>Mitchell McMillen</i>	8315 PARTLOW DR	77040	713-466-7625	
RF- Betty Mcmillen	<i>Betty McMillen</i>	8315 Partlow	77040	713-466-7625	
RF- Gwendolyn Jones	<i>Gwendolyn Jones</i>	8311 Partlow	77040	713-466-1195	
RF- J. D. Jones	<i>J. D. Jones</i>				
JOHN A. SAUNDERS	<i>John A. Saunders</i>	Montgomery TX 12134 Bransford Dr.	77354	281-485-5551	
Vickie Ballard	<i>Vickie Ballard</i>	8715 Golden Chord	77040	713-208-8034	
Rick Brantiff	<i>Rick Brantiff</i>	8715 Golden Chord	77040	713-642-1992	
Stan Brittain	<i>Stan Brittain</i>	8510 Dual Dale	77040	713-937-1057	

(2)

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIRENEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Mary Orsak	Mary Orsak	Houston	77040		
Richard Orsak	Richard Orsak	"	77040		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Cariage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

11

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 6700 TAML RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:
By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
JAMES TOBB	<i>James Tubb</i>	7127 BROOKSTONE	77040	(713) 856-8904	
Allie Tubb	<i>Allie Tubb</i>	7127 BROOKSTONE	77040	(713) 856-8406	
SUSAN McDaniel	<i>Susan McDaniel</i>	7119 BROOKSTONE	77040	713 226 558	
JIM MCDANIEL	<i>Jim McDaniel</i>	7119 BROOKSTONE	77040	832-219-5588	
RACHEL RIEBELING-DURFOR	<i>Rachel Riebeling-Durfor</i>	2710 CHARLESWORTH DR	78745	512 554 1472	riebeling@austin.rr.com
Jonas Durfor	<i>Jonas Durfor</i>	2710 Charlesworth Dr	78745		
EMILY KESS	<i>E. Kess</i>	1710 Sylvester	77009	281-974-3297	
FRED THOMPSON	<i>Fred Thompson</i>	5915 CHEYSTEEL	77092		
James Poole	<i>James Poole</i>	5202 Libbey Ln	77092		Hesteroftheyear@aol.com
Ryan Riebeling	<i>Ryan Riebeling</i>	1846 Libbey	77018	713-686-4553	
Steven Doud	<i>Steven Doud</i>	7722 Woodland West	77040	713 849 4557	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE+Burger Estates

14

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMIL REWEE, HOUSTON, TX 77040 (2006)

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Contact information will be kept in confidential and will only be used to update residents regarding this issue.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
ALVINA BROWN	<i>Alvina Brown</i>	7862 Greenedge Ln.	77040	713 466-1922	
Janette Whitfield	<i>Janette Whitfield</i>	7855 Greenedge Dr.	77040	713 896-7930	Janwhitfield@yahoo.com
Juan Laguerre	<i>Juan Laguerre</i>	7850 Greenedge Dr.	77040	713 849 9129	
Samuel Izaguirre	<i>Samuel Izaguirre</i>	7850 Green edge Dr.	77040	832 868 4678	
Dalia Izaguirre	<i>Dalia Izaguirre</i>	7850 Greenedge Dr.	77040	713 849 9129	
Elizabeth Laguerre	<i>Elizabeth Laguerre</i>	7850 Greenedge Dr.	77040	713 849 9129	
Alexander Garcia	<i>Alexander Garcia</i>	7846 Greenedge	77040	713 983 8486	
Miguel Garcia	<i>Miguel Garcia</i>	7846 Greenedge	77040	713 983 8486	
Ume Garcia	<i>Ume Garcia</i>	7846 Greenedge	77040	713 983 8486	
Crystal Avila	<i>Crystal Avila</i>	7846 Greenedge	77040	713 983 8486	
Alejo Avila	<i>Alejo Avila</i>	7846 Greenedge	77040	713 983 8486	
Victor Garcia	<i>Victor Garcia</i>	7846 Greenedge	77040	713 983 8486	
Calvin Stoeck	<i>Calvin Stoeck</i>	7846 Greenedge Dr.	77040	713 896-2473	
Roy Escamilla	<i>Roy Escamilla</i>	10331 Misty Grove	77086	713/505-9589	

15

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMIL RENEE, HOUSTON, TX 77040. (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
CG John DuBuisson	<i>[Signature]</i>	7863 Teeva Cott	77040	713-844-3242	john@will-edu.com
CG BEVERLY CONNER	<i>[Signature]</i>	7862 TELL COTT	77040	832-467-2687	
CG Dorel Stewart	<i>[Signature]</i>	8222 Cappewood	77040	713-937-7276	
WT Dimeba Jankowiak	<i>[Signature]</i>	1471 Woodlark Dr.	77040	713-937-7128	
LC PEGGY NORNAK	<i>[Signature]</i>	8811 DESERT CLOUD LN	77040	713-937-7727	
LC GORDON HORNAK	<i>[Signature]</i>	8811 DESERT CLOUD LN	77040	832-816-7139	xdaunrx@houston.r.r.com
CG Dawna Fuenace-Games	<i>[Signature]</i>	7862 Hillbarn	77040	713-330-7878	
TC Sarah Millikan	<i>[Signature]</i>	8422 Tomco Brook Dr	77040	713-466-9433	
Tina Wright	<i>[Signature]</i>	16214 Argyle	77040	713-937-170	
WT BRIGITTE HOWEL	<i>[Signature]</i>	814 WESTERN TRAIL	77040	713-983-6825	15umase@aol.com
WB Brian Arnold	<i>[Signature]</i>	7946 Redlandwood	77040	713-466-2828	
WT Anneke Trotter	<i>[Signature]</i>	8427 Belle Plains	77040	713-466-3048	
WT Bob Trubey	<i>[Signature]</i>	8427 Belle Plains	77040	713-863-9842	llanite@yahoo.com
Laura Woods Smith	<i>[Signature]</i>	4035 Fineside	77040	713-856-5366	
GAIL HAWK	<i>[Signature]</i>	7245 FAIRBANKS N.Hwy	77040		

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

11

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 JAMI RENEE, HOUSTON, TX 77040 (2006)

Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

Reasons for opposition:

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
GORDON WHITWORTH	<i>[Signature]</i>	7815A Kignob	77040	(713) 896-8320	gwhitworth@houston.rv.com
SANDRA WHITWORTH	<i>[Signature]</i>	7815 Allegro Dr.	77040		
Kathy Ruthstrom	<i>[Signature]</i>	8823 KAMPNIFF LN	77040	713-846-0864	KRuthstrom@tallwood.org
Mark Ruthstrom	<i>[Signature]</i>	8823 KAMPNIFF LN	77040		
Samuel Garcia	<i>[Signature]</i>	8818 Outview	77040	713-849-0399	
Alma Garcia	<i>[Signature]</i>	11	11	11	
Paola Ramos	<i>[Signature]</i>	11	11	11	
Jason Green	<i>[Signature]</i>	8822 Outview Ct.	77040	281-744-3786	
Judy Green	<i>[Signature]</i>	8822 Outview Ct.	77040	832-467-2970	
Josmy GREEN	<i>[Signature]</i>	8822 OUTVIEW CT.	77040	832-407-2070	
<i>[Signature]</i>	<i>[Signature]</i>	8903 Lawrence	77040	713-895-8888	

RF=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

8

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS R7MI TAMIRENEE HOUSTON, TX 77040 (2008)
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.
 Reasons for opposition:
 By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
Gesovic Avarade	[Signature]	8910 Tamir, Renner	77090	713 301 7462	NAV_mgr @ eastwoodinsurance.com
Charles Wilson	[Signature]	8910 Tamir, Renee	77090	713 301 7462	SAU_mgr @ eastwoodinsurance.com

RB=Rolling Fork CG=Courtyard Glen WML=Woodcroft Lakes WT=Woodland Trails CL=Cantago Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates
 CS=Creekside BE=Burger Estates

REASON FOR EXEMPTION FROM ROLLING CREEK APARTMENTS, 8700 TAMU RENEW, HOUSTON, TX 77040 (20UG)

Reasons for opposition:

1) Schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further flood public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd.

I hereby state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Signature	Street Address	Zip	Telephone	E-mail Address
Maggie Jensen	1842 Terrace Cottage	77040	(713) 856-5777	ABBAcoach@aol.com

WT=Woodwind Lakes CL=Carnage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside BE=Burger Estates

PETITION OPPOSING THE ISSUANCE OF TAX EXEMPT BONDS FOR ROLLING CREEK APARTMENTS, 8700 TAMI RENEE.

Reasons for opposition:
 Our area has sufficient affordable housing, our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd. By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
John Thomas	<i>John Thomas</i>	8919 Melissa Lea Ln	77040	713-896-1364	jthom77@yahoo.com
Randy Rowell	<i>Randy Rowell</i>	919 Woodwind Lakes	77040	713-856-9411	RandyRowell@worldnet.att.net
ESTELLA LOPEZ	<i>Estella Lopez</i>	7322 Yellow Pine Dr	77040	713-861-5699	ESTELLA LOPEZ EXCITE.COM
Patricia Dominguez	<i>Patricia Dominguez</i>	9335 Starline Ln	77040	713-849-9658	P.Dominguez@B2-INC.COM
Maryjane Giamusso	<i>Maryjane Giamusso</i>	8322 Woodwind	77040	713-937-3889	
John E. Hill	<i>John E. Hill</i>	16206 Burkhardt Hill Ln Houston TX	77040	713-562-7110	johnhill08@yahoo.com
Sue Subirian	<i>Sue Subirian</i>	8235 Split Oak Dr	77040	713-466-1666	tx771@chartrain.com
D.J. Alexander	<i>D.J. Alexander</i>	8235 Split Oak Dr.	77040	713-466-6666	
Dawn Adkins	<i>Dawn Adkins</i>	9535 Shadow Gate Ln	77040	713-896-4296	pdadkins@sbcglobal.net
Janice Stelly	<i>Janice Stelly</i>	9211 Stoney Lake Dr.	77064	832-237-6851	bjdstelly@aol.com
Elizabeth H. Stroup	<i>Elizabeth H. Stroup</i>	7807 Redlands	77040	713-466-3707	
Annette Terry	<i>Annette Terry</i>	7807 Redlands	77040	713-466-3707	annetteral@aol.com
Lisbeth Hill	<i>Lisbeth Hill</i>	7722 Western Oak	77040	713-466-5885	wagerhill@evl.net

F=Rolling Fork CG=Courtyard Glen WWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook CS=Creekside
 B=Burger Estates



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

**East Tex Pines Apartments
6200 Greens Road
Houston, Texas**

**St. Moritz Partners, L.P.
250 Units
Priority 3**

\$13,500,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Hearing Transcript (September 19, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for East Tex Pines Apartments.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the East Tex Pines Apartments Transaction

Background and General Information: The pre-application for the 2006 Waiting List was received on May 30, 2006. The application was scored and ranked by staff. The application was induced at the June 26, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a reservation of Allocation on July 10, 2006. The final date for bond delivery is on or before December 7, 2006, but the anticipated closing date is October 20, 2006. This application was submitted under the Priority 3 category which means at least 75% of the units must have rents at 30% of 80% AMFI.

Organizational Structure and Compliance: The Borrower is St. Moritz Partners, Ltd. and is comprised of A. Richard Wilson with 50% ownership and Gerald Russell with 50% ownership interest. The Compliance Status Summary completed on September 15, 2006 reveals that the principals of the general partner have a total of two (2) properties that are currently being monitored by the Department and eight (8) that are pending and have not yet been monitored.

Public Hearing: There was no one in attendance at the public hearing conducted by the Department for the proposed development on September 19, 2006. The Department has received one letter of opposition from Aldine Independent School District; however, that letter was subsequently rescinded. The Department has received one letter of support from City Councilman Adrian Garcia. A copy of the transcript is included in this presentation.

Census Demographics: The proposed site is located at approximately 6200 Greens Road, Houston, Harris County. Demographics for the census tract (2402.00) include AMFI of \$32,343; the total population is 2,894; the percent of the population that is minority is 58.12%; the percent of the population that is below the poverty line is 14.06%; the number of owner occupied units is 444; the number renter occupied units is 372 and the number of vacant units is 119. (FFIEC Geocoding for 2006)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed \$13,500,000. The bonds will be unrated and privately placed with JP Morgan Chase Bank, N.A. The term of the bonds will be for 40 years. The construction and lease up period will be for approximately 36 months during which payment terms will be interest only during this period. The interest rate on the bonds will be (a) from the date of issuance through, but not including the Rate Adjustment Date and (b) 5.80% from and after the Rate Adjustment Date.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the East Tex Pines Apartments.

RESOLUTION NO. 06-039

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (EAST TEX PINES APARTMENTS) SERIES 2006; 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, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, the governing board of the Department (the "Board") has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (East Tex Pines Apartments) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to St. Moritz Partners LP, a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental development described on Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on June 26, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department and the Borrower will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the Borrower to finance a portion of the cost of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original aggregate principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Loan Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust, Security Agreement and Assignment of Leases and Rents (the "Mortgage") by the Borrower for the benefit of the Department; and

WHEREAS, the Department's interest in the Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Harris County, Texas; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with JPMorgan Chase Bank, N.A. (the "Purchaser") and any other parties to such Bond Purchase Agreement as authorized by the execution thereof by the Department and acknowledged by the Borrower, setting forth certain terms and conditions upon which the Purchaser 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 Purchaser 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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Bond Purchase Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution, and (b) the Mortgage and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the

acceptance of the 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 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 or on the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. (i) The Bonds shall bear interest (a) from the Closing Date through, but not including, the Rate Adjustment Date (as defined in the Indenture) at a rate of 4.95% per annum and (b) from and after the Rate Adjustment Date, at a rate of 5.80% per annum, in each case subject to adjustment upon default in accordance with the Indenture; provided that, in no event shall the interest rate (including any default rate) on the Bonds exceed the maximum interest rate permitted by applicable law; (ii) the aggregate principal amount of the Bonds shall be \$13,500,000; (iii) the final maturity of the Bonds shall occur on October 1, 2046; and (iv) the price at which the Bonds are sold to the Purchaser (as defined herein) shall be the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan 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--Acceptance of the Mortgage and Note. That the form and substance of 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 hereby authorized to endorse and deliver the Note to the order of the Trustee, as its interests may appear, without recourse.

Section 1.7--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.8---Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Bonds to the Purchaser 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 Purchaser and any other party to the Bond Purchase Agreement as appropriate.

Section 1.9--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 1.10--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Mortgage
- Exhibit F - Note
- Exhibit G - Assignments
- Exhibit H - Bond Purchase Agreement
- Exhibit I - Asset Oversight Agreement

Section 1.12--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 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.14--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development'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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of State bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of the State of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Purchaser. That the purchaser with respect to the issuance of the Bonds shall be JPMorgan Chase Bank, N.A. (the "Purchaser").

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

Section 2.7--- Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants 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.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act, and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement and the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public

agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of administration, monitoring and oversight with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. 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.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006.

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: St. Moritz Partners LP, a Texas limited partnership

Development: The Development is a 250-unit multifamily facility known as East Tex Pines Apartments and is located at 6200 Greens Road, Houston, Harris County, Texas. The Development will include the reimbursement for the acquisition of and the costs of the construction of a total of 25 residential apartment buildings with a total of approximately 307,590 net rentable square feet and an average unit size of approximately 1,230 square feet. The unit mix consists of:

42	one-bedroom/one-bath units
136	two-bedroom/one-bath units
<u>72</u>	three-bedroom/two-bath units
250	Total Units

Unit sizes range from approximately 875 square feet to approximately 1,511 square feet.

Common areas include a clubhouse with business center, computer lab, laundry facilities, playground, sports court, barbeque and picnic area and children's activity area.



MULTIFAMILY FINANCE PRODUCTION DIVISION
October 12, 2006

Development Information, Public Input and Board Summary
East Tex Pines Apartments, TDHCA Number 060623

BASIC DEVELOPMENT INFORMATION

Site Address:	6200 Greens Road	Development #:	060623
City:	Houston	Region:	6
County:	Harris	Zip Code:	77396
HOME Set Asides:	<input type="checkbox"/> CHDO <input type="checkbox"/> Preservation <input type="checkbox"/> General	Population Served:	Family
Bond Issuer:	TDHCA	Allocation:	Urban/Exurban
		Purpose/Activity:	NC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner:	ST Moritz Partners LP
Owner Contact and Phone	Gerald W. Russell (713) 977-1772
Developer:	ST Mortiz Company LLC
Housing General Contractor:	Construction Supervisor
Architect:	The Thompson Nelson Group, Inc.
Market Analyst:	O'Connor & Associates
Syndicator:	Red Capital Markets, Inc.
Supportive Services:	TBD
Consultant:	Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	250	
0	0	0	250	0	42	136	72	0	0	Market Rate Units:	0	
Type of Building:											Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input checked="" type="checkbox"/> 5 units or more per building									Total Development Units:	250	
<input type="checkbox"/> Triplex	<input type="checkbox"/> Detached Residence									Total Development Cost:	\$26,927,462	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Single Room Occupancy									Number of Residential Buildings:	25	
	<input type="checkbox"/> Transitional									HOME High Total Units:	0	
	<input type="checkbox"/> Townhome									HOME Low Total Units:	0	

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$1,132,098	\$1,132,098	0	0	0.00%
TDHCA Bond Allocation Amount:	\$13,500,000	\$13,500,000	40	37	5.98%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
East Tex Pines Apartments, TDHCA Number 060623

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Whitmire, District 15 NC US Representative: Jackson-Lee, District 18, NC
TX Representative: Thompson, District 141 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC Resolution of Support from Local Government []
Milton Wilson, Jr, Director of Housing and Community Development, City of Houston - The proposed project for New Construction of affordable rental housing is consistent with the City of Houston's Consolidated Plan. Nadine Kujawa, Superintendent, Aldine ISD - S
Adrian Garcia, Council Member, City of Houston - S Sandra Hines, HC- Volunteer Community Outreach Coordinator, Houston Crackdown - Office of the Mayor - N

Individuals/Businesses: In Support: 0 In Opposition: 0

Neighborhood Input:

General Summary of Comment:

Public Hearing:

Number that attended: 0
Number that spoke: 0
Number in support: 0
Number in opposition: 0
Number Neutral: 0

CONDITIONS OF COMMITMENT

Per §50.12(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")."
Receipt, review and acceptance, prior to commencement of construction, of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out.
Reconsideration of the need for Environmental Noise Assessment to determine the impact of George Bush Intercontinental Airport on the subject site.
Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

East Tex Pines Apartments, TDHCA Number 060623

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$1,132,098
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$1,132,098 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$13,500,000
Recommendation:	Recommend Approval of issuance of \$13,500,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 5.98% and repayment term of 37 years with a 40 year amortization period, subject to conditions.	
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

East Tex Pines Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 13,500,000
Tax Credit Proceeds	11,049,287
Deferred Developer's Fee	1,728,841
GIC Income	330,910
Net Operating Income	1,059,099
Total Sources	<u>\$ 27,668,137</u>

Uses of Funds

Acquisition and Site Work Costs	\$ 2,936,000
Direct Hard Construction Costs	15,554,029
Other Construction Costs (General Require, Overhead, Profit)	2,015,799
Indirect Construction Costs	353,000
Developer Fees and Overhead	3,217,500
Direct Bond Related	255,375
Bond Purchase Costs	326,000
Other Transaction Costs	2,556,600
Real Estate Closing Costs	453,834
Total Uses	<u>\$ 27,668,137</u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 67,500
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	27,000
TDHCA Bond Compliance Fee (\$40 per unit)	10,000
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)	2,500
Trustee Fee	12,000
Trustee's Counsel (Note 1)	7,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,375
Total Direct Bond Related	<u>\$ 255,375</u>

East Tex Pines Apartments

Bond Purchase Costs	
Origination Fee	202,500
Construction Lender Counsel	52,000
Borrower Counsel	30,000
Lender Cost Review and Inspections	16,500
Tax Credit Syndication Fee	25,000
Total Bond Purchase Costs	\$ 326,000

Other Transaction Costs	
Tax Credit Application and Determination Notice Fees (if paid at closing)	33,600
Soft Cost Contingency	75,350
Operating Deficit Reserve	200,000
Interest Reserve	2,180,250
Closing Costs	67,400
Total Other Transaction Costs	\$ 2,556,600

Real Estate Closing Costs	
Taxes during Construction	25,000
Casualty and Liability Insurance	159,605
Builder's Risk Insurance	25,000
Impact/Utility Fees/Permits	244,229
Total Real Estate Costs	\$ 453,834

Estimated Total Costs of Issuance	\$ 3,591,809
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Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 3, 2006

PROGRAM: 4% HTC

FILE NUMBER: 060623

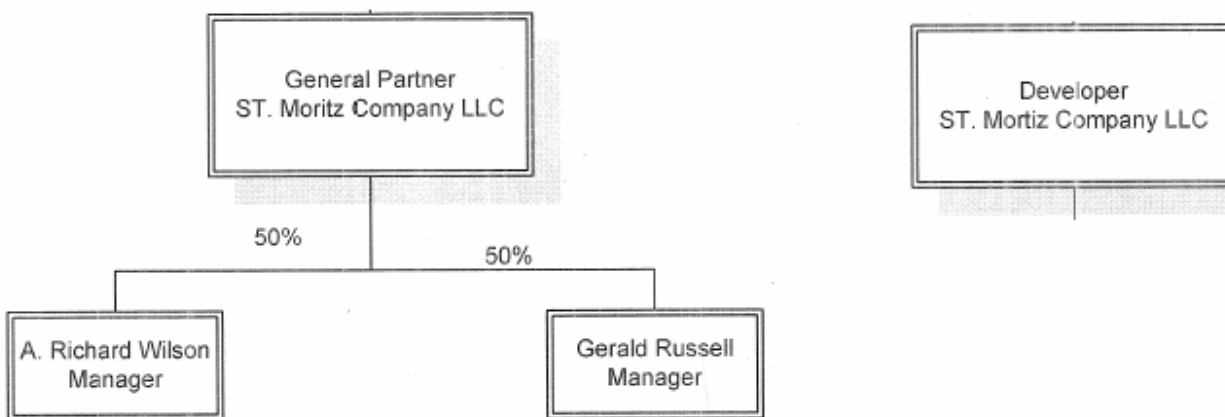
DEVELOPMENT NAME

East Tex Pines Apartments

APPLICANT

Name: ST Moritz Partners LP **Contact:** Gerald W. Russell
Address: 7887 San Felipe Suite 122
City: Houston **State:** TX **Zip:** 77063
Phone: (713) 977-1772 **Fax:** (713) 784-3985 **Email:** gerald.russell@theproggroup.com

KEY PARTICIPANTS



PROPERTY LOCATION

Location: 6200 Greens Road
City: Houston **Zip:** 77396
County: Harris **Region:** 6 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,132,098	N/A	N/A	N/A
MRB (Tax-Exempt)	\$13,500,000	6.60%*	30 yrs*	30 yrs*
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban; *original terms, subsequently revised	

RECOMMENDATION

RECOMMEND APPROVAL OF ISSUANCE OF \$13,500,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 5.98% AND REPAYMENT TERM OF 37 YEARS WITH A 40-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.

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

- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,132,098 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance, prior to commencement of construction, of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out.
2. Reconsideration of the need for an Environmental Noise Assessment to determine the impact of George Bush Intercontinental Airport on the subject site.
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 250 **# Res Bldgs** 25 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 294,262 **Av Un SF:** 1,177 **Common Area SF:** 3,700 **Gross Bldg SF:** 297,962

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive multifamily buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 50% brick veneer and 50% cement fiber siding. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and ceramic tile. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for a total of 200 or more units, the Applicant has elected to provide an accessible walking path, controlled access gates, a barbecue or picnic table for every 50 units, a covered pavilion that includes barbecue grills and tables, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a gazebo with sitting area, public telephone(s) available to tenants 24 hours a day and a swimming pool.

Uncovered Parking: 120 spaces **Carports:** 80 spaces **Garages:** 250 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: East Tex Pines is an 11-unit per acre new construction development located in northern Harris County. The development is comprised of 25 evenly distributed garden style residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
15	2	2	6	2
7	2	4	4	6
3	2	4	6	

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

The development includes a 3,700-square foot community building.

SITE ISSUES			
SITE DESCRIPTION			
Total Size:	22.19 acres	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone:	Zone X	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning:	N/A	Needs to be re-zoned?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: 6200 Greens Road in Harris County north of Houston

Adjacent Land Uses:

- € **North:** Greens Road immediately adjacent and a horse farm beyond;
- € **South:** Bender Road immediately adjacent and unimproved property beyond;
- € **East:** unimproved property immediately adjacent and HWY 59 beyond; and
- € **West:** newly constructed apartments immediately adjacent and beyond.

Site Access: The property will be accessed on the north side from Greens Road and on the south side from Bender Road.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: The PMA includes numerous retail shopping and commercial developments, located primarily along HWY 59 and Interstate 45. Schools, libraries, churches, police, fire, and EMS services, and recreational facilities are also located throughout the PMA.

Adverse Site Characteristics:

- € **Title:** The title commitment, dated September 4, 2006, includes not only the subject 22.193 acres, but also 1.640 acres identified as "Tract 2". Schedule B also lists "Future Street (60' R.O.W.) along the West property line, as shown by the map or plat thereof, recorded in Film Code No. 488061 of the Map Records of Harris County, Texas." The Applicant has indicated that the 1.64 acres is reserved for a right of way between the subject property and the adjacent property, Greens Pines Apartments. The title company is required by the City of Houston to include this ROW in the commitment, but this acreage is not referenced in the contract and is not part of the transaction.

TDHCA SITE INSPECTION

Inspector: TDHCA Staff **Date:** 09/19/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated August 8, 2006 was prepared by Phase One Technologies, LLC, and supplemented by an addendum letter dated September 5, 2006. The Analyst reported the following findings and recommendations:

Findings:

- € **Noise:** "The 22-acre property, subject to this addendum, does not join any industrial zones, major highways, active rail lines, civil or military airfields or other potential sources of excessive noise, therefore, there is no need for a noise study." (addendum) Given the proximity to George Bush Intercontinental Airport, this conclusion might be questionable.
- € **Floodplain:** "The Tract does not lie within the 500-year flood hazard area." (p. 1)
- € **Asbestos-Containing Materials (ACM):** "There are no buildings remaining on the subject 22-acre property, therefore, there is no potential for asbestos-containing materials. According to 1972 aerial photos ... a building, which appears to have been a house, was located on the extreme northeast corner of the 22-acre site, south of Greens Road. Aerial photos dating to 1993, show the dwelling now has been

demolished. Today, there is no evidence of the house remaining. Only piles of soil and some appliances remain where the dwelling once stood.” (addendum)

∄ **Lead-Based Paint (LBP):** “There are no dwellings on the property, therefore there is no potential for lead-based paint.” (addendum)

∄ **Lead in Drinking Water:** “The City of Houston provides the water for this property, therefore, lead testing of any drinking water is not necessary.” (addendum)

∄ **Radon:** “Radon is not considered a concern for this Tract.” (p. 1)

∄ **Other:**

3 “Photo Date: 1993 ... Tract and adjoining properties are relatively unchanged from 1983. All buildings destroyed except the cattle shed.” (p. 3)

3 “Several empty 55-gallon drums are on the site. Household appliances, beds, and other remains of the residences are scattered about. None constitutes a recognized environmental concern.” (p. 2)

∄ **Recognized Environmental Concerns (RECs):** “No off-Tract recorded environmental conditions threaten the subject Tract. Two leaking underground storage tanks ... are actually found outside the required radius search area. They do not impact the Tract.” (p. 2)

Recommendations:

1. “Before development, conduct a Water Well Search. Assure all water wells on the site are properly plugged by a licensed water well driller.
2. Locate and properly close any septic systems that might remain.
3. Remove all debris to a registered landfill.
4. Demolish the cattle shed. Remove to a registered landfill.

No further investigation other than the above Recommendations is deemed necessary.” (pp. 2-3)
Receipt, review, and acceptance, before notice of determination is given, of evidence that all Phase I Environmental Site Assessment and subsequent environmental investigation report recommendations have been carried out, is a condition of this report.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). All 250 of the units will be reserved for low-income tenants, with rent and income restrictions at 60% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	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 August 14, 2006 was prepared by O,Connor & Associates (“Market Analyst”) and included the following findings:

Secondary Market Information: A Secondary Market Area was not specified in the market study.

Definition of Primary Market Area (PMA): “For the purposes of this analysis, the subject’s neighborhood is generally defined as being bound by FM 1960 and Greens Road to the north, Hardy Road and Interstate 45 to the west, Highway 59 to the east, and Gulf Bank and Mount Houston Roads to the south.” (p. 24). This area encompasses approximately 56 square miles and is equivalent to a circle with a radius of 4.2 miles. This is a larger than typical market area, but it includes a significant amount of non-residential land that is part of George Bush Intercontinental Airport. Moreover, it is questionable whether areas northwest of the airport and west of the Hardy Toll Road should be considered part of the subject primary market, as opposed to areas

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

across and along Highway 59 less than one-quarter mile from the site.

Population: The estimated 2006 population of the PMA was 84,688 and is expected to increase by 5.5% to approximately 89,348 by 2011. Within the primary market area there were estimated to be 24,885 households in 2006.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 100% since the target population is the general population, and the Analyst did not adjust the population for household size in calculating demand. The Analyst's used an income range of \$23,520 to \$39,540. The minimum income is based on the maximum program rent for a one-bedroom unit of \$686 and a 35% rent burden on household income. The maximum income is based on the income for a five-person household at 60% of AMGI, assuming 1.5 person-per-bedroom occupancy of a three-bedroom unit. (p. 65) This income band results in an income-eligible adjustment rate of 24%. (p. 66) The tenure appropriate adjustment rate of 56% is specific to the income-eligible population (p. 66) The Market Analyst indicates a turnover rate of 65% applies based on IREM. (p. 66)

In addition, the Analyst indicated that the Houston Housing Authority has issued 14,898 Section 8 vouchers among a total population of 740,774 households. The Analyst calculated 8,004 households in the PMA below the minimum income of \$23,520; the segment of this group possessing vouchers represents potential additional demand. Applying the turnover rate of 65%, the Analyst calculated the Theoretical Demand from Section 8 Vouchers within the PMA to be 284 units. (pp. 67-68)

In calculating demand from Section 8 voucher holders, the Underwriter applied a household size adjustment rate of 87% to include households of five or less. The Underwriter used the same income range (\$23,520 to \$39,540), income-eligible adjustment rate (24%), and tenure-appropriate adjustment rate (56%) as the Analyst. The Underwriter calculated 8,439 households in the PMA below the minimum income of \$23,520, resulting in a Theoretical Section 8 Demand for 300 units.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	23	1%	28	1%
Resident Turnover	1,912	86%	1,919	85%
Section 8	284	13%	300	14%
TOTAL DEMAND	2,219	100%	2,247	100%

p. 69

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 11% based on a supply of 250 unstabilized comparable affordable housing units in the PMA (including only the subject), and total demand for 2,219 units. (p. 70) The Underwriter calculated an inclusive capture rate of 24% based on a revised supply of 530 units divided by a revised demand estimate for 2,247 affordable units. The Underwriter included the Northland Woods Apartments with 280 units because this property has not had stable occupancy exceeding 90% for at least one year.

Current TDHCA guidelines allow for an inclusive capture rate of up to 25% for family-targeted properties in urban areas. It is worth noting that there are two unstabilized affordable projects nearby but outside the designated PMA. Atascocita Pines, with 192 units, is only about 2 miles to the east. This is a 2004 property which is just now finishing construction. Humble Parkway, with 216 units, is about 4 miles to the north. This is a 2003 property which has just achieved 90% occupancy in July 2006. If either of these properties had been included in the PMA the inclusive capture rate would be well in excess of the 25% limit. Also, the Mansions at Turkey Creek is located within the PMA and has submitted a 2006 application. Turkey Creek has a lower priority than the subject application, but if it were to be approved with priority over the subject, it would cause the inclusive capture rate for the subject property to exceed the limit.

Unit Mix Conclusion: "The proposed subject property will have 17% one-bedroom units, 54% two-bedroom units, and 29% three-bedroom units. Based on discussions with leasing agents and our own analysis of the rental rates at the selected comparables in the primary market, the proposed unit mix is appropriate and will complement the local affordable housing market." (p. 11)

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

Market Rent Comparables: The Market Analyst surveyed 5 comparable market rate apartment projects in the market area totaling 1,218 units. “Within or near the subject PMA three HTC complexes are considered comparable to the subject, Green Pines, Timber Run, and Chisholm Trails were surveyed. All of the HTC complexes reported attaining rents at the HTC maximum levels for all bedroom types. Therefore, the proposed rental rates, which are at the HTC maximum levels, are considered reasonable and attainable.” (p. 61)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$616	\$616	\$0	\$755	-\$139
2-Bedroom (60%)	\$738	\$738	\$0	\$1,055	-\$317
3-Bedroom (60%)	\$849	\$849	\$0	\$1,325	-\$476

(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 selected comparable apartments surveyed in the primary market area of the proposed subject complex exhibited high occupancy rates, with a median occupancy level of 87.2%. The median occupancy is depressed due to one complex being in initial lease-up ... Green Pines is the closest tax credit project to the subject. Green Pines Apartments is a 224 unit complex, built in 2002, and currently 97% occupied. All of the units are restricted to low-income tenants at 50% AML.” (pp. 62-63).

Absorption Projections: “Absorption in the subject’s primary market area over the past twelve quarters ending June 2006 totals 3,159 units. Absorption has been positive in nine of the past twelve quarters. Absorption over the past three years has averaged 263 units per quarter.” (p. 63) “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 ... within ten to thirteen months following completion.” (p. 77)

Unstabilized, Under Construction, and Planned Development: “Based on our research, there are no affordable housing projects (other than the subject property), no market-rate complexes currently under construction, no market-rate complex currently non-stabilized, and no HTC projects approved for construction in the subject’s primary market.” (p. 76) As indicated above, the Underwriter determined that one property in the PMA, Northland Woods, has not maintained 90% occupancy for twelve consecutive months and therefore must be considered unstabilized. There are also two non-stabilized properties within a short distance, but outside the designated PMA.

Market Impact: “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.” (p. 77)

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the IAH Airport / Lake Houston submarket within the Houston MSA. According to the market study, performed by Vogt, Williams & Bowen, LLC, at the 51%-60% of AMGI income level, there is negative demand (-145 units) for studio/one-bedroom units; negative demand (-150 units) for two-bedroom units; and negative demand (-68 units) for three-bedroom units.

The Vogt Williams market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns to all of the units in the market area. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied).

The Analyst addressed the discrepancies with the Vogt Williams study by providing an alternate demand analysis based on the demographics of the submarket designated by Vogt Williams. From this analysis, the Analyst concluded total demand for 3,498 units, comprised of demand for 120 units from household growth, demand for 2,890 units from turnover, and demand for 488 units from Section 8 vouchers. The Analyst identified three comparable (family-targeted) unstabilized affordable housing projects in the Vogt Williams

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submarket, resulting in an inclusive capture rate of 24.53%.

The Analyst also expressed the following “Major concerns with the Vogt Williams Study:

- € Arbitrary use of replacement of 2.5% of “Functionally Obsolete” units perpetuates and exacerbates the problem of substandard housing. Without new/newly-renovated product within the submarket, the owners of the “functionally obsolete” complexes have no impetus to demolish or renovate.
- € Vogt Williams’ methodology does not conform to 2006 QAP
- € Vogt Williams study PMA contains a population of over 200,000 persons, over twice the allowable population within a PMA
- € Vogt Williams study surveyed less than 20% of the complexes within the submarket.
- € The study showing negative demand at the 40% to 60% AMI level ranging from 445 to 487 units annually for the years 2006 to 2009 makes no intuitive sense. If there were negative demand, the existing HTC complexes would not be operating in the 90% to 100% occupancy level, for the most part.
- € Utilizing the PMA boundaries from the Vogt Williams study and applying the QAP methodology, results in a capture rate below the 25% maximum.” (p. 81)

Market Study Analysis/Conclusions: The PMA designated by the Analyst meets the market study guidelines set by the Department, and the major thoroughfares (i.e. HWY 59 and FM 1690) may well be logical neighborhood boundaries. But it should be noted that unstabilized properties just across each of these boundaries, and within very close range to the subject property, would result in an oversupply situation if included in the PMA. Nevertheless, given the PMA as defined by the Analyst, the Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents are based on the 2006 program gross rent limits. To determine the collected rent per unit, the gross rent limits were adjusted by subtracting tenant-paid utility estimates provided by Cirro Energy, the local utility provider. These estimates are specifically based on units of similar size and construction in the immediate geographic area. Tenants will be required to pay electricity costs only.

The Applicant included secondary income of \$15/unit/month from vending machines, application fees, laundry, satellite TV, forfeited deposits and other penalty income. The Applicant also included secondary income from the rental of 80 carports at \$15/month each. As this income was not substantiated by successful history at similar properties in the same region, the Underwriter included only the TDHCA guideline maximum of \$15/unit/month.

The Applicant’s estimated losses due to vacancy and collection are consistent with the Department guidelines. The Applicant’s estimated Effective Gross Income of \$2.1M per year is within 1% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$3,900 per unit is not within 5% of the Underwriter’s estimate of \$4,565, derived from actual operating history of a similar development, the TDHCA database, and third-party data sources. Several line items in the Applicant’s estimate vary significantly from the Underwriter’s estimate: General & Administrative expense is \$51K lower, Payroll & Payroll Tax is \$121K lower, and property insurance is \$24K higher. The underwriting analysis also includes \$250 per unit in replacement reserve as required by the proposed permanent lender. Finally, the Applicant has overstated TDHCA compliance fees,

Conclusion: While the Applicant’s estimated Effective Gross Income is within 5% of the Underwriter’s estimate, estimates for Total Annual Operating Expenses and Net Operating Income (NOI) are not. When estimates for Gross Income, Operating Expenses, and NOI are not each within 5%, TDHCA guidelines require that the Underwriter’s estimates be used to determine the debt capacity of the project. The underwriting proforma indicates the proposed financing structure will result in a debt coverage ratio for Year

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1 that is within the current Department guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma applies a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in continued positive cashflow and a debt coverage ratio that remains above 1.10. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 32.26 acres	\$1,244,968	Assessment for the Year of:	2006
Site: 22.19 acres (prorated)	\$856,350	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$856,350	Tax Rate:	3.12347

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Earnest money contract (22.19 acres)		
Contract Expiration:	11/01/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$1,550,000	Other:	_____
Seller:	RLG Realty Holdings, Ltd.	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant indicated on the application that there was a relationship between the Seller and the Applicant because the original plan called for an entity related to the Applicant to acquire a larger 32.26 acre tract and immediately sell the subject 22.19 acres to the Applicant. The Applicant subsequently provided a revised contract, executed on September 22, 2006, calling for the Applicant to purchase the subject 22.19 acres directly from the current owner, RLG Realty Holdings, Ltd, an unrelated party, for \$1,550,000. As such, the site cost of \$69,851 per acre is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant's claimed sitework costs of \$5,544 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$95K (1%) higher than the Underwriter's estimate derived from the Marshall & Swift *Residential Cost Handbook*.

Ineligible Costs: The Applicant included \$147K in construction costs for carports as an eligible cost. These carports will only be available to tenants for a fee; therefore the costs are regarded to be ineligible. The Underwriter reduced the Applicant's eligible basis by an equivalent amount.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$325K 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 fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant's fees for the developer were set at the maximum allowed by TDHCA guidelines, but with the reduction in eligible basis due to the misapplication of ineligible costs discussed above the eligible portion of the fees now exceed the maximum by \$48K and have been reduced by the same amount in order to recalculate the appropriate requested credit amount.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The calculated eligible basis of \$24,296,280 is increased by 30% because the region has been designated a Difficult Development Area. The resulting adjusted basis of \$31,585,164 supports annual tax credits of \$1,146,541. This figure will be compared to the Applicant's request and the tax credits

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calculated based on the gap in need for permanent funds to determine the recommended allocation. The Applicant used an applicable percentage of 3.53% to calculate the requested tax credits. The Underwriter used 3.63%, the percentage in effect for July 2006 when the application was received.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: JPMorgan Chase **Contact:** Ken Overshiner
Tax-Exempt: \$13,500,000 **Interest Rate:** 5.98%, fixed, lender's estimate **Amort:** 480 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Interim period up to 36 months, rate fixed for 2 years on 2-year swapped BMA plus 150 bps; permanent rate fixed at 20-year AAA MMD plus 180 bps

TAX CREDIT SYNDICATION

Source: Red Capital Markets, Inc. **Contact:** Dale E. Cook
Proceeds: \$11,049,287 **Net Syndication Rate:** 98% **Anticipated HTC:** \$1,127,591/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Original application indicated a 99% syndication rate on requested tax credits of \$1,132,098/year

OTHER

Amount: \$2,212,479 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: Tax-exempt bonds will be issued by TDHCA and offered through private placement by JPMorgan Chase. JPMC will use the bond proceeds to provide the Applicant with \$13,500,000 in interim to permanent financing. The terms provided allow for an interim construction period of up to 3 years, with interest fixed for two years based upon a 2-year swapped BMA rate plus 150 bps. If the interim period extends into the third year, payments will be interest only at the permanent interest rate. The permanent interest rate will be fixed at closing based on a 20-year AAA MMD plus 180 bps.

HTC Syndication: The Applicant provided a revised commitment from Red Capital Markets, Inc. on September 20, 2006. The revised terms indicate a total equity contribution of \$11,049,287 at a syndication price of \$0.98 per dollar of tax credits, suggesting annual tax credits of \$1,127,591; this is reduced from the original commitment of \$11,207,770 at \$0.99 on \$1,132,098 in annual tax credits. However, the Applicant did not adjust the requested tax credit amount. It is anticipated that the syndicator is willing to acquire the original amount of credits requested at the revised price.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$2.2M amount to 69% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$13,500,000 indicates the need for \$13,427,462 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,370,286 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$1,132,098), the gap-driven amount (\$1,370,286), and eligible basis-derived estimate (\$1,146,541), the Applicant's request of \$1,132,098 is recommended resulting in proceeds of \$11,093,451 based on a syndication rate of 98%.

The Underwriter's recommended financing structure indicates the need for \$2,334,011 in additional permanent funds. Deferred developer fees in this amount, which represent 74% of the entire fee, do not appear to be repayable from development cashflow within 10 years of stabilized operation, but appear to be repayable within 15 years.

**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

€ The Applicant and Developer are related entities. This is a common relationship for HTC-funded

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developments.

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

Financial Highlights:

- € The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- € The principals of the General Partner, A. Richard Wilson and Gerald Russell, submitted unaudited financial statements as of May, 2002 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

- € The Applicant's operating expenses and proforma are more than 5% outside of the Underwriter's verifiable ranges.
- € Significant environmental/location risks exist regarding the proximity to the airport.
- € 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:	October 3, 2006
	<i>Thomas Cavanagh</i>		
Reviewing Underwriter:	_____	Date:	October 3, 2006
	<i>Lisa Vecchietti</i>		
Director of Real Estate Analysis:	_____	Date:	October 3, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

East Tex Pines Apartments, Houston, 4% HTC 060623

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	30	1	1	772	\$686	\$616	\$18,480	\$0.80	\$70.00	\$33.31
TC 60%	6	1	1	770	\$686	\$616	\$3,696	\$0.80	\$70.00	\$33.31
TC 60%	6	1	1	989	\$686	\$616	\$3,696	\$0.62	\$70.00	\$33.31
TC 60%	44	2	2	1,147	\$824	\$738	\$32,472	\$0.64	\$86.00	\$36.31
TC 60%	44	2	2	1,221	\$824	\$738	\$32,472	\$0.60	\$86.00	\$36.31
TC 60%	30	2	2	1,260	\$824	\$738	\$22,140	\$0.59	\$86.00	\$36.31
TC 60%	6	2	2	1,128	824	\$738	4,428	0.65	\$86.00	36.31
TC 60%	6	2	2	1,204	824	\$738	4,428	0.61	\$86.00	36.31
TC 60%	6	2	2	1,235	824	738	4,428	0.60	\$86.00	36.31
TC 60%	30	3	2	1,355	951	849	25,470	0.63	102.00	48.31
TC 60%	14	3	2	1,198	951	849	11,886	0.71	102.00	48.31
TC 60%	14	3	2	1,504	951	849	11,886	0.56	102.00	48.31
TC 60%	14	3	2	1,334	951	849	11,886	0.64	102.00	48.31
TOTAL:	250		AVERAGE:	1,177	\$837	\$749	\$187,368	\$0.64	\$87.92	\$39.26

INCOME Total Net Rentable Sq Ft: 294,262

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: 80 carports at \$15 per month

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.32%	\$367	0.31
Management	5.00%	424	0.36
Payroll & Payroll Tax	11.06%	939	0.80
Repairs & Maintenance	4.97%	422	0.36
Utilities	3.11%	264	0.22
Water, Sewer, & Trash	4.79%	406	0.35
Property Insurance	4.00%	339	0.29
Property Tax 3.12347	9.34%	792	0.67
Reserve for Replacements	2.95%	250	0.21
Cbl, SuppServ, Comp, Sec	4.27%	362	0.31
TOTAL EXPENSES	53.79%	\$4,565	\$3.88
NET OPERATING INC	46.21%	\$3,921	\$3.33

DEBT SERVICE

First Lien Mortgage	41.91%	\$3,556	\$3.02
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	4.30%	\$365	\$0.31

	TDHCA	APPLICANT
	\$2,248,416	\$2,248,416
	45,000	45,000
	0	14,400
	\$2,293,416	\$2,307,816
	(172,006)	(173,088)
	0	0
	\$2,121,410	\$2,134,728
	\$91,703	\$45,000
	106,070	106,456
	\$234,721	150,000
	\$105,388	100,000
	65,940	29,950
	101,544	79,250
	84,766	109,000
	198,037	212,500
	62,500	50,000
	90,500	92,800
	\$1,141,169	\$974,956
	\$980,241	\$1,159,772
	\$889,089	\$980,760
	0	0
	0	0
	\$91,153	\$179,012
	1.10	1.18
	1.10	

Comptroller's Region 6

IREM Region Houston

\$15.00 Per Unit Per Month

\$4.80 Per Unit Per Month

-7.50% of Potential Gross Income

	PER SQ FT	PER UNIT	% OF EGI
	\$0.15	\$180	2.11%
	0.36	426	4.99%
	0.51	600	7.03%
	0.34	400	4.68%
	0.10	120	1.40%
	0.27	317	3.71%
	0.37	436	5.11%
	0.72	850	9.95%
	0.17	200	2.34%
	0.32	371	4.35%
	\$3.31	\$3,900	45.67%
	\$3.94	\$4,639	54.33%
	\$3.33	\$3,923	45.94%
	\$0.00	\$0	0.00%
	\$0.00	\$0	0.00%
	\$0.61	\$716	8.39%

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		5.74%	\$6,200	\$5.27
Off-Sites		0.00%	0	0.00
Sitework		5.13%	5,544	4.71
Direct Construction		53.67%	57,997	49.27
Contingency	4.65%	2.74%	2,956	2.51
General Req'ts	6.00%	3.53%	3,812	3.24
Contractor's G & A	2.00%	1.18%	1,271	1.08
Contractor's Profit	6.00%	3.53%	3,812	3.24
Indirect Construction		2.56%	2,769	2.35
Ineligible Costs		3.69%	3,992	3.39
Developer's G & A	2.07%	1.61%	1,742	1.48
Developer's Profit	12.93%	10.06%	10,870	9.23
Interim Financing		5.48%	5,917	5.03
Reserves		1.09%	1,181	1.00
TOTAL COST		100.00%	\$108,062	\$91.81
Construction Cost Recap		69.77%	\$75,393	\$64.05

	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
	\$1,550,000	\$1,550,000	\$5.27	\$6,200	5.76%
	0	0	0.00	0	0.00%
	1,386,000	1,386,000	4.71	5,544	5.15%
	14,499,231	14,593,977	49.60	58,376	54.20%
	739,052	739,052	2.51	2,956	2.74%
	953,114	958,700	3.26	3,835	3.56%
	317,705	319,500	1.09	1,278	1.19%
	953,114	958,599	3.26	3,834	3.56%
	692,129	692,129	2.35	2,769	2.57%
	997,901	882,762	3.00	3,531	3.28%
	435,438	500,000	1.70	2,000	1.86%
	2,717,500	2,717,500	9.23	10,870	10.09%
	1,479,243	1,479,243	5.03	5,917	5.49%
	295,198	150,000	0.51	600	0.56%
	\$27,015,624	\$26,927,462	\$91.51	\$107,710	100.00%
	\$18,848,215	\$18,955,828	\$64.42	\$75,823	70.40%

SOURCES OF FUNDS

First Lien Mortgage	49.97%	\$54,000	\$45.88
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	41.49%	\$44,831	\$38.09
Deferred Developer Fees	8.19%	\$8,850	\$7.52
Additional (Excess) Funds Req'd	0.35%	\$382	\$0.32
TOTAL SOURCES			

	RECOMMENDED	
	\$13,500,000	Developer Fee Available
	0	\$3,169,080
	11,207,770	% of Dev. Fee Deferred
	2,212,479	74%
	95,375	15-Yr Cumulative Cash Flow
	\$27,015,624	\$3,321,649

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
East Tex Pines Apartments, Houston, 4% HTC 060623

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$47.17	\$13,880,495
Adjustments				
Exterior Wall Finish	4.00%		\$1.89	\$555,220
9-Ft. Ceilings	3.00%		1.42	416,415
Roofing			0.00	0
Subfloor			(1.12)	(329,573)
Floor Cover			5.09	1,497,794
Porches/Balconies	\$2,110	250	1.79	527,393
Plumbing	\$2,377	250	2.02	594,320
Built-In Appliances	\$1,675	250	1.42	418,750
Stairs	\$1,089	200	0.74	217,800
Enclosed Corridors	\$37.25	0	0.00	0
Heating/Cooling			1.73	509,073
Garages/Carports	\$1,375,013	1	0.00	0
Comm &/or Aux Bldgs	\$70.60	3,700	0.89	261,235
Other:			0.00	0
SUBTOTAL			63.04	18,548,921
Current Cost Multiplier	1.07		4.41	1,298,424
Local Multiplier	0.90		(6.30)	(1,854,892)
TOTAL DIRECT CONSTRUCTION COSTS			\$61.14	\$17,992,453
Plans, specs, survy, bld prm	3.90%		(\$2.38)	(\$701,706)
Interim Construction Interest	3.38%		(2.06)	(607,245)
Contractor's OH & Profit	11.50%		(7.03)	(2,069,132)
NET DIRECT CONSTRUCTION COSTS			\$49.66	\$14,614,370

PAYMENT COMPUTATION

Primary	\$13,500,000	Amort	480
Int Rate	5.98%	DCR	1.10
Secondary	\$0	Amort	
Int Rate		Subtotal DCR	1.10
Additional	\$11,207,770	Amort	
Int Rate		Aggregate DCR	1.10

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$889,089
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$91,153

Primary	\$13,500,000	Amort	480
Int Rate	5.98%	DCR	1.10
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.10
Additional	\$11,207,770	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,248,416	\$2,315,868	\$2,385,345	\$2,456,905	\$2,530,612	\$2,933,673	\$3,400,931	\$3,942,611	\$5,298,540
Secondary Income	45,000	46,350	47,741	49,173	50,648	58,715	68,067	78,908	106,045
Other Support Income: 80 carpx	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,293,416	2,362,218	2,433,085	2,506,078	2,581,260	2,992,388	3,468,997	4,021,519	5,404,585
Vacancy & Collection Loss	(172,006)	(177,166)	(182,481)	(187,956)	(193,594)	(224,429)	(260,175)	(301,614)	(405,344)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,121,410	\$2,185,052	\$2,250,604	\$2,318,122	\$2,387,665	\$2,767,959	\$3,208,823	\$3,719,905	\$4,999,241
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$91,703	\$95,371	\$99,186	\$103,153	\$107,279	\$130,522	\$158,799	\$193,204	\$285,989
Management	106,070	109,253	112,530	115,906	119,383	138,398	160,441	185,995	249,962
Payroll & Payroll Tax	234,721	244,110	253,874	264,029	274,590	334,081	406,460	494,521	732,012
Repairs & Maintenance	105,388	109,603	113,988	118,547	123,289	150,000	182,498	222,036	328,668
Utilities	65,940	68,578	71,321	74,174	77,140	93,853	114,187	138,926	205,644
Water, Sewer & Trash	101,544	105,606	109,830	114,223	118,792	144,529	175,841	213,938	316,680
Insurance	84,766	88,157	91,683	95,350	99,164	120,649	146,788	178,589	264,356
Property Tax	198,037	205,958	214,196	222,764	231,675	281,868	342,935	417,233	617,607
Reserve for Replacements	62,500	65,000	67,600	70,304	73,116	88,957	108,230	131,678	194,916
Other	90,500	94,120	97,885	101,800	105,872	128,810	156,717	190,670	282,238
TOTAL EXPENSES	\$1,141,169	\$1,185,755	\$1,232,092	\$1,280,251	\$1,330,302	\$1,611,665	\$1,952,896	\$2,366,791	\$3,478,072
NET OPERATING INCOME	\$980,241	\$999,297	\$1,018,511	\$1,037,871	\$1,057,364	\$1,156,293	\$1,255,927	\$1,353,114	\$1,521,169
DEBT SERVICE									
First Lien Financing	\$889,089	\$889,089	\$889,089	\$889,089	\$889,089	\$889,089	\$889,089	\$889,089	\$889,089
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	\$91,153	\$110,209	\$129,423	\$148,783	\$168,275	\$267,205	\$366,838	\$464,026	\$632,080
DEBT COVERAGE RATIO	1.10	1.12	1.15	1.17	1.19	1.30	1.41	1.52	1.71

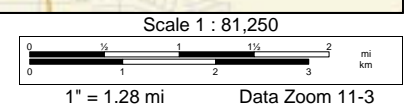
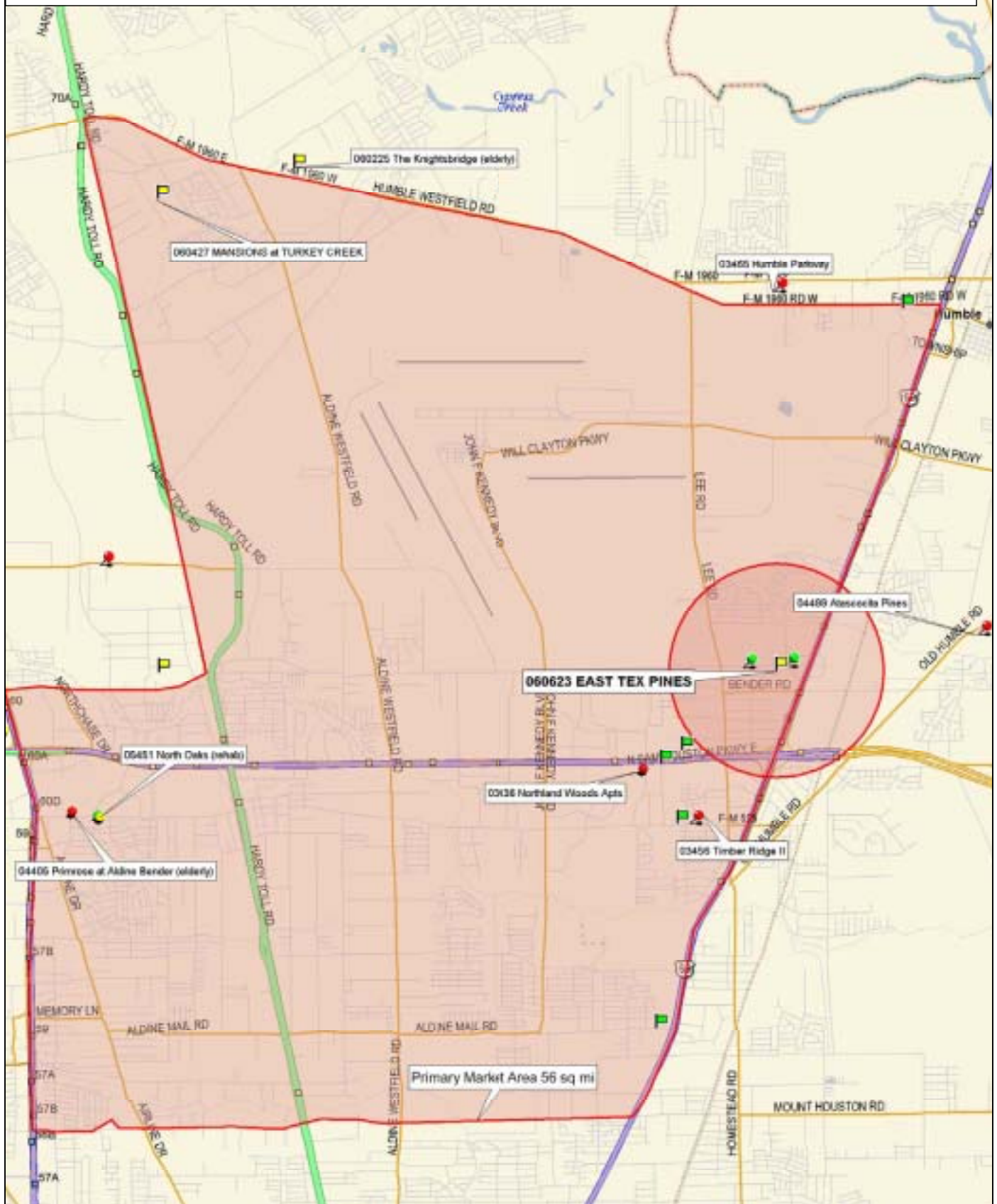
HTC ALLOCATION ANALYSIS -East Tex Pines Apartments, Houston,4% HTC 060623

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,550,000	\$1,550,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,386,000	\$1,386,000	\$1,386,000	\$1,386,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$14,593,977	\$14,499,231	\$14,593,977	\$14,499,231
(4) Contractor Fees & General Requirements				
Contractor overhead	\$319,500	\$317,705	\$319,500	\$317,705
Contractor profit	\$958,599	\$953,114	\$958,599	\$953,114
General requirements	\$958,700	\$953,114	\$958,700	\$953,114
(5) Contingencies				
	\$739,052	\$739,052	\$739,052	\$739,052
(6) Eligible Indirect Fees				
	\$692,129	\$692,129	\$692,129	\$692,129
(7) Eligible Financing Fees				
	\$1,479,243	\$1,479,243	\$1,479,243	\$1,479,243
(8) All Ineligible Costs				
	\$882,762	\$997,901		
(9) Developer Fees			\$3,169,080	
Developer overhead	\$500,000	\$435,438		\$435,438
Developer fee	\$2,717,500	\$2,717,500		\$2,717,500
(10) Development Reserves				
	\$150,000	\$295,198		
TOTAL DEVELOPMENT COSTS	\$26,927,462	\$27,015,624	\$24,296,280	\$24,172,525

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		\$24,296,280	\$24,172,525
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$31,585,164	\$31,424,283
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$31,585,164	\$31,424,283
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		\$1,146,541	\$1,140,701

Syndication Proceeds	0.9799	\$11,234,983	\$11,177,757
Total Tax Credits (Eligible Basis Method)		\$1,146,541	\$1,140,701
Syndication Proceeds		\$11,234,983	\$11,177,757
Requested Tax Credits		\$1,132,098	
Syndication Proceeds		\$11,093,451	
Gap of Syndication Proceeds Needed		\$13,427,462	
Total Tax Credits (Gap Method)		\$1,370,286	

060623 EAST TEX PINES APARTMENTS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS
EAST TEX PINES APARTMENTS

PUBLIC HEARING

Francis Elementary School
14815 Lee Road
Houston, Texas

September 19, 2006
6:00 p.m.

BEFORE:

SHARON D. GAMBLE, Housing Specialist, TDHCA

ALSO PRESENT:

GERALD W. RUSSELL, Development Manager
The Property Group

RICHARD WILSON, The Property Group

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>SPEAKER</u>	<u>PAGE</u>
CALL TO ORDER/OPENING REMARKS:	
Sharon D. Gamble, Housing Specialist, TDHCA	3
PUBLIC COMMENT:	(NONE)
CLOSING REMARKS/ADJOURNMENT:	
Sharon D. Gamble	4

P R O C E E D I N G S

MS. GAMBLE: Good evening. My name is Sharon D. Gamble. I would like to proceed with the public hearing. Let the record show that it is 6:15 p.m. Tuesday, September 19, 2006, and we are at the Francis Elementary School, located at 14815 Lee Road, Houston, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$13,500,000 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 ST Moritz Partners, Ltd., or a related person or affiliate entity thereof, to finance a portion of the costs of acquiring, constructing and equipping a multifamily residential rental development described as follows: A 250-unit multifamily residential rental development to be constructed on approximately 22 acres of land located at 6200 Greens Road, Houston, Harris County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by ST Moritz Partners, Ltd., or a related person or affiliate thereof.

Let the record show that there are no attendees. Therefore the meeting is now adjourned. And the time is now 6:17 p.m.

(Whereupon, at 6:17 p.m., this public hearing was concluded.)

C E R T I F I C A T E

IN RE: East Tex Pines Apartments

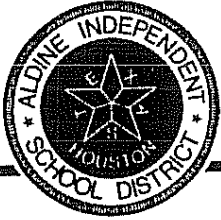
LOCATION: Houston, Texas

DATE: September 19, 2006

I do hereby certify that the foregoing pages, numbers 1 through 6, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Stacey Harris before the Texas Department of Housing and Community Affairs.

Connie Hagar 09/26/2006
(Transcriber) (Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731



ALDINE INDEPENDENT SCHOOL DISTRICT

14910 Aldine-Westfield Road • Houston, Texas 77032-3099 • (281) 449-1011

September 8, 2006

St. Moritz Partners, L.P.
Attn: Gerald Russell
7887 San Felipe, Suite 122
Houston, TX 77063

SEP 18 2006
Multifamily Finance Division

Subject: Proposed Eastex Pines Apartments

Dear Mr. Russell:

I have received your letter of August 16, 2006, regarding the proposed housing development in the 6200 block of Greens Road (Eastex Pines Apartments).

In a previous letter to the Texas Department of Housing and Community Affairs, we expressed opposition to your application for a proposed apartment complex. In that letter, we cited a loss of property tax revenue and current congestion in the airport area as reasons for opposition.

After reading your most recent communication with assurances that there will be no loss of revenue to the district, it has been decided to withdraw our opposition at this time. Aldine Independent School District supports your proposed construction of the Eastex Pines Apartments. We do, however, reserve the right to future opposition should your development take action to exempt this property.

Sincerely,

Nadine Kujawa
Superintendent of Schools
Aldine Independent School District

cc: Texas Department of Housing and Community Affairs
Attn: Teresa Morales
P.O. Box 13941
Austin, TX 78711-3941

Houston Crackdown- Office of the Mayor
900 Bagby Street
Houston, Texas 77002

October 4, 2006

Ms. Teresa Morales
Texas Department of Housing
And Community Affairs
221 East 11th
P.O. Box 13941
Austin, Texas 78711-3941

Re: Eastex Pines
Greens Road at Highway 59
Houston, Texas 77396

Dear Ms. Morales:

I was contacted by the developer of the Eastex Pines, a proposed affordable housing complex, seeking the names of any homeowner groups that might be adversely affected by the building of such project. A search of my records revealed four such aggressive groups that I was aware of, 1) Greens Point Management, 2) Greens Point Community Partners 3) Greater Greens Point and lastly, the 4) North Corridor Coalition whose president never returned my call.

Each of these group presidents said that the Eastex Pines housing complex had no effect on them. There may be other smaller groups in that particular area, but I am not aware of them. However, I do know that the developing group has a complex just west of this proposed site. I understand that it has remained full every since it was opened a few years ago and was reflective of the need for such housing units in the area.

Thank you in advance,



Sandra Hines,
HC-Volunteer Community Outreach Coordinator

ADRIAN GARCIA

HOUSTON CITY COUNCIL MEMBER, DISTRICT H



October 3, 2006

COMMITTEES

CHAIRS

PUBLIC SAFETY AND HOMELAND SECURITY

M/WBE AND SMALL CONTRACTOR DEVELOPMENT AND CONTRACT COMPLIANCE

VICE CHAIR

TRANSPORTATION, INFRASTRUCTURE AND AVIATION

MEMBER

BUDGET AND FISCAL AFFAIRS

REGULATION AND NEIGHBORHOOD PROTECTION AND DEVELOPMENT

HOUSING AND COMMUNITY DEVELOPMENT

FLOODING AND DRAINAGE

INTERNATIONAL LIAISON AND PROTOCOL

BOARD MEMBER

HOUSTON GALVESTON AREA COUNCIL (HGAC)

HGAC REGIONAL SAFETY COUNCIL, CHAIR

Ms. Teresa Morales
Texas Department of Housing
And Community Affairs
221 East 11th
P.O. Box 13941
Austin, Texas 78711-3941

Re: Eastex Pines
250 Unit Apartment Complex
Greens Road at Highway 59
Houston, Texas 77396

Dear Ms. Morales:

The above proposed development is in District B, which pertains to Council Member Jarvis Johnson. Although this proposed development is not in my district, I know of the need for affordable housing in the area and would support a carefully planned project that has community input and support of my colleague.

I have recently visited a complex that these same developers are building in my district and was impressed with the care and dedication they exhibited. The quality of construction and amenities surpassed what I had expected for an affordable complex.

I support affordable housing projects done by The Property Group, because they give attention to detail and they work with the community, which is why I would respectfully ask your support on this project.

A handwritten signature in black ink that reads "Adrian Garcia".

Adrian Garcia
Council Member
District H



WWW.TDHCA.STATE.TX.US

MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

Havens at Mansfield

**Approx 1,000 ft north of South Miller Road and to the east of Hwy 360 frontage road
and west of and adjacent to the Mansfield National Golf Club
Mansfield, Texas**

**TX 360 Senior Housing, L.P.
100 Units
Priority 1C**

\$5,800,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Hearing Transcript (August 22, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for the Havens at Mansfield.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the Havens at Mansfield Transaction

Background and General Information: The pre-application for the 2006 Waiting List was received on May 30, 2006. The application was scored and ranked by staff. The application was induced at the June 26, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a reservation of Allocation on July 17, 2006. The final date of bond delivery is on or before December 14, 2006, but the anticipated closing date is November 14, 2006. This application was submitted under the Priority 1C category with the applicant proposing 100% of the units serving 60% of AMFI.

Organizational Structure and Compliance: The Borrower is TX 360 Senior Housing, L.P. and is comprised of Jeff Spicer with 50% ownership and Kelly Garrett with 50% ownership interest. The Compliance Status Summary completed on September 15, 2006 reveals that the principals of the general partner do not have any properties currently being monitored by the Department.

Public Hearing: There were fifty people in attendance at the public hearing conducted by the Department for the proposed development on August 22, 2006 and eleven people spoke for the record. The Department has received opposition letters from State Representative Toby Goodman, State Representative Bill Zedler (although this development is not located in his district), Mayor Mel Neuman, School Superintendent Vernon Newsom (although this development will serve seniors), twenty letters from the community and a petition containing 359 signatures. The reasons for the opposition are as follows: there are no nearby services available for the tenants, no public transportation, no nearby grocery or retail stores, no sidewalks, no nearby health clinics and the negative impact this development will have on the surrounding property values. A copy of the transcript and a page from the petition is included in this presentation.

Census Demographics: The proposed site is located at approximately 1,000 feet north of South Miller Road and to the east of Highway 360 frontage road and west of and adjacent to the Mansfield National

Golf Club, Mansfield, Tarrant County. Demographics for the census tract (1113.03) include AMFI of \$123,101; the total population is 7,340; the percent of the population that is minority is 10.93%; the percent of the population that is below the poverty line is 0.19%; the number of owner occupied units is 2,299; the number renter occupied units is 32 and the number of vacant units is 50. (FFIEC Geocoding for 2006)

Other Salient Information: This application was previously brought before the Board on March 20, 2006 as an intergenerational application. Staff did not recommend the application to the Board due to a capture rate that exceeded the Department's guidelines on the family portion of the development. The Board concurred with staff's recommendation and the application was not awarded. The main difference between the previous application and the current is that it is now two separate applications, one for seniors and one for family. The previous application received a letter of opposition from State Senator Kim Brimer; however the Department has not received public comment from his office with regards to the current application.

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax-exempt bonds in an amount not to exceed \$5,471,000. The bonds will be unrated and privately placed with Capmark Municipal Mortgage Trust. The term of the bonds will be for 30 years. The construction and lease up period will be for 30 months during which payment terms will be interest only during this period. The interest rate on the bonds will be (a) from the Closing Date to and including November 30, 2008, the higher of 6.00% and the BMA Municipal Swap Index and (b) on or after December 1, 2008, the higher of 6.00% and the BMA Municipal Swap Index.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Havens at Mansfield.

RESOLUTION NO. 06-040

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (HAVENS AT MANSFIELD) SERIES 2006; 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, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Havens at Mansfield) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to TX 360 Senior Housing, L.P., a Texas limited partnership (the "Borrower"), in order to finance a portion of the cost of acquisition, construction and equipping of a qualified residential rental development for seniors described on Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on June 26, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the

Borrower to finance a portion of the cost of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a 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 Loan Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Loan will be provided for initially by an unconditional guaranty issued by Capmark Commercial Holding Corp., a Nevada corporation, and Capmark Finance Inc., a California corporation; 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 (the "Mortgage") by the Borrower for the benefit of the Department; and

WHEREAS, the Department's interest in the Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear pursuant to an Assignment of Deed of Trust and Loan Documents and an Assignment of Note (the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Tarrant County, Texas; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Placement Agreement (the "Placement Agreement") with the Borrower, Capmark Securities, Inc. (the "Placement Agent"), Capmark Municipal Mortgage Trust (the "Purchaser"), Capmark Capital Management LLC and any other parties to such Placement Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Purchaser 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 Purchaser or another party to such Placement 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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Placement Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Mortgage and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the 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 BOARD OF THE DEPARTMENT:

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 for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That (i) the Bonds shall bear interest (A) from the Closing Date to and including November 30, 2008, at the rate of the higher of (1) 5.75% per annum and (2) the BMA Municipal Swap Index as determined on each Bond Coupon Rate Determination Date and (B) on and after December 1, 2008, at the rate of the higher of (1) 6.00% per annum and (2) the BMA Municipal Swap Index as determined on each Bond Coupon Rate Determination Date; provided that, in no event shall the interest rate on the Bonds exceed the maximum interest rate permitted by applicable law;; (ii) the aggregate principal amount of the Bonds shall be \$5,425,000; (iii) the final maturity of the Bonds shall be January 1, 2040.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan 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 Tarrant County, Texas.

Section 1.6--Approval, Execution and Delivery of the Placement Agreement. That the sale of the Bonds to the Purchaser and any other party to the Placement Agreement is hereby approved, that the form and substance of the Placement Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute the Placement Agreement and to deliver the Placement Agreement to the Borrower, the Placement Agent and any other party to the Placement Agreement, as appropriate.

Section 1.7--Acceptance of the Note and Mortgage. That the form and substance of the Note and Mortgage are hereby accepted by the Department and that the authorized representatives of the

Department named in this Resolution each are hereby authorized to endorse and deliver the Note to the order of the Trustee, as its interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.9--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 1.10--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Placement Agreement
- Exhibit F - Mortgage
- Exhibit G - Note
- Exhibit H - Assignments
- Exhibit I - Asset Oversight Agreement

Section 1.12--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 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.14--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development'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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5—Approving Initial Rents. That the initial maximum rent charged by the Borrower for the units of the Development shall not exceed the amounts attached as an exhibit to the Regulatory Agreement and shall be annually redetermined by the Borrower and reviewed by the Department as set forth in the Loan Agreement.

Section 2.6--Placement Agent. That the Placement Agent with respect to the issuance of the Bonds shall be Capmark Securities, Inc.

Section 2.7—Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants 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.

Section 2.8--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement and Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a

public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Note will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. 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.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: TX 360 Senior Housing, L.P., a Texas limited partnership

Development: The Development is a 100-unit multifamily facility to be known as Havens at Mansfield and to be located at approximately 1000 feet from S. Miller Road and to the east of the Highway 360 frontage road and adjacent to Mansfield National Golf Club (located at 3750 National Parkway), Mansfield, Tarrant County, Texas 76063. It will consist of 2 two-story residential apartment buildings with approximately 85,485 net rentable square feet and an average unit size of approximately 855 square feet. The unit mix will consist of:

53	one-bedroom/one-bath units
47	two-bedroom/one-bath units

====

100	Total Units
-----	-------------

Unit sizes will range from approximately 735 square feet to approximately 990 square feet.

Common areas are expected to include a leasing office, a gazebo, a community center with community room, business center, health screening room, service coordinator office, senior activity room, and laundry center.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

**Development Information, Public Input and Board Summary
Havens at Mansfield, TDHCA Number 060624**

BASIC DEVELOPMENT INFORMATION

Site Address: NE corner of 360 and South Miller Road Development #: 060624
 City: Mansfield Region: 3 Population Served: Elderly
 County: Tarrant Zip Code: 76063 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: TDHCA

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: TX 360 Senior Housing, L.P.
 Owner Contact and Phone: Jeffrey S. Spicer (214) 346-0707
 Developer: State Street Housing Development, L.P.
 Housing General Contractor: GS Housing Construction, L.P.
 Architect: James, Harwick + Partners, Inc.
 Market Analyst: Butler Burgher
 Syndicator: Boston Capital
 Supportive Services: N/A
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	100
0	0	0	100	0	53	47	0	0	0	Market Rate Units:	0
Type of Building: <input checked="" type="checkbox"/> 5 units or more per building										Owner/Employee Units:	0
<input type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	100
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$10,048,766
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	2
	<input type="checkbox"/> Townhome									HOME High Total Units:	0
										HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$305,518	\$305,444	0	0	0.00%
TDHCA Bond Allocation Amount:	\$5,471,000	\$5,471,000	40	30	6.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Havens at Mansfield, TDHCA Number 060624

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Brimer, District 10	NC	US Representative: Barton, District 6, NC
TX Representative: Goodman, District 93	O	US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Mel Neuman, Mayor, City of Mansfield - O Resolution of Support from Local Government

Chris Burkett, Assistant City Manager, City of Mansfield - Vernon Newsom, Superintendent Mansfield ISD - O

The City of Mansfield does not have a Consolidated Plan.

William "Bill" Zedler, Texas House of Representatives, District 96 - O

Individuals/Businesses: In Support: 0 In Opposition: 20

Neighborhood Input:

General Summary of Comment:

Public Hearing: Concerns regarding no public transportation in the area, no sidewalks present, depreciating property values, lack of commercial development and services, no nearby grocery or retail.

Number that attended: 50
 Number that spoke: 11
 Number in support: 0
 Number in opposition: 45
 Number Neutral: 1
 Number of petition signatures: 359

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Receipt, review, and acceptance of firm commitments with terms for all sources of permanent financing.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Havens at Mansfield, TDHCA Number 060624

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$305,444
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$305,444 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$5,471,000
Recommendation: Recommend Approval of issuance of \$5,471,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate underwritten at 6.00% and repayment term of 30 years with a 40 year amortization period, subject to conditions.		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

Havens at Mansfield Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 5,425,000
Tax Credit Proceeds	2,960,825
Deferred Developer's Fee	642,380
HOME Loan	1,000,000
GIC Income	145,000
Total Sources	\$ 10,173,205

Uses of Funds

Acquisition and Site Work Costs	\$ 1,649,500
Direct Hard Construction Costs	4,355,542
Other Construction Costs (General Require, Overhead, Profit)	714,707
Developer Fees and Overhead	1,105,197
Direct Bond Related	183,925
Bond Purchase Costs	183,500
Other Transaction Costs	1,925,834
Real Estate Closing Costs	55,000
Total Uses	\$ 10,173,205

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 27,125
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	10,850
TDHCA Bond Compliance Fee (\$40 per unit)	4,000
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)	2,500
Trustee Fee	7,000
Trustee's Counsel (Note 1)	5,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	1,450
Total Direct Bond Related	\$ 183,925

Havens at Mansfield Apartments

Bond Purchase Costs	
Placement Agent	108,500
Placement Agent's Counsel	20,000
Bond Purchaser's Counsel	55,000
Total Bond Purchase Costs	\$ 183,500

Other Transaction Costs	
Soft Cost Contingency	1,204,946
Lease-Up and Marketing	85,000
Construction Period Interest	389,922
Tax Credit Related Costs	22,705
Lease-Up Reserves	193,697
Public Hearing Fee	1,339
Miscellaneous	28,225
Total Other Transaction Costs	\$ 1,925,834

Real Estate Closing Costs	
Title and Recording Costs	55,000
Total Real Estate Costs	\$ 55,000

Estimated Total Costs of Issuance	\$ 2,348,259
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Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 3, 2006 **PROGRAM:** 4% HTC/MRB **FILE NUMBER:** 060624

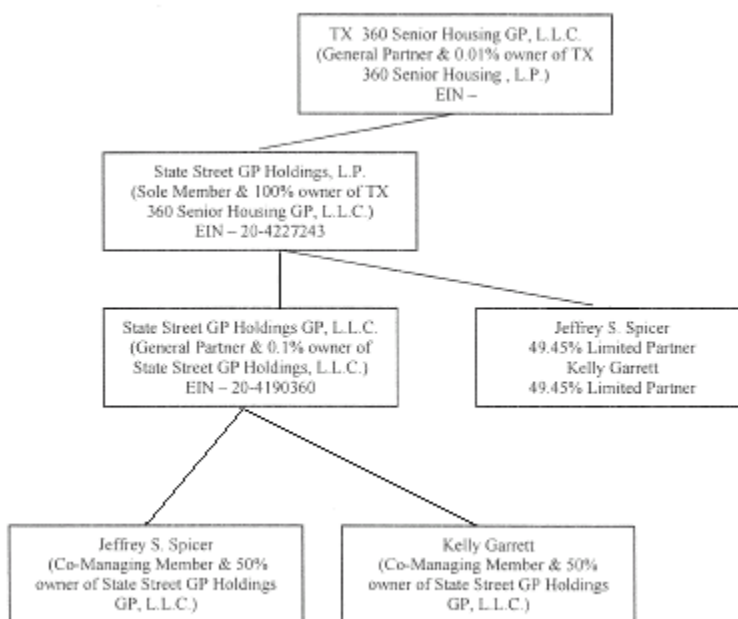
DEVELOPMENT NAME

Havens at Mansfield

APPLICANT

Name: TX 360 Senior Housing, L.P. **Contact:** Jeffrey S. Spicer
Address: 5843 Royal Crest Drive
City: Dallas **State:** TX **Zip:** 75230
Phone: (214) 346-0707 **Fax:** (214) 346-0713 **Email:** jspicer@statestreethousing.com

KEY PARTICIPANTS



Name: State Street Housing Development **Title:** Developer
Name: Kelly Garrett **Title:** Guarantor/50% owner of Developer
Name: Jeffrey S Spicer **Title:** Guarantor/50% owner of Developer

PROPERTY LOCATION

Location: NE Corner of 360 and S. Miller Road
City: Mansfield **Zip:** 76063
County: Tarrant **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$305,518	N/A	N/A	N/A
MRB (Tax-Exempt)	\$5,471,000	6.0%	40 yrs	30 yrs
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Elderly	Other:	Urban/Exurban	

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

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$5,471,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.0% AND REPAYMENT TERM OF 30 YEARS WITH A 40-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$305,444 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance of firm commitments with terms for all sources of permanent financing.
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 amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Generations at Mansfield was submitted and underwritten in the 2005 4% HTC/Bond cycle as a 252 unit intergenerational development with 152 family units and 100 units targeting seniors. The underwriting analysis made the following recommendation and conditions:

NOT RECOMMENDED DUE TO THE FOLLOWING:

- ⊘ The Development is not financially feasible based upon this analysis and the Department's standard for repayment of deferred developer fee in less than 15 years.
- ⊘ The Underwriter's re-calculated inclusive capture rate for the family units exceeds the Department's 25% requirement.

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MAY WAIVE ITS RULES FOR THE ISSUES LISTED ABOVE OR ACCEPT INFORMATION PROVIDED BY THE APPLICANT TO MITIGATE THESE ISSUES AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

1. Receipt, review, and acceptance of a commitment from the unrelated party general contractor to defer fees as necessary to fill a potential gap in permanent financing or source additional non-repayable funds of at least \$914,873 or documented net income improvement resulting in serviceable debt in the same amount or some equivalent combination of these alternatives;
2. Board acceptance of potential mandatory redemption of \$1,918,000 of the total proposed \$16,100,000 tax exempt bonds based upon a fixed interest rate of 6% and a term of 40 years;
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

This development was not approved and has since been split into two separate developments: the subject 100 units at Havens of Mansfield (elderly) and 152 units at Generations of Mansfield targeting seniors.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units:	<u>100</u>	# Res Bldgs	<u>2</u>	# Non-Res Bldgs	<u>0*</u>	Age:	<u>N/A</u> yrs	<small>*Common area combined with residential bldg.</small>
Net Rentable SF:	<u>85,485</u>	Av Un SF:	<u>855</u>	Common Area SF:	<u>3,421</u>	Gross Bldg SF:	<u>88,906</u>	

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab. According to the plans provided in the application the

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

exterior will be 16% plywood/hardboard, 84% masonry veneer. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 100 or more, the Applicant has elected to provide a community laundry room, controlled access gates, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a gazebo with sitting area, a health screening room, an activity room, a service coordinators office in addition to the leasing offices.

Uncovered Parking: 265 spaces **Carports:** 0 spaces **Garages:** 10 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Havens at Mansfield is a 17-unit per acre new construction development located in Mansfield, TX which is approximately 36 miles southwest of Dallas and 20 miles southeast of Fort Worth. The development is comprised of two low-rise residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
1	2	25	28
1	2	23	24

The development includes a 3,421-square foot community area which is contained within one of the residential buildings.

SITE ISSUES

SITE DESCRIPTION

Total Size: <u>5.9 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone: <u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning: <u>MF-2 & C-2</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is located at the northeast corner of 360 and South Miller Road in southeast Tarrant County in the City of Mansfield which is 36 miles southwest of Dallas and 20 miles southeast of Fort Worth.

Adjacent Land Uses:

- € **North:** Vacant land immediately adjacent and MISD stadium beyond;
- € **South:** South Miller Road immediately adjacent and vacant land beyond;
- € **East:** Mansfield National Public Golf Course immediately adjacent and single family homes beyond; and
- € **West:** SH 360 immediately adjacent and vacant land beyond.

Site Access: "The land is located with access from a primary thoroughfare with immediate access to major retail and employment centers along US 287 and SH 360." (p. 67)

Public Transportation: Public transportation is not available in Mansfield.

Shopping & Services: "The Mansfield Methodist Medical Canter is located just west of the site and a variety of retail uses are located just northwest of the site along US 287 and north of the site along SH 360." (p. 67)

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

Zoning: The Applicant has submitted a signed letter indicating "...the development Havens of Mansfield will not have any residential or commercial buildings in the C-2 zoned portion of the property."

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff

Date: 8/22/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated January 5, 2006 was prepared by Butler Burgher Environmental, LLC and contained the following findings and recommendations:

Findings:

- € **Noise:** This issue was not addressed in the Environmental Assessment Report. However, a letter signed by Chris Schulz of W&M Environmental Group, Inc and submitted for the adjacent property states, "W&M contacted the City of Mansfield Economic Development Corporation (MEDC) regarding traffic counts in the general vicinity of the property. According to Ms. Erin Wampler of the MEDC, no major city intersections are located within the immediate vicinity of the Site property boundaries. In addition, Ms. Wampler indicated that no private or municipal airports are located within a fifteen-mile radius of the Site and no transit railroads are located within 3,000 feet of the Site. The site is approximately 700 feet south of the intersection of North Miller Road and South Highway 360. Interviews with Mr. Spicer, developer for the Site, indicate that the residential development will be constructed approximately 400 feet east of South Highway 360, behind a planned commercial retail center. In addition, the residential development will be surrounded by a perimeter wall. Based upon this information, W&M does not recommend a noise study for the undeveloped property at this time."
- € **Floodplain:** "The Site is in Zone X, which is outside the 100-year floodplain zone, according to the FEMA Flood Insurance Rate Maps (FIRM) Numbers FM48439C0580H & FM48439C0590H." (p. 13)
- € **Asbestos-Containing Materials (ACM):** "Due to the absence of structures at the Site, suspect asbestos containing materials (ACM) were not observed during the visual survey." (p. 10)
- € **Lead-Based Paint (LBP):** "Due to the absence of structures or other painted surface appurtenances at the subject site, suspect lead-based paints were not observed during the visual survey." (p. 11)
- € **Lead in Drinking Water:** "According to the City of Mansfield's 2004 Water Quality Drinking Report, the drinking water meets or exceeds all Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA) requirements. The City is supplied with water via pipeline from surface water impoundments by the Tarrant Regional Water System. The City of Mansfield then treats the water at the city-run water treatment plant." (p. 4)
- € **Radon:** "Based on a review of The Texas Indoor Radon Survey 1994, prepared by the TDH, Bureau of Radiation Control, the mean residential radon measurement from the survey for Tarrant County is 1.1 picoCuries of radon per liter of air (pCi/l). The EPA recommends a guideline "action level" of 4.0 pCi/l for annual average indoor radon concentrations. Based on the information obtained from the 1994 survey, the site is considered to have a low potential for elevated levels of radon gas." (p. 11)

Recommendations: "This assessment has not revealed evidence of recognized environmental conditions in connection with the subject site." (p. 14)

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All one-hundred of the units (100% of the total) will be reserved for low-income tenants. All of the units (100%) will be reserved for households earning 60% or less of AMI. The development is a Priority III Private Activity Bond transaction.

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

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

MARKET HIGHLIGHTS

A market feasibility study dated August 1, 2006 was prepared by Butler Burgher, Inc. (“Market Analyst”) and included the following findings:

Secondary Market Information: A secondary market was not identified in the Market Study.

Definition of Primary Market Area (PMA): “The senior primary market area is defined by those boundaries know as; Business US 287 to the west and south, IH 20, FM 157 (S. Cooper), and SR 303 (Pioneer Parkway) to the north, and the Tarrant County line to the east and south connecting at Business US 287.” (p. 10) This area encompasses approximately seventy-eight square miles and is equivalent to a circle with a radius of five miles.

Population: The estimated 2006 population of seniors was 32,437 and is expected to increase by 31% to approximately 47,169 by 2011. Within the primary market area there were estimated to be 18,152 elderly households in 2006.

Total Market Demand: The Market Analyst’s income band of \$17,820 to \$34,260 (p. 78) results in an income eligible adjustment rate of 14.75% (p. 80). The tenure appropriate adjustment rate of 16.42% is specific to the target population. (p. 80). The Market Analyst indicates a turnover rate of 30% applies based on IREM 2005 figures. (p. 80)

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	76 (2 yrs)	22.3%	30	19.6%
Resident Turnover	132	77.7%	123	80.4%
TOTAL DEMAND	208	100%	153	100%

p. 80

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 48.15% based upon 208 units of demand and 100 unstabilized affordable housing in the PMA (including the subject) (p. 80). The Underwriter calculated an inclusive capture rate of 65.33% based upon a revised demand estimate for 153 affordable units.

A prior market feasibility study dated January 24, 2006 was prepared by Butler Burgher Inc., states “The proposed subject, Generations of Mansfield [TDHCA #05631], will have 100 units that will be 100% rent restricted for age and income-qualified residents under the HTC program (the remaining 152 units will be family units). The OVERALL SENIOR HTC CAPTURE rate of 81.05% for the Primary Market Area is acceptable under the TDHCA concentration guidelines for SENIOR properties. It considers the future completion of the subject HTC units (100 HTC units). No additional senior affordable units are proposed are in lease up in the PMA” (p. 102).

Unit Mix Conclusion: “The subject’s proposed mix of units is recommended.” (p. 4)

Market Rent Comparables: The Market Analyst surveyed seventeen comparable apartment projects totaling 3,900 units in the market area. (p. 85)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$652	\$652	\$0	\$740	-\$88
2-Bedroom (60%)	\$780	\$781	-\$1	\$885	-\$105

(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)

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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Primary Market Occupancy Rates: “The South Arlington apartment submarket is averaging 92.6% occupancy. The Mansfield area is in the growth stage of development and population with a limited supply of rental units which will support the occupancy of any existing product.” (p. 94)

Absorption Projections: “An absorption rate of 8 to 30 units/month is reasonable for the subject, as encumbered by HTC, considering the location on a primary roadway in southwest Mansfield.” (p. 84)

Unstabilized, Under Construction, and Planned Development: “No additional senior affordable units are proposed or are in lease up in the PMA.” (p. 83)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 20, 2006, maintained by the Fort Worth Housing Authority, from the 2006 program gross rent limits. Tenants will be required to pay the electric costs. Furthermore, the Applicant’s vacancy and collection loss assumption is in line with current TDHCA underwriting guidelines. However, secondary income is more than \$15 per unit, due to the inclusion of income from covered parking. The Applicant appropriately removed the cost for construction of the carports and garages from eligible basis. However, additional support for secondary income from covered parking was not provided and, therefore, the underwriting analysis continues to assume a maximum secondary income of \$15 per unit per month. Despite the difference in secondary income, the Applicant’s effective gross rent is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$4,000 per unit is within 5% of the Underwriter’s estimate of \$3,932, derived from the TDHCA database. The Applicant’s budget shows one line item estimate, however, that deviates significantly when compared to the database average, property tax (\$24.4K higher).

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. The proposed permanent financing structure results in an initial year’s debt coverage ratio (DCR) within the Department’s DCR guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 54.897 acres	\$1,372,425	Assessment for the Year of:	2006
1 acre:	\$25,000	Valuation by:	Tarrant County Appraisal District
Prorated value: 5.9 acres	\$147,500	Tax Rate:	3.109277

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Unimproved commercial property contract (14.76 acres)		
Contract Expiration:	5/12/2006	Valid through Board Date?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Acquisition Cost:	\$2,250,310	Other:	Prorated 5.9 acres = \$900,000
Seller:	Mansfield National Partners, L.P.	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The prorated site cost of \$900,000 (\$152,542 per acre or \$9,000 per unit) is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant's claimed sitework costs of \$7,495 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$410K or 9% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. This suggests that the Applicant's direct construction costs may be significantly understated or that the quality and amenities proposed may not fully meet expectations.

Fees: The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant's estimate of contingencies exceeds the Department's 5% guideline by \$1,500 consequently the Applicant's eligible fee in this area has been reduced by the same amount with the overage effectively moved to ineligible costs. The eligible portion of the developer fee is directly affected. As a result, the Applicant's eligible basis is further reduced by \$563.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$8,437,671 supports annual tax credits of \$305,444. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: Capmark Securities, Inc. **Contact:** Cinthia Schwab
Tax-Exempt: \$5,471,000 **Interest Rate:** 6.0%, fixed **Amort:** 480 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Interim rate for 24 months at 5.75%

HOME FUNDS

Source: Development Corporation of Tarrant County **Contact:** Ken Devero
Principal: \$900,000 **Conditions:**
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments:

TAX CREDIT SYNDICATION

Source: Boston Capital **Contact:** Tom Dixon
Proceeds: \$3,025,137 **Net Syndication Rate:** 99% **Anticipated HTC:** \$305,518/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments:

OTHER

Amount: \$145,000 **Source:** GIC Income
Amount: \$507,631 **Source:** Deferred Developer Fee

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

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by TDHCA and privately placed by Capmark Securities, Inc. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application, however, a sources and uses statement provided on October 1 suggests permanent debt will be reduced to \$5,425,000.

Funding by Local Political Subdivision: According to the financing narrative, the Development Corporation of Tarrant County funds of \$900,000 will also be made available at 1% interest of which principal and interest will be based on 35% of cash flow after debt service and shall begin after deferred developer fee has been paid in full, moreover, the most recent sources and uses reflect a HOME loan of \$1,000,000. Receipt, review and acceptance of a firm commitment for all permanent financing is a condition of this report.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. Similarly, however, the most recent sources and uses reflect a reduction in syndication proceeds from \$3,025,137 to \$2,960,825. Clarification as to this change and the other permanent financing figures is a condition of this report.

Deferred Developer's Fees: The Applicant included \$145,000 in proceeds from a Guarantee Income Contract. This amount will be added to the proposed deferred developer's fees for a total of \$652,631, or 59% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$5,471,000 and the HOME loan for \$900,000 indicates the need for \$3,677,766 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$371,529 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$305,518), the gap-driven amount (\$371,529), and eligible basis-derived estimate (\$305,444), the eligible basis-derived estimate of \$305,444 is recommended resulting in proceeds of \$3,023,590 based on a syndication rate of 99%.

The Underwriter's recommended financing structure indicates the need for \$654,176 in additional permanent funds or 59% of the anticipated developer fee. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

€ The Applicant, Developer, and General Contractor 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.
- € The principals of the General Partner, Kelly Garrett and Jeffrey Spicer, submitted unaudited financial statements as of July 10, 2006 and August 11, 2006 respectively 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.
- € 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.
- € The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

- € The seller of the property has an identity of interest with the Applicant.
- € The property's proposed HOME loan is subject to local approval and may not be approved as anticipated.
- € The significant financing structure changes being proposed have not been documented by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____ <i>Carl Hoover</i>	Date:	_____ October 3, 2006
Reviewing Underwriter:	_____ <i>Lisa Vecchietti</i>	Date:	_____ October 3, 2006
Director of Real Estate Analysis:	_____ <i>Tom Gouris</i>	Date:	_____ October 3, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Havens at Mansfield, Mansfield, 4% HTC/MRB #060624

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC (60%)	53	1	1	735	\$713	\$652	\$34,556	\$0.89	\$61.00	\$22.00
TC (60%)	47	2	1	990	856	\$781	36,707	0.79	75.00	24.00
TOTAL:	100		AVERAGE:	855	\$780	\$713	\$71,263	\$0.83	\$67.58	\$22.94

INCOME Total Net Rentable Sq Ft: **85,485**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: garages, carports, storage, cable, telephone

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$855,156	\$854,592
18,000	13,200
0	11,556
\$873,156	\$879,348
(65,487)	(65,952)
0	
\$807,669	\$813,396

Comptroller's Region **3**

IREM Region **Fort Worth**

\$11.00 Per Unit Per Month

\$9.63 Per Unit Per Month

-7.50% of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.43%	\$358	0.42
Management	3.70%	299	0.35
Payroll & Payroll Tax	11.24%	908	1.06
Repairs & Maintenance	5.22%	421	0.49
Utilities	2.51%	203	0.24
Water, Sewer, & Trash	5.16%	416	0.49
Property Insurance	3.46%	279	0.33
Property Tax 3.109277	8.53%	689	0.81
Reserve for Replacements	2.48%	200	0.23
Other: compl fees	1.98%	160	0.19
TOTAL EXPENSES	48.68%	\$3,932	\$4.60
NET OPERATING INC	51.32%	\$4,145	\$4.85

TDHCA	APPLICANT
\$35,766	\$28,800
29,865	32,536
90,753	94,742
42,122	40,100
20,274	15,500
41,637	37,500
27,918	21,500
68,874	93,300
20,000	20,000
16,000	16,000
\$393,208	\$399,978
\$414,461	\$413,418

PER SQ FT	PER UNIT	% OF EGI
\$0.34	\$288	3.54%
0.38	325	4.00%
1.11	947	11.65%
0.47	401	4.93%
0.18	155	1.91%
0.44	375	4.61%
0.25	215	2.64%
1.09	933	11.47%
0.23	200	2.46%
0.19	160	1.97%
\$4.68	\$4,000	49.17%
\$4.84	\$4,134	50.83%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
Capmark	44.72%	\$3,612	\$4.23
Tarrant County HOME	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	6.59%	\$532	\$0.62

TDHCA	APPLICANT
\$361,226	\$361,226
0	0
0	0
\$53,235	\$52,192

PER SQ FT	PER UNIT	% OF EGI
\$4.23	\$3,612	44.41%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.61	\$522	6.42%

AGGREGATE DEBT COVERAGE RATIO **1.15**

RECOMMENDED DEBT COVERAGE RATIO **1.14**

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		8.61%	\$9,000	\$10.53
Off-Sites		0.00%	0	0.00
Sitework		7.17%	7,495	8.77
Direct Construction		45.28%	47,352	55.39
Contingency	4.65%	2.44%	2,553	2.99
General Req'ts	5.55%	2.91%	3,045	3.56
Contractor's G & A	1.85%	0.97%	1,015	1.19
Contractor's Profit	5.55%	2.91%	3,045	3.56
Indirect Construction		7.86%	8,221	9.62
Ineligible Costs		4.44%	4,649	5.44
Developer's G & A	1.21%	0.90%	939	1.10
Developer's Profit	13.00%	9.63%	10,073	11.78
Interim Financing		4.55%	4,757	5.56
Reserves		2.33%	2,442	2.86
TOTAL COST		100.00%	\$104,584	\$122.34
Construction Cost Recap		61.68%	\$64,504	\$75.46

TDHCA	APPLICANT
\$900,000	\$900,000
0	0
749,500	749,500
4,735,183	4,325,540
255,252	255,252
304,503	304,503
101,501	101,501
304,503	304,503
822,144	822,144
464,870	464,870
93,857	
1,007,272	1,101,129
475,664	475,664
244,160	244,160
\$10,458,409	\$10,048,766
\$6,450,442	\$6,040,799

PER SQ FT	PER UNIT	% of TOTAL
\$10.53	\$9,000	8.96%
0.00	0	0.00%
8.77	7,495	7.46%
50.60	43,255	43.05%
2.99	2,553	2.54%
3.56	3,045	3.03%
1.19	1,015	1.01%
3.56	3,045	3.03%
9.62	8,221	8.18%
5.44	4,649	4.63%
0.00	0	0.00%
12.88	11,011	10.96%
5.56	4,757	4.73%
2.86	2,442	2.43%
\$117.55	\$100,488	100.00%
\$70.67	\$60,408	60.11%

SOURCES OF FUNDS

	%	PER UNIT	PER SQ FT
Capmark	52.31%	\$54,710	\$64.00
Tarrant County HOME	8.61%	\$9,000	\$10.53
HTC Syndication Proceeds	28.93%	\$30,251	\$35.39
Deferred Developer Fees	6.24%	\$6,526	\$7.63
Additional (Excess) Funds Req'd	3.92%	\$4,096	\$4.79
TOTAL SOURCES			

TDHCA	APPLICANT	RECOMMENDED	
\$5,471,000	\$5,471,000	\$5,471,000	Developer Fee Available
900,000	900,000	900,000	\$1,100,566
3,025,137	3,025,137	3,023,590	% of Dev. Fee Deferred
652,631	652,631	654,176	59%
409,641	(2)	0	15-Yr Cumulative Cash Flow
\$10,458,409	\$10,048,766	\$10,048,766	\$1,701,031

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Havens at Mansfield, Mansfield, 4% HTC/MRB #060624

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$47.40	\$4,051,613
Adjustments				
Exterior Wall Finish	6.56%		\$3.11	\$265,786
9-Ft. Ceilings	3.84%		1.82	155,582
Elderly	3.00%		1.42	121,548
Subfloor			(1.12)	(95,743)
Floor Cover			2.22	189,777
Porches/Balconies	\$19.79	4,800	1.11	94,968
Plumbing	\$680	0	0.00	0
Built-In Appliances	\$1,675	100	1.96	167,500
Stairs	\$1,900	4	0.09	7,600
Enclosed Corridors	\$37.48	26048	11.42	976,164
Heating/Cooling			1.73	147,889
Fire Sprinklers	\$1.90	114,954	2.55	218,413
Comm &/or Aux Bldgs	\$47.40	3,421	1.90	162,140
Other: Elevators	\$43,500	2	1.02	87,000
SUBTOTAL			76.62	6,550,237
Current Cost Multiplier	1.03		2.30	196,507
Local Multiplier	0.86		(10.73)	(917,033)
TOTAL DIRECT CONSTRUCTION COSTS			\$68.20	\$5,829,711
Plans, specs, survy, bld prm	3.90%		(\$2.66)	(\$227,359)
Interim Construction Interes	3.38%		(2.30)	(196,753)
Contractor's OH & Profit	11.50%		(7.84)	(670,417)
NET DIRECT CONSTRUCTION COSTS			\$55.39	\$4,735,183

PAYMENT COMPUTATION

Primary	\$5,471,000	Amort	480
Int Rate	6.00%	DCR	1.15

Secondary	\$900,000	Amort	
Int Rate	0.00%	Subtotal DCR	1.15

Additional	\$3,025,137	Amort	
Int Rate		Aggregate DCR	1.15

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$361,226
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$52,192

Primary	\$5,471,000	Amort	480
Int Rate	6.00%	DCR	1.14

Secondary	\$900,000	Amort	0
Int Rate	0.00%	Subtotal DCR	1.14

Additional	\$3,025,137	Amort	0
Int Rate	0.00%	Aggregate DCR	1.14

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$854,592	\$880,230	\$906,637	\$933,836	\$961,851	\$1,115,049	\$1,292,647	\$1,498,532	\$2,013,902
Secondary Income	13,200	13,596	14,004	14,424	14,857	17,223	19,966	23,146	31,107
Other Support Income: garages	11,556	11,903	12,260	12,628	13,006	15,078	17,479	20,264	27,232
POTENTIAL GROSS INCOME	879,348	905,728	932,900	960,887	989,714	1,147,350	1,330,093	1,541,942	2,072,241
Vacancy & Collection Loss	(65,952)	(67,930)	(69,968)	(72,067)	(74,229)	(86,051)	(99,757)	(115,646)	(155,418)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$813,396	\$837,799	\$862,933	\$888,821	\$915,485	\$1,061,298	\$1,230,336	\$1,426,296	\$1,916,823
EXPENSES at 4.00%									
General & Administrative	\$28,800	\$29,952	\$31,150	\$32,396	\$33,692	\$40,991	\$49,872	\$60,677	\$89,817
Management	32,536	33512.1171	34517.48059	35553.00501	36619.59516	42452.14728	49213.67374	57052.13607	76673.30014
Payroll & Payroll Tax	94,742	98,532	102,473	106,572	110,835	134,847	164,062	199,607	295,467
Repairs & Maintenance	40,100	41,704	43,372	45,107	46,911	57,075	69,440	84,485	125,058
Utilities	15,500	16,120	16,765	17,435	18,133	22,061	26,841	32,656	48,339
Water, Sewer & Trash	37,500	39,000	40,560	42,182	43,870	53,374	64,938	79,007	116,949
Insurance	21,500	22,360	23,254	24,185	25,152	30,601	37,231	45,297	67,051
Property Tax	93,300	97,032	100,913	104,950	109,148	132,795	161,565	196,569	290,970
Reserve for Replacements	20,000	20,800	21,632	22,497	23,397	28,466	34,634	42,137	62,373
Other	16,000	16,640	17,306	17,998	18,718	22,773	27,707	33,710	49,898
TOTAL EXPENSES	\$399,978	\$415,652	\$431,943	\$448,875	\$466,475	\$565,437	\$685,504	\$831,197	\$1,222,597
NET OPERATING INCOME	\$413,418	\$422,147	\$430,990	\$439,945	\$449,011	\$495,862	\$544,831	\$595,099	\$694,226
DEBT SERVICE									
First Lien Financing	\$361,226	\$361,226	\$361,226	\$361,226	\$361,226	\$361,226	\$361,226	\$361,226	\$361,226
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	\$52,192	\$60,921	\$69,764	\$78,719	\$87,784	\$134,636	\$183,605	\$233,873	\$333,000
DEBT COVERAGE RATIO	1.14	1.17	1.19	1.22	1.24	1.37	1.51	1.65	1.92

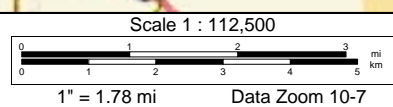
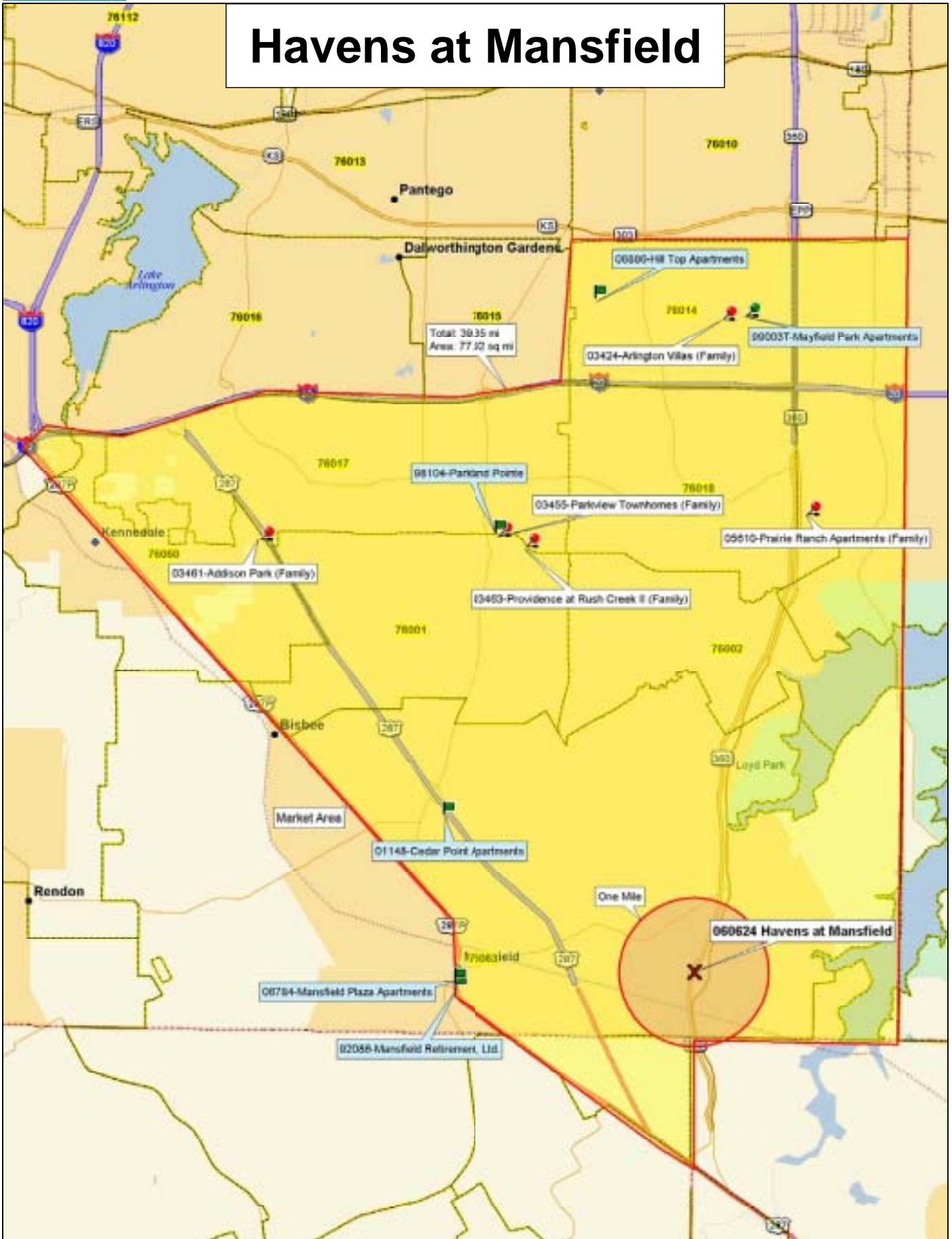
**HTC ALLOCATION ANALYSIS -Havens at Mansfield, Mansfield, 4% HTC/MRB
#060624**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$900,000	\$900,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$749,500	\$749,500	\$749,500	\$749,500
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,325,540	\$4,735,183	\$4,325,540	\$4,735,183
(4) Contractor Fees & General Requirements				
Contractor overhead	\$101,501	\$101,501	\$101,501	\$101,501
Contractor profit	\$304,503	\$304,503	\$304,502	\$304,503
General requirements	\$304,503	\$304,503	\$304,502	\$304,503
(5) Contingencies				
	\$255,252	\$255,252	\$253,752	\$255,252
(6) Eligible Indirect Fees				
	\$822,144	\$822,144	\$822,144	\$822,144
(7) Eligible Financing Fees				
	\$475,664	\$475,664	\$475,664	\$475,664
(8) All Ineligible Costs				
	\$464,870	\$464,870		
(9) Developer Fees			\$1,100,566	
Developer overhead		\$93,857		\$93,857
Developer fee	\$1,101,129	\$1,007,272		\$1,007,272
(10) Development Reserves				
	\$244,160	\$244,160		
TOTAL DEVELOPMENT COSTS	\$10,048,766	\$10,458,409	\$8,437,671	\$8,849,379

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		\$8,437,671	\$8,849,379
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$8,437,671	\$8,849,379
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$8,437,671	\$8,849,379
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$305,444	\$320,348

Syndication Proceeds	0.9899	\$3,023,590	\$3,171,123
Total Tax Credits (Eligible Basis Method)		\$305,444	\$320,348
Syndication Proceeds		\$3,023,590	\$3,171,123
Requested Tax Credits		\$305,518	
Syndication Proceeds		\$3,024,326	
Gap of Syndication Proceeds Needed		\$3,677,766	
Total Tax Credits (Gap Method)		\$371,529	

Havens at Mansfield



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS
HAVENS AT MANSFIELD APARTMENTS
and
GENERATIONS AT MANSFIELD APARTMENTS

PUBLIC HEARING

Mansfield High School Cafeteria
3001 East Broad Street
Mansfield, Texas

August 22, 2006
6:30 p.m.

BEFORE:

SHARON D. GAMBLE, Housing Specialist, TDHCA

ALSO PRESENT:

TERESA MORALES, Multifamily Bond
Administrator, TDHCA

JEFF SPICER

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P R O C E E D I N G S

MS. GAMBLE: We're going to go ahead and start.
Thank you very much for your patience.

My name is Sharon Gamble; I'm with the Texas Department of Housing and Community Affairs. And I'm just going to give you a quick overview of sort of how these hearings are going to be held. First of all, there are two hearings: The first hearing is going to be for the Havens at Mansfield; the second hearing is going to be for the Generations at Mansfield.

And what we're going to do is -- I'm going to give an overview of the programs that the developer has applied for through the Texas Department of Housing and Community Affairs, and then the developer is going to give a brief presentation to give you specific information about the development. After he's done, I'm going to read a speech that is a requirement of the IRS that I read at this hearing. And then after that, we're going to open the floor to comments. And that's going to be for each hearing.

So we're going to cover the Havens hearing. I'm going to ask that you make comments regarding the Havens hearing. We're going to cover the Generations hearing and then ask that you make comments regarding the

Generations hearing. Okay? Thank you.

According to IRS Code, the Department is only required to take public comment on the bond issuance; however, TDHCA has extended this to take comment on the development itself. We're not required to do that, but we want community input. TDHCA schedules the public hearing where the development is to be located at a time and location that is convenient for the community.

The two programs the developer has applied for include the Private Activity Bond program and the Housing Tax Credit program. Both programs were created by the federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower-than-average incomes.

The Private Activity Bond program refers to the issuance of tax-exempt bonds. The tax-exemption is not an exemption of property tax, but, rather an exemption to the purchaser of the bonds. The bond purchaser does not have to pay taxes on their investment and the income they make on that investment. The bond purchaser accepts a lower rate of return; therefore, the lender that is involved will charge a lower interest rate for the mortgage that will be placed on the property to the developer.

The Housing Tax Credit was created as a result

of the Tax Reform Act of 1986. The Housing Tax Credit is an investment to the investor that purchases the tax credits. It's an IRS credit to the development unrelated to property taxes. The Housing Tax Credit provides equity to the development, which allows the developer to provide lower rents to affordable tenants.

In conclusion, with both of these programs, the tax benefit goes to the investors that help finance the development. This is what gives the developer the opportunity to bring something of high quality to your area. All of these properties are privately owned and privately managed.

The ongoing responsibilities between the affordable housing developments and TDHCA include state compliance monitoring. The compliance period with the state is the greater of 30 years or as long as the bonds are outstanding. The oversight responsibilities include but are not limited to units that are occupied -- excuse me -- units are occupied by eligible household, the physical appearance of the property, that rents are kept at appropriate levels and that repair reserve accounts are established and funded.

Private Activity bond developments are monitored every two years by TDHCA, and the Department

also does desk reviews, which can include financial audits and those sorts of things. After lease-up, a survey is usually done to determine the tenant profile and the types of services that would be of interest to the tenants.

These services can include but are not limited to:

Tutoring and honor roll programs, after-school activities, healthcare screenings, financial plannings, and so on.

The Generations and Havens Mansfield Apartments developments received reservation of allocation on July 16, 2006. Once the reservation is received, the developer has 150 days to close the bond transactions. The Generations and Havens at Mansfield Apartments' reservation will expire on December 14, 2006.

We'll be taking public comment on both of these developments until 5:00 p.m. on September 29, 2006. We welcome written comments by fax, e-mail or regular mail. The TDHCA board meeting for these two developments is scheduled for October 12, 2006 in Austin.

At this time, I'm going to turn the floor over to Jeffrey.

MR. SPICER: Thank you.

MS. GAMBLE: Thank you.

MR. SPICER: Good evening. I'm Jeff Spicer, and I'm here to tell you a little about the developer for

the project, and I'm here to tell you just a little bit about the development which is known as the Havens of Mansfield.

Havens of Mansfield will be a 100-unit senior community.

VOICE: We can't hear you back here.

MR. SPICER: Okay.

The Havens of Mansfield will be a 100-unit senior community with 53 one-bedroom units renting for approximately \$652 and 27 two-bedroom units renting for approximately \$780. We expect the seniors in the development to have incomes annually that range around 20- to \$30,000.

The development is on six -- just under six acres of land and will be fully gated with controlled access gates, have a business center with internet access, computers, printers and fax machine for the seniors to use a fully amenitized community room, a senior activity center, a health screening room, a fitness center furnished with treadmills, exercise bikes, weights, et cetera, a laundry care center, elevators, and a gazebo and garden area.

We anticipate services for the tenants to

include -- there will be an activities coordinator on site. We anticipate that seniors will help in the mentoring and tutoring of the students in the sister property, the Generations of Mansfield.

We also anticipate having a medication program for seniors that helps them with medications. We found that one of the strong issues for seniors is actually prescription drugs and allowing them to stay in their homes over long periods. It's extremely important that those seniors participate in a program for medication prescriptions.

In addition, on site, we will also have a bus for tenants and shuttle transportation to and from the grocery stores, hospitals and other amenities in the area.

MS. GAMBLE: And with that, we'll start the Havens hearing.

Good evening. My name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 6:40 p.m. on Tuesday, August 22, 2006, and we are at the Mansfield High School cafeteria, located at 3001 East Broad Street, Mansfield, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$5,800,000, 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 proceeds of the bonds will be loaned to TX 360 Senior Housing, L. P. to finance the a portion of the costs of acquiring, constructing and equipping a multifamily rental housing development described as

follows: A 100-unit multifamily residential rental development to be constructed on approximately 5.9 acres of land located approximately to the east of the Highway 360 frontage road and to the west of and adjacent to Mansfield National Golf Club. The golf course is located at 3750 National Parkway, Mansfield, Tarrant County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower.

I would like to now open the floor for public comment. If you signed up to speak, I will call out your name -- I will call out the number next to your name in the order in which you signed. Actually, I think that since we have two sign-up sheets here, it's going to be difficult to determine that. I'll call out your name and ask you to come to the microphone to speak.

State your name for the record. You'll then have two minutes -- three minutes -- excuse me -- to make your comments. If you have not already signed in and wish to speak, please come forward and sign in now before we begin; there are witness affirmation sheets on the table to the side there. And remember, we're limiting our comments right now just to the Havens at Mansfield

development.

Okay. Mr. Don Morgan.

(Pause.)

MS. MORALES: And just to give you all some idea, what we're going to be doing with all of the comments or concerns that you have, in order to allow everyone the opportunity to speak, that is why we're limiting all the comments to three minutes.

And in addition to that, if you have any questions that you would like answered, what we're going to be doing as staff as they relate to TDHCA and any other programs from a Department perspective -- we'll be making a list of all of those questions or concerns. And then as they relate to the development, the developer will be keeping a list of those questions. After all the comments have been made -- it will be at the conclusion of that that we will go through and answer any questions that you have.

MR. MORGAN: Yes. My name's Don Morgan. I've just got a few concerns about the apartments. One is -- I know the ones we're speaking about now are the -- I don't know if you want to call them retirement units, something to that effect. But in that part of town, to benefit the residents, there is nothing unless they're retired and

play golf. That's it. There's no grocery stores. Methodist is just now coming on line over there, but that's still well across 360.

The other end of it is: I've always had a question on apartment complexes. I deal with commercial properties, and have been for 26 years. And I've never seen an apartment complex, shall we say, be more valuable over time as far as the quality of the rents and the tenants in the complex.

And I've read the information that was provided. I do have a couple of questions on that. One is that it states that the state has 30 years' oversight on this property. Is that correct?

MS. MORALES: That is correct.

MR. MORGAN: And that means what as far as the possibility of selling the property or changing the status of the property?

MS. MORALES: What we're going to do is -- I'm going to keep a list of all these questions. And you can just state all your comments.

MR. MORGAN: Okay.

MS. MORALES: And then at the end, we'll go through and answer any questions.

MR. MORGAN: Well, my questions are then as far

as -- how would that affect the possible sale of the property, Number One. Number Two, how would it affect the type of tenants that will remain in the property?

I've seen too many complexes start off being built as Class A apartments for young professionals and getting high rents in a nice part of town. And 15 years later, they're run-down dumps on the verge of Section 8. I've seen it because I handled the taxes for some of those complexes. And that's also a very major concern we have. That's about all I've got for this time.

MS. MORALES: The next person we have to speak is Bryan Taylor.

MR. TAYLOR: Good evening. My name's Bryan Taylor. I reside in the Villages of Spring Lake, where I serve on the Board of Directors of the homeowners association. Many of our board members and neighbors are not able to attend tonight due to supporting their children in school-sponsored sporting events or being at the Oak School open house events being held tonight; however, they've given me permission to speak on their behalf.

So here we are again, expressing our same concerns about the same project by the same developer that we overwhelmingly rejected just six short months ago. I

want to thank the board for having this hearing so that we may express our concerns again.

You know, last time we met, Mr. Spicer stated that he would be a good neighbor to the surrounding community. Attendees at the last hearing pointed out to Mr. Spicer that a developer that intended to be a good neighbor might have met with or solicited comments from or addressed the concerns of his would-be neighbors prior to any public hearing. Mr. Spicer did not do this last time.

So, having pointed this out, this time around, did Mr. Spicer approach a single homeowners association or neighborhood in the area to discuss or attempt to alleviate the concerns? Not to my knowledge. Mr. Spicer it would seem is not interested in the wishes of the community or being a good neighbor. Mr. Spicer it would seem is only interested in free government money.

Pride and projects. The last time we met, Mr. Spicer stated that he takes pride in building and maintaining his projects and has built many such projects in the past. Despite this claim, Mr. Spicer declined to give those in attendance at the last public hearing the name or address of any of his projects when asked.

It was even suggested to Mr. Spicer that he not tell us about his worse projects; Mr. Spicer was asked

only to identify the project he was most proud of, his newest crown jewel showcase project, so that his potential new neighbors could go by and see how well it was built and see how well it was maintained and see how happy everyone was who lived there. This surely would have changed some minds to Mr. Spicer's favor; however, Mr. Spicer declined to recall the name or location of a single project he would like for us to see.

Mr. Spicer it would seem does not take pride in his projects. Mr. Spicer it would seem is only interested in making a profit off of free government money.

Concern for residents. The last time we met, Mr. Spicer indicated he has a concern for the residents who would move into this project; he is basically doing all of this for their sake, and not his own. Despite overwhelming opposition by the surrounding neighborhoods, the Mansfield City Council, the MISD superintendent, a state senator, two state representatives, as well as being denied funding by the TDHCA board, Mr. Spicer has again applied for funding just a few months later.

By his actions, Mr. Spicer would expose these families to alienation and resentment and a risk of encapsulizing them in the project before ground has even been broken. Mr. Spicer it would seem is not interested

in the feelings of those who would live in the project.

Property value.

Please cut me off when my time's up.

Last time we met, Mr. Spicer indicated that these types of projects have no adverse effect on property values. And I suppose this could be true if built in a depressed or stagnant area of the town. But when this type of project is built on the 16th fairway of an award-winning golf course amongst high-end homes in a rapidly expanding area, this assertion begins to lose credibility.

If HUD homes, duplexes or regular apartments adversely affect property values, what might a low-income project of this type do to property values? The answer seems obvious. Mr. Spicer it would seem is more worried about his ability to make a profit off free government money than he is my property values or the tax base of Mansfield.

Few things appear to have changed in Mr. Spicer's renewed pursuit of free government money. I did notice that the two sections of the project have been separated by name, but no substantial changes are readily noticeable. What is noticeable is the fact that nothing in Mr. Spicer's newest proposal does anything to address any of the concerns expressed previously by the

surrounding neighborhoods, the City of Mansfield and the school district.

There's nothing in the new proposal that would cause school buses, staff for those buses or a budget for those buses to magically appear. Likewise, nothing in the proposal would cause the local school to magically be less crowded. Nothing in the proposal would cause employment centers, retail centers, public transportation, sidewalks, Handy-Trans or grocery stores to magically appear.

And finally, nothing in this proposal would cause the negative impacts on the surrounding neighborhoods, such as an increase in crime, declining property values and decreased quality of future construction to magically be resolved. Mr. Spicer it would seem does not view these items as his problem.

Mr. Spicer has indicated -- excuse me. You'll find numerous public servants in this audience and living in the neighborhoods surrounding the proposed site. Many of these public servants could not attend tonight, as they're on duty. Police officers, firemen, teachers, probation officers, paramedics and nurses: We all know first-hand these types of projects affect the surrounding neighborhoods, schools and medical facilities.

These types of projects consume resources on a

scale that can drain the budgets and stress the staffing in a town like Mansfield. Those of us who work out in the community know all too well the frustrations of well-intentioned case and aid workers as they try to enforce residency requirements and facility standards with little or no threat of punishment for violators.

And finally, in closing, I would like to ask on behalf of my family, neighbors and board members, who were unable to attend, that the governing body of the TDHCA deny any and all types of funding or assistance for the Generations of Mansfield or the Havens of Mansfield projects. Thank you.

(Applause.)

MS. MORALES: The next speaker I have is Art Wright.

MR. WRIGHT: My name is Art Wright. I'm with the planning department at the City of Mansfield and, on behalf of the city council, have been asked to read a letter that the mayor has addressed to your office in Austin that was issued on August 17.

"On behalf of the city council of the City of Mansfield, Texas, I am responding to your notification letter dated July 25, 2006. It is our understanding that a new application has been made to secure financial

assistance for the above referenced multifamily complex. The council and I appreciate this opportunity to present out views to the Department regarding this project.

"The City of Mansfield supports the development of housing projects and programs affording the widest possible array of opportunities for its citizens. The city has adopted a comprehensive plan for the growth and development of the community and implements that plan through its zoning ordinance and zoning district map.

"The proposed site is zoned MF-2, multifamily district, which does permit a multifamily complex. The application material does not contain information concerning the target socioeconomic character of the proposed occupants of the units. The City would note that while the site may be a reasonable location for a multifamily complex, it is not necessarily a reasonable location for a multifamily complex targeted at low- to lower-moderate income individuals and families for the following reasons.

"The property is a relatively undeveloped area of the city, in the beginning stages of the development process. The lack of public transit systems or rail transit services in the city precludes transportation options for economically disadvantaged individuals or

families. The property is not in close proximity to health clinics, social service agencies or other support services that would be necessary to provide assistance to lower-income households.

"The limited available of entry-level or low-skill jobs in the area presents few employment opportunities for the lower-income residents; the area is not expected to develop businesses that would create that type of employment in significant quantities.

"Our concerns are specific to the site. The community supports housing options for all economic segments of our population, but there's a very strong concern that this is not an appropriate site for assisted housing. The lack of access and supporting social services is perceived by the community as a no-win situation for residents and neighbors alike.

"The City continues to support the efforts of the Texas Department of Housing and Community Affairs to provide diverse housing opportunities; however, we feel there are other locations within the city or in close proximity that may be more appropriate for low- or moderate-income housing projects in terms of supporting social services, public access and employment opportunities.

"Should you have any questions, please do not hesitate to contact me at 817-276-4200. Sincerely, Mel Neuman, Mayor."

(Applause.)

MS. MORALES: The next speaker I have is Matt Davis.

MR. DAVIS: Good evening. My name is Matt Davis. I've been a police officer for 14 years and a Mansfield resident for the last three years. I've worked around low-income housing areas for many years, and I have got the scars to prove it.

Residents of low-income housing typically place a greater demand on city services than do residential areas that are resident funded. Low-income tenants are less likely to care for their property and do not control who comes onto their property. For example, if a tenant occupies a low-income unit, there's no control over who else comes to live at that property once it's granted. You typically then have the bad element coming in and taking over the property and conducting illegal activities, including drug-dealing and gang activity.

I can see Mansfield National Golf Course being used late at night to conduct drug transactions and drug usage; our police department does not have the resources

to monitor such a large area. Dealers can use the open courses to their advantage because of being able to see the police coming from greater distances.

I didn't realize that this was going to be broken into two, so I'll save the last half of my statement for the following location. Thank you.

MS. MORALES: Thank you.

The next speaker I have is William Gray.

(Applause.)

MR. GRAY: My name's William Gray; I live at 4300 Wildbriar Lane in Lowe's Farm. I'm going to save the bulk of my comments for after the Generations piece, but I've got a question on the briefs that I guess were prepared by the Texas Department of Housing and Community Affairs. Both of those have the area median income for the Houston area. Is that a typo? And if so, should it be the Dallas area?

MS. MORALES: We do apologize for that error. That is incorrect information.

MR. GRAY: Are the figures accurate and it's just a typo, or is it -- are the numbers in there --

MS. MORALES: I would not rely upon the figures, as well. If any of you would like that information, I would be more than happy to e-mail you

that.

MR. GRAY: Okay. I'll save the rest for after the second one.

MS. MORALES: Thank you.

The next speaker I have is Pat Peffer.

MS. PFEIFFER: Pfeiffer.

MS. MORALES: Pfeiffer. I'm sorry.

MS. PFEIFFER: My name is Pat Pfeiffer, I'm a resident of the Villages of Spring Lake. And I don't think I can add any more than what Mr. Taylor said, the mayor said and Mr. Davis said; I agree with everything they have said, and I oppose both complexes.

MS. MORALES: Thank you very much.

The next speaker I have is Milton Barnum.

MR. BARNUM: My name is Milton Barnum. I'm an educator here in Mansfield, and I live at 10 Whispering Bend Court in the Villages of Spring Lake. My concern -- with both projects, but I'll save most of my comments for the second project -- is that it will have a negative impact on the schools.

As an educator, I can assure you that the teachers at Smith Elementary are not going to be jumping for glee when they hear that there's going to be a government-subsidized park complex in their boundaries.

Every teacher knows that that means higher-mobility students and lower TAKS scores. Thank you.

MS. MORALES: And the next speaker I have is Wayne Lee.

MR. LEE: My name is Wayne Lee; I live at 3 Manordale Court, Mansfield, Texas, in the Villages of Spring Lake. I'm a board member of the homeowners association of that subdivision, a 600-lot subdivision.

I was present at the last meeting that was concerning the Generations, and, for the life of me, I can't understand why Mr. Spicer is coming back with basically the same proposal, but broken up into two pieces, other than that he hopes at least one of these two proposals will meet the board's approval. His numbers didn't add up last time. I suppose he hopes at least for one of these developments the numbers will add up for the board.

When he was here last time, he talked about being a good neighbor; yet we have state officials opposed to this, city officials opposed to this, and the school district opposed to this. 757 signatures, opposed to this, were sent to the board. I don't know what has changed since the last meeting. There are no new sidewalks out here. There is no new transportation out

here, no retail out here and no additional employment opportunities at the moment.

I noticed in reading the board's documentation from the last application that a statement was made something to the effect that there was retail within a mile or so of this development. I do not know where that number came from. I called the board -- well, I called down to your office, and it was explained to me that was what was in the applicant's application, that there was retail within X distance from the development.

That was retail. I don't know where that number came from. There's -- the closest commercial of any kind currently is -- besides Mansfield National Golf Course, which I would hardly call retail -- I suppose you could buy some golf shirts there -- is a Sonic, and it's not retail. It's a couple of miles away. There's a Chevron four or five miles away down at 287 and Broad. The closest major retail is a Wal-Mart, which is over five miles away from this site.

As far as I'm concerned, Mr. Spicer is not a good neighbor and appears to me just to be selfish and deceptive. Thank you.

(Applause.)

MS. MORALES: The next person I have is Deborah

Gray.

MS. GRAY: I would like to talk about the Havens at Mansfield. I have a senior citizen as a mother.

I am concerned about the bus schedule. It's great to provide our seniors transportation. My mom can't drive herself. She can't do much for herself. So it's great that we do that, but I'm concerned that this transportation thing that sounds all pretty now isn't going to come true at 2:00 a.m., 3:00 a.m. or 4:00 a.m., when our seniors have their needs and they get sick.

The second thing that I am concerned about is -- looking at the cost on here. My mother falls under the income you're hitting. And she couldn't afford this, not even the lowest price, much less the two bedroom that she would want to have for family visits. So I don't think -- as pretty as it sounds and as great as it sounds, I don't think this is going to meet or designed to meet the needs of what we're displaying here. And that's all I have. Thank you.

(Applause.)

MS. MORALES: And that is all of the witness affirmation forms that I have on the Havens at Mansfield development. Are there any other individuals who wish to be heard regarding this particular development?

(Pause.)

MS. MORALES: Okay. You can go ahead. Just state your name for the record, and then hand me your witness affirmation form.

MR. MELCONIAN: Hi. My name is Sergio Melconian. I live in 1309 Parkside Drive in Lowe's Farm, Mansfield.

I think everybody's being very politically correct, but somebody has to say that this is impossible.

This is a rat. Even though our income in this area is a little higher than Houston by about 3,000 to \$4,000, if you take the portion that is deducted for your income tax, you end up with an income that will leave you less than a thousand dollars to live if you rent the smallest unit, in an area with no transportation, no work opportunities, no even retail business where to buy your food close to the house.

Who are we kidding? Who are we trying to make believe that this is going to be the dream home for families with the dream of achieving the American dream?

This is a joke. This development is going to be sold -- the mortgage of this development is going to be sold before it's finished. And we know what we're going to get. Just go to the north side of Arlington. That's

how it started. So -- and this has been done in the past.

We have to go through the same thing again? Thank you.

(Applause.)

MS. MORALES: I would like it if you could just fill out a witness affirmation form prior to leaving tonight. They're on the table over there.

Are there any other individuals who wish to make comment on the Havens at Mansfield development?

(Pause.)

MS. MORALES: Yes, ma'am. If I could just get you to state your name for the record and fill out a form and hand it to me?

MS. RUMPH: My name is Sandee Rumph. I live at 2 Manordale in the Villages; I have lived there for about three-and-a-half years. I moved from an area in Fort Worth that had a big crime rate, and I know what it's like to be robbed. I had to take it all the way to the governor's office to fight it, which we did.

My husband and I are in the golf business, and we travel on tour with the PGA, LPGA and the Champions Tour. And we travel literally all over the country. And I have not seen one low-income housing near a golf course. It will affect the golf course tremendously, and it's going to bring in an element of people that will really

hurt the business. And I can say that because we live on the road a lot.

And I know it's going to affect the community.

All these other people that have come up and spoke -- they're speaking from their heart, because we've all moved to an area where we wanted to start new beginnings. And I would really be disappointed to see or area go in the direction of our old neighborhoods. Thank you.

(Applause.)

MS. MORALES: Thank you for your comments. And don't forget to turn in a witness affirmation form before you leave.

Are there any other individuals who wish to make comment on the Havens at Mansfield development?

Yes, sir.

MR. BLASER: Hi. My name is Bryant Blaser; I live at 3 Roosevelt Court in the Villages of Spring Lake. Thank you for taking the time to have this hearing.

I wanted to question some things on these flyers that are noted. One, the Harris County and Houston. I wanted to state for the record that the fiscal year 2003 average annual income from the Mansfield Economic Development Council's web site was \$91,878. That far exceeds the median family income listed on this sheet.

Sixty percent of that would require the residents to have an annual income of \$55,127.

In that case, the statements that these apartments are going to -- the people that they're going to serve are not what has been stated on this form, whether that's from the Texas department or the developer.

It doesn't meet the needs that is being stated to us. Thank you.

(Applause.)

MS. MORALES: Are there any other individuals that wish to make comment at this time?

(No response.)

MS. MORALES: Okay. Well, what we wanted to do next is to turn it over to the developer, who is going to address some of the issues as it relates specifically to the development of the senior.

MR. SPICER: I believe there was two questions about selling the property, and under the state program it's very difficult to sell a property within the first 15 years of ownership.

To be honest, you know, we don't have any intention of selling the property. And, you know, we -- this is something we want to hold onto for the next 30 years. It's something I want to be able to have and have

my kids have. That's our intention, and I -- there's nothing that actually precludes it. But they're rather illiquid properties.

The other question was on the median income. And median income as prescribed under IRS rules is for the MSA, and that would be the Fort Worth MSA that this particular property falls under. And I believe for 2006, the median income is 63,400 for the Fort Worth MSA, and that would be the appropriate income to use when calculating that -- the medians for the rents that we have to charge and the incomes of the people that will be in the apartments.

MS. MORALES: The services? Did you want to address the services in the area for seniors?

MR. SPICER: Oh, yes, services in the area for seniors. Again, you -- we've got to remember that when we're looking at a development of this nature, we look at what's going to be available within the next 24 months and what's going to be developed in the area in the long term.

Although, you know, very -- when you drive down the street you don't see a whole lot today, the development plans for the area and what other developers are doing in the area -- there is the grocery store, which will be done at Lowe's Farms, which will include a pharmacy and other

retail shops.

If you look at 287 and Broad, there's almost a million-five square feet of retail that'll be going in there, as well. In addition to the Methodist hospital, there are two other hospitals that are being developed in the area at the time. In addition to that, there's about to break ground, I believe, 72,000 square feet of office space in the area -- a medical office, which is right across from the Methodist hospital at this point in time.

So that's what we're looking at as far as services and amenities for our seniors. Thanks.

MS. MORALES: At this time, most of the questions that I have -- I know that they were more related to the Department looking in terms of the monitoring that's going to be taking place, the potential of selling the property and issues like that. I do have a list of those questions. What I'm going to ask now is that we go through the close, officially close, the Havens at Mansfield hearing, start the Generations hearing.

All of the witness affirmation forms that we have -- we will call you up again. And you can make any questions or concerns you have regarding that particular property. After that is when I will go through all of the questions that were raised. I have a feeling that there

are going to be a lot more questions raised. And so in an effort to get all of the comments out, I will just assume that we save that until the end and have all of you make your comments.

MS. GAMBLE: Thank you for attending the Havens hearing. Your comments have been recorded. The meeting is now adjourned, and the time is now 7:15 p.m.

MS. MORALES: Thank you

MS. GAMBLE: Now I'm going to open the Generations at Mansfield hearing.

My name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 7:15 p.m. on Tuesday, August 22, 2006, and we're at Mansfield High School Cafeteria, located at 3001 East Broad Street, Mansfield, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$11,200,000, 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 proceeds of the bonds will be loaned to GS 360 Housing, L. P. to finance a portion of the costs of acquiring, constructing and equipping a multifamily rental housing community described as follows: A 152-unit multifamily residential rental development to be constructed on approximately 8.9 acres of land located at approximately 1,000 feet north of South Miller Road and to the east of Highway 360 frontage road and adjacent to Mansfield National Golf Club, Mansfield, Tarrant County, Texas. The proposed multifamily rental housing community

will be initially owned and operated by the borrower.

I would like to now open the floor for public comment. I'll call out your name. And please come to the microphone to speak and state your name for the record. You will then have three minutes to make your comments. If you've not already signed in and wish to speak, please come forward and sign in now before we begin.

I'm going to call your name. And if you'd like to make a comment that's further than the comment you made from the Havens, then please step to the microphone. If not, then just let me know.

Yes, sir?

VOICE: Are we going to hear from Mr. Spicer on what the Generations at Mansfield entails?

MS. MORALES: Yes.

MS. GAMBLE: Oh, Sorry. Yes, we will hear from Mr. Spicer first. He'll give you an overview of the development, and then we'll take the public comment. Thank you.

MS. MORALES: Thank you for keeping us on our toes. We -- this is the first time that we've done two developments in one hearing. So we're trying to keep it as all -- the way we're supposed to do it according to IRS purposes. But we will now hear an overview on Generations

at Mansfield.

MR. SPICER: Thank you, Teresa.

The Generations at Mansfield development is a 152-unit family development on approximately nine acres. We have made changes since the last time we brought this forward. One of the things we did was lower the number of two- and three-bedroom units and added one-bedroom units to the mix. We thought this would lower the total number of bedrooms in there and, thus, lower the total number of students going to the schools. In adding the one-bedroom units, there are -- those one-bedroom units would rent for approximately \$652 and have a size of around 750 square feet.

Again, the range of amenities that we're going to have should be very comparable to those at Class A properties with a full pool, fitness center, fully fenced facility with controlled access gate, a business center with internet access and computer facilities, printers, fax machines, a community center, laundry care center, large pool and Jacuzzi, a children's play area, a separate tot lot, a picnic area with gazebo and grills for the tenants.

In addition to the amenities that we have, we will be providing social services there, which include

credit counseling, first-time homebuyers seminars. We will -- despite it not, quote, "Being an inter-generational facility, we are looking at still continuing on and doing inter-generational programs in connection with the sister program -- sister property at Havens.

That will include mentoring, art activities, story time for younger children, ride-share programs and other programs as we find through a survey of the tenants.

As we mentioned earlier, we do anticipate owning this for the next 30 years. We did a design with a Texas kind of hill country feel that -- I think that will blend in nicely with the area architecture, as well as meeting all of the City of Mansfield requirements.

And we'll look what we think is indistinguishable from any other Class A apartment community in the Fort Worth and Mansfield area.

One of the misconceptions we want, you know, just to talk about really quick is that although this is using federal tax-exempt bond tax credits, this is not subsidized housing for the tenants. The tenants pay the full amount of rent. And I think that's an important distinction so that we understand that they're not getting a break on the rent that we charge; they are paying the full amount of that rent.

Two is that we anticipate that what we've seen at other properties -- every tenant here is going to have a car and have access to all -- the same thing everyone else in the area has. You drive for your groceries. You drive to your school. You drive to your job every day. And we anticipate that that's the same for all the residents here.

Three, we anticipate that all of our residents work. And that's -- a requirement of our lease is that we have, you know, someone that actually is working and earns the wage that we require. And we do check up on that on a quarterly basis to make sure that they have the appropriate income to maintain their selves in the apartment.

One of the other things that I want to point out is that, you know, one of the ways we fight crime is that, you know, we start out with doing a criminal background check on all residents in the apartments. We require a 95 percent attendance record for all school-aged children. Violations, you know, are -- of that are in the background check.

We have a no-tolerance drug policy. We have a -- several-times-a-day have a courtesy patrol in the area. And we are welcoming working with local

neighborhood groups and local police to make sure that, again, we fit in with the community and we work with you to make sure that this is not an issue -- that crime is not an issue, because we don't want crime any more than you do. Thanks.

MS. GAMBLE: I will now open the floor to public comment. As I said before, I'll call your name. And if you have comment on the Generations at Mansfield development, please come to the mic and state your name for the record and give your comment. Thank you.

Don Morgan.

MR. MORGAN: My name's Don Morgan; I live on Emerald Leaf in the Villages of Spring Lake. I had to chuckle a few moments ago, Mr. Spicer, when you were talking about all the projects being built around Lowe's: The pharmacy, the grocery stores, the office buildings. I believe until you can speak with a great deal of certainty as a matter of fact about the day that ground's going to be broken, and about when these are going to be build, then we don't really need to talk about that.

I've been hearing about a grocery store being built behind me for the two-and-a-half years since I've been here. The ground hasn't been turned yet. So I'm still driving miles away. I just have a difficult time

with that.

The apartments, the low-income -- I've got an article here. I kept the newspaper. This is the September 11 of 2005 Fort Worth Star Telegram, and it's speaking of Arlington, the city of Arlington. And in the period between 2000 and 2004, the median income for the city of Arlington declined by 14 percent while the growth in Appellant went up 25,000 people, which means everything was going down, more people are coming in, less income.

I don't know about any other people here. I was at the last meeting at city hall, and I was real happy to hear about the level of income coming up and the sales prices of the homes going up and sales taxes going up so our tax base didn't have to go up. And in this article it clearly states here what to do. Clearly, the powers that be hope that some of the developments underway will reverse what has become a slippery and stubborn downhill economic trend.

It talks about various things. The city's accessibility and redevelopment projects. And then it states, "Steadily increasing resistance to low-income housing projects." At the end, it talks about what -- will it all come together and things turn around? Maybe. But contrary to the usual advice, "Don't panic," there's

this: "Go ahead. Panic. Even over-react. Maybe it will help."

When you bring in the low-income housing projects, maybe they're not all going to be crooks, but the fact of the matter is that they're all going to require the city services the same as everybody else. When they don't have the income that everybody else does, that means they're more of a drain on the city's services: The police department, the fire department, the streets and the utilities, everything. There's no question about that.

I have a hard time with that. I moved to Mansfield from Lake Highlands. An area where -- I grew up in Lake Highlands. That's where a lot of the Dallas Cowboys football players lived, and I got to know quite a bit of them. You go there now, and it's all gone. It has changed. Low-income to Section 8 apartments all around Lake Highlands. That's why I couldn't wait to get the heck out of there.

I came down here to nice neighborhoods, nice and quiet -- little to no crime that I see. And then you want to put this in the middle of it, right next to me. I suggest we put this where you live. I don't have a problem with that.

(Applause.)

MS. GAMBLE: Mr. Bryan Taylor.

MR. TAYLOR: I'll speak a little slower this time, but it's growing late. So cut me off if you need to. It's pretty much the same speech.

Good evening. My name is Bryan Taylor, and I reside in the Villages of Spring Lake, where I serve on the board of directors of the homeowners association.

Many of our board members and neighbors were not able to attend tonight due to supporting their children in school-sponsored sporting events or being at the school open house that's being held tonight. However, they've given me permission to speak on their behalf. So here we go again, expressing our same concerns about the same projects and about the same developer that we overwhelmingly rejected just six months ago.

I want to thank the board for having this hearing so that we may express our concerns all over again. The last time we met, Mr. Spicer said he'd be a good neighbor to the surrounding community. Attendees at the last meeting pointed out to Mr. Spicer that a developer that intended to be a good neighbor might have met with or solicited comments or addressed the concerns of his would-be neighbors prior to any public hearing.

Mr. Spicer did not do this last time. So, having pointed this out this time around, did Mr. Spicer approach a single homeowners association or neighborhood in the area to discuss an attempt to alleviate any concerns? Not to my knowledge.

Mr. Spicer it would seem is not interested in the wishes of the community or being a good neighbor; Mr. Spicer's interested in his bottom line. The last time we met, Mr. Spicer stated that he takes pride in building and maintaining his projects and has built many such projects in the past. Despite this claim, Mr. Spicer declined to give those in attendance at the last public hearing the name or address of any of his projects when asked.

It was suggested that Mr. Spicer not tell us about his work projects; Mr. Spicer was asked only to identify the project that he's most proud of, his newest crown-jewel showcase project, so that his potential new neighbors could go by and see how well it was built and how well it was maintained and how happy everyone was to live there. We still haven't heard about such a project.

Surely if we went by and saw such a facility or such a project, it would change some minds, and maybe we'd be on Mr. Spicer's side. But that's not going to happen.

It would seem Mr. Spicer does not take pride in this

project. Mr. Spicer it would seem is interested in making a profit off of government money.

The last time we met with Mr. Spicer and you, he indicated his concern for the residents that would move into this project; he is basically doing all of this for their sake and not his own.

Despite overwhelming opposition by the surrounding neighborhoods, the Mansfield city council, the MISD superintendent, a state senator and two state representatives, as well as being denied funding by the TDHCA board, Mr. Spicer has again applied for funding just a few months later. By his newest action, Mr. Spicer would expose these families to alienation and resentment and risk encapsulizing them in the project before ground has even been broken. Mr. Spicer it would seem is not interested in the feelings of those who would live in the project.

The last time we met, Mr. Spicer indicated that these types of projects have no adverse effect on property values. I suppose this would be true if building in a depressed or stagnant area of town. But when this type of a project is built on the 16th fairway of an award-winning golf course amongst high-end homes in a rapidly expanding area, this assertion begins to lose

credibility. If HUD homes, duplexes and regular apartments adverse affect property values, what might a low-income project of this type do to these property values? The answer is obvious.

Mr. Spicer it would seem is more worried about his ability to make a profit off of government money than he is about my property value or the tax base of Mansfield. Few things appear to have changed in Mr. Spicer's renewed pursuit of free government money. I did notice that the two sections of the project have been separated by name, but no substantial changes are readily noticeable.

Mr. Spicer has noted that the number of bedrooms has dropped, and Mr. Spicer claims that this will reduce the impact on the schools, but we know this will not happen. More children will cram into fewer rooms.

What is noticeable is the fact that nothing in Mr. Spicer's new proposal does anything to address any of the concerns expressed previously by the surrounding neighborhoods, the City of Mansfield or the school district. There's nothing in the new proposal to cause school buses, the staff for those buses and budgets for those buses to magically appear; likewise, nothing in the proposal would cause the local school to magically be less

crowded.

Nothing in the proposal would cause employment centers or retail centers or public transportation or sidewalks or Handi-Trans or grocery stores to magically appear. And finally, nothing in this proposal will cause the negative impacts on the surrounding neighborhoods, such as an increase in crime, decrease in property values and a decreased quality of future construction, to be magically resolved. Mr. Spicer it would seem does not view these items as his problem.

You'll find numerous public servants in this audience and living in the neighborhoods surrounding the proposed site. Many of these public servants could not attend tonight, as they're on duty. But police officers, firemen, teachers, probation officers, paramedics and nurses: We all know first-hand how these types of projects affect the surrounding neighborhoods and schools and medical facilities.

Mr. Spicer, you may not say you want crime with this type of facility, but you will get it. There's nothing in your written proposal that indicates there will be any type of security provided. These types of projects consume resources on a scale that is unbelievable, can drain the budgets and stress the staffing of a town like

Mansfield.

Those of us who work out in the field -- we call it -- and the community -- you call it -- we know all too well the frustrations of those who are tasked to monitor these types of facilities, and we understand their frustrations and their little ability to punish the violators. The fact is if a resident loses their job -- you say you're going to monitor their jobs quarterly. If they lose their job, you will not and cannot kick them out.

If they have unregistered tenants in there, you cannot and will not kick them out. If they do not have a car -- you say they're all going to have cars. If they do not have a car, you cannot refuse to rent to them.

Finally, in closing, I would ask -- on behalf of my family, neighbors and board members of my development who are not able to attend tonight, I'd ask that the governing board of TDHCA deny any and all types of funding or assistance for the Generations of Mansfield.

And I ask this once again and finally, and I hope that we don't have to come and do this every six months. Thank you.

(Applause.)

MS. GAMBLE: Art Wright.

MR. WRIGHT: Art Wright, with the City of Mansfield. Again, on August 17, the mayor issued a letter that's identical to the one that was delivered for the Havens. So I will just express the council's belief that there is a better location somewhere else in town for this project. Their concerns are site specific, and they have a belief that this area is not suitable because of the lack of access to social services, public transit and employment opportunities.

(Applause.)

MS. GAMBLE: Matt Davis.

MR. DAVIS: Hello. Matt Davis again. I've been an officer for over 14 years and a resident here for three.

I wasn't going to oppose this, but with the government subsidized housing, the rides, the computers and social services, I think I'm just going to quit my job and live in his apartments, because I mean why should I work so hard for what I have when you can get it for free? No. I think I'll oppose it.

I'm here to urge the board to vote to not construct this proposed project at this location, because of my experience with low-income housing. Residents of low-income housing typically place a greater demand on the

city services than do residential areas that are resident funded. They're also less likely, again, to take care of the property, and they don't control who comes onto their property.

If that tenant occupies a low-income unit, there's no guarantee that somebody else is not going to come into that unit that's not desirable. You say criminal background checks are going to be done, but are you going to check the baby's daddy?

There's too many people that can come into this property that you have no control over, and that's where the problem is; it's probably not going to be with the tenant, but it's going to be with the satellite people that come in and thief, rob and sell drugs and make everybody else a victim. That I'm worried about.

I'm also concerned about the property values declining; this typically happens whenever government-subsidized housing is placed in close proximity to the type of housing that is currently around the proposed area.

If you don't believe me, go check out Woodhaven Country Club. I've worked there. I know that it's like.

Those people have lost thousands in property value. And I suggest you go there late at night. Go ahead and drive

around there with your doors unlocked. I'll bet you don't.

And in this cycle, homeowners in the surrounding properties will see this crime, and they'll begin moving out because of the crime. And then the whole neighborhood deteriorates. The tax base goes down, and it's a mass exodus. I present this information because of my personal observations, not because of discrimination or racial bias. It's a fact that more illegal activities occur around low-income housing. It's a fact. There are statistics, and I'm sure you've seen them, but you're not going to present them, because they'll be against what you're trying to do.

I grew up in a single-parent household near the poverty level; everything I have I've worked for. I don't want to see it go away because of this. Thank you.

(Applause.)

MS. GAMBLE: William Gray.

MR. GRAY: William Gray, 4300 Wild Briar Lane.

A couple of thoughts and things that have been expressed, and some that may not have. First of all, I think that everybody in the room could applaud the idea of what's, you know, the concept behind this, you know, low-income project and seminars and everything else. But this is

certainly not the location for it.

You know, five to seven miles west down Broad Street is a much more viable location. And I think that's what the City of Mansfield council is saying.

It wasn't supported six months ago -- overwhelmingly. I won't speak for everyone, but I was certainly very frustrated when we're having to come back and present the same arguments when nothing has really changed, what I suspect you'll find when, you know, everybody has said much the same sentiment.

A question with regard to the transportation and shuttles that were mentioned. If a low-income family member is in there, if it's a, you know, middle-aged or young family and they don't have transportation, is a shuttle going to be provided for them? And if so, is that based on the shuttle's schedule, or is that going to be based on the family's work schedule? And if there's a bunch of families in there where, you know, transportation's having to be provided by the Generations project, it seems to me like they're going to have to have a fleet of vehicles there just to support that.

Another question that I had was: Why is Fort Worth's area median family income being used? I guarantee you that if you look around Mansfield, the area median

family income in this area is going to be much higher than Fort Worth's.

Or if you're looking at the area based on the proximity of Mansfield to the two major cities -- and people work in Dallas, people work in Fort Worth, and people work in Arlington, and people work up in Grapevine -- it should be more of an average, not just picking the lowest one that suits the needs and kind of backs the argument of what the developer's trying to do. I'm just asking that that be considered. It doesn't seem to me that, you know, you should be able to pick the lowest one for your needs.

And I'd just ask that the state of Texas not approve the projects, the Generations or the Havens.

(Applause.)

MS. GAMBLE: Pat Pfeiffer.

MS. PFEIFFER: My name is Pat Pfeiffer, and I live in the Villages at Spring Lake. And if this meeting is about getting the answers to what people have -- I think you've gotten it. Everybody says, No, it's not a good place for the development; it's not going to work to the benefit of anybody but you.

(Applause.)

MS. GAMBLE: Milton Barnum.

MR. BARNUM: My name is Milton Barnum; I live at 10 Whispering Bend Court in the Villages of Spring Lake. First let me say -- you used the median income for Fort Worth. As a teacher, I can tell you I would not teach in Fort Worth if you paid me twice what I make now. That's why I teach in Mansfield.

Also, if we could go back in time about 35 or 40 years to Arlington and drive between -- take a little ride between New York and Collins streets, we'd see some nice apartments, middle-class apartments, on Arkansas Lane. The school I taught at for six years in Arlington is fed by those apartments. That's the reason I teach in Mansfield.

I've taught in Mansfield for almost four years now -- I'm just beginning my fourth year -- because I got tired of dealing with the problems of these low-income kids at Goodman Elementary. Most of the kids we had behavioral and academic problems from were living in those apartments. Those apartments are no longer middle-class America; they've declined, they've dilapidated, and we have low-income people there. It's not the children's fault. It's their parents' fault.

And this is -- looks nice now, but 15 years from now, when I'm 65 years old and want to retire in the

house my wife and I bought thinking we would retire there, what's that going to look like then? And if you sold it, will the next person take care of it the way you say you're going to take care of it? I can't -- I'm not going to bank on that. I don't want to see that in my neighborhood; I don't want to see it in Mansfield. Thank you.

(Applause.)

MS. GAMBLE: Sergio Melconian.

MR. MELCONIAN: Sergio Melconian, 1309 Parkside Drive in Lowe's Farm in Mansfield. I'm still looking at the numbers, and I'm throwing around even the income for the area. And without taking account of the utilities and if everybody has to have a car and a house, then people have to still live with less than a thousand dollars a month. That's a little -- big worry.

Secondly, the retail development is -- that one that you're talking of is in front of the football field -- the one since 2003, when I moved into this area, I'm calling because I'm trying to put my business over there. And they don't even answer me. Is that the retail development? I don't see it. I don't want it in my neighborhood: Just that plain, that simple. Thank you.

(Applause.)

MS. GAMBLE: Wayne Lee.

MR. LEE: Again, my name is Wayne Lee. I reside at 3 Manordale Court, Mansfield, Texas, in the Villages of Spring Lake and am a board member of the homeowners association in that 600-lot subdivision. Again -- I was here for the previous Generations at Mansfield hearing.

Again, I do not understand how Mr. Spicer could say he intends to be a good neighbor after experiencing the last meeting, after state officials are against this project. City officials are still against this project. School officials are against this project. 755 signatures against this project previously. I don't know what's changed with the application exactly so that he hopes his numbers will work out so that the board will approve at least one if not both of his applications.

At the last meeting, there were members in the audience who were local minority leaders who were asking for such a beautiful project to be built in their part of town in west Mansfield to help lift that area up, to help spur growth over there, to help provide affordable housing. Again -- this seems to be reiterated by the City of Mansfield officials again.

There are no sidewalks currently in the area,

and no transportation and no current retail. Mr. Spicer has mentioned all the retail that is zoned in the area. I've been here myself for three years, and I'm still waiting for it. I don't see any employment in the area. There is a hospital nearby that will be opening soon.

But, you know, Mr. Spicer says everyone'll have a car. Boy, I hope they do, because they're going to need one. They're going to need a car to get to the retail. They're going to need a car to get to the hospital. They're going to need a car to get across 360 that this property fronts.

There's no convenient walking for anything in this area other than the surrounding neighborhoods, the golf course and the future Big League Dreams complex that's being built. And that is all I have to say other than just that I cannot believe a single word this man says. Thank you.

(Applause.)

MS. MORALES: Deborah Gray.

MS. GRAY: I think as far as the Generations go, I would echo many of the comments made here. There is a concern about 360; that is a busy, busy, busy highway to put a family and children on. It's -- there are days I don't want to turn onto it in my own car -- much less a

family walking around it or -- it's a bad situation. It's not good.

The proposed shopping that everybody else has mentioned? Yeah, we're all waiting. We've heard the proposal. We've heard, Oh, these are going to open here; these are going to open there. And it never happens. So until ground breaks and a sign's out and a door's open, proposed really shouldn't have an effect on this, because you can't guarantee that, and you can't count on it. And neither can the families who'll live in this housing.

You know, I echo what my husband said: It's commendable to do this. This is something that I don't think anybody could have a hard heart towards, but I think the area that's being targeted for it, the location that's being targeted for it, is totally inappropriate and wrong. There is a community in Mansfield that needs this, that wants it and that could use it to better themselves.

Why not there? That's where we ideally should be looking, but, unfortunately, we're not.

And it is frustrating to come back six months later and deal with this same issue all over again. Personally, as a taxpayer in Texas, I don't like the fact that my tax dollars are being used this way. So that's all I have to say, and I'm opposed to the Generations, as

well as the Havens.

(Applause.)

MS. GAMBLE: Bryant Blaser.

MR. BLASER: My name is Bryant Blaser; I live at 3 Roosevelt Court. As I stated before, the average income for a family in Mansfield, Texas, as stated by the Mansfield Economic Development Council, is \$91,878. It has been stated that the Fort Worth area income has been used, \$32,000-and-some-odd. The statement of that makes it clear that the developer does not care about what the local community is or what it's comprised of.

It also is unclear as to who is going to live in these apartments, because with an income as high as the Mansfield average family income, there doesn't sound like there's a people that will actually support the apartment complex in the first place. You stated that Fort Worth was the basis for the income evaluation. Well, Fort Worth probably needs the low-income housing. And as I've heard other people say, Well, then Mansfield might, too, but just in a different area.

And for those reasons, I -- oh. And one other suggestion. Several services were mentioned for the apartment complex, but I have a few suggestions, including a drug rehab, an employment center, and career counseling.

And I oppose this apartment complex. Thank you.

(Applause.)

MS. GAMBLE: That's all the witness affirmation forms I have turned in. Is there anyone else who wishes to speak?

Please come to the microphone and state your name for the record. And if you haven't, take the opportunity to fill out a form.

MS. PFISTER: Hello. My name is Brooke Pfister. I live at 204 Bayfield Drive in the Fountains of Spring Lake.

I would like to start off by saying I'm sorry I have not prepared a speech, but I would like to just mention that my husband and I -- we're young. I'm 24, and he's 25. We're recent college graduates. We are newlyweds. Our anniversary is coming up in less than two weeks. And we recognize that this type of housing would not be beneficial to Mansfield or especially the area that we're living in.

We're proud of our home. We take care of our home. We pay taxes. We're proud of the high taxes in Mansfield. It keeps the streets nice. It keeps the schools nice. It keeps us safe and the crime rate low. That's why we chose Mansfield. This is definitely not

something that we want in our area.

Now, something I would like to make a point of is -- you mentioned that 95 percent of the students must or -- the students must attend school 95 percent of the time. What if they don't? Are you going to evict these already-low-income people from their homes?

You know, that's -- I don't know how you plan on keeping that tack along with them having a car, and the other things that you mentioned with an approximate income of 33,000. Then they're paying rent between \$713 and \$989. They're paying bills. They have a car. They're paying for children. This is just setting people up for failure.

I don't see how they're going to be able to take care of this plus their medical bills and prescriptions. They don't have anywhere to work. There's no retail around. I don't know how they're going to get around. You mentioned Ride-Share. Why do they need Ride-Share if they have a car? I don't get this.

So I would like to mention that I oppose this plan. Thank you.

(Applause.)

MS. GAMBLE: Thank you. And don't forget to fill out a witness affirmation form.

Is there anyone else who would like to speak about this development?

Please state your name for the record, and fill out a witness affirmation form.

MR. CLARK: Good evening, ma'am. My name is Doug Clark; I live at 13 Monticello Court in the Villages of Spring Lake. I, like several of the people here in the audience this evening, have some very strong convictions on this project.

Mr. Spicer, I don't know how to be nice about this except just to say it. You made the statement that everyone to your knowledge will have a car. Is this stating that if they don't have a car, they don't get an apartment?

I've lived in the Villages of Spring Lake for three-and-a-half years, and was told then that there would be a grocery store breaking ground in the next couple of months. Three-and-a-half years later, as I stated, that hasn't happened. So I can't see where you would drum up the idea that within 12 months to 24 months, we will have all kinds of infrastructure here on the southeast side.

I could name several retail stores in south Arlington and south Grand Prairie that have to lock up their cosmetics and easy-theft items due to low-income

multifamily housing units in the communities that they service. I don't think Mansfield needs that or desires that.

You also stated that you would do background checks and screening of all the applicants prior to leasing the units to them. Is this -- I hope this is not used to rate or break what they can live on.

We all have seen the huge impact that hurricane relief has placed on our infrastructure, schools, hospitals and other social services. The only difference that I see is that there is hope that the hurricane relief folks will eventually return to their homes. This will be the new home of the people that are at the same level of living, those that require everything from transportation to healthcare needs and other services.

Lastly, might I suggest that you build this project in your back yard or in the city of Fort Worth that has an existing need? I hope and trust that the department of housing will again reject this proposal.

(Applause.)

MS. GAMBLE: Is there anyone else who wishes to speak?

Yes, sir?

If we can get folks to, go ahead and fill out

witness affirmation forms. It's very important that we have your name for the record.

MR. SANCHEZ: Yes. My name is Jerry Sanchez. I live at 113 Forest Glen in the Villages of Spring Lake. I'm a member of the board of directors.

I live in probably a nicer house than I can afford to live, because I don't want to live near a ghetto. And this guy kind of reminds me a lot of Ted Kennedy. Ted Kennedy is for all these big windmills, self-powered -- windmills that power everything, until they go to build it in Martha's Vineyard, and then he's strictly opposed to it. I want you to build this in your neighborhood and leave my neighborhood alone, please, sir.

(Applause.)

MS. PENSON: Good evening. My name is Latosha Penson [phonetic]; I live at 9 Roosevelt Court in the Villages of Spring Lake. I felt like I really needed to speak today because we keep talking about the median income of Fort Worth and we keep talking about the median income of Mansfield.

I grew up in Fort Worth. And we moved to Mansfield for a reason, the reason being each time anyone in this room that purchased their home, they purchased it as an investment. You're an investor. I'm an investor.

I don't make any purchases without thinking about what my future will be with that investment. If you're buying this today, if you want to build this today, I don't think that you will want to hold onto it for 15 years if there's an opportunity for profit in five.

I think of two areas in Fort Worth that Mansfield could potentially become. Crowley: When Crowley began, Crowley was a beautiful area, wonderful school district. Now they have low-income housing. Now they have homes that are being rented on Section 8. Now the school districts are not growing. The area has ceased to grow since they have taken on this.

I also think of Woodhaven. There are beautiful homes in Woodhaven, but then they built apartments 20 or 30 years ago -- and townhomes -- on the country club. And on that country club now, those condos and apartments are being sold as rehab units. Is that what we want 15 years from now? No. A home to purchase to live in for the rest of our lives. And if we do move, then we want that to be a profit for us, because it's an investment.

You keep saying you're a good neighbor. But a good neighbor would be considerate of the things around him. They would be considerate of who comes into the area and what they do to their home. My neighbors take care of

their home. And anyone that doesn't own it -- if it's a low-income unit, they're not going to take care of it. They don't care.

And if you're doing background checks, you're checking those that are applying for the unit. But what about everyone else that's moving into the unit with them? What about those people?

And then yes, you're saying that it's not Section 8; it's just low-income that's based on the median income. But you used Tarrant County income. And I'd venture to guess what that was for.

Section 8 income is 30,000 max. You're right at 32-. So my question would be: If it doesn't rent because anyone making 32- can't really afford to live in those apartments, will it become Section 8? And the community at that time has no way of knowing, but, all of a sudden, now we're in subsidized housing instead of low-income housing. Thank you.

(Applause.)

MS. GAMBLE: Thank you, ma'am. And please don't forget to turn in a witness affirmation form.

Does anyone else wish to speak on the Generations at Mansfield?

Come forward, sir, please.

MR. CHENEY: My name is Jason Cheney; I live at 4400 Shady Elm in the Villages of Spring lake. And I first have to say I'm proud to live in the Villages of Spring Lake.

(Applause.)

MR. CHENEY: Thank you. I have board members and residents all around. That's excellent.

And I'm proud to live in Mansfield, with a mayor that seems to have the ear of the people. So send him my thanks, as well.

And I know we've all focused on the low-income or reduced rent status of these. I don't want any apartments anywhere close to my house. And I understand the developer is a businessman and is in it to make money.

As the young lady just said, I bought my home for an investment. I have a growing family. Five to seven years from now, too many kids, we'll need more bedrooms and to sell my house: More equity, lower mortgage, sell my house and make money, and move. I'm sure you're going to do the same thing, because you are going to make money off it.

It is a tax-exempt bond financing, which means that somewhere, there has to be -- you're not going to spend all this time talking and listening to all these

people talk mean about you and call you an unfriendly neighbor if there wasn't something in it for you.

But I think it has become clear from all of my neighbors and the community as a whole that it's just not going to work, not here and not now. There's a sports complex, there's a Big League Dreams, and there's a golf course. It just doesn't fit.

And sometimes -- I agree with my friend back there. Sometimes common sense that isn't so common -- I mean you just have to look up and say, This just doesn't fit. It doesn't work where you're trying to put it.

So don't have me back up here in six months, 12 months, a new fiscal year or whatever it is. Just try to be a little considerate. Be the good neighbor that you claim to be. Listen.

(Applause.)

MS. GAMBLE: Thank you, sir. And please remember to turn in a witness affirmation form.

Does anyone else wish to speak about the Generations at Mansfield development?

MR. VALENCIA: I'm Sal Valencia; I live at 103 Addison, Villages of Spring Lake. The reason we moved into that neighborhood was, just like everybody here said, because we wanted to better ourselves. We wanted to get

away from this type of living.

I'm not saying that, you know, it's not needed.

From the mayor's -- it's needed on the other side of town, not in our side of town. There's no buses; there's no sidewalks. If you do care about the people that are going to live there, wouldn't you think about their safety, about the 360 being there and about the children running around? Gates don't know children, and you know that.

And you might have a security guard there for the first month. What's that going to say from -- we only live a couple of blocks down. How about us that play golf? How about them kids who are going to be tearing up the golf course? What are you going to do then? Are you going to pay for the golf course to get fixed? Are you --

VOICE: [Speaking Spanish.]

MR. VALENCIA: Si.

(Applause.)

MR. VALENCIA: Two cheeseburgers.

(Laughter.)

MR. VALENCIA: Like I said, that's one of the reasons we moved into our area. And I understand that it looks beautiful up there and it -- you could probably do a good job. Everybody here in my community, which -- I'm

new to the Villages of Spring Lake. I've only lived there some months, but I'm glad to see that we have so many people here.

And if you did care, if you wanted to be a good neighbor -- and you said you were a good neighbor. Right when you started speaking about Generations, you said you spoke to people. No, I don't think so. Okay?

It's just this simple. The -- everybody from the school board, from police officers, from educators and from just regular people that live there has told you this is not the place for it. The community wants it somewhere else. There's a community that needs it somewhere else in Mansfield, not in our back yards. Put it in yours. Thank you.

(Applause.)

MS. GAMBLE: Is there anyone else wanting to comment on the Generations at Mansfield development?

(Pause.)

MS. GAMBLE: Okay. Thank you all for attending these hearings. Your comments have been recorded. The meeting is now adjourned, and the time is 8:04 p.m.

(Whereupon, at 8:04 p.m., the public hearing was concluded.)

QUESTION-AND-ANSWER SESSION

MS. MORALES: Yes, sir?

VOICE: Could you, if you wouldn't mind, real slowly and loudly for everybody who's here provide -- I know you don't want to get bedeviled with e-mails, but -- e-mail address, fax numbers and addresses where they can send their --

MS. MORALES: We're going to give all that out.

MS. MORALES: Yes, ma'am?

VOICE: I have another question. Who currently owns this property that this development is going to be built on? Who is the owner, the lien holder, the title holder or the deed holder? Who owns the 14-some-odd acres?

MS. MORALES: Okay. A couple of things before I forget them. The sign-in sheets are. There are information sheets available. [inaudible] Texas Department of Housing [inaudible] -- into account all of public comments that they receive. The transcript will be provided to our board.

What I'm going to do is go through and answer some of your questions that were raised here tonight. One of the questions that was asked has to do with what the compliance requirements are for monitoring.

There is a compliance period with all of our projects that would be the greater of 30 years or as long as those bonds remain outstanding. So if you have a particular development where the bonds are outstanding for 40 years, then that particular development would be on hook, so to speak, with the State for that 40-year period.

It is a requirement that we go out and ensure that the units are occupied by eligible households, and what that means is they verify for the Texas Department of Housing that all individuals who are living there qualify to live there.

One of the other things that is checked for is the physical appearance of the actual project, to make sure that the property is being maintained. In addition to that, they go out and make sure that everyone who is living there is [inaudible] to be sure that the tenants are maintaining the insides of their apartments, and in addition to that [inaudible].

In terms of the eventual selling of the complex, I can tell you that the investors that are going to be purchasing the tax credits for themselves. they are going to be or they're eligible to be [inaudible]. The developer [inaudible] signatory on the purchase [inaudible], so I know that with each bond transaction,

you have [inaudible], you have a [inaudible] lender, you have a [inaudible] lender, and you also have a lender on the equity side, who is [inaudible].

And also, they [inaudible] are going to be [inaudible] the property, they are also going to be [inaudible] on the loan. At the transaction [inaudible] bonds.

The tax exemption is not, number one, an exemption from property taxes. The development will be paying property taxes. The other issue is that the tax exemption if not is going to the developer; the tax exemption is going to the investor, who is going to be purchasing those bonds. [inaudible] is actually the private equity bond program [inaudible] federal government created to give [inaudible] property, to [inaudible] the property to encourage private developers to get involved.

So all of these developments are privately owned and privately managed.

One of the other concerns that was raised had to do with property values. There is information on our website about [inaudible].

The other question that was raised had to do with the impact [inaudible]. The applicant -- there is no rule that [inaudible]. What I can tell you is that they

cannot have an application that [inaudible] submitted or to have applicants write down every amenity on an application. [inaudible] changes in that application [inaudible].

This application [inaudible] owner has broken down into two separate sections. The first section [inaudible] public comment. That authority [inaudible] TDHCA board [inaudible]. So the [inaudible] the board [inaudible] application.

I cannot say at this point whether or not the application is going to be recommended to the TDHCA board.

It's still in the preliminary stages [inaudible] evaluation [inaudible].

Yes, sir?

MR. TAYLOR: I'm Bryant Taylor. [inaudible] that sucker, because Mr. Evans -- Pastor Evans really wants it out there, and the citizens want it out there. And the city council is definitely not opposed to it out there. But everybody, as you well know from last time, is opposed to it at this location. It doesn't fit. It won't work.

So again, we're just -- we're asking you to be that good neighbor. You're going to lose some money; you're not going to make the 16- or so million. That's

the truth of the matter. But back out or go out, find private funding, build this sucker nice, the way you want to build it, put it up for real rents, not low-income, and it'll really make some banking.

(Pause.)

MS. MORALES: What's your name?

MR. TAYLOR: Oh. I'm sorry. Bryant Taylor.

VOICE: What was the -- for the last application, what was the demographic area used?

MR. SPICER: It is a variety of census tracts from Mansfield ISD.

VOICE: So Mansfield ISD?

MR. SPICER: Yes. Roughly -- I mean it's not exact, but it roughly approximates that.

Yes, ma'am?

VOICE: Can you explain why [inaudible] and why [inaudible]?

MR. SPICER: I don't want to sit in here and get into a debate with you. I really don't. I'll be glad to answer development-specific questions.

VOICE: I'm not asking for debate; I'm asking, again, why you won't consider doing it somewhere else.

MR. SPICER: Again, I don't want to debate the -- we're here to talk about the site location we have

today, and I'd like to stick with that. Thanks.

MR. MELCONIAN: Sir, you do have the option on the property, and, obviously, you have the financing. And obviously, you have an architect. Why don't you go build it [inaudible]? And you'll make more money certainly if you don't have [inaudible] pay the rent, you know, having all these children running around and [inaudible]. Why the aggravation?

MR. SPICER: We have the option to do that, certainly. To be real honest, the -- what you've just described, if we did that, would actually have more children and more of an impact on the school system than what we're currently proposing.

MR. MELCONIAN: I don't believe that [inaudible] bring that development where they're going to have for sure [inaudible] this type of development that's [inaudible] you're going to have more than one family to a dwelling in those apartments. I promise you that. Okay?

Secondly, the control of the state. This is not something that we can rely on -- okay? -- because it has been proven prior to today. So really why would you go through all of these renovations when you still haven't purchased the property?

I mean the economic feasibility of the

project -- if HUD has two or three years of knowing the maximum rent that you can charge to the renters, you won't make any more money since -- I mean, I don't know how much it was locally -- the maximum rent charged, but normally it would be on the order of 10 percent. That really doesn't make economic sense. You have to have something else in mind. I'm sorry. I mean, that's the way I see it. You have to have something else in mind.

What's this about that the developer doesn't get the tax incentive; the investor does? I don't see the difference. I'm sorry. It doesn't look good. It doesn't look good. There has to be something else that you have in mind for the property to have the opposition of all the neighborhoods surrounding it. Okay? But you haven't got [inaudible]. So [inaudible] has to be something else you're not [inaudible]. It can't be so simple.

MR. SPICER: I'm not really sure what the question is, but --

MR. MELCONIAN: Well, the question is whether -- how can you make -- how will you try to -- given the demographics -- if you don't have the demographics, you [inaudible]. Okay? I wanted my kids to go and live over there so they can have a real house. That's number one.

Number two, if you have a loan that would allow you to build those apartments and the loan [inaudible] feasibility of the project is to stay and you are only to charge the closest to the maximum rents allowed and HUD would use the rent -- the maximum rent allowed to begin, what would happen if you started to [inaudible] from your investors up to this point? What's the catch?

MR. SPICER: Well, One, first off, the rents haven't gone down. Actually, Fort Worth's median income, which the maximum rents are based on, actually went up last year.

MR. MELCONIAN: Well, hold on. I'm not talking about the rents. According to what she said -- and I don't think that she would lie -- the minimum rent allowed to be charged for these types of projects by HUD has been lowered from last year to this year. I don't know how much percentage. Probably 1 percent, 2 percent, 3 percent. But that affects directly against the financing of the project, because you're financing the project more out of your pocket as your personal investment. You're using tax [inaudible] in a form of a bond that it has to be [inaudible] in the rents. So really something is not legal.

MR. SPICER: Well, I don't know how to answer

your question other than that we've studied this for quite a while, and we understand the demographics of the economic feasibility of it.

And I'm sorry that someone has given you information that the rents are going down, but the rents for this program -- you may be talking about another program; I don't mean to tell you that you're wrong. But rents for this program have not gone down in the last year or the last three years. To us, it makes quite a bit of economic -- the feasibility of the project is solid.

MS. MORALES: Those rents are listed on our website. If you want to take a look at what the maximum rents and incomes are and go back and compare from year to year, that information is available on our website. And if you give me a call, I'd be more than happy to walk through our website with you.

Yes, sir?

MR. BLASER: What determines the cost methodology [inaudible]?

MR. SPICER: The MSA is, again, determined, I think, by the census bureau.

MR. BLASER: Does it make a difference that -- I'm not sure, but is Mansfield [inaudible] Tarrant County?

MR. SPICER: I don't believe so. I'm not a

statistician; I just use the data provided.

MR. BLASER: So that's from the Census Bureau, not the Texas Department of Housing?

MR. SPICER: Correct.

Yes, ma'am?

VOICE: I just had a quick question. You had said that you had talked to different people that, I guess, gave you the indication that [inaudible] favorable to project in Mansfield. Yet you stated that you sat down with the mayor and he said that [inaudible]. So I just wonder who you actually spoke with that gave you the indication that this would be a favorable project in Mansfield and that you would be able to [inaudible].

MR. SPICER: What we -- who we talked with, again -- and you've got to understand the political realities -- is that -- the political realities are that while a lot of people will say for political reasons they won't support you, they also realize that this is something that's necessary for economic development in the area.

VOICE: [inaudible].

MR. SPICER: I'll leave it at that.

MR. TAYLOR: I'll try to be real specific [inaudible]. Have you spoken with a single homeowners

association?

MR. SPICER: I have not. And I'd be glad --

MR. TAYLOR: Have you --

MR. SPICER: -- to come and speak with --

MR. TAYLOR: -- spoken with a single resident living within a two-mile radius of the proposed site?

MR. SPICER: Not myself personally. But I have several others in my organization that have, yes.

MR. TAYLOR: Do you -- can you refuse to allow a senior to sign a lease if they have children that they anticipate living with them?

MR. SPICER: Yes.

MR. TAYLOR: No, you can't. That's why we don't have adult properties any more.

MR. SPICER: Yes, you can.

MR. TAYLOR: It's against the law to discriminate based on whether or not you're single or have children or based on race --

MR. SPICER: Actually, under fair --

MR. TAYLOR: -- or based on religious preference. You cannot.

MR. SPICER: I'm sorry. Under the fair housing law, you actually can discriminate based on a senior, 55-and-older property. Yes, you can.

MR. TAYLOR: Okay. So they sign the lease, and they decide that their grandchildren are going to visit during the school year. We've heard from the school -- from the ISD that they're obligated to give that child an education, transport them back and forth to school, provide them with school lunches if they qualify, et cetera, et cetera. So the number of children that this property could potentially put into the school system is really an unknown. Is that not true?

MR. SPICER: It's the same with any property you have out there. That's correct.

MR. TAYLOR: Okay. But if you were to, let's say, put in some high-end town homes or high-end condos where there's that nice golf course, that type of property would probably per dwelling have fewer students impacting the school district. Would that be true?

MR. SPICER: That's not necessarily correct, no.

MR. TAYLOR: That is true.

MR. SPICER: That's not necessarily correct.

MR. TAYLOR: That is true. Well, when you're talking about the zero-lot-line homes or town homes or high-end condos with a population density of seven or eight units per acre versus a housing development of

condos with a relative density of four units per acre versus this type of property which could have a relative density of -- what did you say, 18 --

MR. SPICER: That's correct.

MR. TAYLOR: -- dwellings per acre -- it's common sense -- it may be an uncommon world, but it's common sense that you're going to have more children impacting the school district than you would with another type of property.

And then finally -- and I'll try to be quiet after this -- you -- during the public hearing, on the record, you anticipated quite a few things that are not included in your proposal. Why would you anticipate on the record things that you would like to see happen but then not have the commitment for the anticipation to put in the proposal where the TDHCA [inaudible] any longer [inaudible]?

MR. SPICER: I'm sorry. I don't know which proposal you're speaking of.

MR. TAYLOR: You anticipated -- oh, you all help me out here -- a counseling center and [inaudible], but that's not in your proposal. So anticipations -- why would you include them in your proposals if you wanted to -- if you were anticipating it if you wanted it on the

record [inaudible]?

MS. MORALES: In terms of what amenities are going to be or services that's going to be provided to the tenants of these developments, the applicant does have to state what those services will be. If they say that there's going to be, you know, different types of credit counseling or first-time homebuyer classes or whatever, if they say that there's going to be a shuttle, if they say there's going to be a swimming pool, if they say that there's going to be, you know, a fitness center, those amenities or those types of services are included in their regulatory agreement and in their land use restriction agreement.

That is -- what I was saying earlier is that when we go out to inspect these properties, we're making sure that he is compliant with all of that. So as I mentioned earlier, another stick that we could have is that we could file suit against the applicant for non-performance on the regulatory agreement. So any of the amenities or the services that he says he's going to provide -- they are listed in these legally bound documents.

MR. TAYLOR: Yes. Okay.

So, Mr. Spicer, are you anticipating providing

those services, or are they in the legally binding documents that you will provide shuttles, you will provide counseling and you will provide all those things that you anticipate providing? Are they in there?

MR. SPICER: They are in there, yes, sir.

MR. TAYLOR: They are in there? Okay.

MR. SPICER: What you have there is a summary provided by the state. What I provided the state is a several-hundred-page document that --

MR. TAYLOR: But I do [inaudible].

MR. SPICER: Yes.

MR. TAYLOR: The last time, it specifically spelled out in detail that it's not there. So the validity of that submission is called into question when the last submission was inaccurate.

MS. MORALES: Mr. Taylor, the information that was probably presented in the application -- what I am referring to is a regulatory agreement or a land use restriction agreement that is actually filed with the attorney general's office at closing on the bonds. So that's not a document that you would have had access to last time.

If you're referring to information that was included in a Board writeup that was posted on our web,

that's not the legally binding document that we are referring to.

MR. TAYLOR: Okay. But that's the information that the board uses to make its determination on the project or [inaudible]?

MS. MORALES: the Board is not necessarily making a determination based on whether or not a shuttle service is going to be provided. That's something --

MR. SPICER: I'm just saying it's part of the package.

MS. MORALES: It's part of the package, yes. But it's not the stick that the Department has to make sure that the development's going to have those types of things.

MR. TAYLOR: I understand that. I'm only worried about approval or denial of the funding at this point, because that's our big worry. If they approve the funding and --

MS. MORALES: One of the other things that I would mention is that if you're talking about what is displayed in or disclosed in the application -- if the applicant filled out our tax credit application and says they're going to do a swimming pool and then goes through the whole list, there is an opportunity for the applicant

to amend that list if he decides that he can't do that, or for whatever reason.

So he could file an amendment to do that, but that would more than likely be done prior to all of the bound documents being filed. So if there is something listed in there and he decides, No, we're not going to do that, he would actually have to go back through and refile all of those documents. And everything would have to be redrafted.

MR. TAYLOR: but he could then prior to the -- post-approval and prior to the execution [inaudible]?

MS. MORALES: No.

MR. TAYLOR: Okay.

MS. MORALES: No.

MR. TAYLOR: All right. I just want to know what we're looking at before the board takes a look at it.

MS. MORALES: Yes, sir. And would just have to stress that we only have the school rented until nine o'clock. So, you know, we kind of have to --

Yes, sir?

MR. BLASER: What -- Mr. Spicer, how much will it cost to build Generations at Mansfield?

VOICE: \$20 million.

MR. SPICER: Say that again.

VOICE: \$20 million dollars,

MR. SPICER: But what's the --

MR. BLASER: 20 million. So I'm sorry. I have no idea of something on the scale -- I know what my mortgage would be. So your mortgage would be -- how much would have to come in to pay for that, 200,000 a month?

MR. SPICER: Overall, your mortgage will be about roughly a million a year.

MR. BLASER: So you're looking at what a month?

MR. SPICER: A little over -- just say roughly 100,000.

MR. BLASER: 100,000 a month?

MR. SPICER: Yes.

MR. BLASER: Okay. Because for the maximum rent that you can bring in, according to the residential units multiplied by the national [inaudible], that's \$137,000 give or take [inaudible]. I'm just wondering how much -- how close we are and how this is going to be able to be run or if it's not [inaudible], because there doesn't seem -- 136,000 doesn't seem like a lot of income for a \$20 million property.

MR. SPICER: Well, we have to provide a full financial analysis. And the state does a full financial analysis. So --

MR. BLASER: And they take your word for that?
Or do they --

MR. SPICER: Well, they look to third parties that -- they look to third parties. There's a third-party lender, a third-party equity provider that, does their own independent analysis individual of the state, as well.

MR. BLASER: Well, are you willing to --

MR. GARRETT: Excuse me just a second --

MR. BLASER: -- give us a name of a property that we can go look at that you developed in the past?

MR. GARRETT: I'd like to make a statement. My name is Kelly Garrett; I'm Jeff Spicer's partner. And I just [inaudible] just for your information.

MR. BLASER: Did you fill out a witness affirmation form?

MR. GARRETT: I sure did. [inaudible]. This property right here is zoned multifamily. Our property right here is zoned multifamily. This property right here is zoned multifamily -- 53 acres. [inaudible] city ordinance is 18 units per acre. [inaudible] this is [inaudible] --

MR. BLASER: [inaudible].

MR. GARRETT: Excuse me. [inaudible].

MR. BLASER: Yes, it is.

MR. GARRETT: This property is [inaudible]. We're in there with 152 units. [inaudible] maximum is 18 units per acre, which is -- if it is built as what's called a market rate deal, it will be put -- built at maximum capacity. So if you have 152 units, you're going to have 261 units [inaudible]. [inaudible], yes, you will have more stress on your schools. So that's [inaudible] whether we build it or you build it or you buy it. If somebody buys that multifamily 18 units per acre, [inaudible].

MR. BLASER: Is that going to be [inaudible]?

MR. GARRETT: [inaudible] market rate deal.

MR. BLASER: Market rate?

MR. GARRETT: That's the maximum allowed by the city ordinance. [inaudible] would you rather have 261 units, or 152 units?

MR. BLASER: I'd rather have --

MR. TAYLOR: These people will pay rent.

MR. GARRETT: -- people who are paying for them than people who aren't paying for them.

MR. GARRETT: These people --

MR. SPICER: Well, these people will pay rent.

MR. GARRETT: The golf course is [inaudible].

(Pause.)

MS. MORALES: Okay. What I would like to do is thank all of you for coming out this evening and providing your comments to us. Again, I would like to stress that all of the comments that you made will be presented to our board. You can e-mail, fax or send via regular mail any letters indicating support or opposition directly to me. Thank you.

(Whereupon, at 9:00 p.m., this hearing was concluded.)

C E R T I F I C A T E

IN RE: Havens at Mansfield Apartments; Generations at
Mansfield Apartments

LOCATION: Mansfield, Texas

DATE: August 22, 2006

I do hereby certify that the foregoing pages,
numbers 1 through 93, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Jean Schermann before the
Texas Department of Housing and Community Affairs.

(Transcriber) 08/30/2006
(Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731



RECEIVED

SEP 28 2006

Toby Goodman
STATE REPRESENTATIVE
DISTRICT 93

Multifamily Finance Division

P.O. Box 2910
Austin, Texas 78768-2910
512/463-0562
Fax: 512/475-1178

1600 E. Lamar Blvd.
Suite 250
Arlington, Texas 76011
817/460-8290
Fax: 817/861-2125

September 26, 2006

Governing Board
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Dear Board Members:

It has come to my attention that Mr. Jeff Spicer has made application with the Department of Housing and Community Affairs to build a low income housing complex, the Havens at Mansfield Apartments. This letter is to voice my opposition to this project.

My constituents, the Mansfield ISD and Arlington City Council all believe there is sufficient low income housing in this area and to add additional apartments will not only lower the surrounding property values but will create an additional financial burden to the Mansfield Independent School District.

It is my hope that you consider my strong opposition and the opposition of my constituency when making your determination on the application.

Sincerely,

A handwritten signature in black ink that reads "Toby Goodman". The signature is written in a cursive, flowing style.

Representative Toby Goodman

COMMITTEES:
Chairman, Juvenile Justice and Family Issues
Pensions and Investments



1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

August 17, 2006

Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3941

ATTENTION: TERESA MORALES

Re: Multi-Family Housing Revenue Bonds
Havens at Mansfield Apartments
Series 2006

Dear Ms. Morales:

On behalf of the City Council of the City of Mansfield, Texas, I am responding to your notification letter dated July 25, 2006. It is our understanding that a new application has been made to secure financial assistance for the above-referenced multi-family complex. The Council and I appreciate this opportunity to present our views to the Department regarding this project.

The City of Mansfield supports the development of housing projects and programs affording the widest possible array of opportunities for its citizens. The City has adopted a Comprehensive Plan for the growth and development of the community and implements that Comprehensive Plan through its Zoning Ordinance and Zoning District Map. The proposed site is zoned MF-2, Multi-Family District, which permits a multi-family complex.

The application material does not contain information concerning the target socioeconomic character of proposed occupants of the units. The City would note that while the site might be a reasonable location for a multi-family complex, it is not necessarily a reasonable location for a multi-family complex targeted at low to lower-moderate income individuals or families for the following reasons.

The property is in a relatively undeveloped area of the City in the beginning stages of the development process. The lack of public transit systems or rail transit services in the City precludes transportation options for economically disadvantaged individuals or families. The property is not in close proximity to health clinics, social service agencies or other support services that would be necessary to provide assistance to lower income households. The limited availability of entry level or low skill jobs in the area presents few employment opportunities for lower income residents. The area is not expected to develop businesses that would create that type of employment in significant quantity.

August 17, 2006

Page 2

Our concerns are specific to this site. The community supports housing options for all economic segments of our population but there is a very strong concern that this is not the appropriate site for assisted housing. The lack of access and supporting social services is perceived by the community as creating a "no win" situation for residents and neighbors alike.

The City continues to support the efforts of the Texas Department of Housing and Community Affairs to provide diverse housing opportunities. However, we feel that there are other locations within the City or in close proximity that may be more appropriate for low- or moderate-income housing projects in terms of supporting social services, public access and employment opportunities.

Should you have any questions, please do not hesitate to contact me at (817) 276-4200.

Sincerely,

A handwritten signature in black ink, appearing to read "Mel Neuman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mel Neuman
Mayor

cc: Bill Zedler
Kim Brimer
Toby Goodman
Lou Spiegel



June 20, 2006

Teresa Morales
Multifamily Bond Administrator
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

RE: Application of Havens at Mansfield

Dear Ms. Morales;

We are in receipt of your letter dated June 8, 2006 which informed us that a pre-application had been received from GS 360 Housing, L.P. for participation in the Department's 2005 Tax-Exempt Multifamily Bond Program. As a school district we have several problems with approving this construction.

First, is the fact that the complex would be located in an area that requires busing all students since there are no sidewalks to accommodate the students walking to their neighborhood schools. The bus routes in this area are already full so with the density for ridership of this size complex it will necessitate the addition of approximately 3 new bus routes. This would be at a cost of approximately \$84,000 per bus and \$22,000 per year for each driver. The District would also encounter ongoing operational cost for these bus routes.

Second, would be the impact to the schools located in this area. At this time we have portable buildings located on the elementary school, intermediate school, have closed the middle school to any additional enrollment, and have enrollment above capacity at the high school. With us being one of the fastest growing districts in the state it becomes increasingly difficult to keep up with the building of facilities with high density growth.

Third, is the strain that this district already experiences from your division's approval of three complexes in this district within the last 3 years. We are struggling to accommodate what you have already allowed to be built in our district that is overcrowding our schools.

For the reasons listed above we are opposed at this time with the location of this complex. The approval of funding for this complex at the proposed location would create a cost to the district and their taxpayers at a time that adequate school district funding for our current costs is questionable. We request that this application be denied.

If you should have any questions, or need additional information please contact me at 817-473-5600 or Ms. Lou Spiegel at 817-453-7117.

Sincerely,


Vernon Newsom
Superintendent of Schools



State of Texas
House of Representatives
Austin

Bill Zedler
STATE REPRESENTATIVE
DISTRICT 96

CAPITOL OFFICE:
P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0374

DISTRICT OFFICE:
7000 S. COOPER STREET, STE. K
ARLINGTON, TEXAS 76001
817-361-7855

September 27, 2006

Ms. Teresa Morales
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Dear Ms. Morales:

I would like to take this opportunity to again voice my opposition to the application for financial assistance of the multi-family complex proposed in Mansfield.

As I stated in my previous letter, the proposed multi-family apartment complexes would not serve as a beneficial addition for the city and citizens of Mansfield. The suggested location is in an area that is currently undeveloped, and Mansfield would be unable to provide adequate municipal services and economic opportunities. Furthermore, health clinics, social services, and support agencies are not in close proximity to the proposed site.

Mansfield Independent School District is currently expanding as quickly as it can to meet the exploding demand for education in a rapidly growing community. Questions arise when considering how these apartments will affect the school district. How will the classrooms be affected? What kind of extra burden will this place on taxpayers?

The location of the apartment complex will currently yield few benefits for the people living in them and the taxpayers supporting them. The city and public of Mansfield are both opposed to the proposed site. For these reasons, I oppose the location of this complex at this time, and I request that the application be denied.

Thank you for your time and consideration.

Sincerely,

A large, stylized handwritten signature of Bill Zedler in black ink.

Bill Zedler
State Representative
District 96

BZ/cs



COMMITTEES:
BUSINESS & INDUSTRY • PUBLIC HEALTH • RULES & RESOLUTIONS

Teresa Morales

From: krustytaylor@aol.com
Sent: Friday, September 29, 2006 12:22 AM
To: teresa.morales@tdhca.state.tx.us
Subject: Generations #060625 and Havens #060624 Apartments in Mansfield, Texas

RE: Opposition to any type of public funding or assistance for the projects entitled:
The Generations at Mansfield Apartments #060625
and
The Havens at Mansfield Apartments #060624

Dear Ms. Morales:

I request that you forward this e-mail to The Governing Board of The Texas Department of Housing and Community Affairs for their consideration in this matter. Please be advised that I am in opposition to any type of public funding or assistance for the projects entitled The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624 and would ask that the Board deny funding and assistance for these projects for the following reasons.

The developer, Jeffery S. Spicer, was denied funding for this project by this Board just six short months ago. Mr. Spicer's answer was to repackage the same project by turning it into two projects and renaming them to The Generations and Havens at Mansfield Apartments.

Renaming the projects did nothing to address the concerns of the City Counsel, the School District, State Representatives or the citizens in surrounding neighborhoods. Mr. Spicer did not contact any neighborhood group, Representative, District or City official to try and resolve concerns prior to filing again.

Mr. Spicer's quick reapplication has angered many in the surrounding area and I fear this will further isolate any potential tenants to these projects. Mr. Spicer's actions have exposed these families to alienation and resentment and have risked encapsulating them inside the project before ground has even been broken.

Mr. Spicer's application of six months ago contained false information and I would encourage the Board to verify his claims and statements. For example, Mr. Spicer has indicated that there are retail services within a mile of the projects. This is completely false. Mr. Spicer indicated during the public hearing, for the record, that he "plans" to do many things at the projects, including purchasing and providing vans to take seniors where they need to go. I would encourage the Board to verify that Mr. Spicer has included these and other "plans" in his proposals. My guess is that the Board will not find these or other "plans" in Mr. Spicer's proposal.

There are no nearby services available to support tenants in these types of projects. There are no nearby employment centers or employers to provide low income residents with jobs. The City of Mansfield has no public transportation or Handitram services. Access to the project will be from State Highway 360 only, there are no sidewalks for tenant safety. There are no nearby grocery stores or retail centers. By vehicle the closest convenience store is 3.5 miles, the closest grocery store is 5 miles and the closest retail center is 5.5 miles. If walking the closest convenience store is 3 miles, the closest grocery store is 4.5 miles and the closest retail center is 5 miles. It should be noted that there is less than one half mile of sidewalks available in route and tenants would have to walk on two different Highways.

There is no support for these types of projects in this area of The City of Mansfield. Other than the Mr. Spicer, no person, business or organization has supported these projects at City Council meetings or during the public hearings. Elected and other officials have opposed these projects both verbally and in writing. This includes a State Senator, two State Representatives, our Mayor and our Superintendent of Schools.

These type of projects will have a serious negative impact on the School District. The addition of another estimated 300-400 children into an already overcrowded system will seriously effect operations. Nearby schools are already closed to new enrollments. The District will have to raise property tax rates to cover the costs buying and staffing buses, and then busing these students, possibly to other areas of the district. There

9/29/2006

is an unreasonable concentration of these types of projects in the District. This would be the fourth and fifth projects of this type to be constructed in the District in the last four years. This would be the second and third projects of this type to be constructed in this High School attendance zone in the last year.

These type of projects will have a serious negative impact on the surrounding area. It is undisputed that these types of projects have a serious negative impact on property values in the surrounding area, particularly when that area is upscale. It is undisputed that these types of projects have a serious negative impact on the quality of future residential construction in the surrounding area, particularly when that area is upscale. It is undisputed that these types of projects have a serious negative impact on crime in the surrounding area, particularly when that area is upscale.

Mr. Spicer's pursuit of profits on the backs of low income tenants, given the lack of resources available, and in the face of the above obstacles, can only be described as CRUEL.

This Board should deny Mr. Spicer's funding requests for the projects entitled:

The Generations at Mansfield Apartments #060625

and

The Havens at Mansfield Apartments #060624

Thank you for your consideration in this matter,

Bryan H. Taylor
12 Monticello Ct.
Mansfield, Texas 76063

9/29/2006

Ms. Teresa Morales
Multifamily Bond Administrator
Texas Department of Housing and Community Affairs
P. O. Box 13941
221 East 11th Street
Austin, Texas 78711-3941

**RE: Petition in opposition to any type of public funding or assistance for the projects entitled:
The Generations at Mansfield Apartments #060625
and
The Havens at Mansfield Apartments #060624**

Dear Ms. Morales:

Please find attached a petition in opposition to any type of public funding or assistance for the projects entitled The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624. The petitioners request that you forward this letter and the attached signatures to The Governing Board of The Texas Department of Housing and Community Affairs for their consideration in this matter.

The Governing Board of TDHCA should be advised that, by signing this petition, the home owners in The Villages at Spring Lake, Vista National, Lowes Farms and Mansfield National communities do not approve of these projects in any way and would respectfully request that The Governing Board of TDHCA deny any and all types of funding or assistance for The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624 for the following reasons:

1) There are no nearby services available to support tenants in these types of projects.

- * There are no nearby employment centers or employers to provide low income residents with jobs.
- * The City of Mansfield has no public transportation or Handitram services.
- * Access to the project will be from State Highway 360 only, there are no sidewalks for tenant safety.
- * There are no nearby grocery stores or retail centers.

By vehicle the closest convenience store is 3.5 miles, the closest grocery store is 5 miles and the closest retail center is 5.5 miles.

If walking the closest convenience store is 3 miles, the closest grocery store is 4.5 miles and the closest retail center is 5 miles. It should be noted that there is less than one half mile of sidewalks available in route and tenants would have to walk on two different Highways.

2) There is no support for these types of projects in this area of The City of Mansfield.

- * Other than the developer, no person, business or organization has supported these projects at City Council meetings or during the public hearings.
- * Elected and other officials have opposed these projects both verbally and in writing.

Including: State Senator Kim Brimer
State Representative Bill Zedler
State Representative Toby Goodman
Mayor Mel Neuman
The City Council of Mansfield
Superintendent of Schools Vernon Newsom

- 3) These type of projects will have a serious negative impact on the School District.
- * The addition of another estimated 300-400 children into an already overcrowded system will seriously effect operations.
 - * Nearby schools are already closed to new enrollments.
 - * The District will have to raise property tax rates to cover the costs of busing these students, possibly to other areas of the district.
 - * There is an unreasonable concentration of these types of projects in the District.
This would be the fourth and fifth projects of this type to be constructed in the District in the last four years.
This would be the second and third projects of this type to be constructed in this High School attendance zone in the last year.
- 4) These type of projects will have a serious negative impact on the surrounding area.
- * It is undisputed that these types of projects have a serious negative impact on property values in the surrounding area, particularly when that area is upscale.
 - * It is undisputed that these types of projects have a serious negative impact on the quality of future residential construction in the surrounding area, particularly when that area is upscale.
 - * It is undisputed that these types of projects have a serious negative impact on crime in the surrounding area, particularly when that area is upscale.

PETITION IN OPPOSITION TO ANY TYPE OF PUBLIC FUNDING OR ASSISTANCE
FOR THE PROJECTS ENTITLED
GENERATIONS AT MANSFIELD AND HAVENS AT MANSFIELD APARTMENTS

Name	Address	City	State, Zip	Signature
Christina Baggett	7 Saddlewood Ct.	Mansfield	TX 76063	Christina Baggett
2 Rachel & Patrick Moraw	6 Saddlewood Ct.	Mansfield	TX	Rachel Moraw
Patrick Moraw	6 Saddlewood Ct.	Mansfield	TX	Patrick Moraw
Mon Schmitt	5 Saddlewood Ct	Mansfield	TX	Mon Schmitt
Nichole Schmitt	5 Saddlewood Ct	Mansfield	TX	Nichole Schmitt
Kell Nelson	4 Saddlewood Ct	Mansfield	TX	Kell Nelson
Josh Nelson	4 Saddlewood Ct	Mansfield	TX	Josh Nelson
NATHAN A. MENNENGA	3 SADDLEWOOD CT, MANSFIELD, TX	Mansfield	TX	Nathan Menga
Tomora Mennenga	3 Saddlewood Ct	Mansfield	TX	Tomora Mennenga
Christian Lange	4 Monticello Ct, Mansfield TX 76063	Mansfield	TX 76063	Christian Lange
Lumila Land	4 Monticello Ct	Mansfield	TX 76063	Lumila Land
Kim Sagaly	11 Saddlewood Ct, Mansfield TX 76063	Mansfield	TX 76063	Kim Sagaly
Thammy Sagaly	11 Saddlewood Ct	Mansfield	TX 76063	Thammy Sagaly
Han Sagaly	10 Brairwood Ct	Mansfield	TX 76063	Han Sagaly
Katherine Wagner	10 Brairwood Ct	Mansfield	TX 76063	Katherine Wagner
DAVID SIMPSON	9 BRAIRWOOD CT MANSFIELD, TX 76063	Mansfield	TX 76063	David Simpson
HANSIE SIMPSON	9 BRAIRWOOD CT MANSFIELD, TX 76063	Mansfield	TX 76063	Hansie Simpson
Debbie Vech	3 Brairwood Ct	Mansfield	TX 76063	Debbie Vech
Christina Tirone	8 Brairwood Ct.	Mansfield	TX 76063	Christina Tirone
Michael Tirone	8 Brairwood Ct.	Mansfield	TX 76063	Michael Tirone
Adam Wallace	7 Brairwood Ct.	Mansfield	TX 76063	Adam Wallace
CRISSY WALLACE	7 Brairwood Ct	Mansfield	TX 76063	Crissy Wallace
Pax Garth	5 Brairwood Ct.	Mansfield	TX 76063	Pax Garth
Jackie Garth	5 Brairwood Ct.	Mansfield	TX 76063	Jackie Garth
Ketty Overby	2 Brairwood Ct	Mansfield	TX 76063	Ketty Overby
Debbie Overby	2 Brairwood Ct	Mansfield	TX 76063	Debbie Overby
Thom Beedle	# 11	11	11	11
Jane Beedle	1	11	11	11
Kathy Self	# 7 Monticello Ct	Mansfield	TX 76063	Kathy Self
DEAN SELF	# 7 Monticello Ct.	Mansfield	TX 76063	Dean Self



WWW.TDHCA.STATE.TX.US

MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

Generations at Mansfield

**Approx 1,000 ft north of South Miller Road and to the east of Hwy 360 frontage road
and west of and adjacent to the Mansfield National Golf Club
Mansfield, Texas**

**GS 360 Housing, L.P.
152 Units
Priority 1C**

\$10,818,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Hearing Transcript (August 22, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for the Generations at Mansfield.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the Generations at Mansfield Transaction

Background and General Information: The pre-application for the 2006 Waiting List was received on May 30, 2006. The application was scored and ranked by staff. The application was induced at the June 26, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a reservation of Allocation on July 17, 2006. The final date of bond delivery is on or before December 14, 2006, but the anticipated closing date is November 14, 2006. This application was submitted under the Priority 1C category with the applicant proposing 100% of the units serving 60% of AMFI.

Waiver Request: The Applicant is requesting the Board waive Section 1.31(c)(25) of the 2006 Real Estate Analysis Rules that a comparable development in the Primary Market Area has not been stabilized for at least 12 consecutive months following construction completion.

Organizational Structure and Compliance: The Borrower is GS 360 Housing, L.P. and is comprised of Jeff Spicer with 50% ownership and Kelly Garrett with 50% ownership interest. The Compliance Status Summary completed on September 15, 2006 reveals that the principals of the general partner do not have any properties currently being monitored by the Department.

Public Hearing: There were fifty people in attendance at the public hearing conducted by the Department for the proposed development on August 22, 2006 and eighteen people spoke for the record. The Department has received opposition letters from State Representative Toby Goodman, State Representative Bill Zedler (although this development is not located in his district), Mayor Mel Neuman, School Superintendent Vernon Newsom, thirty letters from the community and a petition containing 359 signatures. The reasons for the opposition are as follows: there are no nearby services available for the tenants, no public transportation, no nearby grocery or retail stores, on site security, no sidewalks, the area will see a high crime rate and the negative impact this development will have on the school district and the surrounding property values. A copy of the transcript and a page from the petition is included in

this presentation.

Census Demographics: The proposed site is located at approximately 1,000 feet north of South Miller Road and to the east of Highway 360 frontage road and west of and adjacent to the Mansfield National Golf Club, Mansfield, Tarrant County. Demographics for the census tract (1113.03) include AMFI of \$123,101; the total population is 7,340; the percent of the population that is minority is 10.93%; the percent of the population that is below the poverty line is 0.19%; the number of owner occupied units is 2,299; the number renter occupied units is 32 and the number of vacant units is 50. (FFIEC Geocoding for 2006)

Other Salient Information: This application was previously brought before the Board on March 20, 2006 as an intergenerational application. Staff did not recommend the application to the Board due to a capture rate that exceeded the Department's guidelines. The Board concurred with staff's recommendation and the application was not awarded. The main difference between the previous application and the current is that it is now two separate applications, one for seniors and one for family. The previous application received letters of opposition from State Representative Bill Zedler and State Senator Kim Brimer; however the Department has not received public comment from either of them with regards to the current application.

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed \$10,818,000. The bonds will be unrated and privately placed with Capmark Municipal Mortgage Trust. The term of the bonds will be for 33 years. The construction and lease up period will be for 30 months during which payment terms will be interest only during this period. The interest rate on the bonds will be (a) from the Closing Date to and including November 30, 2008 the higher of 5.75% and the BMA Municipal Swap Index and (b) on and after December 1, 2008, the higher of 6.00% and the BMA Municipal Swap Index.

Recommendation

Staff does not recommend the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Generations at Mansfield because the calculated inclusive capture rate exceeds the Department's 25% requirement under 10TAC Section 1.32(g)(2). Specifically, there is a comparable development within the Primary Market Area that is considered unstablized as defined under 10TAC Section 1.31(c)(25).

If the Board overturns staff's recommendation and approves the transaction, they would need to waive 10TAC Section 1.31(c)(25) of the 2006 Real Estate Analysis Rules.

RESOLUTION NO. 06-041

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (GENERATIONS AT MANSFIELD) SERIES 2006; 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, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Generations at Mansfield) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to GS 360 Housing, L.P., a Texas limited partnership (the "Borrower"), in order to finance a portion of the cost of acquisition, construction and equipping of a qualified residential rental development described on Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on June 26, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Loan") to the Borrower to enable the

Borrower to finance a portion of the cost of acquisition, construction and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a 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 Loan Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Loan will be provided for initially by an unconditional guaranty issued by Capmark Commercial Holding Corp., a Nevada corporation and Capmark Finance Inc., a California Corporation; and

WHEREAS, it is anticipated that the Note will be secured by a Multifamily Fee and Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Mortgage") by the Borrower and TX 360 Senior Housing, L.P., as fee owner of the property (the "Fee Owner") for the benefit of the Department; and

WHEREAS, the Department's interest in the Loan (except for certain reserved rights), including the Note and the Mortgage, will be assigned to the Trustee, as its interests may appear pursuant to an Assignment of Deed of Trust and Loan Documents and an Assignment of Note (the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement"), with respect to the Development which will be filed of record in the real property records of Tarrant County, Texas; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Placement Agreement (the "Placement Agreement") with the Borrower, Capmark Securities Inc. (the "Placement Agent"), Capmark Municipal Mortgage Trust (the "Purchaser"), Capmark Capital Management LLC and any other parties to such Placement Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Purchaser 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 Purchaser or another party to such Placement 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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Placement Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Mortgage and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the 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 BOARD OF THE DEPARTMENT:

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 for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That (i) the Bonds shall bear interest (A) from the Closing Date to and including November 30, 2008, at the rate of the higher of (1) 5.75% per annum and (2) the BMA Municipal Swap Index as determined on each Bond Coupon Rate Determination Date and (B) on and after December 1, 2008, at the rate of the higher of (1) 6.00% per annum and (2) the BMA Municipal Swap Index as determined on each Bond Coupon Rate Determination Date; provided that, in no event shall the interest rate on the Bonds exceed the maximum interest rate permitted by applicable law;; (ii) the aggregate principal amount of the Bonds shall be \$10,775,000; (iii) the final maturity of the Bonds shall be January 1, 2040.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan 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, the Fee Owner and the Trustee and to cause the Regulatory Agreement to be filed of record in the real property records of Tarrant County, Texas.

Section 1.6--Approval, Execution and Delivery of the Placement Agreement. That the sale of the Bonds to the Purchaser and any other party to the Placement Agreement is hereby approved, that the form and substance of the Placement Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute the Placement Agreement and to deliver the Placement Agreement to the Borrower, the Placement Agent and any other party to the Placement Agreement, as appropriate.

Section 1.7--Acceptance of the Note and Mortgage. That the form and substance of the Note and Mortgage are hereby accepted by the Department and that the authorized representatives of the

Department named in this Resolution each are hereby authorized to endorse and deliver the Note to the order of the Trustee, as its interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved; and that the authorized representatives of the Department named in this Resolution are each hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.9--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 1.10--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.11--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Placement Agreement
- Exhibit F - Mortgage
- Exhibit G - Note
- Exhibit H - Assignments
- Exhibit I - Asset Oversight Agreement

Section 1.12--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 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.14--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development'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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for the units of the Development shall not exceed the amounts attached as an exhibit to the Regulatory Agreement and shall be annually redetermined by the Borrower and reviewed by the Department as set forth in the Loan Agreement.

Section 2.6--Placement Agent. That the Placement Agent with respect to the issuance of the Bonds shall be Capmark Securities Inc.

Section 2.7--Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors, analysts and consultants 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.

Section 2.8--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Loan Agreement and Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the Loan in accordance with its terms, and

(iii) that the Borrower is not, and will not enter into a contract for the Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a

public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Loan established pursuant to the Note will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. 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.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Borrower: GS 360 Housing, L.P., a Texas limited partnership

Development: The Development is a 152-unit multifamily facility to be known as Generations at Mansfield and to be located at approximately 1000 feet from S. Miller Road and to the east of the Highway 360 frontage road and adjacent to Mansfield National Golf Club (located at 3750 National Parkway), Mansfield, Tarrant County, Texas 76063. It will consist of 11 two-story residential apartment buildings with approximately 160,032 net rentable square feet and an average unit size of approximately 1,053 square feet. The unit mix will consist of:

12	one-bedroom/one-bath units
76	two-bedroom/two-bath units
<u>64</u>	three-bedroom/two-bath units
152	Total Units

Unit sizes will range from approximately 750 square feet to approximately 1,170 square feet.

Common areas are expected to include a leasing office, one swimming pool, one community building with community room business center, exercise facility, activity coordinator office, laundry center, picnic area with tables and grills, a tot lot, and a children's playground.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Generations at Mansfield, TDHCA Number 060625

BASIC DEVELOPMENT INFORMATION

Site Address: NE corner of 360 and South Miller Road Development #: 060625
 City: Mansfield Region: 3 Population Served: Family
 County: Tarrant Zip Code: 76063 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: TDHCA

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: GS 360 Housing, L.P.
 Owner Contact and Phone: Jeffrey S. Spicer (214) 346-0707
 Developer: State Street Housing Development, L.P.
 Housing General Contractor: Gs Housing Construction, L.P.
 Architect: James, Harwick + Partners, Inc.
 Market Analyst: Butler Burgher
 Syndicator: Boston Capital
 Supportive Services: To Be Determined
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR	Total Restricted Units:	152		
0	0	0	152	0	12	76	64	0	0	Market Rate Units:	0		
Type of Building: <input checked="" type="checkbox"/> 5 units or more per building											Owner/Employee Units:	0	
<input type="checkbox"/> Duplex										<input type="checkbox"/> Detached Residence	Total Development Units:	152	
<input type="checkbox"/> Triplex										<input type="checkbox"/> Single Room Occupancy	Total Development Cost:	\$17,553,161	
<input type="checkbox"/> Fourplex										<input type="checkbox"/> Transitional	Number of Residential Buildings:	11	
											<input type="checkbox"/> Townhome	HOME High Total Units:	0
											HOME Low Total Units:	0	

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$555,572	\$0	0	0	0.00%
TDHCA Bond Allocation Amount:	\$10,815,000	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Generations at Mansfield, TDHCA Number 060625

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Brimer, District 10 NC US Representative: Barton, District 6, NC
TX Representative: Goodman, District 93 O US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Mel Neuman, Mayor, City of Mansfield - O Resolution of Support from Local Government []
Chris Burkett, Assistant City Manager, City of Mansfield - O Vernon Newsom, Superintendent Mansfield ISD - O
The City of Mansfield does not have a Consolidated Plan.
William "Bill" Zedler, Texas House of Representatives, District 96 - O

Individuals/Businesses: In Support: 0 In Opposition 30

Neighborhood Input:

General Summary of Comment:

Public Hearing: Concerns regarding no public transportation in the area, no sidewalks present, on-site security, depreciating property values, lack of commercial development and services, negative impact on the school district and will cause an increase in crime rate.

Number that attended: 50
Number that spoke: 18
Number in support: 3
Number in opposition: 47
Number Neutral: 0
Number of petition signatures: 359

CONDITIONS OF COMMITMENT

Not recommended due to the following: The Underwriter's re-calculated inclusive capture rate for the family units exceeds the Department's 25% requirement under 10TAC Section 1.32(g)(2) because a comparable development within the PMA is considered unstabilized as defined under 10TAC Section 1.31(c)(25).

Should the Board Approve this award, the Board must waive its rules for the issues listed above and such an award should be conditioned upon the following:

A Housing Tax Credit allocation not to exceed \$555,469 annually for ten years.

A Tax-exempt Mortgage Revenue Bond allocation not to exceed \$10,815,000 with an interest rate fixed at 6.0%, a repayment term of 30 years, and fully amortizing over 40 years.

Receipt, review, and acceptance of architectural drawings, with legible and accurate scales, consistent with all application materials.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re evaluated and an adjustment to the allocation amount may be warranted.

Per §50.12(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")."



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Generations at Mansfield, TDHCA Number 060625

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$0
Recommendation:		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

Generations at Mansfield Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 10,775,000
Tax Credit Proceeds	5,485,132
Deferred Developer's Fee	1,313,941
GIC Income	245,000
Total Sources	<u><u>\$ 17,819,073</u></u>

Uses of Funds

Acquisition and Site Work Costs	\$ 2,489,550
Direct Hard Construction Costs	8,397,815
Other Construction Costs (General Require, Overhead, Profit)	1,335,187
Developer Fees and Overhead	1,996,550
Direct Bond Related	224,805
Bond Purchase Costs	290,500
Other Transaction Costs	3,039,666
Real Estate Closing Costs	45,000
Total Uses	<u><u>\$ 17,819,073</u></u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 53,875
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	21,550
TDHCA Bond Compliance Fee (\$40 per unit)	6,080
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)	2,500
Trustee Fee	7,000
Trustee's Counsel (Note 1)	5,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	2,800
Total Direct Bond Related	<u><u>\$ 224,805</u></u>

Generations at Mansfield Apartments

Bond Purchase Costs	
Placement Agent	215,500
Placement Agent's Counsel	20,000
Bond Purchaser's Counsel	55,000
Total Bond Purchase Costs	\$ 290,500

Other Transaction Costs	
Soft Cost Contingency	1,732,313
Lease-Up and Marketing	125,000
Construction Period Interest	774,453
Lease-Up Reserves	337,331
Public Hearing Fee	1,254
Tax Credit Related Costs	39,095
Miscellaneous	30,220
Total Other Transaction Costs	\$ 3,039,666

Real Estate Closing Costs	
Title and Recording Costs	45,000
Total Real Estate Costs	\$ 45,000

Estimated Total Costs of Issuance	\$ 3,599,971
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Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 4, 2006 **PROGRAM:** 4% HTC/MRB **FILE NUMBER:** 060625
fka 05631

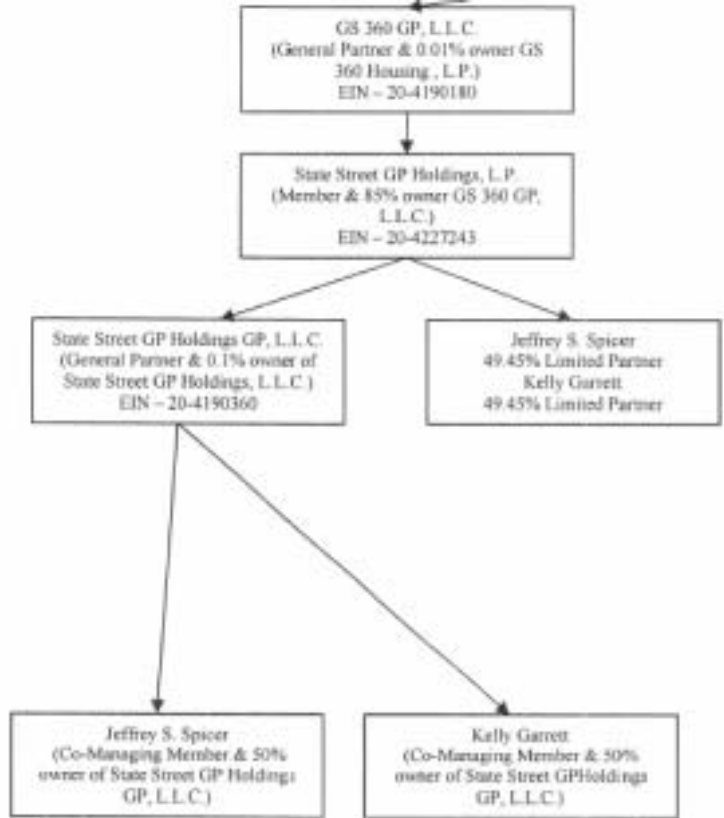
DEVELOPMENT NAME

Generations at Mansfield

APPLICANT

Name: GS 360 Housing Limited Partnership **Contact:** Jeffrey S Spicer
Address: 5843 Royal Crest Drive
City: Dallas **State:** TX **Zip:** 75230
Phone: (214) 346-0707 **Fax:** (214) 346-0713 **Email:** jspicer@statestreethousing.com

KEY PARTICIPANTS



Name: State Street Housing Development **Title:** Developer
Name: Kelly Garrett **Title:** Guarantor/50% owner of Developer
Name: Jeffrey S Spicer **Title:** Guarantor/50% owner of Developer

PROPERTY LOCATION

Location: NE corner of 360 and S Miller Road
City: Mansfield **Zip:** 76063
County: Tarrant **Region:** 3 QCT DDA

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

REQUEST				
<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$555,572	N/A	N/A	N/A
MRB (Tax-Exempt)	\$10,815,000	6.0%	40 yrs	30 yrs
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban	

RECOMMENDATION

NOT RECOMMENDED DUE TO THE FOLLOWING:

The Underwriter's re-calculated inclusive capture rate for the family units exceeds the Department's 25% requirement under 10TAC Section 1.32(g)(2) because a comparable development within the PMA is considered unstabilized as defined under 10TAC Section 1.31(c)(25).

CONDITIONS

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST WAIVE ITS RULES FOR THE ISSUES LISTED ABOVE AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

1. A Housing Tax Credit allocation not to exceed \$555,469 annually for ten years.
2. A Tax-exempt Mortgage Revenue Bond allocation not to exceed \$10,815,000 with an interest rate fixed at 6.0%, a repayment term of 30 years, and fully amortizing over 40 years.
3. Receipt, review and acceptance of architectural drawings, with legible and accurate scales, consistent with all application materials.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

Generations at Mansfield was submitted and underwritten in the 2005 4% HTC/Bond cycle as a 252 unit intergenerational development with 152 family units and 100 units targeting seniors. The underwriting analysis made the following recommendation and conditions:

NOT RECOMMENDED DUE TO THE FOLLOWING:

- € The Development is not financially feasible based upon this analysis and the Department's standard for repayment of deferred developer fee in less than 15 years.
- € The Underwriter's re-calculated inclusive capture rate for the family units exceeds the Department's 25% requirement.

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MAY WAIVE ITS RULES FOR THE ISSUES LISTED ABOVE OR ACCEPT INFORMATION PROVIDED BY THE APPLICANT TO MITIGATE THESE ISSUES AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

1. Receipt, review, and acceptance of a commitment from the unrelated party general contractor to defer fees as necessary to fill a potential gap in permanent financing or source additional non-repayable funds of at least \$914,873 or documented net income improvement resulting in serviceable debt in the same amount or some equivalent combination of these alternatives;
2. Board acceptance of potential mandatory redemption of \$1,918,000 of the total proposed \$16,100,000 tax exempt bonds based upon a fixed interest rate of 6% and a term of 40 years;
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount may be warranted.

This development was not approved and has since been split into two separate developments: 100 units at

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Havens of Mansfield (elderly) and the subject 152 units at Generations of Mansfield targeting seniors.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 152 **# Res Bldgs** 11 **# Non-Res Bldgs** 2 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 160,032 **Av Un SF:** 1,053 **Common Area SF:** é3,000 **Gross Bldg SF:** é163,032

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab subfloor. According to the plans provided in the application the exterior will be 85% masonry veneer and 15% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 150 or more, the Applicant has elected to provide a barbecue or picnic table for every 50 units, community laundry room, controlled access gates, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a swimming pool, and two children's playgrounds equipped for 5 to 12 year olds/two tot lots/one of each.

Uncovered Parking: 265 spaces **Carpports:** 0 spaces **Garages:** 25 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Generations at Mansfield is a 17.98-unit per acre new construction development located in east Mansfield. The rent schedule indicates there will be 12 one-bedroom units. The submitted architectural drawings do not include buildings with one-bedroom units. A building floorplan submitted October 4, 2006 includes four one-bedroom units and four two-bedroom units. It is assumed this building type will be constructed in place of the buildings with eight two-bedroom units.

The development is comprised of eleven evenly distributed garden style residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
3	2	4	4	
8	2		8	8

The development will include a community building. However, the Underwriter was unable to verify the square footage for the building. Receipt, review and acceptance of architectural drawings, with legible and accurate scales, consistent with all application materials is a condition of this report.

SITE ISSUES

SITE DESCRIPTION

Total Size: <u>8.9 out of 14.76 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone: <u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning: <u>MF-2 and C-2</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

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SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Mansfield is located in north Texas, approximately 20 miles southeast from Fort Worth in Tarrant County.

Adjacent Land Uses:

- € **North:** agricultural land immediately adjacent and Mansfield National Golf Course beyond;
- € **South:** agricultural land and Mansfield National Golf Course immediately adjacent and South Miller Road beyond;
- € **East:** agricultural land immediately adjacent and Mansfield National Golf Course beyond; and
- € **West:** State Highway 360 immediately adjacent and undeveloped land beyond.

Site Access: The site has frontage along the east side of the SH 360, currently a two-lane, one-way concrete paved, primary road. SH 360 is a six lane north/south thoroughfare traveling from SH 121 to the north past IH 20 to the south, ending at S. Green Oaks Parkway.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: A major supermarket, other retail shops, restaurants, banks and/or other financial institutions, recreational facilities, a medical clinic and public primary and secondary schools are all located within two miles of the proposed development site.

Adverse Site Characteristics:

- € **Zoning:** The Applicant provided a letter from the City of Mansfield Planning Department indicating the subject property is currently zoned C-2, Community Business District, and MF-2 Multi-Family Residential District. According to the City's Zoning Ordinance No. 671 adopted on April 15, 1986, multifamily and apartment developments are not permitted in zone C-2. Based on a visual inspection of the zoning map and siteplan, provided by the Applicant, all of the structures appear to be located within the permitted MF-2 zone. In addition, the Applicant provided a signed statement indicating all planned multifamily structures will be built within the portion of the property zoned MF-2.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 07/27/2006
Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable
Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated January 5, 2006 was prepared by Butler Burgher Environmental, LLC and contained the following findings and recommendations:

Findings:

- € **Noise:** A letter signed by Chris Schulz of W&M Environmental Group, Inc states, "W&M contacted the City of Mansfield Economic Development Corporation (MEDC) regarding traffic counts in the general vicinity of the property. According to Ms. Erin Wampler of the MEDC, no major city intersections are located within the immediate vicinity of the Site property boundaries. In addition, Ms. Wampler indicated that no private or municipal airports are located within a fifteen-mile radius of the Site and no transit railroads are located within 3,000 feet of the Site. The site is approximately 700 feet south of the intersection of North Miller Road and South Highway 360. Interviews with Mr. Spicer, developer for the Site, indicate that the residential development will be constructed approximately 400 feet east of South Highway 360, behind a planned commercial retail center. In addition, the residential development will be surrounded by a perimeter wall. Based upon this information, W&M does not recommend a noise study for the undeveloped property at this time."
- € **Floodplain:** "The Site is in Zone X, which is outside the 100-year floodplain, according to FEMA Flood Insurance Rate Maps (FIRM) Numbers FM48439C0580H & FM48439C0590H" (p. 13).
- € **Asbestos-Containing Materials (ACM):** "Due to the absence of structures at the Site, suspect asbestos containing materials (ACM) were not observed during the visual survey" (p. 10).

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- € **Lead-Based Paint (LBP):** “Due to the absence of structures or other painted surface appurtenances at the subject site, suspect lead-based paints were not observed during the visual survey” (p. 11).
- € **Lead in Drinking Water:** “The site is not currently supplied with...water...services” (p. 8).
- € **Radon:** “Based on a review of The Texas Indoor Radon Survey 1994, prepared by the TDH, Bureau of Radiation Control, the mean residential radon measurement from the survey for Tarrant County is 1.1 picoCuries of radon per liter of air (pCi/l). The EPA recommends a guideline ‘action level’ of 4.0 pCi/l for annual average indoor radon concentrations. Based on the information obtained from the 1994 survey, the site is considered to have a low potential for elevated levels of radon gas. However, radon testing would need to be conducted to evaluate site specific radon concentrations” (p. 11).
- € **Recognized Environmental Concerns (RECs):** “This assessment has not revealed evidence of recognized environmental conditions in connections with the subject site” (p. 14).

Recommendations: The Phase I ESA identifies no adverse environmental conditions and makes no recommendations of further assessment or action.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. To qualify as a Priority 1 Private Activity Bond allocation for a Qualified Residential Rental Project, the Applicant has elected to set-aside 100% of units with rent and income restrictions at 60% of area median family income (§ 1372.0321, Texas Government Code).

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

MARKET HIGHLIGHTS

A market feasibility study dated August 1, 2006 was prepared by Butler Burgher, Inc (“Market Analyst”) and included the following findings:

Secondary Market Information: a secondary market is not addressed in the submitted Market Analysis.

Definition of Primary Market Area (PMA): “The subject’s primary market area is defined as Joe Pool Lake and Lake Ridge Parkway to the east; approximate Mansfield ISD boundaries to the north; US 287 Business and railroad tracks to the west; and Tarrant County line to the south. This area approximates the competitive area for the subject, while remaining under the 100,000 population limits, after application of the reconciled ISD growth rates. The majority of ISD growth is occurring in the PMA area as will be shown by several maps supplied by the ISD, resulting in an accurate representation of the past and expected growth in the subject area. According to our survey, 769 FAMILY HTC are located within the Primary Market Area. Additional details of the PMA are described further in the TDHCA Primary Market Area Analysis Summary” (p. 3). This area encompasses approximately 47 square miles and is equivalent to a circle with a radius of four miles.

Population: The estimated 2006 population of the PMA was 96,949 and is expected to increase to approximately 149,168 by 2011. Within the primary market area there were estimated to be 31,937 households in 2006.

Total Market Demand: The Market Analyst did not utilize a household size-appropriate adjustment rate. The Analyst’s income band of \$24,446 to \$41,100 (p. 84) results in an income eligible adjustment rate of 13.28% (p. 87). The tenure appropriate adjustment rate of 30% is specific to household growth in the PMA, 16.07% specific to turnover in the PMA (p. 84). The Market Analyst indicates a turnover rate of 69.3% applies based on IREM 2006 (p. 87).

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MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	137	23%	112	19%
Resident Turnover	472	76%	471	81%
TOTAL DEMAND	609	100%	584	100%

p. 87

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 24.96% based upon 609 units of demand and 152 unstabilized affordable housing in the PMA (including the subject) (p. 87). The Underwriter calculated a capture rate of 26% for the subject units and an inclusive capture rate of 51% based upon a revised supply of 296 unstabilized comparable affordable units [subject units plus 144 units at Providence of Rush Creek (TDHCA #03463)] divided by a revised demand estimate for 584 affordable units.

The underwriting report completed in March 2006 stated, “The Underwriter calculated an inclusive capture rate of 54.73% based upon a supply of unstabilized comparable affordable units of 152 divided by a revised demand of 278. This capture rate exceeds the 25% limitation as stated in the Market Study Rules and Guidelines. As noted above the Underwriter’s revised demand calculation was based on demographic data contained in the market study for the PMA or from the 2000 Census. The Market Analyst utilized demographic data for the Family PMA for most of the demand calculation, the renter percentage used was a reconciled figure based upon the overall surrounding population (D/FW MSA, City of Forth Worth, City of Arlington and City of Grand Prairie). The Market Analyst explains that although “the demographics in the primary market area for the family demand analysis supports the subject development, it does not illustrate the actual growth being witnessed in the Mansfield area” (p. 104, Butler Burgher, January 24, 2006).

Based on the current market analysis, the proposed development still exceeds the TDHCA inclusive capture rate limit of 25%. Therefore, the development cannot be recommended for a tax credit and mortgage revenue bond allocation.

Unit Mix Conclusion: “The unit mix will be conducive to the tenant profile in this area, which will facilitate strong leasing activity.” (p. 5). “The unit mix is typical. The majority of units are one-bedroom and two-bedroom units. Three-bedroom units have the highest occupancy at 93.3%, while the efficiency units have the highest rental rate per square foot with \$.932/SF” (p. 42).

Market Rent Comparables: “In order to estimate the market rents for the subject’s rent-restricted units, we surveyed a variety of competing properties, built between 1999 and 2005” (p. 90). The Market Analyst surveyed 14 HTC and market rate comparable apartment projects totaling 3,526 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$652	\$652	\$0	\$740	-\$88
2-Bedroom (60%)	\$780	\$781	-\$1	\$900	-\$120
3-Bedroom (60%)	\$899	\$899	\$0	\$1,115	-\$216

(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 D/FW apartment occupancy remained constant during 2nd Quarter 2006 at 92.7% from the previous 92.7% during 4th Quarter 2005. Absorption easily surpassed completions by 4,356 units during year-ending 2nd Quarter 2006, raising occupancy by moderate 150 basis points from the June 2005 number” (p. 34). “Gross occupancy levels [in the South Arlington Submarket (#71)] have increased by 1.5% since 2nd Quarter 2005 (at 91.1%), to 92.6% during 2nd Quarter 2006. Occupancy is forecast by M/PF YieldStar to increase by 0.9 points to 93.5% thru 2nd Quarter 2007, as supply is anticipated to be in balance with the demand in the subject’s submarket” (p. 42).

Absorption Projections: “An absorption rate of 15 to 30 units/month is reasonable for the subject, as encumbered by HTC, considering the location on a primary roadway in southwest Mansfield. The development will serve the existing residential base in the PMA and as families move into the PMA to reside in new affordable units. The absorption rate would result in a 5-month absorption period from date of

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completion to obtain stabilized physical occupancy” (p. 89).

Unstabilized, Under Construction, and Planned Development: The Market Analyst has identified no unstabilized, under construction and planned developments in the PMA. Parkview Townhomes (TDHCA #03455) and Providence at Rush Creek II (TDHCA #03463) received tax credit allocations in 2003 as a result of mortgage revenue bond financing. The Analyst indicates both developments were stabilized as of August 2005 and November 2005, respectively. As of the Board date, this indicates Providence at Rush Creek’s 144 units are not stabilized based on 2006 TDHCA rules [Section 1.31(c)(25)]. The Underwriter further confirmed with onsite management that Providence at Rush Creek has not maintained a 90% occupancy level for the past twelve months.

Market Impact: “We anticipate the units to have a positive effect on absorption without a negative impact on rental or occupancy performance in the submarket” (p. 42).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of January 20, 2006, maintained by Fort Worth Housing Authority, from the 2006 program gross rent limits. Tenants will be required to pay electric costs. Furthermore, the Applicant’s vacancy and collection loss assumption is in line with current TDHCA underwriting guidelines. However, secondary income is more than \$15 per unit, due to the inclusion of income from covered parking, cable, telephone, and storage. The Applicant appropriately removed the cost for construction of the garages from eligible basis. However, additional support for secondary income from covered parking was not provided and, therefore, the underwriting analysis continues to assume a maximum secondary income of \$15 per unit per month. Despite the difference in secondary income, the Applicant’s effective gross rent is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$3,996 per unit is within 5% of the Underwriter’s estimate of \$4,170, derived from the TDHCA database. The Applicant’s budget shows several line item estimates, however, that deviates significantly when compared to the Underwriter’s estimates, including: general and administrative (\$12K lower); repair and maintenance (\$18K lower); property insurance (\$20K lower); and property tax (\$23K higher). The underwriting analysis also assumes a reserve for replacement of \$250 per unit per year based on requirements of the financing participants.

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. The proposed permanent financing structure results in an initial year’s debt coverage ratio (DCR) within the Department’s DCR guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 54.897 acres	\$1,372,425	Assessment for the Year of:	2006
1 acre:	\$25,000	Valuation by:	Tarrant County Appraisal District
Total: 8.9 acres prorated	\$222,500	Tax Rate:	3.109277

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EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Commercial Contract – Unimproved Property (14.76 acres)		
Contract Expiration:	09/30/2006	Valid through Board Date?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Acquisition Cost:	\$2,250,310	Other:	
Seller:	Mansfield National Partners, LP	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The prorated site cost of \$1,350,310 (\$152,542 per acre or \$8,884 per unit) is assumed to be reasonable since the acquisition is an arm's-length transaction. This is the prorata amount for the site; the remaining portion will be developed into the Havens at Mansfield (TDHCA #060624).

Sitework Cost: The Applicant's claimed sitework costs of \$7,495 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The direct construction cost estimate for the underwriting analysis assumes the two-story building housing eight two-bedroom units, as indicated in architectural drawings, will in fact include four one-bedroom units and four two-bedroom units. This assumption was confirmed by an October 4, 2006 submission. The Applicant's direct construction cost estimate is \$426K or 5% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Fees: The Applicant's contractor's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines. The Applicant's estimate of contingencies exceeds the Department's 5% guideline by \$2,200 consequently the Applicant's eligible fee in this area has been reduced by the same amount with the overage effectively moved to ineligible costs. The eligible portion of the developer fee is directly affected. As a result, the Applicant's eligible basis is further reduced by \$668.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$15,344,436 supports annual tax credits of \$555,469. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING			
Source:	Capmark	Contact:	Cinthia Schwab
Tax-Exempt:	\$10,818,000	Interest Rate:	6.0%, fixed, lender's estimate
		Amort:	480 months
Documentation:	<input type="checkbox"/> Signed <input checked="" type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	* does not include issuer, servicing and trustee fees; 5.75% for 24 month construction period		

TAX CREDIT SYNDICATION

Source:	Boston Capital	Contact:	Thomas W W Dixon
Proceeds:	\$5,374,371	Net Syndication Rate:	99%
		Anticipated HTC:	\$542,920/year
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input checked="" type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:			

OTHER

Amount:	\$1,237,738	Source:	Deferred Developer Fee
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FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by TDHCA and privately placed by Capmark Securities, Inc. The permanent financing commitment is consistent with the terms reflected

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in the sources and uses of funds listed in the application. However, a sources and uses statement provided on October 1 suggests permanent debt will be reduced to \$10,775,000.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application. However, the most recent sources and uses reflect a reduction in syndication proceeds to \$5,485,132. Clarification as to this change and the other permanent financing figures is a condition of this report.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,237,378 amount to 62% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$10,815,000 in bond financing indicates the need for \$6,738,161 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$680,690 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$555,572), the gap-driven amount (\$680,690), and eligible basis-derived estimate (\$555,469), the eligible basis-derived estimate of \$555,469 would be recommended resulting in proceeds of \$5,498,590.

The Underwriter's recommended financing structure indicates the need for \$1,239,571 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

However, as stated in the Market Highlights section (above), the development cannot be recommended for tax credit and mortgage revenue bond allocations. The development's inclusive capture rate at 54.73% exceeds the maximum of 25% for new construction developments targeting the general population and located in a non-rural area.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.

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

Financial Highlights:

- € The Applicant (GS 360 Housing, LP), the General Partner (GS 360 GP, LLC), State Street GP Holdings, LP, State Street GP Holdings GP, LLC, and the Developer (State Street Housing Development, LP) are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- € The principals of the General Partner, Kelly Garrett and Jeffrey Spicer, submitted unaudited financial statements as of July 10, 2006 and August 11, 2006 respectively 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.
- € The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- € The development would need to capture a majority of the projected market area demand (i.e., capture rate exceeds 50%).

Underwriter:

Lisa Vecchiatti

Date: October 4, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: October 4, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Generations at Mansfield, Mansfield, HTC/MRB #060625

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	12	1	1	750	\$713	\$652	\$7,824	\$0.87	\$61.00	\$22.00
TC 60%	76	2	2	1,002	856	\$781	59,356	0.78	75.00	24.00
TC 60%	64	3	2	1,170	989	\$899	57,536	0.77	90.00	28.00
TOTAL:	152		AVERAGE:	1,053	\$901	\$821	\$124,716	\$0.78	\$80.21	\$25.53

INCOME Total Net Rentable Sq Ft: **160,032**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income: cable, telephone, garages, storage

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$1,496,592	\$1,495,680
27,360	19,980
0	17,148
\$1,523,952	\$1,532,808
(114,296)	(114,960)
0	0
\$1,409,656	\$1,417,848

Comptroller's Region **3**

IREM Region **Fort Worth**

\$10.95 Per Unit Per Month

\$9.40 Per Unit Per Month

-7.50% of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	3.93%	\$365	0.35
Management	3.70%	343	0.33
Payroll & Payroll Tax	9.96%	923	0.88
Repairs & Maintenance	5.06%	469	0.45
Utilities	2.59%	241	0.23
Water, Sewer, & Trash	3.30%	306	0.29
Property Insurance	3.75%	347	0.33
Property Tax 3.109277	8.25%	766	0.73
Reserve for Replacements	2.70%	250	0.24
Supportive services, compl fees	1.73%	160	0.15
TOTAL EXPENSES	44.96%	\$4,170	\$3.96
NET OPERATING INC	55.04%	\$5,104	\$4.85

TDHCA	APPLICANT
\$55,413	\$43,630
52,125	56,714
140,353	138,240
71,314	53,004
36,576	30,400
46,560	58,100
52,811	32,680
116,367	139,840
38,000	30,400
24,320	24,320
\$633,838	\$607,328
\$775,818	\$810,520

PER SQ FT	PER UNIT	% OF EGI
\$0.27	\$287	3.08%
0.35	373	4.00%
0.86	909	9.75%
0.33	349	3.74%
0.19	200	2.14%
0.36	382	4.10%
0.20	215	2.30%
0.87	920	9.86%
0.19	200	2.14%
0.15	160	1.72%
\$3.80	\$3,996	42.83%
\$5.06	\$5,332	57.17%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
First Lien Mortgage	50.66%	\$4,698	\$4.46
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	4.38%	\$406	\$0.39

TDHCA	APPLICANT
\$714,067	\$714,067
0	0
0	0
\$61,751	\$96,453

PER SQ FT	PER UNIT	% OF EGI
\$4.46	\$4,698	50.36%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.60	\$635	6.80%

AGGREGATE DEBT COVERAGE RATIO: 1.09

RECOMMENDED DEBT COVERAGE RATIO: 1.14

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		7.96%	\$8,884	\$8.44
Off-Sites		0.00%	0	0.00
Sitework		6.71%	7,495	7.12
Direct Construction		46.72%	52,155	49.54
Contingency	5.00%	2.67%	2,983	2.83
General Req'ts	6.00%	3.21%	3,579	3.40
Contractor's G & A	2.00%	1.07%	1,193	1.13
Contractor's Profit	6.00%	3.21%	3,579	3.40
Indirect Construction		6.72%	7,501	7.12
Ineligible Costs		2.77%	3,087	2.93
Developer's G & A	2.00%	1.51%	1,689	1.60
Developer's Profit	13.00%	9.83%	10,978	10.43
Interim Financing		5.34%	5,961	5.66
Reserves		2.28%	2,542	2.41
TOTAL COST		100.00%	\$111,625	\$106.02
CONSTRUCTION Cost Recap		63.59%	\$70,984	\$67.42

TDHCA	APPLICANT
\$1,350,310	\$1,350,310
0	0
1,139,239	1,139,239
7,927,578	8,353,815
453,341	476,853
544,009	569,583
181,336	189,861
544,009	569,583
1,140,128	1,140,128
469,166	469,166
256,715	0
1,668,650	2,002,116
906,126	906,126
386,381	386,381
\$16,966,988	\$17,553,161
\$10,789,512	\$11,298,934

PER SQ FT	PER UNIT	% of TOTAL
\$8.44	\$8,884	7.69%
0.00	0	0.00%
7.12	7,495	6.49%
52.20	54,959	47.59%
2.98	3,137	2.72%
3.56	3,747	3.24%
1.19	1,249	1.08%
3.56	3,747	3.24%
7.12	7,501	6.50%
2.93	3,087	2.67%
0.00	0	0.00%
12.51	13,172	11.41%
5.66	5,961	5.16%
2.41	2,542	2.20%
\$109.69	\$115,481	100.00%
\$70.60	\$74,335	64.37%

SOURCES OF FUNDS

	% OF EGI	PER UNIT	PER SQ FT
First Lien Mortgage	63.74%	\$71,151	\$67.58
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication Proceeds	32.42%	\$36,187	\$34.37
Deferred Developer Fees	7.29%	\$8,143	\$7.73
Additional (Excess) Funds Req'd	-3.45%	(\$3,856)	(\$3.66)
TOTAL SOURCES			

TDHCA	APPLICANT
\$10,815,000	\$10,815,000
0	0
5,500,423	5,500,423
1,237,738	1,237,738
(586,173)	0
\$16,966,988	\$17,553,161

RECOMMENDED

	PER UNIT	% OF EGI
\$10,815,000		
0	\$2,001,448	
5,498,590	% of Dev. Fee Deferred	
1,239,571	62%	
0	15-Yr Cumulative Cash Flow	
\$17,553,161	\$3,477,451	

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
Generations at Mansfield, Mansfield, HTC/MRB #060625

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$48.81	\$7,811,427
Adjustments				
Exterior Wall Finish	6.88%		\$3.36	\$537,426
9-Ft. Ceilings	3.84%		1.87	299,959
Roofing			0.00	0
Subfloor			(1.12)	(179,236)
Floor Cover			2.22	355,271
Porches/Balconies	\$20.33	13,984	1.78	284,295
Plumbing	\$680	420	1.78	285,600
Built-In Appliances	\$1,675	152	1.59	254,600
Exterior Stairs	\$1,650	38	0.39	62,700
Enclosed Corridors			0.00	0
Heating/Cooling			1.73	276,855
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$67.23	3,000	1.26	201,690
Fire Sprinkler	\$1.90	160,032	1.90	304,061
SUBTOTAL			65.58	10,494,648
Current Cost Multiplier	1.07		4.59	734,625
Local Multiplier	0.86		(9.18)	(1,469,251)
TOTAL DIRECT CONSTRUCTION COSTS			\$60.99	\$9,760,022
Plans, specs, survy, bld prm	3.90%		(\$2.38)	(\$380,641)
Interim Construction Interes	3.38%		(2.06)	(329,401)
Contractor's OH & Profit	11.50%		(7.01)	(1,122,403)
NET DIRECT CONSTRUCTION COSTS			\$49.54	\$7,927,578

PAYMENT COMPUTATION

Primary	\$10,815,000	Amort	480
Int Rate	6.00%	DCR	1.09

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.09

Additional	\$5,500,423	Amort	
Int Rate		Aggregate DCR	1.09

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$714,067
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$96,453

Primary	\$10,815,000	Amort	480
Int Rate	6.00%	DCR	1.14

Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.14

Additional	\$5,500,423	Amort	0
Int Rate	0.00%	Aggregate DCR	1.14

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,495,680	\$1,540,550	\$1,586,767	\$1,634,370	\$1,683,401	\$1,951,523	\$2,262,350	\$2,622,684	\$3,524,668
Secondary Income	19,980	20,579	21,197	21,833	22,488	26,069	30,222	35,035	47,084
Other Support Income: cable, te	17,148	17,662	18,192	18,738	19,300	22,374	25,938	30,069	40,410
POTENTIAL GROSS INCOME	1,532,808	1,578,792	1,626,156	1,674,941	1,725,189	1,999,967	2,318,510	2,687,788	3,612,162
Vacancy & Collection Loss	(114,960)	(118,409)	(121,962)	(125,621)	(129,389)	(149,998)	(173,888)	(201,584)	(270,912)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,417,848	\$1,460,383	\$1,504,194	\$1,549,320	\$1,595,800	\$1,849,969	\$2,144,621	\$2,486,204	\$3,341,250
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$43,630	\$45,375	\$47,190	\$49,078	\$51,041	\$62,099	\$75,553	\$91,922	\$136,067
Management	56,714	58,415.39528	60,167.85714	61,972.89285	63,832.07964	73,998.87503	85,784.97735	99,448.30021	133,650.1996
Payroll & Payroll Tax	138,240	143,770	149,520	155,501	161,721	196,759	239,387	291,251	431,122
Repairs & Maintenance	53,004	55,124	57,329	59,622	62,007	75,441	91,786	111,671	165,301
Utilities	30,400	31,616	32,881	34,196	35,564	43,269	52,643	64,048	94,807
Water, Sewer & Trash	58,100	60,424	62,841	65,355	67,969	82,694	100,610	122,408	181,194
Insurance	32,680	33,987	35,347	36,761	38,231	46,514	56,591	68,852	101,918
Property Tax	139,840	145,434	151,251	157,301	163,593	199,036	242,158	294,622	436,112
Reserve for Replacements	30,400	31,616	32,881	34,196	35,564	43,269	52,643	64,048	94,807
Other	24,320	25,293	26,305	27,357	28,451	34,615	42,114	51,239	75,846
TOTAL EXPENSES	\$607,328	\$631,054	\$655,712	\$681,339	\$707,973	\$857,694	\$1,039,270	\$1,259,509	\$1,850,823
NET OPERATING INCOME	\$810,520	\$829,329	\$848,482	\$867,981	\$887,827	\$992,275	\$1,105,351	\$1,226,695	\$1,490,427
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$714,067	\$714,067	\$714,067	\$714,067	\$714,067	\$714,067	\$714,067	\$714,067	\$714,067
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	\$96,453	\$115,262	\$134,415	\$153,914	\$173,760	\$278,208	\$391,284	\$512,628	\$776,360
DEBT COVERAGE RATIO	1.14	1.16	1.19	1.22	1.24	1.39	1.55	1.72	2.09

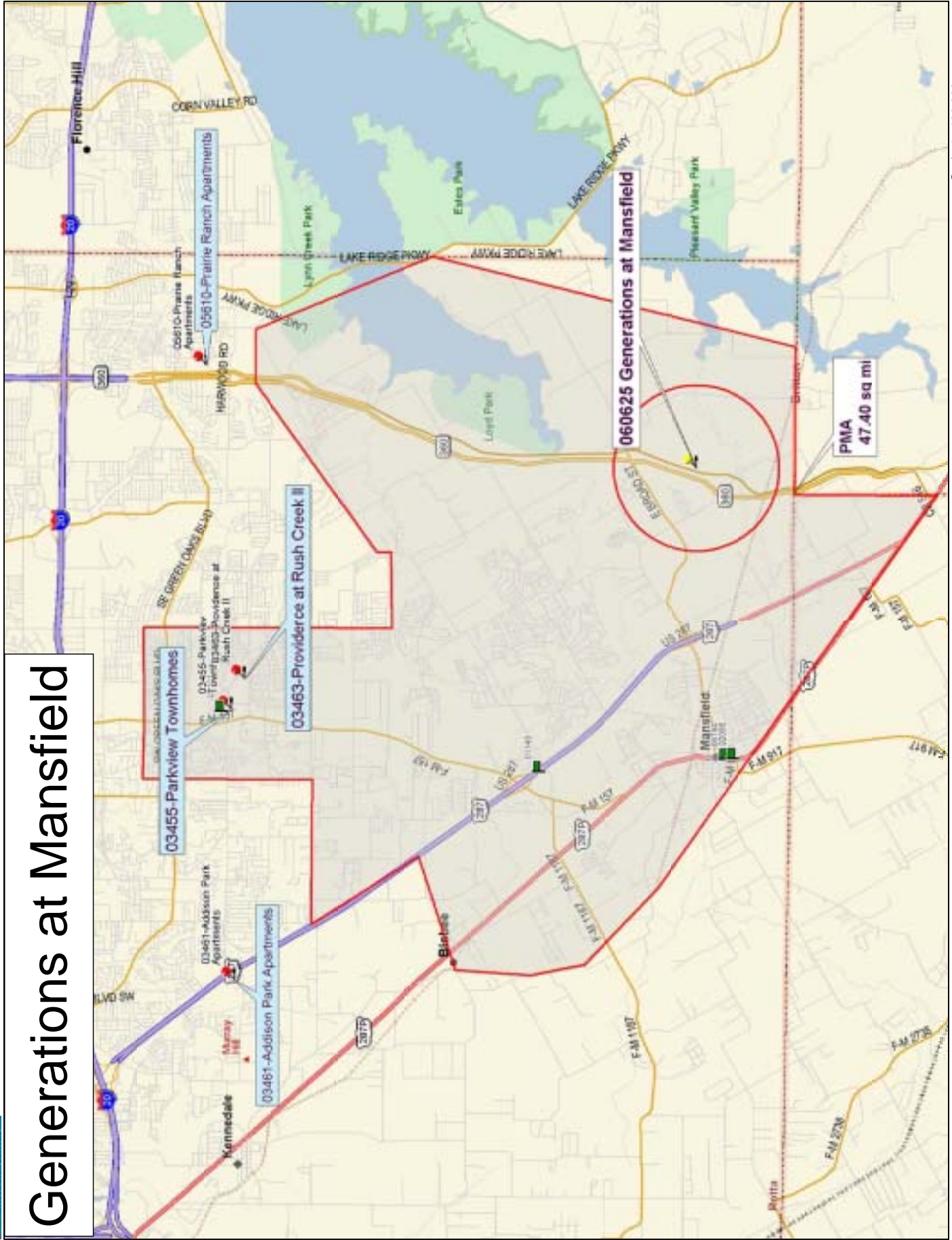
**HTC ALLOCATION ANALYSIS -Generations at Mansfield, Mansfield, HTC/MRB
#060625**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,350,310	\$1,350,310		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,139,239	\$1,139,239	\$1,139,239	\$1,139,239
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$8,353,815	\$7,927,578	\$8,353,815	\$7,927,578
(4) Contractor Fees & General Requirements				
Contractor overhead	\$189,861	\$181,336	\$189,861	\$181,336
Contractor profit	\$569,583	\$544,009	\$569,583	\$544,009
General requirements	\$569,583	\$544,009	\$569,583	\$544,009
(5) Contingencies				
	\$476,853	\$453,341	\$474,653	\$453,341
(6) Eligible Indirect Fees				
	\$1,140,128	\$1,140,128	\$1,140,128	\$1,140,128
(7) Eligible Financing Fees				
	\$906,126	\$906,126	\$906,126	\$906,126
(8) All Ineligible Costs				
	\$469,166	\$469,166		
(9) Developer Fees			\$2,001,448	
Developer overhead		\$256,715		\$256,715
Developer fee	\$2,002,116	\$1,668,650		\$1,668,650
(10) Development Reserves				
	\$386,381	\$386,381		
TOTAL DEVELOPMENT COSTS	\$17,553,161	\$16,966,988	\$15,344,436	\$14,761,131

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		\$15,344,436	\$14,761,131
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$15,344,436	\$14,761,131
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$15,344,436	\$14,761,131
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$555,469	\$534,353

Syndication Proceeds	0.9899	\$5,498,590	\$5,289,566
Total Tax Credits (Eligible Basis Method)		\$555,469	\$534,353
Syndication Proceeds		\$5,498,590	\$5,289,566
Requested Tax Credits		\$555,572	
Syndication Proceeds		\$5,499,613	
Gap of Syndication Proceeds Needed		\$6,738,161	
Total Tax Credits (Gap Method)		\$680,690	

Generations at Mansfield



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS
HAVENS AT MANSFIELD APARTMENTS
and
GENERATIONS AT MANSFIELD APARTMENTS

PUBLIC HEARING

Mansfield High School Cafeteria
3001 East Broad Street
Mansfield, Texas

August 22, 2006
6:30 p.m.

BEFORE:

SHARON D. GAMBLE, Housing Specialist, TDHCA

ALSO PRESENT:

TERESA MORALES, Multifamily Bond
Administrator, TDHCA

JEFF SPICER

<u>SPEAKER</u>	<u>I N D E X</u>	<u>PAGE</u>
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P R O C E E D I N G S

MS. GAMBLE: We're going to go ahead and start.
Thank you very much for your patience.

My name is Sharon Gamble; I'm with the Texas Department of Housing and Community Affairs. And I'm just going to give you a quick overview of sort of how these hearings are going to be held. First of all, there are two hearings: The first hearing is going to be for the Havens at Mansfield; the second hearing is going to be for the Generations at Mansfield.

And what we're going to do is -- I'm going to give an overview of the programs that the developer has applied for through the Texas Department of Housing and Community Affairs, and then the developer is going to give a brief presentation to give you specific information about the development. After he's done, I'm going to read a speech that is a requirement of the IRS that I read at this hearing. And then after that, we're going to open the floor to comments. And that's going to be for each hearing.

So we're going to cover the Havens hearing. I'm going to ask that you make comments regarding the Havens hearing. We're going to cover the Generations hearing and then ask that you make comments regarding the

Generations hearing. Okay? Thank you.

According to IRS Code, the Department is only required to take public comment on the bond issuance; however, TDHCA has extended this to take comment on the development itself. We're not required to do that, but we want community input. TDHCA schedules the public hearing where the development is to be located at a time and location that is convenient for the community.

The two programs the developer has applied for include the Private Activity Bond program and the Housing Tax Credit program. Both programs were created by the federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower-than-average incomes.

The Private Activity Bond program refers to the issuance of tax-exempt bonds. The tax-exemption is not an exemption of property tax, but, rather an exemption to the purchaser of the bonds. The bond purchaser does not have to pay taxes on their investment and the income they make on that investment. The bond purchaser accepts a lower rate of return; therefore, the lender that is involved will charge a lower interest rate for the mortgage that will be placed on the property to the developer.

The Housing Tax Credit was created as a result

of the Tax Reform Act of 1986. The Housing Tax Credit is an investment to the investor that purchases the tax credits. It's an IRS credit to the development unrelated to property taxes. The Housing Tax Credit provides equity to the development, which allows the developer to provide lower rents to affordable tenants.

In conclusion, with both of these programs, the tax benefit goes to the investors that help finance the development. This is what gives the developer the opportunity to bring something of high quality to your area. All of these properties are privately owned and privately managed.

The ongoing responsibilities between the affordable housing developments and TDHCA include state compliance monitoring. The compliance period with the state is the greater of 30 years or as long as the bonds are outstanding. The oversight responsibilities include but are not limited to units that are occupied -- excuse me -- units are occupied by eligible household, the physical appearance of the property, that rents are kept at appropriate levels and that repair reserve accounts are established and funded.

Private Activity bond developments are monitored every two years by TDHCA, and the Department

also does desk reviews, which can include financial audits and those sorts of things. After lease-up, a survey is usually done to determine the tenant profile and the types of services that would be of interest to the tenants.

These services can include but are not limited to:

Tutoring and honor roll programs, after-school activities, healthcare screenings, financial plannings, and so on.

The Generations and Havens Mansfield Apartments developments received reservation of allocation on July 16, 2006. Once the reservation is received, the developer has 150 days to close the bond transactions. The Generations and Havens at Mansfield Apartments' reservation will expire on December 14, 2006.

We'll be taking public comment on both of these developments until 5:00 p.m. on September 29, 2006. We welcome written comments by fax, e-mail or regular mail. The TDHCA board meeting for these two developments is scheduled for October 12, 2006 in Austin.

At this time, I'm going to turn the floor over to Jeffrey.

MR. SPICER: Thank you.

MS. GAMBLE: Thank you.

MR. SPICER: Good evening. I'm Jeff Spicer, and I'm here to tell you a little about the developer for

the project, and I'm here to tell you just a little bit about the development which is known as the Havens of Mansfield.

Havens of Mansfield will be a 100-unit senior community.

VOICE: We can't hear you back here.

MR. SPICER: Okay.

The Havens of Mansfield will be a 100-unit senior community with 53 one-bedroom units renting for approximately \$652 and 27 two-bedroom units renting for approximately \$780. We expect the seniors in the development to have incomes annually that range around 20- to \$30,000.

The development is on six -- just under six acres of land and will be fully gated with controlled access gates, have a business center with internet access, computers, printers and fax machine for the seniors to use a fully amenitized community room, a senior activity center, a health screening room, a fitness center furnished with treadmills, exercise bikes, weights, et cetera, a laundry care center, elevators, and a gazebo and garden area.

We anticipate services for the tenants to

include -- there will be an activities coordinator on site. We anticipate that seniors will help in the mentoring and tutoring of the students in the sister property, the Generations of Mansfield.

We also anticipate having a medication program for seniors that helps them with medications. We found that one of the strong issues for seniors is actually prescription drugs and allowing them to stay in their homes over long periods. It's extremely important that those seniors participate in a program for medication prescriptions.

In addition, on site, we will also have a bus for tenants and shuttle transportation to and from the grocery stores, hospitals and other amenities in the area.

MS. GAMBLE: And with that, we'll start the Havens hearing.

Good evening. My name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 6:40 p.m. on Tuesday, August 22, 2006, and we are at the Mansfield High School cafeteria, located at 3001 East Broad Street, Mansfield, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$5,800,000, 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 proceeds of the bonds will be loaned to TX 360 Senior Housing, L. P. to finance the a portion of the costs of acquiring, constructing and equipping a multifamily rental housing development described as

follows: A 100-unit multifamily residential rental development to be constructed on approximately 5.9 acres of land located approximately to the east of the Highway 360 frontage road and to the west of and adjacent to Mansfield National Golf Club. The golf course is located at 3750 National Parkway, Mansfield, Tarrant County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower.

I would like to now open the floor for public comment. If you signed up to speak, I will call out your name -- I will call out the number next to your name in the order in which you signed. Actually, I think that since we have two sign-up sheets here, it's going to be difficult to determine that. I'll call out your name and ask you to come to the microphone to speak.

State your name for the record. You'll then have two minutes -- three minutes -- excuse me -- to make your comments. If you have not already signed in and wish to speak, please come forward and sign in now before we begin; there are witness affirmation sheets on the table to the side there. And remember, we're limiting our comments right now just to the Havens at Mansfield

development.

Okay. Mr. Don Morgan.

(Pause.)

MS. MORALES: And just to give you all some idea, what we're going to be doing with all of the comments or concerns that you have, in order to allow everyone the opportunity to speak, that is why we're limiting all the comments to three minutes.

And in addition to that, if you have any questions that you would like answered, what we're going to be doing as staff as they relate to TDHCA and any other programs from a Department perspective -- we'll be making a list of all of those questions or concerns. And then as they relate to the development, the developer will be keeping a list of those questions. After all the comments have been made -- it will be at the conclusion of that that we will go through and answer any questions that you have.

MR. MORGAN: Yes. My name's Don Morgan. I've just got a few concerns about the apartments. One is -- I know the ones we're speaking about now are the -- I don't know if you want to call them retirement units, something to that effect. But in that part of town, to benefit the residents, there is nothing unless they're retired and

play golf. That's it. There's no grocery stores. Methodist is just now coming on line over there, but that's still well across 360.

The other end of it is: I've always had a question on apartment complexes. I deal with commercial properties, and have been for 26 years. And I've never seen an apartment complex, shall we say, be more valuable over time as far as the quality of the rents and the tenants in the complex.

And I've read the information that was provided. I do have a couple of questions on that. One is that it states that the state has 30 years' oversight on this property. Is that correct?

MS. MORALES: That is correct.

MR. MORGAN: And that means what as far as the possibility of selling the property or changing the status of the property?

MS. MORALES: What we're going to do is -- I'm going to keep a list of all these questions. And you can just state all your comments.

MR. MORGAN: Okay.

MS. MORALES: And then at the end, we'll go through and answer any questions.

MR. MORGAN: Well, my questions are then as far

as -- how would that affect the possible sale of the property, Number One. Number Two, how would it affect the type of tenants that will remain in the property?

I've seen too many complexes start off being built as Class A apartments for young professionals and getting high rents in a nice part of town. And 15 years later, they're run-down dumps on the verge of Section 8. I've seen it because I handled the taxes for some of those complexes. And that's also a very major concern we have. That's about all I've got for this time.

MS. MORALES: The next person we have to speak is Bryan Taylor.

MR. TAYLOR: Good evening. My name's Bryan Taylor. I reside in the Villages of Spring Lake, where I serve on the Board of Directors of the homeowners association. Many of our board members and neighbors are not able to attend tonight due to supporting their children in school-sponsored sporting events or being at the Oak School open house events being held tonight; however, they've given me permission to speak on their behalf.

So here we are again, expressing our same concerns about the same project by the same developer that we overwhelmingly rejected just six short months ago. I

want to thank the board for having this hearing so that we may express our concerns again.

You know, last time we met, Mr. Spicer stated that he would be a good neighbor to the surrounding community. Attendees at the last hearing pointed out to Mr. Spicer that a developer that intended to be a good neighbor might have met with or solicited comments from or addressed the concerns of his would-be neighbors prior to any public hearing. Mr. Spicer did not do this last time.

So, having pointed this out, this time around, did Mr. Spicer approach a single homeowners association or neighborhood in the area to discuss or attempt to alleviate the concerns? Not to my knowledge. Mr. Spicer it would seem is not interested in the wishes of the community or being a good neighbor. Mr. Spicer it would seem is only interested in free government money.

Pride and projects. The last time we met, Mr. Spicer stated that he takes pride in building and maintaining his projects and has built many such projects in the past. Despite this claim, Mr. Spicer declined to give those in attendance at the last public hearing the name or address of any of his projects when asked.

It was even suggested to Mr. Spicer that he not tell us about his worse projects; Mr. Spicer was asked

only to identify the project he was most proud of, his newest crown jewel showcase project, so that his potential new neighbors could go by and see how well it was built and see how well it was maintained and see how happy everyone was who lived there. This surely would have changed some minds to Mr. Spicer's favor; however, Mr. Spicer declined to recall the name or location of a single project he would like for us to see.

Mr. Spicer it would seem does not take pride in his projects. Mr. Spicer it would seem is only interested in making a profit off of free government money.

Concern for residents. The last time we met, Mr. Spicer indicated he has a concern for the residents who would move into this project; he is basically doing all of this for their sake, and not his own. Despite overwhelming opposition by the surrounding neighborhoods, the Mansfield City Council, the MISD superintendent, a state senator, two state representatives, as well as being denied funding by the TDHCA board, Mr. Spicer has again applied for funding just a few months later.

By his actions, Mr. Spicer would expose these families to alienation and resentment and a risk of encapsulizing them in the project before ground has even been broken. Mr. Spicer it would seem is not interested

in the feelings of those who would live in the project.

Property value.

Please cut me off when my time's up.

Last time we met, Mr. Spicer indicated that these types of projects have no adverse effect on property values. And I suppose this could be true if built in a depressed or stagnant area of the town. But when this type of project is built on the 16th fairway of an award-winning golf course amongst high-end homes in a rapidly expanding area, this assertion begins to lose credibility.

If HUD homes, duplexes or regular apartments adversely affect property values, what might a low-income project of this type do to property values? The answer seems obvious. Mr. Spicer it would seem is more worried about his ability to make a profit off free government money than he is my property values or the tax base of Mansfield.

Few things appear to have changed in Mr. Spicer's renewed pursuit of free government money. I did notice that the two sections of the project have been separated by name, but no substantial changes are readily noticeable. What is noticeable is the fact that nothing in Mr. Spicer's newest proposal does anything to address any of the concerns expressed previously by the

surrounding neighborhoods, the City of Mansfield and the school district.

There's nothing in the new proposal that would cause school buses, staff for those buses or a budget for those buses to magically appear. Likewise, nothing in the proposal would cause the local school to magically be less crowded. Nothing in the proposal would cause employment centers, retail centers, public transportation, sidewalks, Handy-Trans or grocery stores to magically appear.

And finally, nothing in this proposal would cause the negative impacts on the surrounding neighborhoods, such as an increase in crime, declining property values and decreased quality of future construction to magically be resolved. Mr. Spicer it would seem does not view these items as his problem.

Mr. Spicer has indicated -- excuse me. You'll find numerous public servants in this audience and living in the neighborhoods surrounding the proposed site. Many of these public servants could not attend tonight, as they're on duty. Police officers, firemen, teachers, probation officers, paramedics and nurses: We all know first-hand these types of projects affect the surrounding neighborhoods, schools and medical facilities.

These types of projects consume resources on a

scale that can drain the budgets and stress the staffing in a town like Mansfield. Those of us who work out in the community know all too well the frustrations of well-intentioned case and aid workers as they try to enforce residency requirements and facility standards with little or no threat of punishment for violators.

And finally, in closing, I would like to ask on behalf of my family, neighbors and board members, who were unable to attend, that the governing body of the TDHCA deny any and all types of funding or assistance for the Generations of Mansfield or the Havens of Mansfield projects. Thank you.

(Applause.)

MS. MORALES: The next speaker I have is Art Wright.

MR. WRIGHT: My name is Art Wright. I'm with the planning department at the City of Mansfield and, on behalf of the city council, have been asked to read a letter that the mayor has addressed to your office in Austin that was issued on August 17.

"On behalf of the city council of the City of Mansfield, Texas, I am responding to your notification letter dated July 25, 2006. It is our understanding that a new application has been made to secure financial

assistance for the above referenced multifamily complex. The council and I appreciate this opportunity to present out views to the Department regarding this project.

"The City of Mansfield supports the development of housing projects and programs affording the widest possible array of opportunities for its citizens. The city has adopted a comprehensive plan for the growth and development of the community and implements that plan through its zoning ordinance and zoning district map.

"The proposed site is zoned MF-2, multifamily district, which does permit a multifamily complex. The application material does not contain information concerning the target socioeconomic character of the proposed occupants of the units. The City would note that while the site may be a reasonable location for a multifamily complex, it is not necessarily a reasonable location for a multifamily complex targeted at low- to lower-moderate income individuals and families for the following reasons.

"The property is a relatively undeveloped area of the city, in the beginning stages of the development process. The lack of public transit systems or rail transit services in the city precludes transportation options for economically disadvantaged individuals or

families. The property is not in close proximity to health clinics, social service agencies or other support services that would be necessary to provide assistance to lower-income households.

"The limited available of entry-level or low-skill jobs in the area presents few employment opportunities for the lower-income residents; the area is not expected to develop businesses that would create that type of employment in significant quantities.

"Our concerns are specific to the site. The community supports housing options for all economic segments of our population, but there's a very strong concern that this is not an appropriate site for assisted housing. The lack of access and supporting social services is perceived by the community as a no-win situation for residents and neighbors alike.

"The City continues to support the efforts of the Texas Department of Housing and Community Affairs to provide diverse housing opportunities; however, we feel there are other locations within the city or in close proximity that may be more appropriate for low- or moderate-income housing projects in terms of supporting social services, public access and employment opportunities.

"Should you have any questions, please do not hesitate to contact me at 817-276-4200. Sincerely, Mel Neuman, Mayor."

(Applause.)

MS. MORALES: The next speaker I have is Matt Davis.

MR. DAVIS: Good evening. My name is Matt Davis. I've been a police officer for 14 years and a Mansfield resident for the last three years. I've worked around low-income housing areas for many years, and I have got the scars to prove it.

Residents of low-income housing typically place a greater demand on city services than do residential areas that are resident funded. Low-income tenants are less likely to care for their property and do not control who comes onto their property. For example, if a tenant occupies a low-income unit, there's no control over who else comes to live at that property once it's granted. You typically then have the bad element coming in and taking over the property and conducting illegal activities, including drug-dealing and gang activity.

I can see Mansfield National Golf Course being used late at night to conduct drug transactions and drug usage; our police department does not have the resources

to monitor such a large area. Dealers can use the open courses to their advantage because of being able to see the police coming from greater distances.

I didn't realize that this was going to be broken into two, so I'll save the last half of my statement for the following location. Thank you.

MS. MORALES: Thank you.

The next speaker I have is William Gray.

(Applause.)

MR. GRAY: My name's William Gray; I live at 4300 Wildbriar Lane in Lowe's Farm. I'm going to save the bulk of my comments for after the Generations piece, but I've got a question on the briefs that I guess were prepared by the Texas Department of Housing and Community Affairs. Both of those have the area median income for the Houston area. Is that a typo? And if so, should it be the Dallas area?

MS. MORALES: We do apologize for that error. That is incorrect information.

MR. GRAY: Are the figures accurate and it's just a typo, or is it -- are the numbers in there --

MS. MORALES: I would not rely upon the figures, as well. If any of you would like that information, I would be more than happy to e-mail you

that.

MR. GRAY: Okay. I'll save the rest for after the second one.

MS. MORALES: Thank you.

The next speaker I have is Pat Peffer.

MS. PFEIFFER: Pfeiffer.

MS. MORALES: Pfeiffer. I'm sorry.

MS. PFEIFFER: My name is Pat Pfeiffer, I'm a resident of the Villages of Spring Lake. And I don't think I can add any more than what Mr. Taylor said, the mayor said and Mr. Davis said; I agree with everything they have said, and I oppose both complexes.

MS. MORALES: Thank you very much.

The next speaker I have is Milton Barnum.

MR. BARNUM: My name is Milton Barnum. I'm an educator here in Mansfield, and I live at 10 Whispering Bend Court in the Villages of Spring Lake. My concern -- with both projects, but I'll save most of my comments for the second project -- is that it will have a negative impact on the schools.

As an educator, I can assure you that the teachers at Smith Elementary are not going to be jumping for glee when they hear that there's going to be a government-subsidized park complex in their boundaries.

Every teacher knows that that means higher-mobility students and lower TAKS scores. Thank you.

MS. MORALES: And the next speaker I have is Wayne Lee.

MR. LEE: My name is Wayne Lee; I live at 3 Manordale Court, Mansfield, Texas, in the Villages of Spring Lake. I'm a board member of the homeowners association of that subdivision, a 600-lot subdivision.

I was present at the last meeting that was concerning the Generations, and, for the life of me, I can't understand why Mr. Spicer is coming back with basically the same proposal, but broken up into two pieces, other than that he hopes at least one of these two proposals will meet the board's approval. His numbers didn't add up last time. I suppose he hopes at least for one of these developments the numbers will add up for the board.

When he was here last time, he talked about being a good neighbor; yet we have state officials opposed to this, city officials opposed to this, and the school district opposed to this. 757 signatures, opposed to this, were sent to the board. I don't know what has changed since the last meeting. There are no new sidewalks out here. There is no new transportation out

here, no retail out here and no additional employment opportunities at the moment.

I noticed in reading the board's documentation from the last application that a statement was made something to the effect that there was retail within a mile or so of this development. I do not know where that number came from. I called the board -- well, I called down to your office, and it was explained to me that was what was in the applicant's application, that there was retail within X distance from the development.

That was retail. I don't know where that number came from. There's -- the closest commercial of any kind currently is -- besides Mansfield National Golf Course, which I would hardly call retail -- I suppose you could buy some golf shirts there -- is a Sonic, and it's not retail. It's a couple of miles away. There's a Chevron four or five miles away down at 287 and Broad. The closest major retail is a Wal-Mart, which is over five miles away from this site.

As far as I'm concerned, Mr. Spicer is not a good neighbor and appears to me just to be selfish and deceptive. Thank you.

(Applause.)

MS. MORALES: The next person I have is Deborah

Gray.

MS. GRAY: I would like to talk about the Havens at Mansfield. I have a senior citizen as a mother.

I am concerned about the bus schedule. It's great to provide our seniors transportation. My mom can't drive herself. She can't do much for herself. So it's great that we do that, but I'm concerned that this transportation thing that sounds all pretty now isn't going to come true at 2:00 a.m., 3:00 a.m. or 4:00 a.m., when our seniors have their needs and they get sick.

The second thing that I am concerned about is -- looking at the cost on here. My mother falls under the income you're hitting. And she couldn't afford this, not even the lowest price, much less the two bedroom that she would want to have for family visits. So I don't think -- as pretty as it sounds and as great as it sounds, I don't think this is going to meet or designed to meet the needs of what we're displaying here. And that's all I have. Thank you.

(Applause.)

MS. MORALES: And that is all of the witness affirmation forms that I have on the Havens at Mansfield development. Are there any other individuals who wish to be heard regarding this particular development?

(Pause.)

MS. MORALES: Okay. You can go ahead. Just state your name for the record, and then hand me your witness affirmation form.

MR. MELCONIAN: Hi. My name is Sergio Melconian. I live in 1309 Parkside Drive in Lowe's Farm, Mansfield.

I think everybody's being very politically correct, but somebody has to say that this is impossible.

This is a rat. Even though our income in this area is a little higher than Houston by about 3,000 to \$4,000, if you take the portion that is deducted for your income tax, you end up with an income that will leave you less than a thousand dollars to live if you rent the smallest unit, in an area with no transportation, no work opportunities, no even retail business where to buy your food close to the house.

Who are we kidding? Who are we trying to make believe that this is going to be the dream home for families with the dream of achieving the American dream?

This is a joke. This development is going to be sold -- the mortgage of this development is going to be sold before it's finished. And we know what we're going to get. Just go to the north side of Arlington. That's

how it started. So -- and this has been done in the past.

We have to go through the same thing again? Thank you.

(Applause.)

MS. MORALES: I would like it if you could just fill out a witness affirmation form prior to leaving tonight. They're on the table over there.

Are there any other individuals who wish to make comment on the Havens at Mansfield development?

(Pause.)

MS. MORALES: Yes, ma'am. If I could just get you to state your name for the record and fill out a form and hand it to me?

MS. RUMPH: My name is Sandee Rumph. I live at 2 Manordale in the Villages; I have lived there for about three-and-a-half years. I moved from an area in Fort Worth that had a big crime rate, and I know what it's like to be robbed. I had to take it all the way to the governor's office to fight it, which we did.

My husband and I are in the golf business, and we travel on tour with the PGA, LPGA and the Champions Tour. And we travel literally all over the country. And I have not seen one low-income housing near a golf course. it will affect the golf course tremendously, and it's going to bring in an element of people that will really

hurt the business. And I can say that because we live on the road a lot.

And I know it's going to affect the community.

All these other people that have come up and spoke -- they're speaking from their heart, because we've all moved to an area where we wanted to start new beginnings. And I would really be disappointed to see or area go in the direction of our old neighborhoods. Thank you.

(Applause.)

MS. MORALES: Thank you for your comments. And don't forget to turn in a witness affirmation form before you leave.

Are there any other individuals who wish to make comment on the Havens at Mansfield development?

Yes, sir.

MR. BLASER: Hi. My name is Bryant Blaser; I live at 3 Roosevelt Court in the Villages of Spring Lake. Thank you for taking the time to have this hearing.

I wanted to question some things on these flyers that are noted. One, the Harris County and Houston. I wanted to state for the record that the fiscal year 2003 average annual income from the Mansfield Economic Development Council's web site was \$91,878. That far exceeds the median family income listed on this sheet.

Sixty percent of that would require the residents to have an annual income of \$55,127.

In that case, the statements that these apartments are going to -- the people that they're going to serve are not what has been stated on this form, whether that's from the Texas department or the developer.

It doesn't meet the needs that is being stated to us. Thank you.

(Applause.)

MS. MORALES: Are there any other individuals that wish to make comment at this time?

(No response.)

MS. MORALES: Okay. Well, what we wanted to do next is to turn it over to the developer, who is going to address some of the issues as it relates specifically to the development of the senior.

MR. SPICER: I believe there was two questions about selling the property, and under the state program it's very difficult to sell a property within the first 15 years of ownership.

To be honest, you know, we don't have any intention of selling the property. And, you know, we -- this is something we want to hold onto for the next 30 years. It's something I want to be able to have and have

my kids have. That's our intention, and I -- there's nothing that actually precludes it. But they're rather illiquid properties.

The other question was on the median income. And median income as prescribed under IRS rules is for the MSA, and that would be the Fort Worth MSA that this particular property falls under. And I believe for 2006, the median income is 63,400 for the Fort Worth MSA, and that would be the appropriate income to use when calculating that -- the medians for the rents that we have to charge and the incomes of the people that will be in the apartments.

MS. MORALES: The services? Did you want to address the services in the area for seniors?

MR. SPICER: Oh, yes, services in the area for seniors. Again, you -- we've got to remember that when we're looking at a development of this nature, we look at what's going to be available within the next 24 months and what's going to be developed in the area in the long term.

Although, you know, very -- when you drive down the street you don't see a whole lot today, the development plans for the area and what other developers are doing in the area -- there is the grocery store, which will be done at Lowe's Farms, which will include a pharmacy and other

retail shops.

If you look at 287 and Broad, there's almost a million-five square feet of retail that'll be going in there, as well. In addition to the Methodist hospital, there are two other hospitals that are being developed in the area at the time. In addition to that, there's about to break ground, I believe, 72,000 square feet of office space in the area -- a medical office, which is right across from the Methodist hospital at this point in time.

So that's what we're looking at as far as services and amenities for our seniors. Thanks.

MS. MORALES: At this time, most of the questions that I have -- I know that they were more related to the Department looking in terms of the monitoring that's going to be taking place, the potential of selling the property and issues like that. I do have a list of those questions. What I'm going to ask now is that we go through the close, officially close, the Havens at Mansfield hearing, start the Generations hearing.

All of the witness affirmation forms that we have -- we will call you up again. And you can make any questions or concerns you have regarding that particular property. After that is when I will go through all of the questions that were raised. I have a feeling that there

are going to be a lot more questions raised. And so in an effort to get all of the comments out, I will just assume that we save that until the end and have all of you make your comments.

MS. GAMBLE: Thank you for attending the Havens hearing. Your comments have been recorded. The meeting is now adjourned, and the time is now 7:15 p.m.

MS. MORALES: Thank you

MS. GAMBLE: Now I'm going to open the Generations at Mansfield hearing.

My name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 7:15 p.m. on Tuesday, August 22, 2006, and we're at Mansfield High School Cafeteria, located at 3001 East Broad Street, Mansfield, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$11,200,000, 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 proceeds of the bonds will be loaned to GS 360 Housing, L. P. to finance a portion of the costs of acquiring, constructing and equipping a multifamily rental housing community described as follows: A 152-unit multifamily residential rental development to be constructed on approximately 8.9 acres of land located at approximately 1,000 feet north of South Miller Road and to the east of Highway 360 frontage road and adjacent to Mansfield National Golf Club, Mansfield, Tarrant County, Texas. The proposed multifamily rental housing community

will be initially owned and operated by the borrower.

I would like to now open the floor for public comment. I'll call out your name. And please come to the microphone to speak and state your name for the record. You will then have three minutes to make your comments. If you've not already signed in and wish to speak, please come forward and sign in now before we begin.

I'm going to call your name. And if you'd like to make a comment that's further than the comment you made from the Havens, then please step to the microphone. If not, then just let me know.

Yes, sir?

VOICE: Are we going to hear from Mr. Spicer on what the Generations at Mansfield entails?

MS. MORALES: Yes.

MS. GAMBLE: Oh, Sorry. Yes, we will hear from Mr. Spicer first. He'll give you an overview of the development, and then we'll take the public comment. Thank you.

MS. MORALES: Thank you for keeping us on our toes. We -- this is the first time that we've done two developments in one hearing. So we're trying to keep it as all -- the way we're supposed to do it according to IRS purposes. But we will now hear an overview on Generations

at Mansfield.

MR. SPICER: Thank you, Teresa.

The Generations at Mansfield development is a 152-unit family development on approximately nine acres. We have made changes since the last time we brought this forward. One of the things we did was lower the number of two- and three-bedroom units and added one-bedroom units to the mix. We thought this would lower the total number of bedrooms in there and, thus, lower the total number of students going to the schools. In adding the one-bedroom units, there are -- those one-bedroom units would rent for approximately \$652 and have a size of around 750 square feet.

Again, the range of amenities that we're going to have should be very comparable to those at Class A properties with a full pool, fitness center, fully fenced facility with controlled access gate, a business center with internet access and computer facilities, printers, fax machines, a community center, laundry care center, large pool and Jacuzzi, a children's play area, a separate tot lot, a picnic area with gazebo and grills for the tenants.

In addition to the amenities that we have, we will be providing social services there, which include

credit counseling, first-time homebuyers seminars. We will -- despite it not, quote, "Being an inter-generational facility, we are looking at still continuing on and doing inter-generational programs in connection with the sister program -- sister property at Havens.

That will include mentoring, art activities, story time for younger children, ride-share programs and other programs as we find through a survey of the tenants.

As we mentioned earlier, we do anticipate owning this for the next 30 years. We did a design with a Texas kind of hill country feel that -- I think that will blend in nicely with the area architecture, as well as meeting all of the City of Mansfield requirements.

And we'll look what we think is indistinguishable from any other Class A apartment community in the Fort Worth and Mansfield area.

One of the misconceptions we want, you know, just to talk about really quick is that although this is using federal tax-exempt bond tax credits, this is not subsidized housing for the tenants. The tenants pay the full amount of rent. And I think that's an important distinction so that we understand that they're not getting a break on the rent that we charge; they are paying the full amount of that rent.

Two is that we anticipate that what we've seen at other properties -- every tenant here is going to have a car and have access to all -- the same thing everyone else in the area has. You drive for your groceries. You drive to your school. You drive to your job every day. And we anticipate that that's the same for all the residents here.

Three, we anticipate that all of our residents work. And that's -- a requirement of our lease is that we have, you know, someone that actually is working and earns the wage that we require. And we do check up on that on a quarterly basis to make sure that they have the appropriate income to maintain their selves in the apartment.

One of the other things that I want to point out is that, you know, one of the ways we fight crime is that, you know, we start out with doing a criminal background check on all residents in the apartments. We require a 95 percent attendance record for all school-aged children. Violations, you know, are -- of that are in the background check.

We have a no-tolerance drug policy. We have a -- several-times-a-day have a courtesy patrol in the area. And we are welcoming working with local

neighborhood groups and local police to make sure that, again, we fit in with the community and we work with you to make sure that this is not an issue -- that crime is not an issue, because we don't want crime any more than you do. Thanks.

MS. GAMBLE: I will now open the floor to public comment. As I said before, I'll call your name. And if you have comment on the Generations at Mansfield development, please come to the mic and state your name for the record and give your comment. Thank you.

Don Morgan.

MR. MORGAN: My name's Don Morgan; I live on Emerald Leaf in the Villages of Spring Lake. I had to chuckle a few moments ago, Mr. Spicer, when you were talking about all the projects being built around Lowe's: The pharmacy, the grocery stores, the office buildings. I believe until you can speak with a great deal of certainty as a matter of fact about the day that ground's going to be broken, and about when these are going to be build, then we don't really need to talk about that.

I've been hearing about a grocery store being built behind me for the two-and-a-half years since I've been here. The ground hasn't been turned yet. So I'm still driving miles away. I just have a difficult time

with that.

The apartments, the low-income -- I've got an article here. I kept the newspaper. This is the September 11 of 2005 Fort Worth Star Telegram, and it's speaking of Arlington, the city of Arlington. And in the period between 2000 and 2004, the median income for the city of Arlington declined by 14 percent while the growth in Appellant went up 25,000 people, which means everything was going down, more people are coming in, less income.

I don't know about any other people here. I was at the last meeting at city hall, and I was real happy to hear about the level of income coming up and the sales prices of the homes going up and sales taxes going up so our tax base didn't have to go up. And in this article it clearly states here what to do. Clearly, the powers that be hope that some of the developments underway will reverse what has become a slippery and stubborn downhill economic trend.

It talks about various things. The city's accessibility and redevelopment projects. And then it states, "Steadily increasing resistance to low-income housing projects." At the end, it talks about what -- will it all come together and things turn around? Maybe. But contrary to the usual advice, "Don't panic," there's

this: "Go ahead. Panic. Even over-react. Maybe it will help."

When you bring in the low-income housing projects, maybe they're not all going to be crooks, but the fact of the matter is that they're all going to require the city services the same as everybody else. When they don't have the income that everybody else does, that means they're more of a drain on the city's services: The police department, the fire department, the streets and the utilities, everything. There's no question about that.

I have a hard time with that. I moved to Mansfield from Lake Highlands. An area where -- I grew up in Lake Highlands. That's where a lot of the Dallas Cowboys football players lived, and I got to know quite a bit of them. You go there now, and it's all gone. It has changed. Low-income to Section 8 apartments all around Lake Highlands. That's why I couldn't wait to get the heck out of there.

I came down here to nice neighborhoods, nice and quiet -- little to no crime that I see. And then you want to put this in the middle of it, right next to me. I suggest we put this where you live. I don't have a problem with that.

(Applause.)

MS. GAMBLE: Mr. Bryan Taylor.

MR. TAYLOR: I'll speak a little slower this time, but it's growing late. So cut me off if you need to. It's pretty much the same speech.

Good evening. My name is Bryan Taylor, and I reside in the Villages of Spring Lake, where I serve on the board of directors of the homeowners association.

Many of our board members and neighbors were not able to attend tonight due to supporting their children in school-sponsored sporting events or being at the school open house that's being held tonight. However, they've given me permission to speak on their behalf. So here we go again, expressing our same concerns about the same projects and about the same developer that we overwhelmingly rejected just six months ago.

I want to thank the board for having this hearing so that we may express our concerns all over again. The last time we met, Mr. Spicer said he'd be a good neighbor to the surrounding community. Attendees at the last meeting pointed out to Mr. Spicer that a developer that intended to be a good neighbor might have met with or solicited comments or addressed the concerns of his would-be neighbors prior to any public hearing.

Mr. Spicer did not do this last time. So, having pointed this out this time around, did Mr. Spicer approach a single homeowners association or neighborhood in the area to discuss an attempt to alleviate any concerns? Not to my knowledge.

Mr. Spicer it would seem is not interested in the wishes of the community or being a good neighbor; Mr. Spicer's interested in his bottom line. The last time we met, Mr. Spicer stated that he takes pride in building and maintaining his projects and has built many such projects in the past. Despite this claim, Mr. Spicer declined to give those in attendance at the last public hearing the name or address of any of his projects when asked.

It was suggested that Mr. Spicer not tell us about his work projects; Mr. Spicer was asked only to identify the project that he's most proud of, his newest crown-jewel showcase project, so that his potential new neighbors could go by and see how well it was built and how well it was maintained and how happy everyone was to live there. We still haven't heard about such a project.

Surely if we went by and saw such a facility or such a project, it would change some minds, and maybe we'd be on Mr. Spicer's side. But that's not going to happen.

It would seem Mr. Spicer does not take pride in this

project. Mr. Spicer it would seem is interested in making a profit off of government money.

The last time we met with Mr. Spicer and you, he indicated his concern for the residents that would move into this project; he is basically doing all of this for their sake and not his own.

Despite overwhelming opposition by the surrounding neighborhoods, the Mansfield city council, the MISD superintendent, a state senator and two state representatives, as well as being denied funding by the TDHCA board, Mr. Spicer has again applied for funding just a few months later. By his newest action, Mr. Spicer would expose these families to alienation and resentment and risk encapsulizing them in the project before ground has even been broken. Mr. Spicer it would seem is not interested in the feelings of those who would live in the project.

The last time we met, Mr. Spicer indicated that these types of projects have no adverse effect on property values. I suppose this would be true if building in a depressed or stagnant area of town. But when this type of a project is built on the 16th fairway of an award-winning golf course amongst high-end homes in a rapidly expanding area, this assertion begins to lose

credibility. If HUD homes, duplexes and regular apartments adverse affect property values, what might a low-income project of this type do to these property values? The answer is obvious.

Mr. Spicer it would seem is more worried about his ability to make a profit off of government money than he is about my property value or the tax base of Mansfield. Few things appear to have changed in Mr. Spicer's renewed pursuit of free government money. I did notice that the two sections of the project have been separated by name, but no substantial changes are readily noticeable.

Mr. Spicer has noted that the number of bedrooms has dropped, and Mr. Spicer claims that this will reduce the impact on the schools, but we know this will not happen. More children will cram into fewer rooms.

What is noticeable is the fact that nothing in Mr. Spicer's new proposal does anything to address any of the concerns expressed previously by the surrounding neighborhoods, the City of Mansfield or the school district. There's nothing in the new proposal to cause school buses, the staff for those buses and budgets for those buses to magically appear; likewise, nothing in the proposal would cause the local school to magically be less

crowded.

Nothing in the proposal would cause employment centers or retail centers or public transportation or sidewalks or Handi-Trans or grocery stores to magically appear. And finally, nothing in this proposal will cause the negative impacts on the surrounding neighborhoods, such as an increase in crime, decrease in property values and a decreased quality of future construction, to be magically resolved. Mr. Spicer it would seem does not view these items as his problem.

You'll find numerous public servants in this audience and living in the neighborhoods surrounding the proposed site. Many of these public servants could not attend tonight, as they're on duty. But police officers, firemen, teachers, probation officers, paramedics and nurses: We all know first-hand how these types of projects affect the surrounding neighborhoods and schools and medical facilities.

Mr. Spicer, you may not say you want crime with this type of facility, but you will get it. There's nothing in your written proposal that indicates there will be any type of security provided. These types of projects consume resources on a scale that is unbelievable, can drain the budgets and stress the staffing of a town like

Mansfield.

Those of us who work out in the field -- we call it -- and the community -- you call it -- we know all too well the frustrations of those who are tasked to monitor these types of facilities, and we understand their frustrations and their little ability to punish the violators. The fact is if a resident loses their job -- you say you're going to monitor their jobs quarterly. If they lose their job, you will not and cannot kick them out.

If they have unregistered tenants in there, you cannot and will not kick them out. If they do not have a car -- you say they're all going to have cars. If they do not have a car, you cannot refuse to rent to them.

Finally, in closing, I would ask -- on behalf of my family, neighbors and board members of my development who are not able to attend tonight, I'd ask that the governing board of TDHCA deny any and all types of funding or assistance for the Generations of Mansfield.

And I ask this once again and finally, and I hope that we don't have to come and do this every six months. Thank you.

(Applause.)

MS. GAMBLE: Art Wright.

MR. WRIGHT: Art Wright, with the City of Mansfield. Again, on August 17, the mayor issued a letter that's identical to the one that was delivered for the Havens. So I will just express the council's belief that there is a better location somewhere else in town for this project. Their concerns are site specific, and they have a belief that this area is not suitable because of the lack of access to social services, public transit and employment opportunities.

(Applause.)

MS. GAMBLE: Matt Davis.

MR. DAVIS: Hello. Matt Davis again. I've been an officer for over 14 years and a resident here for three.

I wasn't going to oppose this, but with the government subsidized housing, the rides, the computers and social services, I think I'm just going to quit my job and live in his apartments, because I mean why should I work so hard for what I have when you can get it for free? No. I think I'll oppose it.

I'm here to urge the board to vote to not construct this proposed project at this location, because of my experience with low-income housing. Residents of low-income housing typically place a greater demand on the

city services than do residential areas that are resident funded. They're also less likely, again, to take care of the property, and they don't control who comes onto their property.

If that tenant occupies a low-income unit, there's no guarantee that somebody else is not going to come into that unit that's not desirable. You say criminal background checks are going to be done, but are you going to check the baby's daddy?

There's too many people that can come into this property that you have no control over, and that's where the problem is; it's probably not going to be with the tenant, but it's going to be with the satellite people that come in and thief, rob and sell drugs and make everybody else a victim. That I'm worried about.

I'm also concerned about the property values declining; this typically happens whenever government-subsidized housing is placed in close proximity to the type of housing that is currently around the proposed area.

If you don't believe me, go check out Woodhaven Country Club. I've worked there. I know that it's like.

Those people have lost thousands in property value. And I suggest you go there late at night. Go ahead and drive

around there with your doors unlocked. I'll bet you don't.

And in this cycle, homeowners in the surrounding properties will see this crime, and they'll begin moving out because of the crime. And then the whole neighborhood deteriorates. The tax base goes down, and it's a mass exodus. I present this information because of my personal observations, not because of discrimination or racial bias. It's a fact that more illegal activities occur around low-income housing. It's a fact. There are statistics, and I'm sure you've seen them, but you're not going to present them, because they'll be against what you're trying to do.

I grew up in a single-parent household near the poverty level; everything I have I've worked for. I don't want to see it go away because of this. Thank you.

(Applause.)

MS. GAMBLE: William Gray.

MR. GRAY: William Gray, 4300 Wild Briar Lane.

A couple of thoughts and things that have been expressed, and some that may not have. First of all, I think that everybody in the room could applaud the idea of what's, you know, the concept behind this, you know, low-income project and seminars and everything else. But this is

certainly not the location for it.

You know, five to seven miles west down Broad Street is a much more viable location. And I think that's what the City of Mansfield council is saying.

It wasn't supported six months ago -- overwhelmingly. I won't speak for everyone, but I was certainly very frustrated when we're having to come back and present the same arguments when nothing has really changed, what I suspect you'll find when, you know, everybody has said much the same sentiment.

A question with regard to the transportation and shuttles that were mentioned. If a low-income family member is in there, if it's a, you know, middle-aged or young family and they don't have transportation, is a shuttle going to be provided for them? And if so, is that based on the shuttle's schedule, or is that going to be based on the family's work schedule? And if there's a bunch of families in there where, you know, transportation's having to be provided by the Generations project, it seems to me like they're going to have to have a fleet of vehicles there just to support that.

Another question that I had was: Why is Fort Worth's area median family income being used? I guarantee you that if you look around Mansfield, the area median

family income in this area is going to be much higher than Fort Worth's.

Or if you're looking at the area based on the proximity of Mansfield to the two major cities -- and people work in Dallas, people work in Fort Worth, and people work in Arlington, and people work up in Grapevine -- it should be more of an average, not just picking the lowest one that suits the needs and kind of backs the argument of what the developer's trying to do. I'm just asking that that be considered. It doesn't seem to me that, you know, you should be able to pick the lowest one for your needs.

And I'd just ask that the state of Texas not approve the projects, the Generations or the Havens.

(Applause.)

MS. GAMBLE: Pat Pfeiffer.

MS. PFEIFFER: My name is Pat Pfeiffer, and I live in the Villages at Spring Lake. And if this meeting is about getting the answers to what people have -- I think you've gotten it. Everybody says, No, it's not a good place for the development; it's not going to work to the benefit of anybody but you.

(Applause.)

MS. GAMBLE: Milton Barnum.

MR. BARNUM: My name is Milton Barnum; I live at 10 Whispering Bend Court in the Villages of Spring Lake. First let me say -- you used the median income for Fort Worth. As a teacher, I can tell you I would not teach in Fort Worth if you paid me twice what I make now. That's why I teach in Mansfield.

Also, if we could go back in time about 35 or 40 years to Arlington and drive between -- take a little ride between New York and Collins streets, we'd see some nice apartments, middle-class apartments, on Arkansas Lane. The school I taught at for six years in Arlington is fed by those apartments. That's the reason I teach in Mansfield.

I've taught in Mansfield for almost four years now -- I'm just beginning my fourth year -- because I got tired of dealing with the problems of these low-income kids at Goodman Elementary. Most of the kids we had behavioral and academic problems from were living in those apartments. Those apartments are no longer middle-class America; they've declined, they've dilapidated, and we have low-income people there. It's not the children's fault. It's their parents' fault.

And this is -- looks nice now, but 15 years from now, when I'm 65 years old and want to retire in the

house my wife and I bought thinking we would retire there, what's that going to look like then? And if you sold it, will the next person take care of it the way you say you're going to take care of it? I can't -- I'm not going to bank on that. I don't want to see that in my neighborhood; I don't want to see it in Mansfield. Thank you.

(Applause.)

MS. GAMBLE: Sergio Melconian.

MR. MELCONIAN: Sergio Melconian, 1309 Parkside Drive in Lowe's Farm in Mansfield. I'm still looking at the numbers, and I'm throwing around even the income for the area. And without taking account of the utilities and if everybody has to have a car and a house, then people have to still live with less than a thousand dollars a month. That's a little -- big worry.

Secondly, the retail development is -- that one that you're talking of is in front of the football field -- the one since 2003, when I moved into this area, I'm calling because I'm trying to put my business over there. And they don't even answer me. Is that the retail development? I don't see it. I don't want it in my neighborhood: Just that plain, that simple. Thank you.

(Applause.)

MS. GAMBLE: Wayne Lee.

MR. LEE: Again, my name is Wayne Lee. I reside at 3 Manordale Court, Mansfield, Texas, in the Villages of Spring Lake and am a board member of the homeowners association in that 600-lot subdivision. Again -- I was here for the previous Generations at Mansfield hearing.

Again, I do not understand how Mr. Spicer could say he intends to be a good neighbor after experiencing the last meeting, after state officials are against this project. City officials are still against this project. School officials are against this project. 755 signatures against this project previously. I don't know what's changed with the application exactly so that he hopes his numbers will work out so that the board will approve at least one if not both of his applications.

At the last meeting, there were members in the audience who were local minority leaders who were asking for such a beautiful project to be built in their part of town in west Mansfield to help lift that area up, to help spur growth over there, to help provide affordable housing. Again -- this seems to be reiterated by the City of Mansfield officials again.

There are no sidewalks currently in the area,

and no transportation and no current retail. Mr. Spicer has mentioned all the retail that is zoned in the area. I've been here myself for three years, and I'm still waiting for it. I don't see any employment in the area. There is a hospital nearby that will be opening soon.

But, you know, Mr. Spicer says everyone'll have a car. Boy, I hope they do, because they're going to need one. They're going to need a car to get to the retail. They're going to need a car to get to the hospital. They're going to need a car to get across 360 that this property fronts.

There's no convenient walking for anything in this area other than the surrounding neighborhoods, the golf course and the future Big League Dreams complex that's being built. And that is all I have to say other than just that I cannot believe a single word this man says. Thank you.

(Applause.)

MS. MORALES: Deborah Gray.

MS. GRAY: I think as far as the Generations go, I would echo many of the comments made here. There is a concern about 360; that is a busy, busy, busy highway to put a family and children on. It's -- there are days I don't want to turn onto it in my own car -- much less a

family walking around it or -- it's a bad situation. It's not good.

The proposed shopping that everybody else has mentioned? Yeah, we're all waiting. We've heard the proposal. We've heard, Oh, these are going to open here; these are going to open there. And it never happens. So until ground breaks and a sign's out and a door's open, proposed really shouldn't have an effect on this, because you can't guarantee that, and you can't count on it. And neither can the families who'll live in this housing.

You know, I echo what my husband said: It's commendable to do this. This is something that I don't think anybody could have a hard heart towards, but I think the area that's being targeted for it, the location that's being targeted for it, is totally inappropriate and wrong. There is a community in Mansfield that needs this, that wants it and that could use it to better themselves.

Why not there? That's where we ideally should be looking, but, unfortunately, we're not.

And it is frustrating to come back six months later and deal with this same issue all over again. Personally, as a taxpayer in Texas, I don't like the fact that my tax dollars are being used this way. So that's all I have to say, and I'm opposed to the Generations, as

well as the Havens.

(Applause.)

MS. GAMBLE: Bryant Blaser.

MR. BLASER: My name is Bryant Blaser; I live at 3 Roosevelt Court. As I stated before, the average income for a family in Mansfield, Texas, as stated by the Mansfield Economic Development Council, is \$91,878. It has been stated that the Fort Worth area income has been used, \$32,000-and-some-odd. The statement of that makes it clear that the developer does not care about what the local community is or what it's comprised of.

It also is unclear as to who is going to live in these apartments, because with an income as high as the Mansfield average family income, there doesn't sound like there's a people that will actually support the apartment complex in the first place. You stated that Fort Worth was the basis for the income evaluation. Well, Fort Worth probably needs the low-income housing. And as I've heard other people say, Well, then Mansfield might, too, but just in a different area.

And for those reasons, I -- oh. And one other suggestion. Several services were mentioned for the apartment complex, but I have a few suggestions, including a drug rehab, an employment center, and career counseling.

And I oppose this apartment complex. Thank you.

(Applause.)

MS. GAMBLE: That's all the witness affirmation forms I have turned in. Is there anyone else who wishes to speak?

Please come to the microphone and state your name for the record. And if you haven't, take the opportunity to fill out a form.

MS. PFISTER: Hello. My name is Brooke Pfister. I live at 204 Bayfield Drive in the Fountains of Spring Lake.

I would like to start off by saying I'm sorry I have not prepared a speech, but I would like to just mention that my husband and I -- we're young. I'm 24, and he's 25. We're recent college graduates. We are newlyweds. Our anniversary is coming up in less than two weeks. And we recognize that this type of housing would not be beneficial to Mansfield or especially the area that we're living in.

We're proud of our home. We take care of our home. We pay taxes. We're proud of the high taxes in Mansfield. It keeps the streets nice. It keeps the schools nice. It keeps us safe and the crime rate low. That's why we chose Mansfield. This is definitely not

something that we want in our area.

Now, something I would like to make a point of is -- you mentioned that 95 percent of the students must or -- the students must attend school 95 percent of the time. What if they don't? Are you going to evict these already-low-income people from their homes?

You know, that's -- I don't know how you plan on keeping that tack along with them having a car, and the other things that you mentioned with an approximate income of 33,000. Then they're paying rent between \$713 and \$989. They're paying bills. They have a car. They're paying for children. This is just setting people up for failure.

I don't see how they're going to be able to take care of this plus their medical bills and prescriptions. They don't have anywhere to work. There's no retail around. I don't know how they're going to get around. You mentioned Ride-Share. Why do they need Ride-Share if they have a car? I don't get this.

So I would like to mention that I oppose this plan. Thank you.

(Applause.)

MS. GAMBLE: Thank you. And don't forget to fill out a witness affirmation form.

Is there anyone else who would like to speak about this development?

Please state your name for the record, and fill out a witness affirmation form.

MR. CLARK: Good evening, ma'am. My name is Doug Clark; I live at 13 Monticello Court in the Villages of Spring Lake. I, like several of the people here in the audience this evening, have some very strong convictions on this project.

Mr. Spicer, I don't know how to be nice about this except just to say it. You made the statement that everyone to your knowledge will have a car. Is this stating that if they don't have a car, they don't get an apartment?

I've lived in the Villages of Spring Lake for three-and-a-half years, and was told then that there would be a grocery store breaking ground in the next couple of months. Three-and-a-half years later, as I stated, that hasn't happened. So I can't see where you would drum up the idea that within 12 months to 24 months, we will have all kinds of infrastructure here on the southeast side.

I could name several retail stores in south Arlington and south Grand Prairie that have to lock up their cosmetics and easy-theft items due to low-income

multifamily housing units in the communities that they service. I don't think Mansfield needs that or desires that.

You also stated that you would do background checks and screening of all the applicants prior to leasing the units to them. Is this -- I hope this is not used to rate or break what they can live on.

We all have seen the huge impact that hurricane relief has placed on our infrastructure, schools, hospitals and other social services. The only difference that I see is that there is hope that the hurricane relief folks will eventually return to their homes. This will be the new home of the people that are at the same level of living, those that require everything from transportation to healthcare needs and other services.

Lastly, might I suggest that you build this project in your back yard or in the city of Fort Worth that has an existing need? I hope and trust that the department of housing will again reject this proposal.

(Applause.)

MS. GAMBLE: Is there anyone else who wishes to speak?

Yes, sir?

If we can get folks to, go ahead and fill out

witness affirmation forms. It's very important that we have your name for the record.

MR. SANCHEZ: Yes. My name is Jerry Sanchez. I live at 113 Forest Glen in the Villages of Spring Lake. I'm a member of the board of directors.

I live in probably a nicer house than I can afford to live, because I don't want to live near a ghetto. And this guy kind of reminds me a lot of Ted Kennedy. Ted Kennedy is for all these big windmills, self-powered -- windmills that power everything, until they go to build it in Martha's Vineyard, and then he's strictly opposed to it. I want you to build this in your neighborhood and leave my neighborhood alone, please, sir.

(Applause.)

MS. PENSON: Good evening. My name is Latosha Penson [phonetic]; I live at 9 Roosevelt Court in the Villages of Spring Lake. I felt like I really needed to speak today because we keep talking about the median income of Fort Worth and we keep talking about the median income of Mansfield.

I grew up in Fort Worth. And we moved to Mansfield for a reason, the reason being each time anyone in this room that purchased their home, they purchased it as an investment. You're an investor. I'm an investor.

I don't make any purchases without thinking about what my future will be with that investment. If you're buying this today, if you want to build this today, I don't think that you will want to hold onto it for 15 years if there's an opportunity for profit in five.

I think of two areas in Fort Worth that Mansfield could potentially become. Crowley: When Crowley began, Crowley was a beautiful area, wonderful school district. Now they have low-income housing. Now they have homes that are being rented on Section 8. Now the school districts are not growing. The area has ceased to grow since they have taken on this.

I also think of Woodhaven. There are beautiful homes in Woodhaven, but then they built apartments 20 or 30 years ago -- and townhomes -- on the country club. And on that country club now, those condos and apartments are being sold as rehab units. Is that what we want 15 years from now? No. A home to purchase to live in for the rest of our lives. And if we do move, then we want that to be a profit for us, because it's an investment.

You keep saying you're a good neighbor. But a good neighbor would be considerate of the things around him. They would be considerate of who comes into the area and what they do to their home. My neighbors take care of

their home. And anyone that doesn't own it -- if it's a low-income unit, they're not going to take care of it. They don't care.

And if you're doing background checks, you're checking those that are applying for the unit. But what about everyone else that's moving into the unit with them? What about those people?

And then yes, you're saying that it's not Section 8; it's just low-income that's based on the median income. But you used Tarrant County income. And I'd venture to guess what that was for.

Section 8 income is 30,000 max. You're right at 32-. So my question would be: If it doesn't rent because anyone making 32- can't really afford to live in those apartments, will it become Section 8? And the community at that time has no way of knowing, but, all of a sudden, now we're in subsidized housing instead of low-income housing. Thank you.

(Applause.)

MS. GAMBLE: Thank you, ma'am. And please don't forget to turn in a witness affirmation form.

Does anyone else wish to speak on the Generations at Mansfield?

Come forward, sir, please.

MR. CHENEY: My name is Jason Cheney; I live at 4400 Shady Elm in the Villages of Spring lake. And I first have to say I'm proud to live in the Villages of Spring Lake.

(Applause.)

MR. CHENEY: Thank you. I have board members and residents all around. That's excellent.

And I'm proud to live in Mansfield, with a mayor that seems to have the ear of the people. So send him my thanks, as well.

And I know we've all focused on the low-income or reduced rent status of these. I don't want any apartments anywhere close to my house. And I understand the developer is a businessman and is in it to make money.

As the young lady just said, I bought my home for an investment. I have a growing family. Five to seven years from now, too many kids, we'll need more bedrooms and to sell my house: More equity, lower mortgage, sell my house and make money, and move. I'm sure you're going to do the same thing, because you are going to make money off it.

It is a tax-exempt bond financing, which means that somewhere, there has to be -- you're not going to spend all this time talking and listening to all these

people talk mean about you and call you an unfriendly neighbor if there wasn't something in it for you.

But I think it has become clear from all of my neighbors and the community as a whole that it's just not going to work, not here and not now. There's a sports complex, there's a Big League Dreams, and there's a golf course. It just doesn't fit.

And sometimes -- I agree with my friend back there. Sometimes common sense that isn't so common -- I mean you just have to look up and say, This just doesn't fit. It doesn't work where you're trying to put it.

So don't have me back up here in six months, 12 months, a new fiscal year or whatever it is. Just try to be a little considerate. Be the good neighbor that you claim to be. Listen.

(Applause.)

MS. GAMBLE: Thank you, sir. And please remember to turn in a witness affirmation form.

Does anyone else wish to speak about the Generations at Mansfield development?

MR. VALENCIA: I'm Sal Valencia; I live at 103 Addison, Villages of Spring Lake. The reason we moved into that neighborhood was, just like everybody here said, because we wanted to better ourselves. We wanted to get

away from this type of living.

I'm not saying that, you know, it's not needed.

From the mayor's -- it's needed on the other side of town, not in our side of town. There's no buses; there's no sidewalks. If you do care about the people that are going to live there, wouldn't you think about their safety, about the 360 being there and about the children running around? Gates don't know children, and you know that.

And you might have a security guard there for the first month. What's that going to say from -- we only live a couple of blocks down. How about us that play golf? How about them kids who are going to be tearing up the golf course? What are you going to do then? Are you going to pay for the golf course to get fixed? Are you --

VOICE: [Speaking Spanish.]

MR. VALENCIA: Si.

(Applause.)

MR. VALENCIA: Two cheeseburgers.

(Laughter.)

MR. VALENCIA: Like I said, that's one of the reasons we moved into our area. And I understand that it looks beautiful up there and it -- you could probably do a good job. Everybody here in my community, which -- I'm

new to the Villages of Spring Lake. I've only lived there some months, but I'm glad to see that we have so many people here.

And if you did care, if you wanted to be a good neighbor -- and you said you were a good neighbor. Right when you started speaking about Generations, you said you spoke to people. No, I don't think so. Okay?

It's just this simple. The -- everybody from the school board, from police officers, from educators and from just regular people that live there has told you this is not the place for it. The community wants it somewhere else. There's a community that needs it somewhere else in Mansfield, not in our back yards. Put it in yours. Thank you.

(Applause.)

MS. GAMBLE: Is there anyone else wanting to comment on the Generations at Mansfield development?

(Pause.)

MS. GAMBLE: Okay. Thank you all for attending these hearings. Your comments have been recorded. The meeting is now adjourned, and the time is 8:04 p.m.

(Whereupon, at 8:04 p.m., the public hearing was concluded.)

QUESTION-AND-ANSWER SESSION

MS. MORALES: Yes, sir?

VOICE: Could you, if you wouldn't mind, real slowly and loudly for everybody who's here provide -- I know you don't want to get bedeviled with e-mails, but -- e-mail address, fax numbers and addresses where they can send their --

MS. MORALES: We're going to give all that out.

MS. MORALES: Yes, ma'am?

VOICE: I have another question. Who currently owns this property that this development is going to be built on? Who is the owner, the lien holder, the title holder or the deed holder? Who owns the 14-some-odd acres?

MS. MORALES: Okay. A couple of things before I forget them. The sign-in sheets are. There are information sheets available. [inaudible] Texas Department of Housing [inaudible] -- into account all of public comments that they receive. The transcript will be provided to our board.

What I'm going to do is go through and answer some of your questions that were raised here tonight. One of the questions that was asked has to do with what the compliance requirements are for monitoring.

There is a compliance period with all of our projects that would be the greater of 30 years or as long as those bonds remain outstanding. So if you have a particular development where the bonds are outstanding for 40 years, then that particular development would be on hook, so to speak, with the State for that 40-year period.

It is a requirement that we go out and ensure that the units are occupied by eligible households, and what that means is they verify for the Texas Department of Housing that all individuals who are living there qualify to live there.

One of the other things that is checked for is the physical appearance of the actual project, to make sure that the property is being maintained. In addition to that, they go out and make sure that everyone who is living there is [inaudible] to be sure that the tenants are maintaining the insides of their apartments, and in addition to that [inaudible].

In terms of the eventual selling of the complex, I can tell you that the investors that are going to be purchasing the tax credits for themselves. they are going to be or they're eligible to be [inaudible]. The developer [inaudible] signatory on the purchase [inaudible], so I know that with each bond transaction,

you have [inaudible], you have a [inaudible] lender, you have a [inaudible] lender, and you also have a lender on the equity side, who is [inaudible].

And also, they [inaudible] are going to be [inaudible] the property, they are also going to be [inaudible] on the loan. At the transaction [inaudible] bonds.

The tax exemption is not, number one, an exemption from property taxes. The development will be paying property taxes. The other issue is that the tax exemption if not is going to the developer; the tax exemption is going to the investor, who is going to be purchasing those bonds. [inaudible] is actually the private equity bond program [inaudible] federal government created to give [inaudible] property, to [inaudible] the property to encourage private developers to get involved.

So all of these developments are privately owned and privately managed.

One of the other concerns that was raised had to do with property values. There is information on our website about [inaudible].

The other question that was raised had to do with the impact [inaudible]. The applicant -- there is no rule that [inaudible]. What I can tell you is that they

cannot have an application that [inaudible] submitted or to have applicants write down every amenity on an application. [inaudible] changes in that application [inaudible].

This application [inaudible] owner has broken down into two separate sections. The first section [inaudible] public comment. That authority [inaudible] TDHCA board [inaudible]. So the [inaudible] the board [inaudible] application.

I cannot say at this point whether or not the application is going to be recommended to the TDHCA board.

It's still in the preliminary stages [inaudible] evaluation [inaudible].

Yes, sir?

MR. TAYLOR: I'm Bryant Taylor. [inaudible] that sucker, because Mr. Evans -- Pastor Evans really wants it out there, and the citizens want it out there. And the city council is definitely not opposed to it out there. But everybody, as you well know from last time, is opposed to it at this location. It doesn't fit. It won't work.

So again, we're just -- we're asking you to be that good neighbor. You're going to lose some money; you're not going to make the 16- or so million. That's

the truth of the matter. But back out or go out, find private funding, build this sucker nice, the way you want to build it, put it up for real rents, not low-income, and it'll really make some banking.

(Pause.)

MS. MORALES: What's your name?

MR. TAYLOR: Oh. I'm sorry. Bryant Taylor.

VOICE: What was the -- for the last application, what was the demographic area used?

MR. SPICER: It is a variety of census tracts from Mansfield ISD.

VOICE: So Mansfield ISD?

MR. SPICER: Yes. Roughly -- I mean it's not exact, but it roughly approximates that.

Yes, ma'am?

VOICE: Can you explain why [inaudible] and why [inaudible]?

MR. SPICER: I don't want to sit in here and get into a debate with you. I really don't. I'll be glad to answer development-specific questions.

VOICE: I'm not asking for debate; I'm asking, again, why you won't consider doing it somewhere else.

MR. SPICER: Again, I don't want to debate the -- we're here to talk about the site location we have

today, and I'd like to stick with that. Thanks.

MR. MELCONIAN: Sir, you do have the option on the property, and, obviously, you have the financing. And obviously, you have an architect. Why don't you go build it [inaudible]? And you'll make more money certainly if you don't have [inaudible] pay the rent, you know, having all these children running around and [inaudible]. Why the aggravation?

MR. SPICER: We have the option to do that, certainly. To be real honest, the -- what you've just described, if we did that, would actually have more children and more of an impact on the school system than what we're currently proposing.

MR. MELCONIAN: I don't believe that [inaudible] bring that development where they're going to have for sure [inaudible] this type of development that's [inaudible] you're going to have more than one family to a dwelling in those apartments. I promise you that. Okay?

Secondly, the control of the state. This is not something that we can rely on -- okay? -- because it has been proven prior to today. So really why would you go through all of these renovations when you still haven't purchased the property?

I mean the economic feasibility of the

project -- if HUD has two or three years of knowing the maximum rent that you can charge to the renters, you won't make any more money since -- I mean, I don't know how much it was locally -- the maximum rent charged, but normally it would be on the order of 10 percent. That really doesn't make economic sense. You have to have something else in mind. I'm sorry. I mean, that's the way I see it. You have to have something else in mind.

What's this about that the developer doesn't get the tax incentive; the investor does? I don't see the difference. I'm sorry. It doesn't look good. It doesn't look good. There has to be something else that you have in mind for the property to have the opposition of all the neighborhoods surrounding it. Okay? But you haven't got [inaudible]. So [inaudible] has to be something else you're not [inaudible]. It can't be so simple.

MR. SPICER: I'm not really sure what the question is, but --

MR. MELCONIAN: Well, the question is whether -- how can you make -- how will you try to -- given the demographics -- if you don't have the demographics, you [inaudible]. Okay? I wanted my kids to go and live over there so they can have a real house. That's number one.

Number two, if you have a loan that would allow you to build those apartments and the loan [inaudible] feasibility of the project is to stay and you are only to charge the closest to the maximum rents allowed and HUD would use the rent -- the maximum rent allowed to begin, what would happen if you started to [inaudible] from your investors up to this point? What's the catch?

MR. SPICER: Well, One, first off, the rents haven't gone down. Actually, Fort Worth's median income, which the maximum rents are based on, actually went up last year.

MR. MELCONIAN: Well, hold on. I'm not talking about the rents. According to what she said -- and I don't think that she would lie -- the minimum rent allowed to be charged for these types of projects by HUD has been lowered from last year to this year. I don't know how much percentage. Probably 1 percent, 2 percent, 3 percent. But that affects directly against the financing of the project, because you're financing the project more out of your pocket as your personal investment. You're using tax [inaudible] in a form of a bond that it has to be [inaudible] in the rents. So really something is not legal.

MR. SPICER: Well, I don't know how to answer

your question other than that we've studied this for quite a while, and we understand the demographics of the economic feasibility of it.

And I'm sorry that someone has given you information that the rents are going down, but the rents for this program -- you may be talking about another program; I don't mean to tell you that you're wrong. But rents for this program have not gone down in the last year or the last three years. To us, it makes quite a bit of economic -- the feasibility of the project is solid.

MS. MORALES: Those rents are listed on our website. If you want to take a look at what the maximum rents and incomes are and go back and compare from year to year, that information is available on our website. And if you give me a call, I'd be more than happy to walk through our website with you.

Yes, sir?

MR. BLASER: What determines the cost methodology [inaudible]?

MR. SPICER: The MSA is, again, determined, I think, by the census bureau.

MR. BLASER: Does it make a difference that -- I'm not sure, but is Mansfield [inaudible] Tarrant County?

MR. SPICER: I don't believe so. I'm not a

statistician; I just use the data provided.

MR. BLASER: So that's from the Census Bureau, not the Texas Department of Housing?

MR. SPICER: Correct.

Yes, ma'am?

VOICE: I just had a quick question. You had said that you had talked to different people that, I guess, gave you the indication that [inaudible] favorable to project in Mansfield. Yet you stated that you sat down with the mayor and he said that [inaudible]. So I just wonder who you actually spoke with that gave you the indication that this would be a favorable project in Mansfield and that you would be able to [inaudible].

MR. SPICER: What we -- who we talked with, again -- and you've got to understand the political realities -- is that -- the political realities are that while a lot of people will say for political reasons they won't support you, they also realize that this is something that's necessary for economic development in the area.

VOICE: [inaudible].

MR. SPICER: I'll leave it at that.

MR. TAYLOR: I'll try to be real specific [inaudible]. Have you spoken with a single homeowners

association?

MR. SPICER: I have not. And I'd be glad --

MR. TAYLOR: Have you --

MR. SPICER: -- to come and speak with --

MR. TAYLOR: -- spoken with a single resident living within a two-mile radius of the proposed site?

MR. SPICER: Not myself personally. But I have several others in my organization that have, yes.

MR. TAYLOR: Do you -- can you refuse to allow a senior to sign a lease if they have children that they anticipate living with them?

MR. SPICER: Yes.

MR. TAYLOR: No, you can't. That's why we don't have adult properties any more.

MR. SPICER: Yes, you can.

MR. TAYLOR: It's against the law to discriminate based on whether or not you're single or have children or based on race --

MR. SPICER: Actually, under fair --

MR. TAYLOR: -- or based on religious preference. You cannot.

MR. SPICER: I'm sorry. Under the fair housing law, you actually can discriminate based on a senior, 55-and-older property. Yes, you can.

MR. TAYLOR: Okay. So they sign the lease, and they decide that their grandchildren are going to visit during the school year. We've heard from the school -- from the ISD that they're obligated to give that child an education, transport them back and forth to school, provide them with school lunches if they qualify, et cetera, et cetera. So the number of children that this property could potentially put into the school system is really an unknown. Is that not true?

MR. SPICER: It's the same with any property you have out there. That's correct.

MR. TAYLOR: Okay. But if you were to, let's say, put in some high-end town homes or high-end condos where there's that nice golf course, that type of property would probably per dwelling have fewer students impacting the school district. Would that be true?

MR. SPICER: That's not necessarily correct, no.

MR. TAYLOR: That is true.

MR. SPICER: That's not necessarily correct.

MR. TAYLOR: That is true. Well, when you're talking about the zero-lot-line homes or town homes or high-end condos with a population density of seven or eight units per acre versus a housing development of

condos with a relative density of four units per acre versus this type of property which could have a relative density of -- what did you say, 18 --

MR. SPICER: That's correct.

MR. TAYLOR: -- dwellings per acre -- it's common sense -- it may be an uncommon world, but it's common sense that you're going to have more children impacting the school district than you would with another type of property.

And then finally -- and I'll try to be quiet after this -- you -- during the public hearing, on the record, you anticipated quite a few things that are not included in your proposal. Why would you anticipate on the record things that you would like to see happen but then not have the commitment for the anticipation to put in the proposal where the TDHCA [inaudible] any longer [inaudible]?

MR. SPICER: I'm sorry. I don't know which proposal you're speaking of.

MR. TAYLOR: You anticipated -- oh, you all help me out here -- a counseling center and [inaudible], but that's not in your proposal. So anticipations -- why would you include them in your proposals if you wanted to -- if you were anticipating it if you wanted it on the

record [inaudible]?

MS. MORALES: In terms of what amenities are going to be or services that's going to be provided to the tenants of these developments, the applicant does have to state what those services will be. If they say that there's going to be, you know, different types of credit counseling or first-time homebuyer classes or whatever, if they say that there's going to be a shuttle, if they say there's going to be a swimming pool, if they say that there's going to be, you know, a fitness center, those amenities or those types of services are included in their regulatory agreement and in their land use restriction agreement.

That is -- what I was saying earlier is that when we go out to inspect these properties, we're making sure that he is compliant with all of that. So as I mentioned earlier, another stick that we could have is that we could file suit against the applicant for non-performance on the regulatory agreement. So any of the amenities or the services that he says he's going to provide -- they are listed in these legally bound documents.

MR. TAYLOR: Yes. Okay.

So, Mr. Spicer, are you anticipating providing

those services, or are they in the legally binding documents that you will provide shuttles, you will provide counseling and you will provide all those things that you anticipate providing? Are they in there?

MR. SPICER: They are in there, yes, sir.

MR. TAYLOR: They are in there? Okay.

MR. SPICER: What you have there is a summary provided by the state. What I provided the state is a several-hundred-page document that --

MR. TAYLOR: But I do [inaudible].

MR. SPICER: Yes.

MR. TAYLOR: The last time, it specifically spelled out in detail that it's not there. So the validity of that submission is called into question when the last submission was inaccurate.

MS. MORALES: Mr. Taylor, the information that was probably presented in the application -- what I am referring to is a regulatory agreement or a land use restriction agreement that is actually filed with the attorney general's office at closing on the bonds. So that's not a document that you would have had access to last time.

If you're referring to information that was included in a Board writeup that was posted on our web,

that's not the legally binding document that we are referring to.

MR. TAYLOR: Okay. But that's the information that the board uses to make its determination on the project or [inaudible]?

MS. MORALES: the Board is not necessarily making a determination based on whether or not a shuttle service is going to be provided. That's something --

MR. SPICER: I'm just saying it's part of the package.

MS. MORALES: It's part of the package, yes. But it's not the stick that the Department has to make sure that the development's going to have those types of things.

MR. TAYLOR: I understand that. I'm only worried about approval or denial of the funding at this point, because that's our big worry. If they approve the funding and --

MS. MORALES: One of the other things that I would mention is that if you're talking about what is displayed in or disclosed in the application -- if the applicant filled out our tax credit application and says they're going to do a swimming pool and then goes through the whole list, there is an opportunity for the applicant

to amend that list if he decides that he can't do that, or for whatever reason.

So he could file an amendment to do that, but that would more than likely be done prior to all of the bound documents being filed. So if there is something listed in there and he decides, No, we're not going to do that, he would actually have to go back through and refile all of those documents. And everything would have to be redrafted.

MR. TAYLOR: but he could then prior to the -- post-approval and prior to the execution [inaudible]?

MS. MORALES: No.

MR. TAYLOR: Okay.

MS. MORALES: No.

MR. TAYLOR: All right. I just want to know what we're looking at before the board takes a look at it.

MS. MORALES: Yes, sir. And would just have to stress that we only have the school rented until nine o'clock. So, you know, we kind of have to --

Yes, sir?

MR. BLASER: What -- Mr. Spicer, how much will it cost to build Generations at Mansfield?

VOICE: \$20 million.

MR. SPICER: Say that again.

VOICE: \$20 million dollars,

MR. SPICER: But what's the --

MR. BLASER: 20 million. So I'm sorry. I have no idea of something on the scale -- I know what my mortgage would be. So your mortgage would be -- how much would have to come in to pay for that, 200,000 a month?

MR. SPICER: Overall, your mortgage will be about roughly a million a year.

MR. BLASER: So you're looking at what a month?

MR. SPICER: A little over -- just say roughly 100,000.

MR. BLASER: 100,000 a month?

MR. SPICER: Yes.

MR. BLASER: Okay. Because for the maximum rent that you can bring in, according to the residential units multiplied by the national [inaudible], that's \$137,000 give or take [inaudible]. I'm just wondering how much -- how close we are and how this is going to be able to be run or if it's not [inaudible], because there doesn't seem -- 136,000 doesn't seem like a lot of income for a \$20 million property.

MR. SPICER: Well, we have to provide a full financial analysis. And the state does a full financial analysis. So --

MR. BLASER: And they take your word for that?
Or do they --

MR. SPICER: Well, they look to third parties that -- they look to third parties. There's a third-party lender, a third-party equity provider that, does their own independent analysis individual of the state, as well.

MR. BLASER: Well, are you willing to --

MR. GARRETT: Excuse me just a second --

MR. BLASER: -- give us a name of a property that we can go look at that you developed in the past?

MR. GARRETT: I'd like to make a statement. My name is Kelly Garrett; I'm Jeff Spicer's partner. And I just [inaudible] just for your information.

MR. BLASER: Did you fill out a witness affirmation form?

MR. GARRETT: I sure did. [inaudible]. This property right here is zoned multifamily. Our property right here is zoned multifamily. This property right here is zoned multifamily -- 53 acres. [inaudible] city ordinance is 18 units per acre. [inaudible] this is [inaudible] --

MR. BLASER: [inaudible].

MR. GARRETT: Excuse me. [inaudible].

MR. BLASER: Yes, it is.

MR. GARRETT: This property is [inaudible]. We're in there with 152 units. [inaudible] maximum is 18 units per acre, which is -- if it is built as what's called a market rate deal, it will be put -- built at maximum capacity. So if you have 152 units, you're going to have 261 units [inaudible]. [inaudible], yes, you will have more stress on your schools. So that's [inaudible] whether we build it or you build it or you buy it. If somebody buys that multifamily 18 units per acre, [inaudible].

MR. BLASER: Is that going to be [inaudible]?

MR. GARRETT: [inaudible] market rate deal.

MR. BLASER: Market rate?

MR. GARRETT: That's the maximum allowed by the city ordinance. [inaudible] would you rather have 261 units, or 152 units?

MR. BLASER: I'd rather have --

MR. TAYLOR: These people will pay rent.

MR. GARRETT: -- people who are paying for them than people who aren't paying for them.

MR. GARRETT: These people --

MR. SPICER: Well, these people will pay rent.

MR. GARRETT: The golf course is [inaudible].

(Pause.)

MS. MORALES: Okay. What I would like to do is thank all of you for coming out this evening and providing your comments to us. Again, I would like to stress that all of the comments that you made will be presented to our board. You can e-mail, fax or send via regular mail any letters indicating support or opposition directly to me. Thank you.

(Whereupon, at 9:00 p.m., this hearing was concluded.)

C E R T I F I C A T E

IN RE: Havens at Mansfield Apartments; Generations at
Mansfield Apartments

LOCATION: Mansfield, Texas

DATE: August 22, 2006

I do hereby certify that the foregoing pages,
numbers 1 through 93, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Jean Schermann before the
Texas Department of Housing and Community Affairs.

(Transcriber) 08/30/2006
(Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731



Toby Goodman
STATE REPRESENTATIVE
DISTRICT 93

RECEIVED
SEP 28 11:01
Multifamily Finance Division

P.O. Box 2910
Austin, Texas 78768-2910
512/463-0562
Fax: 512/475-1178

September 26, 2006

1600 E. Lamar Blvd.
Suite 250
Arlington, Texas 76011
817/460-8290
Fax: 817/861-2125

Governing Board
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

Dear Board Members:

It has come to my attention that Mr. Jeff Spicer has made application with the Department of Housing and Community Affairs to build a low income housing complex, the Generations at Mansfield Apartments. This letter is to voice my opposition to this project.

My constituents, the Mansfield ISD and Arlington City Council all believe there is sufficient low income housing in this area and to add additional apartments will not only lower the surrounding property values but will create an additional financial burden to the Mansfield Independent School District.

It is my hope that you consider my strong opposition and the opposition of my constituency when making your determination on the application.

Sincerely,

A handwritten signature in black ink that reads "Toby Goodman". The signature is written in a cursive, flowing style.

Representative Toby Goodman

COMMITTEES:
Chairman, Juvenile Justice and Family Issues
Pensions and Investments



RECEIVED

JUN 26 2006

LIFTU

June 20, 2006

Teresa Morales
Multifamily Bond Administrator
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

RE: Application of Generations at Mansfield

Dear Ms. Morales;

We are in receipt of your letter dated June 8, 2006 which informed us that a pre-application had been received from GS 360 Housing, L.P. for participation in the Department's 2005 Tax-Exempt Multifamily Bond Program. As a school district we have several problems with approving this construction.

First, is the fact that the complex would be located in an area that requires busing all students since there are no sidewalks to accommodate the students walking to their neighborhood schools. The bus routes in this area are already full so with the density for ridership of this size complex it will necessitate the addition of approximately 3 new bus routes. This would be at a cost of approximately \$84,000 per bus and \$22,000 per year for each driver. The District would also encounter ongoing operational cost for these bus routes.

Second, would be the impact to the schools located in this area. At this time we have portable buildings located on the elementary school, intermediate school, have closed the middle school to any additional enrollment, and have enrollment above capacity at the high school. With us being one of the fastest growing districts in the state it becomes increasingly difficult to keep up with the building of facilities with high density growth.

Third, is the strain that this district already experiences from your division's approval of three complexes in this district within the last 3 years. We are struggling to accommodate what you have already allowed to be built in our district that is overcrowding our schools.

For the reasons listed above we are opposed at this time with the location of this complex. The approval of funding for this complex at the proposed location would create a cost to the district and their taxpayers at a time that adequate school district funding for our current costs is questionable. We request that this application be denied.

If you should have any questions, or need additional information please contact me at 817-473-5600 or Ms. Lou Spiegel at 817-453-7117.

Sincerely,

A handwritten signature in black ink, appearing to read "Vernon Newsom", written over a horizontal line.

Vernon Newsom
Superintendent of Schools



1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

August 17, 2006

Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3941

ATTENTION: TERESA MORALES

Re: Multi-Family Housing Revenue Bonds
Generations at Mansfield Apartments
Series 2006

Dear Ms. Morales:

On behalf of the City Council of the City of Mansfield, Texas, I am responding to your notification letter dated July 25, 2006. It is our understanding that a new application has been made to secure financial assistance for the above-referenced multi-family complex. The Council and I appreciate this opportunity to present our views to the Department regarding this project.

The City of Mansfield supports the development of housing projects and programs affording the widest possible array of opportunities for its citizens. The City has adopted a Comprehensive Plan for the growth and development of the community and implements that Comprehensive Plan through its Zoning Ordinance and Zoning District Map. The proposed site is zoned MF-2, Multi-Family District, which permits a multi-family complex.

The application material does not contain information concerning the target socioeconomic character of proposed occupants of the units. The City would note that while the site might be a reasonable location for a multi-family complex, it is not necessarily a reasonable location for a multi-family complex targeted at low to lower-moderate income individuals or families for the following reasons.

The property is in a relatively undeveloped area of the City in the beginning stages of the development process. The lack of public transit systems or rail transit services in the City precludes transportation options for economically disadvantaged individuals or families. The property is not in close proximity to health clinics, social service agencies or other support services that would be necessary to provide assistance to lower income households. The limited availability of entry level or low skill jobs in the area presents few employment opportunities for lower income residents. The area is not expected to develop businesses that would create that type of employment in significant quantity.

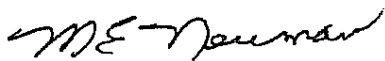
August 17, 2006
Page 2

Our concerns are specific to this site. The community supports housing options for all economic segments of our population but there is a very strong concern that this is not the appropriate site for assisted housing. The lack of access and supporting social services is perceived by the community as creating a "no win" situation for residents and neighbors alike.

The City continues to support the efforts of the Texas Department of Housing and Community Affairs to provide diverse housing opportunities. However, we feel that there are other locations within the City or in close proximity that may be more appropriate for low- or moderate-income housing projects in terms of supporting social services, public access and employment opportunities.

Should you have any questions, please do not hesitate to contact me at (817) 276-4200.

Sincerely,

A handwritten signature in black ink that reads "Mel Neuman". The signature is written in a cursive style with a large initial "M" and "N".

Mel Neuman
Mayor

cc: Bill Zedler
Kim Brimer
Toby Goodman
Lou Spiegel



State of Texas
House of Representatives
Austin

Bill Zedler
STATE REPRESENTATIVE
DISTRICT 96

CAPITOL OFFICE:
P.O. BOX 2910
AUSTIN, TEXAS 78768-2910
512-463-0374

DISTRICT OFFICE:
7000 S. COOPER STREET, STE. K
ARLINGTON, TEXAS 76001
817-361-7855

September 27, 2006

Ms. Teresa Morales
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Dear Ms. Morales:

I would like to take this opportunity to again voice my opposition to the application for financial assistance of the multi-family complex proposed in Mansfield.

As I stated in my previous letter, the proposed multi-family apartment complexes would not serve as a beneficial addition for the city and citizens of Mansfield. The suggested location is in an area that is currently undeveloped, and Mansfield would be unable to provide adequate municipal services and economic opportunities. Furthermore, health clinics, social services, and support agencies are not in close proximity to the proposed site.

Mansfield Independent School District is currently expanding as quickly as it can to meet the exploding demand for education in a rapidly growing community. Questions arise when considering how these apartments will affect the school district. How will the classrooms be affected? What kind of extra burden will this place on taxpayers?

The location of the apartment complex will currently yield few benefits for the people living in them and the taxpayers supporting them. The city and public of Mansfield are both opposed to the proposed site. For these reasons, I oppose the location of this complex at this time, and I request that the application be denied.

Thank you for your time and consideration.

Sincerely,

A large, stylized handwritten signature of Bill Zedler in black ink.

Bill Zedler
State Representative
District 96

BZ/cs



COMMITTEES:
BUSINESS & INDUSTRY • PUBLIC HEALTH • RULES & RESOLUTIONS

Teresa Morales

From: krustytaylor@aol.com
Sent: Friday, September 29, 2006 12:22 AM
To: teresa.morales@tdhca.state.tx.us
Subject: Generations #060625 and Havens #060624 Apartments in Mansfield, Texas

RE: Opposition to any type of public funding or assistance for the projects entitled:
The Generations at Mansfield Apartments #060625
and
The Havens at Mansfield Apartments #060624

Dear Ms. Morales:

I request that you forward this e-mail to The Governing Board of The Texas Department of Housing and Community Affairs for their consideration in this matter. Please be advised that I am in opposition to any type of public funding or assistance for the projects entitled The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624 and would ask that the Board deny funding and assistance for these projects for the following reasons.

The developer, Jeffery S. Spicer, was denied funding for this project by this Board just six short months ago. Mr. Spicer's answer was to repackage the same project by turning it into two projects and renaming them to The Generations and Havens at Mansfield Apartments.

Renaming the projects did nothing to address the concerns of the City Counsel, the School District, State Representatives or the citizens in surrounding neighborhoods. Mr. Spicer did not contact any neighborhood group, Representative, District or City official to try and resolve concerns prior to filing again.

Mr. Spicer's quick reapplication has angered many in the surrounding area and I fear this will further isolate any potential tenants to these projects. Mr. Spicer's actions have exposed these families to alienation and resentment and have risked encapsulating them inside the project before ground has even been broken.

Mr. Spicer's application of six months ago contained false information and I would encourage the Board to verify his claims and statements. For example, Mr. Spicer has indicated that there are retail services within a mile of the projects. This is completely false. Mr. Spicer indicated during the public hearing, for the record, that he "plans" to do many things at the projects, including purchasing and providing vans to take seniors where they need to go. I would encourage the Board to verify that Mr. Spicer has included these and other "plans" in his proposals. My guess is that the Board will not find these or other "plans" in Mr. Spicer's proposal.

There are no nearby services available to support tenants in these types of projects. There are no nearby employment centers or employers to provide low income residents with jobs. The City of Mansfield has no public transportation or Handitram services. Access to the project will be from State Highway 360 only, there are no sidewalks for tenant safety. There are no nearby grocery stores or retail centers. By vehicle the closest convenience store is 3.5 miles, the closest grocery store is 5 miles and the closest retail center is 5.5 miles. If walking the closest convenience store is 3 miles, the closest grocery store is 4.5 miles and the closest retail center is 5 miles. It should be noted that there is less than one half mile of sidewalks available in route and tenants would have to walk on two different Highways.

There is no support for these types of projects in this area of The City of Mansfield. Other than the Mr. Spicer, no person, business or organization has supported these projects at City Council meetings or during the public hearings. Elected and other officials have opposed these projects both verbally and in writing. This includes a State Senator, two State Representatives, our Mayor and our Superintendent of Schools.

These type of projects will have a serious negative impact on the School District. The addition of another estimated 300-400 children into an already overcrowded system will seriously effect operations. Nearby schools are already closed to new enrollments. The District will have to raise property tax rates to cover the costs buying and staffing buses, and then busing these students, possibly to other areas of the district. There

9/29/2006

is an unreasonable concentration of these types of projects in the District. This would be the fourth and fifth projects of this type to be constructed in the District in the last four years. This would be the second and third projects of this type to be constructed in this High School attendance zone in the last year.

These type of projects will have a serious negative impact on the surrounding area. It is undisputed that these types of projects have a serious negative impact on property values in the surrounding area, particularly when that area is upscale. It is undisputed that these types of projects have a serious negative impact on the quality of future residential construction in the surrounding area, particularly when that area is upscale. It is undisputed that these types of projects have a serious negative impact on crime in the surrounding area, particularly when that area is upscale.

Mr. Spicer's pursuit of profits on the backs of low income tenants, given the lack of resources available, and in the face of the above obstacles, can only be described as CRUEL.

This Board should deny Mr. Spicer's funding requests for the projects entitled:

The Generations at Mansfield Apartments #060625

and

The Havens at Mansfield Apartments #060624

Thank you for your consideration in this matter,

Bryan H. Taylor
12 Monticello Ct.
Mansfield, Texas 76063

9/29/2006

Ms. Teresa Morales
Multifamily Bond Administrator
Texas Department of Housing and Community Affairs
P. O. Box 13941
221 East 11th Street
Austin, Texas 78711-3941

**RE: Petition in opposition to any type of public funding or assistance for the projects entitled:
The Generations at Mansfield Apartments #060625
and
The Havens at Mansfield Apartments #060624**

Dear Ms. Morales:

Please find attached a petition in opposition to any type of public funding or assistance for the projects entitled The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624. The petitioners request that you forward this letter and the attached signatures to The Governing Board of The Texas Department of Housing and Community Affairs for their consideration in this matter.

The Governing Board of TDHCA should be advised that, by signing this petition, the home owners in The Villages at Spring Lake, Vista National, Lowes Farms and Mansfield National communities do not approve of these projects in any way and would respectfully request that The Governing Board of TDHCA deny any and all types of funding or assistance for The Generations at Mansfield Apartments #060625 and The Havens at Mansfield Apartments #060624 for the following reasons:

1) There are no nearby services available to support tenants in these types of projects.

- * There are no nearby employment centers or employers to provide low income residents with jobs.
- * The City of Mansfield has no public transportation or Handitram services.
- * Access to the project will be from State Highway 360 only, there are no sidewalks for tenant safety.
- * There are no nearby grocery stores or retail centers.

By vehicle the closest convenience store is 3.5 miles, the closest grocery store is 5 miles and the closest retail center is 5.5 miles.

If walking the closest convenience store is 3 miles, the closest grocery store is 4.5 miles and the closest retail center is 5 miles. It should be noted that there is less than one half mile of sidewalks available in route and tenants would have to walk on two different Highways.

2) There is no support for these types of projects in this area of The City of Mansfield.

- * Other than the developer, no person, business or organization has supported these projects at City Council meetings or during the public hearings.
- * Elected and other officials have opposed these projects both verbally and in writing.

Including: State Senator Kim Brimer
State Representative Bill Zedler
State Representative Toby Goodman
Mayor Mel Neuman
The City Council of Mansfield
Superintendent of Schools Vernon Newsom

- 3) These type of projects will have a serious negative impact on the School District.
- * The addition of another estimated 300-400 children into an already overcrowded system will seriously effect operations.
 - * Nearby schools are already closed to new enrollments.
 - * The District will have to raise property tax rates to cover the costs of busing these students, possibly to other areas of the district.
 - * There is an unreasonable concentration of these types of projects in the District.
This would be the fourth and fifth projects of this type to be constructed in the District in the last four years.
This would be the second and third projects of this type to be constructed in this High School attendance zone in the last year.
- 4) These type of projects will have a serious negative impact on the surrounding area.
- * It is undisputed that these types of projects have a serious negative impact on property values in the surrounding area, particularly when that area is upscale.
 - * It is undisputed that these types of projects have a serious negative impact on the quality of future residential construction in the surrounding area, particularly when that area is upscale.
 - * It is undisputed that these types of projects have a serious negative impact on crime in the surrounding area, particularly when that area is upscale.

PETITION IN OPPOSITION TO ANY TYPE OF PUBLIC FUNDING OR ASSISTANCE
FOR THE PROJECTS ENTITLED
GENERATIONS AT MANSFIELD AND HAVENS AT MANSFIELD APARTMENTS

Name	Address	City	State, Zip	Signature
Christina Baggett	7 Saddlewood Ct.	Mansfield	TX 76063	Christina Baggett
2 Rachel & Patrick Moran	6 Saddlewood Ct.	Mansfield	TX	Rachel Moran
Patrick Moran	6 Saddlewood Ct.	Mansfield	TX	Patrick Moran
Mon Schmitt	5 Saddlewood Ct	Mansfield	TX	Mon Schmitt
Nichole Schmitt	5 Saddlewood Ct	Mansfield	TX	Nichole Schmitt
Kell Nelson	4 Saddlewood Ct	Mansfield	TX	Kell Nelson
Josh Nelson	4 Saddlewood Ct	Mansfield	TX	Josh Nelson
NATHAN A. MENNENGA	3 SADDLEWOOD CT,	MANSFIELD,	TX	Nathan Menga
Tomora Mennenga	3 Saddlewood Ct	Mansfield	TX	Tomora Mennenga
Christian Lange	4 Monticello Ct,	Mansfield	TX 76063	Christian Lange
Lumila Land	4 Monticello Ct	Mansfield	TX 76063	Lumila Land
Kim Sagaly	11 Saddlewood Ct,	Mansfield	TX 76063	Kim Sagaly
Thammy Sagaly	11 Saddlewood Ct	Mansfield	TX 76063	Thammy Sagaly
Han Sagaly	10 Brairwood ct	Mansfield	TX 76063	Han Sagaly
Katherine Wagner	10 Brairwood ct	Mansfield	TX 76063	Katherine Wagner
DAVID SIMPSON	9 BRAIRWOOD CT	MANSFIELD,	TX 76063	David Simpson
HANSIE SIMPSON	9 BRAIRWOOD CT	MANSFIELD,	TX 76063	Hansie Simpson
Debbie Vecher	3 Brairwood Ct	Mansfield	TX 76063	Debbie Vecher
Christina Tirone	8 Brairwood Ct.	Mansfield,	TX 76063	Christina Tirone
Michael Tirone	8 Brairwood Ct.	Mansfield,	TX 76063	Michael Tirone
Adam Wallace	7 Brairwood Ct.	Mansfield,	TX 76063	Adam Wallace
CRISSY WALLACE	7 Brairwood Ct	Mansfield	TX 76063	Crissy Wallace
Pax Garth	5 Brairwood ct.	Mansfield	TX 76063	Pax Garth
Jackie Garth	5 Brairwood ct.	Mansfield	TX 76063	Jackie Garth
Ketty Overby	2 Brairwood Ct	Mansfield	TX 76063	Ketty Overby
Debbie Overby	2 Brairwood Ct	Mansfield	TX 76063	Debbie Overby
Thom Steel	# 11	11	11	11
Jane Beedle	1	11	11	11
Kathy Seif	# 7 Monticello Ct	Mansfield	TX 76063	Kathy Seif
DEAN SEIF	# 7 Monticello Ct.	Mansfield	TX 76063	Dean Seif



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MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

**Aspen Park Apartments
8811 Boone Road
Houston, Texas**

**Summit Aspen Park Apartments, Ltd.
256 Units
Priority 3**

\$10,000,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	HTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Cost of Issuance
TAB 5	Department's Real Estate Analysis
TAB 6	Hearing Transcript (August 22, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for the Aspen Park Apartments.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the Aspen Park Apartments Transaction

Background and General Information: The pre-application for the 2006 Waiting List was received on June 5, 2006. The application was scored and ranked by staff. The application was induced at the July 12, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a reservation of Allocation on August 8, 2006. While the Department is required to deliver the Bonds on or before January 5, 2007, the anticipated closing date is November 2, 2006. This application was submitted under the Priority 3 category which means at least 75% of the units must have rents at 30% of 80% AMFI.

Organizational Structure and Compliance: The Borrower is Summit Aspen Park Apartments, Ltd. And is comprised of W. Daniel Hughes, Jr. with 100% ownership. The Compliance Status Summary completed on September 15, 2006 reveals that the principals of the general partner have a total of six (6) properties that will be monitored by the Department.

Public Hearing: There were thirteen people in attendance at the public hearing conducted by the Department for the proposed development on August 22, 2006 and six people spoke for the record. The majority of the comments that were made at the hearing were from current residents who wanted to learn more about the scope of the work that would be done to the property and if any of the tenants would be relocated during the rehabilitation. The Department has not received any written letters of support or opposition; however representatives from Alief Independent School District attended the public hearing and voiced their support for the development. A copy of the transcript is included in this presentation.

Census Demographics: The proposed acquisition/rehabilitation development will be located at 8811 Boone Road, Houston, Harris County. Demographics for the census tract (4536.00) include AMFI of \$43,866; the total population is 9,833; the percent of the population that is minority is 85.37%; the

number of owner occupied units is 1,604; number of renter occupied units is 1,270; and the number of vacant units is 100. (Census Information from FFIEC Geocoding for 2006)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of fixed rate tax exempt bonds in an amount not to exceed \$10,000,000. Credit enhancement will be provided by Fannie Mae through a standby irrevocable transferable credit enhancement instrument. Throughout the construction phase, Fannie Mae will be protected by a Letter of Credit issued by Regions Bank. The Bonds will carry a AAA/Aaa rating. Greystone Servicing Corporation, Inc. will underwrite the transaction using a debt coverage ratio of 1.20 amortized over 35 years. The term of the bonds will be for approximately 32.5 years. The construction and lease up period will be for 24 months plus one 6 month extension.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Aspen Park Apartments.

RESOLUTION NO. 06-042

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (ASPEN PARK APARTMENTS) SERIES 2006; 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, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Aspen Park Apartments) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Regions Bank, an Alabama banking corporation, as trustee (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Summit Aspen Park Apartments, Ltd., an Alabama limited partnership (the "Borrower"), in order to finance the cost of acquisition, rehabilitation and equipping of a qualified residential rental development described on Exhibit A attached hereto (the "Development") located within the State and required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board, by resolution adopted on July 12, 2006, declared its intent to issue its revenue bonds to provide financing for the Development; 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, rehabilitation and equipping of the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a

multifamily note (the “Mortgage 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 by a Credit Enhancement Instrument (Standby) issued by Fannie Mae (“Fannie Mae”); and

WHEREAS, it is anticipated that the Mortgage Note will be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Texas) (the “Security Instrument”) by the Borrower for the benefit of the Department and Fannie Mae; and

WHEREAS, the Department’s interest in the Mortgage Loan (except for certain reserved rights), including the Mortgage Note and the Security Instrument, will be assigned to the Trustee, as its interests may appear, and to Fannie Mae, as its interests may appear, pursuant to an Assignment and Intercreditor Agreement (the “Assignment”) among the Department, the Trustee and Fannie Mae 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 Development 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 a Preliminary Official Statement (the “Preliminary Official Statement”) and an Official Statement (the “Official Statement”, and together with the Preliminary Official Statement, the “Official Statements”) and to authorize the authorized representatives of the Department to deem the Official Statements “final” for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statements as may be required to provide final Official Statements 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 and Merchant Capital, L.L.C. (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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of (a) the Indenture, the Financing Agreement, the Assignment, the Regulatory Agreement, the Official Statements, the Bond Purchase Agreement and the Asset Oversight Agreement (collectively, the “Issuer Documents”), all of which are attached to and comprise a part of this Resolution and (b) the Security Instrument and the Note; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I, to authorize the issuance of the Bonds, the execution and delivery of the Issuer Documents, the acceptance of the Security Instrument 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 BOARD OF THE DEPARTMENT:

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 for approval, the Comptroller of Public Accounts of the State for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair or Vice Chairman of the Board or the Executive Director or Acting 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 or Acting Executive Director of the Department of the Indenture and the Bond Purchase Agreement; provided, however, that (i) the Bonds shall bear interest (a) from the date of issuance to the Initial Remarketing Date at a fixed rate not to exceed 6.0% and (b) from the Initial Remarketing Date until maturity or earlier redemption or acceleration thereof 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; (ii) the aggregate principal amount of the Bonds shall not exceed \$10,000,000; (iii) the final maturity of the Bonds shall occur not later than July 1, 2039; and (iv) the price at which the Bonds are sold to the initial purchaser thereof under the Bond Purchase Agreement shall not exceed 103% of the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreement. 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 hereby authorized 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.

Section 1.7--Acceptance of the Mortgage Note and Security Instrument. That the form and substance of the Mortgage Note and Security Instrument are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution each are hereby authorized to endorse and deliver the Mortgage Note to the order of the Trustee and Fannie Mae, as their interests may appear, without recourse.

Section 1.8--Approval, Execution and Delivery of the Assignment. 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 Trustee and Fannie Mae.

Section 1.9--Approval, Execution, Use and Distribution of the Official Statements. That the form and substance of the Official Statements and their 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 Board and the Executive Director or Acting 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 Statements 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 Statements, as required; and that the distribution and circulation of the Official Statements 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 or Acting 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.

Section 1.12--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B - Indenture

- Exhibit C - Financing Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Bond Purchase Agreement
- Exhibit F - Security Instrument
- Exhibit G - Mortgage Note
- Exhibit H - Assignment
- Exhibit I - Preliminary 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 or Acting 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.15--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or Acting 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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Engagement of Other Professionals. That the Executive Director or Acting 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.

Section 2.4--Certification of the Minutes and Records. 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.

Section 2.5--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director or Acting 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.

Section 2.6--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.7--Underwriter. That the underwriter with respect to the issuance of the Bonds shall be Merchant Capital, L.L.C.

Section 2.8--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the Financing Agreement and 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 Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Financing Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Financing Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the 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 Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Chapters 33 and 35, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. 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.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Summit Aspen Park Apartments, Ltd., an Alabama limited partnership

Development: The Development is a 256-unit multifamily facility to be known as Aspen Park Apartments and located at 8811 Boone Road, Houston, Harris County, Texas. It will consist of 20 two and three-story residential apartment buildings with approximately 261,376 net rentable square feet and an average unit size of approximately 1,021 square feet. The unit mix will consist of:

184	two-bedroom/two-bath units
<u>72</u>	three-bedroom/two-bath units
256	Total Units

Unit sizes will range from approximately 816 square feet to approximately 1200 square feet.

Common areas are expected to include a clubhouse, a barbecue area, off-street parking, a playground, and a swimming pool. All units are expected to have central heating and air conditioning, carpeting and vinyl tile, ceiling fans, mini-blinds, a dishwasher, a range and oven, and a balcony/patio. The three- bedroom/two-bath units are expected to have washer/dryer connections, and fireplaces.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Aspen Park Apartments, TDHCA Number 060627

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Ellis, District 13 NC US Representative: Green, District 9, NC
TX Representative: Nixon, District 133 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC Resolution of Support from Local Government []

Milton Wilson, Jr, Director, City of Houston Housing and Community Development Department - The proposed project for rehabilitation of affordable rental housing is consistent with the City of Houston's Consolidated Plan.

Individuals/Businesses: In Support: 0 In Opposition: 0

Neighborhood Input:

General Summary of Comment:

Public Hearing: Concerns expressed during the hearing were from current residents who were interested in the scope of work that would be done to the property and if any tenant relocation would be necessary.

Number that attended: 13
Number that spoke: 6
Number in support: 4
Number in opposition: 0
Number Neutral: 6

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Should the terms and rates of the proposed debt or syndication change, the transaction should be re evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Aspen Park Apartments, TDHCA Number 060627

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$435,465
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$305,444 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$9,960,000
Recommendation: Recommend Approval of issuance of \$9,960,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 6.15% and repayment term of 18 years with a 35 year amortization period, subject to conditions.		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

Aspen Park Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 9,960,000
Tax Credit Proceeds	4,259,876
Deferred Developer's Fee	572,970
Interest Income	15,488
Total Sources	<u>\$ 14,808,334</u>

Uses of Funds

Acquisition and Site Work Costs	\$ 8,850,000
Direct Hard Construction Costs	3,121,726
Other Construction Costs (General Require, Overhead, Profit)	96,652
Indirect Construction Costs	219,677
Developer Fees and Overhead	1,469,852
Direct Bond Related	320,460
Bond Purchase Costs	551,020
Other Transaction Costs	116,447
Real Estate Closing Costs	62,500
Total Uses	<u>\$ 14,808,334</u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 49,800
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	19,920
TDHCA Bond Compliance Fee (\$40 per unit)	10,240
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Trustee Fee	4,500
Trustee's Counsel (Note 1)	4,000
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	2,500
DTC, CUSIP, Misc.	89,000
Total Direct Bond Related	<u>\$ 320,460</u>

Aspen Park Apartments

Bond Purchase Costs	
Underwriter	79,680
Underwriter Counsel	30,000
LOC Lender Fees	199,200
LOC Lender Counsel	25,000
Permanent Lender Fees	97,640
Permanent Lender Counsel	31,000
Fannie Mae Counsel	25,000
Developer Counsel	30,000
Rating Agency	13,500
Tax Credit Syndication Fee	20,000
Total Bond Purchase Costs	\$ 551,020
Other Transaction Costs	
Soft Cost Contingency	27,200
Operating Reserve	50,000
Tax Credit Application and Determination Notice Fees (if paid at closing)	39,247
Total Other Transaction Costs	\$ 116,447
Real Estate Closing Costs	
Recording/Transfer Fees	5,000
Construction Inspection Fees	22,500
Title Insurance	35,000
Total Real Estate Costs	\$ 62,500
Estimated Total Costs of Issuance	\$ 1,050,427

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 3, 2006

PROGRAM: 4% HTC / MRB

FILE NUMBER: 060627

DEVELOPMENT NAME

Aspen Park Apartments

APPLICANT

Name: Summit Aspen Park Apartments Ltd **Contact:** Hunter McKenzie
Address: 105 Tallapoosa Street, Suite 300
City: Montgomery **State:** AL **Zip:** 36104
Phone: (334) 954-4458 **Fax:** (334) 954-4496 **Email:** hmckenzie@summitamerica.com

KEY PARTICIPANTS

Name: Summit America Properties XXX, Inc. **Title:** 1% Managing General Partner of Applicant
Name: Summit America Properties, Inc. **Title:** 100% owner of the General Partner
Name: Realty Partners, LLC **Title:** 100% owner of Summit America Properties, Inc./Guarantor
Name: Summit Asset Management, LLC **Title:** Developer/Guarantor
Name: W Daniel Hughes, Jr **Title:** Guarantor

PROPERTY LOCATION

Location: 8811 Boone Road
City: Houston **Zip:** 77099
County: Harris **Region:** 6 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$435,465	N/A	N/A	N/A
MRB (Tax-Exempt)	\$9,960,000	6.15%	30 yrs	18 yrs
Proposed Use of Funds:	<u>Acquisition/rehab</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Family</u>	Other:	<u>Urban/Exurban</u>	

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$9,960,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.15% AND REPAYMENT TERM OF 18 YEARS WITH A 35-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$435,465 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

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

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 256 **# Res Bldgs** 20 **# Non-Res Bldgs** 2 **Age:** 25 yrs **Vacant:** 39 at 06/27/2006
Net Rentable SF: 261,376 **Av Un SF:** 1,021 **Common Area SF:** 3,451 **Gross Bldg SF:** 264,827

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures are constructed on a concrete slab. According to the plans provided in the application the exterior is 20% plywood/hardboard, 5% siding/shingle, and 75% masonry veneer. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles and wood shingles.

UNIT FEATURES

The interior flooring is carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. In addition, each unit will include: microwave, a self-cleaning oven, laundry connections, a fireplace, a ceiling fixture in each room, an individual heating and air conditioning unit, and an individual water heater.

ONSITE AMENITIES

In order to meet threshold criteria for a total of 200 or more units, the Applicant has elected to provide an accessible walking path, community gardens, community laundry room, full perimeter fencing, a furnished community room, and a swimming pool.

Uncovered Parking: 492 spaces **Carpports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Aspen Park Apartments (currently known as Family Tree Apartments) is a 24-unit per acre acquisition and rehabilitation development located in west Houston. The development was built in 1982 and is comprised of 20 evenly distributed garden style residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>2BR</u>	<u>3BR</u>
2	3	16	
4	2	16	
4	2	8	8
4	2	4	8
5	2	8	
1	2		8

The development includes a 2,876-square foot community buildings and a separate 575-square foot maintenance building

Development Plan: The buildings are currently 85% occupied and in good condition. The property condition assessment prepared by Real Estate Advisory, LLC and dated July 21, 2006 indicates: "Overall, the Property is in good condition. The overall physical condition of the Property is conducive to an aggressive leasing program. With (some) immediate repairs and under normal maintenance conditions, the Property has an expected remaining useful life of 40 years or more." (p. iv)

The scope of work includes: repair damaged concrete parking surfaces, improve landscaping, repair damaged concrete sidewalks, install chain-link fence at back of property, refurbish pool equipment and pumps, install playground equipment, improve security gates, install new entry sign, install new roof shingles, replace (as needed) wood trim, siding, metal stairs, balconies, doors and fence at pool, repair wood patio privacy fencing and gates, replace wood louvers, clean fireplaces, install new building and apartment signage, upgrade

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

exterior lighting, re-mount exterior electrical circuit breaker panels, improve ADA access to buildings and apartments, install new kitchen counters, cabinets, sinks, and vinyl flooring, install new vinyl flooring in dining rooms, repair gypcrete subfloor, install new bathroom vanities, counter tops and vinyl flooring, provide new carpet, provide new oven/ranges, provide new hood/microwaves, provide new range queens, provide new refrigerators, provide new dishwashers, provide new AC condensers and air handlers, renovate 13 units to meet ADA and FHA requirements, and install new hardwired smoke detectors.

The Applicant did not submit a relocation plan and budget. However, The Applicant addressed this issue at a public hearing held on September 13, 2006. The Applicant stated that the income eligibility of the tenants has been reviewed. Ten percent of the units have been designated as market rate units specifically to accommodate those existing tenants who will not qualify, so there is no expectation that any tenants will be required to relocate permanently. Additionally, the renovations to occupied units will be relatively minor. They are expected to be completed within two days per unit, with no need for tenants to vacate. The Applicant will make vacant units available if exceptional circumstances result in excessive inconvenience to a tenant.

SITE ISSUES			
SITE DESCRIPTION			
Total Size:	10.75 acres	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone:	Zone X	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning:	N / A	Needs to be re-zoned?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: 8811 Boone Road, Houston, Harris County

Adjacent Land Uses:

- € **North:** a storage facility immediately adjacent and retail stores and a gas station beyond;
- € **South:** vacant lot immediately adjacent and a community center beyond;
- € **East:** single family homes immediately adjacent and beyond; and
- € **West:** Boone Road immediately adjacent and single family homes beyond.

Site Access: The site is accessed from Boone Road on the west side of the property.

Public Transportation: Public transportation to the area is provided by the Metropolitan Transit Authority of Harris County and the nearest linkage is 0.5 miles from the subject site.

Shopping & Services: “Most of the major amenities and services are located within a reasonable distance of the Subject property. Because of its proximity to the major arteries, the Subject site also affords residents quick access to all parts of Houston and the entire Houston region ... The overall quality of the neighborhood is considered to be fair and it provides complimentary locational amenities for the Subject property including employment opportunities.” (market study p. 25)

Adverse Site Characteristics:

- € **Title:** The contract and title commitment indicate that “record title to the land ... appears to be vested in Family Tree Apartments, Ltd., a Texas limited partnership”; the Harris County Tax Appraiser records still indicate the previous owners, Harry W. Reed and ML Redmond. The Applicant has indicated that Mr. Reed was the principal owner of Family Tree Apartments LP, but the ownership of this partnership was restructured. The sales contract to the Applicant calls for the Seller to certify that the buildings have been owned by the Seller for more than ten years without interruption. In addition, the Applicant provided warranty deeds reflecting the Seller’s acquisition of the property in 1982. The title documents reference a deed of trust filed in 2003 suggesting the possibility of a purchase or recapitalization within ten years. However, the Applicant indicated that this was part of the partnership restructuring by Mr. Reed’s estate and that the development was not recapitalized at that time.

TDHCA SITE INSPECTION			
Inspector:	TDHCA Staff	Date:	09/13/2006
Overall Assessment:	<input type="checkbox"/> Excellent <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Questionable <input type="checkbox"/> Poor <input type="checkbox"/> Unacceptable		
Comments:			

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

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated July 21, 2006 was prepared by Real Estate Advisory, LLC (REA), and supplemented with a letter dated October 2, 2006. The Analyst reported the following findings and recommendations:

Findings:

- € **Noise:** “Based on REA’s site observations of the subject property and surrounding area, the subject property is located in an area that is generally not subject to significant noise levels generated by airports, highways, or trains. In addition, routine operations at adjacent sites do not generate significant levels of noise. As such, noise levels at the subject property are not a concern.” (letter 10/2/06)
- € **Floodplain:** “According to the Federal Emergency Management Agency flood zone map ... the Property lies within Zone X, an area outside the 100 year flood plain. Property management reported no prior knowledge of flooding issues at the site.” (p. 9)
- € **Asbestos-Containing Materials (ACM):** “Asbestos was not found to represent a significant concern to the Property. Although any risk associated with ACM appears to be de minimus, regulations may require an asbestos assessment prior to any demolition or renovation of the improvements. No further investigation is recommended at this time.” (p. 20)
- € **Lead-Based Paint (LBP):** “Sampling conducted by REA did not identify LBP at the Property. Therefore, REA considers the potential for significant applications of LBP at the Property to be unlikely.” (p. 21)
- € **Lead in Drinking Water:** “Domestic water at the Property is provided via underground piping by the City of Houston. REA reviewed the most recent water quality report online regarding the municipal water supply for the Property. The review confirmed that the municipal potable water is in compliance with USEPA, state and local regulations ... no concerns were noted.” (p. 18)
- € **Radon:** “REA placed short-term radon test kits in three first-floor apartments at the Property ... Detected levels of radon gas were below the USEPA action level of 4.0 pCi/L. Therefore, radon is not considered an environmental concern at the Property. No further investigation is recommended regarding radon at this time.” (p. 22)
- € **Recognized Environmental Concerns (RECs):** “REA did not locate other recognized environmental conditions that would impose a liability, restrict the use, limit the development, or impact the value or marketability of the Property.” (p. iii)

Recommendations:

“REA has no recommendations for additional environmental study of the Property.” (p. 19)

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). Two hundred thirty one units (90% of the total) will be reserved for low-income tenants with rent and income restrictions at 60% or less of AMGI. The remaining 25 units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	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 June 29, 2006 was prepared by Novogradac & Company, LLC (“Market Analyst”) and included the following findings:

Secondary Market Information: “The secondary market area is defined as Harris County.” (p. 12) This area encompasses approximately 1,778 square miles and is equivalent to a circle with a radius of 24 miles.

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

Definition of Primary Market Area (PMA): “For the purpose of this Study, the Subject’s Primary Market Area is the area bound by Bellaire Boulevard to the north, West Sam Houston Tollway to the east, West Bellfort Avenue and the Southwest Freeway to the south, and Dairy Ashford Street to the west.” (p. 12) This area encompasses approximately 8.5 square miles and is equivalent to a circle with a radius of 1.6 miles.

Population: The estimated 2005 population of the PMA was 73,478 and is expected to increase by 12% to approximately 82,254 by 2010. Within the primary market area there were estimated to be 22,895 households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 100% since the target population is the general population, and the Analyst did not adjust the population for household size in calculating demand. The Analyst determined gross rent by adding the utility allowance to the Applicant’s proposed rent for the smallest unit. The minimum qualifying income is based on a 35% household rent burden. The maximum income is based on a five-person household at 60% of AMGI, assuming 1.5 person-per-bedroom occupancy of a three-bedroom unit. (p. 94) The income band of \$22,080 to \$39,540 (p. 94) results in an income eligible adjustment rate of 26.5%. (p. 95) The tenure appropriate adjustment rate of 55% is specific to the general population. (p. 93) The Market Analyst indicates a turnover rate of 25% applies based on comparable properties in the PMA. (p. 95)

The Underwriter used a household size adjustment rate of 90% to include households of five or less. (p. 96) The Underwriter calculated a larger income range of \$19,714 to \$39,540, based on the market rent of the smallest unit with no utility adjustment. This income range results in an income eligible adjustment rate of 30%. The Underwriter applied the same tenure and turnover rates as the Analyst.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	73	8%	77	8%
Resident Turnover	851	92%	905	92%
TOTAL DEMAND	924	100%	982	100%

p. 97

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 25% based a supply of 231 unstabilized comparable affordable housing units in the PMA (comprised of only the subject) divided by a total demand for 924 units. (p. 97) The Underwriter calculated an inclusive capture rate of 24% based on a supply of 231 affordable units divided by a revised demand estimate for 982 units.

However, the subject development is currently 84% occupied, 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.

Unit Mix Conclusion: “The PMA has a large household size relative to the national average and a significant portion of its households earning below the AMGI. Furthermore, approximately 42 percent of the population in the PMA earned below \$35,000 in 2005. The large household size bodes well for the Subject’s two- and three-bedroom types, which comprise approximately 87.5 percent of the unit mix. ” (p. 105) The subject property includes 32 one-bedroom units, each with a study. The Analyst completed the market study with the understanding that these would be marketed as one-bedroom units. However, under TDHCA guidelines the study meets the definition of a bedroom; therefore the application has since been revised to reflect only two- and three-bedroom units.

Market Rent Comparables: The Market Analyst surveyed six comparable market rate apartment projects in the market area, totaling 1,663 units, as well as two comparable LIHTC apartment projects totaling 414 units. The Analyst “has not excluded any LIHTC properties that target families from this analysis. One age-restricted LIHTC property, Pinnacle on Wilcrest, was excluded from the following analysis because it targets a different population. Market rate properties in the PMA were screened to identify potential competition for the Subject. The group of market rate properties most likely to compete with the Subject was obtained by interviewing local property managers, reviewing local apartment guides, site inspections, and conducting

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

searches on the Internet.” (p. 29)

“Based on the proposed rents, the Subject’s restricted rental rates will be below the achievable market rates for the PMA ... The Subject’s net rents are proposed to increase by \$22 to \$53 for all unit types upon completion of the proposed renovations. However, the Subject is currently considered to be in average condition. After completing the proposed renovations, the Subject will be in good condition relative to comparable properties in the area. Furthermore, the Subject has underperformed the market due in part to poor management. Pre-Katrina, the Subject was 60 to 70 percent occupied, when the submarket was reporting occupancy rates of 75 to 85 percent. Therefore, the increase in rent is also expected to be the result of superior management at the Subject property.” (p. 89)

The achievable market rents determined by the Analyst are used in the underwriting analysis.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
2-Bedroom (60%)	\$555-705	\$824	-\$269	\$575-715	-\$20
2-Bedroom (MR)	\$555-705	N/A		\$575-715	-\$20
3-Bedroom (60%)	\$728	\$952	-\$224	\$800	-\$72
3-Bedroom (MR)	\$728	N/A		\$800	-\$72

(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 two stabilized multifamily LIHTC properties in the PMA are currently reporting vacancy rates of five percent or less ... The Subject is a market rate property that is operating at an occupancy rate of 84.8 percent. However, the Subject was 94.2 percent occupied in May of 2006. Fifteen of the FEMA voucher tenants have recently lost assistance and have been unable to pay rent. These tenants were recently evicted from the property, leading the lower occupancy rate at the Subject property. We do not anticipate significant turnover as a result of the conversion to LIHTC after renovation.” (p. 90)

Absorption Projections: “We have estimated the Subject’s stabilized occupancy rate after renovation to be 92 percent.” (p. 106)

Unstabilized, Under Construction, and Planned Development: “There is no competition from new LIHTC properties in the foreseeable future. Pinnacle on Wilcrest is an age-restricted property that will not compete directly for tenants with the Subject. This property recently began leasing and is currently 14% occupied. Collingham Park is the last multifamily LIHTC property that was allocated tax credits in the PMA. This property received an allocation in 2000 and is currently stabilized at 96.5% occupancy. There are no other developments located within one linear mile of the Subject site that have been awarded funds by the TDHCA in the three years prior to the application acceptance period.” (p.28)

Market Impact: “The potential impact on the existing affordable housing stock is anticipated to be minimal.” (p. 90)

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the Southwest submarket within the Houston MSA. According to the market study, performed by Vogt, Williams & Bowen, LLC, at the 51%-60% of AMGI income level, there is negative demand (-44 units) for two-bedroom units and negative demand (-21 units) for three-bedroom units. This information is inconsistent with the demand conclusions of the market study submitted with the Application.

The Vogt Williams market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns to all of the units in the market area. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied).

The Market Analyst further commented on the TDHCA study as follows:

“We have compared the results of our study to the Houston MSA Macro Study recently completed by Vogt,

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Williams, and Bowen LLC and published by the TDHCA. Our PMA is contained entirely in Submarket #27, the Southwest Submarket ... The surveyed tax credit properties in the study had a combined occupancy rate of 99.2 percent and the surveyed market rate properties had a combined occupancy rate of 94.3 percent. These results are similar to the results reported in our market study, which found a stabilized comparable tax credit occupancy rate of 96.6 percent and a market rate occupancy rate of 95.6 percent. The survey also found that approximately 8.4 percent of the surveyed rental housing units were rented by Hurricane Rita or Katrina tenants. This impact has been greater on affordable housing, which has 10.1 percent of tenants that are Hurricane Rita or Katrina tenants, compared to 6.5 percent at market rate properties. Our market study found a larger percentage of Hurricane Rita and Katrina tenants at market rate properties (20.3 percent) than at LIHTC properties (8.4 percent).” (p. 91)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by increasing the pre-renovation rents by amounts between \$22 and \$53. Tenants pay their own electricity costs, as well as a passthrough charge to reimburse the property for water. The Applicant estimated this charge (Reimbursement for Utility Bill, or RUB) at \$29 per unit per month. The Applicant also included secondary income from late fees, admin fees, and application fees at \$22 per unit per month.

The Market Analyst concluded achievable market rents somewhat higher than the Applicant’s proposed rents, but significantly lower than the HTC program maximum rents (gross rent limit minus tenant-paid utility including \$19 per unit for pass-through water costs). The Underwriter has applied secondary income of \$18 per unit per month, determined from the average historical value for the previous 30 months (excluding cable TV income, which was not supported by an offsetting expense). Similarly, the 30-month average for the RUB was determined to be \$19 per unit per month. The achievable market rents as determined by the Market Analyst, plus the RUB and secondary income, are still lower than the program rents; therefore the Underwriter has applied the market rents.

The Applicant estimated losses due to vacancy and collections to be 9.3% of potential gross income. “Occupancy rates reported in the market ranged from 89.8 to 100 percent, with an average occupancy rate of 95.1 percent. The LIHTC properties average occupancy was 96.9 percent. The TDHCA underwriting guidelines suggest a combined vacancy and collection loss of 7.5 percent unless a market analysis reflects a higher or lower established vacancy rate. Since the market appears to support a slightly higher overall rate, we have estimated a vacancy *and* collection loss factor of 8.0 percent in our analysis.” (market study p. 103) The Underwriter has applied the Analyst’s estimate of 8.0 % for losses due to vacancy and collection.

The Applicant’s estimated Effective Gross Income of \$1,949,232 is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$4,139 per unit is not within 5% of the Underwriter’s estimate of \$4,522, derived from actual operating history of the development, the TDHCA database, and third-party data sources. Line items in the Applicant’s estimates that vary significantly from the Underwriter’s estimates include: general & administrative expense (the Applicant’s estimate is \$37K lower than the Underwriter’s), payroll & payroll tax (the Applicant’s estimate is \$47K lower), and property tax (the Applicant’s estimate is \$22K lower). The underwriting analysis includes \$350 per unit in reserve for replacements as required by the proposed syndicator, while the Applicant assumed only \$300 per unit. The submitted 30-year replacement analysis indicates a reserve funded at \$350 per unit in the initial year of operation and increasing 4% each subsequent year will be sufficient.

Conclusion: The Applicant’s estimated Effective Gross Income and Net Operating Income (NOI) are both within 5% of the Underwriter’s estimates; however, the Applicant’s estimated Total Annual Operating Expenses are not within 5%. When income, expenses, and NOI are not each within 5%, TDHCA guidelines require that the Underwriter’s estimates be used to determine the project’s debt capacity. The underwriting proforma indicates the proposed financing structure will result in a debt coverage ratio for Year 1 that is within the current Department guideline of 1.10 to 1.30.

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Long-Term Feasibility: The underwriting 30-year proforma applies a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in continued positive cashflow and a debt coverage ratio that remains above 1.10. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION			
APPRAISED VALUE			
Land Only: 10.75 acres	\$1,400,000	Date of Valuation:	06/29/2006
Existing Building(s): "as is"	\$7,200,000	Date of Valuation:	06/29/2006
Total Development: "as is"	\$8,600,000	Date of Valuation:	06/29/2006
Appraiser: John Cole	Firm: Novogradac & Company	City:	Austin

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Novogradac & Company, LLP and dated June 29, 2006. The current "as-is" value is most important in the valuation and underwriting of this property because it should support the purchase price of the subject. For the "as-is" valuation, the primary approach used was the direct capitalization approach. Five land sales dating from 2002 to 2005 for six to fourteen acres were used to determine the underlying value of the land. As a result, the value attributed to the existing buildings is \$7,200,000 or 84% of the total appraised value of the property.

ASSESSED VALUE			
Land: 10.75 acres	\$936,540	Assessment for the Year of:	2005
Building:	\$5,096,060	Valuation by:	Harris County Appraisal District
Total Assessed Value:	\$6,032,600	Tax Rate:	3.01377

EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Purchase and sale agreement (10.75 acres)		
Contract Expiration:	11/01/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$8,850,000	Other:	
Seller:	Family Tree Apartments, Ltd.	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The project cost of \$34,570 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. However, it should be noted the purchase price is higher than the appraised value.

In estimating acquisition eligible basis, the Applicant has assumed a land value at 15% of the total purchase price. The Underwriter has assumed a land value at 16% of the total purchase price as supported by the ratio of land to value presented in the appraisal and tax assessment.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of \$803 per unit, which is higher than the estimate of \$583 per unit in the Property Condition Assessment (PCA).

Direct Construction Cost: The Applicant's direct construction cost estimate is \$117K (4%) lower than the estimate provided in the PCA. The underwriting analysis will reflect the PCA value.

Rehabilitation Developments must establish that the Rehabilitation will substantially improve the condition of the housing and will involve at least \$12,000 per Unit in direct hard costs (site work and direct construction). The application suggests rehabilitation costs per unit of \$12,194, including general overhead, fees, and profits. The Applicant's hard cost estimates are slightly below the guideline, totaling \$10,704 per

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unit. The PCA estimate indicates \$10,941 per unit in hard rehabilitation costs.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. The total eligible basis is \$12,497,341, of which \$8,405,259 applies to acquisition costs and \$4,092,082 applies to rehabilitation costs. The rehabilitation portion is increased by 30% because the region has been designated a Difficult Development Area, resulting in a rehabilitation basis of \$5,319,707. The total eligible basis is then reduced to 90% because 10% of the units will be rented at market rates. The resulting adjusted eligible basis of \$12,376,708 supports annual tax credits of \$449,275 based on an applicable percentage of 3.63%. (The Applicant used an applicable percentage of 3.53%; the Underwriter applied the actual rate for August 2006 when the application was received.) This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM FINANCING

Source: Regions Bank **Contact:** Spencer Knight
Principal: \$10,060,000 **Interest Rate:** 1.0%, fixed **Term:** 30 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: Standby Letter of Credit for benefit of FNMA; one-time fee of 1.0% in addition to 1.0% per annum

INTERIM TO PERMANENT BOND FINANCING

Source: Greystone Servicing Corporation **Contact:** Jennifer Spence
Tax-Exempt: \$10,060,000 **Interest Rate:** 6.15%, fixed, lender's estimate **Amort:** 420 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: FNMA Fixed Rate Bond Credit Enhancement Forward Construction

TAX CREDIT SYNDICATION

Source: Boston Capital Corp **Contact:** Scott Arrighi
Proceeds: \$4,259,876 **Net Syndication Rate:** 99% **Anticipated HTC:** \$430,333/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

OTHER

Amount: \$607,630 **Source:** Deferred Developer Fee(including \$11,306 cash equity)

FINANCING STRUCTURE ANALYSIS

Interim Financing: The Bonds will be credit enhanced by FNMA; FNMA will require a construction phase credit facility ("Letter of Credit") during rehabilitation. The Developer is requesting Regions Bank to issue a Letter of Credit for a 30 month period in the amount of \$9,960,000 (plus 45 days interest at 8.00%).

Permanent Bond Financing: A commitment to provide a mortgage revenue bond-financed permanent loan in the amount of \$10,060,000 was submitted. However, the Applicant has requested only \$9,960,000 in tax-exempt bonds and the submitted sources and uses indicates the same. Therefore, the underwriting analysis will assume the permanent loan will be adjusted to reflect the bond amount.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant included Cash Equity as a source of funds. This source was added to total deferred developer fees for purposes of this underwriting analysis. The Applicant's total

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proposed deferred developer's fees of \$580K amount to 39% of the total fees.

Financing Conclusions: The Underwriter's total development cost estimate less the permanent loan of \$9,960,000 indicates the need for \$5,152,092 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$520,465 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Applicant's request (\$435,465), the gap-driven amount (\$520,465), and the eligible basis-derived estimate (\$449,275), the Applicant's request of \$435,465 is recommended resulting in proceeds of \$4,310,668 based on a syndication rate of 99%.

The Underwriter's recommended financing structure indicates the need for \$841,414 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within four years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

€ The Applicant, Developer, and property manager 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.
- € Summit America Properties, Inc, the 100% owner of the General Partner, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$759K, consisting of \$773K in receivables and (\$13K) in partnership interests. Liabilities totaled \$814K, resulting in net assets of (\$55K).
- € Realty Partners, LLC, the 100% owner of Summit America Properties, Inc, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$79.5M, consisting of \$672K in cash, \$175 in receivables, \$205K in other current assets, \$4.1M in restricted assets, \$70.4M in property, plant, and equipment, and \$3.9M in intangible assets. Liabilities totaled \$80.5M, resulting in net assets of (\$1.1M).
- € WDH Holdings, LLC, the 78% owner of Realty Partners, LLC, submitted an unaudited financial statement as of April 30, 2006 reporting total assets of \$11.1M, consisting of \$7K in cash and \$11.1M in equity investments in closely held companies. Liabilities totaled \$410K, resulting in net assets of \$10.7M.
- € W. Daniel Hughes, Jr., president and director of Summit America Properties, Inc, and managing member of WDH Holdings, LLC, submitted an unaudited personal financial statement as of April 30, 2006.

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 are more than 5% outside of the Underwriter's verifiable ranges.
- € The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum tax credit rents can be achieved in this market.

Underwriter:	<i>Thomas Cavanagh</i>	Date:	October 5, 2006
Reviewing Underwriter:	<i>Lisa Vecchietti</i>	Date:	October 5, 2006
Director of Real Estate Analysis:	<i>Tom Gouris</i>	Date:	October 5, 2006

MULTIFAMILY COMPARATIVE ANALYSIS(continued)
Aspen Park Apartments Houston 4% HTC 060627

PAYMENT COMPUTATION

Primary	\$9,960,000	Amort	420
Int Rate	6.15%	DCR	1.28

Secondary	\$11,306	Amort	
Int Rate		Subtotal DCR	1.28

Additional	\$4,288,904	Amort	
Int Rate		Aggregate DCR	1.28

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$693,573
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$195,768

Primary	\$9,960,000	Amort	420
Int Rate	6.15%	DCR	1.28

Secondary	\$11,306	Amort	0
Int Rate	0.00%	Subtotal DCR	1.28

Additional	\$4,288,904	Amort	0
Int Rate	0.00%	Aggregate DCR	1.28

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,100,960	\$2,163,989	\$2,228,908	\$2,295,776	\$2,364,649	\$2,741,276	\$3,177,891	\$3,684,046	\$4,951,050
Secondary Income	54,272	55,900	57,577	59,304	61,084	70,813	82,091	95,166	127,896
Other Income: Water Utility Rei	58,356	60,106	61,910	63,767	65,680	76,141	88,268	102,327	137,519
POTENTIAL GROSS INCOME	2,213,588	2,279,995	2,348,395	2,418,847	2,491,412	2,888,230	3,348,250	3,881,539	5,216,464
Vacancy & Collection Loss	(177,087)	(182,400)	(187,872)	(193,508)	(199,313)	(231,058)	(267,860)	(310,523)	(417,317)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,036,501	\$2,097,596	\$2,160,524	\$2,225,339	\$2,292,099	\$2,657,171	\$3,080,390	\$3,571,016	\$4,799,147
EXPENSES at 4.00%									
General & Administrative	\$102,156	\$106,242	\$110,492	\$114,911	\$119,508	\$145,399	\$176,900	\$215,226	\$318,588
Management	73,340	75,540	77,806	80,141	82,545	95,692	110,933	128,602	172,831
Payroll & Payroll Tax	267,658	278,365	289,499	301,079	313,122	380,961	463,497	563,916	834,733
Repairs & Maintenance	118,911	123,667	128,614	133,758	139,108	169,247	205,915	250,526	370,840
Utilities	53,559	55,701	57,929	60,247	62,656	76,231	92,747	112,841	167,032
Water, Sewer & Trash	122,523	127,424	132,521	137,822	143,335	174,389	212,171	258,138	382,107
Insurance	90,360	93,975	97,734	101,643	105,709	128,611	156,475	190,376	281,802
Property Tax	181,809	189,081	196,644	204,510	212,690	258,770	314,834	383,043	566,998
Reserve for Replacements	89,600	93,184	96,911	100,788	104,819	127,529	155,158	188,774	279,431
Other	47,244	49,134	51,099	53,143	55,269	67,243	81,811	99,536	147,338
TOTAL EXPENSES	\$1,147,160	\$1,192,313	\$1,239,250	\$1,288,042	\$1,338,762	\$1,624,072	\$1,970,441	\$2,390,978	\$3,521,699
NET OPERATING INCOME	\$889,341	\$905,283	\$921,274	\$937,298	\$953,338	\$1,033,099	\$1,109,949	\$1,180,038	\$1,277,448
DEBT SERVICE									
First Lien Financing	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573
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	\$195,768	\$211,710	\$227,701	\$243,725	\$259,765	\$339,527	\$416,376	\$486,466	\$583,875
DEBT COVERAGE RATIO	1.28	1.31	1.33	1.35	1.37	1.49	1.60	1.70	1.84

MULTIFAMILY COMPARATIVE ANALYSIS (continued)
Aspen Park Apartments Houston 4% HTC 060627

PAYMENT COMPUTATION

Primary	\$9,960,000	Amort	420
Int Rate	6.15%	DCR	1.28
Secondary			
	\$11,306	Amort	
Int Rate		Subtotal DCR	1.28
Additional			
	\$4,288,904	Amort	
Int Rate		Aggregate DCR	1.28

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$693,573
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$195,768

Primary	\$9,960,000	Amort	420
Int Rate	6.15%	DCR	1.28
Secondary			
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Int Rate	0.00%	Subtotal DCR	1.28
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OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,100,960	\$2,163,989	\$2,228,908	\$2,295,776	\$2,364,649	\$2,741,276	\$3,177,891	\$3,684,046	\$4,951,050
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Other Income: Water Utility Reim	58,356	60,106	61,910	63,767	65,680	76,141	88,268	102,327	137,519
POTENTIAL GROSS INCOME	2,213,588	2,279,995	2,348,395	2,418,847	2,491,412	2,888,230	3,348,250	3,881,539	5,216,464
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Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,036,501	\$2,097,596	\$2,160,524	\$2,225,339	\$2,292,099	\$2,657,171	\$3,080,390	\$3,571,016	\$4,799,147
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$102,156	\$106,242	\$110,492	\$114,911	\$119,508	\$145,399	\$176,900	\$215,226	\$318,588
Management	73,340	75,540	77,806	80,141	82,545	95,692	110,933	128,602	172,831
Payroll & Payroll Tax	267,658	278,365	289,499	301,079	313,122	380,961	463,497	563,916	834,733
Repairs & Maintenance	118,911	123,667	128,614	133,758	139,108	169,247	205,915	250,526	370,840
Utilities	53,559	55,701	57,929	60,247	62,656	76,231	92,747	112,841	167,032
Water, Sewer & Trash	122,523	127,424	132,521	137,822	143,335	174,389	212,171	258,138	382,107
Insurance	90,360	93,975	97,734	101,643	105,709	128,611	156,475	190,376	281,802
Property Tax	181,809	189,081	196,644	204,510	212,690	258,770	314,834	383,043	566,998
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Other	47,244	49,134	51,099	53,143	55,269	67,243	81,811	99,536	147,338
TOTAL EXPENSES	\$1,147,160	\$1,192,313	\$1,239,250	\$1,288,042	\$1,338,762	\$1,624,072	\$1,970,441	\$2,390,978	\$3,521,699
NET OPERATING INCOME	\$889,341	\$905,283	\$921,274	\$937,298	\$953,338	\$1,033,099	\$1,109,949	\$1,180,038	\$1,277,448
DEBT SERVICE									
First Lien Financing	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573	\$693,573
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	\$195,768	\$211,710	\$227,701	\$243,725	\$259,765	\$339,527	\$416,376	\$486,466	\$583,875
DEBT COVERAGE RATIO	1.28	1.31	1.33	1.35	1.37	1.49	1.60	1.70	1.84

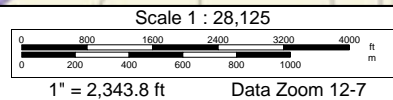
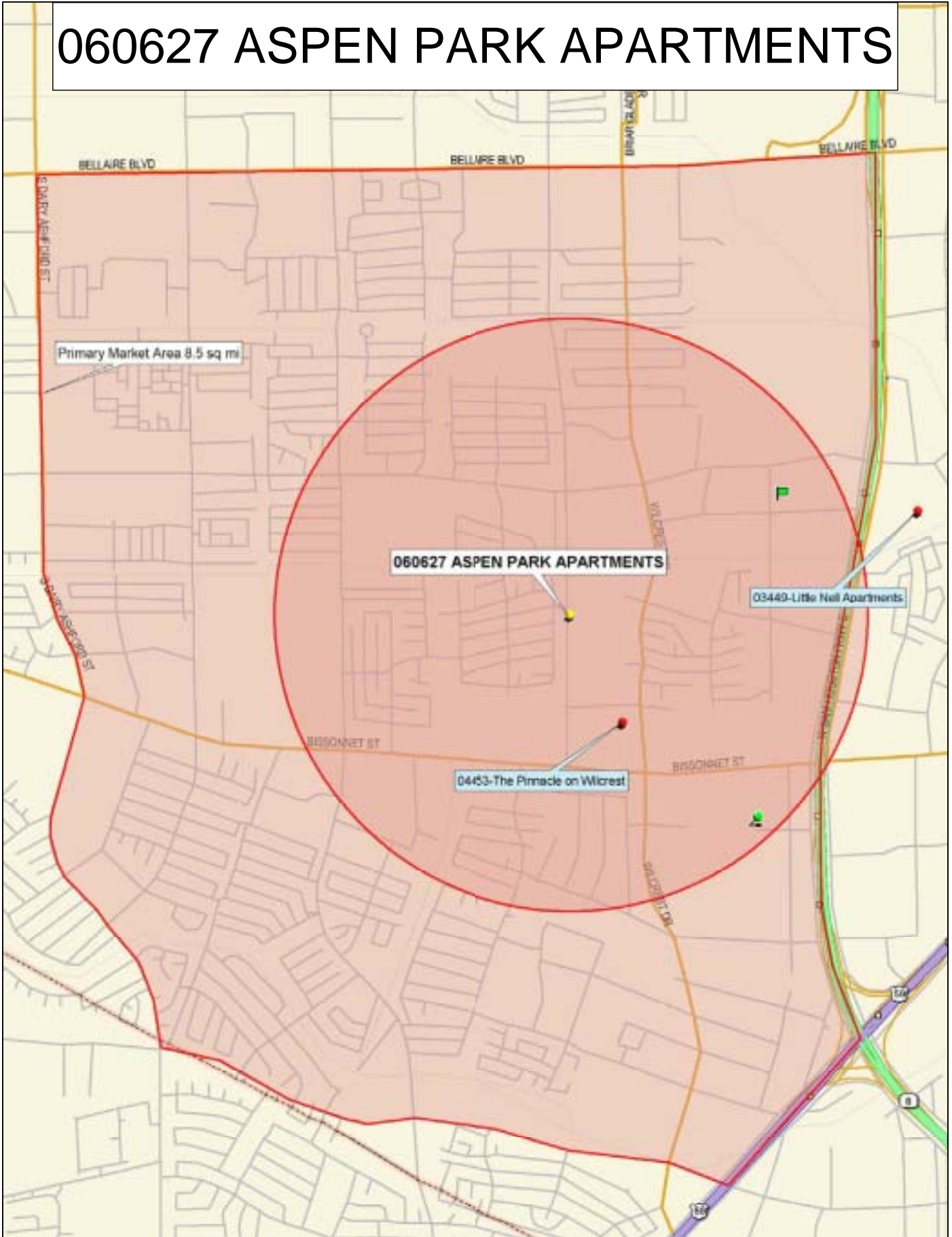
HTC ALLOCATION ANALYSIS -Aspen Park Apartments Houston 4% HTC 060627

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	\$1,327,500	\$1,440,698				
Purchase of buildings	\$7,522,500	\$7,409,302	\$7,522,500	\$7,409,302		
(2) Rehabilitation/New Construction Cost						
On-site work	\$205,500	\$149,348			\$205,500	\$149,348
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	\$2,534,699	\$2,651,650			\$2,534,699	\$2,651,650
(4) Contractor Fees & General Requirements						
Contractor overhead	\$54,504	\$54,504			\$54,504	\$54,504
Contractor profit	\$163,512	\$163,512			\$163,512	\$163,512
General requirements	\$163,512	\$163,512			\$163,512	\$163,512
(5) Contingencies	\$93,652	\$93,652			\$93,652	\$93,652
(6) Eligible Indirect Fees	\$268,586	\$268,586			\$268,586	\$268,586
(7) Eligible Financing Fees	\$62,439	\$62,439			\$62,439	\$62,439
(8) All Ineligible Costs	\$902,295	\$902,295				
(9) Developer Fees						
Developer overhead		\$48,690		\$32,747		\$15,943
Developer fee	\$1,480,836	\$1,432,146	\$1,006,386	\$963,209	\$474,450	\$468,936
(10) Development Reserves	\$50,000	\$271,758				
TOTAL DEVELOPMENT COSTS	\$14,829,535	\$15,112,092	\$8,528,886	\$8,405,259	\$4,020,854	\$4,092,082

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			\$8,528,886	\$8,405,259	\$4,020,854	\$4,092,082
High Cost Area Adjustment					130%	130%
TOTAL ADJUSTED BASIS			\$8,528,886	\$8,405,259	\$5,227,110	\$5,319,707
Applicable Fraction			90%	90%	90%	90%
TOTAL QUALIFIED BASIS			\$7,691,060	\$7,579,577	\$4,713,631	\$4,797,131
Applicable Percentage			3.63%	3.63%	3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS			\$279,185	\$275,139	\$171,105	\$174,136

Syndication Proceeds	0.9899	\$2,763,663	\$2,723,604	\$1,693,770	\$1,723,775
Total Tax Credits (Eligible Basis Method)				\$450,290	\$449,275
Syndication Proceeds				\$4,457,433	\$4,447,378
Requested Tax Credits				\$435,465	
Syndication Proceeds				\$4,310,678	
Gap of Syndication Proceeds Needed				\$4,869,535	\$5,152,092
Total Tax Credits (Gap Method)				\$491,921	\$520,465

060627 ASPEN PARK APARTMENTS



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS
ASPEN PARK APARTMENTS

PUBLIC HEARING

Cafeteria
E.A. Olle Middle School
9200 Boone Road
Houston, Texas

September 13, 2006
6:15 p.m.

BEFORE:

SHARON GAMBLE, Housing Specialist

ALSO PRESENT:

BLAKE BRAZEAL, President, Summit Asset
Management

JON M. BARRETT, CAPS-RAM, Portfolio Manager

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P R O C E E D I N G S

MS. GAMBLE: If you all are ready, we'll go ahead and get started. My name is Sharon Gamble. I'm with the Texas Department of -- can you all hear me? Kind of? Let's see if this is on.

(Pause.)

MS. GAMBLE: Let's see. He's going to try to fix that. Oh, yes, that's it. I think so.

Okay. Let's try that again. My name is Sharon Gamble. I'm with the Texas Department of Housing and Community Affairs. And right now I'm just going to give you a basic overview of sort of how this hearing is going to progress.

We're going to start -- I'm going to give you a brief overview of the program that I'm representing -- or the programs that I'm representing here today. After that, we have some representatives here from the development team, and they are going to give a brief presentation about the actual acquisition and rehabilitation of the project that they're going to do.

I am then going to read for the record a speech that I'm required to read by the IRS. And then after I read that, we're going to open up the floor for comments. If you have any comments that you'd like to state on the

record, I'm going to ask you to come to the microphone over here so that we can record your comments for the record.

If you haven't -- if you wish to speak and you haven't already filled out one of these witness affirmation forms, they're on that table over there. And so even if in the middle of the meeting you just kind of get a bug and you decide, oh, I want to say that, just go over there and grab --

(Pause.)

MS. GAMBLE: Just make sure, if you want to speak, that you go and pick up one of the witness affirmation forms and bring it to me.

There's usually a limit of three minutes on comments. Since we have such a small crowd, I think that we won't have to use that three minutes. But just please keep in mind that, you know, there may be other people who want to speak, so if you could keep your comments limited, that would be great.

Okay. Welcome to our hearing. I'm here to receive public comments on the proposed Aspen Park Apartments development. According to IRS Code, the department is only required to take public comment on the bond issuance.

However, TDHCA has extended its hearings to take comment on the development itself. We're not required to do this, but we want community input. TDHCA schedules the public hearings where the development is to be located, and at a time and location that is convenient to the community.

The developer has applied to the Texas Department of Housing and Community Affairs for tax exempt bond financing and housing tax credits. The federal government created these two programs to encourage private industry to develop affordable housing.

The private activity bond program is administered by the Texas Bond Review Board. TDHCA is an exempt issuer that helps facilitate the issuance of tax exempt bonds throughout the State of Texas.

The income tax exemption that's realized from these bonds is given to the people who buy the bonds. It's important to note that because a lot of people think that the developers get tax exemptions for, like, property tax exemptions, and that's not the case.

The people who are getting the tax exemptions are the people who actually buy the bonds. The -- and the exemption is from income tax to the bond purchaser, as I said.

The bond purchaser gets a lower rate of return on the investment because of the tax exemption, and that enables the lender to charge a lower interest rate to the developer, which brings down the developer's cost and allows them to build a product that they can charge lower rents for.

The housing tax credit is a lot like the mortgage deduction that you get on a house. It's basically companies with large income tax liabilities buy the tax credits and then they -- and then that purchase provides money to the developers that, again, allows them to build a good -- a better product and allows them to charge lower rents.

Excuse me. And the IRS tax credit is to the people who buy the tax credits, again, there.

Once the property is purchased by the developer, there's an affordability period of 30 years -- at least 30 years that they're under from the department.

So they can't buy it today and then go sell it next month. They're -- they have a period of at least 30 years that they have to keep the property affordable.

And during that 30 years, they have to also maintain the property. There's compliance that they have to meet, both through their lenders, through the

investors, and through the Texas Department of Housing and Community Affairs.

And we all look at things like making sure that they're following the income restrictions on the property, we make sure that the tenant occupancy is where it needs to be, we make sure they maintain the physical appearance of the property, and also make sure that their financial bookkeeping is intact.

These developments generally provide tenant services. Some of those can include tutoring and honor roll programs, computer access, or computer educational classes, they might have after school activities or health care screening, or English as a second language classes, or credit counseling, financial planning, down payment assistance, those sorts of things.

We look at these projects as sort of stepping stone for people who are on the cusp of home ownership so that they can have an affordable place to live that's nice, and at the same time receive a benefit where hopefully they can move on to purchase their own home.

And in the end, what the community gets is affordable housing that's maintained and that's well-built, and that's affordable, so that people who have lesser incomes but, you know, are looking for a leg up,

have a chance to kind of improve their quality of life and live in a nice, safe place.

So that's the overview of our program. The development team now is going to come and give you some information -- some specific information about the project.

MR. BRAZEAL: Sit here or --

MS. GAMBLE: You can stand at the microphone, or sit, whatever you want to do.

MR. BRAZEAL: I usually stand, but I think I'll sit today. I'm kind of tired.

Hi. My name is Blake Brazeal. I'm the president of Summit Access Management. We are the purchasers of the Aspen Park Apartments. We're based in Montgomery, Alabama. This will be our fifth property that we're purchasing in the greater Houston area.

We're excited about the property. We've looked at the property for a couple of years now and finally came to terms with the seller. We've got a lot of great things planned for it.

We're looking at putting approximately \$12,000 a unit into improvements into the property when we purchased it. This will include an upgrade in all kitchens, roofs, exterior work, parking lots, we're going

to put \$60,000 worth of security equipment into the property to better provide services to our residents.

We also -- as she alluded to, we believe very much in after school programs for our residents. We have a community affairs group that will meet with our residents, meet with the school district, meet with the boys and girls clubs and provide after school programs for residents.

That's one of our -- we like to think we -- it's very important to us, and we're -- we really take the residents' input. We feel like we're going to come into the property and make it a better place to live for everyone that's there.

There's probably some questions on displacement, and we will just -- we can address that right now. We have no plans to displace any residents. That's the first question I usually get here, so I thought I'd answer that right off the bat.

We have close to 60 properties, we're in seven different states. We've done 33 other properties similar to this with tax credits. And we feel like that -- we want to provide a place where you all feel comfortable. It's you all's homes. We provide the place for you.

We're very, very, I like to say, resident

friendly. The first thing we're going to do is going to come in and see what the residents want to do, what they would like to see in the property, and we're going to provide that as best we can for the residents.

I'm going to open it up to questions, because normally I --

MS. GAMBLE: Not quite.

MR. BRAZEAL: Not yet?

MS. GAMBLE: Not yet.

MR. BRAZEAL: That's usually the way I do it.

Okay.

MS. GAMBLE: I have to read my little speech first.

MR. BRAZEAL: Oh, I'm sorry.

MS. GAMBLE: Okay. Next I'm going to read my speech that I mentioned earlier, and then we're going to open up for public comment, so that if you have public comment that you'd like to make for the record, then we'll take those comments.

If there's no public comment, then what we'll do is we will close the official hearing, and then we'll have a question and answer session so that if you just want to ask questions about the development, ask the developer questions -- developer questions about the

development, then we can do that.

And all of this is still going to be on the record, all of the recording information is still going to be going, it's just that the official public hearing will then be closed. Okay.

Good evening. My name is Sharon Gamble. I'd like to proceed with the public hearing. Let the record show that it is 6:21 p.m. on Wednesday, September 13, 2006, and we are at the E.A. Olle Middle School located at 9200 Boone Road, Houston, Texas.

I'm here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an 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 and 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 October 12, 2006. 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's staff will also accept written comments from the public up to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax exempt multifamily revenue bonds in the aggregate principal amount not to exceed \$10 million, 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 proceeds of the bonds will be loaned to Summit Aspen Park, Limited, or related person or affiliate entity thereof, to finance the acquisition and rehabilitation of a multifamily housing development described as follows:

A 256 unit multifamily residential rental development to be -- that is constructed on approximately 10.75 acres of land located at 8811 Boone Road, Houston, Harris County, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower, or related person or affiliate thereof.

I'd now like to open the floor for public comment. If you signed up to speak, I'll call out your name. At that time, please use the microphone and state

your name for the record. You'll then be able to make your comments. If you have not already signed in and wish to speak, please grab a witness affirmation form from the table and bring that to me now. Thank you.

Mr. Ernesto Ozuma?

Thank you.

MR. OZUMA: I'm sorry. Hello. My name is Ernesto Ozuma, and I'm a resident of Family Tree Apartments, which will soon have a new name.

And one of the concerns that I have is about the access gates. Many times through the years that we've lived there they have been -- I don't know if the word broken is the right word, but -- it's like they've been put out of order, to put it nicely.

They are repaired and then people start messing them up again, and it's not only the electronic access gates with those little cards, but also the ones where you actually have to use a key, you know, a key just like this one.

And I feel that there are a lot of people at the complex that work very, very hard to maintain the quality of life at the complex, and then for some reason people mess up those gates to the point where they leave them open, and then just anybody can go in and come out as

they please.

And then another concern that I have is that there are some residents that live there that do not have the access key, and correct me if I'm wrong, but if you're going to be living at the apartment complex, you should have an access key. You know, that's the just the way I feel.

And basically those are just my comments, that I feel that if you're going to be living there, please have a key, because the apartment complex is not for just anybody to be going in and out as they please. People work very, very hard to maintain a quality of life there, and then, you know, it just goes out the window.

And those are my concerns. Thank you.

MS. GAMBLE: Thank you.

Sarah Winkler?

MS. WINKLER: I almost hate to touch it. Good evening. My name is Sarah Winkler, and I'm the vice president of Alief ISD board of trustees. And I'm here to speak in support of this proposed development, Aspen Park development, and the issuance of the tax exempt bonds and the tax credits.

It's very important to the district that our residents have good affordable housing that's well-

maintained, that they have services. There are several complexes in the area that need rehabilitation.

We welcome having someone come in and give our residents a nice place to live. Students can't learn if they don't have a good place to live, food, the tutoring.

If you're going to provide that, that would be great. A lot of students need that.

So I'm grateful that you're coming in and doing this. We appreciate it and we're very supportive. Thank you.

MR. BRAZEAL: Thank you.

MS. GAMBLE: Thank you.

Charles Woods?

MR. WOODS: I'm Charles Woods, assistant superintendent, Alief ISD. I'm representing Alief ISD tonight --

(Pause)

MR. WOODS: Alief ISD has 203 students currently residing at the Family Tree Apartments, which will be called Aspen Park. Some 50 of those students attend our three large high schools, about 40 of them attend Olle Middle School here, another 40 or so attend --

(Pause.)

MR. WOODS: Another 40 or so attend Klemtzman

Intermediate School, just south of us here. It's actually south on Wilcrest, and then we have several that go to other campuses. But all in all, out of those 256 units, today there are over 200 students now attending.

All of those schools -- actually Boone Elementary just behind Olle here, Olle and Klemtzman, all have active after school programs. And so I would encourage you also to work with those schools in whatever you do to set up after school programs, and maybe they can be cooperative in nature, and I'm sure that they would be glad to participate.

Alief ISD has just over 45,000 students, and in that -- in the 36 square miles that we have, we have over 1450 apartment units per square mile, and that's a very compact area. And so all that to say is that Family Tree is one of the apartment complexes that the school districts serves.

But there are several apartment complexes nearby as well. So some of the issues that you'll hear are also issues that they have, or maybe the surrounding neighbors have in nearby subdivisions, but anything that you do with respect to access gates and other issues is certainly going to be a help for those folks.

We have -- 30 percent of our apartment

complexes in Alief -- now there's 211 complexes in the school district, 30 percent of those complexes are below 90 percent occupancy. I know that Family Tree has always traditionally had a pretty high occupancy rate, and that's good for the future business that you are getting into by buying this complex.

There is a brand new tax credit complex just south on Wilcrest, the Pinnacle on Wilcrest, that serves that elderly, which was in dire need at the time. And I think that they're coming along real well.

But out of the 256 units called -- that will be Aspen Park Apartments, from what I understand, the rents are not changing for those folks, no one's to be displaced in this process. It sounds like a super deal for residents.

The low income restrictions, I think, judged on the rents, are going to be able to be met by a majority, if not all. And the future oversight management that this will provide, from the TDHCA's perspective, will help also guarantee residents that there'll be an additional oversight happening over the next 15 to 30 years, I think maybe the term of the bonds.

Construction displacement, I understand, is very minimal, if any, and that we're looking at about nine

months, plus or minus, construction time on this project.

And so we don't expect to have any traffic flow issues with buses and so forth, but if that does come up during the project, you can contact us and we'll work with you on that.

So for our schools, Boone, Olle, and Klemtzman, and, of course, the high schools, this appears, for our students, to be a good deal, and we're in support of it. Thank you.

MS. GAMBLE: Thank you.

Yaki Bryant? Forgive me if I mispronounced your name.

(Pause.)

MS. BRYANT: Good afternoon. My name is Yaki Bryant. I'm in Unit 412 currently. One of my main concerns is what will happen with our management at the property.

It -- for a lot of us, it's become home, and they have treated us very, very well, and, you know, nothing has, you know, gone not taken care of. And I know anytime there's change, as -- out in the corporate world, there's always change in management. And that's one of my very big concerns.

And also, you mentioned that no one would be

displaced. But I wondered about people who do not fall within the income guidelines, will there be units set aside for those type people, and if not, just, you know, exactly how, you know, can you say that people will not be displaced.

MS. GAMBLE: Thank you.

Sandra Davis?

MS. DAVIS: Hello. My name is Sandra Davis. My concern is I want to understand about the development. I'm not really getting a clear understanding, only from what I'm reading in here, and I'm -- you know, since I've been there, I've been there six months, and I am concerned about the [indiscernible] -- you know, they will [indiscernible] because they're just like family.

I haven't been there but for a short period of time, and when I need something done, they go in there and just expeditiously and everything, and, you know, they have a great staff.

And my other concern -- like I said, about the income, you know, whether those who don't fall in that bracket, you know what I'm saying, you know, will be forced to go out, go somewhere else. You know what I'm saying? Because I was looking at the rent, and the, you know, income that, you know, is required on here, you know

what I'm saying.

So the 950 to \$668 on here that was I seeing. The rent increases. Because, see, what I pay is 745. You all are saying -- so that's going to increase to 832, so that's going to be out of my bracket, you know, I probably won't meet that certain income. You know what I'm saying?

So I'm just, you know, concerned about that because I really don't want to move, but that is possible.

But you all are doing a good plan, especially for the kids and the, you know, for the cameras and stuff for the security problem. That's a good idea as well, you know, so I support it.

But all's I need is I just wanted to make sure that, you know, that people that, you know, will be able to afford it, they won't be forced to be moved. Thank you.

MS. GAMBLE: Would anybody else like to make comment?

Okay. Thank you.

MS. COYLE: Good evening, everyone. My name is Pilar Liz Coyle, and I'm currently the manager there at Family Tree.

I welcome the new developers that are coming in, and they're going -- that they're going to be updating

our units inside and outside, and bringing different program for our children and our residents. I've worked on a tax credit before coming to Family Tree, so there's great benefits on it.

And don't be afraid, if you're over the max, I'm pretty sure that there's going to be units available.

I haven't had that clarified to me, but we will accommodate everybody. We're not going to go -- I'm pretty sure they're not going to come in and say, hey, look, you all got two weeks to get out. None of that is going to happen.

I ask you all to tell your friends and everyone around the property to be calm, we'll make the transition so smoothly that within a year you all are going to be, like, wow, we got the computers, we have access to the internet, there's different resources where we can also offer work source, and it's good things.

I welcome it, and I hope you all stay with us and enjoy it when we make the transformation. Thank you.

MS. GAMBLE: Thank you. Is there any more public comment?

(No response.)

MS. GAMBLE: Okay. With that, thank you for attending this hearing. Your comments have been recorded.

The meeting is now adjourned, and the time is now 6:35 p.m.

(Whereupon, at 6:35 p.m., the hearing was concluded.)

MS. GAMBLE: Okay. At this time, we're going to do a question and answer period. If you have a question to ask, I'll ask that you please go to the microphone so that we can record it, because this room will just produce a big echo. So if you have any questions, just feel free to come to the microphone and ask your questions.

I'll go ahead -- I'm going to go ahead and toss -- but just a refresher of some of the questions I heard raised during the comments. A concern about the access gates working consistently, and then also about people having access to the property who perhaps should not.

Let's see. We had some concern, a lot of concern about the management, about any changes there, about displacement of those not within the income guidelines. And those were the main comments, I think. And Mr. Brazeal will address your questions, and then if you have any more after he speaks, please come to the

microphone.

MR. BRAZEAL: I'm going to take it in the order that -- this isn't on, is it? I don't even know if I need one.

THE REPORTER: [indiscernible].

MS. GAMBLE: Well, yes, for her to be able to -- well, no, this is --

MR. BRAZEAL: I probably -- hello? I'll just talk; we don't need one.

The first question was the gates. And I really like to come to these and listen to the residents bring up issues, because as I told you all when I first started, we usually -- we come in and we like to find out what the issues are.

We've got \$60,000 budgeted for a security system. And if the gates don't work, it's really not worth \$60,000. So I made a note of that. I'll get with our construction group, I'll get with the contractor, and we'll figure out something, because that's the kind of things that we really need to know.

That's very important to us, the security is very, very important. It is to me. That's one of my main priorities. So I made a note about it, and John Barrett, who'll be here in Houston, he manages all of our

properties, he works with the property managers, Pilar in this case. He's heard it, so we'll work with the contractor on getting that fixed.

The management, I've heard that brought up. We have no plans to change management. I mean, very rarely -- my philosophy has never been to come in and change management. I mean, you're buying something because you like certain characteristics of it.

And I've met Pilar, I know her, and we have no plans whatsoever to change the management at this time. So does that address that issue for everybody? Okay.

Displaced. I've heard that brought up quite a few times. We have approximately 10 percent of these units that are set aside for people that may not fit in the income range, which is 25 to 30 units. We don't displace residents.

So we've come in to this property before we contracted to buy it, and we looked at files. So we have a pretty good idea of what were income ranges and how we're going to be having to set up our files.

So we put 10 percent of them aside. If it turns out to be more than that, then we have to adjust that. As I told you all before, you know, we've done 33 of these, so we have a pretty good feeling for how we're

going to do it going in. So I don't want anybody leaving here worrying that Summit's going to show up one day and tell you to leave, because that's not going to be the case.

FEMALE VOICE: I know we keep talking about management --

MS. GAMBLE: Ma'am, can you -- yes, all the way over there. Thank you.

MR. BRAZEAL: She doesn't talk as loud as me.

FEMALE VOICE: I know we keep talking about management, but does that include the maintenance guys --

MR. BRAZEAL: Yes.

FEMALE VOICE: -- the porters, all that? Because we're a team.

MR. BRAZEAL: Yes.

FEMALE VOICE: Okay.

MR. BRAZEAL: Yes. And that's a fair question, and one I get quite often. And we come in -- I always come into it with a clean slate when we evaluate it, but we usually have a pretty good feel, before we ever buy a property, who's on the property and who's the managers and the maintenance guys. We've met all that, so we know what our plans are.

Another thing, you asked a question about

development, and I guess I construed that to what are we going to be doing, how is the construction going to affect residents. There'll be no residents displaced because of what we're doing.

You know, we're going to be changing out kitchens quite a bit, kitchens cabinets in all the units, those kinds of things, but we've gone in and done bathrooms, kitchens and everything in units and never displaced residents.

So our contractors are real good at causing the least amount of commotion, which is very important to me, because the more commotion, the more calls I get. So they're very good at doing that. And I feel like on this property, with the scope of the work that we're going to be doing, there shouldn't be much affect on the residents.

Would you agree?

MR. BARRETT: And I can -- I don't know if one of these works -- well, you can probably hear my voice anyway.

Typically what happens, and I'll give you an example -- in the interior renovation of your kitchen, the contractor will come in on day one. You will have already removed all of your belongings from the kitchen area to give them access. They will remove the cabinets, the sink

to cap off all the plumbing, and start the installation of your new kitchen.

It will typically take through the second day to complete it. That does not mean that you won't be able to use the kitchen, but it won't be all finished out for probably a period of to the end of the second work day.

On rare, I mean, very, very rare occasions have we had a situation where something hasn't been quite right at the end of the day, in which case we've always made facilities available in a vacant apartment for someone who needed to cook, or what have you, that may not have that available to them then. It won't be a major displacement for any length of time. You won't be without over a weekend, so it shouldn't be a big issue to you.

MR. BRAZEAL: One thing I would like to go back to is on the programs that we provide at the property. Now this is one thing that I think we do require a lot of our managers and people that work onsite, is to provide properties -- excuse me -- provide programs for the residents.

And we -- I said this on my opening comments -- but we really try to figure out what the residents -- and each property's different. Some properties have a lot of children, some of them don't. This one obviously has and

we were aware of that.

And we're going to really emphasize after school programs, if that's what the residents want. You know, we have a lot of GED programs on our properties, where we -- you know, we've formed partnerships with colleges that provide and help us do that.

And we've got a group of women that are really good at it, and they come in and evaluate with the manager and the residents what we would want to do. But it's really incumbent on the residents to let us know what we -- what you all want, because I can sit there and decide what I want, but if the resident doesn't want it, it's not going to do any -- it's not any good. So we do listen to our residents.

MR. OZUMA: So then we can rest assured that if a contract has already been signed, that it will be honored?

MR. BRAZEAL: A lease agreement?

MR. OZUMA: A lease.

MR. BRAZEAL: Oh, if it's already signed and in effect, it will be honored?

MR. OZUMA: Yes. I mean -- in other words, I guess this ties in with the fact that nobody is going to be displaced. I mean, you're not going to come in and

then say, oh, your contract is invalid and just rip it up?

MR. BRAZEAL: No.

MR. OZUMA: Okay. Just wanted to be sure about that.

MR. WOODS: If you could, because I did talk to the other gentleman from your firm in Alabama about the rents and that was a question, and one thing he assured me was that they were able to make this happen, that the rents people were already accustomed to paying is that -- can we clarify that just to make sure?

MR. BRAZEAL: The rent -- there is a minimal rent increase that goes along with the amenities that we're going to put into place. The one-bedroom -- excuse me -- the three-bedroom units -- the two-bedroom, two-bath units are going up from 700 to 730, from 705. Okay.

FEMALE VOICE: [indiscernible]

MR. BRAZEAL: Seven thirty for --

FEMALE VOICE: [indiscernible]

MR. BRAZEAL: Yes. And there's two different two-bedroom flats. There's one that 1160 and there's one that's 1178. The larger one is going from 705 to 745. That's \$40. And the three-bedroom, two-bath is going from 728 to 770. It's about 35 to \$40.

MS. GAMBLE: And I'd like to add to that,

because you mentioned that -- the 823 number for the two bedrooms. I'd like to point out that that is the maximum that they can charge. That's not necessarily the amount they're going to charge, but that's the amount -- the maximum amount they can charge. So that's what that chart means.

MR. BRAZEAL: I mean, these rates are market driven, because we've looked all over the market area, and with the amenities and the money that we're spending on it, if you look at the market, and Jon can address this too, we're still well within or below market where people are for this type of amenity product.

MR. BARRETT: Absolutely. And not only are the rents justified within the market, but keep in mind, if your rent is in a certain place right now based on your current rental contract, our goal is not to come in necessarily and take you all the way immediately. We're going to work with you. Okay.

Now I'm not saying we won't raise it. But we're not going to pop it to you all, because none of us could handle that.

MR. BRAZEAL: But let's -- I always want to make this clear, we try to keep it as flat as we can, but as I told you all at the beginning, we're putting --

there's \$30 million in money going into this property in amenities. And this isn't money that -- this is straight into your houses -- homes where you're living.

So, you know, we try to look at the market, what the market will bear, and keep it within that range to pay -- to help pay for the \$30 million in amenities that we're putting into the property. So we feel like we're justified at where we are in the market.

FEMALE VOICE: [indiscernible]

MR. BRAZEAL: No, I can hear you.

FEMALE VOICE: [indiscernible] change anything --

THE REPORTER: Go to the mike. We can't hear you.

MR. BRAZEAL: I heard her. I heard her.

THE REPORTER: But, I mean, I can't record it.

MR. BRAZEAL: Okay. She --

FEMALE VOICE: [indiscernible].

MR. BRAZEAL: When you say the ownership, when are we going to purchase the property?

FEMALE VOICE: [indiscernible]

MR. BRAZEAL: The date that we're shooting for right now, that it appears to be, is November 3. Correct? That we would become owners of the property?

MS. GAMBLE: I believe so.

MR. BRAZEAL: It's November 3.

MS. GAMBLE: Are there any more questions?

(No response.)

MS. GAMBLE: Okay. Well, with that, I'd like to thank you all for coming out. And please talk to your neighbors, let them know what you learned here tonight. And by all means, keep in touch with the management staff, because they can answer questions for you, or they can be in touch with these gentlemen here.

There's -- I have business cards on this table.

There's also information about the department, some cards that link to our -- that have the link to our website on them, so that if you want to contact me, please feel free to do that.

Thank you very much for coming out.

(Whereupon, at 6:55 p.m., the public hearing was concluded.)

C E R T I F I C A T E

IN RE: Aspen Park Apartments

LOCATION: Houston, Texas

DATE: September 13, 2006

I do hereby certify that the foregoing pages, numbers 1 through 34, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Lonnie Helmer before the Texas Department of Housing and Community Affairs.

(Transcriber) 09/18/06
(Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731



WWW.TDHCA.STATE.TX.US

MULTIFAMILY FINANCE PRODUCTION DIVISION

2006 Private Activity Multifamily Housing Revenue Bonds

**Villas at Henderson Apartments
1648 W. Henderson
Cleburne, Texas**

**Cleburne Villas Apartments L.P.
140 Units
Priority 3**

\$8,000,000 Tax Exempt – Series 2006

TABLE OF EXHIBITS

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TAB 5	Department's Real Estate Analysis
TAB 6	Hearing Transcript (September 21, 2006)

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Mortgage Revenue Bonds, Series 2006 and a Determination Notice of Housing Tax Credits with TDHCA as the Issuer for the Villas at Henderson.

Requested Action

Approve, Amend or Deny the staff recommendation for the determination of housing tax credits and the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein. *(The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)*

Summary of the Villas at Henderson Transaction

Background and General Information: The pre-application for the 2006 Waiting List was received on October 3, 2005. The application was scored and ranked by staff. The application was induced at the November 10, 2005 Board meeting, however it was not submitted to the Texas Bond Review Board at that time because the applicant was not ready to proceed with the tax credit and bond allocation. The application did receive a Housing Trust Fund award in July 2005 in the amount of \$700,000. A reservation of Allocation was issued on August 14, 2006. The final date for bond delivery is on or before January 11, 2007, but the anticipated closing date is November 8, 2006. This application was submitted under the Priority 3.

Organizational Structure and Compliance: The Borrower is Cleburne Villas Apartments, L.P. of which the general partner is Cleburne Villas Developers, LLC. This entity is comprised of WOLOCO Development, LLC having 33.33% ownership, Resolution Real Estate Services, LLC with 33.33% and G.G. MacDonald, Inc. with 33.33%. John Mark Wolcott has 100% ownership in WOLCO Development, LLC, J. Steve Ford has 100% ownership in Resolution Real Estate Services, LLC and G.Granger MacDonald has 75% and T. Justin MacDonald has 25% ownership in G.G. MacDonald, Inc. The Compliance Status Summary completed on September 15, 2006 reveals that the principals of the general partner currently have twenty-six (26) properties being monitored by the Department and seventeen (17) that have not yet been monitored.

Public Hearing: There were six people in attendance at the public hearing conducted by the Department for the proposed development on September 21, 2006 and no one officially spoke for the record. There were some questions raised however that included how the tenants would be screened, whether there would be a road built adjacent to the site and other development specific questions. The Department received letters of support from State Representative Rob Orr, State Senator Kip Averitt and Mayor Ted Reynolds and no letters of opposition. A copy of the transcript is included in this presentation.

Census Demographics: The proposed site is located at approximately 1648 W. Henderson in Cleburne, Johnson County. Demographics for the census tract (1303.02) include AMFI of \$47,381; the total population is 4,320; the percent of the population that is minority is 18.13%; the percent of the population that is below the poverty line is 18.19%; the number of owner occupied units is 715; the number renter occupied units is 959 and the number of vacant units is 92. (FFIEC Geocoding for 2006)

Summary of the Financial Structure

The applicant is requesting the Department's approval and issuance of variable rate tax exempt bonds in an amount not to exceed \$7,200,000. The bonds will carry a Aaa rating and Citibank, N.A. will provide credit enhancement through a direct pay letter of credit. Citibank, N.A. will underwrite the transaction using a debt coverage ratio of 1.10 amortized over 40 years. The term of the bonds will be for approximately 36 years. The construction and lease up period will be for 30 months with a six month extension. The interest rate on the bonds will not exceed 6.00% per annum.

Recommendation

Staff recommends the Board approve the issuance of Multifamily Housing Mortgage Revenue Bonds, Series 2006 and Housing Tax Credits for the Villas at Henderson.

RESOLUTION NO. 06-043

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (VILLAS AT HENDERSON) SERIES 2006; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

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

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Villas at Henderson) Series 2006 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank, National Association (the "Trustee"), for the purpose of obtaining funds to finance the Development (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Cleburne Villas 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 "Development") 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 November 10, 2005, declared its intent to issue its revenue bonds to provide financing for the Development; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the "Mortgage Loan") to the Borrower to enable the Borrower to finance the cost of acquisition and construction of the Development 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 Loan Agreement; and

WHEREAS, it is anticipated that credit enhancement for the Mortgage Loan will be provided for initially by an irrevocable direct pay letter of credit issued by Citibank, N.A., a national banking association (the “Bank”); and

WHEREAS, it is anticipated that the Note will be secured by a First Deed of Trust, Assignment of Rents and Leases, Fixture Filing and Security Agreement (the “Mortgage”) from the Borrower for the benefit of the Department and the Trustee; 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, pursuant to an Assignment of Deed of Trust Documents and Assignment of Note (collectively, the “Assignment”) from the Issuer to the Trustee; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the “Regulatory Agreement”), with respect to the Development which will be filed of record in the real property records of Johnson 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 Contract (the “Bond Purchase Contract”) with the Borrower, Capmark Securities, Inc., the “Underwriter”), and any other parties to such Bond Purchase Contract 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 Contract; 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 Development for the purpose of monitoring the operation and maintenance of the Development; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignment, the Regulatory Agreement, the Asset Oversight Agreement, the Official Statement, the Bond Purchase Contract, (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 Contract, 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 Contract; 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 6.0%; (ii) the aggregate principal amount of the Bonds shall not exceed \$8,000,000; (iii) the final maturity of the Bonds shall occur not later than February 1, 2040; and (iv) the price at which the Bonds are sold to the initial purchasers thereof under the Bond Purchase Contract shall not exceed 103% of the principal amount thereof.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement. That the form and substance of the Loan Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Loan Agreement and deliver the Loan 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 Johnson County, Texas.

Section 1.6--Approval, Execution and Delivery of the Bond Purchase Contract. That the sale of the Bonds to the Underwriter and any other party to the Bond Purchase Contract is hereby approved, that

the form and substance of the Bond Purchase Contract are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Bond Purchase Contract and to deliver the Bond Purchase Contract to the Borrower, the Underwriter and any other party to the Bond Purchase Contract as appropriate.

Section 1.7--Acceptance of the Mortgage and Note. 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.

Section 1.8--Approval, Execution and Delivery of the Assignment. 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 Contract 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.

Section 1.12--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Bond Purchase Contract

- 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 Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the Secretary to the Board.

Section 1.15--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Development'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 Development.

ARTICLE II

APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary to the Board hereby is authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Approval of Requests for Rating from Rating Agency. That the action of the Executive Director of the Department or any successor and the Department's consultants in seeking a

rating from 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.

Section 2.5--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Development in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.6--Underwriter. That the underwriter with respect to the issuance of the Bonds shall be Capmark Securities, Inc.

Section 2.7--Engagement of Other Professionals. That the Executive Director of the Department or any successor is authorized to engage auditors to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the requirements of Bond Counsel to the Department, provided such engagement is done in accordance with applicable law of the State of Texas.

Section 2.8--Ratifying Other Actions. That all other actions taken by the Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Development are hereby ratified and confirmed.

ARTICLE III

CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act and after the Department's consideration of the information with respect to the Development and the information with respect to the proposed financing of the Development by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Development is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iii) that the Development will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Development in accordance with the requirements of the 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 Development with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Development in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Development be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Development is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Development, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Development shall be (1) individuals and families of 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 Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the Mortgage Loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Development and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. 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

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds, and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State of Texas is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

[EXECUTION PAGE FOLLOWS]

PASSED AND APPROVED this 12th day of October, 2006

[SEAL]

By: _____
Elizabeth Anderson, Chair

Attest: _____
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Cleburne Villas Apartments, L.P., a Texas limited partnership

Development: The Development is a 140-unit multifamily facility to be known as Villas at Henderson and to be located at the 1648 W. Henderson, Cleburne, Johnson County, Texas. It will consist of 15 one-story and 5 two-story residential apartment buildings with approximately 137,068 net rentable square feet and an average unit size of approximately 979 square feet. The unit mix will consist of:

40 one-bedroom/one-bath units
76 two-bedroom/two-bath units
24 three-bedroom/two-bath units

140 Total Units

Unit sizes will range from approximately 652 square feet to approximately 1228 square feet.

Common areas are expected to include a swimming pool, a community room, a clubhouse with leasing office, a community room, an exercise room, a computer center, a public telephone area, laundry facilities, a playground, a senior activity room, a game room and a business center.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Villas at Henderson Place, TDHCA Number 060629

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22 S US Representative: Barton, District 6, NC
TX Representative: Orr, District 58 S US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Ted Reynolds, Mayor, City of Cleburne - Resolution of Support from Local Government []
NC

The City of Cleburne Comprehensive Land Use Plan encourages growth and development of a wide variety of housing types and price ranges in appropriate areas to meet the needs of all citizens.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

Public Hearing: Concerns expressed were development specific questions regarding design, how tenants would be screened and how the new roads would be built.

Number that attended: 6
Number that spoke: 0
Number in support: 4
Number in opposition: 0
Number Neutral: 2

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Receipt, review, and acceptance by commitment of documentation verifying the appropriate zoning of all portions of the site with residential buildings for the use as planned.

Receipt, review and acceptance of an addendum from the ESA provider addressing the issues of noise prior to determination notice.

Receipt, review, and acceptance of a revised market study redefining the market area to be consistent with the population limitations in the 2006 TDHCA Market Analysis Rules and Guidelines.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Villas at Henderson Place, TDHCA Number 060629

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$407,847
Recommendation:	Recommend approval of a Housing Tax Credit Allocation not to exceed \$407,847 annually for ten years, subject to conditions.	
TDHCA Bond Issuance:	Bond Amount:	\$7,200,000
Recommendation:	Recommend Approval of issuance of \$7,200,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate at 5.65% and repayment term of 15 years with a 30 year amortization period, subject to conditions.	
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

Villas at Henderson

Estimated Sources & Uses of Funds

Sources of Funds

Series 2006 Tax-Exempt Bond Proceeds	\$ 7,200,000
Tax Credit Proceeds	3,869,761
Housing Trust Fund Loan	700,000
Deferred Developer's Fee	891,306
GIC Income	201,600
Interim NOI	340,077
Total Sources	<u>\$ 13,202,744</u>

Uses of Funds

Acquisition and Site Work Costs	\$ 1,822,780
Direct Hard Construction Costs	6,248,112
Other Construction Costs (General Require, Overhead, Profit)	1,046,586
Developer Fees and Overhead	1,497,186
Direct Bond Related	232,000
Bond Purchase Costs	117,500
Other Transaction Costs	2,238,580
Real Estate Closing Costs	-
Total Uses	<u>\$ 13,202,744</u>

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 36,000
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	14,400
TDHCA Bond Compliance Fee (\$40 per unit)	5,600
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Trustee Fee	8,500
Trustee's Counsel (Note 1)	10,000
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	2,000
Bond Amortization Analysis	15,000
Total Direct Bond Related	<u>\$ 232,000</u>

Villas at Henderson

Bond Purchase Costs	
Underwriter	72,000
Underwriter's Counsel	30,000
Rating Agency	13,500
OS Printing/Mailing	2,000
Total Bond Purchase Costs	<u>\$ 117,500</u>
Other Transaction Costs	
Tax Credit Related Costs	114,500
Lease-up Reserves	150,000
Construction Contingency	300,000
Soft Construction Costs	886,000
Interest Rate Cap	180,000
Construction Interest	591,480
Miscellaneous	16,600
Total Other Transaction Costs	<u>\$ 2,238,580</u>
Real Estate Closing Costs	
Title/Recording Fees	
Permits	
Utility and Impact Fees	
Total Real Estate Costs	<u>\$ -</u>
Estimated Total Costs of Issuance	<u>\$ 2,588,080</u>

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

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

DATE: October 4, 2006 **PROGRAM:** 4% HTC/MRB/HTF **FILE NUMBER:** 060629

DEVELOPMENT NAME

Villas at Henderson Place

APPLICANT

Name: Cleburne Villas Apartments, L.P. **Contact:** G. Granger MacDonald
Address: 2951 Fall Creek Road
City: Kerrville **State:** TX **Zip:** 78028
Phone: (830) 257-5323 **Fax:** (830) 257-3168 **Email:** gmacdonald@macdonald-companies.com

KEY PARTICIPANTS

Name: Cleburne Villas Developers, LLC **Title:** .01% Managing General Partner of Applicant
Name: Wolco Development, LLC **Title:** 33.33% Owner of MGP
Name: John Wolcott **Title:** 100% Owner of Wolco Development, LLC
Name: Resolution Real Estate Services, Inc **Title:** 33.33% Owner of MGP
Name: J. Steve Ford **Title:** 100% Owner of Resolution Real Estate Services, Inc.
Name: G. G. MacDonald, Inc. **Title:** 33.33% Owner of MGP
Name: G. Granger MacDonald **Title:** 75% Owner of G. G. MacDonald, Inc.
Name: T. Justin MacDonald **Title:** 25% Owner of G. G. MacDonald, Inc.

PROPERTY LOCATION

Location: 1648 W. Henderson
City: Cleburne **Zip:** 76031
County: Johnson **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$407,847	N/A	N/A	N/A
MRB (Tax-Exempt)	\$7,200,000	6%	30 yrs	30 yrs
HTF	\$700,000	0%	25 yrs	30 yrs
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Intergenerational Housing	Other:	Urban/Exurban	

RECOMMENDATION

- RECOMMEND APPROVAL OF ISSUANCE OF \$7,200,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 5.65% AND REPAYMENT TERM OF 15 YEARS WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$407,847 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HTF AWARD NOT TO EXCEED \$700,000, STRUCTURED AS A 30-YEAR TERM LOAN, FULLY AMORTIZING OVER THE LAST 25 YEARS AT 0% INTEREST, SUBJECT TO CONDITIONS.

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

CONDITIONS

1. Receipt, review, and acceptance by commitment of documentation verifying the appropriate zoning of all portion of the site with residential buildings for the use as planned.
2. Receipt, review, and acceptance of an addendum from the ESA provider addressing the issues of noise prior to determination notice.
3. Receipt, review, and acceptance of a revised market study redefining the market area to be consistent with the population limitations in the 2006 TDHCA Market Analysis Rules and Guidelines.
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit and or allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

The Applicant submitted a 2005 application for tax-exempt mortgage revenue bonds, tax credits associated with the bonds, and a Housing Trust Fund allocation. Although the application for bonds and tax credits did not move forward, a Housing Trust Fund Rental Development Loan Commitment was issued for \$700,000 with an annual interest rate of 0% with a loan term of thirty (30) years fully amortizing over the last twenty-five (25) years of the loan on September 1, 2005. The commitment for a HTF allocation indicates the project will include a total of 180 multifamily units in 19 residential buildings with 19 HTF units. Of the 19 HTF units, 10 must be affordable to households with incomes at or below 60% of AMFI and nine units must be affordable to households with incomes at or below 30% of AMFI. The HTF set-asides appear to have been met based on the submitted rent schedule.

The Housing Trust Fund award was not previously underwritten due to the certain infeasibility conclusion that would have been made without a reservation or allocation for tax credits or bonds. The structure of the HTF loan was determined based on the Applicant's request and has now been agreed to by the Department in the form of a contract. Deferring the HTF payment for five years as planned increased the risk that repayment will not be made. Had the HTF loan been underwritten with all other financing, the recommended structure would have been to match term and amortization and require repayment to begin immediately upon conversion to permanent status. The validity of the HTF contract may still be in question given that the original development and Board approval contemplated more total units although the same number of HTF-restricted units (19). If the contract for HTF can be restructured a matching term and amortization should be pursued.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: <u>140</u>	# Res Bldgs <u>20</u>	# Non-Res Bldgs <u>2</u>	Age: <u>N/A</u> yrs
Net Rentable SF: <u>137,068</u>	Av Un SF: <u>979</u>	Common Area SF: <u>5,248</u>	Gross Bldg SF: <u>142,316</u>

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab subfloor. According to the plans provided in the application the exterior will be 25% masonry veneer, 75% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: laundry connections, ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 100 or more, the Applicant has elected to provide

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

community laundry room, controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a swimming pool, two children’s playgrounds equipped for 5 to 12 year olds/two tot lots/one of each.

Uncovered Parking: 324 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The Villas at Henderson Place is a 7-unit per acre new construction Intergenerational development located in western Cleburne. The development is comprised of five family walk-up residential buildings containing 60 units and fifteen senior garden style buildings containing 80 units as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
2 Family	2	8	8	0
3 Family	2	0	8	8
6 Senior	1	4	0	0
9 Senior	1	0	4	0

The development includes a 3,128-square foot family community building and a 2,120-square foot senior community building.

While the development plan reflects separate leasing facilities, the Underwriter is concerned with regard to the Applicant’s awareness of the Department’s requirement for separate leasing personnel for the seniors units and family units for in a development characterized as “intergenerational.” The site plan labels only one of the common area buildings as a leasing office which will be located in the community building associated with the family units. The second building is listed as a recreational building but appears to include an office. Also, when questioned about administrative and payroll operating expenses, the Applicant indicated the development would be run as one property with no effect on personnel. The Applicant should be made aware of the requirements for intergenerational developments that have been approved since the HTF application was first submitted.

SITE ISSUES

SITE DESCRIPTION

Total Size: <u>19.898 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone: <u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning: <u>MR & SF-4</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is located at the northwest corner of W. Henderson (US Highway 67) and Hyde Part Court in western Cleburne in Johnson County. Cleburne is located approximately 29 miles south of Fort Worth and approximately 55 miles southwest of Dallas and approximately 60 miles northwest of Waco.

Adjacent Land Uses:

- € **North:** undeveloped land and a multi-family residential apartment immediately adjacent and Woodward Avenue beyond;
- € **South:** single-family residential houses and commercial businesses immediately adjacent and West Henderson Street/US Highway 67 business beyond;
- € **East:** single-family residential immediately adjacent and vacant land beyond;
- € **West:** residential duplexes immediately adjacent and Nolan River Road beyond.

Site Access: US Highway 67 which bisects the City of Cleburne in a northeast-southwest direction is located west of the site which provides direct access to all areas of the city.

Public Transportation: Public transportation to the area is provided by Cletran.

Shopping & Services: “Access to supportive retail and service facilities within the immediate Cleburne market area is considered excellent along the corridors of West Henderson Street or US Highway 67. Retail and service facilities along this major traffic corridor include grocery stores, drug stores, restaurants, financial institutions, and multi-purpose stores.” (p. II-8)

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Adverse Site Characteristics:

Zoning: The boundary for the SF-4 zoning on the eastern portion of the property is not shown in application materials. Receipt, review, and acceptance by commitment of documentation verifying the appropriate zoning of all portion of the site with residential buildings for the use as planned is a condition of this report.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 9/21/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated March 10, 2006 was prepared by Alpha Testing, Inc. and contained the following findings and recommendations:

Findings:

- ⊘ **Noise:** This issue was not addressed in the Environmental Assessment Report.
- ⊘ **Floodplain:** “The Site is located within Zone X, which is outside the 100-year and 500-year floodplain zones, according to the Federal Emergency Managements Agency’s (FEMA) flood Insurance Rate Map Number 48251C; Panel 0113G, revised 1993.” (p. 19)
- ⊘ **Asbestos-Containing Materials (ACM):** “The Site is currently vacant land; therefore, suspect asbestos containing materials (ACM) were not observed at the Site during the visual survey.” (p. 16)
- ⊘ **Lead-Based Paint (LBP):** “The Site is currently vacant land; therefore, suspect Lead-Based Paints were not observed at the Site during the visual survey.” (p. 16)
- ⊘ **Lead in Drinking Water:** “Based on a review of the Cleburne West, Texas, USGS Topographic Map, the US. Department of the Interior National Wetland Inventory (NVVI) Map dated 1992, and on-site observations, it appears that the site does not contain potential waters of the U.S. and or wetlands as defined and regulated by federal authority under 33 CFR Parts 320-330.” (p. 18)
- ⊘ **Radon:** “Based on a review of Map of Radon Zones developed by the EPA and U.S. Geological Survey, the Site is located in EPA Zone 3, which indicates radon concentrations below 2 pCi/l. Based on a review of The Texas Indoor Radon Survey 1992, prepared by the Texas Department of Health (TSH), Bureau of Radiation Control, the Site is located in Fort Worth, Tarrant County, Texas. The mean residential radon measurement from the survey for Tarrant County is 1. 1pCill. The EPA recommends a guideline "action level" of 4.0 pCi/l for annual average indoor radon concentrations. Based on this information, the Site is considered to have a low potential for elevated levels of radon gas.” (p. 19)

Recommendations: “This Phase I ESA Update has revealed no evidence of recognized environmental conditions in connection with the Site.” (p. 14)

Receipt, review, and acceptance of an addendum from the ESA provider addressing the issues of noise prior to determination notice is a condition of this report.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of the units (100% of the total) will be reserved for low-income tenants. Nine of the units (6%) will be reserved for households earning 30% or less of AMI, and one-hundred thirty-one units (94%) will be reserved for households earning 60% or less of AMI. In addition, the HTF commitment indicates the development must have 19 HTF units with nine set-aside to be affordable at or below 30% of AMFI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

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

MARKET HIGHLIGHTS

A market feasibility study dated March 7, 2006 and updated August 17, 2006 was prepared by Mark C. Temple & Associates, LLC (“Market Analyst”) and included the following findings:

Secondary Market Information: “The Secondary Market Area includes the surrounding counties of the North Central Texas Region.” (p. II-3)

Definition of Primary Family Market Area (PMA): “The primary or defined market area for the Cleburne Villas at Henderson Place Apartments is considered Johnson County, which includes the City of Cleburne and is described by the following farthest boundaries: North-Tarrant County, South-Hill and Bosque Counties, East-Ellis County, and west-Hood County” (p. II-1) This area encompasses approximately 735 square miles and is equivalent to a circle with a radius of 15.3 miles

Definition of Primary Senior Market Area (PMA): “The primary or defined market area for the Cleburne Villas at Henderson Place Apartments is considered Johnson County, which includes the City of Cleburne and is described by the following farthest boundaries: North-Tarrant County, South-Hill and Bosque Counties, East-Ellis County, and west-Hood County” (p. II-1) This area encompasses approximately 735 square miles and is equivalent to a circle with a radius of 15.3 miles. This is an extraordinarily large market area for a family development in a suburban market.

Population: The estimated 2006 family population of the PMA was 145,427 and is expected to increase by 16% to approximately 168,955 by 2011. Within the primary market area there were estimated to be 51,462 family households in 2006. The population for the family portion of the development exceeds the allowable 100,000 people according to TDHCA guidelines. Receipt, review, and acceptance of a revised market study redefining the family market area consistent with the TDHCA Market Analysis Rules and Guidelines is a condition of this report.

The estimated 2006 senior population of the PMA was 30,192 and is expected to increase by 29% to approximately 38,836 by 2011. Within the primary market area there were estimated to be 17,824 elderly households in 2006.

Total Family Market Demand: The Market Analyst utilized a target household adjustment rate of 100% and a household size-appropriate adjustment rate of 100%. The Analyst’s income band of \$21,390 to \$41,100 results in an income eligible adjustment rate of 28.5%. The tenure appropriate adjustment rate of 27% is specific to the general population. The Market Analyst indicates a turnover rate of 66% applies based on information obtained from the 2005 IREM statistics. (p. 2)

FAMILY MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter (100K Pop)	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	358	12%	80	4%
Resident Turnover	2,602	88%	1,836	96%
TOTAL DEMAND	2,960	100%	1,916	100%

Inclusive Family Capture Rate: The Market Analyst calculated an inclusive capture rate of 8% based upon 2,960 units of demand and 236 unstabilized affordable housing in the PMA (including the subject and Cimmeron Springs, #05029) (p. IX-7). The Underwriter adjusted the demand number based on the proration of the population number of 145,427 adjusted to 100,000 to determine a demand of 1,916. This results in a capture rate 12.3%, still within the Department’s guidelines.

Total Senior Market Demand: The Market Analyst utilized a target household adjustment rate of 100% and a household size-appropriate adjustment rate of 100%. The Analyst’s income band of \$10,680 to \$34,260 results in an income eligible adjustment rate of 38.6%. The tenure appropriate adjustment rate of 27% is specific to the target population. The Market Analyst indicates a turnover rate of 66% applies based on information obtained from the 2005 IREM statistics. (p. 2)

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MULTIFAMILY UNDERWRITING ANALYSIS**

SENIOR MARKET DEMAND SUMMARY

Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	180	14%	98	7%
Resident Turnover	1,111	86%	1,280	93%
TOTAL DEMAND	1,291	100%	1,378	100%

Inclusive Senior Capture Rate: The Market Analyst calculated an inclusive capture rate of 4.6% based upon 1,291 units of demand and 60 unstabilized affordable housing in the PMA (including the subject) (p. IX-3). The Underwriter calculated an inclusive capture rate of 4.4% based upon a revised demand estimate for 1,378 affordable units.

Unit Mix Conclusion: “The unit mix of the subject project was determined by the project sponsor based upon previous project experience in the market area and feedback from the local community such as the city of Cleburne and the Cleburne Housing Authority” (p. II-3)

Market Rent Comparables: The Market Analyst surveyed nine comparable apartment projects totaling 1,144 units in the market area.

RENT ANALYSIS (net tenant-paid rents)

Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (30%)	\$240	\$240	\$0	\$627	-\$387
1-Bedroom (60%)	\$597	\$597	\$0	\$627	-\$30
2-Bedroom (60%)	\$716	\$716	\$0	\$721	-\$5
3-Bedroom (60%)	\$826	\$826	\$0	\$828	-\$2

(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 occupancy level of the market area is presently 100 percent.” (p. VII-1).

Absorption Projections: “Based upon current positive multi-family indicators and present absorption levels of 10 to 15 units per month, it is estimated that a 95+ percent occupancy level can be achieved in a 9 to 14 month time frame.” (p. IX-8)

Unstabilized, Under Construction, and Planned Development: “The Texas Department of Housing and Community Affairs approved the Cimarron Springs Apartments under the 2005 Tax Credit Application Year. The 156 unit family apartment project is located approximately 4.6 miles northeast of the subject project.” (p. X-1)

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of July 20, 2006, provided by Cirro Energy and Cleburne Housing, from the 2006 program gross rent limits. Tenants will be required to pay electric, water, and sewer costs. The Applicant’s vacancy and collection loss assumption of 7.5% meets current Department guidelines. The Applicant’s estimate of secondary income of \$20 per unit per month exceeds the underwriting guideline of \$15 per unit per month. However, the Underwriter was able to support an increase in the underwriting of secondary income per unit per month to \$20 based on additional data provided by the Applicant of an existing development. The Applicant’s effective gross income is within 5% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$3,609 per unit is within 5% of the Underwriter’s estimate of \$3,776, derived from the TDHCA database and third party sources. The

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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Applicant's budget shows one line item, however, that deviates significantly when compared to the Underwriter's estimate, general and administrative (\$13.3K lower). The Department has limited operating data available for intergenerational developments but it is likely that expenses for payroll and utilities will be higher than typical expenses. Therefore it is likely that the Underwriter's expenses and therefore the Applicant's expenses are understated.

Conclusion: The Applicant's estimated effective gross income and operating expense are consistent with the Underwriter's expectations and the Applicant's net operating income (NOI) estimate is within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI will be used to evaluate debt service capacity. Both the Underwriter's and the Applicant's debt service support the proposed debt with a 1.10 and 1.30 debt coverage ratio.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cash flow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: (29.484) acres	\$103,194	Assessment for the Year of:	2006
Prorated: 1 acre	\$3,500	Valuation by:	Johnson County Appraisal District
Prorated value: 19.898 ac.	\$69,643	Tax Rate:	2.956486

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Unimproved commercial property contract (19.898 acres)		
Contract Expiration:	6/15/2005 and a 150 day extension	Valid through Board Date?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Acquisition Cost:	\$538,000	Other:	Extension fees shall be over and above contract price
Seller:	Reuben L & Sarah Willis	Related to Development Team?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: Fees paid to extend closing do not apply to the contract price of \$538,800. As of underwriting, the Applicant has extended the closing date three times at a total cost of \$57,280. Therefore the total site cost is \$538,000 plus \$57,280, or \$595,280. The final site cost of \$29,920 per acre or \$4,252 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction.

Sitework Cost: The Applicant's claimed sitework costs of \$7,461 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$334.7K or 5% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$11,586,549 supports annual tax credits of \$420,592. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

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FINANCING STRUCTURE			
INTERIM TO PERMANENT BOND FINANCING			
Source:	CitiBank	Contact:	Robert Onion
Tax-Exempt:	\$7,200,000	Interest Rate:	5.65%, variable, lender's estimate
		Amort:	360 months
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	Letter of Credit as credit enhancement; Borrower to execute cap on interest rate through swap		
TAX CREDIT SYNDICATION			
Source:	Boston Capital	Contact:	Thomas Dixon
Proceeds:	\$3,869,761	Net Syndication Rate:	95%
		Anticipated HTC:	\$407,384/year
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:			

OTHER			
Amount:	\$969,430	Source:	Deferred Developer Fee
Amount:	\$444,638	Source:	Reinvestment Earnings/Construction Period

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by TDHCA and privately placed by Citibank Texas. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Funding by TDHCA: HTF funds of \$700,000, structured as a 30 year term fully amortizing over the last 25 years at 0% interest were awarded in 2005. The commitment expires in September 2007. As discussed above, this commitment should be revised to match amortization if possible. In that case, it would result in a still acceptable 1.11 DCR based on the Applicant's NOI.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant included \$444,638 in proceeds from construction earning period. This amount will be added to the proposed deferred developer's fees for a total of \$1,414,068 or 94% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$7,200,000 and the HTF loan for \$700,000 indicates the need for \$5,283,829 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$556,248 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$407,847), the gap-driven amount (\$556,248), and eligible basis-derived estimate (\$420,592), the Applicant's request of \$407,847 is recommended resulting in proceeds of \$3,874,159 based on a syndication rate of 95%.

The Underwriter's recommended financing structure indicates the need for \$1,409,670 in additional permanent funds. Deferred developer in this amount does not appear to be repayable from development cash flow within ten years of stabilized operation, but appears to be repayable within 15 years.

DEVELOPMENT TEAM	
IDENTITIES of INTEREST	
≠	The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.

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

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

Financial Highlights:

- € The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- € The 33.33% Owner of the General Partner, Wolco Development, LLC, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$2.6M and consisting of \$99K in cash, and \$2.5M in receivables. Liabilities totaled \$51K, resulting in a net worth of \$2.6M.
- € The 33.33% Owner of the General Partner, G.G. MacDonald, Inc., submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$35.8M and consisting of \$7K in cash, \$5M in receivables, \$30M in construction in progress, and \$507K in long term assets. Liabilities totaled \$35.8M, resulting in a net worth of \$14K.
- € The 33.33% Owner of the General Partner, Resolution Real Estate Services, LLC, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of \$4M and consisting of \$255K in cash, \$3.6M in receivables, \$75K in stocks and securities, and \$25K in machinery. Liabilities totaled \$110K, resulting in a net worth of \$3.8M.
- € The principals of the General Partner, John Wolcott, Steve Ford, and G.G. MacDonald submitted unaudited financial statements as of March 31, 2006, 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

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:	October 4, 2006
	<i>Carl Hoover</i>		
Reviewing Underwriter:	_____	Date:	October 4, 2006
	<i>Lisa Vecchietti</i>		
Director of Real Estate Analysis:	_____	Date:	October 4, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

Villas at Henderson Place, Cleburne, 4% HTC/MRB #060629 & HTF #05246

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Trash Only
TC/HTF (60%)	16	1	1	652	\$713	\$597	\$9,552	\$0.92	\$116.00	\$20.00
TC/HTF (30%)	9	1	1	814	356	\$240	2,160	0.29	116.00	20.00
TC/HTF (60%)	15	1	1	814	713	\$597	8,955	0.73	116.00	20.00
TC/HTF (60%)	40	2	2	1,002	856	\$716	28,640	0.71	140.00	20.00
TC/HTF (60%)	36	2	2	1,043	856	\$716	25,776	0.69	140.00	20.00
TC/HTF (60%)	24	3	2	1,228	989	\$826	19,824	0.67	163.00	20.00
TOTAL:	140		AVERAGE:	979	\$815	\$678	\$94,907	\$0.69	\$137.09	\$20.00

INCOME

Total Net Rentable Sq Ft: **137,068**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$20.00
 Other Support Income:

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.95%	\$383	0.39
Management	3.70%	286	0.29
Payroll & Payroll Tax	12.55%	972	0.99
Repairs & Maintenance	5.83%	451	0.46
Utilities	3.39%	262	0.27
Water, Sewer, & Trash	1.99%	154	0.16
Property Insurance	2.52%	196	0.20
Property Tax 2.956486	9.51%	737	0.75
Reserve for Replacements	2.58%	200	0.20
Supp serv & compl fees	1.73%	134	0.14
TOTAL EXPENSES	48.74%	\$3,776	\$3.86
NET OPERATING INC	51.26%	\$3,971	\$4.06

DEBT SERVICE

CitiBank	45.99%	\$3,562	\$3.64
HTF-TDHCA	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	5.27%	\$408	\$0.42

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		4.40%	\$4,252	\$4.34
Off-Sites		0.00%	0	0.00
Sitework		7.72%	7,461	7.62
Direct Construction		50.03%	48,332	49.37
Contingency 3.84%		2.22%	2,143	2.19
General Req'ts 5.74%		3.32%	3,203	3.27
Contractor's G & A 1.91%		1.11%	1,068	1.09
Contractor's Profit 5.74%		3.32%	3,203	3.27
Indirect Construction		3.52%	3,400	3.47
Ineligible Costs		6.30%	6,086	6.22
Developer's G & A 1.92%		1.48%	1,427	1.46
Developer's Profit 12.46%		9.60%	9,275	9.47
Interim Financing		5.84%	5,639	5.76
Reserves		1.16%	1,120	1.14
TOTAL COST		100.00%	\$96,609	\$98.68
Construction Cost Recap		67.71%	\$65,411	\$66.81

SOURCES OF FUNDS

CitiBank	53.23%	\$51,429	\$52.53
HTF-TDHCA	5.18%	\$5,000	\$5.11
HTC Syndication Proceeds	28.61%	\$27,641	\$28.23
Deferred Developer Fees	10.45%	\$10,100	\$10.32
Additional (Excess) Funds Req'd	2.52%	\$2,439	\$2.49
TOTAL SOURCES			

TDHCA	APPLICANT
\$1,138,884	\$1,138,884
33,600	33,600
0	0
\$1,172,484	\$1,172,484
(87,936)	(87,936)
0	0
\$1,084,548	\$1,084,548
\$53,639	\$40,350
40,103	43,382
136,123	135,160
63,182	65,780
36,720	29,000
21,600	21,600
27,383	28,000
103,171	95,200
28,000	28,000
18,738	18,738
\$528,659	\$505,210
\$555,888	\$579,338
\$498,732	\$494,393
0	0
0	0
\$57,157	\$84,945
1.11	1.17
	1.16

PER SQ FT	PER UNIT	% OF EGI
\$0.29	\$288	3.72%
0.32	310	4.00%
0.99	965	12.46%
0.48	470	6.07%
0.21	207	2.67%
0.16	154	1.99%
0.20	200	2.58%
0.69	680	8.78%
0.20	200	2.58%
0.14	134	1.73%
\$3.69	\$3,609	46.58%
\$4.23	\$4,138	53.42%
\$3.61	\$3,531	45.59%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.62	\$607	7.83%

PER SQ FT	PER UNIT	% of TOTAL
\$4.34	\$4,252	4.52%
0.00	0	0.00%
7.62	7,461	7.92%
46.92	45,942	48.79%
2.19	2,143	2.28%
3.27	3,203	3.40%
1.09	1,068	1.13%
3.27	3,203	3.40%
3.47	3,400	3.61%
6.22	6,086	6.46%
1.46	1,427	1.52%
9.47	9,275	9.85%
5.76	5,639	5.99%
1.09	1,071	1.14%
\$96.18	\$94,170	100.00%
\$64.37	\$63,020	66.92%

RECOMMENDED	
\$7,200,000	Developer Fee Available
700,000	\$1,498,246
3,869,761	% of Dev. Fee Deferred
1,414,068	94%
341,457	0
\$13,525,286	15-Yr Cumulative Cash Flow
\$13,183,829	\$2,357,821

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Villas at Henderson Place, Cleburne, 4% HTC/MRB #060629 & HTF #05246

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$50.09	\$6,865,325
Adjustments				
Exterior Wall Finish	2.00%		\$1.00	\$137,306
Elderly/9-Ft. Ceilings	4.29%		2.15	294,228
Roofing			0.00	0
Subfloor			(1.49)	(204,688)
Floor Cover			2.22	304,291
Porches/Balconies	\$25.07	21,620	3.95	542,085
Plumbing	\$680	264	1.31	179,520
Built-In Appliances	\$1,675	140	1.71	234,500
Exterior Stairs	\$1,900	20	0.28	38,000
Enclosed Corridors	\$40.17		0.00	0
Heating/Cooling			1.73	237,128
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$62.87	5,248	2.41	329,955
Other:			0.00	0
SUBTOTAL			65.35	8,957,650
Current Cost Multiplier	1.07		4.57	627,035
Local Multiplier	0.86		(9.15)	(1,254,071)
TOTAL DIRECT CONSTRUCTION COSTS			\$60.78	\$8,330,614
Plans, specs, survy, bld prmt	3.90%		(2.37)	(324,894)
Interim Construction Interest	3.38%		(2.05)	(281,158)
Contractor's OH & Profit	11.50%		(6.99)	(958,021)
NET DIRECT CONSTRUCTION COSTS			\$49.37	\$6,766,542

PAYMENT COMPUTATION

Primary	\$7,200,000	Amort	360
Int Rate	5.65%	DCR	1.11

Secondary	\$700,000	Amort	
Int Rate		Subtotal DCR	1.11

Additional	\$3,869,761	Amort	
Int Rate		Aggregate DCR	1.11

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$498,732
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$80,606

Primary	\$7,200,000	Amort	360
Int Rate	5.65%	DCR	1.16

Secondary	\$700,000	Amort	300
Int Rate	0.00%	Subtotal DCR	1.16

Additional	\$3,869,761	Amort	0
Int Rate	0.00%	Aggregate DCR	1.16

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	\$1,138,884	\$1,173,051	\$1,208,242	\$1,244,489	\$1,281,824	\$1,485,985	\$1,722,664	\$1,997,040	\$2,683,855
Secondary Income	33,600	34,608	35,646	36,716	37,817	43,840	50,823	58,918	79,181
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,172,484	1,207,659	1,243,888	1,281,205	1,319,641	1,529,826	1,773,487	2,055,958	2,763,035
Vacancy & Collection Loss	(87,936)	(90,574)	(93,292)	(96,090)	(98,973)	(114,737)	(133,012)	(154,197)	(207,228)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,084,548	\$1,117,084	\$1,150,597	\$1,185,115	\$1,220,668	\$1,415,089	\$1,640,476	\$1,901,761	\$2,555,808
EXPENSES at 4.00%									
General & Administrative	\$40,350	\$41,964	\$43,643	\$45,388	\$47,204	\$57,431	\$69,873	\$85,011	\$125,838
Management	43,382	44,683.4476	46,023.95107	47,404.6696	48,826.80969	56,603.6546	65,619.14929	76,070.57855	102,232.4965
Payroll & Payroll Tax	135,160	140,566	146,189	152,037	158,118	192,375	234,053	284,762	421,517
Repairs & Maintenance	65,780	68,411	71,148	73,994	76,953	93,625	113,910	138,589	205,145
Utilities	29,000	30,160	31,366	32,621	33,926	41,276	50,219	61,099	90,441
Water, Sewer & Trash	21,600	22,464	23,363	24,297	25,269	30,744	37,404	45,508	67,363
Insurance	28,000	29,120	30,285	31,496	32,756	39,853	48,487	58,992	87,322
Property Tax	95,200	99,008	102,968	107,087	111,371	135,499	164,856	200,572	296,896
Reserve for Replacements	28,000	29,120	30,285	31,496	32,756	39,853	48,487	58,992	87,322
Other	18,738	19,488	20,267	21,078	21,921	26,670	32,448	39,478	58,437
TOTAL EXPENSES	\$505,210	\$524,985	\$545,537	\$566,898	\$589,100	\$713,929	\$865,356	\$1,049,073	\$1,542,513
NET OPERATING INCOME	\$579,338	\$592,100	\$605,060	\$618,216	\$631,568	\$701,160	\$775,120	\$852,688	\$1,013,295
DEBT SERVICE									
First Lien Financing	\$498,732	\$498,732	\$498,732	\$498,732	\$498,732	\$498,732	\$498,732	\$498,732	\$498,732
Second Lien	0	0	0	0	0	28,000	28,000	28,000	28,000
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$80,606	\$93,368	\$106,328	\$119,484	\$132,836	\$174,428	\$248,388	\$325,957	\$486,563
DEBT COVERAGE RATIO	1.16	1.19	1.21	1.24	1.27	1.33	1.47	1.62	1.92

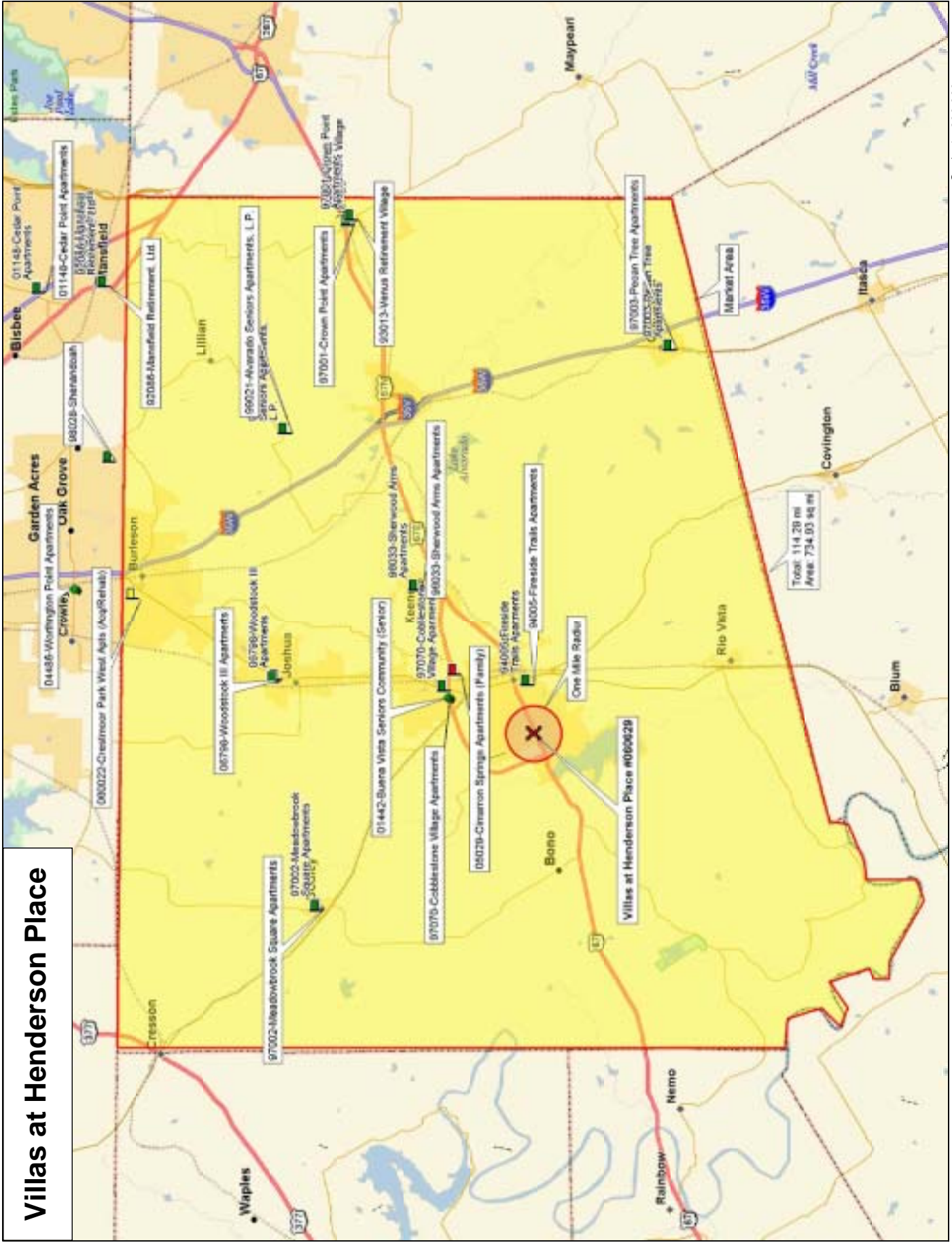
LOCATION ANALYSIS -Villas at Henderson Place, Cleburne, 4% HTC/MRB #060629 & H

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$595,280	\$595,280		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,044,500	\$1,044,500	\$1,044,500	\$1,044,500
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,431,843	\$6,766,542	\$6,431,843	\$6,766,542
(4) Contractor Fees & General Requirements				
Contractor overhead	\$149,522	\$149,522	\$149,522	\$149,522
Contractor profit	\$448,469	\$448,469	\$448,469	\$448,469
General requirements	\$448,469	\$448,469	\$448,469	\$448,469
(5) Contingencies				
	\$300,000	\$300,000	\$300,000	\$300,000
(6) Eligible Indirect Fees				
	\$476,000	\$476,000	\$476,000	\$476,000
(7) Eligible Financing Fees				
	\$789,500	\$789,500	\$789,500	\$789,500
(8) All Ineligible Costs				
	\$852,000	\$852,000		
(9) Developer Fees				
Developer overhead	\$199,766	\$199,766	\$199,766	\$199,766
Developer fee	\$1,298,480	\$1,298,480	\$1,298,480	\$1,298,480
(10) Development Reserves				
	\$150,000	\$156,758		
TOTAL DEVELOPMENT COSTS	\$13,183,829	\$13,525,286	\$11,586,549	\$11,921,248

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		\$11,586,549	\$11,921,248
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$11,586,549	\$11,921,248
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$11,586,549	\$11,921,248
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		\$420,592	\$432,741

Syndication Proceeds	0.9499	\$3,995,222	\$4,110,631
Total Tax Credits (Eligible Basis Method)		\$420,592	\$432,741
Syndication Proceeds		\$3,995,222	\$4,110,631
Requested Tax Credits		\$407,847	
Syndication Proceeds		\$3,874,159	
Gap of Syndication Proceeds Needed		\$5,283,829	
Total Tax Credits (Gap Method)		\$556,248	

Villas at Henderson Place



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

VILLAS AT HENDERSON PLACE

PUBLIC HEARING

Meeting Room
Cleburne High School
1501 Harlin Drive
Cleburne, Texas

September 21 2006
6:16 p.m.

BEFORE:

SHANNON ROTH, TDHCA Housing Specialist

ALSO PRESENT:

MARK WOLCOTT

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

<u>SPEAKER</u>	<u>PAGE</u>
Lisa Chandler	10
Carl Mason	14
Juanita Marvin	15

P R O C E E D I N G S

MS. ROTH: Okay. My name is Shannon Roth and I'm with the Texas Department of Housing and Community Affairs. Can you all hear me or do I need to use a microphone? Okay.

Let me go ahead and tell you the format of this evening's hearing. It will be as follows: I'm going to give a presentation of the programs that the developer has applied for. Then the developer, Mr. Wolcott, will give a presentation on the specifics of the development. Then we're going to -- I will read a speech for IRS purposes. At the conclusion of the speech, I will open up the floor for public comment and if you wish to make comment, you may do so at that time.

Okay. According to IRS Code, the Department is only required to take public comment on the bond issuance.

However, TDHCA has extended this to take public comment on the development itself. We're not required to do that but we want the community input. TDHCA schedules the public hearings where the development is to be located at a time and location that's convenient for the community.

The two programs the developer has applied for include the Private Activity Bond Program and the Housing Tax Credit Program. Both programs are created by the

federal government to encourage private industry to build quality housing that is affordable to individuals and families with lower than average income.

The Private Activity Bond Program refers to the issuance of tax-exempt bonds. The tax exemption is not an exemption of property taxes but rather an exemption to the purchaser of the bond. The bond purchaser does not have to pay taxes on their investment and the income they make on that investment. The bond purchaser accepts a lower rate of return. Therefore, the lender that is involved will charge a lower interest for the mortgage that will be placed on the property to the developer.

The Housing Tax Credit Program was created as a result of the Tax Reform Act of 1986. The housing tax credit is an investment to the investor that purchases the tax credit. It is an IRS credit to the development unrelated to property taxes. The Housing Tax Credit provides equity to the development which allows the developer to provide lower rents to affordable tenants.

In conclusion, with both of these programs, the tax benefit goes to the investor to help finance the new development. This is what gives the developer the opportunity to bring something of high quality to your area. All of these properties are privately owned and

privately managed.

The ongoing responsibilities between the affordable housing development and the TDHCA includes state compliance monitoring. The compliance monitoring period with the state is the greater of 30 years or as long as the bonds are outstanding. The oversight responsibilities include: the units are occupied by eligible households; physical appearance of the property; the rents are capped at appropriate levels; and repair reserve accounts are established and funded.

The Private Activity Bond developments are monitored every two years by TDHCA. Desk reviews are done quarterly. After lease up, a survey is usually done to determine the tenant profile and the types of services of interest to the tenants. These services can include tutoring, computer access, health care screening, ESL classes, GED certifications, immunizations for school children, financial planning, credit counseling, down payment assistance, or after-school activities and summer camps.

So now I'm going to ask Mr. Wolcott if he'll make a brief presentation on the development. I know you've answered a lot of questions already.

MR. WOLCOTT: Well, Shannon's showed you a lot

of the technical issues as it relates to the Tax Credit Program. What I'll tell you about really is the development issues and the real estate.

They'll be 60 units in one-story buildings that will house -- will be set aside and restricted for seniors, which is 55 and older, or is it over 55? I think it's over 55 plus. So I think it's 55 or older.

They'll be 80 units in two-story buildings that will be for families. So in other words, you'll have children with a combination of one, two, and three-bedroom apartments in the family side. In the senior side, there are one bedrooms and two bedrooms.

Each property will stand alone in so far as operations are concerned. They'll be fully -- they'll be controlled access and completely fenced. There are separate recreational and leasing office facilities in both properties.

There will be a social service program that will be catered and designed around what the residents want for both the family and for the seniors. So they'll probably be two different types of social service programs based upon what the residents want.

You'll have pools for each facilities. You'll have exercise rooms in each facility. You'll have free

internet service in each facility. Computers will be made available so anybody that lives in the property will have access to a computer and internet service free of charge whenever the offices are open.

We will construct a road off of Henderson back to the property, which will dead end, and I believe in the future, that road will be extended on through -- what's this road? Willard? -- yes, will be eventually extended to Woodard in conjunction with the development of the property to the west -- basically to the north of this facility.

As Shannon mentioned, there are income restrictions. A single-person household cannot make more than approximately \$23,500. If you make more than that, you don't qualify to live in this property. Now, you could make less and that's fine, up to a four-person household with a family income of about \$42,000.

Now, those numbers are exact and that's just from memory but that's about what I recall from Johnson County as to what the income limits are for the property.

The rents will be restricted. We will have a certain number of units that will be restricted for residents making 30 percent of the area median income.

Those income levels I gave you were for 60

percent of the area median income. So 30 percent of the area median income is less than that. So for a one-person household, you would probably need to make somewhere in the neighborhood of \$17,000 or less to qualify for the lower-rent units.

We plan on closing the transaction in early November. We'd start construction immediately. We should be bringing the first units on-line sometime around September or October of 2007 and should be stabilized and leased up by the end of 2008.

The exterior siding will be Hardi Board, which is a [indiscernible] type product, so it doesn't rot. It just lasts forever. It's concrete and stone and the roof's will be pitched composition shingled. We haven't decided on colors or anything like that.

Every unit will have a balcony with storage available or a patio. There's also in all probability we may include some additional amenities within this development that aren't shown at this point in time which would include additional storage facilities, maybe some car ports, and possibly a garage or two. But at this point in time, we haven't made a final decision on that. Okay?

MS. ROTH: Okay. I'm going to go ahead and

read the IRS speech that's required. When I conclude the speech then I'll go ahead and open up the floor and you're welcome to make any comments and then we can do a question and answer also.

Good evening. My name is Shannon Roth. I would like to proceed with the public hearing. Let the record show that it is 6:16 p.m. Thursday, September 21, 2006 and we are at Cleburne High School located at 1501 Harlin Drive, Cleburne, Texas.

I am here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multi-family 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 and the proposed bond issue.

No decision regarding the development will be made at this hearing. The Department's Board is scheduled to meet to consider this transaction on October 12, 2006.

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 to 5:00 p.m. on September 29, 2006.

The bonds will be issued as tax-exempt multi-family revenue bonds in the aggregate principal amount not to exceed \$8,000,000 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 Cleburne Villas Apartments, L.P. or a related person or affiliate entity thereof to finance a portion of the cost of acquiring, constructing, and equipping a multi-family rental housing community described as follows: a 140-unit multi-family residential rental development to be constructed on approximately 17.855 acres of land located at approximately 1648 West Henderson Street, Johnson County, Texas.

The proposed multi-family rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

I would now like to open the floor for public comment. Okay. Seeing that we have no one here this evening that would like to speak, we have six people in

attendance. Thank you for attending the hearing.

I'm going to go ahead and adjourn the meeting and it is 6:20. And we're going to keep the recording on so if you have any questions that you'd like to ask the developer, Mr. Wolcott, or of myself, you can do so at this time.

MS. CHANDLER: I have a quick question. I noticed that the signs we have out there is notice to public -- [inaudible] I'm just curious -- I know we've had this hearing before [inaudible]. I'm just curious as to what's going on. [inaudible] Sometimes they say something a little bit different. Maybe they're trying to get financing from some other avenue, or --

MR. WOLCOTT: Do you want me to?

MS. ROTH: You can go ahead and address that. Could you just state your name for the record?

MS. CHANDLER: Lisa Chandler.

MS. ROTH: Okay.

MR. WOLCOTT: There's been a number of reasons why. The first time the sign went up was based upon an application we had made for the award of tax credits, as well as the placement of taxes at bonds on the property approximately 14/16 months ago and that's when the first sign came up and the first meeting was that you attended.

Then what we did was we decided we were going to try to have this property qualify under a different program that is also administered by the TDHCA that does not involve tax-exempt financing. And so we put up a second sign basically to indicate that we made an application to TDHCA for that purpose.

We were not successful with our application because there were too many other properties ahead of us that were -- that had received a greater -- TDHCA awards that on a competitive basis based upon the number of attributes as public support and things of that nature so that other properties that were ahead of us received an allocation and there wasn't sufficient funds to fund this property.

So now the third sign basically has gone up and that sign basically has to do with the way that Shannon has described the financing as it currently exists. We also -- 13 months ago, we were considering a project that had 180 units. We were going to leave an outparcel of about four acres and then when we made our application under the separate program, we reduced that to 140 units, and the last -- and we currently have made a final decision that based upon a number of considerations, including the market, that we want to do a smaller project

of 140 units and we're going to finance it with a combination of bonds, as well as issuance of tax credits.

So it's really been -- that's been the reason why, and now, instead of only developing about 17 and a half acres, we're going to develop the entire site, which is about 17.8 acres of developed property, with the remaining almost two acres consisting of this road that will connect to Henderson which we will of course dedicate to the city when it's completed.

MS. CHANDLER: Last time we were here too you talked about how, other than their financial status, how do you screen the people who want to rent from you? Do you check to see if they have a criminal record or if they're -- or anything like that?

MR. WOLCOTT: Yes. We do a number of tests. We do a -- we call and confirm with respect to their compliance with their former residents that they were a tenant.

We also do a credit check of the individual to see that they have reasonably good credit. We also do a criminal background check and based upon that criminal background check, if we find out that there's any felony arrests that are in there or other things that would cause us concern, even if they are misdemeanors, then we can

reject that person on that basis.

So we do all those types of checks and our experience has been in the past that we have had very limited criminal activity on any of our properties and we've done about -- I and my development team we've done about 80 projects across the state. And in fact, our record with regard to the amount of incidents that are reported for our properties has generally been much substantially less than what it has been for the surrounding neighborhoods because many cases many -- not this neighborhood but many neighborhoods we go into are -- have a lot more higher instances of crime than you would normally expect.

We don't expect any issues with regard to this property.

MS. ROTH: Any other questions or comments? Anything like that for -- okay, sir.

MR. MASON: I'm Carl Mason. What is the width of the Hyde Park extension, the street itself?

MR. WOLCOTT: I believe it's 60 feet. It's a 60 foot right of way and I believe the pavement area will be at least approximately 40 feet.

MR. MASON: Okay. Thank you.

MR. WOLCOTT: It'll be another ten feet on

either side.

AUDIENCE: If you do build a carport, would it be right in front of the senior units that you live in?

MR. WOLCOTT: Yes, ma'am. They'll be scattered throughout. It will provide -- generally we provide them within -- we do a parking distribution study so that we make sure that within the City of Cleburne you need two parking spaces for every one bedroom. Two parking spaces for two bedrooms and three parking spaces for a three-bedroom.

We provided excess parking but we have, in our parking distribution study, we made sure that there's enough parking to service the building right in front of the street so you don't have to walk across the property to get there.

MS. MARVIN: I'm Juanita Marvin [phonetic].

MS. ROTH: Okay.

MS. MARVIN: I was wondering, does HUD control the rent from going up and down? The raising of the rent or the lowering of the rent in these apartments?

MR. WOLCOTT: HUD establishes --

MS. MARVIN: Not everybody is HUD but I was just wondering if they control it.

MR. WOLCOTT: HUD establishes the fair market

rents for the area and that establishes what our market -- what our maximum rents are that we can charge based upon the size of the household. That doesn't mean that we have to charge those rents. We can charge anything we want to below that but they do set the maximum limits for us.

MS. MARVIN: Okay. Let me ask you another question. Say for a one bedroom, how many people are allowed to live in the one bedroom?

MR. WOLCOTT: Two.

AUDIENCE: Two people. HUD allows that?

MR. WOLCOTT: Yes. And if it's on the family side and it's a couple, maybe they have a baby. It's certainly not unusual.

MS. MARVIN: Yes. Well, I can understand that.

MR. WOLCOTT: But yes. They allow that.

MS. MARVIN: No more than two?

MR. WOLCOTT: Well, this is not a HUD-administered program except with regards to establishing maximum rents.

MS. MARVIN: Okay.

MR. WOLCOTT: That's all they do.

MS. MARVIN: Okay.

MR. WOLCOTT: It's not administered by HUD. The program requirements as it relates to how we operate,

the clients that we get basically vested in the TDHCA because it's a federal program.

MS. ROTH: Right. We -- I was trying to think. I just read something about how many per bedroom and it escapes my mind but I can certainly let you know that and I think what he said is right. I think it is two or two and a half per bedroom. That way if a couple were to live there and they had a small child, then obviously.

MR. WOLCOTT: Two and a half.

MS. ROTH: I think it's either two or two and a half.

MS. MARVIN: But I'm talking about in the senior area.

MR. WOLCOTT: I'm not sure what the restrictions are as it relates to seniors. But generally two people is [indiscernible] per bedroom.

MS. ROTH: We do, on a senior property, you can only have one and two bedrooms. So you couldn't have a three bedroom.

MS. MARVIN: Right.

MS. ROTH: On the senior side.

MS. MARVIN: Well, I was just curious how many live in a one bedroom, that was allowed.

MS. ROTH: Right.

MR. WOLCOTT: Well, certainly a couple.

MS. MARVIN: Yes. I could see a couple but no more than that in the senior area in a one bedroom would be allowed to have families come in and live with them, you know, or what?

MS. ROTH: Well, that's one of the things that when TDHCA monitors the property, they monitor for how many people are living per bedroom.

MR. WOLCOTT: And we monitor that also. I mean it's not like you can have -- somebody can rent the apartment. Everybody that lives in a unit has to be on the lease. So you can't have one person sign the lease and all of a sudden six people move in.

MS. MARVIN: Okay. That's what I wanted to know.

MR. WOLCOTT: That's grounds for eviction. And so since everybody has to be on a lease and since we know who's living in each apartment, we monitor what the occupancy level is. If there's a problem with that, we give them notice and if they can't correct it, we have the option to start the process of eviction.

MS. MARVIN: That's basically what I was getting it.

MR. WOLCOTT: Yes.

MS. MARVIN: Okay.

MS. ROTH: Okay. Any other questions or anything like that?

MR. MASON: Excuse me. One more thing. This property, does this whole thing include this property or not?

MR. WOLCOTT: No, sir.

MR. MASON: It doesn't. So it's coming up here then bypassing to a single-family zoned area.

MR. WOLCOTT: That's correct. That's property [indiscernible] That's all zoned single family.

MR. MASON: I was wondering because I thought originally it was going to include that.

MR. WOLCOTT: No. It will not. It will just include -- I'm buying the property from [indiscernible] to build the street, give it to the city, and then our property for operation will be from here back.

MR. MASON: Okay. You can still do a little farming in there?

MS. ROTH: Okay. Well, if there's no more questions, we'll go ahead and conclude the hearing and my contact information is on the table. So if you have any additional questions, feel free to call us, email us, fax us, write us. However you'd like. Okay. Thank you.

(Whereupon, the hearing was concluded.)

C E R T I F I C A T E

MEETING OF: TDHCA TEFRA Hearing
Villas at Henderson Place
LOCATION: Cleburne, Texas
DATE: September 21, 2006

I do hereby certify that the foregoing pages, numbers 1 through 21, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Jean Schermann before the Texas Department of Housing and Community Affairs.

(Transcriber) 10/02/06
(Date)

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REQUEST FOR BOARD ACTION Multifamily Finance Production

Private Activity Bond Program – Waiting List

1 Priority 2 Application for 2007 Waiting List

1 Priority 3 Application for 2007 Waiting List

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation – October 12, 2006
TAB 2	Summary of Applications
TAB 3	Inducement Resolutions
TAB 4	Prequalification Analysis Worksheets
TAB 5	Map of Development Site

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

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 2007:

Requested Action

Approve the Inducement Resolution to proceed with application submission to the Texas Bond Review Board for possible receipt of State Volume Cap issuance authority from the 2007 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 \$402 million is set aside for multifamily until August 15th for the 2007 bond program year. TDHCA has a set aside of approximately \$80.5 million available for new 2007 applications. If the Board approves the Lottery application it will be included in the Lottery which will take place on November 2, 2006. The Waiting List application will be submitted to the Texas Bond Review Board on January 3, 2007.

Inducement Resolution 06-044 includes two (2) applications that were received on or before September 14, 2006. The applications will reserve approximately \$30 million in 2007 state volume cap. Upon Board approval to proceed, the application will be submitted to the Texas Bond Review Board for placement on the 2007 Waiting List. These applications will be the first applications approved by the Board for the 2007 program year. Approval of the inducement resolution, however, does not assure that the development will ultimately receive approval for a Housing Tax Credit Determination or the issuance of Private Activity Bonds.

Park Place at Loyola– The proposed new construction development will be located at approximately 6200 Loyola Lane, Austin, Travis County. Demographics for the census tract (22.02) include AMFI of \$37,584; the percent of the population that is below the poverty line is 20.87%; the total population is 4,750; the percent of the population that is minority is 92.95%; the number of owner occupied units is 680; number of renter occupied units is 566; and the number of vacant units is 151. (Census Information from FFIEC Geocoding for 2006).

Public Comment: The Department has not received any letters of support or opposition.

Mesquite Creek Apartments – The proposed new construction development will be located at approximately 700 Gross Road, Mesquite, Dallas County. Demographics for the census tract (177.03) include AMFI of \$45,129; the percent of the population that is below the poverty line is 10.02%; the total population is 3,880; the percent of the population that is minority is 35.49%; the number of owner occupied units is 742; number of renter occupied units is 644; and the number of vacant units is 64. (Census Information from FFIEC Geocoding for 2006).

Public Comment: The Department has received no letters of support and letters of opposition from State Senator Robert Deuell, State Representative Elvira Reyna and Mayor Mike Anderson. A copy of the letters are included in this presentation.

Recommendation

Approve the Inducement Resolution as presented by staff. Staff will present all appropriate information to the Board for a final determination for the issuance of the bonds and housing tax credits during the full application process for the bond issuance.

Texas Department of Housing and Community Affairs

2007 Multifamily Private Activity Bond Program - Waiting List

Application #	Development Information	Units	Bond Amount	Developer Information	Comments
07601 Priority 3	Park Place at Loyola 6200 Loyola Lane City: Austin County: Travis <i>New Construction</i>	227 General	\$ 15,000,000 Score - 45	Park Place at Loyola, L.P. Uwe Nahuina 9109 Balcones Club Drive Austin, Texas 78723 51-219-9500	Recommend
07602 Priority 2	Mesquite Creek Apartments 700 Gross Road City: Mesquite County: Dallas <i>New Construction</i>	252 General	\$ 15,000,000 Score - 60	One Mesquite Creek, L.P. Will Thorne 832 S. Carrier Parkway, Suite 100 Grand Prairie, Texas 75051 469-212-0635	Recommend
Totals for Recommended Applications		479	\$ 30,000,000		

RESOLUTION NO. 06-044

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; 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, very low and extremely low income and families of moderate income (all as defined in the Act); and

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

WHEREAS, it is proposed that the Department issue its revenue bonds for the purpose of providing financing for multifamily residential rental developments (each a “Development” and collectively, the “Developments”) as more fully described in Exhibit A attached hereto. The ownership of each Development 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 Development 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 Development 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 Development will be occupied at all times by eligible tenants, as determined by the Governing Board of the Department (the “Board”) pursuant to the Act (“Eligible Tenants”), that the other requirements of the Act and the Department will be satisfied and that its Development 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 Development 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 Development 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 Development 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 Development is not dependent or related to the issuance of Bonds (as defined below) for any other Development and that a separate Application shall be filed with respect to each Development; 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 Development on the terms and conditions hereinafter set forth; NOW, THEREFORE,

BE IT RESOLVED BY THE BOARD THAT:

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

- (a) each Development is necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;
- (b) each Owner will supply, in its Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;
- (c) the financing of each Development is a public purpose and will provide a public benefit;
- (d) each Owner is financially responsible; and
- (e) each Development will be undertaken within the authority granted by the Act to 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 Development in an aggregate principal amount not to exceed those amounts, corresponding to each respective Development, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff and legal counsel of compliance with federal income tax regulations and state law requirements regarding tenancy in each Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that each Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and state laws applicable to the issuance of such Bonds.

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

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

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

Section 6--Limited Obligations. The Owner may commence with the acquisition and construction or rehabilitation of its Development, which Development 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 Development 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 Development, and from such other revenues, receipts and resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

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

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

Section 9--Costs of Development. The Costs of each respective Development may include any cost of acquiring, constructing, reconstructing, improving, installing and expanding the Development. Without limiting the generality of the foregoing, the Costs of each respective Development 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 Development, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Development, the placing of the Development in operation and that satisfy the Code and the Act. Each Owner shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 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, 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 Development will be occupied at all times by Eligible Tenants, that all other requirements of the Act will be satisfied and that each Development 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 Bond Review Board, if required, and the Attorney General.

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

Section 14--Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of each Development's necessary review and legal documentation for the filing of an Application for the 2007 program year and the issuance of the Bonds, subject to satisfaction of the conditions specified in Section 2(i) and (ii) hereof. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner so long as the Application is re-submitted within the current or following program year.

Section 15--Related Persons. The Department acknowledges that financing of all or any part of each Development 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 Development 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 Development may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

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

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

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

Section 20--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State of the State of Texas (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 12th day of October, 2006.

[SEAL]

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT "A"

Description of each Owner and its Development

Project Name	Owner	Principals	Amount Not to Exceed
Mesquite Creek Apartments	One Mesquite Creek, L.P., or other entity	OPLP Mesquite Creek, Inc., or other entity, the principals of which will be Will Thorne and/or Hal Thorne, or other entity	\$15,000,000
Costs: (i) acquisition of real property located at approximately the 700 block of Gross Road, Mesquite, Dallas County, Texas; and (ii) the construction thereon of an approximately 252-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			
Project Name	Owner	Principals	Amount Not to Exceed
Park Place at Loyola	Park Place at Loyola, LP, to be formed, or other entity	Harris Branch 16, LLC, or other entity, the principals of which will be Chris Dischinger and/or Mark Lechner and/or Richard Janson and/or Uwe Nahuina	\$15,000,000
Costs: (i) acquisition of real property located at approximately the 6200 block of Loyola Lane, Austin, Travis County, Texas; and (ii) the construction thereon of an approximately 252-unit multifamily residential rental housing project, in the amount not to exceed \$15,000,000.			

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

Park Place at Loyola, Austin (#07601) Priority 3

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	50	\$ 682	701	0.97
60% AMI	2BD/2BA	104	\$ 761	1,012	0.75
60% AMI	3BD/2BA	90	\$ 861	1,116	0.77
50% AMI	1BD/1BA	8	\$ 605	701	0.86
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		252	\$ 2,346,888	246,346	\$ 0.79
Averages			\$ 776	978	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,350,000	\$ 5,357	\$ 5.48	0.05
Off-sites	0	0	0.00	0.00
Subtotal Site Costs	\$ 1,350,000	\$ 5,357	\$ 5.48	0.05
Sitework	2,800,000	11,111	11.37	0.10
Hard Construction Costs	13,104,000	52,000	53.19	0.47
General Requirements (6%)	954,240	3,787	3.87	0.03
Contractor's Overhead (2%)	318,080	1,262	1.29	0.01
Contractor's Profit (6%)	954,240	3,787	3.87	0.03
Construction Contingency	795,200	3,156	3.23	0.03
Subtotal Construction	\$ 18,925,760	\$ 75,102	\$ 76.83	0.68
Indirect Construction	884,369	3,509	3.59	0.03
Developer's Fee	3,818,140	15,151	15.50	0.14
Financing	2,775,024	11,012	11.26	0.10
Reserves	94,543	375	0.38	0.00
Subtotal Other Costs	\$ 7,572,076	\$ 30,048	\$ 31	\$ 0
Total Uses	\$ 27,847,836	\$ 110,507	\$ 113.04	1.00

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 12,033,171	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,999,000	6.75%	40	\$1,085,970
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 815,665	21.4%	\$3,002,475	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
Total Sources	\$ 27,847,836			\$1,085,970

TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 12,033,171	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,999,000	6.75%	40	\$ 1,085,970
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 815,665	21.4%	\$ 3,002,475	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
Total Sources	\$ 27,847,836			\$ 1,085,970

Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$1,248,684	\$5.07		
Other Income & Loss	45,360	0.18	180	
Vacancy & Collection	13.51% 174,816	0.71	694	
Effective Gross Income	\$1,468,860	5.96	5,829	
Total Operating Expenses	\$503,432	\$2.04	\$1,998	
Net Operating Income	\$965,428	\$3.92	\$3,831	
Debt Service	1,085,970	4.41	4,309	
Net Cash Flow	(\$120,542)	(\$0.49)	(\$478)	
Debt Coverage Ratio	0.89			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	(\$120,542)	(\$0.49)	(\$478)	
DCR after TDHCA Fees	0.89			
Break-even Rents/S.F.	0.54			
Break-even Occupancy	67.72%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,346,888	\$9.53		
Other Income & Loss	45,360	0.18	180	
Vacancy & Collection	7.50% (179,419)	-0.73	-712	
Effective Gross Income	2,212,829	8.98	8,781	
Total Operating Expenses	43.3% \$957,600	\$3.89	\$3,800	
Net Operating Income	\$1,255,229	\$5.10	\$4,981	
Debt Service	1,085,970	4.41	4,309	
Net Cash Flow	\$169,259	\$0.69	\$672	
Debt Coverage Ratio	1.16			
TDHCA/TSAHC Fees	\$0.00	\$0		
Net Cash Flow	\$169,259	\$0.69	\$672	
DCR after TDHCA Fees	1.16			
Break-even Rents/S.F.	0.69			
Break-even Occupancy	87.08%			

Applicant - Annual Operating Expenses			
	Per S.F.	Per Unit	
General & Administrative Expenses	\$83,000	0.34	329
Management Fees	92,902	0.38	369
Payroll, Payroll Tax & Employee Exp.	230,000	0.93	913
Maintenance/Repairs	126,000	0.51	500
Utilities	120,000	0.49	476
Property Insurance	81,294	0.33	323
Property Taxes	191,268	0.78	759
Replacement Reserves	50,400	0.20	200
Other Expenses	32,000	0.13	127
Total Expenses	\$1,006,864	\$4.09	\$3,995

Staff Notes/Comments
Other Expenses: Supportive Service Contract Fee: \$16,000.00 Compliance Fees: \$9,000.00 Audit Fee: \$7,000.00
No goal seek needed.

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

Mesquite Creek Apartments, Mesquite (#07602) Priority 2

Unit Mix and Rent Schedule					
Unit Type	Beds/Bath	# Units	Rents	Unit Size S.F.	Rent/S.F.
60% AMI	1BD/1BA	32	\$ 645	741	0.87
60% AMI	1BD/1BA	40	\$ 655	766	0.86
60% AMI	2BD/2BA	64	\$ 790	967	0.82
60% AMI	2BD/2BA	68	\$ 790	992	0.80
60% AMI	3BD/2BA	24	\$ 900	1,118	0.81
60% AMI	3BD/2BA	24	\$ 900	1,141	0.79
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
Totals		252	\$ 2,331,840	237,912	\$ 0.82
Averages			\$ 771	944	

Uses of Funds/Project Costs				
	Costs	Per Unit	Per S.F.	Percent
Acquisition	\$ 1,500,000	\$ 5,952	\$ 6.30	0.06
Off-sites	0	0	0.00	0.00
Subtotal Site Costs	\$ 1,500,000	\$ 5,952	\$ 6.30	0.06
Sitework	1,878,487	7,454	7.90	0.08
Hard Construction Costs	11,888,742	47,178	49.97	0.49
General Requirements (6%)	826,034	3,278	3.47	0.03
Contractor's Overhead (2%)	275,345	1,093	1.16	0.01
Contractor's Profit (6%)	826,034	3,278	3.47	0.03
Construction Contingency	0	0	0.00	0.00
Subtotal Construction	\$ 15,694,641	\$ 62,280	\$ 65.97	0.65
Indirect Construction	1,091,802	4,333	4.59	0.04
Developer's Fee	2,588,129	10,270	10.88	0.11
Financing	2,406,990	9,552	10.12	0.10
Reserves	1,027,408	4,077	4.32	0.04
Subtotal Other Costs	\$ 7,114,329	\$ 28,231	\$ 30	0
Total Uses	\$ 24,308,970	\$ 96,464	\$ 102.18	1.00

Applicant - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,774,868	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,847,964	6.75%	40	\$1,075,034
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 508,707	19.7%	\$2,079,422	
Source IV	Proceeds	Description	Annual D/S	
Other			\$ -	
Total Sources	\$ 22,131,539			\$1,075,034

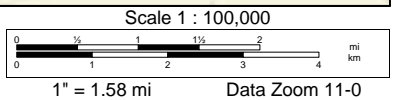
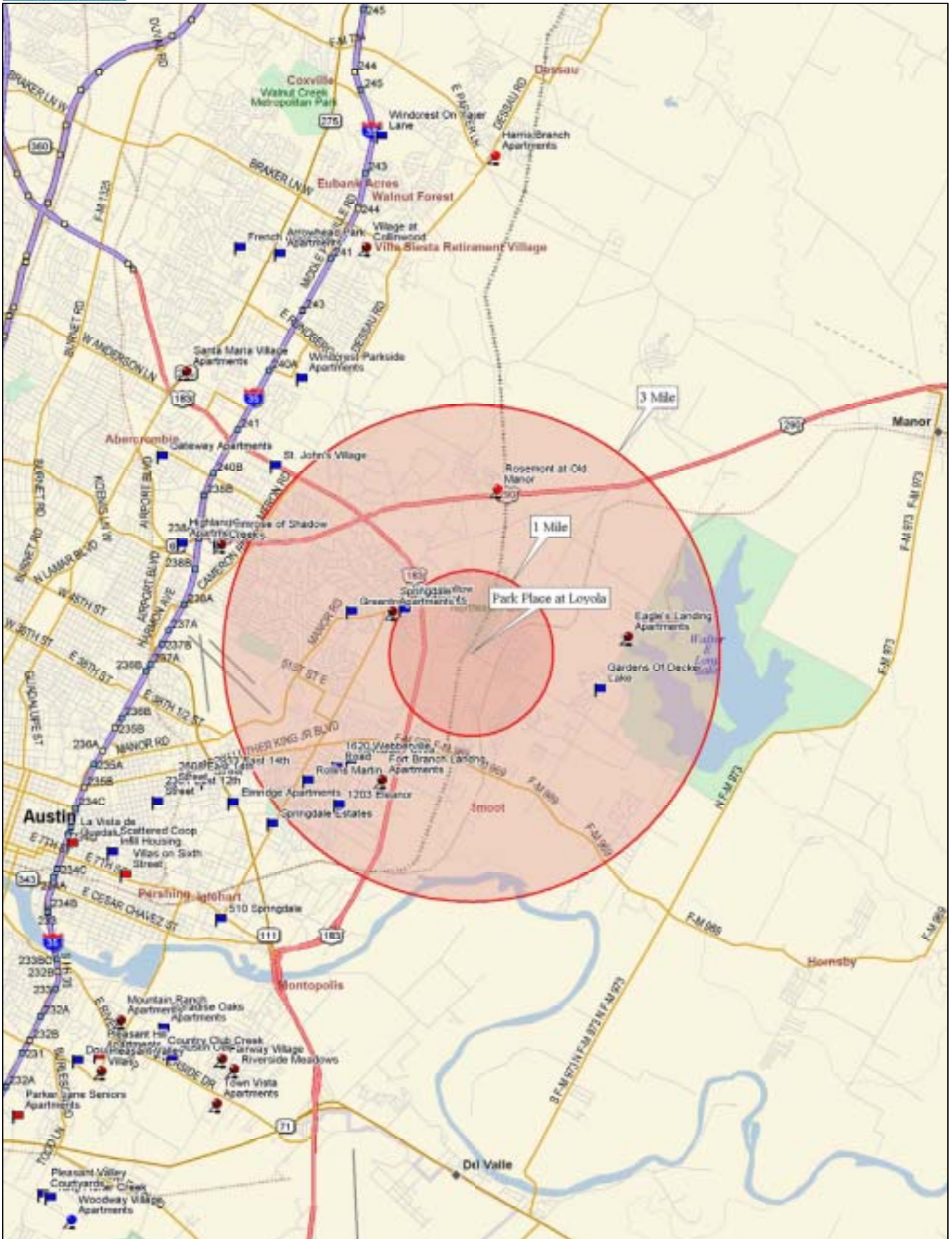
TDHCA - Sources of Funds				
Source I	Net Proceeds	Sale Price	Applicable Percentage	
Tax Credits	\$ 6,774,868	\$0.80	3.55%	
Source II	Proceeds	Rate	Amort	Annual D/S
Bond Proceeds	\$ 14,847,964	6.75%	40	\$ 1,075,034
Source III	Proceeds	% Deferred	Remaining	
Deferred Developer Fee	\$ 2,070,503	80.0%	\$ 517,626	
Source IV	Proceeds	Description	Annual D/S	
Other	\$ -		\$ -	
Total Sources	\$ 24,308,970			\$ 1,075,034

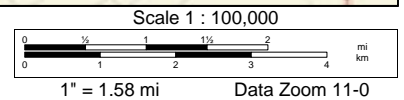
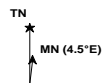
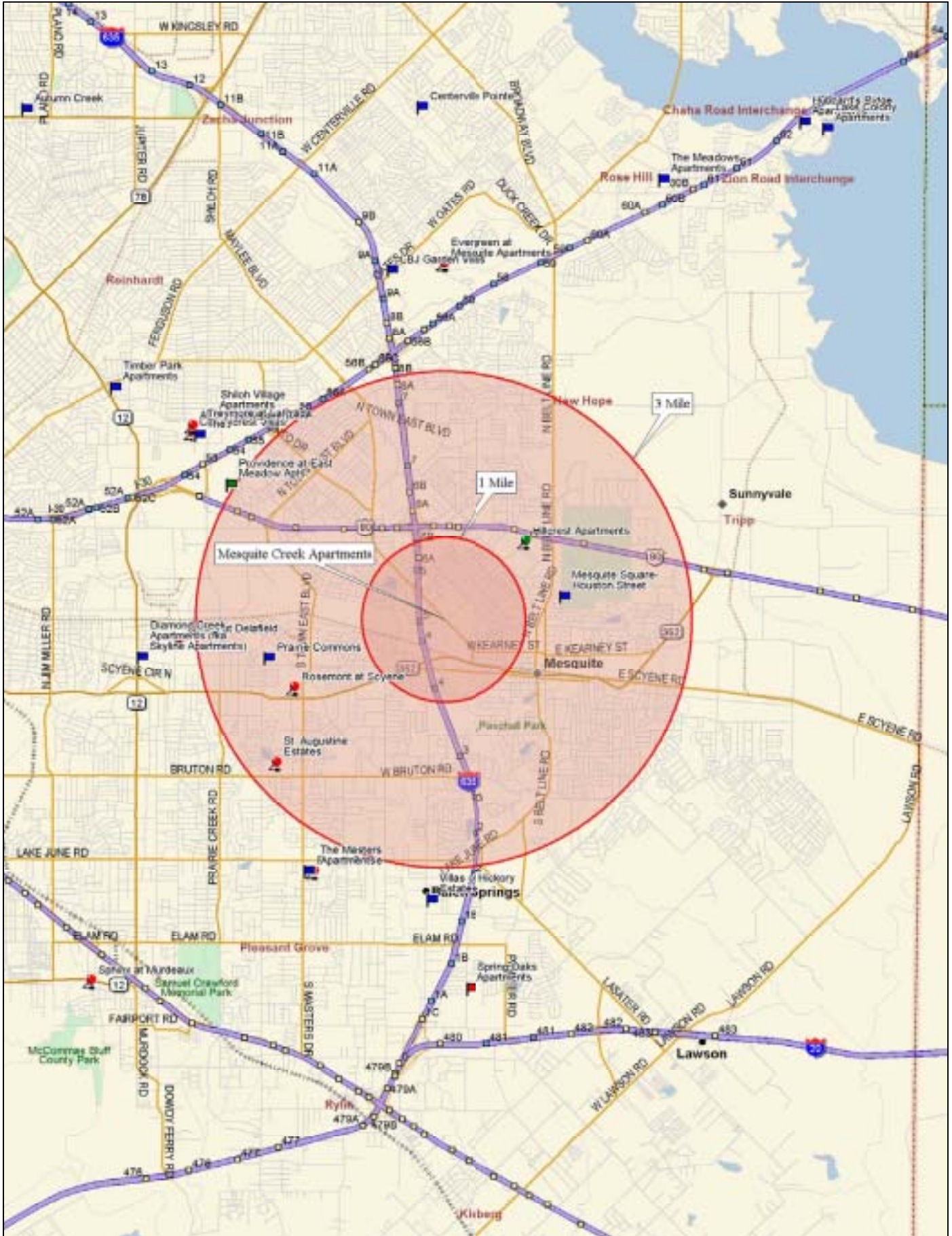
Applicant - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,331,840	\$9.80		
Other Income & Loss	45,360	0.19	180	
Vacancy & Collection	-7.67% (182,220)	-0.77	-723	
Effective Gross Income	\$2,194,980	9.23	8,710	
Total Operating Expenses	\$1,015,871	\$4.27	\$4,031	
Net Operating Income	\$1,179,109	\$4.96	\$4,679	
Debt Service	1,075,034	4.52	4,266	
Net Cash Flow	\$104,075	\$0.44	\$413	
Debt Coverage Ratio	1.10			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$104,075	\$0.44	\$413	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.73			
Break-even Occupancy	89.67%			

TDHCA - Operating Proforma/Debt Coverage				
		Per S.F.	Per Unit	
Potential Gross Income	\$2,331,840	\$9.80		
Other Income & Loss	45,360	0.19	180	
Vacancy & Collection	7.50% (178,290)	-0.75	-708	
Effective Gross Income	\$2,198,910	9.24	8,726	
Total Operating Expenses	46.2% \$1,015,871	\$4.27	\$4,031	
Net Operating Income	\$1,183,039	\$4.97	\$4,695	
Debt Service	1,075,034	4.52	4,266	
Net Cash Flow	\$108,005	\$0.45	\$429	
Debt Coverage Ratio	1.10			
TDHCA/TSAHC Fees	\$0	\$0.00	\$0	
Net Cash Flow	\$108,005	\$0.45	\$429	
DCR after TDHCA Fees	1.10			
Break-even Rents/S.F.	0.73			
Break-even Occupancy	89.67%			

Applicant - Annual Operating Expenses			
		Per S.F.	Per Unit
General & Administrative Expenses	\$71,148	0.30	282
Management Fees	90,367	0.38	359
Payroll, Payroll Tax & Employee Exp.	232,849	0.98	924
Maintenance/Repairs	135,828	0.57	539
Utilities	134,534	0.57	534
Property Insurance	62,093	0.26	246
Property Taxes	220,652	0.93	876
Replacement Reserves	68,400	0.29	271
Other Expenses	-	0.00	0
Total Expenses	\$1,015,871	\$4.27	\$4,031

Staff Notes/Comments
Other Expenses: \$0 - None listed.





MESQUITE

T E X A S
Real. Texas. Flavor.

Mike Anderson
Mayor

John L. Heiman, Jr.
Mayor Pro Tem

David L. Paschall
Deputy Mayor Pro Tem

John Monaco
Councilmember

Stan H. Pickett
Councilmember

Shirley Roberts
Councilmember

Dennis Tarpley
Councilmember

Ted Barron
City Manager

October 2, 2006

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

Re: Mesquite Creek Apartments, 700 Gross Road
Housing Tax Credit Application #07602

Dear Ms. Morales:

The City of Mesquite cannot support the pre-application of One Mesquite Creek, L.P. to construct the Mesquite Creek Apartments, a 252-unit tax credit and tax exempt bond project at 700 Gross Road.

The City's Comprehensive Plan designates the subject property as most appropriate for Neighborhood Medium Density (NMD) development. It is the primary intent of this designation to encourage a *single-family* environment with traditional neighborhood design elements of walkability and strong linkages to service areas and public facilities. New construction within the NMD designation should influence adjacent development over time to transition and infill toward a greater degree of neighborhood-oriented living.

In contrast with these objectives, the proposed Mesquite Creek Apartments would perpetuate an undesirable development pattern in the area. Standard multifamily apartment complexes are already clustered at this location, and Mesquite Creek would do nothing to change that.

In addition to concern regarding the type of development that will be constructed at this particular site, the City of Mesquite is concerned about having additional low-income housing in our city. The City does not object to the merits of the tax credit program, but feels that Mesquite already has an ample supply of low-income housing facilities. According to a survey of housing prices and rental rates, nearly 70 percent of the homes in Mesquite are valued below \$100,000. Most

cities in the Dallas area average only 34 percent of homes below this value. Nearly 60 percent of the rental units in Mesquite have monthly rates below \$750. Several neighboring communities have rental rates that average well above \$750.

We strongly oppose any tax credits or tax free bond financing for a low-income multifamily development at this location. This is not a new position for the City. We have opposed a similar initiative in 2005 for related type developments at 700 Gross Road. It is our intention to hold firm on this position on this and future proposals of this nature.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Anderson". The signature is fluid and cursive, with the first name "Mike" being more prominent than the last name "Anderson".

Mike Anderson
Mayor

The Senate of The State of Texas

CAPITOL OFFICE:

P.O. Box 12068
Austin, Texas 78711
(512) 463-0102
Fax: (512) 463-7202
Dial 711 For Relay Calls



ROBERT F. DEUELL, M.D.
TEXAS SENATE DISTRICT 2

DISTRICT OFFICES:

18601 LBJ Freeway, Suite 400
Mesquite, Texas 75150
(972) 279-1800
Fax: (972) 279-1065

2500 Stonewall St., Suite 805
Greenville, Texas 75401
(803) 450-9797
Fax: (803) 450-9796

October 2, 2006

Ms. Teresa Morales
Multifamily Bond Administrator
Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3941

RE: Mesquite Creek Apartment, 700 Gross Road
Housing Tax Credit Application # 07602

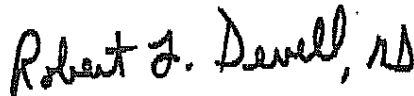
Dear Ms. Morales:

It has come to my attention that One Mesquite Creek, L.P., has submitted a pre-application to construct the Mesquite Creek Apartments located at 700 Gross Road. The apartments are to have 252-units on a 27 acres of land.

I am writing to let you know that I do not support this project. The City of Mesquite has a comprehensive plan that designates that property as the most appropriate use for Neighborhood Medium Density development. The City of Mesquite has ample supply of low-income housing facilities. Nearly 60 percent of the rental units in Mesquite have a monthly rental rate below \$750.

Please do not approve this pre-application request for apartments located at 700 Gross Road.

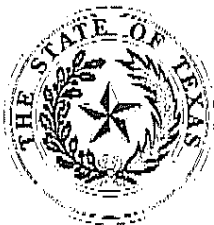
Sincerely,



Robert F. Deuell, M.D.
Texas Senate, District Two

CC: City of Mesquite

RFD:ljc



TEXAS HOUSE OF REPRESENTATIVES

RECEIVED

OCT 02 2006

Elvira Reyna

Multifamily Finance Division STATE REPRESENTATIVE, DISTRICT 101

COMMITTEES:

- Chair, Local & Consent Calendars
- Human Services
- Juvenile Justice & Family Issues

October 2, 2006

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

Re: Application of Affordable Rental Housing for Mesquite, Texas

Dear Ms. Morales:

Please consider this as a strong objection to the recent application of One Mesquite Creek, L.P., for additional low income housing for the City of Mesquite, Texas. Another low income housing development is not needed in this neighborhood.

As you know, the purpose of the Tax Exempt Multifamily Bond Program is to provide financial incentives to generate or maintain affordable housing. The City of Mesquite has more than an adequate number of rental housing for low income residents. In fact, we have almost 60 per cent of rentals with rates below \$750. Our neighboring cities have rental rates which average well above \$750.00 per month. There is no further need to for low income housing at this time. I encourage you to consider that the area of Gross Road in Mesquite, Texas has no shortage of low income housing. Further projects of this nature would not assist with the safety and healthy economic growth for our city.

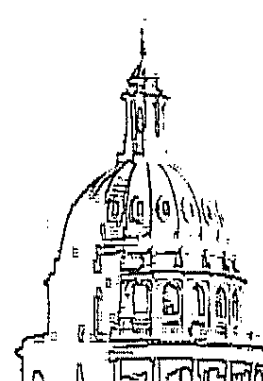
I respectfully urge you to deny this application by One Mesquite Creek of Grand Prairie, Texas for affordable rental housing in Mesquite, Texas.

Sincerely,

Elvira Reyna

Elvira Reyna
 State Representative
 District 101

ER:cr



MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Action for Housing Tax Credit Extension Not Being Recommended by Staff.

Required Action

Approve, Amend or Deny staff's recommendation for the Olive Grove Manor Apartments.

Background

Olive Grove Manor, Ltd. (the Owner) has requested a one year extension of the placement in service deadline. The general partner of the Owner is controlled by the Harris County Housing Authority. The Housing Authority focused all of their resources on the housing issues related to the hurricane evacuees. Because the hurricane activities were a priority for Harris County, the preparation of the Olive Grove development was deferred and therefore placed the development schedule behind.

The deadline for a housing tax credit development pursuant to §42(h)(1)(E)(i) to place in service is December 31 of the second year following the year the Carryover Allocation Agreement is executed. However, Section 5.02 of Internal Revenue Service Revenue Proclamation 95-28 provides: "If an owner of a project located in a major disaster area has a carryover allocation and the area is declared a major disaster area during the 2-year period described in §42(h)(1)(E)(i), the Service will treat the owner as having satisfied the applicable placed in service requirement if the owner places the project in service by December 31 of the year following the end of the 2-year period. See §1.42-6 for specific rules on carryover allocations." Staff does not believe the Owner is eligible for a placement in service extension under this Revenue Proclamation because the 2-year period described in §42(h)(1)(E)(i) begins after December 31, 2005 and the disaster occurred previous to the 2-year period.

Pertinent facts about the development are given below.

Olive Grove Manor Apartments, HTC Development No. 05198

Applicant:	Olive Grove Manor, Ltd.
General Partner:	HCHA Olive Grove Manor, LLC
Developer:	Artisan/American Corporation
Principals/Interested Parties:	Harris County Housing Authority (sole member of GP) Artisan/American Corp. (51% Owner of Special Limited Partner) Inland General Construction Co. (49% Owner of Special Limited Partner)
Syndicator:	PNC Bank
Construction Lender:	PNC Bank
Permanent Lender:	PNC Bank
Other Funding:	City of Houston (HOME)
City/County:	Houston/Harris
Type of Area:	Urban/Exurban

Type of Development:	New Construction
Population Served:	Elderly
Units:	160 HTC and 0 market rate units
2004 Allocation:	\$946,000
Allocation per HTC Unit:	\$5,913
Extension Request Fee Paid:	\$0 (extension fee was waived for placement in service because the extension request is related to Hurricane Rita)
Type of Extension Request:	Placement in Service
Current Deadline:	December 31, 2007
New Deadlines Requested:	December 31, 2008
Prior Extensions:	Carryover extended from 11/1/05 to 12/1/05
Staff Recommendation:	Deny the requested extension for placement in service.



HARRIS COUNTY HOUSING AUTHORITY

8410 Lantern Point
Houston, Texas 77054
Tel: 713-578-2100 Fax: 713-578-2200

July 26, 2006

Ms. Emily Price
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RECEIVED

JUL 31 2006

LIHTC

Re: Olive Grove in Houston, Texas (the "Project")
TDHCA No. 05196 ^{1/0}

Dear Emily:

The Harris County Housing Authority controls the general partner of Olive Grove Manor, Ltd. ("Owner"), the proposed owner of the Olive Grove Manor in Houston, Texas. The Owner received a carryover allocation of low-income housing tax credits for the Project in 2005. Accordingly, pursuant to Section 42(h)(1)(E)(i) of the Internal Revenue Code, the Owner is required to place its respective Project in service by December 31, 2007.

The Project is located in Harris County, which was impacted by Hurricanes Katrina and Rita. Harris County was subsequently declared to be a disaster area by President Bush and designated as such by the Federal Emergency Management Agency. The disruption of these disasters impacted the Harris County Housing Authority immensely, as we strove to house evacuees. This effort took virtually all of our time and, even today, continues to require significant efforts. As a result, we were not able to focus on the development of the new Olive Grove project during a period of time.

Because of these challenges, the Owner submits this request for a one-year extension of the deadline to place this Project in service, to December 31, 2008. This request is submitted, and can be granted by the Texas Department of Housing and Community Affairs, pursuant to Rev. Proc. 95-28. Section 6.02 of that Revenue Procedure states:


The Agency may approve the carryover allocation relief provided in . . . section 5.02 of this revenue procedure only for projects whose owners cannot reasonably satisfy the deadlines of Section 42(h)(1)(E) because of a disaster that caused a major disaster declaration under the Stafford Act. An Agency may make this determination on an individual project basis or may determine, because of the extent of the damage in a major disaster area, that all project owners or a group of project owners in the major disaster area warrant relief provided in . . . section 5.02 of this revenue procedure.

Page two
Ms. Emily Price
July 26, 2006

Please confirm the requested one-year extension of the placement in service deadline for the Project.

Please feel free to contact me with any questions. We sincerely appreciate your assistance as we overcome the challenges the hurricanes brought to our area.

Sincerely,

A handwritten signature in black ink, appearing to read "Guy Rankin, IV". The signature is fluid and cursive, with a long horizontal stroke at the end.

Guy Rankin, IV
CEO
Executive Director

cc: Robbye Meyer

GR/yw

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Items

Presentation, Discussion and Possible Approval of a Final Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments (“Final Policy”) and Recommendation of Awards to Eligible Developments Under the Final Policy.

Required Action

Approve, deny or approve with amendments:

- Staff’s recommendation of the Final Policy; and
- A list of recommended awards for eligible developments under the Final Policy.

Background

The Texas Department of Housing and Community Affairs (the “Department”) has received numerous inquiries relating to increased direct construction costs that are generally attributed to the impact of Hurricanes Katrina and Rita during September 2005. The Department has researched this issue using comparative cost multipliers by region from 2003 to 2006 from Marshall & Swift. Department research indicates that the existing 2004 and 2005 Competitive HTC awards may be affected by these increases in direct construction costs by an average of 14%.

At the July 28, 2006 Board Meeting, the Board approved the Draft Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments (the “Draft Policy”). The Draft Policy was published in the *Texas Register* on August 11, 2006 and posted to the Department website on July 31, 2006 for comment by the public. Public comment on the Draft Policy was accepted until September 15, 2006; this public comment and the Department’s response are detailed in the Public Comment section of this Board Action Request.

Public comment on the Draft policy has been reviewed by the Department and is reflected in the proposed Final Policy. The following are some key features of the proposed Final Policy:

- ❖ The estimated total amount of additional credits necessary to accommodate this Final Policy for 2004 is \$2,996,327 that would be utilized from the 2007 credit ceiling, for 2005 is \$3,396,511 that would be utilized from the 2008 credit ceiling and for 2005 forward commitments of tax credits from the 2006 credit ceiling \$160,098 that would be utilized from the 2006 credit ceiling for a total of \$6,522,936.
- ❖ Awards of additional credits will be attributed to the proper region and set-asides from the 2006, 2007 or 2008 credit ceiling.
- ❖ Developments will not be eligible for a 30% increase in eligible basis based on the development’s location in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA). The increase in credits for these areas is designed as an incentive to develop in these areas that may otherwise be less attractive or more risky locations than non-designated locations. Costs such as land acquisition, zoning entitlement, marketing, builder and developer incentive or profit are costs that are most typically associated with QCT and DDA locations and these costs are not being targeted for the proposed 14%

increase. Moreover, staff has not been able to find any substantive evidence that the construction cost increases occurring since the hurricanes have disproportionately impacted the QCTs and DDAs.

- ❖ Developments are considered to have met the 2 times per capita test by having met it in the year of original award. The amount of additional credits awarded under the Final Policy will be considered in the 2 times per capita test for new applications, however.
- ❖ The Land Use Restriction Agreement (LURA) for eligible developments that were not placed in service or did not complete cost certification during 2006 will not be affected. To the extent that any eligible development did place in service or complete cost certification during 2006 and recorded a LURA with the Department, the credit award amount reflected in the LURA will be amended within the LURA using the Department's administrative LURA amendment process.

In addition to the items listed above, the table entitled "Summary of Applicable Rule and Statute Effects on Eligible Developments Under the Final Policy," which is attached to this Board Action Request, provides additional information on some key features of the Final Policy.

I. PUBLIC COMMENT

The Department received written comments during the public comment period. In addition, during this public comment period, staff identified several issues that required clarification. These comments, as well as Department responses and clarifications are outlined below and are divided into the following two sections:

- I. Substantive Comments and Department Response
- II. Administrative Clarifications and Corrections

I. Substantive Comments and Department Response

General Comments (1, 7, 8, 9, 10, 11, 12)

Comment:

Several comments provided positive feedback and/or support for the Department's efforts to create a policy to address direct construction cost increases (1, 7, 8, 9, 10, 11, 12).

Department Response:

Staff appreciates the commendation with regard to the policy.

Section II. Method of Allocation (3, 4, 5, 6, 7, 10, 8, 9)

Comment:

Comment suggests clarifying which developments will be eligible for an additional allocation of tax credits, specifically whether 2003 applications awarded credits out of the 2004 ceiling are eligible (5, 10). If these applications are not eligible under the Draft Policy, comment suggests that 2003 applications awarded credits out of the 2004 ceiling be eligible under the Final Policy (5). Additional comment suggests clarifying whether developments that received an award in 2005 for credits from the 2006 credit ceiling are eligible under the policy, and whether one particular development awarded a forward commitment in 2005 for credits from the 2006 ceiling that was subsequently reissued as a 2006 award of credits from the 2007 credit ceiling will be eligible under this policy (10).

Department Response:

Staff recommends the following language to clarify eligibility under the policy:

“The Department will offer an allocation of additional credits to all competitive HTC developments awarded from the 2004 and 2005 competitive HTC developments Tax Credit Ceilings that were not placed in service or did not complete cost certification before January 1, 2006. Developments awarded a Forward Commitment in 2005 for tax credits from the 2006 HTC Ceiling are also considered a 2005 competitive HTC development eligible under this policy. For the purpose of this policy, 2003 awards from the 2004 Tax Credit Ceiling and 2004 awards from the 2004 Tax Credit Ceiling will herein after be referred to as “2004 awarded developments.” Likewise, 2004 awards from the 2005 Tax Credit Ceiling and 2005 awards from the 2005 Tax Credit Ceiling will herein after be referred to as “2005 awarded developments.” Finally, 2005 awards from the 2006 Tax Credit Ceiling will herein after be referred to as “2005 forward committed developments.””

As it applies to Fairway Crossing, the development that received a forward commitment in 2005 for credits from the 2006 ceiling that was subsequently reissued as a 2006 award of credits from the 2007 credit ceiling, the 14% increase will also be available as referenced above.

Comment:

Comment suggests that site work receive a 14% increase as well as direct construction costs (8).

Department Response:

Staff concurs and recommends using a methodology that applies a 14% increase in site work costs and direct construction costs in determining the amount of award; staff has clarified this in multiple sections of the Final Policy and has used this methodology in creating the list of recommended awards outlined in the Award Recommendations section of this Board Action Request.

Comment:

Comment suggests offering more than a 14% increase for developments that are 50 units or smaller and to developments whose construction contracts were negotiated between October 2004 and March 2005. Developments with 50 units or less should receive a 15% increase, developments with contracts negotiated before January 1, 2005 should receive a 17% increase, between January 1, 2005 and March 31, 2005 should receive a 16% increase and after March 31, 2005 receive a 14% increase (7).

Department Response:

While staff appreciates the proposal for increased percentages for developments with 50 or fewer units and for those with construction contracts negotiated between October 2004 and March 2005, staff believes that one calculation should be utilized to ensure simplified, equitable treatment. Therefore, staff recommends no change.

Comment:

Comment suggests clarification of which line items are included in direct construction costs (4, 6, 10). Additional comment asks specifically whether direct construction costs include general requirements, contractor overhead and contractor profit (4, 10).

Department Response:

Staff recommends the following language to clarify the items included in direct construction costs:

“The amount of each development’s award will be determined by the Department using a methodology that applies a 14% increase to the site work and direct construction costs as reflected in the most recent Underwriting report and then completes the credit determination based on that

adjustment. The portions of the Department Development Cost Schedule associated with site work and direct construction costs as reflected in the Underwriting report are Site Work and Direct Construction Costs: Hard Costs.”

Comment:

Comment suggests clarification regarding whether the applicant’s or Department’s numbers from the Underwriting Report will be used to calculate the 14% increase (8).

Department Response:

Staff recommends the following language to clarify which numbers will be relied upon to determine the amount of the additional allocation of credits:

“Staff will use the numbers relied upon in the most recent Underwriting Report, either the applicant’s or Department’s as applicable, to determine the amount of the additional allocation of credits.”

Comment:

Comment suggests clarification regarding which applicable percentage will be used in the Department’s calculation: the current percentage, or the percentage applicable during the original application period (8).

Department Response:

Staff recommends the following language to clarify which applicable percentage will be used to determine the amount of the additional allocation of credits:

“The applicable percentage used in the most recent Underwriting Report will be used to determine the amount of the additional allocation of credits.”

Comment:

Comment suggests that the Department clarify whether the 30% increase for location of a development in a QCT will apply (3, 10).

Department Response:

The Department will not consider the 30% increase for QCT or DDA in the award an allocation of additional credits. Costs such as land acquisition, zoning entitlement, marketing, builder and developer incentive or profit are costs that are most typically associated with QCT and DDA locations and these costs are not eligible for the proposed 14% increase. Staff recommends the following language to clarify whether the 30% increase for QCT or DDA will apply:

“Developments will not be eligible for a 30% increase in eligible basis based on the development's location in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA).”

Comment:

Comment suggests clarification regarding the treatment under the policy of a development that was previously granted an amendment by the Department that increased development costs (8).

Department Response:

Staff recommends the following language to clarify treatment of developments that have been granted an amendment by the Department:

“Staff will perform an additional review of any development that has been granted an amendment by the Department to ensure that no development receives a disproportionate benefit under this Final Policy.”

Comment:

Comment requests clarification on the impact of the policy on the \$2 million limit and suggests that the limit applies to the 2007 application round for developments awarded additional credits out of the 2007 credit ceiling. Comment further requests clarification on which year the limit will affect: the year of original award, or the year of the credit ceiling of the additional allocation (10).

Department Response:

Staff recommends the following language to clarify the impact of the \$2 million limit:

“Pursuant to §2306.6711(b) of Tex. Gov’t. Code, the Department may not allocate more than \$2 million in housing tax credits to any applicant in a single application round. The additional credits allocated under this policy will apply to the \$2 million cap for the year of the original award of tax credits. In the event that this requirement prevents a development from receiving the tax credits for which it is eligible, the applicant may, at his discretion, choose which development of which he is a principal will receive the award of additional tax credits, if more than one development is affected.”

Comment:

Comment requests clarification on the impact of the policy on the \$1.2 million limit and suggests a waiver of this limit (10, 8, 9).

Department Response:

Staff concurs and proposes that the \$1.2 million limit be waived and the limit increased to \$1.368 million, equal to a 14% increase in the \$1.2 million limit. Staff recommends the following language to clarify the impact of the \$1.2 million limit:

The Department will limit the allocation of tax credits to no more than \$1.368 million per Development.

Section III. Procedures (1, 2, 3)

Comment:

Paragraph 4 – Comment suggests that the Department clarify when the “binding agreement” becomes binding (2).

Department Response:

Staff recommends the following language to clarify when the binding agreement is effective:

“4.5. The Department will review the binding agreement and, upon satisfaction, the agreement will be executed by the Executive Director of the Department. The execution by the Executive Director will occur no later than December 31, 2006 for the 2004 awarded developments and 2005 awarded developments placed in service in 2006, and no later than March 1, 2007 for the 2005 awarded developments and 2005 forward committed developments to be placed in service after 2006. The binding agreement will be considered effective as of the date the Executive Director of the Department executes the agreement.”

Comment:

Paragraph 5 – Comment suggests that the Department clarifies what constitutes a “new activity” (2).

Department Response:

Staff recommends no changes to the policy to clarify “new activities,” as staff feels that the statement “this analysis will be based on the development details originally proposed and credits will not be eligible for new activities not originally proposed” is adequately descriptive. Activities not originally proposed in the original application will not be eligible for credits.

Comment:

Paragraph 5 – Comment suggests clarification regarding how cost increases must be substantiated at cost certification, i.e. must direct constructions costs have increased by 14% or will an increase in construction costs in general or development costs in general be allowed to substantiate the additional allocation (3).

Department Response:

Staff recommends the following language to clarify which costs must substantiate the additional allocation of credits:

~~“5.7.1. Further, a detailed cost analysis will be required at the time of cost certification that will be utilized to ensure development that site work and direct construction costs specifically increased by the estimated 14%.”~~

Comment:

Paragraph 6 – Comment suggests removing the reference to the QAP to prevent confusion about which year’s QAP is being referenced.

Department Response:

Staff recommends the following language to clarify which year’s Qualified Allocation Plan (QAP) applies to eligible developments:

~~“6.8. As described in §50.10(c)(1) of the QAP: “Applications that are submitted under the 2006 QAP and granted an additional award of 2006 Housing Tax Credits or a Forward Commitment of 2007 or 2008 Housing Tax Credits are considered by the Board to comply with the respective 2006, 2007 or 2008 QAP by having satisfied the requirements of this 2006 the QAP under which the original application was submitted, except for statutorily required QAP changes.”~~

Comment:

Paragraph 7 – Comment suggests that it is unclear if the “application” referred to in this paragraph is the same as the “binding agreement” referred to elsewhere in the Draft Policy. Comment also suggests that all projects that are not in material noncompliance are eligible for award; this comment suggests that the material noncompliance should be linked only to the project in question and not to other projects involving the same principals. The new language suggested by this comment is “The binding agreement will be reviewed before the issuance of a letter to ensure that the project receiving the additional credits is not in material non-compliance as of the date of the approval of this policy by the Board as determined by the Portfolio Management and Compliance Division of the Department” (1).

Department Response:

Staff recommends the following language to clarify that the credit increase is not available to parties with Material Noncompliance on other properties:

“7.9. The ~~application~~ binding agreement will be reviewed before ~~execution~~ by the Executive Director of the Department ~~issuance of a letter~~ occurs to ensure that ~~they do not have~~ the principals of the development receiving an allocation of additional credits are not in material non-compliance on other developments in which they are a party ~~consistent with §50.5(b)(2) and (3) of the QAP~~. The Portfolio Management and Compliance division of the Department will perform this review as of November 17, 2006.”

II. Administrative Clarifications and Corrections

Section III. Procedures

Administrative changes were made to clarify the process the Department will use to award additional credits under the Final Policy:

“1. 2005 forward committed applications will be issued a revised 2006 Commitment Notice in the amount of the original award plus the additional amount as calculated by the Department. The revised award will come out of the 2006 Tax Credit Ceiling.”

“1.2. The Department will issue all 2004 and 2005 awarded developments ~~from the 2004 and 2005 credit ceiling~~ a ~~letter~~ binding agreement indicating the specific additional allocation amount as calculated by the Department and instructions consistent with this policy for their ~~binding agreement's~~ return submission.”

An administrative change was made to clarify that deadlines applicable to the development will not be extended as a result of the additional allocation of credits under this Final Policy:

“5.7. Upon placement in service and submission of the cost certification, the Applicant will be required to substantiate their total costs and credit allocation consistent with the requirements set forth in the *Cost Certification Manual*. All deadlines applicable to the original application will apply under this policy; no extensions will result from the allocation of additional credits...”

An administrative change was made to clarify the effect of §2306.6711(f), the one mile test, on the policy:

“11. Pursuant to §2306.6711(f), “The board may allocate housing tax credits to more than one development in a single community...only if the developments are or will be located more than one linear mile apart.” For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications submitted during the 2007 or 2008 application rounds, developments allocated additional credits under this policy will be considered to have been allocated in 2007 or 2008 respectively. (Example: all proposed applications in the 2007 competitive cycle that are within one mile of a development that receives additional credits will not be eligible to receive an allocation in the 2007 cycle.)”

An administrative change was made to clarify the effect of §2306.6703(a)(3) on the policy:

“12. Pursuant to §2306.6703(a)(3), an application will be considered ineligible if the applicant proposes to construct a new development that is located one linear mile or less from a development that serves the same type of household as the new development and has received an allocation of housing tax credits for new construction at any time during the three-year period preceding the date the application round begins. For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications submitted during the 2007 or 2008 application rounds, developments allocated additional credits under this policy will be considered to have been allocated in 2006, 2007 or 2008 respectively. (Example: any application proposed within a three year period from the date of Board action for additional credits that are within one mile of a development that receives additional credits will not be eligible to receive an allocation without a resolution from the appropriate governing body.)”

An administrative change was made to clarify the effect of §2306.6703(a)(4) on the policy:

“13. Pursuant to §2306.6703(a)(4), an application will be considered ineligible if “the development is located in a municipality or, if located outside a municipality, a county that has more than twice the state average of units per capita supported by housing tax credits or private activity bonds...” For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications, the amount of additional credits allocated under this policy will be applied to the calculation accordingly going forward.”

An administrative change was made to clarify the effect of the policy on the LURA:

“14. The Land Use Restriction Agreement (LURA) for eligible developments that were not placed in service or did not complete cost certification during 2006 will not be affected. To the extent that any eligible development did place in service or complete cost certification during 2006 and recorded a LURA with the Department, the credit award amount reflected in the LURA will be amended within the LURA using the Department’s administrative LURA amendment process.”

An administrative change was made to clarify the effect of the policy on IRS Forms 8609:

“15. Each eligible 2004 and 2005 awarded development that receives an additional allocation of tax credits under this policy will receive new IRS Forms 8609 for the amount of additional allocation substantiated at cost certification. Each eligible 2004 and 2005 awarded development will therefore receive two complete sets of IRS Forms 8609; one set for the amount of original allocation and one set for the amount of the additional allocation under this policy. 2005 forward committed developments will receive only one set of IRS Forms 8609.”

Other minor changes have been made to correct errors in grammar, etc.

II. AWARD RECOMMENDATIONS

Pursuant to the methodology of the Final Policy, staff has prepared award recommendations, which are reflected in Exhibit A of this Board Action Request. These recommendations are based on a 14% increase in site work and direct construction costs as reflected in the most recent Underwriting report. This list reflects a complete listing of all applications eligible under this policy even if no additional allocation is made.

The total amount reflected in Exhibit A to be utilized from the 2007 credit ceiling is an amount not to exceed \$2,966,327, the total amount reflected in Exhibit A to be utilized from the 2008 credit ceiling is an amount not to exceed \$3,396,511 and the total amount reflected in Exhibit A to be utilized from the 2006 credit ceiling is an amount not to exceed \$160,098 for a total of \$6,522,936. Please note that individual award amounts may change following a staff review of any development that has been previously granted an amendment by the Department.

III. TIMELINE

The policy proposed today for approval is a final policy. The Final Policy will be posted to the Department's website and an email announcement released on October 16, 2006. It will also be published in the *Texas Register* on October 27, 2006. The Department will issue binding agreements to owners, pursuant to Treasury Regulation §1.42-8. Owners must return the binding agreements with the applicable fee to the Department by October 31, 2006 indicating either that they do or do not choose to utilize the additional allocation. The Department will review the binding agreement and, upon satisfaction, the agreement will be executed by the Executive Director of the Department. The execution by the Executive Director will occur no later than December 31, 2006 for 2004 awarded developments and 2005 awarded developments placed in service in 2006, and no later than March 1, 2007 for 2005 developments to be placed in service after 2006.

Recommendation

1. Approval of the attached Final Policy.
2. Approval of staff's recommendation of awards to eligible developments under this Final Policy (see Exhibit A).

**Summary of Public Comment Received Regarding the Draft
Policy for Addressing Cost Increases for 2004 and 2005
Competitive Housing Tax Credit Developments**

Source No.	Source
1	John R. Pitts
2	Brad Forslund
3	Colby Denison
4	Bill Fisher
5	Les Kilday
6	Bob DeLuca
7	Gary Driggers
8	Texas Affiliation of Affordable Housing Providers
9	Coats Rose
10	Cynthia Bast
11	Christopher A. Akbari
12	Ken Mitchell

Exhibit A – Award Recommendations

TDHCA #	Original TDHCA#	Year	Credit Ceiling for Add'l Allocation	Development Name	Project City	Region	PIS in 2005	Original Allocation	Additional Allocation Under Final Policy
04000		2004	N/A	King Fisher Creek	Austin	7	Yes	\$225,813	\$0
04001	FC	2004	2007	Diana Palms	El Paso	13		\$211,474	\$17,494
04002	FC	2004	2007	Cricket Hollow Apartments	Willis	6		\$871,110	\$82,466
04003	FC	2004	N/A	Villas on Sixth Street	Austin	7	Yes	\$1,072,039	\$0
04004	FC	2004	2007	Kingsland Trails Apartments	Kingsland	7	No	\$444,394	\$46,297
04005	FC	2004	2007	Palacio Del Sol	San Antonio	9		\$1,096,828	\$81,457
04007		2004	2007	Oaks Of Bandera	Bandera	9		\$465,153	\$42,318
04008		2004	2007	Friendship Place	Fredericksburg	9		\$423,267	\$40,760
04012		2004	N/A	Tyler Square Apartments	Tyler	5	Yes	\$605,490	\$0
04018		2004	2007	Terrace Pines	College Station	8		\$541,018	\$40,346
04024		2004	2007	South Union Place	Houston	6		\$739,345	\$56,587
04026		2004	N/A	Oak Timbers-White Settlement II	White Settlement	3	Yes	\$408,605	\$0
04028		2004	N/A	Heritage Park	Denison	3	Yes	\$501,577	\$0
04030		2004	2007	Park Estates	Nacogdoches	5		\$387,972	\$26,141
04036		2004	2007	Villa del Sol	Brownsville	11		\$485,000	\$28,453
04037		2004	2007	Las Canteras Apartments	Pharr	11		\$567,803	\$53,407
04047		2004	2007	Stratton Oaks	Seguin	9		\$590,539	\$55,603
04052		2004	2007	Chisholm Trail Senior Village	Belton	8		\$415,000	\$28,703
04057		2004	2007	Stone Hollow Village	Lubbock	1		\$845,849	\$61,781
04058		2004	2007	Spring Oaks Apartments	Balch Springs	3		\$845,382	\$76,305
04066		2004	2007	Pineywoods Community Orange	Orange	5		\$403,142	\$26,874
04070		2004	2007	Cedar Oak Townhome	El Paso	13		\$973,684	\$73,252
04079		2004	2007	Baybrook Park Retirement Center	Webster	6		\$445,118	\$39,863
04082		2004	2007	Fenner Square	Goliad	10		\$195,062	\$21,258
04085		2004	2007	Redwood Heights Apartments	Houston	6		\$600,146	\$41,991
04088		2004	2007	South Plains Apartments	Lubbock	1		\$372,410	\$16,147
04089		2004	2007	Villas of Forest Hill	Forest Hill	3		\$424,339	\$36,629
04093		2004	2007	Villas of Seagoville	Seagoville	3		\$427,745	\$36,900
04100		2004	2007	O.W. Collins Apartments	Port Arthur	5		\$406,999	\$40,084
04101		2004	2007	Pleasant Hill Apartments	Austin	7		\$484,888	\$27,798
04105		2004	2007	Preston Trace Apartments	Frisco	3		\$134,641	\$9,490
04107		2004	2007	Whitefield Place Apartments	San Antonio	9		\$419,397	\$23,269
04108		2004	2007	Tamarac Pines Apartments	The Woodlands	6		\$868,435	\$53,393
04109		2004	2007	Frazier Fellowship	Dallas	3		\$547,378	\$27,242
04118		2004	2007	Churchill at Commerce	Commerce	3		\$727,212	\$52,598
04120		2004	2007	Sedona Springs Village	Odessa	12	No	\$647,355	\$46,216
04145		2004	2007	Village at Meadowbend Apartments II	Temple	8		\$637,076	\$44,275

Exhibit A – Award Recommendations

TDHCA #	Original TDHCA#	Year	Credit Ceiling for Add'l Allocation	Development Name	Project City	Region	PIS in 2005	Original Allocation	Additional Allocation Under Final Policy
04146		2004	2007	Casa Saldana	Mercedes	11		\$1,153,862	\$82,912
04147		2004	N/A	Shiloh Village Apartments	Dallas	3	Yes	\$746,032	\$0
04149		2004	2007	Seton Home Center for Teen Moms	San Antonio	9		\$366,315	\$22,493
04151		2004	2007	Renaissance Courts	Denton	3		\$900,015	\$65,771
04152		2004	2007	Bluffview Villas	Brenham	8		\$440,733	\$40,048
04154		2004	2007	Plainview Vistas	Plainview	1		\$665,958	\$47,570
04157		2004	2007	Samaritan House	Fort Worth	3		\$818,328	\$59,531
04160		2004	2007	The Village on Hobbs Road	League City	6		\$551,851	\$50,356
04167		2004	2007	Oxford Place	Houston	6		\$1,187,924	\$114,593
04170		2004	N/A	The Gardens of Athens	Athens	4	Yes	\$241,701	\$0
04176		2004	2007	The Gardens of Gladewater	Gladewater	4		\$256,808	\$25,066
04191		2004	2007	Providence at Boca Chica	Brownsville	11		\$1,010,465	\$72,261
04193		2004	2007	Providence at Edinburg	Edinburg	11		\$357,369	\$29,947
04194		2004	2007	Lexington Court	Kilgore	4		\$549,640	\$52,310
04196		2004	2007	Americas Palms	El Paso	13		\$667,234	\$59,831
04197		2004	2007	Horizon Palms	El Paso	13		\$478,693	\$41,271
04200		2004	2007	Alvin Manor Estates	Alvin	6		\$251,662	\$23,315
04203		2004	2007	Alvin Manor	Alvin	6		\$149,382	\$12,994
04206		2004	2007	Lake Jackson Manor	Lake Jackson	6		\$402,176	\$37,014
04213		2004	2007	The Village at Morningstar	Texas City	6		\$534,844	\$46,644
04222		2004	2007	Primrose at Highland	Dallas	3		\$935,153	\$72,046
04224		2004	2007	Commons of Grace Senior	Houston	6		\$660,701	\$48,106
04226		2004	2007	Arbor Cove	Donna	11		\$1,152,522	\$83,751
04228		2004	2007	Stone Hearst	Beaumont	5	No	\$633,496	\$44,350
04241		2004	2007	Anson Park II	Abilene	2		\$535,250	\$38,002
04246		2004	2007	Wildwood Trails Apartments	Brownwood	2		\$549,988	\$40,041
04250		2004	2007	Knollwood Heights Apartments	Big Spring	12		\$448,391	\$32,673
04255		2004	2007	Freeport Oaks Apartments	Freeport	6		\$639,213	\$48,476
04260		2004	2007	Towne Park in Fredericksburg II	Fredericksburg	9		\$225,361	\$18,608
04268		2004	2007	Lansborough Apartments	Houston	6		\$1,003,544	\$77,147
04275		2004	2007	Bahia Palms Apartments	LaGuna Vista	11		\$123,771	\$12,292
04279		2004	2007	Golden Manor Apartments	Bay City	6		\$110,039	\$5,484
04283		2004	2007	Shady Oaks Apartments	Prairie View	6		\$122,327	\$6,215
04284		2004	2007	Katy Manor Apartments	Katy	6		\$111,743	\$6,580
04285		2004	2007	Ole Town Apartments	Jefferson	4		\$109,454	\$4,935
04287		2004	2007	Vista Hermosa Apartments	Eagle Pass	11		\$61,585	\$4,824
04288		2004	2007	Briarwood Apartment	Kaufman	3		\$170,909	\$11,794
04290		2004	2007	L.U.L.A.C. Village Park	Corpus Christi	10		\$846,083	\$56,782
04291		2004	2007	Saltgrass Landing Apartments	Rockport	10		\$94,064	\$2,419

Exhibit A – Award Recommendations

TDHCA #	Original TDHCA#	Year	Credit Ceiling for Add'l Allocation	Development Name	Project City	Region	PIS in 2005	Original Allocation	Additional Allocation Under Final Policy
04293		2004	2007	Lantana Ridge Apartments South	Beeville	10		\$51,980	\$1,400
04294		2004	2007	Lantana Ridge Apartments	Beeville	10		\$66,535	\$2,380
04295		2004	2007	La Mirage Villas	Perryton	1		\$171,527	\$11,198
04302		2004	N/A	Sierra Royale Apartments	Robstown	10	Yes	\$529,338	\$0
05000	FC	2005	2008	Snyder Housing Venture	Snyder	2		\$30,463	\$2,676
05001	FC	2005	2008	Mountainview Apartments	Alpine	13		\$66,861	\$2,010
05002	FC	2005	2008	Villa Apartments	Marfa	13		\$32,432	\$1,143
05003	FC	2005	2008	Oasis Apartments	Fort Stockton	12		\$55,422	\$1,946
05004		2005	2008	Samuel's Place	Fort Worth	3		\$254,842	\$20,734
05005		2005	2008	Cambridge Courts	Fort Worth	3		\$818,995	\$105,777
05016		2005	2008	Country Lane Seniors-Temple Community	Temple	8		\$889,327	\$63,226
05020		2005	2008	Central Place	Hereford	1		\$277,501	\$20,089
05021		2005	2008	Waterside Court	Houston	6		\$1,054,000	\$100,100
05022		2005	2008	The Enclave	Houston	6		\$524,209	\$35,880
05024		2005	2008	Figuroa Apartments	Robstown	10		\$298,898	\$16,592
05025		2005	2008	Poinsetta Apartments	Alamo	11		\$571,979	\$54,564
05026		2005	2008	Mesa Vista Apartments	Donna	11		\$453,995	\$42,387
05027		2005	2008	Timber Village Apartments	Marshall	4		\$620,359	\$43,961
05028		2005	2008	Sevilla Apartments	Weslaco	11		\$359,068	\$25,386
05029		2005	2008	Cimarron Springs Apartments	Cleburne	3		\$1,185,000	\$87,227
05034		2005	2008	The Gardens of Taylor, LP	Taylor	7		\$275,212	\$26,325
05041		2005	2008	San Diego Creek Apartments	Alice	10		\$570,000	\$41,427
05044		2005	2008	Copperwood Apartments	The Woodlands	6		\$1,058,943	\$51,942
05051		2005	2008	Longview Senior Apartment Community	Longview	4		\$870,000	\$61,873
05060		2005	2008	North Mountain Village	El Paso	13		\$1,102,540	\$106,697
05069		2005	2008	Santa Rosa Village	Santa Rosa	11		\$132,202	\$6,966
05073		2005	2008	Villa San Benito	San Benito	11		\$141,925	\$7,568
05074		2005	2008	Alamo Village	Alamo	11		\$127,257	\$8,969
05080		2005	2008	Cambridge Villas	Pflugerville	7		\$1,160,295	\$115,908
05082		2005	2008	Sphinx at Luxar	Dallas	3		\$858,445	\$60,091
05084		2005	2008	University Place Apartments	Wharton	6		\$186,356	\$9,299
05088		2005	2008	Oak Timbers-Fort Worth South	Fort Worth	3		\$1,200,000	\$89,227
05092		2005	2008	Vida Que Canta Apartments	Mission	11		\$950,919	\$87,318
05094		2005	2008	San Juan Village	San Juan	11		\$187,117	\$11,366
05095		2005	2008	Sphinx At Reese Court	Dallas	3		\$597,776	\$50,175
05097		2005	2008	Cathy's Pointe	Amarillo	1		\$757,752	\$72,827
05099		2005	2008	Madison Pointe	Cotulla	11		\$619,762	\$45,165
05101		2005	2008	Creek Crossing Senior Village	Canyon	1		\$393,547	\$35,703

Exhibit A – Award Recommendations

TDHCA #	Original TDHCA#	Year	Credit Ceiling for Add'l Allocation	Development Name	Project City	Region	PIS in 2005	Original Allocation	Additional Allocation Under Final Policy
05108		2005	2008	Kingswood Village	Edinburg	11		\$349,985	\$13,665
05109		2005	2008	Country Village Apartments	San Angelo	12		\$666,473	\$33,850
05116		2005	2008	Wahoo Frazier Townhomes	Dallas	3		\$925,960	\$63,797
05118		2005	2008	Vista Verde I & II Apartments	San Antonio	9		\$1,126,771	\$63,584
05124		2005	2008	TownParc at Amarillo	Amarillo	1		\$931,177	\$86,710
05125		2005	2008	La Villita Apartments Phase II	Brownsville	11		\$555,478	\$39,426
05127		2005	2008	Navigation Pointe	Corpus Christi	10		\$800,000	\$67,974
05137		2005	2008	Los Ebanos Apartments	Zapata	11		\$65,042	\$4,855
05141		2005	2008	The Arbors at Rose Park	Abilene	2		\$647,474	\$43,281
05142		2005	2008	Wesleyan Retirement Homes	Georgetown	7		\$368,190	\$21,640
05146		2005	2008	Spring Garden V	Springtown	3		\$297,367	\$24,869
05151		2005	2008	Deer Palms	El Paso	13		\$844,082	\$83,474
05152		2005	2008	Linda Vista Apartments	El Paso	13		\$296,225	\$21,807
05159		2005	2008	San Juan Square	San Antonio	9		\$999,398	\$85,948
05160		2005	2008	The Alhambra	San Antonio	9		\$946,988	\$79,507
05163		2005	2008	Timber Pointe Apartment Homes	Lufkin	5		\$560,454	\$40,362
05164		2005	2008	Ridge Pointe Apartments	Killeen	8		\$1,013,602	\$97,664
05165		2005	2008	Lincoln Park Apartments	Houston	6		\$1,200,000	\$114,621
05166		2005	2008	Hampton Port Apartments	Corpus Christi	10		\$438,949	\$36,404
05168		2005	2008	Lakeview Park	Denison	3		\$461,253	\$41,622
05178		2005	N/A	Tuscany Court Townhomes	Hondo	9	Yes	\$58,521	\$0
05179		2005	2008	The Villages at Huntsville	Huntsville	6		\$589,000	\$50,494
05184		2005	2008	Hampton Chase Apartments	Palestine	4		\$551,310	\$42,604
05185		2005	2008	Market Place Apartments	Brownwood	2		\$518,989	\$39,059
05187		2005	2008	Valley Creek Apartments	Fort Stockton	12		\$380,433	\$27,774
05189		2005	2008	Windvale Park	Corsicana	3		\$564,003	\$54,426
05195		2005	2008	San Gabriel Senior Village	Georgetown	7		\$712,154	\$64,206
05198		2005	2008	Olive Grove Manor	Houston	6		\$946,000	\$89,097
05199		2005	2008	Southwood Crossing Apartments	Port Arthur	5		\$631,266	\$59,326
05204		2005	2008	Ambassador North Apartments	Houston	6		\$724,870	\$48,989
05207		2005	2008	Parker Lane Seniors Apartments	Austin	7		\$669,940	\$44,241
05209		2005	2008	Providence Place Apartments	Katy	6		\$984,852	\$95,353
05222		2005	2008	Kingwood Senior Village	Houston	6		\$1,067,817	\$87,431
05225		2005	2008	Normangee Apartments	Normangee	8		\$113,408	\$7,632
05226		2005	2008	Lytle Apartments	Lytle	9		\$128,008	\$8,478
05228		2005	2008	City Oaks Apartments	Johnson City	7		\$135,403	\$10,549
05231		2005	2008	Kerrville Housing	Kerrville	9		\$272,868	\$20,901
05234		2005	2008	Park Place Apartments	Bellville	6		\$106,874	\$5,216

Exhibit A – Award Recommendations

TDHCA #	Original TDHCA#	Year	Credit Ceiling for Add'l Allocation	Development Name	Project City	Region	PIS in 2005	Original Allocation	Additional Allocation Under Final Policy
05235		2005	2008	Country Square Apartments	Lone Star	4		\$84,110	\$5,171
05236		2005	2008	Clifton Manor Apartments I and II	Clifton	8		\$120,124	\$10,332
05237		2005	2008	Bel Aire Manor Apartments	Brady	12		\$60,567	\$4,468
05238		2005	2008	Hamilton Manor Apartments	Hamilton	8		\$58,236	\$4,984
05239		2005	2008	Bayshore Manor Apartments	Palacios	6		\$159,890	\$8,700
05243		2005	2008	Villas of Hubbard	Hubbard	8		\$193,215	\$16,284
05247		2005	2008	Hacienda Santa Barbara Apartments	Socorro	13		\$107,199	\$9,961
05251		2005	2008	Joaquin Apartments	Joaquin	5		\$65,824	\$3,233
060002 / 070001	05171	2006	2007	Fairway Crossing	Dallas	3		\$1,200,000	\$97,498
060003		2006	2006	Floresville Square Apartments	Floresville	9		\$139,958	\$8,343
060004		2006	2006	Fieldstone Apartments	El Campo	6		\$81,039	\$5,471
060005	05058	2006	2006	Green Briar Village Apartments	Wichita Falls	2		\$591,841	\$42,087
060006	05100	2006	2006	Tierra Blanca Apartments	Hereford	1		\$615,000	\$43,403
060007	05012	2006	2006	Landa Place	New Braunfels	9		\$655,454	\$60,794

Exhibit B – Summary of Applicable Rule and Statute Effects on Eligible Developments Under the Final Policy

Year of Original Award	Credit Ceiling of Add'l Allocation	\$2M Limit (year affected)*	\$1.2M Limit	1 Mile / 1 Year	1 Mile / 3 Year	2 Times Per Capita	Regional Allocation Formula (year deducted)	QAP
2003 Awards from the 2004 Ceiling	2007	2003	Total allocation will be limited to \$1.368 million.	Test met by having satisfied test in year of award. Considered a 2007 award for purpose of testing proposed 2007 applications.	Test met by having satisfied test in year of award. Considered a 2007 award for purpose of testing proposed 2007 applications.	Test met by having satisfied test in year of award. Amount of credit award will be considered in tests of proposed applications.	2007	2007 met by having met 2003 (except statutory changes)
2004 Awards from the 2004 Ceiling	2007	2004	Total allocation will be limited to \$1.368 million.	Test met by having satisfied test in year of award. Considered a 2007 award for purpose of testing proposed 2007 applications.	Test met by having satisfied test in year of award. Considered a 2007 award for purpose of testing proposed 2007 applications.	Test met by having satisfied test in year of award. Amount of credit award will be considered in tests of proposed applications.	2007	2007 met by having met 2004 (except statutory changes)
2004 Awards from the 2005 Ceiling	2008	2004	Total allocation will be limited to \$1.368 million.	Test met by having satisfied test in year of award. Considered a 2008 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Considered a 2008 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Amount of credit award will be considered in tests of proposed applications.	2008	2008 met by having met 2004 (except statutory changes)
2005 Awards from the 2005 Ceiling	2008	2005	Total allocation will be limited to \$1.368 million.	Test met by having satisfied test in year of award. Considered a 2008 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Considered a 2008 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Amount of credit award will be considered in tests of proposed applications.	2008	2008 met by having met 2005 (except statutory changes)
2005 Awards from the 2006 Ceiling	2006	2005	Total allocation will be limited to \$1.368 million.	Test met by having satisfied test in year of award. Considered a 2006 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Considered a 2006 award for purpose of testing proposed 2008 applications.	Test met by having satisfied test in year of award. Amount of credit award will be considered in tests of proposed applications.	2006	2006 met by having met 2005 (except statutory changes)

* No future years affected



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

DraftFinal Policy for Addressing Cost Increases for 2004 and 2005 Competitive Housing Tax Credit Developments

Section I. Introduction and Purpose

The Texas Department of Housing and Community Affairs (the "Department") has received numerous inquiries relating to increased direct construction costs over the past ~~nine months~~year that generally are attributed to the impact of Hurricanes Katrina and Rita ~~last~~during September 2005. While limited data at a national or state level relating to these cost increases is available at this time, the Department has researched this issue using comparative cost multipliers by region from 2003 to 2006 from *Marshall & Swift*. Department research indicates that the existing 2004 and 2005 ~~9%~~Competitive Housing Tax Credit (HTC) developments in the Department's inventory are affected by these increases in direct construction costs by an average of 14%. The purpose of this policy is to outline how the Department will act to assist those developments in ascertaining additional tax credits to accommodate those cost increases. It is estimated that the total amount of additional credits that might be necessary to accommodate this policy for 2004 is ~~\$3,701,793~~ \$2,966,327 that would be utilized from the 2007 credit ceiling, ~~and~~ for 2005 is ~~\$4,387,658~~ \$3,396,511 that would be utilized from the 2008 credit ceiling and for 2005 forward commitments of tax credits from the 2006 credit ceiling \$160,098 that would be utilized from the 2006 credit ceiling for a total of~~\$8,089,451~~ \$6,522,936.

Section II. Eligibility and Method of Allocation

The Department will offer an allocation of additional credits to all competitive HTC developments awarded from the 2004 and 2005 competitive HTC developments Tax Credit Ceilings that were not placed in service or did not complete cost certification before January 1, 2006. Developments awarded a Forward Commitment in 2005 for tax credits from the 2006 HTC Ceiling are also considered a 2005 competitive HTC development eligible under this policy. For the purpose of this policy, 2003 awards from the 2004 Tax Credit Ceiling and 2004 awards from the 2004 Tax Credit Ceiling will herein after be referred to as "2004 awarded developments." Likewise, 2004 awards from the 2005 Tax Credit Ceiling and 2005 awards from the 2005 Tax Credit Ceiling will herein after be referred to as "2005 awarded developments." Finally, 2005 awards from the 2006 Tax Credit Ceiling will herein after be referred to as "2005 forward committed developments."

The additional allocation will be made pursuant to a binding ~~commitment~~agreement to allocate credits from the Department's 2007 Tax Credit Ceiling to all ~~awarded~~2004 competitive

HTC awarded developments, and from the Department's 2008 Tax Credit Ceiling to all awarded 2005 competitive HTC awarded developments and from the Department's 2006 Tax Credit Ceiling to all 2005 forward committed developments. The amount of each development's award will be determined by the Department using a methodology that applies a 14% increase to the site work and direct construction costs as reflected in the most recent Underwriting report and then completes the credit determination based on that adjustment. The portions of the Department Development Cost Schedule associated with site work and direct construction costs as reflected in the Underwriting report are Site Work and Direct Construction Costs: Hard Costs. The amount of the additional 2006, 2007 or 2008 allocation will be the difference between the newly calculated credit amount and the amount originally committed.

Developments will not be eligible for a 30% increase in eligible basis based on the development's location in a Qualified Census Tract (QCT) or Difficult to Develop Area (DDA).

Staff will use the numbers relied upon in the most recent Underwriting Report, either the applicant's or Department's as applicable, to determine the amount of the additional allocation of credits. The applicable percentage used in the most recent Underwriting Report will be used to determine the amount of the additional allocation of credits. Staff will perform an additional review of any development that has been granted an amendment by the Department to ensure that no development receives a disproportionate benefit under this Final Policy.

Pursuant to §2306.6711(b) of Tex. Gov't. Code, the Department may not allocate more that \$2 million in housing tax credits to any applicant in a single application round. The additional credits allocated under this policy will apply to the \$2 million cap for the year of the original award of tax credits. In the event that this requirement prevents a development from receiving the tax credits for which it is eligible, the applicant may, at his discretion, choose which development of which he is a principal will receive the award of additional tax credits, if more than one development is affected.

The Department will limit the allocation of tax credits to no more than \$1.368 million per Development.

Section III. Procedures

The following procedures will be utilized in implementing this process.

1. 2005 forward committed applications will be issued a revised 2006 Commitment Notice in the amount of the original award plus the additional amount as calculated by the Department. The revised award will come out of the 2006 Tax Credit Ceiling.
- ~~1.2.~~ The Department will issue all 2004 and 2005 awarded developments ~~from the 2004 and 2005 credit ceiling~~ a letter binding agreement indicating the specific additional allocation amount as calculated by the Department and instructions consistent with this policy for their ~~binding agreement's~~ return submission.
- ~~2.3.~~ Owners that choose not to utilize the additional credits will return an election form indicating their decision not to proceed with the allocation by October 31, 2006. No credits will be set aside from the 2006, 2007 or 2008 HTC Ceiling for such developments.

- ~~3.4.~~ Owners that choose to utilize the additional allocation will execute and return the binding agreement, pursuant to Treasury Regulation §1.42-8, in a format provided to the owner, with a fee equal to 5% of the credit amount allocated by October 31, 2006.
- ~~4.5.~~ The Department will review the binding agreement and, upon satisfaction, the agreement will be executed by the Executive Director of the Department. The execution by the Executive Director will occur no later than December 31, 2006 for the 2004 awarded developments and 2005 awarded developments placed in service in 2006, and no later than March 1, 2007 for the 2005 awarded developments and 2005 forward committed developments to be placed in service after 2006. The binding agreement will be considered effective as of the date the Executive Director of the Department executes the agreement.
6. The Department will assign a new project number from the year of the new allocation to all developments that receive an additional allocation under this policy. This new number must be used, in addition to the original project number, in any correspondence with the Department.
- ~~5.7.~~ Upon placement in service and submission of the cost certification, the Applicant will be required to substantiate their total costs and credit allocation consistent with the requirements set forth in the *Cost Certification Manual*. All deadlines applicable to the original application will apply under this policy; no extensions will result from the allocation of additional credits. Unsubstantiated credits for 2004 awarded developments will be returned to the 2007 HTC Ceiling, and for 2005 awarded developments unsubstantiated credits will be returned to the 2008 HTC Ceiling. Unsubstantiated credits for 2005 forward committed developments will be handled, as all other 2006 allocations, at Cost Certification. Specifically, this analysis will be based on the development details originally proposed and credits will not be eligible for new activities not originally proposed. Further, a detailed cost analysis will be required at the time of cost certification that will be utilized to ensure ~~development~~ that site work and direct construction costs specifically increased by the estimated 14%.
- ~~6.8.~~ As described in §50.10(c)(1) of the QAP: “Applications that are submitted under the 2006 QAP and granted an additional award of 2006 Housing Tax Credits or a Forward Commitment of 2007 or 2008 Housing Tax Credits are considered by the Board to comply with the respective 2006, 2007 or 2008 QAP by having satisfied the requirements of this 2006 the QAP under which the original application was submitted, except for statutorily required QAP changes.”
- ~~7.9.~~ The ~~application-binding agreement~~ will be reviewed before ~~execution by the Executive Director of the Department~~issuance of a letter occurs to ensure that they do not have the principals of the development receiving an allocation of additional credits are not in material non-compliance on other developments in which they are a party consistent with §50.5(b)(2) and (3) of the QAP. The Portfolio Management and Compliance division of the Department will perform this review as of November 17, 2006.
- ~~8.10.~~ For all allocations made under this policy the credit amount awarded for 2004 awarded developments will be attributed to the proper region and set-asides from the 2007 Ceiling, and for 2005 awarded developments will be attributed to the proper region

and set-asides from the 2008 Ceiling, and for 2005 forward committed developments will be attributed to the proper region and set-asides from the 2006 Ceiling to ensure adherence to the Regional Allocation Formula in 2006, 2007 and 2008.

11. Pursuant to §2306.6711(f), “The board may allocate housing tax credits to more than one development in a single community...only if the developments are or will be located more than one linear mile apart.” For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications submitted during the 2007 or 2008 application rounds, developments allocated additional credits under this policy will be considered to have been allocated in 2007 or 2008 respectively. (Example: all proposed applications in the 2007 competitive cycle that are within one mile of a development that receives additional credits will not be eligible to receive an allocation in the 2007 cycle.)
12. Pursuant to §2306.6703(a)(3), an application will be considered ineligible if the applicant proposes to construct a new development that is located one linear mile or less from a development that serves the same type of household as the new development and has received an allocation of housing tax credits for new construction at any time during the three-year period preceding the date the application round begins. For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications submitted during the 2007 or 2008 application rounds, developments allocated additional credits under this policy will be considered to have been allocated in 2006, 2007 or 2008 respectively. (Example: any application proposed within a three year period from the date of Board action for additional credits that are within one mile of a development that receives additional credits will not be eligible to receive an allocation without a resolution from the appropriate governing body.)
13. Pursuant to §2306.6703(a)(4), an application will be considered ineligible if “the development is located in a municipality or, if located outside a municipality, a county that has more than twice the state average of units per capita supported by housing tax credits or private activity bonds...” For the purpose of this section, developments awarded an additional allocation of credits under this policy will be considered to have met this test as of the year during which the original application was submitted; however, for purposes of conducting this test for proposed applications, the amount of additional credits allocated under this policy will be applied to the calculation accordingly going forward.
14. The Land Use Restriction Agreement (LURA) for eligible developments that were not placed in service or did not complete cost certification during 2006 will not be affected. To the extent that any eligible development did place in service or complete cost certification during 2006 and recorded a LURA with the Department, the credit award amount reflected in the LURA will be amended within the LURA using the Department’s administrative LURA amendment process.

15. Each eligible 2004 and 2005 awarded development that receives an additional allocation of tax credits under this policy will receive new IRS Forms 8609 for the amount of additional allocation substantiated at cost certification. Each eligible 2004 and 2005 awarded development will therefore receive two complete sets of IRS Forms 8609; one set for the amount of original allocation and one set for the amount of the additional allocation under this policy. 2005 forward committed developments will receive only one set of IRS Forms 8609.

**Housing Tax Credit Program
Board Action Request
October 12, 2006**

Action Item

Request review and board determination of four (4) four percent (4%) tax credit applications with other issuers for tax exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance three (3) four percent (4%) Tax Credit Determination Notices with **other issuers** for the tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
060417	Artisan at Salado Heights	San Antonio	San Antonio HFC	252	252	\$27,273,794	\$15,000,000	\$1,106,360	\$0
060427	Mansions at Turkey Creek	Houston	Houston HFC	252	252	\$25,092,777	\$15,000,000	\$1,110,365	\$1,059,669
060419	The Gardens Weatherford	Weatherford	Northwest Central TX HFC	76	76	\$8,897,317	\$5,231,000	\$295,247	\$283,232
060420	The Gardens of Decordova	Granbury	Northwest Central TX HFC	76	76	\$8,991,136	\$5,269,000	\$294,166	\$281,258

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Artisan at Salado Heights.

Summary of the Transaction

Background and General Information: The application was received on June 9, 2006. The Issuer for this transaction is San Antonio HFC. The development is new construction and will consist of 252 total units targeting the general population, with all units affordable. The site is currently zoned for such a development. The Compliance Status Summary completed on September 18, 2006 reveals that the principals of the general partner have a total of fifteen (15) properties that will be monitored by the Department.

The proposed development is located within 1 mile of another tax credit property and pursuant to 10 TAC 50.5(a)(7)(C) a resolution approved by the local municipality must be submitted to the Department no later than 14 days prior to the Board meeting. The bond priority for this transaction is:

- Priority 2:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (MUST receive 4% Housing Tax Credits)

Census Demographics: The development is to be located at 3714 Binz Engleman in San Antonio. Demographics for the census tract (1308) include AMFI of \$32,725; the total population is 3,707; the percent of population that is minority is 96.30%; the percent of population that is below the poverty line is 27.53%; the number of owner occupied units is 890; the number of renter units is 438 and the number of vacant units is 132. The percent of population that is minority for the entire City of San Antonio is 68% (Census information from FFIEC Geocoding for 2006).

Public Comment: The Department has received one letter of support from City of San Antonio Councilwoman, Shiela D. McNeil, and no letters of opposition.

Recommendation

Staff does not recommend the Board approve the issuance of a Determination Notice of Housing Tax Credits for Artisan at Salado Heights.

If the Board overturns staff's recommendation they would need to waive 10 TAC Section 50.5(a)(7)(C) for the submission of the 1 mile resolution 14 days prior to the Board meeting. The issuance of the Determination Notice would be conditioned upon the City of San Antonio's Council approving the 1 mile resolution on or before October 12, 2006 and it must be received by the Department on or before October 13, 2006.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Artisan at Salado Heights, TDHCA Number 060417

BASIC DEVELOPMENT INFORMATION

Site Address: 3714 Binz Engleman Development #: 060417
 City: San Antonio Region: 9 Population Served: Family
 County: Bexar Zip Code: 78219 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: San Antonio HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: ARDC Salado, Ltd.
 Owner Contact and Phone: Ryan Wilson (210) 694-2223
 Developer: Franklin Development Company
 Housing General Contractor: Franklin Construction Company
 Architect: RPGA Design Group, Inc.
 Market Analyst: Butler Burgher, Inc.
 Syndicator: MMA Financial
 Supportive Services: TBD
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR	Total Restricted Units:	252
0	0	0	246	0	52	120	80	0	0	Market Rate Units:	0
Type of Building:										Owner/Employee Units:	0
<input checked="" type="checkbox"/> 5 units or more per building										Total Development Units:	252
<input type="checkbox"/> Duplex										Total Development Cost:	\$27,273,794
<input type="checkbox"/> Triplex										Number of Residential Buildings:	9
<input type="checkbox"/> Fourplex										HOME High Total Units:	0
<input type="checkbox"/> Detached Residence										HOME Low Total Units:	0
<input type="checkbox"/> Single Room Occupancy											
<input type="checkbox"/> Transitional											
<input type="checkbox"/> Townhome											

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$1,106,360	\$0	0	0	0.00%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Artisan at Salado Heights, TDHCA Number 060417

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Madla, District 19 NC US Representative: González, District 20, NC
TX Representative: McClendon, District 120 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Phil Hardberger, Mayor, City of San Antonio - NC Resolution of Support from Local Government []

Sheila D. McNeil, City Councilwoman, City of San Antonio - S

The City of San Antonio Consolidated Plan states that expanding the supply and improving the quality of affordable housing for low and moderate-income households are high priority goals for the City over the next five years.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received 1 letter of support from City Councilwoman McNeil and no letters of opposition.

CONDITIONS OF COMMITMENT

Not Recommended due to the following: 10TAC Section 50.5(a)(7)(C) of the QAP requires any outstanding documentation under this section must be submitted to the Department at least 14 days prior to the Board meeting.

Should the Board approve this award, it should be conditioned upon the following:

Receipt, review and acceptance by closing of an executed land lease or other evidence that the development will receive a 100% property tax exemption.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit and or allocation amount may be warranted.

Per §50.12(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")."



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Artisan at Salado Heights, TDHCA Number 060417

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$0
Recommendation:		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

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

DATE: October 2, 2006

PROGRAM: 4% HTC

FILE NUMBER: 060417

DEVELOPMENT NAME

Artisan at Salado Heights

APPLICANT

Name: ARDC Salado, Ltd. **Contact:** Ryan Wilson
Address: 21260 Gathering Oaks Suite 101
City: San Antonio **State:** TX **Zip:** 78258
Phone: (210) 694-2223 **Fax:** (210) 694-2225 **Email:** ryan@franklindevelopment.net

KEY PARTICIPANTS

Name: 252 ARDC Binz. LLC **Title:** 0.01% Managing General Partner of Applicant
Name: Las Varas Public Facility Corp **Title:** Nonprofit sole member of MGP
Name: San Antonio Housing Authority **Title:** Parent of Las Varas Public Facility Corp
Name: Franklin Development Company **Title:** Developer
Name: Aubra Franklin **Title:** 0.01% Special Limited Partner of Applicant/100% Owner of Developer

PROPERTY LOCATION

Location: 3714 Binz Engleman
City: San Antonio **Zip:** 78219
County: Bexar **Region:** 9 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,106,360 ¹	N/A	N/A	N/A
Proposed Use of Funds:	New construction	Type:	Multifamily	
Target Population:	Family	Other:	Urban/Exurban	

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,106,360 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance by closing of an executed land lease or other evidence that the development will received a 100% property tax exemption.
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/allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

¹ Reduced from \$1,119,379 on 9/7/2006.

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DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 252 **# Res Bldgs** 2 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 250,000 **Av Un SF:** 992 **Common Area SF:** 5,677 **Gross Bldg SF:** 255,677

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a wood subfloor. According to the plans provided in the application the exterior will be 13.7% masonry veneer, 73.2% cement fiber, and 13.1% stucco. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be 40% carpet and 60% resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: a phone jack in each room, laundry connections, a ceiling fixture in each room, an individual water heater, and nine-foot ceilings.

ONSITE AMENITIES

In order to meet threshold criteria for total units of 200 or more, the Applicant has elected to provide an accessible walking path, a community laundry room, controlled access gates, an enclosed sun porch or covered community porch, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a swimming pool, and a furnished and staffed children's activity center.

Uncovered Parking: 279 spaces **Carports:** 100 spaces **Garages:** 50 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The subject is a 13-unit per acre new construction development located in San Antonio. The development is comprised of 9 evenly distributed garden style residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
2	2/3	8	12	0
3	3	12	24	0
2	2/3	0	0	20
2	2/3	0	12	20

The development includes a 5,677-square foot combined clubhouse, office, laundry, adult and children's social service, fitness, and mail building.

SITE ISSUES

SITE DESCRIPTION

Total Size: 13.22 acres **Scattered sites?** Yes No
Flood Zone: Zone X **Within 100-year floodplain?** Yes No
Current Zoning: MF-33 **Needs to be re-zoned?** Yes No N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The site is located at 3714 Binz Engleman, San Antonio, Bexar County. San Antonio is located 190 miles west of Houston and 78 miles southwest of Austin in Bexar County.

Adjacent Land Uses:

- € **North:** Binz Engleman Road immediately adjacent and Fort Sam Houston beyond;
- € **South/Southeast:** City of San Antonio Parks and Recreation Department and Old Seguin Road

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immediately adjacent, and EconoLodge Motel beyond;

⊘ **East:** Averitt Express Inc. and vacant land immediately adjacent; and

⊘ **West:** Artisan at Salado Creek Apartments (fka Binz Ranch of San Miguel Apartments) immediately adjacent.

Site Access: According to the Market Analyst, “Access to the property is very good, it has good visibility from a major highway and it is located just south of the Fort Sam Houston Army base. The subject site has excellent access via Binz Engleman Road. From Binz Engleman, one can easily connect to the Interstate 35/Loop 410 junction, both of which are major thoroughfares into and around San Antonio proper” (p.23).

Public Transportation: Public transportation to the area is provided by Metropolitan Transit and the nearest linkage is within walking distance from the subject site.

Shopping & Services: The site is within a short driving distance of major grocery/pharmacies, shopping centers, a variety of other retail establishments, restaurants, recreation, schools, and hospitals.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff

Date: 3/7/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated April 24, 2006 was prepared by Integrated Testing and Engineering Company of San Antonio, LP (InTEC) and contained the following findings and recommendations:

Findings:

⊘ **Noise:** Per a letter dated September 6, 2006 from InTEC, LP, “The target property is located in a residential, commercial office/warehouse, and Military Base setting (Fort Sam Houston). Fort Sam Houston Military facility, located several hundred feet to the north, has historically (and still is) been used as a military personnel training and Medical Hospital facility (BAMC). No airfields are located on the Military base. The nearest airfield is located several miles from the target property. The commercial and warehouse properties are located from 250 feet to the south, adjacent (Averitt Express, a trucking firm) to the east and 1,400 feet southwest of the target property. A major railroad, running from northeast to the southwest, is located approximately 300 feet to the north. A major Highway, Interstate 35, is located approximately 600 feet south of the site with Commercial Buildings and vacant land in-between the target property and Interstate Highway 35. **Discussion:** According to Mike Shearer, a Noise Mitigation Specialist with the Texas Department of Transportation, existing structures located between IH 35 and the target property would act as sound barriers or buffers and reduce traffic noise levels. Jerry Rankin, City of San Antonio Noise Mitigation Officer at the San Antonio International Airport (SAIA), doubts that noise levels from the air traffic from the SAIA (located several miles from the target property) would be a concern from a FAA regulatory requirement (excessive noise). HUD Form HUD-4228, dated March 1, 2003 indicates in Part A, item 19 Noise Abatement, the previous project (Artisan at Salado I) is in compliance. **Conclusion:** Based on the discussions with the above individuals supplied to InTEC, it appears that the target property would not be impacted by excessive noise levels from Air Traffic, IH 35 or local vehicular traffic. It may be inferred that based on the previous HUD document that Artisan at Salado II is in compliance with regard to Part A, item 19, HUD Form 4128. A noise study is not recommended.”

⊘ **Floodplain:** “This site is located outside of the 100 and 500 year floodplain, according to the Flood Insurance Rate Map Community-Panel Number 48029C0458 E, revised February 16, 1996” (p.5).

⊘ **Asbestos-Containing Materials (ACM):** Per a letter dated September 6, 2006 from InTEC, LP, “There are no building improvements located on the target property; therefore, local, state and federal laws pursuant to ACM do not apply to the vacant tract of land.”

⊘ **Lead-Based Paint (LBP):** Per a letter dated September 6, 2006 from InTEC, LP, “There are no building improvements therefore; local, state and federal laws pursuant to LBP do not apply to the vacant tract of

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land.”

- € **Lead in Drinking Water:** Per a letter dated September 6, 2006 from InTEC, LP, “The City of San Antonio Water System (SAWS) supplies water to the target property, therefore, it is not anticipated that the water would be required to be tested for Lead.”
- € **Radon:** Per a letter dated September 6, 2006 from InTEC, LP, “According to The Final Report of the Texas Indoor Radon Survey 1994, prepared by TDH, Bureau of Radiation Control, the mean residual radon measurement from the survey for Bexar County is 1.1 Pica Curies of radon per liter of air (pCi/l). The EPA recommends a guideline “action level” of 4.0 pCi/l for annual average indoor radon concentration. Based on this information, the site is considered to have a low potential for elevated levels of radon gas.”

Recommendations and Conclusion: “The Phase I ESA has been conducted in general conformance with scope and limitations of ASTM Practice E 1527. Based on the results of the Phase I ESA Update, the following conditions were identified;

It is our understanding that the abandoned water well located on the property has been properly plugged...InTEC recommends no further environmental investigations be performed at this time” (p.15).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. To qualify as a Priority 2 Private Activity Bond allocation for a Qualified Residential Rental Project, the Applicant has elected to set-aside 100% of the units with rent and income restrictions at 60% of area median family income (§ 1372.0321).

Two hundred and fifty-two of the units (100% of the total) will be reserved for low-income tenants. Six units (2%) will be reserved for households earning 50% or less of AMI, and the remaining 246 units (98%) will be reserved for households earning 60% or less of AMI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$22,320	\$25,500	\$28,680	\$31,860	\$34,380	\$36,960

MARKET HIGHLIGHTS

A market feasibility study dated June 2, 2006 was prepared by Apartment Market Data, Inc. (“Market Analyst”) and included the following findings:

Secondary Market Information: The Market Analyst did not define a secondary market area.

Definition of Primary Market Area (PMA): “For this analysis, we utilized a “primary market area” encompassing 43.02 square miles. The boundaries of the Primary Market Area are as follows: North-Rittiman Road extending west to U.S. Hwy 281; East- North Foster Road; South- Rigsby Avenue and Interstate Highway 10; and West- U.S. Highway 281” (p. 31). This area encompasses approximately 42.5 square miles and is equivalent to a circle with a radius of 3.7 miles.

Population: The estimated 2005 population of the PMA was 99,980 and is expected to increase by 5% to approximately 104,949 by 2010. Within the primary market area there were estimated to be 34,101 households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 100% and a household size-appropriate adjustment rate of 96% (p. 50). The Analyst’s income band of \$17,074 to \$34,380 (p. 44) results in an income eligible adjustment rate of 26.2% (p. 44). The tenure appropriate adjustment rate of 44.1% is specific to the target population (p. 38). The Market Analyst indicates a turnover rate of 74.9% applies based on IREM (p. 79).

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MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	40	1.2%	36	1%
Resident Turnover	3,197	98.8%	2,833	99%
TOTAL DEMAND	3,237	100%	2,869	100%

p. 51

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 20.4% based upon 3,237 units of demand and 700 unstabilized affordable housing in the PMA (including the subject, Artisan at Willow Creek, and Artisan at Salado Creek) (p. 51). The Underwriter calculated an inclusive capture rate of 23% based upon a revised demand estimate for 2,869 affordable units and only 660 unstabilized units.

Unit Mix Conclusion: “The design and layout of the subject would be of equal or better quality compared to other affordable projects in the area. The project is well suited for new apartment construction. The unit mix and amenities provide an excellent selection for prospective residents” (p. 28).

Market Rent Comparables: The Market Analyst surveyed six comparable apartment projects totaling 762 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (50%)	\$423	\$433	\$10	\$675	-\$252
1-Bedroom (60%)	\$532	\$532	\$0	\$675	-\$143
2-Bedroom (60%)	\$638	\$639	\$1	\$980	-\$342
3-Bedroom (60%)	\$729	\$730	\$1	\$1,165	-\$436

(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: “Apartment MarketData conducted an analysis of some 762 conventional (Market Rate) units. These projects were built between 1994 and 2005. The occupancy rate for the market rate one bedrooms is 95.9%, for market rate two bedrooms it is 94.4%, the occupancy for the market rate three bedroom units is 94.1%... The current occupancy of the market area is 93.1% as a result of solid demand. Demand for newer rental apartment units is considered to be growing” (p. 14 & 87).

Absorption Projections: “We estimate that the project would achieve a lease rate of approximately 7% to 10% of its units per month as they come on line for occupancy from construction” (p. 85).

Unstabilized, Under Construction, and Planned Development: “Artisan at Salado Creek (Binz Ranch) is 97.5% occupied and reached a stabilized occupancy of 90% in September 2005. Artisan at Willow Springs is 90.3% occupied and reached a stabilized occupancy of 90% January 2006. It should be noted that one project, Clarke Pointe, lies just outside the southeast corner of the PMA. This project is under construction, and will deliver 252 units serving residents earning up to 60% AMI. This project is mentioned, but not included in the capture rate calculation as it lies outside the PMA” (p. 51).

Market Impact: “The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Existing “affordable” housing projects have an overall occupancy of 93.9%, and affordable family projects have an overall occupancy of 93.2%. This typifies the demand for affordable rental housing, as there is a shortage of affordable housing in this market” (p. 85).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of June 1, 2006, maintained by the San Antonio Housing Authority from the 2006 program gross rent limits. Tenants will be required to pay electric and gas utility costs. Furthermore, the Applicant’s vacancy and collection loss assumption is in line with current TDHCA underwriting guidelines. However, secondary income is more than \$15 per unit, due to the inclusion of income from covered parking. The Applicant appropriately removed the cost for construction of the carports and garages from eligible basis.

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However, additional support for secondary income from covered parking was not provided and, therefore, the underwriting analysis continues to assume a maximum secondary income of \$15 per unit per month. Despite the difference in secondary income, the Applicant's effective gross rent is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at \$3,077 per unit is within 5% of the Underwriter's estimate of \$3,149, derived from actual operating history provided by the Applicant of other similar developments, the TDHCA database, and third-party data sources. The Applicant's line-item expense for general and administrative cost, however, is \$34K lower than the Underwriter's estimate. It should be noted the Underwriter's estimate is based on the actual per unit expense reported for Artisan at Willow Springs. In addition, the Underwriter has assumed an initial reserve for replacement of \$200 per unit annually based on current underwriting guidelines, whereas the Applicant has assumed an initial reserve for replacement of \$258 per unit annually. However, none of the commitment documents reflect this higher than normal reserve requirement. Also, the Applicant anticipates a 100% property tax exemption based on the ownership structure including a subsidiary of the San Antonio Housing Authority as sole member of the General Partner. It is anticipated that the partnership will lease the property from the San Antonio Housing Authority to obtain a property tax exemption. Receipt, review and acceptance by closing of an executed land lease or other evidence that the development will received a 100% property tax exemption is a condition of this report. Failure to receive a 100% exemption appears to render the development infeasible as the reduction in serviceable debt will require a deferred developer that is greater than can be repaid. Furthermore, the debt amount itself will most likely be less than 50% of the eligible costs rendering the development infeasible for 4% tax credits. Finally, the Applicant appears to have overstated TDHCA compliance fees.

Conclusion: Because the Applicant's effective gross income, total annual operating expenses, and 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) within the Department's DCR guideline of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land: 13.22 acres	\$1,361,000	Assessment for the Year of:	2006
Buildings:	N/A	Valuation by:	Bexar County Appraisal District
Total:	\$1,361,000	Tax Rate:	3.053074
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Special warranty deed (13.22 acres)		
Original Acquisition Cost:	\$1,361,000	Other:	Applicant is current owner

CONSTRUCTION COST ESTIMATE EVALUATION	
Acquisition Value: The Applicant provided a settlement statement dated November 29, 2005 between ARDC Binz, Ltd, (Applicant submitted certification from the Office of the Secretary of State dated January 24, 2006, officially changing the partnership name to ARDC Salado, Ltd.) and Jack B. White and Karen M. White for the subject 13.22 acre tract. According to the contract, the total purchase price for the 13.22 acres was \$1,361,000.	
In response to clarification regarding the acquisition cost of the subject, the Applicant indicates an additional \$50,000 is included in their proposed costs for interest carry on the land, and is a budget number. The actual interest owed on the initial land loan will not be finalized until closing of the construction loan. The underwriting analysis reflects an acquisition value of \$1,361,000 as indicated in the submitted settlement	

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statement.

It should be noted, transfer of the land directly to the partnership will adversely impact the proposed 100% property tax exemption. The Applicant has not indicated how the land will be transferred to the Housing Authority nor has there been any indication that the Housing Authority is making any contribution to the development either directly or indirectly through the acquisition of the land. As previously discussed, receipt, review and acceptance of documentation of the Housing Authority's acquisition and lease back to the partnership is a condition of this report.

Sitework Cost: The Applicant's claimed sitework costs of \$6,910 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$110K lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$467,813 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.

Contingency: The Applicant's eligible contingency costs were adjusted down by \$132,309 to meet the Department guideline of 5% of eligible sitework and direct construction costs for new construction developments.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$23,577,338 supports annual tax credits of \$1,109,550. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

INTERIM TO PERMANENT BOND FINANCING

Source: MMA Financial **Contact:** Rick Monfred
Tax-Exempt: \$15,000,000 **Interest Rate:** 5.8%*, fixed, lender's estimate **Amort:** 480 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: * does not include issuer, servicing and trustee fees

TAX CREDIT SYNDICATION

Source: MMA Financial **Contact:** Marie Keutmann
Proceeds: \$10,330,000 **Net Syndication Rate:** 93.4% **Anticipated HTC:** \$1,106,360/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

OTHER

Amount: \$1,943,792 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: The tax-exempt bonds are to be issued by the San Antonio Housing Trust Finance Corporation and purchased by MMA Financial. The permanent financing commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

The development qualifies as a Priority 2 Private Activity Bond transaction because it is at least 51 percent financed by tax-exempt private activity bonds (§ 1372.0321, Texas Government Code).

HTC Syndication: The revised tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,943,792 amount to 66% of the total fees.

Financing Conclusions:

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The Applicant's total development cost estimate less the permanent loan of \$15,000,000 indicates the need for \$12,273,794 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,314,544 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's revised request (\$1,106,360), the gap-driven amount (\$1,314,544), and eligible basis-derived estimate (\$1,109,550), the Applicant's request of \$1,106,360 is recommended resulting in proceeds of \$10,330,000 based on a syndication rate of 93%.

The Underwriter's recommended financing structure indicates the need for \$1,943,794 in additional permanent funds. Deferred developer and contractor fees in this amount appear to be repayable from development cashflow within 10 years of stabilized operation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

€ The Applicant, General Contractor and Developer are related entities. These are common relationships for HTC-funded developments. The seller of the property is also related to the Developer, but the sale is proposed to be completed at the same cost as the original acquisition; therefore, further mitigation is not required.

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.
- € Las Varas Public Facility Corporation, nonprofit sole member of the General Partner, is also a newly-formed entity with no significant financial history.
- € The San Antonio Housing Authority, parent of Las Varas Public Facility Corporation, submitted an unaudited financial statement dated March 31, 2006 indicating total combined assets of \$161M comprised of \$12.2M in unrestricted current assets, \$377K in restricted current assets, \$147M in capital assets net of depreciation, and \$1.7M in other non-current assets. Liabilities totaled \$6.5M for net assets of \$155M. Receipt, review and acceptance of the San Antonio Housing Authority's most recent audited financial statements is a condition of this report.
- € The Developer, Franklin Development Properties, Ltd. submitted an unaudited financial statement as of January 1, 2006 reporting total assets of \$7.9M and consisting of \$1.6M in cash, \$5.8M in receivables, \$410K in other current assets, and \$100K in fixed assets. Liabilities totaled \$0, resulting in a net worth of \$7.9.
- € The principal of the Developer, Aubra Franklin, submitted an unaudited financial statement as of January 1, 2006 and is anticipated to be a guarantor 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

- € The seller of the property has an identity of interest with the Applicant.
- € 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 significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:

Diamond Thompson

Date: October 2, 2006

Reviewing Underwriter:

Lisa Vecchiatti

Date: October 2, 2006

Director of Real Estate Analysis:

Tom Gouris

Date: October 2, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Artisan at Salado Heights, San Antonio, 4% HTC #060417

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 50%	6	1	1	750	\$498	\$433	\$2,597	\$0.58	\$65.18	\$35.82
TC 60%	46	1	1	750	597	\$532	24,464	0.71	65.18	35.82
TC 60%	120	2	2	985	717	\$639	76,624	0.65	78.47	42.62
TC 60%	80	3	2	1,160	828	\$730	58,368	0.63	98.40	54.11
TOTAL:	252		AVERAGE:	992	\$725	\$643	\$162,052	\$0.65	\$82.05	\$44.86

INCOME				Total Net Rentable Sq Ft: 250,000		TDHCA	APPLICANT	Comptroller's Region 9			
POTENTIAL GROSS RENT						\$1,944,627	\$1,942,680	IREM Region San Antonio			
Secondary Income		Per Unit Per Month:	\$15.00			45,360	22,680	\$7.50	Per Unit Per Month		
Other Support Income: telephone, CATV, covered parking						0	57,144	\$18.90	Per Unit Per Month		
POTENTIAL GROSS INCOME						\$1,989,987	\$2,022,504				
Vacancy & Collection Loss		% of Potential Gross Income:	-7.50%			(149,249)	(151,692)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions						0	0				
EFFECTIVE GROSS INCOME						\$1,840,738	\$1,870,812				
EXPENSES				% OF EGI	PER UNIT	PER SQ FT		PER SQ FT	PER UNIT	% OF EGI	
General & Administrative				5.20%	\$380	0.38	\$95,799	\$61,431	\$0.25	\$244	3.28%
Management				4.00%	292	0.29	73,630	74,833	0.30	297	4.00%
Payroll & Payroll Tax				13.09%	956	0.96	241,031	255,000	1.02	1,012	13.63%
Repairs & Maintenance				5.23%	382	0.39	96,272	90,558	0.36	359	4.84%
Utilities				2.15%	157	0.16	39,636	42,575	0.17	169	2.28%
Water, Sewer, & Trash				4.67%	341	0.34	85,920	71,560	0.29	284	3.83%
Property Insurance				3.35%	244	0.25	61,589	65,000	0.26	258	3.47%
Property Tax	3.053074			0.00%	0	0.00	0	0	0.00	0	0.00%
Reserve for Replacements				2.74%	200	0.20	50,400	65,000	0.26	258	3.47%
Supp serv, compl fees, sec, cable				2.67%	195	0.20	49,238	49,403	0.20	196	2.64%
TOTAL EXPENSES				43.11%	\$3,149	\$3.17	\$793,514	\$775,360	\$3.10	\$3,077	41.45%
NET OPERATING INC				56.89%	\$4,156	\$4.19	\$1,047,224	\$1,095,452	\$4.38	\$4,347	58.55%
DEBT SERVICE											
MMA Financial				52.45%	\$3,831	\$3.86	\$965,406	\$975,552	\$3.90	\$3,871	52.15%
Servicing Fee				0.33%	\$24	\$0.02	6,000	0	\$0.00	\$0	0.00%
Additional Financing				0.00%	\$0	\$0.00	0	0	\$0.00	\$0	0.00%
NET CASH FLOW				4.12%	\$301	\$0.30	\$75,819	\$119,900	\$0.48	\$476	6.41%
AGGREGATE DEBT COVERAGE RATIO							1.08	1.12			
RECOMMENDED DEBT COVERAGE RATIO								1.13			

CONSTRUCTION COST					TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					
Acquisition Cost (site or bldg)		5.02%	\$5,401	\$5.44	\$1,361,000	\$1,411,000	\$5.64	\$5,599	5.17%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.42%	6,910	6.97	1,741,314	1,741,314	6.97	6,910	6.38%
Direct Construction		47.83%	51,477	51.89	12,972,089	12,862,497	51.45	51,042	47.16%
Contingency	5.00%	2.71%	2,919	2.94	735,670	862,500	3.45	3,423	3.16%
General Req'ts	5.46%	2.96%	3,190	3.22	803,906	803,906	3.22	3,190	2.95%
Contractor's G & A	1.82%	0.99%	1,063	1.07	267,969	267,969	1.07	1,063	0.98%
Contractor's Profit	5.46%	2.96%	3,190	3.22	803,906	803,906	3.22	3,190	2.95%
Indirect Construction		6.02%	6,481	6.53	1,633,334	1,633,334	6.53	6,481	5.99%
Ineligible Costs		4.70%	5,057	5.10	1,274,311	1,274,311	5.10	5,057	4.67%
Developer's G & A	2.86%	2.18%	2,351	2.37	592,509	592,509	2.37	2,351	2.17%
Developer's Profit	11.43%	8.74%	9,405	9.48	2,370,034	2,370,034	9.48	9,405	8.69%
Interim Financing		6.53%	7,030	7.09	1,771,678	1,771,678	7.09	7,030	6.50%
Reserves		2.93%	3,158	3.18	795,826	878,836	3.52	3,487	3.22%
TOTAL COST		100.00%	\$107,633	\$108.49	\$27,123,546	\$27,273,794	\$109.10	\$108,229	100.00%
Construction Cost Recap		63.87%	\$68,749	\$69.30	\$17,324,855	\$17,342,092	\$69.37	\$68,818	63.99%

SOURCES OF FUNDS				RECOMMENDED			
MMA Financial	55.30%	\$59,524	\$60.00	\$15,000,000	\$15,000,000	\$15,000,000	Developer Fee Available
Additional Financing	0.00%	\$0	\$0.00	0	0	0	\$2,962,543
HTC Syndication Proceeds	38.08%	\$40,992	\$41.32	10,330,000	10,330,000	10,330,000	% of Dev. Fee Deferred
Deferred Developer Fees	7.17%	\$7,713	\$7.78	1,943,792	1,943,792	1,943,794	66%
Additional (Excess) Funds Req'd	-0.55%	(\$596)	(\$0.60)	(150,246)	2	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				\$27,123,546	\$27,273,794	\$27,273,794	\$4,664,609

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Artisan at Salado Heights, San Antonio, 4% HTC #060417

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$48.76	\$12,189,232
Adjustments				
Exterior Wall Finish	1.10%		\$0.53	\$133,594
9-Ft. Ceilings	3.14%		1.53	382,376
Roofing			0.00	0
Subfloor			(0.81)	(203,636)
Floor Cover			2.22	555,000
Prchs/Balc/Breeze	\$21.82	81,241	7.09	1,772,826
Plumbing	\$680	600	1.63	408,000
Built-In Appliances	\$1,675	252	1.69	422,100
Stairs/Fireplaces	\$1,650	92	0.61	151,800
Enclosed Corridors			0.00	0
Heating/Cooling			1.73	432,500
Rough Ins	\$340	252	0.34	85,680
Community Buildings	\$62.65	5,677	1.42	355,676
Other: Fire Sprinkler	\$1.95	250,000	1.95	487,500
SUBTOTAL			68.69	17,172,648
Current Cost Multiplier	1.07		4.81	1,202,085
Local Multiplier	0.86		(9.62)	(2,404,171)
TOTAL DIRECT CONSTRUCTION COSTS			\$63.88	\$15,970,563
Plans, specs, survy, bld prm	3.90%		(\$2.49)	(\$622,852)
Interim Construction Interest	3.38%		(2.16)	(539,006)
Contractor's OH & Profit	11.50%		(7.35)	(1,836,615)
NET DIRECT CONSTRUCTION COSTS			\$51.89	\$12,972,089

PAYMENT COMPUTATION

Primary	\$15,000,000	Amort	480
Int Rate	5.80%	DCR	1.08
Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.08
Additional	\$10,330,000	Amort	
Int Rate		Aggregate DCR	1.08

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$965,406
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$130,047

Primary	\$15,000,000	Amort	480
Int Rate	5.80%	DCR	1.13
Secondary	\$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.13
Additional	\$10,330,000	Amort	0
Int Rate	0.00%	Aggregate DCR	1.13

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NO)

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	\$1,942,680	\$2,000,960	\$2,060,989	\$2,122,819	\$2,186,503	\$2,534,757	\$2,938,478	\$3,406,501	\$4,578,053
Secondary Income	22,680	23,360	24,061	24,783	25,527	29,592	34,306	39,770	53,447
Other Support Income: telephor	57,144	58,858	60,624	62,443	64,316	74,560	86,435	100,202	134,664
POTENTIAL GROSS INCOME	2,022,504	2,083,179	2,145,674	2,210,045	2,276,346	2,638,909	3,059,219	3,546,473	4,766,163
Vacancy & Collection Loss	(151,692)	(156,238)	(160,926)	(165,753)	(170,726)	(197,918)	(229,441)	(265,985)	(357,462)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,870,812	\$1,926,941	\$1,984,749	\$2,044,291	\$2,105,620	\$2,440,991	\$2,829,777	\$3,280,488	\$4,408,701
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$61,431	\$63,888	\$66,444	\$69,102	\$71,866	\$87,435	\$106,379	\$129,426	\$191,582
Management	74,833	77,077	79,390	81,771	84,224	97,639	113,191	131,219	176,348
Payroll & Payroll Tax	255,000	265,200	275,808	286,840	298,314	362,945	441,577	537,247	795,256
Repairs & Maintenance	90,558	94,180	97,948	101,865	105,940	128,892	156,817	190,792	282,419
Utilities	42,575	44,278	46,049	47,891	49,807	60,598	73,726	89,699	132,777
Water, Sewer & Trash	71,560	74,422	77,399	80,495	83,715	101,852	123,919	150,766	223,171
Insurance	65,000	67,600	70,304	73,116	76,041	92,515	112,559	136,945	202,712
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	65,000	67,600	70,304	73,116	76,041	92,515	112,559	136,945	202,712
Other	49,403	51,379	53,434	55,572	57,795	70,316	85,550	104,085	154,071
TOTAL EXPENSES	\$775,360	\$805,626	\$837,080	\$869,769	\$903,743	\$1,094,708	\$1,326,277	\$1,607,125	\$2,361,048
NET OPERATING INCOME	\$1,095,452	\$1,121,315	\$1,147,669	\$1,174,522	\$1,201,878	\$1,346,283	\$1,503,500	\$1,673,363	\$2,047,653
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$965,406	\$965,406	\$965,406	\$965,406	\$965,406	\$965,406	\$965,406	\$965,406	\$965,406
Second Lien	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$124,047	\$149,909	\$176,263	\$203,116	\$230,472	\$374,877	\$532,094	\$701,957	\$1,076,247
DEBT COVERAGE RATIO	1.13	1.15	1.18	1.21	1.24	1.39	1.55	1.72	2.11

HTC ALLOCATION ANALYSIS -Artisan at Salado Heights, San Antonio, 4% HTC #060417

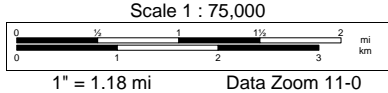
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,411,000	\$1,361,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,741,314	\$1,741,314	\$1,741,314	\$1,741,314
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$12,862,497	\$12,972,089	\$12,862,497	\$12,972,089
(4) Contractor Fees & General Requirements				
Contractor overhead	\$267,969	\$267,969	\$267,969	\$267,969
Contractor profit	\$803,906	\$803,906	\$803,906	\$803,906
General requirements	\$803,906	\$803,906	\$803,906	\$803,906
(5) Contingencies				
	\$862,500	\$735,670	\$730,191	\$735,670
(6) Eligible Indirect Fees				
	\$1,633,334	\$1,633,334	\$1,633,334	\$1,633,334
(7) Eligible Financing Fees				
	\$1,771,678	\$1,771,678	\$1,771,678	\$1,771,678
(8) All Ineligible Costs				
	\$1,274,311	\$1,274,311		
(9) Developer Fees				
Developer overhead	\$592,509	\$592,509	\$592,509	\$592,509
Developer fee	\$2,370,034	\$2,370,034	\$2,370,034	\$2,370,034
(10) Development Reserves				
	\$878,836	\$795,826		
TOTAL DEVELOPMENT COSTS	\$27,273,794	\$27,123,546	\$23,577,338	\$23,692,410

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		\$23,577,338	\$23,692,410
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$30,650,539	\$30,800,133
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$30,650,539	\$30,800,133
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$1,109,550	\$1,114,965

Syndication Proceeds	0.9337	\$10,359,780	\$10,410,342
Total Tax Credits (Eligible Basis Method)		\$1,109,550	\$1,114,965
Syndication Proceeds		\$10,359,780	\$10,410,342
Requested Tax Credits		\$1,106,360	
Syndication Proceeds		\$10,330,000	
Gap of Syndication Proceeds Needed		\$12,273,794	
Total Tax Credits (Gap Method)		\$1,314,544	



Artisan at Salado Heights



**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendation for Mansions at Turkey Creek.

Summary of the Transaction

Background and General Information: The application was received on August 14, 2006. The Issuer for this transaction is Houston HFC. The development is new construction and will consist of 252 total units targeting the general population, with all units affordable - for a Priority 3 bond transaction this means that at least 75% of all units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. There is no zoning required for the Houston area. The Compliance Status Summary completed on September 18, 2006 reveals that the principals of the general partner have a total of five (5) properties that will be monitored by the Department. The bond priority for this transaction is:

Priority 3: Any qualified residential rental development.

Census Demographics: The development is to be located at the 20000 Block of Birnamwood Blvd. in Houston. Demographics for the census tract (2403) include AMFI of \$39,706; the total population is 3,627; the percent of population that is minority is 55.14%; the percent of population that is below the poverty line is 18.33%; the number of owner occupied units is 634; the number of renter units is 840 and the number of vacant units is 160. The percent of population that is minority for the entire City of Houston is 69% (Census information from FFIEC Geocoding for 2006).

Public Comment: The Department has received no letters of support and no letters of opposition.

Recommendation

Staff recommends that the Board approve the issuance of a Determination Notice of Housing Tax Credits for Mansions at Turkey Creek.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

**Development Information, Public Input and Board Summary
Mansions at Turkey Creek, TDHCA Number 060427**

BASIC DEVELOPMENT INFORMATION

Site Address: 20000 block of Birnamwood Blvd. Development #: 060427
 City: Houston Region: 6 Population Served: Family
 County: Harris Zip Code: 77338 Allocation: Urban/Exurban
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: Houston HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: Mansions at Turkey Creek, LP
 Owner Contact and Phone: Robert R. Burchfield (713) 956-0555
 Developer: Robert R. Burchfield
 Housing General Contractor: Nations Construction Management, Inc.
 Architect: Mark S. Mucasey, AIA
 Market Analyst: O'Connor & Assoc.
 Syndicator: Charter Mac
 Supportive Services: N/A
 Consultant: Feniksas Development, L.P.

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	252
0	0	0	252	0	72	124	56	0	0	Market Rate Units:	0
Type of Building: <input checked="" type="checkbox"/> 5 units or more per building										Owner/Employee Units:	0
<input type="checkbox"/> Duplex <input type="checkbox"/> Detached Residence										Total Development Units:	252
<input type="checkbox"/> Triplex <input type="checkbox"/> Single Room Occupancy										Total Development Cost:	\$25,092,777
<input type="checkbox"/> Fourplex <input type="checkbox"/> Transitional										Number of Residential Buildings:	12
<input type="checkbox"/> Townhome										HOME High Total Units:	0
										HOME Low Total Units:	0

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$1,110,365	\$1,059,669	0	0	0.00%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$0	\$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
Mansions at Turkey Creek, TDHCA Number 060427

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Lindsay, District 7 NC US Representative: Poe, District 2, NC
TX Representative: Riddle, District 150 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Bill White, Mayor, City of Houston - NC Resolution of Support from Local Government []
Milton Wilson, Jr, Director of Housing and Community Development, City of Houston - The proposed project for New Construction of affordable rental housing is consistent with the City of Houston's Consolidated Plan.

Individuals/Businesses: In Support: 0 In Opposition: 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Receipt, review and acceptance before issuance of determination notice, of evidence that an Environmental Noise Assessment and subsequent report recommendations have been carried out.

Receipt, review and acceptance of documentation including, but not limited to, a new permanent loan commitment supporting a debt coverage ratio at minimum of 1.10.

Receipt, review and acceptance of an opinion letter from a tax attorney or CPA evaluating the 50% test should the bond debt be reduced as anticipated.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

Mansions at Turkey Creek, TDHCA Number 060427

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$1,059,669
Recommendation: Recommend approval of a Housing Tax Credit Allocation not to exceed \$1,059,669 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$0
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation:		

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

DATE: October 3, 2006

PROGRAM: 4% HTC

FILE NUMBER: 060427

DEVELOPMENT NAME

Mansions at Turkey Creek

APPLICANT

Name: Mansions at Turkey Creek, LP **Contact:** Robert R. Burchfield
Address: 2123 W. Governors Circle, Suite 200
City: Houston **State:** TX **Zip:** 77092
Phone: 713 956-0555 **Fax:** 713 956-0166 **Email:** Rob@BurchfieldCompanies.com

KEY PARTICIPANTS

Name: Mansion at Turkey Creek I, LLC **Title:** General Partner
Name: Robert Burchfield **Title:** 50% Owner of GP and Developer
Name: Linda Hofheinz **Title:** 50% Owner of GP
Name: Feniksas Development, LP (Lee Burchfield) **Title:** Consultant

PROPERTY LOCATION

Location: 20000 block of Birnamwood Boulevard
City: Houston **Zip:** 77338
County: Harris **Region:** 6 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$1,110,365	N/A	N/A	N/A
Proposed Use of Funds:	<u>New construction</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Family</u>	Other:	<u>Urban/Exurban</u>	

RECOMMENDATION

RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$1,059,669 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance, before notice of determination, of evidence that an Environmental Noise Assessment and subsequent report recommendations have been carried out;
2. Receipt, review, and acceptance of documentation including, but not limited to, a new permanent loan commitment supporting a debt coverage ratio at a minimum of 1.10;
3. Receipt, review, and acceptance of an opinion letter from a tax attorney or CPA evaluating the 50% test should the bond debt be reduced as anticipated; and
4. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit/allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

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

DEVELOPMENT SPECIFICATIONS					
IMPROVEMENTS					
Total Units:	<u>252</u>	# Res Bldgs	<u>12</u>	# Non-Res Bldgs	<u> </u>
		Age:	<u>N/A</u> yrs	Vacant:	<u>N/A</u> at / /
Net Rentable SF:	<u>246,400</u>	Av Un SF:	<u>978</u>	Common Area SF:	<u>4,974</u>
		Gross Bldg SF:	<u>251,374</u>		
ARCHITECTURAL REVIEW					
The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect attractive multifamily buildings.					
STRUCTURAL MATERIALS					
The structures will be constructed on a concrete slab. According to the plans provided in the application the exterior will be 25% masonry veneer and 75% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.					
UNIT FEATURES					
The interior flooring will be carpet, resilient covering and ceramic tile. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: microwave, an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, an individual heating and air conditioning unit, individual water heater, and nine-foot ceilings.					
ONSITE AMENITIES					
In order to meet threshold criteria for a total of 200 or more units, the Applicant has elected to provide an accessible walking path, a barbecue or picnic table for every 50 units, community laundry room, controlled access gates, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, a furnished fitness center, a gazebo with sitting area, a swimming pool, two children's playgrounds equipped for 5 to 12 year olds/two tot lots/one of each, and a sport court.					
Uncovered Parking:	<u>448</u>	spaces	Carports:	<u>0</u>	spaces
			Garages:	<u>60</u>	spaces
PROPOSAL and DEVELOPMENT PLAN DESCRIPTION					
Description: The Mansions at Turkey Creek is a 16-unit per acre new construction development located in North Houston. The development is comprised of 12 evenly distributed garden style residential buildings as follows:					
	<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>	<u>3BR</u>
	1	3	2	8	
	4	3	14	8	
	7	3	2	12	8
The development includes a 4,974-square foot community buildings.					

SITE ISSUES			
SITE DESCRIPTION			
Total Size:	<u>15.06 acres</u>	Scattered sites?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Flood Zone:	<u>Zone X</u>	Within 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Current Zoning:	<u>N/A</u>	Needs to be re-zoned?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
SITE and NEIGHBORHOOD CHARACTERISTICS			
Location: The west side of Birnamwood Boulevard, south of FM 1960, in Houston			
Adjacent Land Uses:			
∅ North: vacant land immediately adjacent and FM 1960 beyond;			
∅ South: Turkey Creek immediately adjacent and vacant land beyond;			
∅ East: Birnamwood Boulevard immediately adjacent and vacant land beyond; and			

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∉ **West:** vacant land immediately adjacent and beyond.

Site Access: The site will be accessed on the east side from Birnamwood Boulevard.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: Schools, churches, shopping centers, medical facilities, police and fire stations are all located within the PMA.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff

Date: 08/22/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: The property is located just before you reach a security fenced area for IAH airport.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 2006 was prepared by The Murillo Company and supplemented by an amendment letter dated September 13, 2006. The Analyst reported the following findings and recommendations:

Findings:

- ∉ **Noise:** “Due to the proximity of George Bush Intercontinental Airport, a noise study is recommended for the subject property.” (9/13 letter)
- ∉ **Floodplain:** “According to the Federal Emergency Management Act Flood Insurance Rate Map ... this subject property is located in Zone “X”, areas determined to be outside the 500-year floodplain.” (p. 10)
- ∉ **Asbestos-Containing Materials (ACM):** “The subject property is heavily wooded with no structures on it. We do not recommend testing for asbestos containing materials.” (9/13 letter)
- ∉ **Lead-Based Paint (LBP):** “The subject property is heavily wooded with no structures on it. We do not recommend testing for lead based paint.” (9/13 letter)
- ∉ **Lead in Drinking Water:** “Drinking water will be supplied by the North Woods Municipal Utility District No. 1. Testing for lead in the drinking water is not recommended at this time.” (9/13 letter)
- ∉ **Radon:** “Harris County does not have the source material for radon to be produced ... review of EPA files indicates that radon is not considered a major problem in the Harris County area.” (p. 13)
- ∉ **Other:** “(The Murillo Company) researched the Texas Commission on Environmental Quality Leaking Petroleum Storage Tank (LPST) database to determine if any Underground Storage Tanks have been registered at the subject property or adjacent properties. One LPST site was identified within a ½ mile radius of the subject site ... STATUS CODE: (6A) FINAL CONCURRENCE ISSUED, CASE CLOSED ... An investigation of the site revealed it is either located too far away from, or topologically and hydrologically down gradient or cross gradient from the subject property to be of potential environmental concern.” (pp.7-8)
- ∉ **Recognized Environmental Concerns (RECs):** “This assessment has revealed no evidence of *Recognized Environmental Conditions* in connection with the subject property.” (p. 14)

Recommendations:

Receipt, review, and acceptance, before notice of determination, of evidence that an Environmental Noise Assessment and subsequent report recommendations have been carried out is a condition of this report.

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All of units will be set-aside for low income tenants, with rent and income restrictions at 60% of area median family income. The application is for a priority 3 private activity bond allocation.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,620	\$29,280	\$32,940	\$36,600	\$39,540	\$42,480

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MARKET HIGHLIGHTS

A market feasibility study dated May 9, 2006 was prepared by O'Connor & Associates ("Market Analyst") and included the following findings:

Secondary Market Information: A Secondary Market Area was not specified in the study.

Definition of Primary Market Area (PMA): "For the purposes of this analysis, the subject's neighborhood is generally defined as being bound by Cypress Creek to the north, Aldine Westfield Road to the east, Rankin Road to the south, and Kuykendahl Road to the west." (p. 24) This area encompasses approximately 24 square miles and is equivalent to a circle with a radius of 2.8 miles.

Population: The estimated 2006 population of the PMA was 46,693 and is expected to increase by 13.5% to approximately 53,011 by 2011. There were an estimated 19,965 households in the PMA in 2006.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 100% since the target population is the general population, and the Analyst did not adjust the population for household size in calculating demand. The Analyst used an income range of \$23,520 to \$39,540. The minimum income is based on the maximum program rent of \$686 for a one-bedroom unit and a 35% rent burden on household income. The maximum income is based on the income for a five-person household at 60% of AMGI, assuming 1.5 person-per-bedroom occupancy of a three-bedroom unit. (p. 66) This income band results in an income-eligible adjustment rate of 21%. (p. 67) The tenure appropriate adjustment rate of 69% is specific to the general population. (p. 66) The Market Analyst indicates a turnover rate of 65% applies based on IREM. (p. 67)

In addition, the Analyst indicated that the Houston Housing Authority has issued 14,898 Section 8 vouchers among an income eligible population of 272,659 households. The Analyst calculated 3,457 households in the PMA below the minimum income of \$23,520; the segment of this group possessing vouchers represents potential additional demand. Applying the turnover rate of 65%, the Analyst calculated the Theoretical Demand from Section 8 Vouchers within the PMA to be 121 units. (pp. 68-69)

The Underwriter applied a household size adjustment rate of 97% to include households of five or less. The Underwriter used the same income range (\$23,520 to \$39,540), income-eligible adjustment rate (21%), and tenure-appropriate adjustment rate (69%) as the Analyst. The Underwriter calculated 3,402 households in the PMA below the minimum income of \$23,520, resulting in a Theoretical Section 8 Demand for 121 units.

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	105	5%	73	3%
Resident Turnover	1,844	89%	1,936	91%
Section 8 Vouchers	121	6%	121	6%
TOTAL DEMAND	2,070	100%	2,130	100%

p. 69

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 12% based on a supply of 252 units of unstabilized comparable affordable housing in the PMA (consisting only of the subject) and total demand for 2,070 units. (p. 70) The Underwriter calculated an inclusive capture rate of 24% based on a supply of 480 units (including the subject and Kimberley Pointe, TDHCA #03402) divided by a revised demand estimate for 2,130 affordable units. Current TDHCA guidelines allow an inclusive capture rate as high as 25% for family-targeted properties in urban areas.

It should be noted that the subject property is contained within the PMA of another proposed property. The East Tex Pines application has a higher priority than the subject. If the subject application were approved, the addition to the supply would cause the inclusive capture rate for East Tex Pines to exceed the 25% limit. The subject PMA, however, does not extend to encompass East Tex Pines.

Unit Mix Conclusion: "The proposed subject property will have 29% one-bedroom units, 49% two-bedroom units, and 22% three-bedroom units. Based on discussions with leasing agents and our own analysis of the

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rental rates at the selected comparables in the primary market, the proposed unit mix is appropriate and will complement the local affordable housing market.” (pp. 10-11)

Market Rent Comparables: The Market Analyst surveyed five comparable market rate apartment projects totaling 1,076 units in the market area. “These include apartment projects in the primary market area which are as similar as possible to the proposed subject property in terms of unit mix, age, physical condition, and property type.” (p. 47)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$608	\$608	\$0	\$700	-\$92
2-Bedroom (60%)	\$731	\$731	\$0	\$910	-\$179
3-Bedroom (60%)	\$841	\$841	\$0	\$1,155	-\$314

(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 average occupancy for comparable properties in the subject’s primary market area was reported at 91.71%. Occupancy rates and rental rates in this market area have remained stable over the past few years, with gradual increases in rental rates.” (p. 10)

Absorption Projections: “The limited amount of new product that entered the market in 2000 through 2005 was readily absorbed. Based on our research, most projects that are constructed in the Greater Houston area typically lease up within 12 months.” (p. 38)

Unstabilized, Under Construction, and Planned Development: “Based on our research, there are no affordable housing projects (other than the subject property) currently proposed, approved, non-stabilized, or under construction.” (p. 70) Although the Market Analyst states Kimberley Pointe (TDHCA #03402) with 228 units targeting the general population has been stabilized for 12 months, the underwriting analysis includes these units in the inclusive capture rate calculation for the subject development because the statement could not be confirmed.

Market Impact: “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.” (p. 12)

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The proposed development is located in the IAH Airport / Lake Houston submarket within the Houston MSA. According to the market study, performed by Vogt, Williams & Bowen, LLC, at the 51%-60% of AMGI income level, there is negative demand (-145 units) for studio/one-bedroom units; negative demand (-150 units) for two-bedroom units; and negative demand (-68 units) for three-bedroom units. This information is inconsistent with the demand conclusions of the market study submitted with the Application.

The Vogt Williams market study for the entire MSA does not incorporate demand from turnover as normally allowed in development specific market studies because in an overall study the demand from turnover returns to all of the units in the market area. A development specific market study identifies the demand from turnover as potential demand that can be attracted away from existing units and to the proposed development (and any other new developments that have not yet become fully occupied).

The Market Analyst expressed the following “Major concerns with the Vogt Williams Study:

- € Arbitrary use of replacement of 2.5% of “Functionally Obsolete” units perpetuates and exacerbates the problem of substandard housing. Without new/newly-renovated product within the submarket, the owners of the “functionally obsolete” complexes have no impetus to demolish or renovate.
- € Vogt Williams’ methodology does not conform to 2006 QAP
- € Vogt Williams study PMA contains a population of over 200,000 persons, over twice the allowable population within a PMA
- € Vogt Williams study surveyed less than 20% of the complexes within the submarket.

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≠ The study showing negative demand at the 40% to 60% AMI level ranging from 445 to 487 units annually for the years 2006 to 2009 makes no intuitive sense. If there were negative demand, the existing HTC complexes would not be operating in the 90% to 100% occupancy level, for the most part.”

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of July 2006, maintained by Houston Housing Authority, from the 2006 program gross rent limits. Tenants will be required to pay electricity costs only. The Applicant indicated secondary income of \$10 per unit per month from laundry and vending. This is within TDHCA guideline limit of \$15 per unit. The Applicant also included secondary income of \$50 per month for each of 60 detached garages. Secondary income above \$15 per unit per month was excluded in the underwriting analysis because the Applicant has no history of providing this service at similar properties. The Applicant indicated losses due to vacancy and collection at 7.0% of potential gross income. The Underwriter applied the TDHCA guideline 7.5%. Despite these differences, the Applicant’s estimated Effective Gross income of \$2,087,316 is within 1% of the Underwriter’s estimate.

Expenses: The Applicant’s total annual operating expense projection at \$4,204 per unit is 7% lower than the Underwriter’s estimate of \$4,510, derived from the TDHCA database and third-party data sources. The Applicant’s budget shows several line items, however, that deviates significantly when compared to the Underwriter’s estimate. General & administrative expenses are \$30K lower and property taxes are \$35K lower. It should be noted that the property tax rate of 4.373 cents per \$100 of assessed value is among the highest rates in the state. In addition, the Applicant has included \$250 per unit per year in reserves. The underwriting analysis reflects the TDHCA minimum requirement of \$200 per unit per year for new construction developments as the submitted financing commitments do not include a higher requirement.

Conclusion: The Applicant’s effective gross income is within 5% of the Underwriter’s estimate; however, the Applicant’s total annual operating expenses and net operating income are more than 5% higher than the Underwriter’s estimate. Therefore, the Underwriter’s estimates will be used to determine debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) below the current underwriting minimum guideline of 1.10. Therefore, the recommended financing structure reflects a decrease in the bond-financed permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the “Financing Structure Analysis” section (below).

Long-Term Feasibility: The underwriting 30-year proforma applies a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter’s base year effective gross income, expense and net operating income were used, along with a reduced mortgage amount, resulting in continued positive cashflow and a debt coverage ratio that remains above 1.10. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 15.06 acres	\$1,380,000	Date of Valuation:	05/09/2006
Appraiser: Ross P. Welshimer	Firm: O’Connor & Associates	City:	Houston

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by O’Connor & Associates and dated May 9, 2006. Five land sales dating from 2003 to 2005 for 3 acres to 33 acres were used to determine the underlying value of the land. In this case the value is higher than the purchase price, and higher than the acquisition value used in the underwriting analysis.

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ASSESSED VALUE			
Land: 34.58 acres	\$600,571	Assessment for the Year of:	2005
1 acre:	\$17,368	Valuation by:	Harris County Appraisal District
Total: 15.06 acres prorated	\$300,679	Tax Rate:	4.37347

EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Earnest money contract (15.06 acres)		
Contract Expiration:	11/01/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$1,312,027	Other:	
Seller:	Northwood Business Park Company	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: Northwood Venture II, LP acquired 125.86 acres from Northwood Municipal Utility District (MUD) No. 1 on August 25, 1998 for a total of \$2,512,844.50. The Settlement Statement indicates a sale price for the land of \$272,680, \$2,227,320 for Chase Bank as Trustee for Bondholder, and other closing costs. Northwood MUD No. 1 had issued bonds to fund roads and utilities for the Northwood subdivision in the late 1980's. The MUD was forced into bankruptcy and the buyer purchased the site from bankruptcy court. During the negotiations, the bond holders requested that the funding from the sale be categorized as sale of the bonds. The buyer acquired the bonds (essentially worthless) and the land (125.86 acres).

Northwood Venture II, LP transferred the property to Northwood Business Park Company, as evidenced by a Special Warranty Deed dated October 5, 2000. Northwood Business Park Company is the Seller in the subject transaction. Northwood Venture II, LP, Northwood Business Park Company, and the Applicant have several common Principals; therefore this is considered a related party transaction. The Underwriter determined the acquisition cost from the original 1998 transaction. Dividing the 1998 acquisition cost of \$2,512,844.50 by 125.86 acres yields a unit price of \$19,965 per acre. This figure will be applied to the subject 15.06 acres, for a total acquisition cost of \$300,679. Moreover, should the Applicant's total costs be used to size the tax credits, this excess land acquisition cost will be removed from the sources of funds to ensure that tax credit proceeds are not used to support the excess acquisition cost.

Sitework Cost: The Applicant's claimed sitework costs of \$7,481 per unit are within current Department guidelines. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$1.2M, or 9%, lower than the Underwriter's estimate derived from the Marshall & Swift *Residential Cost Handbook*. This significant understatement of cost calls into question the developer's capacity to estimate the development costs and/or develop the project as proposed.

Ineligible Costs: The Applicant included \$600,000 in direct construction cost for 60 detached garages as an eligible cost. Since these garages will be available to tenants only for a separate fee, these costs are generally regarded to be ineligible, therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount.

Contingency: The Applicant included \$732K for contingency costs, exceeding the maximum of 5% of direct construction costs; therefore the Underwriter reduced eligible basis by the difference (\$30,000).

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$643K 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 general requirements, contractor general and administrative fees, and contractor profit exceed the 6%, 2%, and 6% maximums allowed by HTC guidelines by a total of \$84K based on the adjustments to construction costs identified above. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The

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Applicant's developer fee also exceeds 15% of the Applicant's adjusted eligible basis by \$387K 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 is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule, adjusted for the overstated acquisition cost, will be used to determine the development's need for permanent funds and to calculate eligible basis. The calculated eligible basis of \$22,455,365 is increased by 30% because the region has been designated a Difficult Development Area. The resulting adjusted eligible basis of \$29,191,975 supports annual tax credits of \$1,059,669. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. (The Applicant calculated the requested credit amount with an applicable percentage of 3.53%, which is lower than the 3.63% rate currently used for applications submitted in August 2006.)

FINANCING STRUCTURE

INTERIM TO PERMANENT BOND FINANCING

Source: CharterMac **Contact:** Drew Foster
Tax-Exempt: \$15,500,000 **Interest Rate:** 6.25%, fixed, lender's estimate **Amort:** 480 months
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

TAX CREDIT SYNDICATION

Source: CharterMac **Contact:** Drew Foster
Proceeds: \$9,823,000 **Net Syndication Rate:** 97% **Anticipated HTC:** \$1,110,365/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

OTHER

Amount: \$1,290,872 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: CharterMac will provide interim to permanent financing by purchasing tax-exempt bond issued by the Houston HFC. The financing 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.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,290,872 amount to 39% of the total fees.

Financing Conclusions: The recommended financing structure assumes a reduction in the permanent mortgage amount to \$12,281,079 in order to achieve a first year debt coverage ratio of 1.10. The Applicant's total development cost estimate, adjusted for overstated acquisition cost, less the adjusted permanent loan indicates the need for \$13,902,325 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$1,433,413 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Applicant's request (\$1,110,495), the gap-driven amount (\$1,433,413), and eligible basis-derived estimate (\$1,059,669), the Applicant's eligible basis-derived estimate of \$1,059,669 is recommended, resulting in proceeds of \$10,277,461 based on a syndication rate of 97%.

The Underwriter's recommended financing structure indicates the need for \$2,534,237 in additional permanent funds. Deferred developer fees in this amount do not appear to be repayable from development cashflow within 10 years of stabilized operation, but appear to be repayable within 15 years.

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**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

- € The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.
- € The Seller is regarded as a related party due to the fact that there are several common Principals between the Seller and the Applicant. This issue is addressed at length in the acquisition cost section above.

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

Financial Highlights:

- € The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- € The principals of the General Partner, Linda Hofheinz and Robert R. Burchfield, submitted unaudited personal financial statements as of December 31, 2005, and September 1, 2006, respectively.

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. It should be noted, however, that at least one of the principals of the Applicant, Robert Burchfield, was a partner in the developer of record for another bond transaction with a local issuer (Montgomery Trace Apartments, TDHCA # 01420). This development has been renamed and completely reconfigured after the original development plan was abandoned and a new developer put in place to complete the project. This development has not yet submitted cost certification, and therefore additional information with regard to why these changes occurred has not been requested or received. Additionally, Mr. Burchfield was the principal contact and developer for the Mansions at Briar Creek (TDHCA #060070) in the 2006 9% application round. This application received an award allocation in July 2006 but was unable to document the required zoning change, and therefore the allocation was rescinded.

SUMMARY OF SALIENT RISKS AND ISSUES

- € The Applicant's estimated operating expenses and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- € The 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.
- € The recommended amount of deferred developer fee cannot be repaid within ten years, and any amount unpaid past ten years would be removed from eligible basis.
- € The principals of the Applicant may not appear to have the development experience or 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 by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____	Date:	_____
	<i>Thomas Cavanagh</i>		October 3, 2006
Reviewing Underwriter:	_____	Date:	_____
	<i>Lisa Vecchietti</i>		October 3, 2006
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Tom Gouris</i>		October 3, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Mansions at Turkey Creek, Houston, 4% HTC, 060427

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	Wtr, Swr, Trsh
TC 60%	48	1	1	721	\$686	\$608	\$29,184	\$0.84	\$78.00	\$33.31
TC 60%	24	1	1	726	686	\$608	14,592	0.84	78.00	33.31
TC 60%	84	2	2	996	823	\$731	61,404	0.73	92.00	36.31
TC 60%	40	2	2	1,033	823	731	29,240	0.71	92.00	36.31
TC 60%	56	3	2	1,239	951	841	47,096	0.68	110.00	48.31
TOTAL:	252		AVERAGE:	978	\$812	\$720	\$181,516	\$0.74	\$92.00	\$38.12

INCOME Total Net Rentable Sq Ft: **246,400**

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income: garage income

POTENTIAL GROSS INCOME

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

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.82%	\$393	0.40
Management	5.00%	408	0.42
Payroll & Payroll Tax	10.24%	836	0.86
Repairs & Maintenance	5.56%	454	0.46
Utilities	3.38%	276	0.28
Water, Sewer, & Trash	4.50%	367	0.38
Property Insurance	3.76%	307	0.31
Property Tax 4.37347	13.40%	1,093	1.12
Reserve for Replacements	2.45%	200	0.20
Supp serv, comp, security	2.16%	176	0.18
TOTAL EXPENSES	55.26%	\$4,510	\$4.61
NET OPERATING INC	44.74%	\$3,652	\$3.73

DEBT SERVICE

CharterMac	45.41%	\$3,706	\$3.79
Additional Financing	0.00%	\$0	\$0.00
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	-0.67%	(\$55)	(\$0.06)

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		1.15%	\$1,193	\$1.22
Off-Sites		0.00%	0	0.00
Sitework		7.21%	7,481	7.65
Direct Construction		50.97%	52,865	54.07
Contingency	4.81%	2.80%	2,903	2.97
General Req'ts	5.77%	3.36%	3,484	3.56
Contractor's G & A	1.92%	1.12%	1,161	1.19
Contractor's Profit	5.77%	3.36%	3,484	3.56
Indirect Construction		3.19%	3,313	3.39
Ineligible Costs		6.07%	6,294	6.44
Developer's G & A	2.00%	1.59%	1,652	1.69
Developer's Profit	13.00%	10.35%	10,738	10.98
Interim Financing		7.63%	7,910	8.09
Reserves		1.19%	1,239	1.27
TOTAL COST		100.00%	\$103,718	\$106.08

Construction Cost Recap 68.82% **\$71,379** **\$73.00**

SOURCES OF FUNDS

CharterMac	54.03%	\$56,039	\$57.31
Additional Financing	0.00%	\$0	\$0.00
HTC Syndication: CharterMac	41.21%	\$42,741	\$43.71
Deferred Developer Fees	4.94%	\$5,123	\$5.24
Additional (Excess) Funds Req'd	-0.18%	(\$184)	(\$0.19)
TOTAL SOURCES			

	TDHCA	APPLICANT
POTENTIAL GROSS RENT	\$2,178,192	\$2,178,192
Secondary Income	45,360	30,240
Other Support Income: garage income	0	36,000
POTENTIAL GROSS INCOME	\$2,223,552	\$2,244,432
Vacancy & Collection Loss	(166,766)	(157,116)
Employee or Other Non-Rental Units or Concessions	0	0
EFFECTIVE GROSS INCOME	\$2,056,786	\$2,087,316
EXPENSES		
General & Administrative	\$99,040	\$69,552
Management	102,839	104,366
Payroll & Payroll Tax	210,672	202,608
Repairs & Maintenance	114,414	105,840
Utilities	69,552	51,912
Water, Sewer, & Trash	92,479	90,216
Property Insurance	77,279	86,940
Property Tax	275,529	240,519
Reserve for Replacements	50,400	63,000
Supp serv, comp, security	44,352	44,352
TOTAL EXPENSES	\$1,136,556	\$1,059,305
NET OPERATING INC	\$920,230	\$1,028,011
DEBT SERVICE		
CharterMac	\$934,027	\$934,955
Additional Financing	0	0
Additional Financing	0	0
NET CASH FLOW	(\$13,797)	\$93,056
AGGREGATE DEBT COVERAGE RATIO	0.99	1.10
RECOMMENDED DEBT COVERAGE RATIO	1.10	

	PER SQ FT	PER UNIT	% OF EGI
POTENTIAL GROSS RENT			
Secondary Income	\$10.00		
Other Support Income: garage income	\$11.90		
POTENTIAL GROSS INCOME			
Vacancy & Collection Loss	-7.00%		
Employee or Other Non-Rental Units or Concessions			
EFFECTIVE GROSS INCOME			
EXPENSES			
General & Administrative	\$0.28	\$276	3.33%
Management	0.42	414	5.00%
Payroll & Payroll Tax	0.82	804	9.71%
Repairs & Maintenance	0.43	420	5.07%
Utilities	0.21	206	2.49%
Water, Sewer, & Trash	0.37	358	4.32%
Property Insurance	0.35	345	4.17%
Property Tax	0.98	954	11.52%
Reserve for Replacements	0.26	250	3.02%
Supp serv, comp, security	0.18	176	2.12%
TOTAL EXPENSES	\$4.30	\$4,204	50.75%
NET OPERATING INC	\$4.17	\$4,079	49.25%
DEBT SERVICE			
CharterMac	\$3.79	\$3,710	44.79%
Additional Financing	\$0.00	\$0	0.00%
Additional Financing	\$0.00	\$0	0.00%
NET CASH FLOW	\$0.38	\$369	4.46%
AGGREGATE DEBT COVERAGE RATIO			
RECOMMENDED DEBT COVERAGE RATIO			

	TDHCA	APPLICANT
CONSTRUCTION COST	\$300,679	\$1,391,306
Off-Sites	0	0
Sitework	1,885,250	1,885,250
Direct Construction	13,322,061	12,146,804
Contingency	731,603	731,603
General Req'ts	877,923	877,923
Contractor's G & A	292,641	292,641
Contractor's Profit	877,923	877,923
Indirect Construction	835,000	835,000
Ineligible Costs	1,586,188	1,586,188
Developer's G & A	416,313	459,358
Developer's Profit	2,706,036	2,856,148
Interim Financing	1,993,260	1,993,260
Reserves	312,165	250,000
TOTAL COST	\$26,137,043	\$26,183,404
Construction Cost Recap	\$17,987,401	\$16,812,144

	PER SQ FT	PER UNIT	% of TOTAL
CONSTRUCTION COST			
Acquisition Cost (site or bldg)	\$5.65	\$5,521	5.31%
Off-Sites	0.00	0	0.00%
Sitework	7.65	7,481	7.20%
Direct Construction	49.30	48,202	46.39%
Contingency	2.97	2,903	2.79%
General Req'ts	3.56	3,484	3.35%
Contractor's G & A	1.19	1,161	1.12%
Contractor's Profit	3.56	3,484	3.35%
Indirect Construction	3.39	3,313	3.19%
Ineligible Costs	6.44	6,294	6.06%
Developer's G & A	1.86	1,823	1.75%
Developer's Profit	11.59	11,334	10.91%
Interim Financing	8.09	7,910	7.61%
Reserves	1.01	992	0.95%
TOTAL COST	\$106.26	\$103,902	100.00%
Construction Cost Recap	\$68.23	\$66,715	64.21%

	TDHCA	APPLICANT
SOURCES OF FUNDS	\$14,121,808	\$14,121,808
CharterMac	0	0
Additional Financing	10,770,724	10,770,724
HTC Syndication: CharterMac	1,290,872	1,290,872
Deferred Developer Fees	(46,361)	0
Additional (Excess) Funds Req'd		
TOTAL SOURCES	\$26,137,043	\$26,183,404

	RECOMMENDED
SOURCES OF FUNDS	\$12,281,079
CharterMac	0
Additional Financing	10,277,461
HTC Syndication: CharterMac	2,534,237
Deferred Developer Fees	0
Additional (Excess) Funds Req'd	0
TOTAL SOURCES	\$25,092,777

Comptroller's Region 6
 IREM Region Houston
 Per Unit Per Month
 Per Unit Per Month
 of Potential Gross Income
 Developer Fee Available \$2,928,961
 % of Dev. Fee Deferred 87%
 15-Yr Cumulative Cash Flow \$3,003,533

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Mansions at Turkey Creek, Houston, 4% HTC, 060427

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$49.11	\$12,100,514
Adjustments				
Exterior Wall Finish	2.00%		\$0.98	\$242,010
9-Ft. Ceilings	3.75%		1.84	453,769
Roofing			0.00	0
Subfloor			(0.75)	(183,979)
Floor Cover			2.22	547,008
Porches/Balconies	\$20.33	70,337	5.80	1,429,951
Plumbing per unit	\$2,137	252	2.19	538,560
Built-In Appliances	\$1,675	252	1.71	422,100
Stairs/Fireplaces	\$1,650	90	0.60	148,500
Enclosed Corridors			0.00	0
Heating/Cooling			1.73	426,272
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	\$63.50	4,974	1.28	315,824
Fire Sprinkler	\$1.90	246,400	1.90	468,160
SUBTOTAL			68.62	16,908,691
Current Cost Multiplier	1.07		4.80	1,183,608
Local Multiplier	0.90		(6.86)	(1,690,869)
TOTAL DIRECT CONSTRUCTION COSTS			\$66.56	\$16,401,430
Plans, specs, survy, bld prm	3.90%		(\$2.60)	(\$639,656)
Interim Construction Interest	3.38%		(2.25)	(553,548)
Contractor's OH & Profit	11.50%		(7.65)	(1,886,164)
NET DIRECT CONSTRUCTION COSTS			\$54.07	\$13,322,061

PAYMENT COMPUTATION

Primary	\$13,709,736	Amort	480
Int Rate	6.25%	DCR	0.99

Secondary	\$0	Amort	
Int Rate	0.00%	Subtotal DCR	0.99

Additional		Amort	
Int Rate		Aggregate DCR	0.99

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$836,695
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$83,535

Primary	\$12,281,079	Amort	480
Int Rate	6.25%	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

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,178,192	\$2,243,538	\$2,310,844	\$2,380,169	\$2,451,574	\$2,842,047	\$3,294,711	\$3,819,473	\$5,133,052
Secondary Income	45,360	46,721	48,122	49,566	51,053	59,185	68,611	79,539	106,894
Other Support Income: garage i	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,223,552	2,290,259	2,358,966	2,429,735	2,502,627	2,901,231	3,363,322	3,899,012	5,239,946
Vacancy & Collection Loss	(166,766)	(171,769)	(176,922)	(182,230)	(187,697)	(217,592)	(252,249)	(292,426)	(392,996)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$2,056,786	\$2,118,489	\$2,182,044	\$2,247,505	\$2,314,930	\$2,683,639	\$3,111,073	\$3,606,586	\$4,846,950
EXPENSES at 4.00%									
General & Administrative	\$99,040	\$103,002	\$107,122	\$111,406	\$115,863	\$140,965	\$171,505	\$208,662	\$308,871
Management	102,839	105,924	109,102	112,375	115,747	134,182	155,554	180,329	242,347
Payroll & Payroll Tax	210,672	219,099	227,863	236,977	246,456	299,852	364,816	443,854	657,013
Repairs & Maintenance	114,414	118,990	123,750	128,700	133,848	162,846	198,128	241,053	356,817
Utilities	69,552	72,334	75,227	78,237	81,366	98,994	120,442	146,536	216,908
Water, Sewer & Trash	92,479	96,179	100,026	104,027	108,188	131,627	160,145	194,840	288,411
Insurance	77,279	80,370	83,585	86,928	90,405	109,992	133,822	162,814	241,005
Property Tax	275,529	286,550	298,012	309,932	322,330	392,163	477,126	580,497	859,278
Reserve for Replacements	50,400	52,416	54,513	56,693	58,961	71,735	87,276	106,185	157,180
Other	44,352	46,126	47,971	49,890	51,886	63,127	76,803	93,443	138,318
TOTAL EXPENSES	\$1,136,556	\$1,180,990	\$1,227,170	\$1,275,166	\$1,325,049	\$1,605,483	\$1,945,616	\$2,358,214	\$3,466,149
NET OPERATING INCOME	\$920,230	\$937,500	\$954,874	\$972,339	\$989,882	\$1,078,156	\$1,165,457	\$1,248,372	\$1,380,801
DEBT SERVICE									
First Lien Financing	\$836,695	\$836,695	\$836,695	\$836,695	\$836,695	\$836,695	\$836,695	\$836,695	\$836,695
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	\$83,535	\$100,805	\$118,179	\$135,645	\$153,187	\$241,461	\$328,762	\$411,678	\$544,107
DEBT COVERAGE RATIO	1.10	1.12	1.14	1.16	1.18	1.29	1.39	1.49	1.65

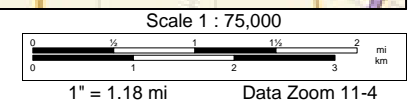
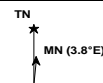
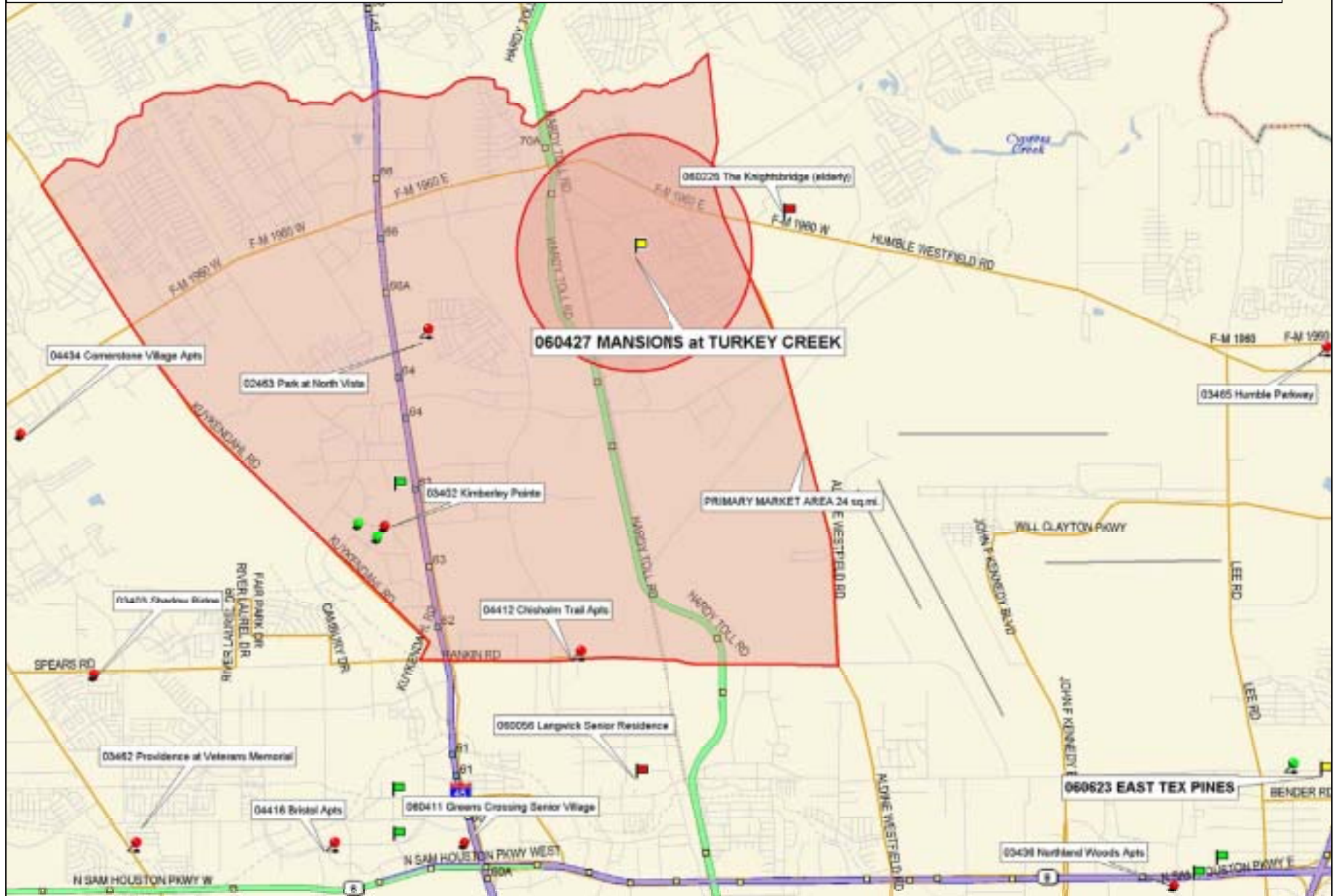
HTC ALLOCATION ANALYSIS -Mansions at Turkey Creek, Houston, 4% HTC, 060427

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,391,306	\$300,679		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,885,250	\$1,885,250	\$1,885,250	\$1,885,250
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$12,146,804	\$13,322,061	\$12,146,804	\$13,322,061
(4) Contractor Fees & General Requirements				
Contractor overhead	\$292,641	\$292,641	\$280,641	\$292,641
Contractor profit	\$877,923	\$877,923	\$841,923	\$877,923
General requirements	\$877,923	\$877,923	\$841,923	\$877,923
(5) Contingencies				
	\$731,603	\$731,603	\$701,603	\$731,603
(6) Eligible Indirect Fees				
	\$835,000	\$835,000	\$835,000	\$835,000
(7) Eligible Financing Fees				
	\$1,993,260	\$1,993,260	\$1,993,260	\$1,993,260
(8) All Ineligible Costs				
	\$1,586,188	\$1,586,188		
(9) Developer Fees				
			\$2,928,961	
Developer overhead	\$459,358	\$416,313		\$416,313
Developer fee	\$2,856,148	\$2,706,036		\$2,706,036
(10) Development Reserves				
	\$250,000	\$312,165		
TOTAL DEVELOPMENT COSTS	\$26,183,404	\$26,137,043	\$22,455,365	\$23,938,011

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		\$22,455,365	\$23,938,011
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		\$29,191,975	\$31,119,415
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$29,191,975	\$31,119,415
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		\$1,059,669	\$1,129,635

Syndication Proceeds	0.9699	\$10,277,461	\$10,956,044
Total Tax Credits (Eligible Basis Method)		\$1,059,669	\$1,129,635
Syndication Proceeds		\$10,277,461	\$10,956,044
Requested Tax Credits		\$1,110,495	
Syndication Proceeds		\$10,770,413	
Gap of Syndication Proceeds Needed		\$13,902,325	
Total Tax Credits (Gap Method)		\$1,433,414	

MANSIONS at TURKEY CREEK 060427



**MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
October 12, 2006**

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Action

Approve, Amend or Deny the staff recommendations for Gardens of Weatherford.

Summary of the Transaction

Background and General Information: This application involves the award of both Housing Tax Credits and HOME CHDO Rental Development funds. The applicant, The Gardens of Weatherford, LP submitted their application for 4 % Housing Tax Credits and HOME Rental Development funds on July 12, 2006. The Issuer for this transaction is Northwest Central Texas HFC and the HOME request is \$1,144,376. The development is new construction and will consist of 76 total units targeting the elderly population, with all units affordable – for a Priority 3 bond transaction this means that at least 75% of all units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. The site is currently zoned for such a development. The Compliance Status Summary completed on September 18, 2006 reveals that the principals of the General Partner have a total of two (2) properties that will be monitored by the Department. The bond priority for this transaction is:

Priority 3: Any qualified residential rental development.

Census Demographics: The development is to be located at 190 Old Dicey Road in Weatherford, Parker County. Demographics for the census tract (1401) include AMFI of \$52,089; the total population is 6,500; the percent of population that is minority is 15.45%; the percent of population that is below the poverty line is 10.05%; the number of owner occupied units is 1,540; the number of renter units is 859 and the number of vacant units is 202. The percent of population that is minority for the entire City of Weatherford is 15% (Census information from FFIEC Geocoding for 2006).

Public Comment: The Department has received no letters of support and no letters of opposition.

Recommendation

Staff recommends that the Board approve the issuance of a Determination Notice of Housing Tax Credits and an award of \$1,144,376 in HOME CHDO Rental Development funds for the The Gardens of Weatherford. The award of HOME funds is conditioned on the terms and conditions of the Department's underwriting analysis and all applicable HOME program rules and regulations.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

The Gardens of Weatherford, TDHCA Number 060419

BASIC DEVELOPMENT INFORMATION

Site Address: 1900 Old Dickey Rd. Development #: 060419
 City: Weatherford Region: 3 Population Served: Elderly
 County: Parker Zip Code: 76085 Allocation: Rural
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: Northwest Central Texas HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition, NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: The Gardens of Weatherford, L.P.
 Owner Contact and Phone: George Hopper (785) 266-6133
 Developer: Continental Development Group, Inc.
 Housing General Contractor: Continental Construction of Kansas, Inc.
 Architect: Schwerdt Design Group Haugh and Associates
 Market Analyst: Apartment Market Data Research Services
 Syndicator: NEF, Inc.
 Supportive Services: Spectrum Housing, Corp.
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR	Total Restricted Units:	76
0	0	3	73	0	2	74	0	0	0	Market Rate Units:	0
Type of Building:										Owner/Employee Units:	0
<input type="checkbox"/> 5 units or more per building										Total Development Units:	76
<input checked="" type="checkbox"/> Duplex										Total Development Cost:	\$8,897,317
<input type="checkbox"/> Triplex										Number of Residential Buildings:	31
<input type="checkbox"/> Fourplex										HOME High Total Units:	8
<input type="checkbox"/> Detached Residence										HOME Low Total Units:	3
<input type="checkbox"/> Single Room Occupancy											
<input type="checkbox"/> Transitional											
<input type="checkbox"/> Townhome											

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis	Amort	Term	Rate
4% Housing Tax Credits with Bonds:	\$295,247	\$283,232	0	0	0.00%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$1,144,376	\$1,144,376	40	18	1.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

The Gardens of Weatherford, TDHCA Number 060419

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Estes, District 30 NC US Representative: Granger, District 12, NC
TX Representative: King, District 61 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Joe M. Tison, Mayor, City of Weatherford - Resolution of Support from Local Government []
NC

John Hamilton, Director of Planning and Development,
City of Weatherford - []The development fulfills a need for
additional senior affordable rental housing as evidenced in
the Comprehensive Plan.

Individuals/Businesses: In Support: 0 In Opposition 0

Neighborhood Input:

General Summary of Comment:

The Department has received no letters of support and no letters of opposition.

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Receipt, review and acceptance by cost certification of an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation.

Receipt, review and acceptance prior to closing of documentation that the Applicant has considered the cost of flood insurance for both the buildings to be located within the flood plain and contents insurance for the tenants in these buildings.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary

The Gardens of Weatherford, TDHCA Number 060419

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$283,232
Recommendation: Recommend approval of a Housing Tax Credit allocation not to exceed \$283,232 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$1,144,376
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation: Recommend approval of a HOME award not to exceed \$1,144,376, structured as a 18-year term loan, fully amortizing over 40 years at 1% interest, subject to conditions.		

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

DATE: September 25, 2006 **PROGRAM:** 4% HTC/HOME **FILE NUMBER:** 060419

DEVELOPMENT NAME

Gardens of Weatherford

APPLICANT

Name: The Gardens of Weatherford, L.P. **Contact:** George Hopper
Address: 2909 SW Plass Court
City: Topeka **State:** KS **Zip:** 66611
Phone: (785) 266-6133 **Fax:** (785) 266-6134 **Email:** GHopper@ContinentalGroups.com

KEY PARTICIPANTS

Name: Spectrum Housing Corp. **Title:** 0.5% CHDO Managing General Partner and Co-Developer
Name: Continental Associates VI, Inc. **Title:** 0.5% Special Limited Partner
Name: Ivan L. Haugh **Title:** 100% Owner of SLP and Continental Development Group, Inc.
Name: Continental Development Group, Inc. **Title:** Co-Developer

PROPERTY LOCATION

Location: 1900 Old Dickey Road
City: Weatherford **Zip:** 76085
County: Parker **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$295,247	N/A	N/A	N/A
HOME	\$1,144,376	1%	40 yrs	18 yrs
Proposed Use of Funds:	<u>New construction</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Elderly</u>	Other:	<u>Rural, CHDO</u>	

RECOMMENDATION

- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$283,232 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$1,144,376, STRUCTURED AS A 18-YEAR TERM LOAN, FULLY AMORTIZING OVER 40 YEARS AT 1% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance by cost certification of an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation;
2. Receipt, review and acceptance prior to closing of documentation that the Applicant has considered

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

- the cost of flood insurance for both the buildings to be located within the flood plain and contents insurance for the tenants in these buildings; and
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 76 **# Res Bldgs** 31 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 75,690 **Av Un SF:** 996 **Common Area SF:** 2460 **Gross Bldg SF:** 78,150

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect modest buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab subfloor. According to the plans provided in the application the exterior will be 25% masonry veneer, and 75% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, a forced air unit, individual water heater.

ONSITE AMENITIES

In order to meet threshold criteria for total units of between 41 and 76 units, the Applicant has elected to provide community dining room with kitchen, community laundry room, an enclosed sun porch or covered community porch, and a senior activity room.

Uncovered Parking: 163 spaces **Carports:** 0 spaces **Garages:** 152 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The development is a 5.9-unit per acre new construction development located in Weatherford in Parker Count, Fort Worth MSA. The development will be comprised of 31 evenly distributed duplex and triplex residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
1	1	2	0
17	1	0	2
13	1	0	3

The development includes a 2,460-square foot community building with a community room, library, laundry facilities, office space, kitchen and restrooms.

SITE ISSUES

SITE DESCRIPTION

Total Size: 12.88 acres **Scattered sites?** Yes No
Flood Zone: Zone X **Within 100-year floodplain?** Yes No
Current Zoning: Mixed Use **Needs to be re-zoned?** Yes No N/A

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

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The proposed development is located in Weatherford, Parker County in the Fort Worth MSA.

Adjacent Land Uses: The area is primarily rural with some residential, pasture, horse and cattle ranches, and scattered wooded areas.

Site Access: The site is accessible from Old Dacey Road in Weatherford.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: Supermarkets, pharmacies and other retail are within 3 miles of the site. Medical, police and fire services are within 2 miles of the site.

Adverse Site Characteristics:

- € **Floodplain:** According to the survey, a section of the site is located within Zone A, special flood hazard areas inundated by 100-year flood. According to the 2006 QAP, "Any Development proposing New Construction located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain." The Applicant submitted a letter indicating that units 1, 2, 69, 70, 71, 72, 73, 74, 75, and 76 are within the 100-year floodplain and "these units will be constructed for the finished ground floor elevations to be at least one foot above the flood plain and the parking and drive areas will [be] no lower than 6 inches below the flood plain." Receipt, review and acceptance of an architectural engineer's certification that the finished floor level for each building is at least one foot above the base flood elevation and that all drives, parking and amenities are not more than 6 inches below the base flood elevation is a condition of this report.
- € According to the 2006 REA Rules and Guidelines, "The Underwriter evaluates the site plan, floodplain map, survey and other information provided to determine if any of the buildings, drives, or parking areas reside within the 100-year floodplain. If such a determination is made by the Underwriter, the Report will include a condition that: (A) The Applicant must pursue and receive a Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR-F); or (B) The Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain; or (C) The Development must be designed to comply with the QAP, as proposed."
- € The Applicant is also requesting HOME funds, and according to the HUD website, a) Executive order 11988 directs agencies (HUD) to "avoid direct or indirect support to floodplain development wherever there is a practicable alternative;" and b) The Federal Disaster Protection Act which authorized the National Flood Insurance Program and ask communities "to discourage but allow development within special flood hazard areas on the condition that the structure be elevated and or flood proofed." Acquisition of flood insurance is also required. As a condition to this report, the Applicant must identify the cost of flood insurance for the buildings and for the tenant's contents for buildings within the 100-year floodplain.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 7/24/2006
Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable
Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 18, 2006 was prepared by The Inspection Group considered the entire 31.9 acre site being acquired by the Developer and contained the following findings and recommendations:

Findings:

- € **Noise:** "The subject property is not close to any airport or other potential source of noise pollution.

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Therefore, no noise study is needed” (letter dated September 13, 2006).

- ⊘ **Floodplain:** “There are no sites in the area and the subject is not in nor adjacent to a wet lands area” (p. 5). The ESA provider did not consider the impact of the 100-year flood plain which was discussed in the prior section of this report.
- ⊘ **Asbestos-Containing Materials (ACM):** “No evidence was found of any asbestos containing material” (p. 3).
- ⊘ **Lead-Based Paint (LBP):** “There may be underlying coats of lead containing paint but none was observed on the surfaces” (p. 3) The improvements are not located on the 12.88 acre site of the proposed development.
- ⊘ **Lead in Drinking Water:** “This is a newer semi-rural area with the water lines installed many years after the use of lead pipes or lead containing solder was banned. Therefore, no testing for lead in the domestic water supply is needed” (letter dated September 13, 2006).
- ⊘ **Radon:** “There are no records of tests in the area and the proposed buildings will not have basements. The necessary ingredients are not available at the site. (Radon is usually found in the presence of surface shelf limestone or granite with the existence of "pitchblende" (found in oil, coal, or shale) when low grade uranium is also present” (p. 4).
- ⊘ **Recognized Environmental Concerns (RECs):** “This assessment has revealed no evidence of possible environmental conditions in connection with the property that would be a cause for concern” (p.5).

Recommendations: “Based on our inspection there is no need for any further environmental investigation and it is our opinion that the proposed use will not adversely impact the site, the area, or the environment” (cover letter).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). HOME assisted rental developments at a minimum must set-aside at least 20% of HOME assisted units with rent and income restrictions at 50% or less of area median family income and all remaining units with rent and income restrictions at 80% or less of area median family income. These minimum requirements affect only those units which are HOME assisted and do not supercede the minimum affordability requirements for applicants jointly applying for HOME and Housing Tax Credits or any other federal, state or local affordable housing programs. All of the units will be reserved for low-income tenants but only 11 will be restricted as HOME units. Three units (4%) will be reserved for households earning 50% or less of AMI and 73 units (96%) will be reserved for households earning 60% or less of AMI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,640	\$30,420	\$34,260	\$38,040	\$41,100	\$44,100

MARKET HIGHLIGHTS

A market feasibility study dated March 30, 2006 was prepared by Apartment MarketData, LLC (“Market Analyst”) and included the following findings:

Definition of Primary Market Area (PMA): “For this analysis, we utilized a “primary market area” encompassing 808.17 square miles. The boundaries of the Primary Market Area are as follows: North: Parker / Jack / Wise County Line; East: US Hwy 51 to Clear Fork Trinity River to Lake Weatherford to White Settlement Road to IH 820 to US Hwy 377; South: Parker / Hood County Line; West: Parker / Palo Pinto County Line” (p. 3). This area is equivalent to a circle with a radius of 16 miles. This is a somewhat unusual definition of a market area in that it encompasses most but not all of Parker County and excludes eastern portions of the county to the north and south yet includes portions of Tarrant County east of Parker County. The defined market area excludes Springtown and Bridgeport where the Department has funded several HOME- and HTF-funded rental developments in the past few years. These HOME and HTF developments do

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not appear on the attached map of tax credit developments.

Population: The estimated 2005 population of the primary market area was 91,158 and is expected to increase by 28% to approximately 102,069 by 2010. Within the primary market area there were estimated to be 10,974 elderly households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 37% (p. 42) and a household size-appropriate adjustment rate of 100%. The Analyst's income band of \$17,820 to \$34,260 (p. 43) results in an income eligible adjustment rate of 19.23% (p. 43). The tenure appropriate adjustment rate of 12.2% is specific to the target population (p. 46). The Market Analyst indicates a turnover rate of 68.5% applies based on IREM (p. 48).

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	15	8%	12	7%
Resident Turnover	177	92%	159	93%
TOTAL DEMAND	192	100%	170	100%

p. 49

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 39.58% based upon 192 units of demand and 76 unstabilized affordable housing in the PMA (including the subject) (p. 50). The Underwriter calculated an inclusive capture rate of 44.49% based upon a supply of 76 unstabilized comparable affordable units divided by a revised demand estimate for 170 affordable units.

Unit Mix Conclusion: "The subject project consists of 5.3% one bedroom units and 94.7% two bedroom units. By comparison, family projects in the trade area offer 34.9% one bedrooms, 36.6% two bedrooms, 24.3% three bedroom units, and 4.2% four bedroom units. Because of the physical, economic, and functional characteristics of the PAB and LIHTC programs, and even more so the elderly population and demographics, it is logical that some variation will exist from market demographic characteristics to the actual physical project. From our above analysis, we conclude that the unit mix of the subject will vary from the demographic make-up of the Primary Market Area. This is primarily because the subject is designed for senior households only, which typically consist of one or two persons. Many of these households will be selling a single-family residence and have too many furnishings for a one bedroom unit" (p. 95).

Market Rent Comparables: The Market Analyst surveyed two comparable apartment projects totaling 236 units in the market area (p.15).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$620	\$633	-\$13	\$740	-\$120
2-Bedroom (50%/LH)	\$625	\$618	\$7	\$790	-\$165
2-Bedroom (60%/HH)	\$635	\$630	\$5	\$790	-\$155
2-Bedroom (60%)	\$760	\$761	-\$1	\$790	-\$30

(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 current occupancy of the market area is 93.2% as a result of solid demand. Demand for newer rental apartment units is considered to be growing" (p.10).

Absorption Projections: "Today, the PMA is 93.2% occupied overall. Based on occupancy rates currently reported by existing projects, we opine that the market will readily accept the subject's units. Absorption over the previous sixteen years for all unit types is estimated to be 115 units per year. We expect this to continue as the number of new household continues to grow, and as additional rental units become available. This is further demonstrated by the absorption of new units over the past three years, which has averaged 197 units" (p. 11).

Unstabilized, Under Construction, and Planned Development: "Currently, there are three other projects under construction or in lease-up within the PMA. Cypress View Villas, consisting of 192 LIHTC units, was

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completed in 2005. This project is already 84% occupied. Residences at Holland Lake is a 208 – unit market rate project that was completed in 2005. Residences at Holland Lake reports 85% occupancy” (p. 11). There were no comparable (senior) developments identified in the PMA that are unstabilized, under construction or planned.

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances maintained by the Weatherford Housing Authority from the 2006 HTC and Low HOME/High HOME gross rent limits, as appropriate. Tenants will be required to pay electric, water, sewer, and trash costs. Each unit will be individually metered for utilities and exterior trash receptacles will be provided for each unit. The Applicant’s \$20 per unit per month of secondary income from cable TV is offset in the expenses by an equal amount. The Applicant’s estimated vacancy and collection loss is projected at 7%, less than the Department’s standard of 7.5%. As a result of these differences, the Applicant’s estimated Effective Gross Income is \$3K more than the Underwriter’s, a difference of less than 1%.

Expenses: The Applicant’s total annual operating expense projection at \$3,360 per unit is within 5% of the Underwriter’s estimate of \$3,472, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant’s estimated expenses differ significantly from the Underwriter’s estimates in the following categories: general and administrative (\$12K lower) and property tax, (\$9.5K higher). The Applicant anticipates a 50% property tax exemption also reflected in the Underwriter’s estimated expenses. The tenants will be required to pay for water, sewer, and trash expenses and the development is responsible for utilities for the common areas only. As noted above, the cable TV income is offset in the expenses. The Applicant did not include the full \$40 per unit compliance fee.

Conclusion: The Applicant’s income, expense and net operating income estimates are all within 5% of the Underwriter’s estimates, therefore the Applicant’s NOI will be used to determine debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) within the current underwriting guidelines of 1.10 to 1.30.

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

ASSESSED VALUE

Land: 31.9 acres	\$22,680	Assessment for the Year of:	2005
Land: 1 acre	\$711	Valuation by:	Parker County Appraisal District
Land: 12.88 subject acres	\$9,157	Tax Rate:	2.7136

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Unimproved Property Contract (12.88 acres)		
Contract Expiration:	12/31/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$312,327.59	Other:	
Seller:	Continental Real Estate, Inc.	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant originally overstated the site acquisition cost by using the price of \$312,328 that was paid for a larger 18.1-acre parcel as indicated on the original settlement statement. The

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Underwriter queried the Applicant and indicated that the underwriting analysis would reflect a calculated land cost by multiplying the per acre cost of \$17,256 times the actual site acreage of 12.88 acres to achieve a prorated land value of \$222,253. The Applicant confirmed this in a letter stating that the acquisition cost should be \$222,253.

Sitework Cost: The Applicant's claimed sitework costs of \$6,844 per unit are within current Department guidelines. Therefore, further third party substantiation is not required. It is unclear if the additional potential costs of a LOMA or LOMR have been included in this site work estimate.

Direct Construction Cost: The Applicant's direct construction cost estimate is \$51K or 1% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$182K 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. The Applicant also included as eligible the full amount of tax counsel and underwriting fees for the bonds, when only the portion attributable to the construction period is eligible. This issue was clarified in correspondence with the Applicant and amounts to an additional \$33.7K reduction in eligible basis.

Fees: The Applicant's contractor general requirements exceed the 6% maximum allowed by HTC guidelines by a total of \$48K. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs. The Applicant's developer fee and contingency also exceeds 15% and 5% limits, respectively, of the Applicant's adjusted eligible basis by \$382K and therefore the eligible portion of the Applicant's developer fee and contingency must be reduced by the same amount.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,824,096 supports annual tax credits of \$283,232. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. The Applicant used an applicable percentage of 3.5% while the underwriting applicable percentage for applications received in July of 2006 is 3.62%.

FINANCING STRUCTURE			
INTERIM TO PERMANENT BOND FINANCING			
Source:	Housing Credit Fund, LLC	Contact:	Chris Jones
Taxable:	\$7,662,879	Interest Rate:	6.15%, fixed, lender's estimate
Tax-Exempt:	\$4,777,319	Interest Rate:	6.15%, fixed, lender's estimate
Amort:		Amort:	24 months
Amort:		Amort:	480 months
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:			
HOME			
Source:	TDHCA	Contact:	TDHCA
Principal:	\$1,144,376	Conditions:	1% fixed with 480 months amortization
Documentation:	<input type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input checked="" type="checkbox"/> Application		
Comments:			

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TAX CREDIT SYNDICATION

Source: NEF, Inc **Contact:** Scott Fitzpatrick
Proceeds: \$2,808,819 **Net Syndication Rate:** 98% **Anticipated HTC:** \$295,557/year
Documentation: Signed Term Sheet LOI Firm Commitment Conditional Commitment Application
Comments: _____

OTHER

Amount: \$256,878 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Bond Financing: Housing Credit Fund, LLC is providing \$7,662,879 in interim financing at 6.15% interest rate with a conversion date 24 months after bond issuance. The permanent financing amount is \$4,777,319 with a 6.15% interest rate and an amortization of 40 years.

HOME: The Applicant is requesting \$1,144,376 in TDHCA HOME funds with a 1% fixed interest rate and an 480 month amortization.

HTC Syndication: The tax credit syndication commitment is consistent with the terms reflected in the sources and uses of funds listed in the application.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$256,878 amount to 25% of the total fees.

Financing Conclusions: The Applicant's total development cost estimate less the permanent loan of \$4,777,319 and the requested HOME loan of \$1,144,376 indicates the need for \$2,975,622 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$303,665 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$295,247), the gap-driven amount (\$303,665), and eligible basis-derived estimate (\$283,232), the eligible basis-derived estimate of \$283,247 is recommended resulting in proceeds of \$2,775,397 based on a syndication rate of 98%.

The Applicant's request of \$1,144,376 in TDHCA HOME funds with a 1% fixed interest rate and 40 year amortization is recommended. Without the recommended HOME funds, the deferred developer fee required would increase to 132% of the fee available.

The Underwriter's recommended financing structure indicates the need for \$200,225 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within five years of stabilized operation. The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

€ The Applicant, Developer, General Contractor, property manager, supportive services provider, seller and architect are related entities. These are common relationships for HTC-funded developments. The related seller issue was addressed and mitigated in the development cost section above.

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

Financial Highlights:

- € The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- € The General Partner, Spectrum Housing, submitted an audited financial statement as of December 31, 2005 and 2004 reporting total assets of \$29.9M and consisting of \$61K in cash, \$134K in receivables, \$103K in prepaid expenses, \$969K in restricted funds, \$28M in real property, and \$664K in other assets. Liabilities totaled \$33.6M, resulting in a net worth of (\$3.7M).
- € The principal of the Developer and Special Limited Partner, Ivan Haugh, submitted an unaudited financial statement as of June 30, 2006

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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 proforma is more than 5% outside of the Underwriter's verifiable range.
- € The seller of the property has an identity of interest with the Applicant.
- € Significant environmental issues regarding the floodplain may impact the development.
- € The significant financing structure changes being proposed have not been reviewed by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____	Date: <u>October 2, 2006</u>
	<i>Brenda Hull</i>	
Director of Real Estate Analysis:	_____	Date: <u>October 2, 2006</u>
	<i>Tom Gouris</i>	

MULTIFAMILY COMPARATIVE ANALYSIS

Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util
TC 60%	2	1	1	771	\$713	\$633	\$1,266	\$0.82	\$80.00
TC 50%/LH	3	2	2	1,002	\$713	\$618	1,854	0.62	95.00
TC 60%/HH	8	2	2	1,002	\$725	\$630	5,040	0.63	95.00
TC 60%	63	2	2	1,002	\$856	\$761	47,943	0.76	95.00
TOTAL:	76		AVERAGE:	996	\$833	\$738	\$56,103	\$0.74	\$94.61

INCOME Total Net Rentable Sq Ft: 75,690

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$10.00

Other Support Income: Cable TV Per Unit Per Month: \$19.95

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$673,236	\$672,900
9,120	9,120
18,194	18,240
\$700,550	\$700,260
(52,541)	(49,020)
0	0
\$648,009	\$651,240

Comptroller's Region 3

IREM Region Fort Worth

\$10.00 Per Unit Per Month

\$20.00 Per Unit Per Month

-7.00% of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.10%	\$350	0.35
Management	4.00%	341	0.34
Payroll & Payroll Tax	7.88%	672	0.68
Repairs & Maintenance	4.39%	374	0.38
Utilities	1.85%	158	0.16
Water, Sewer, & Trash	1.47%	126	0.13
Property Insurance	3.54%	302	0.30
Property Tax 2.71	5.57%	475	0.48
Reserve for Replacements	2.93%	250	0.25
Other: cable, compl, svs, sec	4.97%	424	0.43
TOTAL EXPENSES	40.72%	\$3,472	\$3.49
NET OPERATING INC	59.28%	\$5,054	\$5.08

TDHCA	APPLICANT
\$26,600	\$14,570
25,920	26,728
51,095	54,880
28,458	25,800
12,012	3,000
9,558	10,000
22,939	26,600
36,091	45,600
19,000	19,000
32,204	29,164
\$263,876	\$255,342
\$384,133	\$395,898

PER SQ FT	PER UNIT	% OF EGI
\$0.19	\$192	2.24%
0.35	352	4.10%
0.73	722	8.43%
0.34	339	3.96%
0.04	39	0.46%
0.13	132	1.54%
0.35	350	4.08%
0.60	600	7.00%
0.25	250	2.92%
0.39	384	4.48%
\$3.37	\$3,360	39.21%
\$5.23	\$5,209	60.79%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
Housing Credit Fund, LLC	49.60%	\$4,229	\$4.25
HOME	5.36%	\$457	\$0.46
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	4.32%	\$368	\$0.37

TDHCA	APPLICANT
\$321,440	\$359,528
34,723	
0	
\$27,969	\$36,370

PER SQ FT	PER UNIT	% OF EGI
\$4.75	\$4,731	55.21%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.48	\$479	5.58%

AGGREGATE DEBT COVERAGE RATIO 1.08 1.10

RECOMMENDED DEBT COVERAGE RATIO 1.11

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		2.60%	\$2,924	\$2.94
Off-Sites		0.00%	0	0.00
Sitework		6.10%	6,844	6.87
Direct Construction		51.54%	57,865	58.10
Contingency 5.00%		2.88%	3,235	3.25
General Req'ts 6.00%		3.46%	3,882	3.90
Contractor's G & A 1.98%		1.14%	1,281	1.29
Contractor's Profit 5.94%		3.42%	3,842	3.86
Indirect Construction		5.29%	5,939	5.96
Ineligible Costs		2.96%	3,323	3.34
Developer's G & A 2.58%		2.07%	2,329	2.34
Developer's Profit 12.42%		9.98%	11,211	11.26
Interim Financing		6.57%	7,376	7.41
Reserves		1.98%	2,224	2.23
TOTAL COST		100.00%	\$112,274	\$112.73
Construction Cost Recap		68.54%	\$76,949	\$77.26

TDHCA	APPLICANT
\$222,253	\$222,253
0	0
520,107	520,107
4,397,709	4,346,823
245,891	483,000
295,069	340,322
97,339	97,339
292,016	292,016
451,360	451,360
252,542	252,542
177,007	310,000
852,000	852,000
560,555	560,555
169,000	169,000
\$8,532,847	\$8,897,317
\$5,848,130	\$6,079,607

PER SQ FT	PER UNIT	% of TOTAL
\$2.94	\$2,924	2.50%
0.00	0	0.00%
6.87	6,844	5.85%
57.43	57,195	48.86%
6.38	6,355	5.43%
4.50	4,478	3.82%
1.29	1,281	1.09%
3.86	3,842	3.28%
5.96	5,939	5.07%
3.34	3,323	2.84%
4.10	4,079	3.48%
11.26	11,211	9.58%
7.41	7,376	6.30%
2.23	2,224	1.90%
\$117.55	\$117,070	100.00%
\$80.32	\$79,995	68.33%

SOURCES OF FUNDS

	%	PER UNIT	PER SQ FT
Housing Credit Fund, LLC	55.99%	\$62,859	\$63.12
HOME	13.41%	\$15,058	\$15.12
HTC Syndication Proceeds	32.92%	\$36,958	\$37.11
Deferred Developer Fees	3.01%	\$3,380	\$3.39
Additional (Excess) Funds Req'd	-5.33%	(\$5,981)	(\$6.01)
TOTAL SOURCES			

TDHCA	APPLICANT
\$4,777,319	\$4,777,319
1,144,376	1,144,376
2,808,819	2,808,819
256,878	256,878
(454,545)	(90,075)
\$8,532,847	\$8,897,317

RECOMMENDED

	PER UNIT	PER SQ FT
Developer Fee Available	\$4,777,319	\$4,777,319
\$1,020,534	1,144,376	1,144,376
% of Dev. Fee Deferred	2,775,397	2,775,397
20%	200,225	200,225
15-Yr Cumulative Cash Flow	(0)	(0)
\$1,584,195	\$8,897,317	\$8,897,317

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Gardens of Weatherford, Weatherford, 060419, 4% HTC/HOME

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$59.52	\$4,504,927
Adjustments				
Exterior Wall Finish	0.75%		\$0.45	\$33,787
Elderly	3.00%		1.79	135,148
Roofing			0.00	0
Subfloor			(2.24)	(169,546)
Floor Cover			2.22	168,032
Porches/Balconies	\$18.15	6,884	1.65	124,945
Plumbing	\$680	223	2.00	151,640
Built-In Appliances	\$1,675	76	1.68	127,300
Stairs/Fireplaces			0.00	0
Enclosed Corridors	\$49.60		0.00	0
Heating/Cooling			1.73	130,944
Garages/Carports	\$14.11	27,120	5.06	382,663
Comm &/or Aux Bldgs	\$69.10	2,460	2.25	169,980
Other:			0.00	0
SUBTOTAL			76.10	5,759,819
Current Cost Multiplier	1.07		5.33	403,187
Local Multiplier	0.87		(9.89)	(748,777)
TOTAL DIRECT CONSTRUCTION COSTS			\$71.53	\$5,414,230
Plans, specs, survy, bld prm	3.90%		(\$2.79)	(\$211,155)
Interim Construction Interes	3.38%		(2.41)	(182,730)
Contractor's OH & Profit	11.50%		(8.23)	(622,636)
NET DIRECT CONSTRUCTION COSTS			\$58.10	\$4,397,709

PAYMENT COMPUTATION

Primary	\$4,777,319	Amort	480
Int Rate	6.15%	DCR	1.20

Secondary	\$1,144,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.08

Additional	\$2,808,819	Amort	
Int Rate		Aggregate DCR	1.08

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	\$321,440
Secondary Debt Service	34,723
Additional Debt Service	0
NET CASH FLOW	\$39,734

Primary	\$4,777,319	Amort	480
Int Rate	6.15%	DCR	1.23

Secondary	\$1,144,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.11

Additional	\$2,808,819	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	\$672,900	\$693,087	\$713,880	\$735,296	\$757,355	\$877,982	\$1,017,822	\$1,179,934	\$1,585,733
Secondary Income	9,120	9,394	9,675	9,966	10,265	11,900	13,795	15,992	21,492
Other Support Income: Cable T	18,240	18,787	19,351	19,931	20,529	23,799	27,590	31,984	42,984
POTENTIAL GROSS INCOME	700,260	721,268	742,906	765,193	788,149	913,680	1,059,206	1,227,910	1,650,209
Vacancy & Collection Loss	(49,020)	(54,095)	(55,718)	(57,389)	(59,111)	(68,526)	(79,440)	(92,093)	(123,766)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$651,240	\$667,173	\$687,188	\$707,804	\$729,038	\$845,154	\$979,766	\$1,135,817	\$1,526,443
EXPENSES at 4.00%									
General & Administrative	\$14,570	\$15,153	\$15,759	\$16,389	\$17,045	\$20,738	\$25,231	\$30,697	\$45,439
Management	26,728	27381.9058	28203.36296	29049.46385	29920.94777	34686.57903	40211.25179	46615.8617	62647.82007
Payroll & Payroll Tax	54,880	57,075	59,358	61,733	64,202	78,111	95,034	115,624	171,152
Repairs & Maintenance	25,800	26,832	27,905	29,021	30,182	36,721	44,677	54,357	80,461
Utilities	3,000	3,120	3,245	3,375	3,510	4,270	5,195	6,321	9,356
Water, Sewer & Trash	10,000	10,400	10,816	11,249	11,699	14,233	17,317	21,068	31,187
Insurance	26,600	27,664	28,771	29,921	31,118	37,860	46,063	56,042	82,956
Property Tax	45,600	47,424	49,321	51,294	53,346	64,903	78,964	96,072	142,211
Reserve for Replacements	19,000	19,760	20,550	21,372	22,227	27,043	32,902	40,030	59,254
Other	29,164	30,331	31,544	32,806	34,118	41,509	50,503	61,444	90,952
TOTAL EXPENSES	\$255,342	\$265,140	\$275,472	\$286,209	\$297,367	\$360,076	\$436,097	\$528,271	\$775,615
NET OPERATING INCOME	\$395,898	\$402,032	\$411,716	\$421,594	\$431,671	\$485,079	\$543,669	\$607,546	\$750,828
DEBT SERVICE									
First Lien Financing	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440	\$321,440
Second Lien	34,723	34,723	34,723	34,723	34,723	34,723	34,723	34,723	34,723
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$39,734	\$45,868	\$55,552	\$65,430	\$75,507	\$128,915	\$187,505	\$251,382	\$394,664
DEBT COVERAGE RATIO	1.11	1.13	1.16	1.18	1.21	1.36	1.53	1.71	2.11

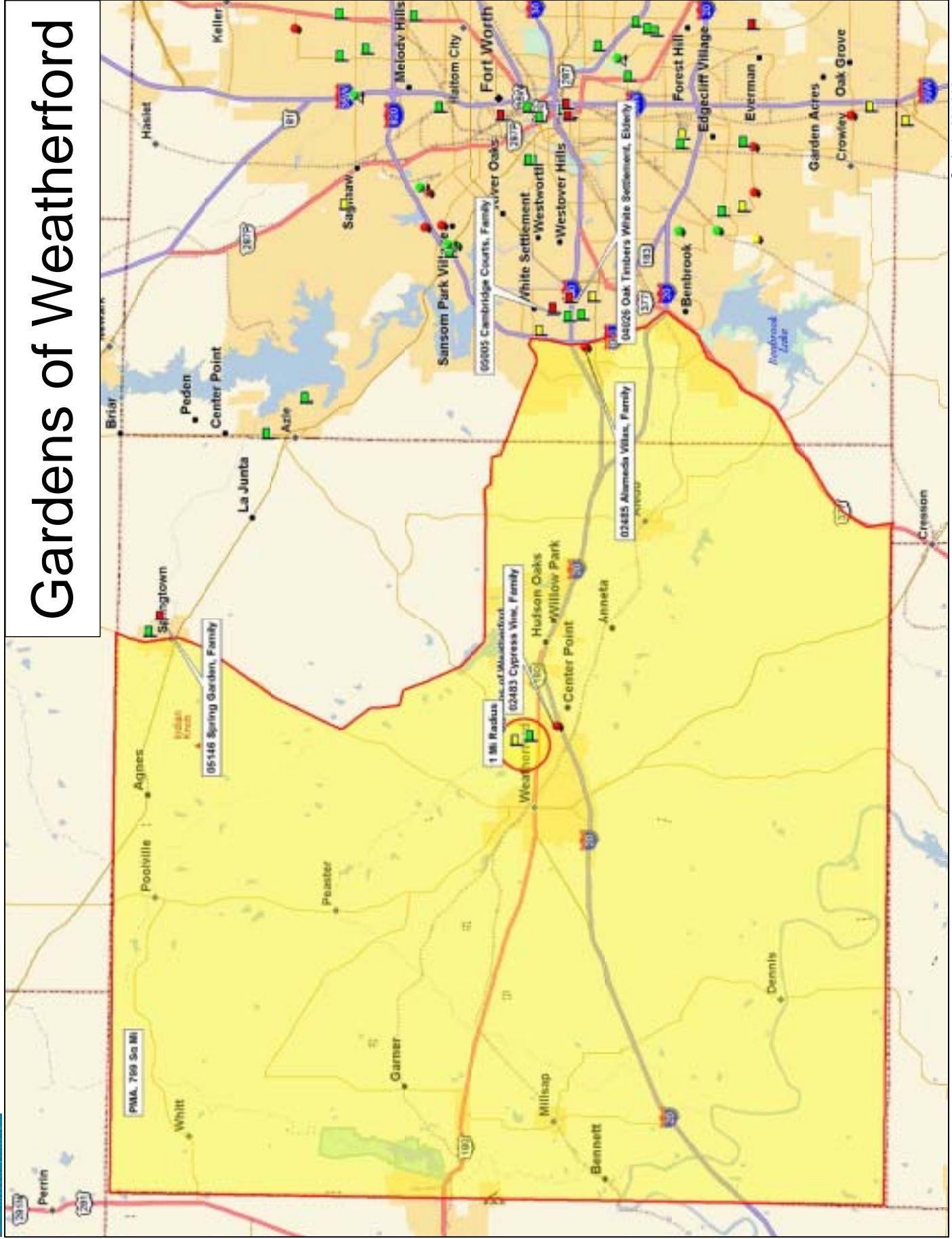
**HTC ALLOCATION ANALYSIS -Gardens of Weatherford, Weatherford, 060419, 4%
HTC/HOME**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$222,253	\$222,253		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$520,107	\$520,107	\$520,107	\$520,107
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,346,823	\$4,397,709	\$4,346,823	\$4,397,709
(4) Contractor Fees & General Requirements				
Contractor overhead	\$97,339	\$97,339	\$97,339	\$97,339
Contractor profit	\$292,016	\$292,016	\$292,016	\$292,016
General requirements	\$340,322	\$295,069	\$292,016	\$295,069
(5) Contingencies				
	\$483,000	\$245,891	\$243,347	\$245,891
(6) Eligible Indirect Fees				
	\$451,360	\$451,360	\$451,360	\$451,360
(7) Eligible Financing Fees				
	\$560,555	\$560,555	\$560,555	\$560,555
(8) All Ineligible Costs				
	\$252,542	\$252,542		
(9) Developer Fees			\$1,020,534	
Developer overhead	\$310,000	\$177,007		\$177,007
Developer fee	\$852,000	\$852,000		\$852,000
(10) Development Reserves				
	\$169,000	\$169,000		
TOTAL DEVELOPMENT COSTS	\$8,897,317	\$8,532,847	\$7,824,096	\$7,889,052

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		\$7,824,096	\$7,889,052
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$7,824,096	\$7,889,052
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$7,824,096	\$7,889,052
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$283,232	\$285,584

Syndication Proceeds	0.9799	\$2,775,397	\$2,798,439
Total Tax Credits (Eligible Basis Method)		\$283,232	\$285,584
Syndication Proceeds		\$2,775,397	\$2,798,439
Requested Tax Credits		\$295,247	
Syndication Proceeds		\$2,893,130	
Gap of Syndication Proceeds Needed		\$2,975,622	
Total Tax Credits (Gap Method)		\$303,665	

Gardens of Weatherford



MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

October 12, 2006

Action Item

Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits associated with Mortgage Revenue Bond Transactions with other Issuers.

Requested Item

Approve, Amend or Deny the staff recommendations for Gardens of Decordova.

Summary of the Transaction

Background and General Information: This application involves the award of both Housing Tax Credits and HOME CHDO Rental Development funds. The applicant, The Gardens of Decordova, LP submitted their application for 4% Housing Tax Credits and HOME Rental Development funds on July 12, 2006. The Issuer for this transaction is Northwest Central Texas HFC and the HOME request is \$1,194,376. The development is new construction and will consist of 76 total units targeting the elderly population, with all units affordable – for a Priority 3 bond transaction this means that at least 75% of all units must have rents at 30% of 80% AMFI and that they meet one of the minimum housing tax credit elections. The site is currently zoned for such a development. The Compliance Status Summary completed on September 18, 2006 reveals that the principals of the General Partner have a total of two (2) properties that will be monitored by the Department. The bond priority for this transaction is:

Priority 3: Any qualified residential rental development.

Census Demographics: The development is to be located at 5314 North Gate Road in Granbury, Hood County. Demographics for the census tract (1602.02) include AMFI of \$64,706; the total population is 10,633; the percent of population that is minority is 8.79%; the percent of population that is below the poverty line is 6.06%; the number of owner occupied units is 3,597; the number of renter units is 836 and the number of vacant units is 737. The percent of population that is minority for the entire City of Granbury is 10% (Census information from FFIEC Geocoding for 2006).

Public Comment: The Department has received 1 letter of support from Hood County Commissioner, Leonard Heathington, and one letter of support from a local citizen. The Department has received a Resolution in opposition from the City Council of the City of Decordova, 9 letters of opposition from local citizens and an opposition petition with 367 signatures. The following concerns were cited in the letters received: increase in traffic, no public transportation in the area, the current infrastructure services are inadequate for this type of development, and there are no medical services nearby.

Recommendation

Staff recommends that the Board approve the issuance of a Determination Notice of Housing Tax Credits and an award of \$1,194,376 in HOME CHDO Rental Development funds for the The Gardens of Decordova. The award of HOME funds is conditioned on the terms and conditions of the Department's underwriting analysis and all applicable HOME program rules and regulations.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

**Development Information, Public Input and Board Summary
The Gardens of Decordova, TDHCA Number 060420**

BASIC DEVELOPMENT INFORMATION

Site Address: 5314 North Gate Rd. Development #: 060420
 City: Granbury Region: 3 Population Served: Elderly
 County: Hood Zip Code: 76049- Allocation: Rural
 HOME Set Asides: CHDO Preservation General Purpose/Activity: NC
 Bond Issuer: Northwest Central Texas HFC

HTC Purpose/Activity: NC=New Construction, ACQ=Acquisition, R=Rehabilitation, NC/ACQ=New Construction and Acquisition,
 NC/R=New Construction and Rehabilitation, ACQ/R=Acquisition and Rehabilitation

OWNER AND DEVELOPMENT TEAM

Owner: The Gardens of Decordova, L.P.
 Owner Contact and Phone: George Hopper (785) 266-6133
 Developer: Continental Development Group, Inc.
 Housing General Contractor: Continental Construction of Kansas, Inc.
 Architect: Schwerdt Design Group Haugh and Associates
 Market Analyst: Apartment Market Data Research Services
 Syndicator: NEF, Inc.
 Supportive Services: Spectrum Housing, Corp.
 Consultant: Not Utilized

UNIT/BUILDING INFORMATION

<u>30%</u>	<u>40%</u>	<u>50%</u>	<u>60%</u>	<u>Eff</u>	<u>1 BR</u>	<u>2 BR</u>	<u>3 BR</u>	<u>4 BR</u>	<u>5 BR</u>	Total Restricted Units:	76	
0	0	3	73	0	2	74	0	0	0	Market Rate Units:	0	
Type of Building: <input type="checkbox"/> 5 units or more per building											Owner/Employee Units:	0
<input checked="" type="checkbox"/> Duplex	<input type="checkbox"/> Detached Residence									Total Development Units:	76	
<input type="checkbox"/> Triplex	<input type="checkbox"/> Single Room Occupancy									Total Development Cost:	\$8,991,136	
<input type="checkbox"/> Fourplex	<input type="checkbox"/> Transitional									Number of Residential Buildings:	31	
<input type="checkbox"/> Townhome											HOME High Total Units:	8
											HOME Low Total Units:	3

Note: If Development Cost = \$0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	<u>Applicant Request</u>	<u>Department Analysis</u>	<u>Amort</u>	<u>Term</u>	<u>Rate</u>
4% Housing Tax Credits with Bonds:	\$294,166	\$281,258	0	0	0.00%
TDHCA Bond Allocation Amount:	\$0	\$0	0	0	0.00%
HOME Activity Fund Amount:	\$1,194,376	\$1,194,376	40	15	1.00%
HOME CHDO Operating Grant Amount:	\$0	\$0			



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
The Gardens of Decordova, TDHCA Number 060420

PUBLIC COMMENT SUMMARY

Guide: "O" = Oppose, "S" = Support, "N" = Neutral, "NC" or Blank = No comment

State/Federal Officials with Jurisdiction:

TX Senator: Averitt, District 22 NC US Representative: Edwards, District 17, NC
TX Representative: Keffer, District 60 NC US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Andy Rash, County Judge, Hood County - Resolution of Support from Local Government
There is no comprehensive or consolidated plan for Hood County regarding senior housing. This development fulfills a growing demand for affordable senior housing in Hood County.

Leonard Heathington, County Commissioner, Pct. 3, Hood County - S

City Council Resolution, City of Decordova - O

Individuals/Businesses: In Support: 1 In Opposition 9

Neighborhood Input:

De Cordove Bend Estates O

General Summary of Comment:

The Department has received from local citizens 1 letter of support, 9 letters of opposition and an opposition petition with 367 signatures.

CONDITIONS OF COMMITMENT

Per §50.12(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")."

Receipt, review and acceptance of documentation including, but not limited to a new permanent loan commitment supporting a debt coverage ratio at a minimum of 1.10.

Receipt, review and acceptance of an opinion letter from a tax attorney or CPA evaluating the 50% test should the bond debt be reduced as anticipated.

Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.



MULTIFAMILY FINANCE PRODUCTION DIVISION

October 12, 2006

Development Information, Public Input and Board Summary
The Gardens of Decordova, TDHCA Number 060420

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

4% Housing Tax Credits:	Credit Amount:	\$281,258
Recommendation: Recommend approval of a Housing Tax Credit allocation not to exceed \$281,258 annually for ten years, subject to conditions.		
TDHCA Bond Issuance:	Bond Amount:	\$0
Recommendation:		
HOME Activity Funds:	Loan Amount:	\$1,194,376
HOME CHDO Operating Expense Grant:	Grant Amount:	\$0
Recommendation: Recommend approval of a HOME award not to exceed \$1,194,376, structured as a 15-year term loan, fully amortizing over 40 years at 1% interest, subject to conditions.		

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

DATE: October 3, 2006 **PROGRAM:** 4% HTC/HOME **FILE NUMBER:** 060420

DEVELOPMENT NAME

Gardens of Decordova

APPLICANT

Name: The Gardens of Decordova, L.P. **Contact:** George Hopper
Address: 2909 SW Plass Court
City: Topeka **State:** KS **Zip:** 66611
Phone: (785) 266-6133 **Fax:** (785) 266-6134 **Email:** GHopper@ContinentalGroups.com

KEY PARTICIPANTS

Name: Spectrum Housing Corp. **Title:** 0.5% CHDO Managing General Partner and Co-Developer
Name: Continental Associates VII, Inc. **Title:** 0.5% Special Limited Partner
Name: Ivan L. Haugh **Title:** 100% Owner of SLP and Continental Development Group, Inc.
Name: Continental Development Group, Inc. **Title:** Co-Developer

PROPERTY LOCATION

Location: 5314 Northgate Road
City: Granbury **Zip:** 76049
County: Hood **Region:** 3 QCT DDA

REQUEST

<u>Program</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
HTC	\$294,166	N/A	N/A	N/A
HOME	\$1,194,376	1%	40 yrs	15 yrs
Proposed Use of Funds:	<u>New construction</u>	Type:	<u>Multifamily</u>	
Target Population:	<u>Elderly</u>	Other:	<u>Rural, CHDO</u>	

RECOMMENDATION

- RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED \$281,258 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$1,194,376, STRUCTURED AS A 15-YEAR TERM LOAN, FULLY AMORTIZING OVER 40 YEARS AT 1% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance of documentation including, but not limited to a new permanent loan commitment supporting a debt coverage ratio at a minimum of 1.10;
2. Receipt, review and acceptance of an opinion letter from a tax attorney or CPA evaluating the 50% test should the bond debt be reduced as anticipated; and

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

3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 76 **# Res Bldgs** 31 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /
Net Rentable SF: 75,690 **Av Un SF:** 995 **Common Area SF:** 2,460 **Gross Bldg SF:** 78,150

ARCHITECTURAL REVIEW

The building and unit plans are comparable to other modern apartment developments. They appear to provide acceptable access and storage. The elevations reflect modest buildings.

STRUCTURAL MATERIALS

The structures will be constructed on a concrete slab subfloor. According to the plans provided in the application the exterior will be 30% masonry veneer, and 70% cement fiber. The interior wall surfaces will be drywall and the roofs will be finished with composite shingles.

UNIT FEATURES

The interior flooring will be carpet and resilient covering. Threshold criteria for the 2006 QAP requires all development units to include: mini blinds or window coverings for all windows, a dishwasher, a disposal, a refrigerator, an oven/range, an exhaust/vent fan in bathrooms, and a ceiling fan in each living area and bedroom. New construction units must also include three networks: one for phone service, one for data service, and one for TV service. In addition, each unit will include: an ice maker in the refrigerator, laundry connections, a ceiling fixture in each room, a forced air unit, individual water heater.

ONSITE AMENITIES

In order to meet threshold criteria for total units of between 41 and 76 units, the Applicant has elected to provide community dining room with kitchen, community laundry room, controlled access gates, an enclosed sun porch or covered community porch, and a senior activity room.

Uncovered Parking: 163 spaces **Carports:** 0 spaces **Garages:** 152 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The development is a 5.7-unit per acre new construction development located in Granbury in Hood County. The development will be comprised of 31 evenly distributed duplex and triplex residential buildings as follows:

<u>No. of Buildings</u>	<u>No. of Floors</u>	<u>1BR</u>	<u>2BR</u>
1	1	2	0
17	1	0	2
13	1	0	3

The development includes a 2,460-square foot community building with a community room, library, laundry facilities, office space, kitchen and restrooms.

SITE ISSUES

SITE DESCRIPTION

Total Size: 13.26 acres **Scattered sites?** Yes No
Flood Zone: Zone X **Within 100-year floodplain?** Yes No
Current Zoning: No zoning in Hood County **Needs to be re-zoned?** Yes No N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The proposed development is located outside the city limits within the ETJ of Granbury in Hood County in Region 3.

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

Adjacent Land Uses: The area neighborhood is primarily agricultural with a few single family homes, pasture and wooded areas.

Site Access: The site is accessed from North Gate Road.

Public Transportation: The availability of public transportation was not identified in the application materials.

Shopping & Services: The site is located within one mile of a supermarket with other retail within five miles. Medical, police and fire services are located within eight miles of the site.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 7/20/2006

Overall Assessment: Excellent Acceptable Questionable Poor Unacceptable

Comments: _____

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 17, 2006 was prepared by Phase I ASTM Environmental and contained the following findings and recommendations:

Findings:

- € **Noise:** “There is no need for a noise study at the site. It is a quite rural area” (letter dated September 6, 2006).
- € **Floodplain:** “There are no 100 or 500 year sites in the area and the subject is not in nor adjacent to a wet lands area” (p. 5).
- € **Asbestos-Containing Materials (ACM):** “There are no structures and no suspected asbestos containing materials” (p. 3).
- € **Lead-Based Paint (LBP):** “There are no structures or materials on the site and therefore no lead paint” (p. 4).
- € **Lead in Drinking Water:** “Testing for lead in the drinking water is not required at this location. There are no delivery pipes in the area known to contain any lead parts or solder” (letter dated September 6, 2006).
- € **Radon:** “There are no records of tests in the area and the proposed buildings will not have basements. The necessary ingredients are not available at the site” (p. 4).
- € **Recognized Environmental Concerns (RECs):** “This assessment has revealed no evidence of possible environmental conditions in connection with the property that would be a cause for concern” (p. 5).

Recommendations: “Based on the information gathered to date, the site does not meet any of the environmental criteria listed under the National Environmental Protection Act (NEPA) for further study and therefore, no additional Environmental Assessment is required” (p. 6).

INCOME SET-ASIDE

The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. Any Qualified Residential Rental Project qualifies as a Priority 3 Private Activity Bond allocation (§ 1372.0321). HOME assisted rental developments at a minimum must set-aside at least 20% of HOME assisted units with rent and income restrictions at 50% or less of area median family income and all remaining units with rent and income restrictions at 80% or less of area median family income. These minimum requirements affect only those units which are HOME assisted and do not supercede the minimum affordability requirements for applicants jointly applying for HOME and Housing Tax Credits or any other federal, state or local affordable housing programs. All of the units will be reserved for low-income tenants. Three units (4%) will be reserved for households earning 50% or less of AMI and 73 units (96%) will be reserved for households earning 60% or less of AMI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$26,340	\$30,120	\$33,840	\$37,620	\$40,620	\$43,620

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

MARKET HIGHLIGHTS

A market feasibility study dated March 28, 2006 was prepared by Apartment Market Data, LLC (“Market Analyst”) and included the following findings:

Definition of Primary Market Area (PMA): “For this analysis, we utilized a “primary market area” encompassing 741.11 square miles. The Trade Area boundaries consist of: North: Hood / Parker / Tarrant County line; East: Hwy 1902 to Hwy 917 to Hwy 174 to US Hwy 67; South: US Hwy 67 to Somervell / Erath County line; West: Somervell / Erath / Hood County line” (p. 3). This area encompasses approximately 741 square miles and is equivalent to a circle with a radius of 15.4 miles. This is a somewhat unusual market area given that it encompasses more than one county and includes part but not all of Cleburne. Moreover, the Department funded another senior development in Granbury using HOME funds, the second phase of Hayden Ridge Apartments. The market study of this second phase of eight units defined the market area as all of Hood County. The Hayden Ridge market study included approximately half the population as the subject and concluded a total demand of 54 units all targeting the 50% income level. The subject adds three units targeting the 50% income level.

Population: The estimated 2005 population of the primary market area was 80,619 and is expected to increase by 21% to approximately 91,094 by 2010. Within the primary market area there were estimated to be 11,199 elderly households in 2005.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 40.6% (p. 44) and a household size-appropriate adjustment rate of 100% (p. 50). The Analyst’s income band of \$21,150 to \$33,840 (p. 45) results in an income eligible renter adjustment rate of 2.29% (p. 49). The tenure appropriate adjustment rate of 13.7% is specific to the target population (p. 48). The Market Analyst indicates a turnover rate of 69% applies based on IREM (p. 50).

MARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	11	6%	7	4%
Resident Turnover	184	94%	180	96%
TOTAL DEMAND	195	100%	187	100%

p. 51

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 39% based upon 195 units of demand and 76 unstabilized affordable housing in the PMA (including the subject) (p. 52). The Underwriter calculated an inclusive capture rate of 45% based upon a revised supply of 84 unstabilized comparable affordable units (including 8 units from Hayden Ridge) divided by a revised demand estimate for 187 affordable units. Developments targeting seniors and developments in rural areas are allowed a capture rate of up to 100%.

Unit Mix Conclusion: “The average size of a household within the Primary Market Area is 2.9 persons and the average size of senior households is 1.87 persons. The subject’s unit mix is well suited for senior households of one or two persons, as the subject is comprised of one and two bedroom units” (p. 57).

Market Rent Comparables: The Market Analyst surveyed five comparable apartment projects totaling 265 units in the market area (p. 101).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	\$635	\$631	\$4	\$655	-\$20
2-Bedroom (50%/LH)	\$450	\$450	\$0	\$875	-\$425
2-Bedroom (60%/HH)	\$645	\$450	\$195	\$875	-\$230
2-Bedroom (60%)	\$755	\$754	\$1	\$875	-\$120

(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)

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

Primary Market Occupancy Rates: “The current occupancy of the market area is 96.6% as a result of older projects and management problems at one of the largest projects in the area. Senior projects in the primary market area average 98.2% occupancy” (p. 91).

Absorption Projections: “Today, the PMA is 96.6% occupied overall. Based on occupancy rates currently reported by existing projects, we opine that the market will readily accept the subject’s units. Absorption over the previous fifteen years for all unit types is estimated to be 158 units per year. We expect this to increase as the number of new household continues to grow, and as additional rental units become available” (p. 91).

Unstabilized, Under Construction, and Planned Development: The Market Analyst did not identify any other unstabilized, under construction or planned developments in the primary market area.

Market Impact: “The subject should not have a detrimental effect on any existing affordable projects as family and senior project occupancies are strong in the area” (p. 90).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The majority of the Applicant’s projected rents collected per unit were calculated by subtracting tenant-paid utility allowances maintained by the Housing Authority of the City of Granbury from the 2006 program gross rent limits. The Applicant’s projected rent for the two-bedroom, two-bathroom High HOME and 60% HTC units is based on the HTC program maximum. The Underwriter used the lower of the two restricted gross rents, the High HOME limit. Tenants will be required to pay electric, water, and sewer costs. Each unit will be individually metered for utilities and exterior trash receptacles will be provided for each unit. The Applicant’s \$21 per unit per month of secondary income from cable TV is offset in the expenses by a similar amount. The Applicant’s estimated vacancy and collection loss is projected at 7%, less than the Department’s standard of 7.5%. As a result of these differences, the Applicant’s estimated Effective Gross Income is \$23K more than the Underwriter’s, or a difference is less than 4%.

Expenses: The Applicant’s total annual operating expense projection at \$3,297 per unit is within 5% of the Underwriter’s estimate of \$3,349, derived from actual operating history of the development, the TDHCA database, and third-party data sources. The Applicant’s estimated expenses differ significantly from the Underwriter’s estimates in the following categories: general and administrative (\$12K lower); payroll and payroll tax (\$10K higher); and utilities, (\$10K lower). The tenants will be required to pay for water, sewer, and trash expenses and the development is responsible for utilities for the common areas only. As noted above, the cable TV income is offset in the expenses. The Applicant did not include the full \$40 per unit compliance fee.

Conclusion: The Applicant’s income and expense estimates are within 5% of the Underwriter’s estimates, but the net operating income is not, therefore the Underwriter’s NOI will be used to determine debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) below the current underwriting minimum guideline of 1.10. Therefore, the recommended financing structure reflects a decrease in the permanent mortgage based on the interest rate and amortization period indicated in the permanent financing documentation submitted at application. This is discussed in more detail in the conclusion to the “Financing Structure Analysis” section (below).

Long-Term Feasibility: The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter’s base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that, after the initial resizing, remains above 1.10 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

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

ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land: 22.14 acres	\$108,180	Assessment for the Year of:	2005
Per Acre:	\$4,886	Valuation by:	Hood County Appraisal District
Total Value: 13.26 acres	\$64,790	Tax Rate:	2.06622
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Unimproved Property Contract (approx. 13.26 acres)		
Contract Date:	07/10/2006	Valid through Board Date?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Acquisition Cost:	\$388,415	Other:	_____
Seller:	Continental Real Estate, Inc	Related to Development Team?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

CONSTRUCTION COST ESTIMATE EVALUATION	
<u>Acquisition Value:</u>	The Applicant submitted additional documentation supporting the acquisition cost as the transaction represents an identity of interest. The contract acquisition cost of \$388,415 is equal to the original acquisition cost evidenced by the original settlement statement dated May 5, 2006 between Michael J. Brown/Jean Loydene Brown and Continental Real Estate, Inc., a related party to the Applicant.
<u>Sitework Cost:</u>	The Applicant claimed sitework costs over the Department's maximum guideline of \$7,500 per unit and provided sufficient third party certification through a detailed certified cost estimate by Gregory Edward Schwerdt to justify these costs. In addition, these costs have been reviewed by the Applicant's CPA, Doug Glenn of Mayer Hoffman McCann P.C., to preliminarily opine that \$675,625 of the total \$700,625 will be considered eligible. The CPA did not specifically indicate that this opinion of eligibility has taken into account the effect of the IRS Technical Advisory Memorandums on the eligibility of sitework costs however it is presumed that a professional tax credit CPA would be aware of these and all eligible basis issues.
<u>Direct Construction Cost:</u>	The Applicant's direct construction cost estimate is \$50K or 1% lower than the Underwriter's Marshall & Swift <i>Residential Cost Handbook</i> -derived estimate.
<u>Ineligible Costs:</u>	The Applicant included \$25,000 in clearing and razing site work costs as an eligible cost. The Applicant's CPA states that these costs would be ineligible; therefore, the Underwriter reduced the Applicant's eligible basis by an equivalent amount.
<u>Interim Financing Fees:</u>	The Underwriter reduced the Applicant's eligible interim financing fees by \$185K 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. The Applicant also included as eligible the full amount of tax counsel and underwriting fees for the bonds, when only the portion attributable to the construction period is eligible. This issue was clarified in correspondence with the Applicant and amounts to an additional \$59K reduction in eligible basis.
<u>Fees:</u>	The Applicant's fees for the contractor overhead and profit were set at the maximums allowed by TDHCA guidelines. The Applicant's contractor general and administrative, contingencies and developer fees exceeded the 2%, 5%, and 15% TDHCA maximums by \$341K. With the reduction in eligible basis due to the misapplication of eligible basis discussed above the eligible basis portion of the fees and contingency now exceed the maximum by \$387K and have been reduced by the same amount in order to recalculate the appropriate requested credit amount.
<u>Conclusion:</u>	The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of \$7,769,560 supports annual tax credits of \$281,258. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation. The Applicant used an applicable percentage of 3.52% while the underwriting applicable percentage for applications received in July of 2006 is 3.62%.

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

FINANCING STRUCTURE			
INTERIM TO PERMANENT BOND FINANCING			
Source:	Housing Credit Fund, LLC	Contact:	Chris Jones
Taxable:	\$7,430,251	Interest Rate:	6.15%, fixed, lender's estimate
Amort:		Amort:	24 months
Tax-Exempt:	\$4,870,251	Interest Rate:	6.15%, fixed, lender's estimate
Amort:		Amort:	480 months
Documentation:	<input checked="" type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input checked="" type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	_____		
HOME			
Source:	TDHCA	Contact:	TDHCA
Principal:	\$1,194,376	Conditions:	1% interest rate, 480 months amortization
Documentation:	<input type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input type="checkbox"/> Conditional Commitment <input checked="" type="checkbox"/> Application		
Comments:	_____		
TAX CREDIT SYNDICATION			
Source:	NEF, Inc.	Contact:	Scott Fitzpatrick
Proceeds:	\$2,769,957	Net Syndication Rate:	98%
Anticipated HTC:	\$282,677/year		
Documentation:	<input type="checkbox"/> Signed <input type="checkbox"/> Term Sheet <input type="checkbox"/> LOI <input type="checkbox"/> Firm Commitment <input checked="" type="checkbox"/> Conditional Commitment <input type="checkbox"/> Application		
Comments:	_____		
OTHER			
Amount:	\$156,551	Source:	Deferred Developer Fee
FINANCING STRUCTURE ANALYSIS			
<p><u>Interim to Permanent Bond Financing:</u> The interim to permanent bond financing will be through Housing Credit Fund, LLC. Both the interim and permanent portions are at a 6.15% fixed interest rate with a 480 month amortization for the permanent.</p> <p><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.</p> <p><u>Deferred Developer's Fees:</u> The Applicant's proposed deferred developer's fees of \$156,551 amount to 15% of the total fees.</p> <p><u>Financing Conclusions:</u> As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.10. Therefore, receipt, review and acceptance of documentation including, but not limited to a new permanent loan commitment supporting a debt coverage ratio at a minimum of 1.10 is a condition of this report. The current underwriting analysis assumes a decrease in the permanent loan amount to \$4,418,356 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.</p> <p>The Applicant's total development cost estimate less the permanent loan of \$4,130,000 and the requested HOME loan of \$1,194,376 indicates the need for \$3,378,404 in gap funds. Based on the submitted syndication terms, a tax credit allocation of \$344,770 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request (\$294,166), the gap-driven amount (\$344,770), and eligible basis-derived estimate (\$281,258), the eligible basis-derived estimate of \$281,258 is recommended resulting in proceeds of \$2,756,053 based on a syndication rate of 98%.</p> <p>The Applicant's request of \$1,194,376 in TDHCA HOME funds with a 1% fixed interest rate and 40 year amortization is recommended. Without the recommended HOME funds, the deferred developer fee required would increase to 179% of the fee available and would not be repayable within 15 years of stabilized operation. In that case, the development would be characterized as infeasible.</p>			

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

The Underwriter's recommended financing structure indicates the need for \$622,351 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation. The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

As a result of the likely reduction in first lien bond debt there is a question as to whether the bonds will meet the 50% test which allow the developer to be eligible for 4% tax credits. Thus, receipt, review and acceptance of an opinion letter from a tax attorney or CPA evaluating the 50% test should the bond debt be reduced as anticipated is a condition of this report.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

€ The Applicant, Developer, General Contractor, property manager, supportive services provider, seller and architect are related entities. These are common relationships for HTC-funded developments. The related seller issue has been addressed in the acquisition section of this report.

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

Financial Highlights:

- € The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- € The General Partner, Spectrum Housing, submitted an audited financial statement as of December 31, 2005 and 2004 reporting total assets of \$29.9M and consisting of \$61K in cash, \$134K in receivables, \$103K in prepaid expenses, \$969K in restricted funds, \$28M in real property, and \$664K in other assets. Liabilities totaled \$33.6M, resulting in a net worth of (\$3.7M).
- € The principal of the Developer and Special Limited Partner, Ivan Haugh, submitted an unaudited financial statement as of June 30, 2006

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 proforma is more than 5% outside of the Underwriter's verifiable range.
- € The seller of the property has an identity of interest with the Applicant.
- € The significant financing structure changes being proposed have not been reviewed by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____	Date:	October 3, 2006
	<i>Brenda Hull</i>		
Director of Real Estate Analysis:	_____	Date:	October 3, 2006
	<i>Tom Gouris</i>		

MULTIFAMILY COMPARATIVE ANALYSIS

Gardens of Decordova, Granbury, 4% HTC/HOME, #060420

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util
TC 60%	2	1	1	771	\$705	\$631	\$1,262	\$0.82	\$74.00
TC 50%/LH	3	2	2	1,002	542	\$450	1,350	0.45	92.00
TC 60%/HH	8	2	2	1,002	542	\$450	3,600	0.45	92.00
TC 60%	63	2	2	1,002	846	\$754	47,502	0.75	92.00
TOTAL:	76		AVERAGE:	996	\$798	\$707	\$53,714	\$0.71	\$91.53

INCOME Total Net Rentable Sq Ft: 75,690

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$10.00

Other Support Income: Cable TV Per Unit Per Month: \$19.95

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

TDHCA	APPLICANT
\$644,568	\$664,392
9,120	9,120
18,194	19,152
\$671,882	\$692,664
(50,391)	(48,492)
0	0
\$621,491	\$644,172

Comptroller's Region 3

IREM Region

\$10.00 Per Unit Per Month

\$21.00 Per Unit Per Month

-7.00% of Potential Gross Income

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.28%	\$350	0.35
Management	4.00%	327	0.33
Payroll & Payroll Tax	8.22%	672	0.68
Repairs & Maintenance	4.62%	378	0.38
Utilities	2.22%	182	0.18
Water, Sewer, & Trash	1.14%	93	0.09
Property Insurance	3.69%	302	0.30
Property Tax 2.07	4.55%	372	0.37
Reserve for Replacements	3.06%	250	0.25
Other: cable, svc, sec, compl	5.18%	424	0.43
TOTAL EXPENSES	40.96%	\$3,349	\$3.36
NET OPERATING INC	59.04%	\$4,828	\$4.85

TDHCA	APPLICANT
\$26,600	\$14,770
24,860	26,698
51,095	61,040
28,739	28,700
13,812	3,600
7,056	10,600
22,939	26,600
28,252	30,400
19,000	19,000
32,204	29,164
\$254,557	\$250,572
\$366,935	\$393,600

PER SQ FT	PER UNIT	% OF EGI
\$0.20	\$194	2.29%
0.35	351	4.14%
0.81	803	9.48%
0.38	378	4.46%
0.05	47	0.56%
0.14	139	1.65%
0.35	350	4.13%
0.40	400	4.72%
0.25	250	2.95%
0.39	384	4.53%
\$3.31	\$3,297	38.90%
\$5.20	\$5,179	61.10%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
Housing Credit Fund	52.73%	\$4,312	\$4.33
HOME	5.83%	\$477	\$0.48
Additional Financing	0.00%	\$0	\$0.00
NET CASH FLOW	0.48%	\$39	\$0.04

TDHCA	APPLICANT
\$327,693	\$363,934
36,241	0
0	0
\$3,001	\$29,666
1.01	1.08
1.10	

PER SQ FT	PER UNIT	% OF EGI
\$4.81	\$4,789	56.50%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.39	\$390	4.61%

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		4.38%	\$5,111	\$5.13
Off-Sites		0.00%	0	0.00
Sitework		7.61%	8,890	8.93
Direct Construction		49.09%	57,324	57.56
Contingency 5.00%		2.84%	3,311	3.32
General Req'ts 6.00%		3.40%	3,973	3.99
Contractor's G & A 1.93%		1.09%	1,276	1.28
Contractor's Profit 5.78%		3.28%	3,827	3.84
Indirect Construction		5.27%	6,152	6.18
Ineligible Costs		3.44%	4,021	4.04
Developer's G & A 3.56%		2.80%	3,272	3.29
Developer's Profit 11.44%		9.01%	10,526	10.57
Interim Financing		6.20%	7,235	7.26
Reserves		1.58%	1,849	1.86
TOTAL COST		100.00%	\$116,767	\$117.24
Construction Cost Recap		67.31%	\$78,600	\$78.92

TDHCA	APPLICANT
\$388,416	\$388,416
0	0
675,625	675,625
4,356,652	4,146,823
251,614	423,584
301,937	340,322
96,949	96,949
290,847	290,847
467,560	467,560
305,605	305,605
248,657	365,000
800,000	800,000
549,866	549,866
140,539	140,539
\$8,874,267	\$8,991,136
\$5,973,623	\$5,974,150

PER SQ FT	PER UNIT	% of TOTAL
\$5.13	\$5,111	4.32%
0.00	0	0.00%
8.93	8,890	7.51%
54.79	54,563	46.12%
5.60	5,573	4.71%
4.50	4,478	3.79%
1.28	1,276	1.08%
3.84	3,827	3.23%
6.18	6,152	5.20%
4.04	4,021	3.40%
4.82	4,803	4.06%
10.57	10,526	8.90%
7.26	7,235	6.12%
1.86	1,849	1.56%
\$118.79	\$118,304	100.00%
\$78.93	\$78,607	66.44%

SOURCES OF FUNDS

	%	PER UNIT	PER SQ FT
Housing Credit Fund	54.88%	\$64,082	\$64.34
HOME	13.46%	\$15,715	\$15.78
HTC Syndication Proceeds	31.21%	\$36,447	\$36.60
Deferred Developer Fees	1.76%	\$2,060	\$2.07
Additional (Excess) Funds Req'd	-1.32%	(\$1,538)	(\$1.54)
TOTAL SOURCES			

TDHCA	APPLICANT
\$4,870,251	\$4,870,251
1,194,376	1,194,376
2,769,957	2,769,957
156,551	156,551
(116,868)	1
\$8,874,267	\$8,991,136

RECOMMENDED

\$4,418,356	Developer Fee Available
1,194,376	\$1,013,421
2,756,053	% of Dev. Fee Deferred
622,351	61%
(0)	15-Yr Cumulative Cash Flow
\$8,991,136	\$1,447,000

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Gardens of Decordova, Granbury, 4% HTC/HOME, #060420

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Townhouse Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$59.53	\$4,505,721
Adjustments				
Exterior Wall Finish	0.90%		\$0.54	\$40,551
Elderly	3.00%		1.79	135,172
Roofing			0.00	0
Subfloor			(2.24)	(169,546)
Floor Cover			2.22	168,032
Porches/Balconies	\$18.15	6,884	1.65	124,945
Plumbing	\$680	223	2.00	151,640
Built-In Appliances	\$1,675	76	1.68	127,300
Stairs/Fireplaces			0.00	0
Enclosed Corridors	\$49.61	0	0.00	0
Heating/Cooling			1.73	130,944
Garages/Carports	\$14.11	27,120	5.06	382,663
Comm &/or Aux Bldgs	\$69.10	2,460	2.25	169,980
Other:			0.00	0
SUBTOTAL			76.20	5,767,401
Current Cost Multiplier	1.07		5.33	403,718
Local Multiplier	0.86		(10.67)	(807,436)
TOTAL DIRECT CONSTRUCTION COSTS			\$70.86	\$5,363,683
Plans, specs, survy, bld prm	3.90%		(\$2.76)	(\$209,184)
Interim Construction Interes	3.38%		(2.39)	(181,024)
Contractor's OH & Profit	11.50%		(8.15)	(616,824)
NET DIRECT CONSTRUCTION COSTS			\$57.56	\$4,356,652

PAYMENT COMPUTATION

Primary	\$4,870,251	Amort	480
Int Rate	6.15%	DCR	1.12

Secondary	\$1,194,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.01

Additional	\$2,769,957	Amort	
Int Rate		Aggregate DCR	1.01

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$297,288
Secondary Debt Service	36,241
Additional Debt Service	0
NET CASH FLOW	\$33,406

Primary	\$4,418,356	Amort	480
Int Rate	6.15%	DCR	1.23

Secondary	\$1,194,376	Amort	480
Int Rate	1.00%	Subtotal DCR	1.10

Additional	\$2,769,957	Amort	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$644,568	\$663,905	\$683,822	\$704,337	\$725,467	\$841,015	\$974,967	\$1,130,254	\$1,518,967
Secondary Income	9,120	9,394	9,675	9,966	10,265	11,900	13,795	15,992	21,492
Other Support Income: Cable T	18,194	18,740	19,302	19,882	20,478	23,740	27,521	31,904	42,876
POTENTIAL GROSS INCOME	671,882	692,039	712,800	734,184	756,210	876,654	1,016,282	1,178,150	1,583,335
Vacancy & Collection Loss	(50,391)	(51,903)	(53,460)	(55,064)	(56,716)	(65,749)	(76,221)	(88,361)	(118,750)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$621,491	\$640,136	\$659,340	\$679,120	\$699,494	\$810,905	\$940,061	\$1,089,789	\$1,464,585
EXPENSES at 4.00%									
General & Administrative	\$26,600	\$27,664	\$28,771	\$29,922	\$31,118	\$37,860	\$46,063	\$56,043	\$82,957
Management	24,860	25,605	26,374	27,165	27,980	32,436	37,602	43,592	58,583
Payroll & Payroll Tax	51,095	53,139	55,264	57,475	59,774	72,724	88,480	107,649	159,347
Repairs & Maintenance	28,739	29,889	31,084	32,327	33,621	40,905	49,767	60,549	89,627
Utilities	13,812	14,364	14,939	15,537	16,158	19,659	23,918	29,100	43,075
Water, Sewer & Trash	7,056	7,338	7,632	7,937	8,255	10,043	12,219	14,866	22,005
Insurance	22,939	23,856	24,810	25,803	26,835	32,649	39,722	48,328	71,538
Property Tax	28,252	29,382	30,558	31,780	33,051	40,212	48,924	59,523	88,109
Reserve for Replacements	19,000	19,760	20,550	21,372	22,227	27,043	32,902	40,030	59,254
Other	32,204	33,492	34,832	36,225	37,674	45,836	55,767	67,849	100,433
TOTAL EXPENSES	\$254,557	\$264,490	\$274,814	\$285,543	\$296,693	\$359,367	\$435,363	\$527,528	\$774,928
NET OPERATING INCOME	\$366,935	\$375,646	\$384,526	\$393,578	\$402,801	\$451,539	\$504,698	\$562,260	\$689,657
DEBT SERVICE									
First Lien Financing	\$297,288	\$297,288	\$297,288	\$297,288	\$297,288	\$297,288	\$297,288	\$297,288	\$297,288
Second Lien	36,241	36,241	36,241	36,241	36,241	36,241	36,241	36,241	36,241
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$33,406	\$42,117	\$50,998	\$60,049	\$69,273	\$118,010	\$171,170	\$228,732	\$356,128
DEBT COVERAGE RATIO	1.10	1.13	1.15	1.18	1.21	1.35	1.51	1.69	2.07

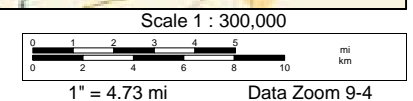
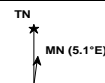
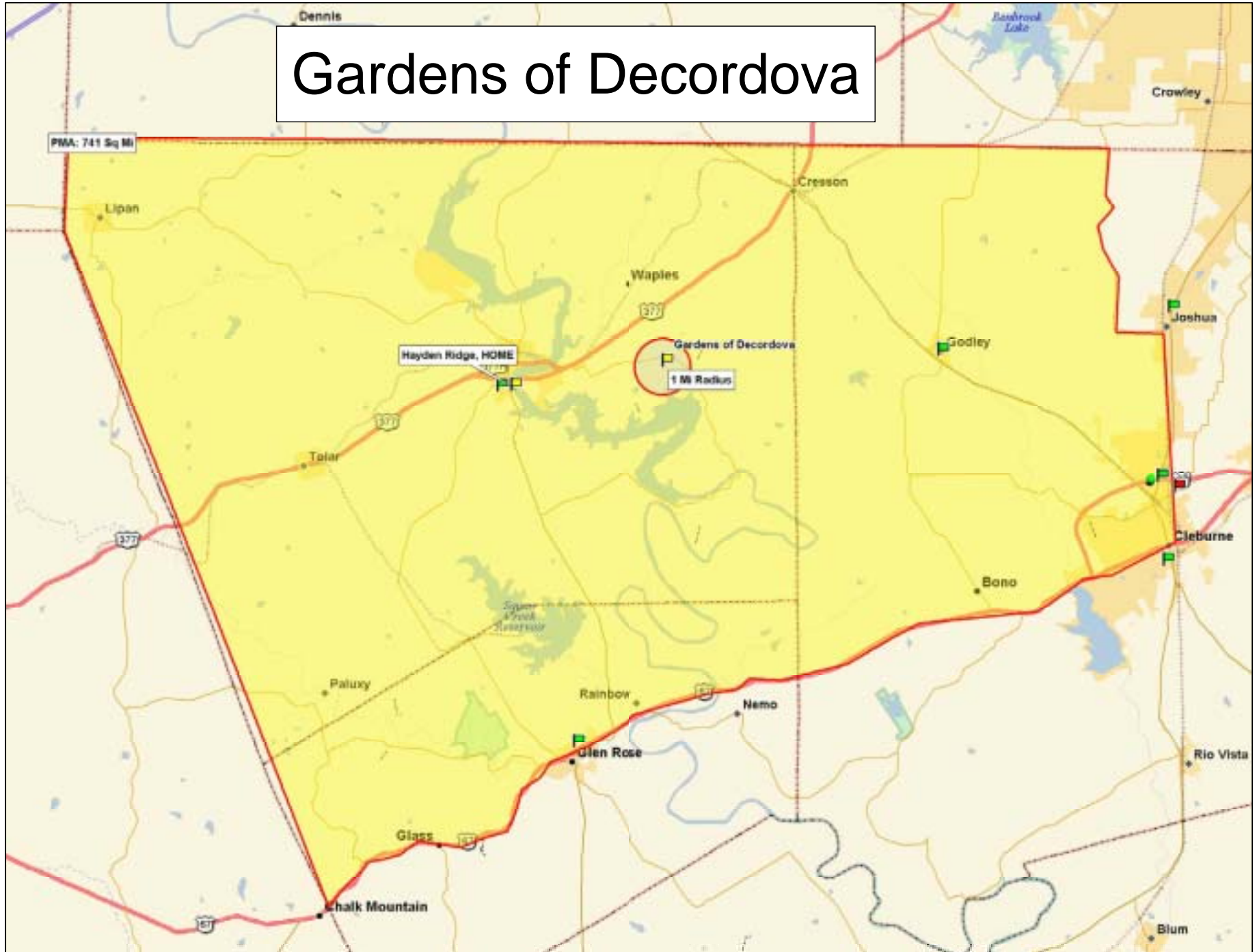
**HTC ALLOCATION ANALYSIS -Gardens of Decordova, Granbury, 4% HTC/HOME,
#060420**

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$388,416	\$388,416		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$675,625	\$675,625	\$675,625	\$675,625
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$4,146,823	\$4,356,652	\$4,146,823	\$4,356,652
(4) Contractor Fees & General Requirements				
Contractor overhead	\$96,949	\$96,949	\$96,449	\$96,949
Contractor profit	\$290,847	\$290,847	\$289,347	\$290,847
General requirements	\$340,322	\$301,937	\$289,347	\$301,937
(5) Contingencies				
	\$423,584	\$251,614	\$241,122	\$251,614
(6) Eligible Indirect Fees				
	\$467,560	\$467,560	\$467,560	\$467,560
(7) Eligible Financing Fees				
	\$549,866	\$549,866	\$549,866	\$549,866
(8) All Ineligible Costs				
	\$305,605	\$305,605		
(9) Developer Fees			\$1,013,421	
Developer overhead	\$365,000	\$248,657		\$248,657
Developer fee	\$800,000	\$800,000		\$800,000
(10) Development Reserves				
	\$140,539	\$140,539		
TOTAL DEVELOPMENT COSTS	\$8,991,136	\$8,874,267	\$7,769,560	\$8,039,707

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		\$7,769,560	\$8,039,707
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$7,769,560	\$8,039,707
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$7,769,560	\$8,039,707
Applicable Percentage		3.62%	3.62%
TOTAL AMOUNT OF TAX CREDITS		\$281,258	\$291,037

Syndication Proceeds	0.9799	\$2,756,053	\$2,851,881
Total Tax Credits (Eligible Basis Method)		\$281,258	\$291,037
Syndication Proceeds		\$2,756,053	\$2,851,881
Requested Tax Credits		\$294,166	
Syndication Proceeds		\$2,882,538	
Gap of Syndication Proceeds Needed		\$3,378,404	
Total Tax Credits (Gap Method)		\$344,770	

Gardens of Decordova





Memorandum

To: Michael Gerber
From: Gordon Anderson
cc: Brooke Boston, Michael Lyttle
Date: October 4, 2006
Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for August and September 2006. The information provided focuses primarily on activities Executive and staff has taken on voluntarily, as opposed to those mandated by the Legislature (i.e., tax credit hearings, TEFRA hearings, etc.). This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, August and September 2006

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

Event	Location	Date	Division	Purpose
First Thursday Income Eligibility Training	Austin	August 3	Portfolio Management and Compliance	Training
Interview with <i>Tax Credit Advisor</i> newsletter	Austin	August 2	Executive, Policy and Public Affairs	Interview
Interview with KSJL-AM, San Antonio	Austin	August 3	Single Family, Policy and Public Affairs	Interview
Senate International Relations and Trade Committee	Houston	August 7	Executive, Policy and Public Affairs	Testimony
TSAHC Meeting	Austin	August 11	Policy and Public Affairs	Monitoring
Hurricane Rita Disaster Relief Application Workshop	Beaumont	August 14	Single Family	Training
Real Estate Analysis Roundtable	San Antonio	August 15	Real Estate Analysis, Policy and Public Affairs	Public Forum
Housing Credit Certification Professional Training	Austin	August 24-25	Multifamily	Participant
TSHEP – Predatory Lending	Austin	August 28-29	Policy and Public Affairs	Training
Meeting with OCRA on HUD Disaster Relief Funding	Austin	August 29	Portfolio Management and Compliance, Policy and Public Affairs	Participant
TSHEP – Credit Counseling	Austin	August 29-31	Policy and Public Affairs	Training
Texas Tax Assessors and Appraisers Organization	Galveston	September 3	Manufactured Housing	Presentation
Housing Texas Forum planning meeting	Austin	September 6	Policy and Public Affairs	Participant
First Thursday Income Eligibility Training	Austin	September 7	Portfolio Management and Compliance	Training
Texas Homeless Network Conference	Houston	September 7	Community Affairs, Policy and Public Affairs	Participant
Texas Land Title Association Conference	Lubbock	September 9	Manufactured Housing	Presentation
Interagency Coordinating Council on Building Healthy Families	Austin	September 11	Community Affairs	Participant
2006 Texas Realtors Convention Expo	Arlington	September 14	Single Family	Exhibitor, Participant
National Council of State Housing Finance Agencies 2006 Conference	San Francisco	September 16-19	Executive, Single Family, Multifamily, Real Estate Analysis	Presentation, Participant
2006 Council of State Community Development Association Annual Conference	San Antonio	September 17-20	Compliance	Conference Organization, Presentations, Participants

Rural Rental Housing Association of Texas 2006 Convention	Corpus Christi	September 19-22	Executive, Real Estate Analysis, Policy and Public Affairs	Presentation, Participant
2006 Consolidated Hearings	Corpus Christi	September 21	Multifamily, Compliance, Real Estate Analysis, Policy and Public Affairs	Public Hearing
Texas Association of CDC's Policy Summit	Austin	September 21	Executive, Multifamily, Single Family, Real Estate Analysis, Policy and Public Affairs	Remarks, Presentation, Participant
2006 Consolidated Hearings	San Antonio	September 22	Community Affairs, Real Estate Analysis, Policy and Public Affairs	Public Hearing
Texas Mortgage Brokers Annual Conference	Austin	September 22	Single Family	Exhibitor
Single Family Mortgage Revenue and Refunding Bonds	Austin	September 25	Bond Finance	Public Hearing
United Cerebral Palsy meeting	Austin	September 25	Executive, Policy and Public Affairs	Meeting
Campaign for Affordable Housing Conference	Houston	September 26-27	Executive, Multifamily, Policy and Public Affairs	Participant
2006 Consolidated Hearings	Dallas	September 27	Executive, Multifamily, Real Estate Analysis	Public Hearing
2006 Consolidated Hearings	Amarillo	September 27	Policy and Public Affairs	Public Hearing
2006 Consolidated Hearings	Tyler	September 27	Legal, Compliance	Public Hearing
2006 Consolidated Hearings	Bryan	September 28	Executive, Policy and Public Affairs	Public Hearing
2006 Consolidated Hearings	El Paso	September 28	Community Affairs, Office of Colonia Initiatives	Public Hearing
LBB/Governor's Office of Budget and Policy Hearing	Austin	September 29	Executive, Legal, Policy and Public Affairs	Testimony
Health and Human Services/Housing for the Mentally Ill	Austin	September 29	Policy and Public Affairs	Participant

**MULTIFAMILY FINANCE PRODUCTION DIVISION
 QUARTERLY REPORT OF CHANGES IN OWNERSHIP
 (Covers changes from last report on June 29, 2006 through September 27, 2006)**

Dev. No.	Date Approved	Development	City	County	Region	Entity Departing or Replaced (GP=general partner, O=owner, SLP=special limited partner, NP=Nonprofit)	New Member or Owner	Type of Ownership Change (S=sale. FS=sale involving foreclosure. R=restructure. D=default/removal of GP. NC=name change. L=change of limited partner)
986559069	6/27/06	Azalea Court	Dallas	Dallas	3	Asmara Affordable Housing, Inc. (O)	CRP/TBG Azalea Court LP (O)	S - The development was purchased by an investor.
794839127	6/27/06	Arbour East	Dallas	Dallas	3	Asmara Affordable Housing, Inc. (O)	CRP/TBG Arbour Azalea LP (O)	S - The development was purchased by an investor.
060202	7/7/06	Beaumont Downtown Lofts	Beaumont	Jefferson	5	Landmark Asset Services, Inc.; Sari & Company; Fitch Development Group, Inc. (Co-GPs)	Beaumont Downtown Lofts GP, LLC (GP)	R - Single purpose LLC was inserted between the original three general partners and is held by those same three.
05082	7/13/06	Sphinx at Luxor Villas	Dallas	Dallas	3	Operation Relief Center (GP)	None	R - One of two Co-GPs departed. Neither scoring nor threshold was affected.
98002T	7/21/06	Pebble Brook	Denton	Denton	3	Denton Pebble Brook, Inc. (Co-GP)	NHPAHP MF 1, LP (Co-GP)	R - The sole owner of Denton Pebble Brook, Inc. sold all stock to NHPAHP MF 1, LP.
02490	8/11/06	Cypress Creek at Lakeline	Austin	Travis	7	Maple Avenue Economic Development Corporation (sole GP)	MAEDC-Caspita GP, LLC (sole GP)	R - The new GP has the old GP as its sole member.
96144	8/25/06	Marbach Manor	San Antonio	Bexar	9	Marbach Manor, L.P. (O)	Coochie, LLC (O)	S - The development was purchased by an investor.
524071323	8/29/06	Park at Summerhill	Texarkana	Bowie	4	MBS-Park at Summerhill Ltd. (O)	Park at Summerhill LLC (O)	S - The development was purchased by an investor.
00005	8/30/06	LBJ Garden Villas	Mesquite	Dallas	3	Diva Enterprises (GP) owned by Patsy (51%) and Glenn (49%) Lynch	Operation Relief Community Development Organization (Owner of GP)	R - Departing GP was HUB. New GP is CHDO, not HUB. Transfers of 00054 & 00144 approved by Board 5/4/06 plus current transfer of 00005 to same GP, together, exceed credit limit of \$1.8 million in 2000 but not statutory limit of \$2 million. Board approval required for HUB to depart and to exceed credit limit.
00144	8/30/06	Sycamore Pointe Townhomes	Fort Worth	Tarrant	3	Leona (51%) and Bobby (49%) Cox (Owners of GP)	Operation Relief Community Development Organization (Owner of GP)	R - Provident Homes, Inc. (PHI) was a HUB under its original owners. New owner is a CHDO, eliminating PHI's HUB status. (Approved by Board 5/4/06)

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

**EXECUTIVE DIRECTOR'S REPORT ITEM
OCTOBER 12, 2006**

Background

The TDHCA Board requested a report item on the status of prior balances for the HOME Program. HUD has requested that the Department expend all prior year HOME balances as reported in IDIS. The prior year balances have already been expended by the Department. However, because of IDIS procedures, deobligated funds are returned to prior year allocations rather than the current year allocation. Allocating multiple year funds to a single award is difficult for Department reporting and tracking. Therefore, the Department has requested that HUD transfer all prior year balances to the most current HOME allocation account. The Department will continue to work with HUD until the transfer occurs.

HOME Program Prior Year Balances in IDIS

Balance of HOME Funds (non-CHDO)

FISCAL YEAR	AUTHORIZED AMOUNT	ALLOCATED AMOUNT	AVAILABLE TO COMMIT
1993	17,374,397.00	17,345,946.29	28,450.71
1994	22,025,104.33	21,588,194.07	436,910.26
1995	24,675,754.00	24,655,309.02	20,444.98
1996	24,470,317.00	24,469,735.77	581.23
1997	24,275,304.00	24,222,135.95	53,168.05
1998	25,104,671.00	24,875,567.05	229,103.95
1999	27,535,025.09	27,137,591.42	397,433.67
2000	29,811,468.00	29,255,969.46	555,498.54
2001	30,417,879.13	29,597,176.29	820,702.84
2002	29,304,351.72	28,198,633.05	1,105,718.67
2003	33,821,003.25	31,596,325.30	2,224,677.95
2004	37,996,311.10	35,453,734.51	2,542,576.59
2005	40,124,930.01	38,472,869.80	1,652,060.21
	390,053,493.58	379,986,165.93	10,067,327.65

Balance of HOME Funds (CHDO)

FISCAL YEAR	AUTHORIZED AMOUNT	ALLOCATED AMOUNT	AVAILABLE TO COMMIT
1996	4,980,583.00	4,830,583.00	150,000.00
1997	4,904,850.00	4,590,544.36	314,305.64
1998	6,383,629.00	6,288,402.00	95,227.00
1999	5,582,472.00	5,564,408.00	18,064.00
2000	5,701,762.00	5,574,407.08	127,354.92
2001	6,227,550.00	6,200,800.00	26,750.00
2002	5,918,048.28	5,527,868.00	390,180.28
2003	6,764,200.65	6,175,000.00	589,200.65
2004	6,789,157.80	6,367,896.28	421,261.52
2005	0.00	0.00	0.00
	72,605,731.45	70,473,387.44	2,132,344.01

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

**EXECUTIVE DIRECTOR'S REPORT ITEM
OCTOBER 12, 2006**

Background

The TDHCA Board requested a report item on the status of open activities for the HOME Program. HUD has requested that the Department close all prior year activities as reported in IDIS. The State HOME PJ Status Report of Open Activities as of 02/22/2006 contained 89 activities with the last draw date prior to 1/1/2005. As of 08/31/2006, only 31 of the original 89 activities were still open. 58 out of the 89 have been researched and closed by PMC staff.

HOME Program Status of Open Activities

The following table is a breakdown of the complete report as of 08/31/06, based on Funding Date:

Date of Funding	Number of Open Activities	Description of Open Activities	Strategy to Resolve Open Activities	Estimated Completion Date
2006	16 open activities	1 RHD – still within the 18 month development period	Current.	January 2007
		1 HBA activity cannot be closed out due to problems with CA's match requirements	Staff is requesting an amendment to remove/reduce the contractual match requirements which the CA could not produce. Once this amendment has been performed, this activity will be removed from the report.	11/30/06
		14 activities have final draws within 90 days.	Staff will perform appropriate close out. For future strategy, staff will run this report monthly to ensure that all activities are closed out in a timely manner.	10/31/06 then ongoing every 30 days
2005	21 open activities	13 activities cannot be closed out due to problems with CA's match requirements	Staff is requesting an amendment to remove/reduce the contractual match requirements which the CA could not produce. Once this amendment has been performed, these 13 activities will be removed from the report.	11/30/06

Date of Funding	Number of Open Activities	Description of Open Activities	Strategy to Resolve Open Activities	Estimated Completion Date
		3 activities are Rental Housing Developments which have not yet provided rental close out reports.	Staff will conduct research to close out the 3 RHD's by requesting rental close out reports from the Contract Administrators.	11/30/06
		5 activities consists of 2 HBA and 3 OCC	Research will be conducted to determine close out status for the remaining 5.	11/30/06
2004	6 open activities	All are Rental Housing Developments which have an 18 month development period that ended in January 2006	Staff will conduct research to close out by requesting rental close out reports from the Contract Administrators.	10/31/06
2003 and Prior Years	33 open activities	These are the most difficult to resolve since they require extensive research. None of the necessary information exists in-house such as household information, ethnicity, income levels, special needs, appraised property values (if a rehab), etc.	Single Family staff will begin researching by contacting the original Contract Administrators to see what information is available. Other strategies may need to be developed if unable to obtain information through CA's.	Unknown until SF staff begins work
Total	76 open activities as of 08/31/06			

MULTIFAMILY FINANCE PRODUCTION DIVISION

EXECUTIVE DIRECTOR REPORT ITEM

October 12, 2006

Report Item

Report on the status of the Housing Trust Fund Notice of Funding Availability for the TDHCA Rental Portfolio Hurricane Relief Program.

Background

On July 12, 2006 the Board approved the release of \$1 million in Housing Trust Funds for the TDHCA Rental Portfolio Hurricane Relief program. An application and NOFA were posted to the Department's website and announcements of the program were posted to the *Texas Register* and released to advocacy organizations and promoted through the Department's list serve. Staff was contacted by only one applicant prior to the closing of the application acceptance period and no applications were received. Because this NOFA originated based on specific indications of a need for funds, staff researched why no applications were submitted. Staff received the following comments about the NOFA and application process:

- The application process was too difficult and lengthy to justify a maximum award of only \$250,000.
- The request for approval letters from other lenders involved in the development was said to be too time consuming.
- The submission of detailed information to complete notifications was said to be too lengthy.
- The primary objection gathered from possible applicants was the limitation for awards to be made as loans and not grants.

Staff believes the original NOFA was presented in accordance with the 2006 HTF Funding Plan approved by the Board in May 2006, which allowed for all funds to be repaid to the HTF. If the Board were to change the program from a loan to a grant program, the Application requirements could be significantly reduced to be more attractive to eligible Applicants.