BOARD MEETING OF MAY 10, 2007

Beth Anderson, Chair

C. Kent Conine, Vice-Chair

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

Shadrick Bogany, Member
Sonny Flores, Member
Norberto Salinas, Member
Gloria Ray, Member

MISSION

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY OF LIFE THROUGH THE DEVELOPMENT OF BETTER COMMUNITIES

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING
May 10, 2007

ROLL CALL

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

_____, Presiding Officer

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AUDIT COMMITTEE MEETING

May 10, 2007
8:30 am
Travis Building, Room 1-111, 1701 N. Congress

A G E N D A

CALL TO ORDER, ROLL CALL — **Shadrick Bogany**
CERTIFICATION OF QUORUM — Audit Committee Chair

PUBLIC COMMENT
The Audit Committee of the Board of the Texas Department of Housing and Community Affairs will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Committee.

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

ACTION ITEMS
Item 1 Presentation, discussion and possible approval of amendments to the 2007 TDHCA Internal Audit Plan

REPORT ITEMS
Item 2 Presentation and Discussion of Audit Results from KPMG's Statewide Federal Single Audit as related to TDHCA

Item 3 Presentation and Discussion of Internal Audit of CDBG Disaster Hurricane Recovery Program - Project/Program Plan

Item 4 Presentation and Discussion of Internal Audit of CDBG Disaster Hurricane Recovery Program – Control Design over Project Set-up and Draw Processing Functions

Item 5 Status of Prior Audit Issues

Item 6 Status of Internal/External Audits

EXECUTIVE SESSION
If permitted by law, the Board may discuss any item listed on this agenda in Executive Session Personnel Matters – Discussion Under Sec. 551.074, Texas Government Code of Performance Evaluation for Internal Auditor

ADJOURN — Shadrick Bogany, Chair

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact the Nidia Hiroms, TDHCA, 221 East 11th Street Austin, Texas 78701-2410, 512-475-3934 and request the information.

Individuals who require the 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, 512-475-2124 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.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

May 10, 2007
9:30 am
Travis Building, Room 1-111, 1701 N. Congress

A G E N D A

CALL TO ORDER, ROLL CALL — **Elizabeth Anderson**
CERTIFICATION OF QUORUM — 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 April 12, 2007

Audit Committee Items:
b) Presentation, discussion and possible approval of amendments to the 2007 TDHCA Internal Audit Plan

c) Presentation and Discussion of Audit Results from KPMG's Statewide Federal Single Audit as related to TDHCA

d) Presentation and Discussion of Internal Audit of CDBG Disaster Hurricane Recovery Program - Project/Program Plan

e) Presentation and Discussion of Internal Audit of CDBG Disaster Hurricane Recovery Program – Control Design over Project Set-up and Draw Processing Functions

f) Status of Prior Audit Issues

g) Status of Internal/External Audits

Multifamily Items:
h) Presentation, Discussion and Possible Action for Housing Tax Credit Amendments:

04241	Anson Park II	Abilene
05118	Vista Verde I & II	San Antonio

i) Presentation, Discussion and Possible Action for Housing Tax Credit Extensions:

05137	Los Ebanos	Zapata

j) Presentation, Discussion and Possible Action for 2007 Competitive Housing Tax Credit Challenges

HOME Division Items:

k) Presentation, Discussion and Possible Approval of Single Family HOME Award recommendations:

2006-0222 City of Roma

Financial Division Items:

l) Presentation, Discussion and Possible Approval of the 2nd Quarter Investment Report

Community Affairs Division Items:

m) Presentation, Discussion and Possible Approval for publication in the Texas Register of rule revisions to the Emergency Shelter Grants Program (ESGP) rules to be codified at 10 Texas Administrative Code, Chapter 5, Subchapter C, §5.204(a)(1), §5.208(c), and §5.211(4)

Real Estate Analysis Division Items:

n) Presentation, Discussion and Possible Approval of a market study surveying the need for affordable multifamily housing in the Dallas Metropolitan Statistical Area

Legal Services Division Items:

o) Presentation, Discussion and Possible Approval for publication in the Texas Register of a final order adopting new §1.21 concerning Action by Department if Outstanding Balances Exist

ACTION ITEMS

Item 2: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Housing Tax Credit Items:

a) Presentation, Discussion and Possible Action for 2007 Competitive Housing Tax Credit Appeals

All other appeals filed timely

b) Presentation, Discussion and Possible Action of the Reinstatement of the Housing Tax Credit Determination Notice for Mortgage Revenue Bond Transactions with Other Issuers:

060429 Lakes of Goldshire

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

07413 Mansions at Hastings Green Senior, Harris County, Texas
Harris County HFC is the Issuer
Recommended Credit Amount of $940,796

Item 3: Presentation, Discussion and Possible Action of Multifamily Division Items – Specifically Housing Trust Fund Capacity Building

a) Presentation, Discussion and Possible Action for an Extension of a 2004 Capacity Building Grant #1000215 for Ability Resources Incorporated

b) Presentation, Discussion and Possible Action on an Extension Amendment to a Housing Trust Fund Predevelopment Loan for the following:

8510200007 Ralls Housing Development Corporation
8510200008 Crossroads Housing Development Corporation

Item 4: Presentation, Discussion and Possible Approval of Multifamily Division Items – Specifically Multifamily Private Activity Bond Program Items:

a) Presentation, Discussion and Possible Denial of a waiver of the 60-day submission requirement in §49.12(a)(2) of the 2007 Qualified Allocation Plan ("QAP")

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

07605 Summit Pointe, Houston, Texas for a bond Amount Not to Exceed $12,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of $525,314. Resolution No. 07-013

07606 Santora Villas, Austin, Travis Texas for a bond Amount Not to Exceed $13,072,000 and the Issuance of a Determination Notice Recommended Credit Amount of $953,189. Resolution No. 07-014

Item 5: Presentation, Discussion and Possible Approval of HOME Division Items:

a) Presentation, discussion and possible action for the 2007 HOME Preservation and Rental Development Competitive Application Cycle appeals:

07418	Creek View Apartments	Johnson City
07417	Park Ridge Apartments	Llano

All other appeals filed timely

b) Presentation, Discussion and Possible Approval of the 2007 Housing Trust Fund Funding Plan

c) Presentation, Discussion and Possible Approval of HOME Program NOFA for approximately $5 million for Rental Housing Development Supporting New Job Creation and Economic Development in Rural Texas

Item 6: Presentation, Discussion and Possible Approval of Disaster Recovery Division Items – Specifically Community Development Block Grant (CDBG) Disaster and FEMA Alternative Housing Pilot Program Application Programs:

a) Update on Community Development Block Grant related to disaster recovery

b) Presentation, Discussion and Possible Approval of Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the Restoration of Critical Infrastructure Program and corresponding amendment to the Restoration of Critical Infrastructure Program Notice of Funding Availability (NOFA)

c) Presentation, Discussion and Possible Approval of City of Houston and Harris County Public Service and Community Development Program Plan

d) Presentation, Discussion and Possible Approval of Request For Proposals (RFP) for a program management firm to administer the CDBG Homeowner Assistance Program (HAP) and Sabine Pass Restoration Program (SPRP)

Item 7: Presentation, Discussion and Approval of Office of Colonia Initiatives Items:

a) Presentation, Discussion and Possible Approval of Webb County Colonia Self-Help Center Extension Request

Item 8: 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 contracts

534339	Marble Falls Development Corporation
536297	Family Crisis Center
539116	Tanglewood II, LLC
542004/542010	Affordable Housing of Parker County
1000156	Val Verde County
1000371	United Cerebral Palsy
1000453	Affordable Housing of Parker County
1000533	Travis County Housing Finance Corporation

Item 9: Presentation, Discussion and Possible Approval of Real Estate Analysis Items:

a) Presentation, discussion and possible action on a timely filed appeal regarding the underwriting of a development under the HOME program, development Floresville Senior Housing in Floresville, TX

Item 10: Presentation, Discussion and Possible Approval of Legal Division Items:

a) Presentation, Discussion and Possible Approval of list of factors that Review Committee will consider in assessing compliance penalties under 10 TAC §1.20

b) Presentation, Discussion, and Possible Approval for publication in the Texas Register of draft proposed amendments to 10 TAC §60.17, concerning Utility Allowances

Item 11: Presentation, Discussion and Possible Approval of Internal Audit Division Items:

a) Notification and Acceptance of resignation of Internal Auditor due to retirement and appointment of an interim director

b) Presentation, Discussion and Possible Approval of Director of Internal Audit job description and posting of position

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

1. Performance Evaluation for Internal Auditor

c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:

1. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court

2. With Respect to pending litigation styled *Ballard v. TDHCA* Filed in Federal Court

3. 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, April 2007
2. Monthly Report on HOME Amendments Granted
3. Update on HOME Snapshot
4. Quarterly HTC Ownership Transfers
5. Construction Cost Research by Real Estate Analysis Division
6. Bond Finance Subprime Analysis

ADJOURN **Elizabeth Anderson**

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EXECUTIVE OFFICE – BOARD

BOARD ACTION REQUEST
May 10, 2007

Action Item

Minutes of the Board Meeting of April 12, 2007.

Required Action

Review minutes of the April 12, 2007 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.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

April 12, 2007; 8:30 am
William P. Clements Building
300 West 15th Street, Room 103

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of April 12, 2007 was called to order by the Vice-Chair, Kent Conine at 8:35 a.m. It was held at the Clements Building, 300 W. 15th Street, Austin, Texas. Roll call certified a quorum was present.

Members Present:

Elizabeth Anderson – Chair (*arrived at 9 a.m. and resumed Chair following Agenda Item 3a*)
C. Kent Conine – Vice-Chair
The Honorable Norberto Salinas – Member
Shadrick Bogany – Member
Sonny Flores – Member
Gloria Ray – Member

Resolution recognizing April as Fair Housing Month, Resolution No. 07-011

The Honorable Commissioner Michael Williams, provided testimony.
Motion made by Mr. Conine to approve Resolution #07-011; seconded by Ms. Ray; passed unanimously.

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.
John Meinkowsky, ARCIL, Inc., provided testimony concerning the HOME TBRA program.
Doug Dowler, Executive Director, Pineywoods Home Team, provided testimony concerning challenges concerning the Hurricane Rita redevelopment tax credit allocations in Orange and Lufkin.
Dan Allgeier, Nurock Development, provided testimony concerning Residences at Eastland.
Jeff Crozier, Executive Director, Rural Rental Housing, provided testimony.

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 March 20, 2007

Multifamily Items:

b) Presentation, Discussion and Possible Action for Housing Tax Credit Amendments:
04151 Renaissance Courts Denton

Community Development Block Grant Items Administered by the Office of Rural Community Affairs:

c) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) from the Community Development Block Grant (CDBG) Disaster Recovery Fund for the Critical Infrastructure Program, subject to HUD approval of the partial Action Plan

Community Development Block Grant (CDBG) Items:

d) Presentation, Discussion and Possible Approval of a Notice of Funding Availability (NOFA) from the Community Development Block Grant (CDBG) Disaster Recovery Fund for the Rental Housing Stock Restoration Program, subject to HUD approval of the partial Action Plan

Community Services Items:

e) Presentation, Discussion and Possible Approval of DOE and LIHEAP Weatherization Annual Funding Allocation

Legal Services Items:

f) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a final order adopting new § 1.20, concerning Asset Resolution and Enforcement, to be codified at 10 T.A.C § 1.20.

g) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a final order adopting new §1.19, concerning Deobligation Policy, to be codified at 10 T.A.C §1.19.

h) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a final order adopting amended §53.62, concerning Program Administration, to be codified at 10 T.A.C §53.62.

i) Presentation, Discussion, and Possible Approval for publication in the Texas Register of a draft order to receive public comments on proposed amendments to §60.1, concerning Purpose, and proposed new §60.23, concerning Community Development Block Grant Disaster Recovery Properties

Asset Resolution Items:

j) Request Approval to Set aside the Current Balance of Below Market Interest Rate Program (BMIR) funds for use in Asset Management

Motion made by Mr. Bogany to approve all items on Consent Agenda; seconded by Mr. Flores; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2: (***Item 2a** TAKEN OUT OF ORDER*)

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

b) Presentation, Discussion and Possible Issuance of Determination Notices for Housing Tax Credits Associated with Mortgage Revenue Bond Transactions with Other Issuers: 07409 Home Towne at Matador Ranch, Fort Worth, Tarrant County, Texas; Tarrant County HFC is the Issuer; Recommended Credit Amount of $575,046

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

AGENDA ITEM 3: (*IN ORDER AS DISCUSSED*)

Presentation, Discussion and Possible Approval of Community Development Block Grant Items:

b) **General Update on CDBG Disaster Recovery Program**
Kelly Crawford, Deputy Executive Director of Disaster Relief, provided report.
Oralia Cardenas, Director for Community Development, Office of Rural Community Affairs, provided testimony.
Heather Lagrone, Office of Rural Community Affairs, provided testimony.

a) **Presentation, Discussion and Possible Approval of Requests for Amendments to CDBG Disaster Recovery contracts:**
C060002 Deep East Texas Council of Governments
Motion made by Mr. Bogany to approve; seconded by Mr. Flores; passed unanimously.
C060003 South East Texas Regional Planning Commission
Pete De La Cruz, provided testimony.
Motion made by Mr. Flores to approve; seconded by Mr. Bogany; passed unanimously.

AGENDA ITEM 2: (*CONTINUED*) ***MS. ANDERSON RESUMED CHAIR***

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

a) **Presentation, Discussion and Possible Action for 2007 Competitive Housing Tax Credit Appeals:**
Alamito Place Apartments El Paso
The Honorable John Cook, Mayor of El Paso, provided testimony.
Vince Dodds, Housing Authority of the City of El Paso, provided testimony.
Barry Palmer, Coats Rose, provided testimony.
Antoinette Jackson, Coats Rose, provided testimony.
Motion made by Mr. Flores to approve the appeal; seconded by Mr. Bogany; Mr. Conine voted No; motion passed. As a result of the vote, staff recommended granting five calendar days to submit all materials by close of business, Monday, April 16, 2007. Motion made by Ms. Ray to give the City of El Paso until 5 p.m., Monday, April 16 to complete their application; seconded by Mr. Conine; passed unanimously.

AGENDA ITEM 4:

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

a) **Presentation, Discussion and Possible Approval of Colonia Self-Help Center Awards to:**
Starr County
Motion by Mr. Bogany to approve; seconded by Mayor Salinas; passed unanimously.
Maverick County
Motion by Mr. Bogany to approve; seconded by Mr. Conine; passed unanimously.

b) **Presentation, Discussion and Possible Approval of Texas Bootstrap Loan Program contract extensions:**
854202 Edinburg Housing Opportunity Corporation
Motion made by Mr. Bogany to approve staff recommendation; seconded by Mr. Conine; passed unanimously.
854200 Community Services Agency of South Texas
Motion made by Ms. Ray to approve; seconded by Mr. Bogany; passed unanimously.

AGENDA ITEM 5:

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 contracts**

530201 Community Services Agency of South Texas, Inc.

David Ojeda, Executive Director, Community Services Agency of South Texas, Inc., provided testimony.

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

531114 Statewide Consolidated Community Development Corporation

Rosetta Jones, Executive Director, Statewide Consolidated Community Development Corp., provided testimony.

Donald Wise, provided testimony.

Motion made by Mr. Conine to approve applicant to complete the construction of the units that are already in framing or later stages for a total of ten units with a total amount of dollars not to exceed $683,482.50. This amount includes the estimated total budgeted amount for the ten units plus money already drawn on the eight units that have been deobligated that currently had site prep work only completed; seconded by Mr. Bogany, passed unanimously.

542054 Housing Plus, Inc.

Motion made by Mr. Conine to approve staff recommendation to deny amendment request; seconded by Mr. Bogany; passed unanimously.

1000474 Bluebonnet Trails Community MHMR Center

Terri Couch, Bluebonnet Trails Community MHMR, provided testimony.

Motion made by Mr. Conine to approve staff recommendation to deny amendment request; seconded by Mr. Flores; passed unanimously.

1000529 City of Bay City

Motion made by Mr. Conine to approve staff recommendation to approve amendment request; seconded by Ms. Ray; passed unanimously.

1000534 The Latino Education Project

Withdrawn from consideration.

1000602 Orange County

Withdrawn from consideration.

1000603 Hardin County

Withdrawn from consideration.

AGENDA ITEM 6:

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:**

07604 Terraces at Cibolo, Boerne, Houston Texas for a bond Amount Not to Exceed $10,000,000 and the Issuance of a Determination Notice Recommended Credit Amount of $588,451. Resolution No. 07-009

Motion by Ms. Ray to approve resolution #07-009; seconded by Mr. Conine; passed unanimously.

b) **Presentation, Discussion, and Possible Action for the 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, Resolution No. 07-012:**

07624 Ennis Senior Estates Ennis
Motion made by Mr. Conine to approve Resolution #07-012; seconded by Mr. Bogany; passed unanimously.

AGENDA ITEM 7:

Presentation, Discussion and Possible Approval of Bond Finance Items:

a) **Presentation, Discussion and Possible Approval to establish policy under which Fannie Mae and Freddie Mac securitize TDHCA's conventional mortgage loans.**
Motion made by Mr. Conine to approve; seconded by Ms. Ray; passed unanimously.

EXECUTIVE SESSION

Executive Session not held.

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(a), Texas Government Code:
   1. With Respect to pending litigation styled *Dever v. TDHCA* Filed in Federal Court
   2. With Respect to pending litigation styled *Ballard v. TDHCA* Filed in Federal Court
   3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting

REPORT ITEMS

Executive Director's Report

Motion made by Ms. Ray to waive the Executive Director's Report; seconded by Mr. Bogany; passed unanimously.

1. TDHCA Outreach Activities, March 2007
2. Monthly Report on HOME Amendments Granted
3. Summary of HOME Amendments Granted
4. HOME Program Balances
5. Report on Floresville Senior Housing

ADJOURN

Since there was no other business to come before the Board, the meeting was adjourned at 11:15 a.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

Texas Department of Housing and Community Affairs

Proposed Amendments to the 2007 Internal Audit Plan

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Approval of Amendments to the 2007 TDHCA Internal Audit Plan.

Required Action

Review and approve the proposed amendments to the 2007 TDHCA Internal Audit Plan.

Background

Several amendments to the Department's 2007 audit plan are being proposed. The most significant changes relate to delaying the start and completion dates of the planned audits for the CDBG Disaster Recovery Program to allow the Disaster Recovery Division to finalize their controls systems to deliver the program, and for a sufficient number of subrecipient requests for reimbursement to be processed prior to selection for audit testing. The Internal Audit Division will reallocate resources originally planned for the Disaster Recovery Audit to the first phases of the Low Income Housing Tax Credit audits.

Other changes effecting the proposed amendments to the audit plans include an internal audit team member transferring out of the Internal Audit Division to another division within the Department in March 2006. That position remains vacant. Furthermore, further turnover in the Division is expected during the current year. Other conditions affecting the audit plan are discussed below with the proposed amendments to the plan.

CDBG Disaster Recovery Program

Two of three planned reports have been released for Phase 1. Inception of the third audit within Phase 1, relating to controls being in place to manage significant risks associated with subrecipient monitoring, is being delayed for 120 days, or until September 2007. The Disaster Recovery Division anticipates it will begin the implementation of subrecipient monitoring controls in 60 to 90 days. Accordingly, the anticipated completion date for the third report on the subrecipient monitoring function has been extended to November 2007.

Phase 2 of the project, tests of the operating effectiveness of the Department's application of controls designed to achieve project set-up and draw processing (processing of subrecipient requests for reimbursement) objectives, is proposed for performance in connection with the 2008 Audit Plan. A sufficient population of requests for reimbursement from which to select sample items for testing is necessary to determine if controls are operating effectively and as intended by management. The Disaster Recovery Division anticipates another 60-90 days before a sufficient number of draw requests will be processed from which to select a sample. Accordingly, the inception date of the project has been delayed until November 2007, upon completion of the last report in Phase 1 (see comments in preceding paragraph), and the anticipated completion date of the audit extended to February 2008.

Phase 3 of the project, tests of operating effectiveness of the Department's application of controls designed to achieve subrecipient monitoring objectives, is proposed for performance in connection with the 2008 Audit Plan, as it logically follows the conduct of Phases 1 and 2. An anticipated completion date for this project will be identified in developing the 2008 audit plan.

Follow-Up on Status of Prior Internal Audit Issues

Of five follow-up projects originally included in the FY 2007 Audit Plan, two projects proposed for deletion of include the following:

- Single Audit, Rpt. No. 1003.20, released September 23, 2005
- Risk Assessment, Rpt. No. 1003.30, released August 5, 2005

Project requests from management and turnover in internal audit staff preclude the undertaking of these projects with existing resources. These subject areas are typically reviewed in connection with Federal Single Audits. While the Federal Single Audit for FY 2006 included one audit finding relating to the Department's single audit function, it did not relate to audit issues noted by the single audit report referred to above, and there were no findings relating to the risk assessment process.

Projects Proposed by Management

The following projects were requested by management and added to the original audit plan proposed by the Internal Audit Division. In approving the projects in the original plan, there was Board discussion regarding the reasonableness of including the audits in the audit plan. Discussions related to the adequacy of resources to address the projects; the possibility of adding additional resources to the internal audit function; the projects rolling over into the next fiscal year; the priorities of internal audit resources being focused on the CDBG Disaster Recovery Program; the need for a further assessment of the projects to determine reasonable budgets; and the possible need for amendments to the audit plan, if the projects were approved. The Internal Audit Director also commented there may be opportunities to move forward with these projects as time permits by breaking them into multiple phases with each phase concentrating on significant areas within the proposed projects; however, those opportunities have not materialized. Proposed amendments to the audit plan relating to these projects include the following:

- HOME Partnership Investment Program – The audit of the HOME program procedures to assess whether they adequately address the significant risks and compliance requirements associated with the program is proposed to be performed in connection with the FY 2008 Audit Plan. Inception of the project is contingent upon the HOME Division completing its policies and procedures. Management's most recent estimated completion date of the HOME standard operating procedures provided to the Internal Audit Division is June 1, 2007.

- LIHTC – To review significant Phases of the 2007 tax credit application cycle for the purposes of identifying significant risks associated with the awards process and if adequate controls are in place to address the risks, and to determine whether the Department has complied with all significant compliance requirements relating to the phases. The following phases of the tax application cycle are proposed for the FY 2007 and FY 2008 audit plans to be conducted within the timeframes indicated.

LIHTC Phase / Phase Timeframe	**Audit Plan Year / Timeframe for Audit**
Pre-application & Notification	FY 2007 / June- August 2007
Staff Scoring & Threshold	FY 2008 / August- December 2007
Awards, Appeals and Challenges	FY 2008 / January-March 2008

The timeframe for each phase of the audit is designed to ensure the audit report is released in time for the Department to consider the results and conclusions of the audits in finalizing their processes for the 2008 LIHTC program cycle.

Recommendation

Approve the proposed amendments to the 2007 TDHCA Internal Audit Plan.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
PROPOSED AMENDMENTS TO THE INTERNAL AUDIT PLAN
FISCAL YEAR 2007

Proposed Amended FY 2007 Audit Plan		
Original FY 2007 Audit Plan	**→ Proposed Amended FY 2007 Audit Plan ←**	**Comments**
Project/General Objectives	**Project/General Objectives**	
CDBG Hurricane Disaster Recovery Program <u>Phase 1: Control Systems, Policies and Procedures</u> To obtain an understanding and assess the Department's controls in place to manage significant risks associated with (1) processing payment requests from the subrecipients and (2) subrecipient monitoring. Specific areas of consideration will include: ➢ Request for payment/draw processing ➢ Subrecipient Monitoring ➢ Allowable Activities and Costs/Cost Principles ➢ Beneficiary/Family Eligibility ➢ Procurement, Suspension and Debarment ➢ Construction Performance and Standards ➢ Environmental Clearance ➢ Lead Based Paint ➢ Fair Housing, Accessibility, and Affirmative Marketing Phase 1 will take into consideration and assess the adequacy of the Department's written plans for developing control systems to effectively deliver the program in instances where systems have yet been develop. Anticipated completion – April 2007	**CDBG Hurricane Disaster Recovery Program** <u>Phase 1: Control Systems, Policies and Procedures</u> To obtain an understanding and assess the Department's controls in place to manage significant risks associated with (1) processing payment requests from the subrecipients and (2) subrecipient monitoring. Specific areas of consideration will include: ➢ Request for payment/draw processing ➢ Subrecipient Monitoring ➢ Allowable Activities and Costs/Cost Principles ➢ Beneficiary/Family Eligibility ➢ Procurement, Suspension and Debarment ➢ Construction Performance and Standards ➢ Environmental Clearance ➢ Lead Based Paint ➢ Fair Housing, Accessibility, and Affirmative Marketing Phase 1 will take into consideration and assess the adequacy of the Department's written plans for developing control systems to effectively deliver the program in instances where systems have yet been develop. Anticipated completion – November 2007	Two of three planned reports have been released for Phase 1. ➢ Report No. 1016-1, *CDBG Disaster Hurricane Recovery Program - Project/Program Plan,* was released March 5, 2007. ➢ Report No. 1016-1, *CDBG Disaster Hurricane Recovery Program – Control Design over Project Set-up and Draw Processing Functions*, was released May 1, 2007. Inception of the third audit within Phase 1 relating to controls being in place to manage significant risks associated with subrecipient monitoring is being delayed for 120 days, or until September 2007. The Disaster Recovery Division anticipates it will begin the implementation of subrecipient monitoring controls in 60 to 90 days. Accordingly, the anticipated completion date for the third report on the subrecipient monitoring function has been extended to November 2007.

Proposed Amended FY 2007 Audit Plan		
Original FY 2007 Audit Plan	**→ Proposed Amended FY 2007 Audit Plan ←**	**Comments**
Project/General Objectives	**Project/General Objectives**	
Phase 2: Funding/Management of the Program To test for operating effectiveness the Department's application of controls reviewed in Phase I and designed to provide reasonable assurance of allowable activities and costs/cost principles. Phase 2 will be limited to assessing whether the Department's payment/draw processing controls provide reasonable assurance that subrecipient draw requests for reimbursement of expenditures: ➢ comply with relevant laws, regulations, policies, and contract provisions, ➢ are adequately supported including support to provide reasonable assurance of allowable activities, costs and eligibility to participate in the program, ➢ are properly posted to the accounting and program systems, and ➢ are properly authorized/approved. Anticipated completion – August 2007		Phase 2 of the Project is proposed for performance in connection with the 2008 Audit Plan. A sufficient population of draw requests from which to select sample items for testing is necessary to determine if controls are operating effectively and as intended by management. The Disaster Recovery Division anticipates another 60-90 days before a sufficient number of draw requests will be processed from which to select a sample. Accordingly, the inception date of the project has been delayed until November 2007, upon completion of the last report in Phase 1 (see comments above), and the anticipated completion date of the audit extended to February 2008.
Phase 3: Subrecipient Monitoring To test for operating effectiveness the Department's application of controls reviewed in Phase I designed to provide reasonable assurance of compliance with applicable laws, regulations, program rules and contract terms and achievement of contract performance statements. This phase of the audit will be limited to consideration of controls over desk reviews and on-site monitoring visits. Continue -		Phase 3 of the Project is proposed for performance in connection with the 2008 Audit Plan, as it should follow the conduct of Phases 1 and 2. An anticipated timeframe and completion date for this project will be identified in developing the 2008 audit plan.

Proposed Amended FY 2007 Audit Plan		
Original FY 2007 Audit Plan	**→ Proposed Amended FY 2007 Audit Plan ←**	**Comments**
Project/General Objectives	**Project/General Objectives**	
The review of on-site monitoring visits will assess whether controls provide reasonable assurance of compliance with requirements relating to: ➢ Allowable Activities and Costs/Cost Principles ➢ Beneficiary/Family Eligibility ➢ Procurement, Suspension and Debarment ➢ Construction Performance and Standards ➢ Environmental Clearance ➢ Lead Based Paint ➢ Fair Housing, Accessibility, and Affirmative Marketing The review of desk review procedures will assess whether controls provide reasonable assurance that subrecipients are: ➢ operating within expenditure budgets and limits, ➢ expending administration and program funds at acceptable rates, and ➢ achieving contract performance statements. A determination will be made whether monitoring results are adequately communicated to subrecipients and findings/exceptions noted are tracked and monitored to final resolution. Anticipated completion – December 2007		

Proposed Amended FY 2007 Audit Plan		
Original FY 2007 Audit Plan	**→ Proposed Amended FY 2007 Audit Plan ←**	**Comments**
Project/General Objectives	**Project/General Objectives**	
Subrecipient Monitoring - (FY 2006 Carry-Over Audit) <u>Energy Assistance – Subrecipient Monitoring</u> 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.	Subrecipient Monitoring - (FY 2006 Carry-Over Audit) <u>Energy Assistance – Subrecipient Monitoring</u> 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.	Audit completed. Report No. 1012.00, *Internal Auditing Report on Energy Assistance Weatherization Assistance Program Subrecipient Monitoring*, was released December 20, 2006.
Follow-Up on Status of Prior Internal Audit Issues To independently verify corrective actions taken by management in response to prior internal audit issues. Follow-up projects will be pursued as issues relating to an audit are reported by management as implemented. Follow-up projects anticipated for the year relate to the following internal audits: ➢ Single Audit, Rpt. No. 1003.20, released September 23, 2005 ➢ Risk Assessment, Rpt. No. 1003.30, released August 5, 2005 ➢ Office of Colonia Initiative – Contract for Deed Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.10, released June 6, 2006 ➢ Office of Colonia Initiative – Self Help Program Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.20, released August 31, 2006. ➢ Energy Assistance – Subrecipient Monitoring, Rpt. No. 1012.00, released December 20, 2006.	Follow-Up on Status of Prior Internal Audit Issues To independently verify corrective actions taken by management in response to prior internal audit issues. Follow-up projects will be pursued as issues relating to an audit are reported by management as implemented. Follow-up projects anticipated for the year relate to the following internal audits: ➢ Office of Colonia Initiative – Contract for Deed Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.10, released June 6, 2006 ➢ Energy Assistance – Subrecipient Monitoring, Rpt. No. 1012.00, released December 20, 2006. ➢ Office of Colonia Initiative – Self Help Program Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.20, released August 31, 2006.	Follow-up projects proposed for deletion from the FY 2007 Audit Plan include the following: • Single Audit, Rpt. No. 1003.20, released September 23, 2005. • Risk Assessment, Rpt. No. 1003.30, released August 5, 2005 Project requests from management and turnover in internal audit staff preclude the undertaking of these projects with existing resources. These subject areas are typically reviewed in connection with Federal Single Audits. While the Federal Single Audit for FY 2006 included one audit finding relating to the Department's single audit function, it did not relate to audit issues noted by the single audit report referred to above, and there were no findings relating to the risk assessment process.

Continued -

<table>
<tr><th colspan="3">Proposed Amended FY 2007 Audit Plan</th></tr>
<tr><th>Original FY 2007 Audit Plan</th><th>→ Proposed Amended FY 2007 Audit Plan ←</th><th rowspan="2">Comments</th></tr>
<tr><th>Project/General Objectives</th><th>Project/General Objectives</th></tr>
<tr><td>Homeowners' Recovery Trust Fund (FY 2006 Carry-Over Audit) - To determine whether the Manufactured Housing Division administers the Homeowners' Recovery Trust Fund (HORTF) in accordance with applicable laws and regulations.

Remaining Tasks | Anticipated Completion
Review events subsequent to fieldwork | January 2007
Test subsequent events, if necessary[1] | February 2007
Prepare and release report | March 2007</td><td>Homeowners' Recovery Trust Fund (FY 2006 Carry-Over Audit) - To determine whether the Manufactured Housing Division administers the Homeowners' Recovery Trust Fund (HORTF) in accordance with applicable laws and regulations.

Remaining Tasks | Anticipated Completion
Review events subsequent to fieldwork | January 2007
Test subsequent events, if necessary[1] | May 2007
Prepare and release report | May 2007</td><td>The anticipated completion dates has been extended to May 2007.</td></tr>
<tr><th>Other Projects</th><th>Other Projects</th><th></th></tr>
<tr><td>Tracking Status of Prior Audit Issues - To track the status of prior audit issues for management/board report purposes.</td><td>Tracking Status of Prior Audit Issues - To track the status of prior audit issues for management/board report purposes.</td><td>Amendment to Plan is unnecessary.</td></tr>
<tr><td>FY 2008 Annual Audit Plan - To develop an annual audit plan for FY 2008 pursuant to the Texas Internal Auditing Act.</td><td>FY 2008 Annual Audit Plan - To develop an annual audit plan for FY 2008 pursuant to the Texas Internal Auditing Act.</td><td>Amendment to Plan is unnecessary.</td></tr>
<tr><td>FY 2007 Annual Internal Audit Report - To prepare an annual internal auditing report for FY 2007 pursuant to the Texas Internal Auditing Act.</td><td>FY 2007 Annual Internal Audit Report - To prepare an annual internal auditing report for FY 2007 pursuant to the Texas Internal Auditing Act.</td><td>Amendment to Plan is unnecessary.</td></tr>
<tr><td>Coordinate External Auditors - To coordinate and assist external auditors.</td><td>Coordinate External Auditors - To coordinate and assist external auditors.</td><td>Amendment to Plan is unnecessary.</td></tr>
</table>

[1] Several significant improvements to the accounting and tracking processes used in conjunction with the HORTF were identified and implemented by the Division during the course of this audit. Follow-up procedures will be performed to determine whether processes have been fully implemented.

<table>
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<tr><th>Project/General Objectives</th><th>Project/General Objectives</th></tr>
<tr><td>Projects Proposed by Management and Accepted
(approved in the context of assessing the adequacy of resources to complete the projects)</td><td>Projects Proposed by Management and Accepted</td><td></td></tr>
<tr><td>HOME – An audit of the HOME program procedures to assess whether they adequately address the significant risks and compliance requirements associated with the program.</td><td></td><td>The audit is proposed to be addressed in connection with the FY 2008 Audit Plan. Management's most recent estimated completion date of the HOME standard operating procedures provided to the Internal Audit Division is June 1, 2007. An anticipated timeframe and completion date for this project will be identified in developing the FY 2008 Audit Plan.</td></tr>
<tr><td>LIHTC – To review significant phases of the 2007 tax application cycle for the purposes of identifying significant risks associated with the awards process and if adequate controls are in place address the risks, and to determine whether the Department has complied with all significant compliance requirements.</td><td>LIHTC – To review the phases of the LIHTC program listed below for the 2007 tax application cycle for the purposes of identifying significant risks associated with the phases and if adequate controls are in place address the risks, and to determine whether the Department has complied with all significant compliance requirements relating to the phases.
<table><tr><th>LIHTC Phase / Phase Timeframe</th><th>Audit Plan Year / Timeframe for Audit</th></tr><tr><td>Pre-application & Notification</td><td>FY 2007 / June- August 2007</td></tr><tr><td>Staff Scoring & Threshold</td><td>FY 2008 / August- December 2007</td></tr><tr><td>Awards, Appeals and Challenges</td><td>FY 2008 / January-March 2008</td></tr></table></td><td>The timeframe for the each phase of the audit is designed to ensure the audit report is released in time for the Department to consider in finalizing their processes for the 2008 LIHTC program cycle.</td></tr>
</table>

Texas Department of Housing and Community Affairs

Statewide Federal Single Audit
FY 2006

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation and Discussion of Audit Results of KPMG's Statewide Federal Single Audit as related to TDHCA.

Required Action

The TDHCA Director of Internal Audit will discuss the audit results of KPMG's Statewide Federal Single Audit of the State for Fiscal Year 2006. A summary of the report and portions of the report applicable to the Department were previously provided to the Governing Board members, as well as an Internet link to the entire report, http://www.sao.state.tx.us/reports/main/07-316.pdf, in March 2007. The report, which is over 350 pages, is not included in Board Book.

Background and Audit Results

The Statewide Federal Single Audit is an audit required by Federal Regulations. The Single Audit for the State was conducted by KPMG, pursuant to a contract with the Texas State Auditor's Office. Agencies and programs are selected for audit based on Federal dollars expended within the audit period and the auditor's assessment of risks. TDHCA programs selected for audit were limited to the Department's Community Services Block Grant and the HOME Investment Partnership Programs.

The audit resulted in zero questioned costs ($0.00) and one reportable condition control and material non-compliance finding (finding numbers 07-22) on page 149 of the report. The finding relates to the need for the CSBG program to incorporate into its subrecipient monitoring process a control to ensure delinquent A-133 reports (single audit reports) are identified and appropriate communications and actions are taken with the respective subrecipients. The finding also noted the Department should require its subrecipients verify their contractors and principles are not suspended or debarred from contracting for federal funds.

KPMG also followed-up on four prior audit issues. Corrective action was taken on three of the issues and the fourth finding was no longer applicable due to a change in systems used by the Section 8 program.

Management was in general agreement with the audit results and reported corrective action would be taken on the finding. The Internal Audit Division will follow-up on and report the status of corrective action in connection with the reports, *Status of Prior Audit Issues,* regularly provided to the Board.

Recommendation

No action is required.

Texas Department of Housing and Community Affairs

Internal Audit Report
CDBG Disaster Hurricane Recovery Program - Project/Program Plan
Report no. 1016-1, released March 2007

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation and Discussion of the Internal Audit report, *CDBG Disaster Hurricane Recovery Program – Project/Program Plan*, released March 2007.

Required Action

Review the audit results of the Internal Audit report, *CDBG Disaster Hurricane Recovery Program – Project/Program Plan*.

Background

The Internal Auditing Division has completed its audit of the CDBG Disaster Hurricane Recovery Program Project/Program Plan of the Texas Department of Housing and Community Affairs (Department) for delivery of the $74,523,000 U.S. Department of Housing and Urban Development (HUD) award to the State to address the consequences of Hurricane Rita.

Management agrees with the audit results and conclusions, which are summarized below, and reports it will implement the related recommendations.

The Department needs to improve its planning process and the project management tools in place to provide reasonable assurance the goals of the Program are successfully achieved.

We recommend that management develop a project charter that identifies and defines (1) the goals and objectives relating to delivering the Program (to be used to identify necessary activities and tasks in developing the Program Plan), (2) the scope of the Program Plan, (3) the roles, responsibilities and authorities of the Program Coordinator, team members, Oversight Team members and others that may be involved with executing and overseeing the Program Plan, and (4) the critical success factors.

We also recommend the Program Coordinator continue working with knowledgeable staff and the Oversight Team to develop the Program Plan in full by identifying significant activities, milestones, tasks, and specific staff to complete those tasks within the timeframes established to achieve the stated goals and objectives.

We recommend staff assigned to tasks update the status of the tasks, in coordination with the Program Coordinator, on a regular basis. The Program Coordinator and Program Team should monitor the status of the plan and evaluate progress against the plan on an ongoing basis to ensure the related goals are being achieved in a timely manner and corrective actions are taken when necessary.

Recommendation

No action is required.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

March 5, 2007

To the Audit Committee and Governing Board of the
Texas Department of Housing and Community Affairs:

Re: Internal Auditing Report on CDBG Disaster Hurricane Recovery Program – Project/Program Plan

The Internal Auditing Division has completed its audit of the planning process and related project management tools in place being used by the Texas Department of Housing and Community Affairs (Department) for delivery of the $74,523,000 U.S. Department of Housing and Urban Development (HUD) award to the State to address the consequences of Hurricane Rita.

The Department needs to improve its planning process and the project management tools in place to provide reasonable assurance that the goals of the Program are successfully achieved.

We recommend that management develop a project charter that identifies and defines (1) the goals and objectives relating to delivering the Program (to be used to identify necessary activities and tasks in developing the Program Plan), (2) the scope of the Program Plan, (3) the roles, responsibilities and authorities of the Program Coordinator, team members, Oversight Team members and others that may be involved with executing and overseeing the Program Plan, and (4) the critical success factors.

We also recommend the Program Coordinator continue working with knowledgeable staff and the Oversight Team to develop the Program Plan in full by identifying significant activities, milestones, tasks, and specific staff to complete those tasks within the timeframes established to achieve the stated goals and objectives.

Staff assigned to tasks should update the status of the tasks, in coordination with the Program Coordinator, on a regular basis. The Program Coordinator and Program Team should monitor the status of the plan and evaluate progress against the plan on an ongoing basis to ensure the related goals are being achieved in a timely manner and corrective actions are taken when necessary.

We recommend the Executive Director consider expanding the Oversight Team to include additional senior or knowledgeable staff to provide support to the Program Team.

The results and conclusions of the audit are discussed further in the accompanying report.

Sincerely,

David Gaines, CPA, CISA
Director of Internal Auditing

Assigned to this audit:
Colleen Bauer

cc: Mr. Michael Gerber, Executive Director
Mr. William Dally, Deputy Executive Director of Administration
Ms. Jennifer Molinari, CDBG Disaster Recovery Program Coordinator

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- Objectives
- Scope
- Methodology
- Related Audits / Phases of Audit
- Type of Audit /Audit Report
- Report Distribution
- Project Information
- Appreciation to Management and Staff

Executive Summary

Overall Conclusions

The Department needs to improve its planning process and the project management tools in place to provide reasonable assurance that the goals of the Program are successfully achieved considering the significance of the Program in terms of the:

- complexities of the Program including compliance and reporting requirements,
- multiple activities and projects within the Program,
- multiple employees and divisions within the Department,
- external agencies and entities involved in providing funds and delivering the Program such as HUD, ORCA, subrecipients, and external contractors, and
- oversight agencies and entities such as the Department's Governing Board, the Governor's Office, the State Auditor's Office and HUD.

Considering the dollar significance of the Program, $74,523,000, planning the delivery of the Program needs a formal process and structure in place to facilitate managing and overseeing the Plan.

Key Points

The goals and objectives related to the effective delivery of the Program have not been clearly identified or delineated in sufficient detail to plan the delivery of the Program adequately. The roles and responsibilities as well as the authorities of the Program Coordinator and other team members have not been fully developed, the scope of the Program Plan has not been adequately defined, and critical success factors of the Program Plan have not been identified or described.

Detailed tasks or steps to be performed, time estimates to accomplish a task, and tasks and milestones dependent upon completion of a preceding task or milestone are not clearly identified to provide reasonable assurance that the program-delivery goals and objectives are achieved.

The plan is not being updated to reflect the status of completion on a regular and current basis.

The Oversight Team has not received a fully developed plan for the Program or regular status reports to assess progress in completing the Plan. Additionally, the responsibilities of the Oversight Team members relating to the Program's demands, as well as other job responsibilities and demands not related to the Program, may warrant additional Oversight Team members to share the workload.

Summary of Recommendations

We recommend the Program Team develop a project charter that identifies and defines (1) the goals and objectives related to the effective delivery of the Program (to be used to identify necessary activities and tasks), (2) the scope of the Program Plan, (3) the roles, responsibilities and authorities of the Program Coordinator, team members, Oversight Team members and others

that may be involved with executing and overseeing the Program Plan, and (4) the critical success factors.

We also recommend the Program Coordinator continue working with knowledgeable staff and the Oversight Team to develop the Program Plan in full by identifying significant activities, milestones, tasks, and specific staff to complete those tasks within the timeframes established to achieve the stated goals and objectives.

Staff assigned to tasks should update the status of the tasks, in coordination with the Program Coordinator, on a regular basis. The Program Coordinator and Program Team should monitor the status of the plan and evaluate progress against the plan on an ongoing basis to ensure the related goals are being achieved in a timely manner and corrective actions are taken when necessary.

We recommend the Executive Director consider expanding the Oversight Team to include additional senior or knowledgeable staff to provide support to the Program Team.

Summary of Management's Response

Management agrees with the recommendations in this report.

Background

Public Law 109-148 (effective December 30, 2005) provided $11.5 billion of supplemental appropriation for the Community Development Block Grant (CDBG) program for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Rita, Katrina and Wilma.

On May 22, 2006, the U.S. Department of Housing and Urban Development (HUD) awarded the State of Texas $74,523,000 of the $11.5 billion supplemental appropriation for the CDBG program. The funding approval agreement was signed by the Department in June 2006. The award is to address the consequences of Hurricane Rita for activities described in the *State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006,* dated April 13, 2006 (Action Plan).

Governor Rick Perry designated the Texas Department of Housing and Community Affairs (Department) as the lead agency to administer the CDBG disaster recovery funds in coordination with the Office of Rural Community Affairs (ORCA) and in accordance with the Action Plan. The Department and ORCA, at the direction of the Office of the Governor, are working with four Councils of Governments (COGs) to distribute the funds in the hurricane-effected areas.

Internal Audit of the CDBG Disaster Recovery Program

This is the first internal audit report of a series of reports to be released by the Texas Department of Housing and Community Affairs (Department) Internal Audit Division relating to the Department's plans for, and delivery of, the CDBG Disaster Recovery Program (Program).

The audit is being conducted in three separate phases.

- Phase 1 consists of a review of the design of the Department's controls to manage significant risks associated with (1) processing payment requests from the subrecipients and (2) subrecipient monitoring.
- Phase 2 consists of tests of controls relating to processing requests for payment to determine their operating effectiveness.
- Phase 3 consists of tests of controls relating to subrecipient monitoring to determine their operating effectiveness.

A separate report or multiple reports will be released for each phase of the audit. See the Objectives, Scope and Methodology section at the end of this report for more information.

The Department is administering the housing allocation of the HUD award and has a memorandum of understanding (MOU) with ORCA to deliver the non-housing allocation of the award. The MOU transferred responsibility to ORCA for administering $30,537,574 for addressing disaster relief, long-term recovery, and non-housing activities in the most impacted and distressed areas of Texas related to the consequences of the hurricane in the manner defined by law and in accordance with the terms and conditions contained in the federal grant documents and the Action Plan. The MOU also delegates and authorizes ORCA to act as the fiscal agent of the Department in the accounting functions related to the receipt and distribution of the Federal CDBG grant funds.

Of the $74,523,000 available to the state of Texas, HUD limited general administration costs to five percent of the total funding, or $3,726,150. The remaining $70,796,850 was awarded to the COGs for housing and non-housing activities, consistent with the Action Plan. The Action Plan requires that no less than 55 percent of the funding go towards meeting unmet housing needs and that percentage may be increased based on local decisions regarding the priority of needs. The Department's Governing Board approved the housing allocation of $40,259,276 (56.9%) and the

non-housing allocation of $30,537,374 (43.1%) in July 2006 and August 2006, respectively, to the COGs as reported in the table below.

Funding Allocation by COG	Housing Need Allocation	Non-Housing Need Allocation	Total Allocation
South East Texas Regional Planning Commission	$ 26,498,536[1]	$ 12,468,656	$ 38,967,192
Deep East Texas Council of Governments	6,745,034	12,278,209	19,023,243
East Texas Council of Governments	0	2,099,997	2,099,997
Houston-Galveston Area Council	7,015,706	3,690,712	10,706,418
Total	$ 40,259,276	$ 30,537,574	$ 70,796,850

Source: TDHCA July 28, 2006 and August 30, 2006 Board Action Request and Transcripts

[1] The Southeast Texas Regional Planning Commission (SETRPC) awarded its housing allocation funds to two entitlement cities, the City of Beaumont ($4.9 million) and the City of Port Arthur ($5.3 million). SETRPC is administering the funds ($1.8 million) for a third entitlement city, the City of Orange, and the balance of the funds for the non-entitlement areas of Hardin, Jefferson and Orange counties.

Listed below are the significant achievements to date.

- The Department and ORCA, in conjunction with the Office of the Governor, prepared and submitted the Action Plan, dated April 13, 2006, to HUD for approval. HUD approved the plan in June 2006.
- The Department's Executive Director created the CDBG Disaster Recovery Program Coordinator position to plan, lead and coordinate the Department's management, administration and logistics of the CDBG Disaster Recovery Program (Program), which was filled by Jennifer Molinari in an acting capacity in June 2006. Ms. Molinari assumed the permanent position in December 2006.
- A team of Department employees (Program Team) was established in July 2006 to identify necessary activities and to develop and execute plans to deliver the Program; hereafter referred to as the CDBG Disaster Recovery Program Plan (Program Plan).
- The Program Team completed and released the CDBG Disaster Recovery Funds Housing Implementation Manual and supporting compliance forms in July 2006 to provide the subrecipient COGs guidance and direction in delivering the Program.
- Program Team members created training materials and conducted a CDBG Implementation Workshop for the COGs in July 2006 to provide orientation and training on the requirements of the Program and use of the Implementation Manual and supporting forms.
- The Department's Governing Board awarded funds to the COGs for delivering housing and non-housing program funds in July 2006 and August 2006, respectively, and the Department executed the housing contracts with the COGs in August 2006.
- The Department developed a Memorandum of Understanding (MOU) with ORCA, which was executed in October 2006. The MOU transferred responsibility to ORCA for administering $31,933,946, inclusive of $1,396,372 for general administration, for the purpose and in the manner defined by law and in accordance with the specific terms and conditions contained in the federal grant documents and the Action Plan.
- Program Team members provided training and technical assistance to the COGs on several field visits in the months of August 2006 through January 2007. Specific topic training was also provided to Department staff and the COGs to help ensure compliance with environmental and income eligibility requirements.

- A CDBG Disaster Recovery Field Officer was hired in late January 2007 who will maintain an office in Beaumont and provide technical assistance to the COGs.
- Staff of the Department's Portfolio Management and Compliance Division has begun conducting field monitoring visits of the subrecipient COGs.
- The Department has begun processing payments to reimburse program administrative costs incurred by the COGs.

The remaining significant phases of the Program include the following:

- Continuing to identify and provide necessary technical assistance to the COGs on an on-going basis.
- Ensuring appropriate contract management and administrative controls are in place and operating effectively to provide reasonable assurance that the (1) Program is delivered by the Department, ORCA, and their subrecipient COGs in accordance with relevant laws, regulations, rules, the Action Plan and policy established by the Department's Governing Board, and (2) goals of the Action Plan, the Department and subrecipient COG contract performance statements are achieved.
- Completing close-out procedures for the HUD Grant and subrecipient COG contracts.

The elements of the Program Plan and project management tools are described below.

- **The State of Texas Action Plan** - The Department and ORCA, in conjunction with the Office of the Governor, prepared and submitted the Action Plan to HUD for approval. HUD approved the plan in June 2006.

- **The Program Plan** - The CDBG Disaster Recovery Plan (Program Plan) consists of ten preliminary project plans designed primarily to achieve different purposes relating to the development of the necessary contracts, implementation materials, control procedures and other infrastructure elements to deliver the Disaster Recovery Program. The projects were identified by the Program Team discussed below and assigned to appropriate staff to develop the necessary tasks or steps to complete. The Plan has data fields to capture the purpose or goals of each project, tasks to be performed, members responsible for the tasks, target dates for completion of the tasks, status and "owner" update of each project, estimates of hours / resources, and owner notes.

- **The CDBG Disaster Recovery Program Team (Program Team) -** The Department's Executive Director created and filled the CDBG Disaster Recovery Program Coordinator position with Jennifer Molinari to plan, lead and coordinate the Department's management, administration and logistics of the Program. The Coordinator reports directly to the Deputy Executive Director of Administration, Bill Dally, and is supported by Mr. Dally and the Executive Director of the Department, Michael Gerber.

  The Program Team was established to develop plans for, and achieve, certain goals relating to the delivery of the CDBG Disaster Recovery Program. A Program Team member was assigned as the owner of each goal and tasked to achieve their assigned goals with other assigned members of the Program Team or other employees of the Department. The Program Team members, other than the Program Coordinator, are not dedicated 100 percent

to the Program and contribute time to the Program as their work schedules permit. A CDBG Disaster Recovery Field Officer, Candye Anderson, was hired in January 2007 to work on the Program and other disaster-related activities and to provide technical assistance to the Department's subrecipients that are on contract to deliver the Program to the most impacted and distressed areas.

- **The Oversight Team** - The Program Coordinator meets with the Deputy Executive Director of Administration and Executive Director to discuss the program-delivery objectives, how to achieve the objectives, progress being made on achieving the objectives, resources available to the Program Coordinator, and any issues or challenges that need to be acknowledged and addressed. In January 2007, the Program Coordinator, in agreement with the Oversight Team, scheduled a weekly reoccurring meeting to discuss the status of the Program and issues or concerns on an on-going basis.

Detailed Results

Section 1

Establish a Project Charter

While the Action Plan identifies the broad goals of the CDBG Disaster Recovery Program, the goals and objectives related to the effective delivery of the Program have not been clearly identified or delineated in sufficient detail to plan the delivery of the Program adequately. Goals and objectives identify the desired predetermined results to be achieved. In the absence of the predetermined results, operating plans to deliver the program cannot be adequately developed and efforts cannot be effectively directed.

The scope of the Program Plan has not been adequately defined. The scope describes the boundaries of a project and defines a project's product and service deliverables. The scope is fully described by identifying significant activities to be performed, the resources to be consumed and the final products that result, including quality standards.

The roles and responsibilities as well as the authorities of the Program Coordinator and other team members have not been fully developed. In the absence of clearly assigned roles, responsibilities and authorities, decision-making and the ability to commit resources is hindered as well as the ability to evaluate and judge performance on a project making accountability elusive.

Critical success factors of the Program Plan have not been identified or described. Critical success factors are those factors that, when present in a project's environment, are most conducive to achieving a project successfully. Examples of critical success factors include clear project goals and objectives, necessary management actions and commitments, resources and technical needs of the Program Coordinator and team, essential activities, and business factors that must be present to achieve the project successfully.

Recommendation
We recommend the Program Team develop a project charter. We recommend the charter include the following elements:

- The goals and objectives related to the effective delivery of the Program be identified and delineated in sufficient detail to facilitate identifying necessary activities and tasks for developing the Program Plan.
- The scope of the Program Plan which defines (1) the product and service deliverables, (2) significant activities to be performed, (3) the resources to be consumed, and (4) the final products that result, including quality standards.
- The roles, responsibilities and authorities of the Program Coordinator, team members, Oversight Team members and others that may be involved with executing and overseeing the Program Plan.
- Critical success factors listed in the order of importance.

We also recommend that senior management establish a review and approval process of the project charter and that the charter serve as a basis for fully developing the Program Plan.

Management's Response
Management recognizes the value of a Project Charter specific to the CDBG Disaster Recovery Program that includes the elements recommended above. A Charter that includes these elements is in development and a draft will be completed by March 8th that incorporates input from senior management and the Program Team. The draft Charter will be presented to CDBG knowledgeable staff on March 8th during a CDBG Disaster Recovery Program Planning meeting. Additional input that may be received as a result of this meeting will be incorporated and presented to the Oversight Team for final approval on 3/16/07.

Target date for completion – 3/16/2007

Section 2

Fully Develop the Program Plan

While the Program Plan referred to in the *Elements of the CDBG Disaster Recovery Plan and Project Management Tools* of the Background section above identifies various projects and their goals and has data fields to capture necessary information for project management and monitoring purposes, the Program Plan has not been fully developed. The Plan does not necessarily include:

- Consideration of all goals and objectives relating to delivery of the Program, as discussed in the *Establish a Project Charter* section above.
- Detailed tasks or steps to be performed for all significant milestones to be met to achieve the program-delivery goals and objectives. Detailed tasks are valuable in ensuring effective communication of tasks to be performed, estimating time necessary to achieve milestones, and reassigning responsibilities in instances where a team member is unable to perform due to unforeseen circumstances to help ensure continued progress without unnecessary delay.

- Time estimates to accomplish a task or milestone. It is not possible to perform a workload analysis to ensure there are adequate staffing levels to complete the necessary tasks and excessive workloads are not assigned to particular staff without reasonable time estimates to complete a task, and it is difficult to assess the reasonableness of target completion dates.
- Tasks and milestones dependent upon completion of a preceding task or milestone are not clearly identified. Without dependencies clearly identified, there is insufficient information to estimate the duration of project and it is not easy to determine which tasks must be performed in a sequential manner, which tasks can be performed concurrently or parallel, and which tasks can be delayed. This information is useful in scheduling staff, easily identifying tasks that can be performed or reassigned if someone becomes unexpectedly available, or unavailable, and identifying tasks that might need to be delayed so resources can be redirected to tasks or milestones behind schedule.

The Program Coordinator, recognizing the need to enhance the Program Plan, conducted a planning brainstorm meeting in early February 2007 with knowledgeable staff. The objectives of the meeting were to identify and confirm the goals and objectives relating to delivery of the Program, and to identify risks, necessary activities, milestones, and tasks to achieve the goals and objectives while mitigating unacceptable risks.

Recommendation
We recommend the Program Coordinator continue working with knowledgeable staff and the Oversight Team discussed in the *Elements of the CDBG Disaster Recovery Plan and Project Management Tools* of the Background section above to develop the Program Plan in full. In developing the plan, we recommend the Program Team incorporate consideration of the goals and objectives relating to delivery of the Program, the scope of the Program as approved in the Project Charter referred to above, and the risks associated with achieving the goals and objectives.

For each goal and objective and the related activities, we recommend, minimally, that the plan identify significant milestones, tasks necessary to achieve the milestones, specific staff assigned to complete tasks and the target dates or estimated completion dates for each task. We also recommend milestones and tasks dependent upon the completion of a preceding milestone or task be clearly noted.

As discussed at *Maintain, Report and Monitor the Status of the Plan* of Section 3 below, we recommend that the plan be regularly updated to reflect the status of tasks to be performed and that the plan be adjusted, if necessary, due to changing goals and objectives, requirements, resources, timelines, circumstances or risks.

Management's Response
Management is in agreement that the existing Program Plan should be enhanced to include defined goals and objectives, scope, and timelines; and that the Program Plan should be regularly updated. An expanded version of the Program Plan is in development and a draft outline of the Plan will be completed by March 8th that incorporates input from senior management and the Program Team. The draft Plan will be presented to CDBG knowledgeable staff on March 8th during a CDBG Disaster Recovery Program Planning meeting. Additional

input that may be received as a result of this meeting will be incorporated and presented to the Oversight Team for final approval on 3/16/07.

Target date for completion – 3/16/2007

Section 3

Maintain, Report and Monitor the Status of the Plan

The plan is not being updated to reflect the status of completion on a regular and current basis. While the plan does have a data field to report status, instances were noted where the status field is not being updated on a regular basis. We also noted instances where target dates for completion have lapsed and revised target dates have not been established. Comments or explanations for the lapsed target dates are not provided.

It is not possible to manage or monitor the status of the plan effectively if the status of the plan is not maintained on a current basis. Timely status reports are necessary so corrective actions can be taken when necessary and to hold responsible staff accountable for their performance. Target dates for completion are necessary to plan resources and to ensure the plan's goals are achieved in a timely manner. The Program Coordinator needs immediate information once it is realized a target date is not going to be met in order to take corrective action in a timely manner. Explanations are necessary in instances where target dates are not met in order to provide bases for developing strategies to preclude reoccurrence of the conditions resulting in a delay and to explain effectively the reasons for Program Plan delays.

Recommendation
We recommend staff assigned to tasks update the status of the tasks and plan, in coordination with the Program Coordinator, on a regular basis. We recommend the progress on completion of a task be reported in terms of the percentage completed and Program Team members immediately inform the Program Coordinator in instances where target dates for completion are not going to be met and provide explanations for the delays. Revised target dates should be established when necessary.

The Program Coordinator and Program Team should monitor the status of the plan and evaluate progress against the plan on an ongoing basis to ensure the related goals are being achieved in a timely manner and so corrective actions can be taken when necessary.

We also recommend regular status meetings be scheduled with the Program Team to discuss the status of the Program and, in instances where planned tasks are not being achieved, take corrective actions. Corrective actions include reallocating or complementing the resources assigned to complete the tasks, adjusting the estimated completion dates, adjusting the priorities and planned sequence of the tasks, and modifying the goals of the Program Plan to preclude the need for the planned strategies and tasks. The meetings should be used to discuss issues or risks being identified that are interfering or might interfere with achieving the Program Plan's goals, and strategies to address or mitigate the issues and risks identified.

Management's Response
Management agrees that the Program Plan should be regularly updated to reflect the current status of the Program. After Oversight Team approval of the Project Charter that will include team member names and responsibilities, and approval of the Project Plan that will clearly define tasks to be accomplished, a regular recurring Program Team meeting will be set and the Project Plan will be regularly updated and monitored.

Target date for completion – 3/16/2007

Section 4

Enhance the Ability of the Oversight Team to Provide Governance over the Program

While there is an Oversight Team as discussed above in the Background section, *Elements of the CDBG Disaster Recovery Plan,* the Oversight Team has not received a fully developed plan for the Program or regular status reports to assess progress on achieving the program-delivery goals and objectives. Additionally, the responsibilities of the Oversight Team members relating to the Program's demands, as well as other job responsibilities and demands not related to the Program, may warrant additional Oversight Team members to share the workload, especially considering the responsibilities of the existing Program Team members, including those responsibilities relating to the Legislative Session currently underway.

While it is important for the Program Coordinator and Program Team to evaluate progress against the plan as recommended above, the plan, and progress in achieving the plan, should be periodically reviewed by the Oversight Team or assigned responsible designees independent of the plan. The purpose of the review is to ensure appropriate controls have been established and are being maintained to ensure the program-delivery goals and objectives are being achieved and issues or risks are being identified and addressed to promote the attainment of the goals.

Recommendation
We recommend the Executive Director consider expanding the Oversight Team to include other senior or knowledgeable staff to provide support to the Program Team. The purpose of the Oversight Team should include the following:

- Reviewing and confirming the goals and objectives of the Program Plan or adjusting them as appropriate.
- Reviewing the Program Plan and assessing whether the Plan is reasonable to achieve the program-delivery goals.
- Assessing whether adequate strategies have been developed to identify and mitigate significant risks and control issues that may be obstructing progress in completing the Plan and achieving the related goals.
- Assisting the Program Team in establishing priorities should they encounter conflicting demands on them or their resources.
- Monitoring progress in completing the Plan and ensuring the plan is adjusted when necessary in those instances where actual performance varies from the plan. In instances where unfavorable variances are noted, it may be necessary to adjust the

goals/deliverables of the Program Plan, resources allocated to achieve the Plan, or the timeline associated with the Plan.

In instances where additional resources are identified as necessary to achieve the goals of the Program Plan, we recommend the Oversight Team work with the Program Coordinator to identify and obtain those resources.

Management's Response
The Oversight Team has been expanded to include the Deputy Executive Director of Programs and the Director of Portfolio Management and Compliance. The Oversight Team meets weekly. Although Executive staff is not always available, the meetings are sufficiently attended and issues are resolved as necessary. The Project Charter will formally identify Oversight Team members and define their responsibilities.

Target date for completion – 3/16/2007

Appendix 1:
OBJECTIVES, SCOPE, METHODOLOGY AND OTHER

Objectives
The audit objectives were to determine whether the Texas Department of Housing and Community Affairs has an adequate planning process and related project management tools in place to provide reasonable assurance that the goals of the CDBG Disaster Recovery Program are successfully achieved. The objectives were limited to assessing the adequacy of the project planning process and the project management tools and did not include an assessment of the adequacy of the plans developed or the plan's deliverables.

Scope
The audit scope was limited to the planning documents, related materials and information supporting the Department's planned approach for delivering the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.

Methodology
The methodology on this project consisted of gaining an understanding of the planning process, the project plan, and related project management tools by conducting interviews with staff and reviewing the planning documents and materials developed to achieve the Department's goals and comply with relevant laws, regulations and the State Action Plan.

Related Audits / Phases of Audit
This is the first internal audit report of a series of reports to be released by the Texas Department of Housing and Community Affairs Internal Audit Division relating to the Department's plans for and delivery of the CDBG Disaster Recovery Program.

The audit is being conducted in three separate phases. A separate report or multiple reports will be released for each phase.

- Phase 1 consists of assessing the adequacy of the Department's controls designed to manage significant risks associated with (1) processing payment requests from the subrecipients and (2) subrecipient monitoring. Specific areas of consideration will include:

  - Request for payment/draw processing
  - Subrecipient Monitoring
  - Allowable Activities and Costs/Cost Principles
  - Beneficiary/Family Eligibility
  - Procurement, Suspension and Debarment
  - Construction Performance and Standards
  - Environmental Clearance
  - Lead-based Paint
  - Fair Housing, Accessibility, and Affirmative Marketing

  Phase 1 included the objectives of this audit (see Objective section above). The remaining reports planned for Phase 1 relate to controls designed to manage significant risks associated with (1) processing payment requests from the subrecipient COGs and (2) subrecipient monitoring.

Phase 1 does not include tests of controls to ensure that they are operating effectively as intended by management, which is the subject of Phases 2 and 3.

- Phase 2 consists of tests of controls relating to processing requests for payment to determine their operating effectiveness. Phase 2 will be limited to assessing whether the Department's payment/draw processing controls provide reasonable assurance that subrecipient draw requests for reimbursement of expenditures:

  - Comply with relevant laws, regulations, policies, and contract provisions.
  - Are adequately supported including support to provide reasonable assurance of allowable activities, costs and eligibility to participate in the program.
  - Are properly posted to the accounting and program systems.
  - Are properly authorized/approved.

- Phase 3 consists of tests of controls relating to subrecipient monitoring to determine their operating effectiveness. Tests will be performed to determine the operating effectiveness of controls to ensure that they provide reasonable assurance of compliance with applicable laws, regulations, program rules and contract terms and achievement of contract performance statements. This phase of the audit will be limited to consideration of controls over desk reviews and on-site monitoring visits.

  The review of on-site monitoring visits will assess whether controls provide reasonable assurance of compliance with requirements relating to:

  - Allowable Activities and Costs/Cost Principles
  - Beneficiary/Family Eligibility
  - Procurement, Suspension and Debarment
  - Construction Performance and Standards
  - Environmental Clearance
  - Lead-based Paint
  - Fair Housing, Accessibility, and Affirmative Marketing

  The review of desk review procedures will assess whether controls provide reasonable assurance that subrecipients are:

  - Operating within expenditure budgets and limits.
  - Expending administration and program funds at acceptable rates.
  - Achieving contract performance statements.

  An assessment will be made to determine whether monitoring results are adequately communicated to subrecipients and findings/exceptions noted are tracked and monitored to final resolution.

Type of Audit /Audit Report

The audit was a Performance Audit concentrating on the Department's controls over the planning process and related project management tools being used to deliver the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.

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 December 2006 through January 2007. The audit was made in accordance with generally accepted government auditing standards and the International Standards for the Professional Practice of Internal Auditing.

Colleen Bauer, Internal Audit Team Member, was assigned to this engagement.

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.

Texas Department of Housing and Community Affairs

Internal Audit Report
CDBG Disaster Hurricane Recovery Program - Control Design over Project Set-up and Draw Processing Functions
Report no. 1016-2, released May 1, 2007

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation and Discussion of the Internal Audit report, *CDBG Hurricane Disaster Recovery Program – Control Design over Project Set-up and Draw Processing Functions*, released May 1, 2007.

Required Action

Review the results and conclusions of the audit, *CDBG Hurricane Disaster Recovery Program – Control Design over Project Set-up and Draw Processing Functions.*

Background

The Internal Auditing Division has completed its audit on the design of controls over the Project Set-up and Draw Processing functions for the delivery of the $74,523,000 U.S. Department of Housing and Urban Development (HUD) award to the State to address the consequences of Hurricane Rita.

Management agrees with the audit results and conclusions, which are summarized below, and reports that it will implement the related recommendations.

The Texas Department of Housing and Community Affairs (Department) has established adequate controls to provide reasonable assurance participants in the CDBG Disaster Recovery Program meet eligibility requirements, projects are properly identified and some initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project, and expenditures comply with relevant requirements. While the design of the controls are adequate, test of controls were not performed to determine their operating effectiveness or whether they are being applied as intended by management, which will be the subject of a future audit.

We noted the Department has not fully implemented strategies to limit the fraud risks associated with households not reporting their total household income and/or assistance received previously from other sources. The Project Set-up, Administrative Draw Request and Activity Draw Request checklists need to be enhanced, loan processing procedures formalized, and the Program Implementation Manual updated to ensure program requirements are satisfied. Access rights to the Community Development Block Grant (CDBG) Contract Tracking System should be appropriately restricted to those that need access to perform their job duties. We also noted expenditure data is not accumulated at the site-specific project level to facilitate comparisons of actual expenditures against contract budgets during the processing of requests for payment.

Recommendation

No action is required.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

May 1, 2007

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

To the Audit Committee and Governing Board of the
Texas Department of Housing and Community Affairs:

Re: Internal Auditing Report on CDBG Hurricane Disaster Recovery Program – Control Design over Project Set-up and Draw Processing Functions

The Internal Auditing Division has completed its audit on the design of controls over the Project Set-up and Draw Processing functions for the delivery of the $74,523,000 U.S. Department of Housing and Urban Development (HUD) award to the State to address the consequences of Hurricane Rita.

The Texas Department of Housing and Community Affairs (Department) has established adequate controls to provide reasonable assurance participants in the CDBG Hurricane Disaster Recovery Program meet eligibility requirements, projects are properly identified and some initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project, and expenditures comply with relevant requirements. While the design of the controls are adequate, test of controls were not performed to determine their operating effectiveness or whether they are being applied as intended by management, which will be the subject of a future audit.

We noted the Department has not fully implemented strategies to limit the fraud risks associated with households not reporting their total household income and/or assistance received previously from other sources. The Project Set-up, Administrative Draw Request and Activity Draw Request checklists need to be enhanced, loan processing procedures formalized, and the Program Implementation Manual updated to ensure program requirements are satisfied. Access rights to the Community Development Block Grant (CDBG) Contract Tracking System should be appropriately restricted to those that need access to perform their job duties. We also noted expenditure data is not accumulated at the site-specific project level to facilitate comparisons of actual expenditures against contract budgets during the processing of requests for payment.

Management is in general agreement with the report's recommendations.

Sincerely,

David Gaines, CPA, CISA
Director of Internal Auditing

Assigned to this audit:
Greg Magness, CIA, CGAP
Colleen Bauer
Lorrie Lopez

cc: Mr. Michael Gerber, Executive Director
Ms. Kelly Crawford, Deputy Executive Director for Disaster Recovery
Ms. Jennifer Molinari, CDBG Disaster Recovery Program Coordinator

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Executive Summary

Overall Conclusions

Controls are Adequate

The Department has established adequate controls to provide reasonable assurance:

- Participants in the program meet eligibility requirements.
- Projects are properly identified and some initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project for which a Council of Governments (COG) wants to commit and expend funds.
- Expenditures approved for reimbursement to the Department's subrecipients are in compliance with relevant laws, regulations, polices, program guidelines and contract provisions, including allowable activities and Federal Cost Principles, properly supported, properly authorized and approved, within the contract period and budget, and properly posted to the Department's CDBG Contract Tracking System.

Key Points and Controls Needing Improvement

The Department has not fully implemented strategies developed to limit the fraud risks associated with (1) households not reporting their total household income and (2) funding recipients for recovery activities for which they have previously received assistance from other sources, resulting in a duplication of benefits. *(Section 1-A)*

The *Project Set-up Checklist* needs to be enhanced to provide assurance initial program requirements have been satisfied prior to work being performed on a household and release of funds on the project. *(Section 2-B)*

The Department has not formalized loan processing procedures from loan origination through loan closing for the COGs or Department staff to ensure compliance with the State of Texas Action Plan requiring assistance provided in a floodplain to be in the form of a three-year deferred forgivable loan. *(Section 2-C)*

The *Administrative Draw Request Checklist* and *Activity Draw Request Checklist* do not require reviewers to ensure the Request for Payment form is signed by an authorized subrecipient official; compliance with Federal Cost Principles; administrative costs drawdown thresholds are not exceeded *(administrative draws only)*; and the ten percent retainage on construction contracts is properly withheld *(activity draws only)*. *(Section 3-A)*

The Portfolio Management and Compliance Division (PMC) Manager responsible for project set-up, draw processing, and program monitoring functions, and an employee from Office of Rural Community Affairs (ORCA) serving as a Program Specialist have "administer-role" access to the Department's CDBG Contract Tracking System, which allows them the opportunity to perpetuate and conceal errors or irregularities (fraud) without detection on a timely basis in the normal course of business. *(Section 3-B)*

The Department's CDBG Contract Tracking System does not accumulate expenditure data at the site-specific project level to facilitate comparisons of actual expenditures against contract budgets during the processing of requests for payment. *(Section 3-C)*

The CDBG Disaster Recovery Funds Housing Implementation Manual (Implementation Manual) has not been updated for additions or changes to the program requirements, directions, or implementation materials recently provided to the COGs. *(Section 4)*

Summary of Recommendations

We recommend the Department continue working to implement the strategies developed with the Federal Emergency Management Agency (FEMA) and HUD Office of Inspector General (HUD-OIG) to identify households in which previous assistance intended for the recovery of the household has been obtained. We also recommend the Department explore opportunities to compare reported income to other external databases that may identify instances of unreported income. *(Section 1-A)*

We recommend the Project Set-up Checklist be enhanced to provide assurance all initial program requirements have been satisfied prior to work being initiated. *(Section 2-B)*

We recommend loan processing procedures be formalized in accordance with the requirements of the Department's standard operating procedure, *Standard Operating Procedure System,* SOP 1100.01, and the Department provide the COGs with written procedures to ensure loans are processed as intended by management. *(Section 2-C)*

We recommend draw processing procedures be formalized in accordance with the requirements of the Department's standard operating procedure, *Standard Operating Procedure System,* SOP 1100.01, and the draw request checklists are enhanced. *(Section 3-A)*

We recommend the PMC manager's access to the CDBG Contract Tracking System be restricted to that necessary to perform her job duties and rely on staff to access the contract tracking system to fulfill their job responsibilities based on approved policies and procedures, or controls be established to provide an independent review of the manager's activity on the system. We also recommend that the ORCA Program Specialist's access rights be removed. *(Section 3-B)*

We recommend the Department identify and develop strategies to accumulate expenditure data at the site-specific project level for comparison against budget data during the processing of requests for payment. *(Section 3-C)*

We recommend the Implementation Manual be updated for recent additions or changes to the requirements, and in a regular fashion in instances of future changes to materials previously provided to the COGs. *(Section 4)*

Summary of Management's Response

Management is in general agreement with the recommendations, and reports corrective actions have been, or will be, taken.

Background

The 2005 Atlantic hurricane season was one of the most extreme in recorded history. As a result, the Federal Government has provided the State of Texas $74,523,000 in supplemental appropriations under the Community Development Block Grant (CDBG) program pursuant to Public Law 109-148 and a U.S. Department of Housing and Urban Development (HUD) award. The funds are to address disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Rita.

Governor Rick Perry designated the Texas Department of Housing and Community Affairs (Department) as the lead agency to administer the CDBG disaster recovery funds in coordination with the Office of Rural Community Affairs (ORCA) and in accordance with the Action Plan.

The Department entered into a memorandum of understanding (MOU) with ORCA to deliver the non-housing allocation of the award. The MOU transferred responsibility to ORCA for administering $30,537,574 for addressing non-housing activities. The MOU also delegates and authorizes ORCA to act as the fiscal agent of the Department for the accounting functions related to the receipt and distribution of the Federal CDBG grant funds and designates ORCA as the agency reporting to HUD on the status of the program on a quarterly basis in a format prescribed by HUD.

The Department has contracted with three Councils of Governments (COGs), as subrecipients, to provide assistance for unmet housing needs to eligible participants in the hurricane affected region. The COGs distribute the funds to the participants in the form of emergency repairs, rehabilitation, and/or reconstruction on homes damaged by the hurricane in order to bring the structure back to basic livable conditions. Funds can also be used for the demolition of slum and blighted areas.

Internal Audit of the CDBG Hurricane Disaster Recovery Program

This is the second internal audit report of a series of reports to be released by the Texas Department of Housing and Community Affairs Internal Auditing Division relating to the Department's control framework for delivering the CDBG Program.

The audit is being conducted in three separate phases.

- Phase 1 consists of a review of the design of the Department's controls to manage significant risks associated with (1) establishing eligibility for the program, (2) processing payment requests from the subrecipients and (3) monitoring subrecipients.
- Phase 2 consists of tests of controls relating to project set-ups and processing requests for payment to determine their operating effectiveness.
- Phase 3 consists of tests of controls relating to subrecipient monitoring to determine their operating effectiveness.

A separate report or multiple reports will be released for each phase of the audit. See the Objectives, Scope and Methodology section at the end of this report for more information.

The COGs submit and Department staff verifies documentation supporting participant eligibility and other initial requirements to participate in the program (Project Set-up). Once Project Set-up requirements are satisfied, the COGs can begin work on eligible households.

The COGs periodically request reimbursement of expenditures as they are incurred. The Department reviews expenditure requests to ensure compliance with program requirements and documentation standards, and forwards the approved requests for payment to ORCA to process

the payment and related draw-down from the U.S. Treasury using ORCA's line of credit established for the State's CDBG program with HUD.

The following is a summary of the progress of the contracts between the Department and the three COGs as of May 1, 2007.

Subrecipient / Contract Dates	General Administrative and Project Delivery Budget and Expenditure Amounts			No. of Project Set-ups, Project Budget and Expenditure Amounts			
	Expenditures to Date	Budget	% Expended	No. of Projects Set-Up to Date	Project Expenditures to Date	Project Budget	% Project Expended
Houston-Galveston Area Council; 7/28/06-7/27/08	$ 83,746	$ 737,752	11.35%	0	$ 0	$ 6,277,954	0%
Deep East Texas Council of Government's; 7/28/06-7/27/08	68,766	674,503	10.20%	0	0	6,070,531	0%
Southeast Texas Regional Planning Commission 7/28/06-7/27/08	283,345	3,188,536	8.89%	0	0	23,310,000	0%
Totals	**$ 435,857**	**$ 4,600,791**	**9.47%**	**0**	**$ 0**	**$ 35,658,485**	**0%**

Source: CDBG Contract Tracking System

Listed below are significant achievements to date relating to the project set-up and draw processing functions. The Department has established adequate controls to provide reasonable assurance:

- Participation in the program complies with applicant eligibility requirements.
- Projects are properly identified and some initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project for which a COG wants to commit and expend funds.
- Expenditures approved for reimbursement to the Department's subrecipients are in compliance with relevant rules, regulations, polices, program guidelines and contract provisions, including allowable activities and Federal Cost Principles, properly supported, properly authorized/approved, within the contract period and budget, and properly posted to the Department's CDBG Contract Tracking System.

The remaining significant phases of the CDBG Hurricane Disaster Recovery Program include the following:

- Continuing to identify and provide necessary technical assistance to the COGs on an on-going basis.
- Finalizing appropriate contract management and administrative controls to provide reasonable assurance the (1) program is delivered by the Department, ORCA, and their subrecipient COGs in accordance with relevant laws, regulations, rules, the Action Plan and policies established by the Department's Governing Board, and (2) goals of the Action Plan, the Department and subrecipient COG contract performance statements are achieved.
- Providing assistance for unmet housing needs to eligible participants in the hurricane affected regions.
- Completing close-out procedures for the HUD Grant and subrecipient COG contracts.

Detailed Results

Section 1
Establishing Eligibility

Controls are Adequate

The Department has established adequate controls to provide reasonable assurance it complies with applicant eligibility requirements to participate in the program if controls are operating effectively and applied as intended by management. To be considered eligible to participate in the program, the applicant must satisfy the following criteria:

Eligibility and Responsibilities

CDBG Disaster Recovery funds can only be provided for allowable activities to eligible applicants.

The COGs are responsible for determining eligibility of the applicant during the Application Intake process. The COGs determine income eligibility and verify the applicant's household income. The COGs verify proof of homeownership and the property is located within designated counties and affected by Hurricane Rita. The COGs calculate the amount of assistance to be provided, considering whether other sources of assistance have been received by the applicant, and the maximum funding on a project.

The Department is responsible for monitoring the activities of subrecipients as necessary to ensure Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contract or grant agreements and performance goals are achieved.

- Income Eligibility – Applicants must be persons of low or moderate income (less than 80% of average median income) to be eligible for the CDBG Hurricane Disaster Recovery Program. All three COGs have opted to use the Section 8 definition of annual income (24 CFR Part 5) for calculating a household's income to determine income eligibility.

  Applicants report income on the Intake Application; and the income amounts are verified by Council of Governments' (COGs) staff by obtaining supporting documents or verbal confirmation from credible sources. The applicant is required to certify the information provided as complete, true, and accurate on the Household Income Certification form, and sign an eligibility release form authorizing the COGs to obtain information related to program eligibility from a third party.

- Proof of Homeownership – The applicants are required to provide acceptable documentation to the COGs to prove they owned the property on September 24, 2005, the date Hurricane Rita made landfall.

  Acceptable documentation of proof of homeownership includes (1) a copy of their Fee Simple title to the property, (2) a ninety-nine year leasehold interest on the property, a fifty year leasehold on a trust, or a fifty year leasehold on restricted Indian lands, or (3) ownership or membership in a cooperative or mutual housing project that constitutes homeownership under Texas law.

  In the absence of these types of documentation, the Department is accepting documentation of paid property taxes or homeowner's insurance for the period

including September 24, 2005 as proof of homeownership. The Department is also accepting life estates and warranty deeds as acceptable forms of documentation of homeownership.

Exceptions to the requirements for homeownership are in cases of emergency repairs where the Department allows the applicant to provide a quit claim deed, or any of the other acceptable documentation, and certify ownership by completing and signing a certification of Homeownership for Emergency Repairs.

- Property Eligibility – According to the Action Plan, property eligibility is met if the property falls within "*...the 22 counties eligible for FEMA Individual Assistance.*"

- Affected by Hurricane Rita – According to the Action Plan, "*Housing activities will include but not be limited to single and multifamily acquisition, demolition, repair, rehabilitation, reconstruction, and new construction as appropriate for the specific local needs to address damage as a result of Hurricane Rita.*"

The assistance is available for both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance.

While controls are adequate to provide reasonable assurance of compliance with eligibility requirements, opportunities to help minimize the possibility of fraud were noted as discussed in Section 1-A, *Prevent Eligibility Fraud.*

Issues Identified and Corrected by Management During Course of Audit

The following issues were identified and subsequently addressed by Management during the course of this audit:

- Guidance was provided to the COGs regarding the type of documentation necessary to prove the household was damaged as a result of Hurricane Rita. The guidance specifically stated the documentation must be kept in the CDBG Activity File for each project.

- Guidance was provided to the COGs on how to calculate grant assistance to ensure duplicate payments are not made in instances when the applicant has received prior housing assistance. When it is determined the amount of assistance that can be provided will not bring the house to an acceptable, safe level, the applicant is referred to other programs where assistance may be obtained.

- On March 21, 2007, Department staff informed the COGs the Department had finalized an agreement with Small Business Association (SBA) to allow access to the information relating to people in the affected area that received SBA assistance.

While controls are generally adequate, specific conditions were noted that, if addressed, would strengthen the design of controls currently in place.

Section 1-A

Prevent Eligibility Fraud

The Department has not fully implemented strategies to limit the risk of benefits being delivered to individuals who may be ineligible for the program. According to the Federal Register, Vol. 71, No. 29, Part IV, *Allocations and Common Application and Reporting Waivers Granted to and Alternative Requirements for CDBG Disaster Recovery Grantees Under the Department of Defense Appropriations Act, 2006*, "The statute also directs the Secretary [of Housing and Urban Development] to: Establish procedures to prevent recipients from receiving any duplication of benefits and report quarterly to the Committees on Appropriations with regards to all steps taken to prevent fraud and abuse of funds made available under this heading including duplication of benefits."

Two areas considered particularly high in risk relating to eligibility are households not reporting (1) their total household income and (2) other financial assistance obtained to assist in the recovery of their household damaged by Hurricane Rita. While applicants to the program certify on the Intake Application that all information is true and correct, including data related to these risks, other strategies to provide reasonable assurance of the completeness and accuracy of household income and other financial assistance data have not been fully implemented.

Department staff is working with FEMA to implement strategies developed to identify households where FEMA assistance was provided for the recovery of affected households. In addition, the Department is working with the HUD-OIG to further efforts in gaining access to a national database of claims paid by private insurance companies to identify assistance provided by these companies. On March 21, 2007, Department staff informed the COGs the Department had finalized an agreement with SBA allowing access to the information relating to people in the affected area that received SBA assistance.

Recommendation

We recommend the Department continue working to implement the strategies developed with FEMA and HUD-OIG to identify households in which previous assistance intended for the recovery of the household has been obtained.

We also recommend the Department explore opportunities to compare reported income to other external databases that may identify instances of unreported income. Two such databases to consider include income information reported by Texas businesses to the Texas Workforce Commission for Unemployment Insurance purposes, and income information used by the Health and Human Services Commission (HHSC) to assess income eligibility for applicants to participate in programs HHSC administers.

Management's Response

The Department has been working with FEMA to finalize an agreement through which the Department can verify the amount an applicant reports as received from FEMA. Once the agreement is finalized, the Department will formalize a process of information sharing. The Department has finalized an agreement with HUD-OIG for information sharing related to private insurance claims. The Department is in the process of formalizing the process through which the information will be obtained.

Management agrees that there is an added value in identifying alternate sources of verifying applicant information. Department staff will contact TWC and HHSC to discuss opportunities to utilize this potential resource.

Target date for completion – July 15, 2007

Section 2

Project Set-up

Controls Need Improvement

While the Department has informed the COGs of the project set-up requirements and procedures, improvements are needed to provide reasonable assurance projects are properly identified and initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project for which a COG wants to commit and expend funds. Project set-up procedures also ensure funds are available to complete all stages of the project based on the total contracted costs to complete a project.

Initial Program Requirements

Initial program requirements that should be satisfied prior to inception of recovery work and releasing funds for the project include:

- Verifying Eligibility by ensuring COGs have established:
  - Applicant eligibility
  - Property eligibility
  - Damage to the property was a result of the hurricane
- Ensuring Completion of a Work Write-up, including necessary considerations relating to:
  - Lead-based paint
  - Accessibility
  - Allowable activities
- Submitting and receiving approval of site-specific environmental clearance.
- Determining whether the property is in a floodplain requiring the processing of a deferred forgivable loan.
- Establishing financial and performance budget at the project/applicant level, including considerations for duplicate benefits, and at a sufficient level of detail to facilitate comparisons to actual performance to ensure funds are being expended and performance is being achieved as expected throughout the life of the project.
- Identifying other sources of assistance received by the applicant to ensure compliance with Public Law 109-148, which prohibits duplicate benefits for applicants, and states, "[Disaster Recovery] *funds may not be used for activities reimbursable by or for which funds are made available by FEMA or the Army Corps of Engineers.*"

Issues Identified and Corrected by Management During Course of Audit

The Department introduced the Project Set-up checklist. The checklist, along with the required supporting documentation, will provide the Department with the information needed to provide reasonable assurance some initial program requirements have been satisfied for each project and the project has been properly establish on the program and accounting systems for administrative and monitoring purposes prior to work beginning. The Project Set-up process provides assurance of the following:

- Compliance with Environmental Quality Standards
- Proper identification of projects within a floodplain
- Compliance with lead-based paint testing and abatement requirements

The Project Set-up process is also used to establish project budgets for work to be performed on the home to ensure sufficient funds for the project are available.

Specific conditions were noted that, if addressed, would strengthen the design of controls.

Section 2-A

Clarify Timing of Required Set-up Procedures

While management and staff have been working on finalizing project set-up requirements for the COGs to follow, the Department published a checklist that mistakenly informed the COGs the set-up form and related documentation are due with the first draw request for funds. The primary purpose of the set-up process is to ensure projects are properly identified and initial program requirements are satisfied prior to the inception of recovery work or the release of funds for each project for which a COG wants to commit and expend funds.

Recommendation

We recommend the Department clarify to the COGs the timing required for the set-up forms and supporting documentation to be submitted to the Department to ensure Project Set-up occurs prior to work beginning and funds being expended.

Management's Response

The Department will provide technical assistance during an on-site technical assistance visit with the COGs and COG subrecipients on May 1, 2007 and will clarify the timing of the project set-up process and the required support documentation during the visit.

Target date for Completion – May 1, 2007

Section 2-B

Enhance the Project Set-up Checklist

Several items should be included on the Project Set-up checklist to provide assurance initial program requirements have been met prior to work beginning on a project. The following requirements are not addressed in the current checklist:

- Assurance the COG has received proper documentation that the applicant owned the home as of September 24, 2005, the date Hurricane Rita made landfall
- Assurance the COG had received proper documentation the home was damaged by Hurricane Rita
- Assurance the applicant has not received prior assistance for the repair of hurricane damage to their home, and if they have, the amount of assistance received
- Assurance a three year deferred loan is in place for four days prior to work beginning on the home
- Assurance that the calculation of assistance to be provided, or the Project Set-up amount and budget, have been properly calculated

In addition, several forms are not submitted with the Project Set-up Checklist to support budgeted cost of the project. These items include:

- The completed, signed, and dated Initial Inspection (Form 11.01)
- The final Work Write-Up/Cost Estimate (Form 11.17)
- A copy of the Construction Contract signed by builder and homeowner
- "Before" photos of the interior and exterior of the home

Recommendation

We recommend the Project Set-up Checklist be enhanced to provide assurance initial program requirements have been satisfied prior to work being initiated. We also recommend the COGs submit the forms mentioned above with the checklist to support the budgeted amount for the project, and the checklist include assurances the additional documentation listed above is received.

Management's Response

The Department has updated the checklist to include assurances that all initial program requirements have been satisfied prior to work being initiated. The checklist was also updated to require the forms and support documentation identified in the recommendation. This documentation will be reviewed before a set-up is approved. Department staff will provide the COGs with detailed instruction and examples of the documentation required for submitting a set-up during the on-site technical assistance visit May 1, 2007.

Target date for Completion – May 1, 2007

Section 2-C

Formalize Loan Processing Procedures

The Department has not developed procedures to ensure compliance with the State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006 – Modification # 1 requiring assistance provided in a floodplain be provided in the form of a three-year deferred forgivable loan. The Department has included a statement on the Project Set-up requiring households located in a floodplain to be identified and, if so, the requirement of a loan. However, the Department has not formalized procedures for the COGs or Department staff to use from loan origination through loan closing.

Recommendation

We recommend loan processing procedures be formalized in accordance with the requirements of the Department's standard operating procedure, *Standard Operating Procedure System,* SOP 1100.01. We also recommend the Department provide the COGs with written procedures to ensure loans are processed as intended by management.

Management Response

Department staff are in the process of finalizing internal SOPs for processing loans. Management agrees that the COGs should be provided with written procedures that specify the documentation required of the applicant and the process for executing loans. The Department will provide technical assistance to the COGs on the loan process May 1, 2007 and this guidance will be followed up with written procedures to ensure that loans are processed as intended.

Target date for completion – June 15, 2007

Section 2-D

Ensure Lead-Based Paint Inspections and Abatement Costs are Included in the Project Budget

The Department has included a statement on the Project Set-up checklist identifying whether the house was built prior to 1978, and, if so, the date the household received lead-based paint clearance. It was noted the Work Write-up form (Form 11.17) does not provide budget categories for the test or abatement of lead-based paint. Furthermore, controls have not been established to ensure compliance with Federal regulations that assistance not be provided for homes built after 1978 should it be known they contain lead-based paint.

Recommendation

We recommend the Work Write-up form be amended to include budget categories for the test and abatement of lead-based paint, and controls be established to ensure Federal assistance for lead-based paint removal is not provided on homes built after 1978 if it is known they contain lead-based paint.

Management's Response

Department staff will modify the form to specifically address lead-based paint considerations including budget categories for lead-based paint associated costs and will include a statement on the form addressing whether it is known that the project contains lead-based paint. Staff will

address this issue with the COGs during the May 1, 2007 technical assistance visit and will follow up with notification of revisions made to the form.

Target date for Completion – May 31, 2007

Section 3

Draw Processing

Controls are adequate

Draw processing controls are adequate if operating effectively and applied as intended by management. The controls developed provide reasonable assurance program expenditures approved for reimbursement to the Department's subrecipients are in compliance with relevant laws, regulations, polices, program guidelines and contract provisions, including allowable activities and Federal Cost Principles, and are properly supported, authorized and approved. Controls also provide reasonable assurance expenditures are within the contract period and activity-level budget, e.g. Reconstruction, rehabilitation, demolition; and properly posted to the Department's CDBG Contract Tracking System. The primary controls include the following:

- A *TDHCA/ORCA Draw Process* document provides a general description of activities required of TDHCA and ORCA to process a reimbursement request that has been approved by appropriate representatives from the two agencies.
- The Project Set-up Checklist used to provide reasonable assurance initial program requirements have been met prior to work beginning or funds being released for a project.
- A *Request for Payment Form* the COGs use to request reimbursement of expenditures incurred on the program. The form includes contract identifying and budget information; the cumulative amount drawn to date; the amount of the current request; the remaining budget balances; and identifies the activities for which reimbursement is requested. The form is certified by the COGs' authorized officer(s) to the best of their knowledge and belief the data presented is correct, and all outlays were made in accordance with the terms of the contract.
- The *Administrative Draw Request Checklist* and *Activity Draw Request Checklist* used to ensure required documentation to support expenditures is submitted, expenditures are within the contract period, and amounts reported on the Request for Payment document are accurate.
- The standard State of Texas Purchase Voucher used to issue a warrant from the State Treasury to the COGs for reimbursement of program expenditures.

While controls are generally adequate, specific conditions were noted that, if addressed, would strengthen the design of controls currently in place.

Section 3-A

Formalize Draw Processing Policies and Procedures

The *Administrative Draw Request Checklist* and *Activity Draw Request Checklist* are the primary controls used to provide reasonable assurance Request for Payment budget amounts and cumulative expenditures are in agreement with program records, and the expenditures requested for reimbursement are properly supported and incurred within the contract period. However, we noted the checklists do not require a review to provide the following assurances:

- The signature of the COG's authorized official on the Request for Payment form is in agreement with the authorized official's signature on the Contract Access Form submitted by the COG to designate the COG officials authorized to submit requests for reimbursement (*Administrative and Activity Draw Request Checklists).*

- Compliance with Office of Management and Budget (OMB) A-87, *Cost Principles for State, Local and Indian-Tribal Governments* (*Administrative and Activity Draw Request Checklists).*

- Administrative costs drawdown thresholds established by contract provision, Sec. 26., *Administrative Costs Drawdowns*, which provide assurance administration costs reimbursed are commensurate with the progress of the program and associated administrative duties (*Administrative Draw Request Checklist).*

- Ten percent of each construction or rehabilitation subcontract is properly considered, calculated and withheld to ensure satisfactory performance and quality of work pursuant to contract provision, Sec. 25, *Retainage,* prior to final payment on a project *(Activity Draw Request Checklist).*

The *TDHCA/ORCA Draw Process* or other formal standard operating policies and procedures do not adequately address how Department staff is going to provide reasonable assurance these requirements are satisfied. These requirements and the proper processing of draws are important to ensure compliance with program requirements and to provide reasonable assurance the COGs and contractors are performing in accordance with contract provisions, and contract performance statements are being achieved.

We also noted the *Administrative Draw Review Checklist* requires signature approval by a PMC Specialist, and PMC Management, while the *Activity Draw Request Checklist* requires signature approval by a PMC Specialist, and the CDBG Program Coordinator or PMC Manager. However, the nature and extent of the reviews are not obvious by review of the checklists or other documentation such as the *TDHCA/ORCA Draw Process,* or related job descriptions. Additionally, a formal process has not been defined for instances where a COG's Request of Payment fails the review process.

Without clear delineation of review responsibilities, there may be gaps in the reviews resulting in unallowable or unsupported expenditures, expenditures for ineligible activities, or unnecessary redundancy in reviews. Additionally, staff may proceed in a manner unacceptable to management in instances where a COG's request for payment does not pass the review process.

Recommendation
We recommend draw processing procedures be formalized in accordance with the requirements of the Department's standard operating procedure, *Standard Operating Procedure System,* SOP 1100.01. In connection with formalizing the draw processing procedures, we recommend the Department enhance its draw request checklists to provide reasonable assurance the issues discussed above are adequately considered in connection with the review of subrecipients' requests for reimbursement of program expenditures. We also recommend review responsibilities be clearly defined as well as the process for staff to follow in instances where a COG's request for reimbursement does not pass the review process.

Management's Response
Management is in general agreement with the overall recommendation. Draws submitted for payment in the CDBG program are now being processed in accordance with the procedures established for the Portfolio Management and Compliance Division that have been formalized in an SOP format. This SOP will be reviewed and updated as needed to reflect current process information as well as direction regarding OMB Circular A-87 Compliance review requirements. While the checklist was developed to ensure specific cost principles including allowable cost categories covered by OMB A-87 were taken into consideration, the SOP will be revised to include specific direction involving consideration of OMB Circular A-87 to ensure draws staff are fully aware of the requirements.

The Department also updated the Administrative and Activity Draw Request Checklists to include assurances that the issues noted above are addressed during review of requests for reimbursements. Department staff will provide the COGs with draw training during the on-site technical assistance visit May 1, 2007 that will include the process for submitting project draws, examples of the documentation required, and a discussion on retainage.

Target date for completion – June 15, 2007

Section 3-B
Control Contract Tracking System Access

Access to the CDBG Contract Tracking System is not adequately controlled.

The PMC Manager responsible for project set-up, draw processing, and program monitoring functions, and an employee from ORCA serving as a Program Specialist have "administrator-role" access to the Department's CDBG Contract Tracking System. The CDBG Program Coordinator reports the access was granted and necessary for the Program Specialist to establish budget amounts on the ORCA systems used to process draws, on behalf of the Department, from the U.S. Treasury. The manager's job responsibilities and access rights, as well as the ORCA employee's access rights, to the contract tracking system allows them the opportunity to perpetuate and conceal errors or irregularities (fraud) without detection on a timely basis in the normal course of business.

Recommendation
We recommend management ensure access to the CDBG Contract Tracking System is restricted based upon job responsibilities to help enforce proper segregation of duties and reduce the risk of unauthorized system access.

We recommend the PMC manager's access is restricted to that necessary for her to perform her job duties and rely on staff to access the contract tracking system to fulfill their job responsibilities based on approved policies and procedures. In instances where the manager's access at the administrator-role is necessary, we recommend controls be established to provide an independent review of the manager's activity on the contract tracking system to ensure it is properly authorized and supported.

We recommend the ORCA Program Specialist's access rights be removed.

Management's Response
Management agrees that access to the Oracle system should be restricted based upon job responsibilities. The PMC Manager's administrator-role access was removed and replaced with inquiry role access.

In addition, ORCA's Program Specialist's administrator-role rights were removed.

Target Date for Completion - Completed

Section 3-C
Accumulate Expenditures at Site-specific Project Level

The Department's CDBG Contract Tracking System currently in place is a copy of ORCA's contract system that was created for the Department to post budget and expenditure information at the COG contract activity level, e.g. Rehabilitation, reconstruction, demolition, etc. The system resides in ORCA's Oracle system, which ORCA uses for HUD reporting purposes. However, the Department's system does not accumulate expenditure data at the site-specific project level to facilitate comparisons of actual expenditures against contract budgets during the processing of requests for payment.

Without site-specific actual expenditure information, the Department does not have a reasonable means to ensure projects stay within budgets. Cost overruns in early projects may go unnoticed depleting funds available for later projects. Monitoring budgets at the site-specific project level helps ensure each project is within the contracted costs, funds will be available to assist the estimated number of clients, and performance progresses at the expected rate.

Recommendation
We recommend the Department identify and develop strategies to capture and accumulate actual financial data at the site-specific project level. We recommend that this information be used in processing COG requests for payment to ensure expenditures are within budget and expenditure rates are reasonable.

Management's Response
Staff have identified a potential strategy to track site-specific expenditures and are working with the Information Systems Division staff to more fully develop the strategy during the month of May.

Target date for completion - June 30, 2007

Section 3-D

Ensure Accuracy of Contract Budget

The Department entered into a contract with the South East Texas Regional Planning Commission to provide services under the Single Family Rental Rehabilitation and Reconstruction activities as well as other activities. However, the budgets for the Single Family Rental Rehabilitation and Reconstruction activities were summed and posted to the Department's CDBG Contract Tracking System as Rehabilitation-Housing. The error may result in erroneous budget information being reported to HUD and in draw requests for these activities being inappropriately denied since the budget amounts were not accurately established.

Recommendation
We recommend the Department correct the budget amounts posted to the contract tracking system for the Single Family Rental Rehabilitation and Reconstruction activities of South East Texas Regional Planning Commission.

Management's Response
The two budget categories were erroneously aggregated and have been corrected in the contract tracking system.

Target date for completion – Completed

Section 4

Update Implementation Manual to Incorporate Guidance Provided

The Program Team completed and released the Implementation Manual and supporting compliance forms in July 2006 to provide the COGs guidance and direction in delivering the program.

Program Team members provided training and technical assistance to Department staff, and the COGs on several field visits in the months of July 2006 through March 2007 to elaborate on requirements, directions or implementation materials not addressed or fully explained in the Implementation Manual, and to help ensure compliance with program requirements. Technical Assistance is provided on a regular basis by the Program Coordinator and the CDBG Disaster Recovery Field Officer in response to questions regarding requirements and Department processes designed to ensure compliance. Directions and implementation materials beyond that provided in the Implementation Manual have also been provided to the COGs by email on several occasions.

This guidance and technical assistance is necessary for the successful delivery of the program and may require immediate dissemination to those that need the information to help ensure timeliness in delivering the program. While there have been two significant updates to the Implementation Manual since inception of the program, the Manual has not been updated for recently issued additions or changes in the requirements.

Persons needing the information may not be aware of it in the absence of a complete Implementation Manual or other centralized body of requirements, direction and implementation materials. The COGs' staff, Department staff responsible for technical assistance, contract management and/or program monitoring, and others such as audit/monitoring staff of oversight agencies may not be aware of the requirements, changes in requirements, or strategies to address the requirements beyond that provided by the Implementation Manual, especially in instances of employee turnover.

Several areas where requirements, direction or implementation materials have been added or amended, but the Manual has not been updated to represent the changes include, but are not limited to, the following:

- Ensuring all income and additional assistance has been reported
- Documenting homeownership and damage caused by Hurricane Rita
- Establishing and closing deferred forgivable loans
- Enhancing the Project Set-up and Draw processes requiring action by the COGs

Recommendation

We recommend the Implementation Manual be updated for these requirements and in a regular fashion in instances where there are additions or changes to the requirements, directions, or implementation materials previously provided to the COGs. Alternatively, we recommend the Department establish and implement a strategy of a central repository of all requirements, directions, and implementation materials available to all that need the materials to fulfill their job responsibilities and successfully delivery the program. This will ensure uniformity in the direction given the COGs, as well as Department staff that rely on the information, and clarify the processes required by the Department to ensure program goals and objectives are achieved.

Management's Response

Management agrees that the Implementation Manual should be updated timely and will ensure that guidance provided will be updated regularly.

Target date for completion – July 15, 2007

Appendix 1

OBJECTIVES, SCOPE, METHODOLOGY AND OTHER

Objectives

The audit objectives were:

- To assess whether the control framework surrounding the payment processing procedures provides reasonable assurance that program expenditures are for allowable activities and:
  - in compliance with relevant rules, regulations, polices, program guidelines and contract provisions, including applicable Federal Cost Principles,
  - properly supported,
  - within the contract period,
  - properly authorized/approved, and
  - properly posted to the Department's CDBG Contract Tracking System.
- To assess whether the control framework is adequate to provide reasonable assurance of compliance with the following requirements:
  - Beneficiary/Family eligibility
  - Environmental clearance
  - Lead-based paint

The objectives of the audit did not include tests of controls to ensure they are operating effectively as intended by management. These tests will be the subject of Phases 2 and 3 of the audit as discussed further at *Related Audits / Phases of Audit* below.

Scope

The audit scope of this audit included consideration of the CDBG Disaster Recovery Program's control framework relating to the eligibility, project set-up and draw processing functions from December 2006 to March 2007.

The scope of the audit did not include consideration of the accounting system used to process payment requests. This system is maintained by the ORCA, which is serving as fiscal agent to the Department in the disbursement of Federal grant funds.

Methodology

The methodology on this project consisted of gaining an understanding of the CDBG Disaster Recovery Program control framework relating to the eligibility, project set-up and payment processing functions. An understanding was gained through interviewing management and staff and by reviewing polices and procedures, the CDBG Disaster Recovery Program Implementation Manual and related compliance forms, and relevant laws and regulations. Information considered during the course of the audit included the following:

- State Action Plan
- Memorandum of Understanding between the Department and ORCA
- Standard Operating polices and procedures relating to draw processing
- Administrative and activity draw requests checklists

- Contracts between the Department and its subrecipients
- CDBG Disaster Recovery Program Housing Implementation Manual - Hurricane Rita, updates to the Manual, and other guidance provided to the COGS
- Subrecipient's housing guidelines
- Department developed compliance forms and checklists
- Environmental Clearance Manual

Related Audits / Phases of Audit

This is the second internal audit report of a series of reports to be released by the Texas Department of Housing and Community Affairs (Department) Internal Auditing Division relating to the Department's control framework for meeting the objectives of the CDBG Disaster Recovery Program.

The audit is being conducted in three separate phases. A separate report or multiple reports will be released for each phase.

- Phase 1 consists of assessing the adequacy of the Department's controls designed to manage significant risks associated with (1) processing payment requests from the subrecipients and (2) subrecipient monitoring. Specific areas of consideration include:

  - Project Set-up process
  - Request for payment/draw processing
  - Subrecipient Monitoring
  - Allowable Activities and Costs/Cost Principles
  - Beneficiary/Family Eligibility
  - Procurement, Suspension and Debarment
  - Construction Performance and Standards
  - Environmental Clearance
  - Lead Based Paint
  - Fair Housing, Accessibility, and Affirmative Marketing

  The first report released during Phase I related to assessing the adequacy of the project planning process and the project management tools, and did not include an assessment of the adequacy of the plans developed or the plan's deliverables. This report, the second of Phase 1, includes the objectives defined in the Objective section above. The final report planned for Phase 1 relates to controls designed to manage significant risks associated with subrecipient monitoring.

  Phase 1 does not include tests of controls to ensure that they are operating effectively as intended by management, which is the subject of Phases 2 and 3.

- Phase 2 will consist of tests to determine the operating effectiveness of controls relating to establishing, or setting-up, site-specific projects and processing requests for payment. Phase 2 will be limited to assessing whether related controls provide reasonable

assurance of compliance with relevant laws, regulations, policies, and contract provisions, and expenditures are:

- adequately supported including support to provide reasonable assurance of allowable activities, costs and eligibility to participate in the program,
- properly posted to the program systems, and
- properly authorized/approved.

- Phase 3 will consist of tests to determine the operating effectiveness of controls relating to the Department's subrecipient monitoring function. Tests will be performed to determine if the Department's control framework provides reasonable assurance of compliance with applicable laws, regulations, program rules and contract terms, and achievement of contract performance statements. This phase of the audit will be limited to consideration of controls over desk reviews and on-site monitoring visits.

  The review of on-site monitoring visits will assess whether controls provide reasonable assurance of compliance with requirements relating to:

  - Allowable Activities and Costs/Cost Principles
  - Beneficiary/Family Eligibility
  - Procurement, Suspension and Debarment
  - Construction Performance and Standards
  - Environmental Clearance
  - Lead Based Paint
  - Fair Housing, Accessibility, and Affirmative Marketing

  The review of desk review procedures will assess whether controls provide reasonable assurance that subrecipients are:

  - operating within expenditure budgets and limits,
  - expending administration and program funds at acceptable rates, and
  - achieving contract performance statements.

  A determination will be made whether monitoring results are adequately communicated to subrecipients and findings/exceptions noted are tracked and monitored to final resolution.

Type of Audit/Audit Report

The audit was a Performance Audit concentrating on the Department's controls over eligibility, project set-up, and draw process functions, policies and procedures designed to provide reasonable assurance of compliance with significant laws, regulations, program rules, and achievement of the contract performance statements relating to delivering the CDBG Disaster Recovery Program.

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 December 2006 through March 2007. 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:

Greg Magness, CIA, CGAP, Audit Project Manger
Colleen Bauer, Internal Audit Team Member
Lorrie Lopez, Internal Audit Team Member

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.

Texas Department of Housing and Community Affairs

Status of Prior Audit Issues

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

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 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.

Nineteen of twenty-seven prior audit issues are being reported by management as implemented. While progress on addressing the remaining audit issues is generally considered satisfactory, the following is considered worthy of mention.

Issue reference #403 on page 9 (OCI Draw Processing and Subrecipient Monitoring Function for CFD program) – The Department continues to work on closing the HOME Contract for Deed contract with Community Action Council of South Texas (CACST). While CACST has been servicing HOME loans under the contract, the Department is in the process of bringing the loans into the Department for servicing. The Department has requested the original loan documentation supporting the loans. While some of the information has been received, other information has not been forthcoming. OCI plans to send another letter by the end of April 2007 requesting additional information, and will conduct an on-site visit in May in an attempt to resolve this issue. OCI is withholding payments on this contract until all matters regarding the file have been addressed.

Issue references #422 on page 17 and #425 thru #427 on pages 20 thru 22 (Energy Assistance Weatherization Assistance Program - Subrecipient Monitoring) - The target dates for completion have been extended from April to May. However, the reported progress on issues is considered reasonable.

Issue Reference #429 & #430 on pages 24 and 25, respectively (CDBG Disaster Hurricane Recovery Program – Project/Program Plan) - An expanded version of the Project Plan has been developed that incorporates input from senior management and program team members. The plan is considered complete at this time and is being monitored and updated on a regular basis.

Issue Reference #431 on page 26 (CDBG Disaster Hurricane Recovery Program – Project/Program Plan) - The project Oversight Team was disbanded with the appointment of a Deputy Executive Director for Disaster Recovery. The DED provides program updates to the Executive Team on a regular basis. The DED and Program Coordinator have identified and utilized additional resources as necessary to achieve the goals of the Program Plan and the DED recently hired two additional staff members for the Disaster Recovery Division.

Recommendation

No action is required.

Texas Department of Housing and Community Affairs - Summary Report of Prior Audit Issues

(except those prior audit issues previously reported as implemented or otherwise resolved)

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
408	05/10/06 HUD	Technical Assistance and Monitoring Visit Home Program M05-SG480100` To review the state's HOME affordable housing program.	Px Px Px Px Ixx	06/13/06 09/18/06 10/31/06 12/04/06 01/19/07	 10/31/06 03/31/07

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 theTenant-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: 01/19/07 - The Department developed an application addendum for each activity. The finding is cleared by HUD in January 2007.

12/04/06 - The Department is currently waiting on HUD's response to our 10/31/06 letter addressing the issue.

10/31/06 - The department concluded that we have currently met the requirements of the HOME statue. Clarification received by HUD indicates their primary concern is for the participating family to receive, in writing, all of the program requirements and provisions for the particular type of assistance being reported. Therefore, the Department has developed an application addendum explaining what the family will be required to comply with and execute in order to receive assistance.

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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
411	05/10/06 HUD	Technical Assistance and Monitoring Visit Home Program M05-SG480100` To review the state's HOME affordable housing program.	Px Px Px Px Ixx	06/13/06 09/18/06 10/31/06 01/05/07 03/01/07	 10/31/06 12/31/06 01/14/07

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: 03/01/07 - HUD letter dated February 27, 2007 cleared this finding based on information provided by the state and the state's assurance that it will reinspect the five properties for which repairs were required. Management reports the units have been reinspected.

01/05/07 - The Contract Administrator has informed the Department that the contractor obtained to repair the five homes will complete the requested work by 01/14/07. Additionally, the Department's financial team has confirmed receipt of funds refunding the down payment assistance provided for two properties.

10/31/06 - Department staff met with the Contract Administrator (CA) and reached a resolution to the pending construction issues identified. The CA will resolve all issues identified for five of the properties and will refund the Department the down payment assistance provided to two properties.

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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
412	05/10/06 HUD	Technical Assistance and Monitoring Visit Home Program M05-SG480100` To review the state's HOME affordable housing program.	Px Px Px Px Px Ixx	06/13/06 09/18/06 10/31/06 12/04/06 01/05/07 01/19/07	 10/15/06 11/30/06 11/30/06 03/31/07

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: 01/19/07 - The department developed a formal written process to be followed by all CHDOs in the FY 2007 Funding cycle. The finding was cleared by HUD in January 2007.

01/05/07 - The CHDOs have until 01/15/07 to submit their revised formal process to the Department. TDHCA staff will review the required information as it is submitted and will require resubmission, if necessary, until the requirements are satisfied.

12/04/06 - The Department has mailed a letter to all current CHDOs informing them to amend their by-laws, if necessary, to ensure they follow the correct process to receive input from low income residents.

10/31/06 - The Department received the modified documents from the CHDO (New Hope Housing) and submitted them to HUD for review. The Department is in the process of revising the CHDO certification process and checklist. All prospective CHDOs will be required to adopt the formal process and include the written formal process with the submittal of the CHDO certification checklist. The Department is also reviewing CHDO files in its portfolio to ensure that the low income process has been properly developed and provided to the Department.

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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
399	06/02/06 IA	OCI Draw processing and Subrecipient Monitoring Function for CFD Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px Px Px Px Ix	06/02/06 09/14/06 11/28/06 01/09/07 03/02/07	08/31/06 11/01/06 01/31/07 01/31/07

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: 03/02/07 - The transfer of draw processing responsibility from OCI to PMC resolves this audit issue.

01/09/07 - Due to revisions included in the "Final Transition Plan for the New HOME Division," the transfer of HOME CFDC contracts from OCI to the new HOME Division will now take place on 1/31/2007 for all CFDC contracts except Contract No. 530021 with CACST and Contract No. 542005 with OPSE which will be retained by OCI until closure.

11/28/06 - All contract administration, draw processing, oversight and monitoring duties for HOME contracts have been transferred to PMC. Technical Assistance responsibilities have been transferred to the new HOME Division. To assist in the transition and provide continued support, OCI will continue to provide on-site technical assistance and marketing of all Department programs in the colonia areas. This action is effective immediately; however, two HOME Contract for Deed Conversion contracts between the Department and OPSE and CACST will remain the responsibility of OCI until 12/31/06 to allow for continuity in the resolution of programmatic and monitoring findings.

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. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
400	06/02/06 IA	OCI Draw processing and Subrecipient Monitoring Function for CFD Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px Px Px Px Ix	06/02/06 09/15/06 11/28/06 01/09/07 03/02/07	08/31/06 11/02/06 01/31/07 01/31/07

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 Portifolio 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: 03/02/07 - The official transfer of monitoring responsibility from OCI to PMC and oversight responsibility from OCI to HOME resolves this audit issue.

01/09/07 - Due to revisions included in the "Final Transition Plan for the New HOME Division," the transfer of HOME CFDC contracts from OCI to the new HOME Division will now take place on 1/31/2007 for all CFDC contracts except Contract No. 530021 with CACST and Contract No. 542005 with OPSE which will be retained by OCI until closure.

11/28/06 - All contract administration, draw processing, oversight and monitoring duties for HOME contracts have been transferred to PMC. Technical Assistance responsibilities have been transferred to the new HOME Division. To assist in the transition and provide continued support, OCI will continue to provide on-site technical assistance and marketing of all Department programs in the colonia areas. This action is effective immediately; however, two HOME Contract for Deed Conversion contracts between the Department and OPSE and CACST will remain the

responsibility of OCI until 12/31/06 to allow for continuity in the resolution of programmatic and monitoring findings.

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.

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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
401	06/02/06 IA	OCI Draw processing and Subrecipient Monitoring Function for CFD Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px Px Px Px Ix	06/02/06 09/14/06 11/28/06 01/09/07 03/02/07	08/31/06 11/01/06 01/31/07 01/31/07

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: 03/02/07 - The transfer of contract administration from OCI to PMC resolves this audit issue

01/09/07 - Due to revisions included in the "Final Transition Plan for the New HOME Division," the transfer of HOME CFDC contracts from OCI to the new HOME Division will now take place on 1/31/2007 for all CFDC contracts except Contract No. 530021 with CACST and Contract No. 542005 with OPSE which will be retained by OCI until closure.

11/28/06 - All contract administration, draw processing, oversight and monitoring duties for HOME contracts have been transferred to PMC. Technical Assistance responsibilities have been transferred to the new HOME Division. To assist in the transition and provide continued support, OCI will continue to provide on-site technical assistance and marketing of all Department programs in the colonia areas. This action is effective immediately; however, two HOME Contract for Deed Conversion contracts between the Department and OPSE and CACST will remain the responsibility of OCI until 12/31/06 to allow for continuity in the resolution of programmatic and monitoring findings.

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.

402 06/02/06 — IA

OCI Draw processing and Subrecipient Monitoring Function for CFD

Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006

Status Codes*	Status Date	Target Date
Px	06/02/06	08/31/06
Px	09/14/06	11/01/06
Px	11/28/06	01/31/07
Px	01/09/07	01/31/07
Ix	03/02/07	

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: 03/02/07 - Efficient utilization of the System and the generation of management information reports by OCI in support of contract administration and oversight of the CFDC Program are no longer necessary due to the transfer of duties to PMC, which has a report generating structure and a monitoring strategy in place; therefore, this audit issue is resolved.

01/09/07 - Due to revisions included in the "Final Transition Plan for the New HOME Division," the transfer of HOME CFDC contracts from OCI to the new HOME Division will now take place on 1/31/2007 for all CFDC contracts except Contract No. 530021 with CACST and Contract No. 542005 with OPSE which will be retained by OCI until closure.

11/28/06 - All contract administration, draw processing, oversight and monitoring duties for HOME contracts have been transferred to PMC. Technical Assistance responsibilities have been transferred to the new HOME Division. To assist in the transition and provide continued support, OCI will continue to provide on-site technical assistance and marketing of all Department programs in the colonia areas. This action is effective immediately; however, two HOME Contract for Deed Conversion contracts between the Department and OPSE and CACST will remain the responsibility of OCI until 12/31/06 to allow for continuity in the resolution of programmatic and monitoring findings.

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. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
403	06/02/06 IA	OCI Draw processing and Subrecipient Monitoring Function for CFD Consideration of the OCI Contract for Deed programs' draw processing and subrecipient Monitoring functions from January 1, 2005 to June 2, 2006	Px Px Px Px Px Px	06/02/06 09/14/06 11/28/06 01/09/07 03/02/07 04/23/07	08/31/06 09/30/06 12/31/06 03/31/07 04/30/07 06/30/07

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: 04/23/07 - The OCI has withheld payments on this contract until all matters regarding this file have been addressed, such as program income and other contractual requirements. The OCI met with Portfolio Management and Compliance (PMC) and HOME divisions in April to discuss concerns regarding the adequacy of documentation supporting draws paid in 2003 and 2004. The OCI will send another letter on 4/30/2007 requesting additional information and will conduct an on-site visit in May in an attempt to resolve this issue.

03/02/07 -CACST has sent some of the original loan documenation the Department requested. OCI is currently reviewing the documentation to determine the remaining documents the Department needs. Once all required documentation is received, TDHCA legal department will begin preparing the necessary legal documents to transfer the loans to TDHCA.

01/09/07 - OCI has requested from CACST all of the original loan documentation necessary to transfer the liens from CACST to the Department. This information was requested on 12/6/2006 and has not yet been received; the OCI expects all of the information to be received by 1/31/2007. Once the information is received, a request for a transfer of the liens will be made to the Legal Division; the SOPs of the Legal Division indicate that it will take up to 30 days to transfer the liens. OCI anticipates that this issue will be resolved by 3/5/2007. OCI expects to be able to close CFDC Contract No. 530021 with CACST by 3/31/2007.

11/28/06 - CACST has been informed by OCI that the permission they received was not valid and that they would have to transfer the liens to the Department. CACST agreed to do so after an arrangement was reached for the legal duties concerning the transfers to be carried out by the Department's Legal Division.

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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
413	08/31/06 IA	OCI Draw processing and Subrecipient Monitoring Function for SHC Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	Px Px Px Px Px	08/31/06 11/22/06 01/08/07 02/22/07 04/19/07	01/31/07 01/31/07 01/31/07 03/31/07 04/27/07

Division: Office of Colonia Initiatives

Issue: Assess On-site Monitoring Options - OCI relies upon 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.

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.

Status: 04/19/07 - A meeting has been scheduled with Executive for late April to make a decision regarding who will monitor the Self-Help Center contracts: ORCA, PMC or an outside 3rd party. OCI has developed Standard Operating Procedures (SOP) to expand upon the on-site monitoring functions of an entity separate from OCI. Oversight procedures including on-site visits and safeguards such as checklists have been created for OCI staff to ensure that SHC goals and objectives are achieved and that subrecipients comply with all applicable regulations.

02/22/07- OCI is scheduled to meet with Executive to discuss issues relating to PMC assuming the responsibility of conducting the on-site monitoring for the SHC's and if on-site monitoring for the SHC's should continue to be conducted by ORCA.

01/08/07 - Preliminary discussions were held with PMC and Executive to discuss combining monitoring of all CDBG funds being performed by PMC.

11/22/06 - In August 2006, the Department proposed and its Governing Board approved a Memorandum of Understanding between TDHCA and ORCA regarding management of CDBG funds for the Colonia Self-Help Center Program. While TDHCA has not contracted with ORCA for the sole purpose of on-site monitoring visits, OCI intends to amend the MOU to formalize the roles and responsibilities of the oversight and monitoring between TDHCA and ORCA if it is the Department's intent to continue to allow ORCA to provide the monitoring services. In October 2006, OCI staff participated in working sessions with management to develop a list of SOPS's that will be specific to the OCI framework. Finalization of the SOPs for monitoring and oversight is planned in January 2007. In December 2006 OCI intends to Initiate a meeting with Legal staff and other appropriate staff to define the oversight role that will work best for the Department and, if necessary, amend the existing MOU in January 2007 to reflect oversight role(s) between ORCA/OCI staff.

08/31/06 - 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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
414	08/31/06 IA	OCI Draw processing and Subrecipient Monitoring Function for SHC Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	Px Px Ix	08/31/06 11/22/06 02/22/07	01/31/07 01/31/07

Division: Office of Colonia Initiatives

Issue: 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 compliance with applicable Federal cost principles. Additonally, 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 Border Field Officer (BFO) approving the support for reimbursement.

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 recommend the Department develop detailed minimum documentation standards required of the subrecipients in their submission of draw requests for reimbursement of expenditures.

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.

Status: 02/22/07 - OCI has developed Colonia SHC SOPs to formalize draw processing functions in order to ensure compliance with federal cost principles. A checklist has also been developed as a supplement to the SOPs to ensure that contract files are complete and that draw requests are fully supported.

Furthermore, OCI developed Colonia SHC SOPs to incorporate the on-site monitoring functions of PMC and created oversight procedures and safeguards for OCI staff to ensure that SHC goals and objectives are achieved and that subrecipients comply with all applicable regulations.

11/22/06 - In October 2006, OCI created draft standard operating procedures (SOPs) to include, but not limited to, the procedures of reviewing, approving, holding, returning and tracking a draw down, in accordance with the Department's SOP's system. One of the SOPs includes a checklist 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 request accurately and as intended by management. Finalization of the SOP for processing draw requests and the related checklist that will be included in each contract file is planned for January 2007.

08/31/06 - OCI will assess its options relating to on-site monitoring of its subrecipients. 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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
415	08/31/06 IA	OCI Draw processing and Subrecipient Monitoring Function for SHC Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	Px Px Ix	08/31/06 11/22/06 02/22/07	01/31/07 01/31/07

Division: Office of Colonia Initiatives

Issue: 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 and the related results and conclusions is inconsistent or non-existent.

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 SOPs 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.

Status: 02/22/07 - OCI has developed SOPs to formalize the desk review process to be conducted at least quarterly to ensure achievement of performance measures as well as completeness of the contract files and compliance with federal costs principles. OCI has also developed draft Colonia SHC Program rules that include expenditure thresholds and the punitive actions that may be taken against a grantee for failure to meet those benchmarks.

11/22/06 - In October 2006, OCI created draft standard operating procedures (SOPs) to include, but not limited to, the procedures for conducting desk reviews that include or refer to standards for performance measurement and acceptable/unacceptable performance by which the OCI staff can assess Contractors performance, in accordance with the Department's SOP's system. One of the SOPs includes documentation standards that require the OCI staff to make record of desk reviews conducted and of the related results and conclusions. Finalization of the SOP for conducting desk reviews is planned for January 2007.

08/31/06 - To enhance its procedures, the OCI will develop formal policies and procedures for conducting desk reviews in accordance with the Department's SOP 1100.01, Standard Operating Procedure (SOP) System. The SOPs 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.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
416	08/31/06 IA	OCI Draw processing and Subrecipient Monitoring Function for SHC Consideration of the OCI Self-Help Center program's subrecipient monitoring and draw processing functions from January 2005 to June 2006	Px Px Px Ix	08/31/06 11/22/06 01/08/07 02/22/07	01/31/07 01/31/07 01/31/07

Division: Office of Colonia Initiatives

Issue: 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 Office of Rural Community Affairs (ORCA), the related performance information is summarized and reported to ORCA only upon completion of the contracts.

We recommend Office of Colonia Intiatives (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.

Status: 2/22/07 - OCI has developed the Housing Project Activities Report in order to be able to track the housing activities of Colonia SHC contracts at a project activities level. This report was sent out to all participating counties with a cover letter explaining the need for the report and instructions to fill out the report. The Quarterly Progress Report SOP dictates that this report will be submitted with the standard Quarterly Progress Report and analyzed to ensure that a contract is meeting performance standards.

01/08/07 - Letters will be provided to all counties instructing them to provide management reports detailing information at the project activity level.

11/22/06 - In July 2006, OCI obtained access rights to ORCA's ORACLE database system for the purpose of inputting and gathering important information relating to the Colonia SHC Program. In August 2006, OCI staff received training on the ORACLE database to track contract progress and management. In September 2006, OCI staff created a reference sheet to utilize for the various screens in the ORACLE database when populating information to the various screens.

In October 2006, OCI created draft SOPs to include, but not limited to, inputting information into the ORACLE database and the Quarterly Reports review process that includes OCI staff comments on Quarterly Reports for management review. Finalization of the SOP for Quarterly Reports is planned for January 2007. Additionally, OCI published in the Texas Register draft Colonia SHC Draft Program Rules (10 Texas Administrative Code, Chapter 3). The Rules include, but are not limited to, milestones and performance targets, formalizing procedures for monitoring achievement of the milestones and performance targets, and holding Contractors 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. The Rules are an additional tool put in place by the OCI to allow the Department to enforce program measures and performance for the Colonia SHC Contractors.

08/31/06 - 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 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,
- 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, and

• 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.

In August 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.

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417 12/19/06 — Report to Management for the Year Ended August 31, 2006 — Px — 12/19/06 — 12/31/07

Deloitte & Touche — Annual independent audit of the Department's general purpose financial statements

Division: Financial Administration - Accounting Operations

Issue: Recently Issued Government Accounting Standards Board ("GASB") Statements
Begin reviewing the new GASB Statements No. 45, 47, 48 and 49 and their implications to determine the potential impact on the TDHCA's financial statements.

Status: 12/19/06 - Management will proactively review GASB Statements No. 45, 47, 48 and 49 for their potential implications for TDHCA's financial statements.

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418 12/19/06 — Report to Management for the Year Ended August 31, 2006 — Px — 12/19/06 / Ix — 03/14/07

Deloitte & Touche — Annual independent audit of the Department's general purpose financial statements

Division: Financial Administration - Accounting Operations

Issue: Controls Related to Other Assets

In 2006, the Department implemented an enhancement to its accounts receivable module in MITAS. We noted in testing certain accounts for administration fees that the "due from developer" accounts were overstated and the "due to developer" accounts were understated. It was noted that there was an oversight in the closeout procedures when changing from a manual process to an electronically-initiated process with the MITAS upgrade. Because of the shift in focus to the automated system, there was no closeout of the manual amounts that had been previously recognized and the other asset account and other liabilities account were misstated.

Prepare timely reconciliations and closeouts of the properties that record "due from developer" and "due to developers" amounts to ensure amounts are proper. TDHCA should also ensure that in the event of a change in an accounting process, whether automated or manual, accounting staff continue to perform reconciliations and proper closeouts on balances and accounts related to the old system.

Status: 3/14/07 - The account receivable system in MITAS is now fully automated, which ensures the subsidiary ledger and general ledger are in agreement.

12/19/06 - Since transferring the accounting of the administration fee receivable to the account receivable subsidiary ledger in MITAS, the controls established enable the Department to have a more accurate accounting and recognition of administration fees. A reconciliation process has been established to ensure the general ledger and the subsidiary ledger agrees.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
419	12/19/06 Deloitte & Touche	Report to Management for the Year Ended August 31, 2006 Annual independent audit of the Department's general purpose financial statements	Ix	12/19/06	

Division: Human Resources

Issue: Reference Checks Policies and Procedures

It was noted that TDHCA has an in-house policy regarding reference checks for employees hired. It was noted that in one instance there was not appropriate documentation of the reference check being performed. Without such documentation, there is no evidence that the policy was adhered to.

TDHCA should ensure that all reference check policies and procedures are properly adhered to and documented in employee files.

Status: 12/19/06 - In the one instance the reference checks was not conducted in line with the policy due to a communication break down among staff. The Human Resources staff did go back and conduct employment verification and this information has been noted in the employee's file as requested by the audit team. TDHCA will continue to conduct reference checks for employees hired based on the in-house policy.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
420	12/19/06 Deloitte & Touche	Report to Management for the Year Ended August 31, 2006 Annual independent audit of the Department's general purpose financial statements	Px Ix	12/19/06 04/20/07	04/01/07

Division: Information Systems

Issue: Password Parameters (Peoplesoft)

It was noted that password parameters in the PeopleSoft application are not configured or enforced. It was noted the current, default password length is one, alpha character. It was also noted that the current version of PeopleSoft (7.02) does not support this functionality.

As the current version of the PeopleSoft application does not support password parameters to be configured systemically, management should consider implementing a mitigating, manual control to communicate to users specified password standards that should be used.

Status: 04/20/07 - TDHCA deployed PeopleSoft Financials 8.8 on April 6, 2007. On April 20, 2007, stronger password controls such as password length and periodic expiration were implemented in the new system, and through a system setting all PeopleSoft users were required to change their password on next login.

12/19/06 - Management is restricted by password configuration limitations in the current version of CSAS (PeopleSoft Financials version 7.02). The Department plans to implement PeopleSoft Financials 8.8 in March 2007 and will be able to enforce stronger password controls, such as password length and periodic expiration.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
421	12/19/06 Deloitte & Touche	Report to Management for the Year Ended August 31, 2006 Annual independent audit of the Department's general purpose financial statements	Px	12/19/06	05/31/07

Division: Information Systems

Issue: Change Management – Peoplesoft and Segregation of Duties

It was noted that for the two application changes made to PeopleSoft, documentation was provided to evidence communication between the PeopleSoft administrator and the end users involved with the change. However, TDHCA was unable to provide documentation to evidence management approval and successful testing within a testing environment prior to movement to production.

In addition, it was noted that TDHCA has one PeopleSoft administrator with access to both the development and production environments.

Management should develop formal policies and procedures that detail the testing procedures required to be performed for changes made to the PeopleSoft application. Additionally, management should indicate what types of supporting documentation should be maintained, and how long it should be maintained. Management should consider implementing formal internal auditing processes to verify that the testing policies and procedures are being complied with. Required approval procedures by a supervisor should be established to ensure that all changes moved into production are authorized and adequately tested.

Further, management should ensure that access to information resources is restricted based upon job responsibilities to help enforce proper segregation of duties and reduce the risk of unauthorized systems access.

Status: 12/19/06 - Management has discussed these two exceptions and the need to follow established software change management procedure with appropriate ISD employees and will continue to monitor compliance. Because of the size of the Department's ISD and the number of systems supported, the two PeopleSoft Financials system administrators also perform development functions. The Department currently uses a third-party process to monitor the movement of changes to system code to production environments for all agency development platforms, including PeopleSoft Financials.

In addition to the existing control described above, in May 2007 management will implement a PeopleSoft object change report to be reviewed by the Director of Information Systems on a monthly basis. The report will list all instances where PeopleSoft code is changed in the production environment. The Director of Information Systems will reconcile the report to completed Software Change Acceptance forms to ensure that all changes are authorized.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
422	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Px Px Px	12/20/06 03/02/07 04/23/07	04/30/07 04/30/07 05/11/07

Division: Community Affairs - WAP

Issue: Section 1
Formalize Desk Review Procedures

The quality and effectiveness of desk reviews performed could not be determined due to a general lack of documentation supporting what monitors should consider and perform during a review and what they actually consider and perform, and the results and conclusions of the reviews are not documented.

The following deficiencies were noted.
• The goals and objectives of the reviews have not been formalized or supported by desk review policies and procedures.
• Criteria for acceptable performance and expenditure rates have not been develop to assess actual performance.
• Documentation standards have not been established.
• The results and conclusions of the reviews conducted by EA staff could not be determined nor whether technical assistance was provided or corrective action was required of subrecipients in response to unsatisfactory performance.

We recommend management develop the goals and objectives of desk reviews supported by formalized policies and procedures for conducting the reviews.

Status: 04/23/07 - Status comment same as 3/02/07.

03/02/07 - The Energy Assistance Section is documenting the process for desks reviews and has begun the drafting of the SOP.

12/20/06 - The EA Section will develop a Standard Operating Procedure (SOP) for desk reviews by April 2007. With the implementation of the new contract management system, the Section will establish a formal policy that includes documentation standards relating to results and conclusions of the desk and field reviews. Documentation for all required actions will be scanned and kept in the Department's electronic filling system.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
423	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Ix	12/20/06	

Division: Community Affairs - WAP

Issue: Section 2
Enhance Subrecipient Monitoring Complaince Checklist

While the monitoring compliance checklist used by EA monitors is generally adequate, the checklist should be enhanced to incorporate requirements relating to the maximum amount of federal funds that a Weatherization Assistance Program (WAP) subgrantee can spend to weatherize a multi-family dwelling, the maximum amount of administrative funds to be made available to subgrantees for administrative purposes, and restrictions, limitations and requirements of weatherization activities funded by Investor Owned Utilities. The checklist also needs to be updated for conditions noted by the State Auditor's Office in a prior audit:

- consistently document their decision criteria for providing weatherization services to WAP applicants,
- conduct energy audits before providing weatherization services,
- input adequate data into the energy software,
- allow only qualified individuals to conduct energy audits,
- maintain current contracts with contractors, and
- establish procedures to ensure weatherization contractors are paid reasonable prices including a material cost analysis survey prepared by the subgrantee of their service area, a competitive solicitation for labor and materials, and contracts with the winner of the solicitation.

We recommend EA update its monitoring compliance checklist to incorporate the considerations previously discussed. We also recommend that appropriate training be provided to the monitoring staff to monitor effectively these issues.

Status: 12/20/06 - The EA Section conducted a weeklong training in November 2006 designed to promote proper monitoring techniques. As a result of the training, the EA Section modified the 2006 WAP monitoring instrument.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
424	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Px Ix	12/20/06 03/02/07	01/01/07

Division: Community Affairs - WAP

Issue: Section 3
Enhance Documentation Standards and Establish a Quality Control Function

Instances were noted where the monitoring checklists used during monitoring visits were not completed or it could not be determined whether required procedures were performed, and documentation supporting the procedures performed and results obtained was insufficient to determine the adequacy of the procedures or whether the conclusions reached were reasonable.

Management should enhance documentation standards and establish quality control procedures to ensure the monitoring staff complies with established subrecipient monitoring policies and procedures.

Status: 03/02/07 - The peer review process has been implemented for the 2006 WAP monitoring visits.

12/20/06 - The EA Section will formalize a peer review process of the monitoring checklist and support documentation upon return from the monitoring visit. The peer review along with improvements made to the monitoring checklist will insure quality control and sufficient documentation of monitoring activities. The peer review process will be implemented for the 2006 Weatherization Monitoring.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
425	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Px Px Px	12/20/06 03/02/07 04/23/07	04/01/07 04/15/07 05/11/07

Division: Community Affairs - WAP

Issue: Section 4
Ensure Monitoring Results are Adequately Communicated to Subrecipients

Controls are not in place to provide reasonable assurance that results of monitoring activities are adequately communicated to appropriate subrecipient personnel. Tests of files disclosed various exceptions that were not carried to the monitoring report and it could not be determined from the supporting documentation in the files if these exceptions were discussed with appropriate subrecipient personnel, subsequently cleared or otherwise disposed of. Monitoring reports were not distributed in a timely manner and follow-up on monitoring results was not timely or timeliness could not be determined.

Controls should be established and put in place to provide reasonable assurance that results of monitoring activities are adequately communicated to appropriate subrecipient personnel. Standard operating policies and procedures (SOPs) should be established which clearly describe the criteria, conditions or exceptions that warrant formal reporting to subrecipients. The SOPs should also require the monitor to document the reasons an unfavorable condition noted during a monitoring review does not warrant formal reporting.

Status: 04/23/07 - Status comment same as 3/02/07.

03/02/07 - The Energy Assistance Section has initiated internal discussions to formulate the criteria, conditions, or exceptions that warrant formal reporting and resolutions of issues prior to formal drafting of the report. Additionally, the peer review process will enhance the consistency of the decision-making during the formulation and/or resolution of the findings identified in the field notes and subsequent inclusion in the monitoring report.

12/20/06 - Changes to the Monitoring Instrument and ongoing training of Program Officers will help insure documentation of unfavorable conditions noted during in a monitoring review, proper reporting of unfavorable conditions, and explanations of circumstances where such conditions are not included in the monitoring report. The EA Section will develop an SOP to detail the criteria, conditions or exceptions that warrant formal reporting to subrecipients and the exceptions that may be resolved with the receipt of additional information prior to the release of the monitoring report.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
426	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Px Px Px	12/20/06 03/02/07 04/23/07	05/20/07 05/20/07 05/20/07

Division: Community Affairs - WAP

Issue: Section 5
Ensure Monitoring Results and Follow-up Letters are Communicated to Subrecipients in a Timely Manner

Monitoring reports were not distributed in a timely manner. The monitoring report was not distributed within 30 days of the last date of the monitoring visit for the eight subrecipient monitoring files tested. Distribution of the reports to the subrecipient's governing board or other oversight entity were not made within 60 days from the date of the monitoring report for five of six subrecipient monitoring files tested. In response to a prior audit recommendation by the Texas State Auditor's Office that copies of monitoring reports be provided to subgrantees' board chairs to help ensure that subgrantees address issues identified (Prior Audit Issue, see Appendix 1, IA Ref. No. 309), the Department reported that copies of monitoring reports are being provided to board chairs 60 days after the monitoring report is sent to the subrecipient.

Follow-up on monitoring results was not timely or timeliness could not be determined. Of the eight subrecipient monitoring files tested, the follow-up or close-out letter was not distributed within 15 days from the date the subrecipient's response was received for two of five subrecipients that should have received a follow-up or close-out letter during the audit period. Additionally, in review of the Monitoring Tracking System, there were numerous instances noted where data fields such as monitoring report response dates, follow-up letter dates, and close-out letter dates were not posted. The SOP does not establish timeframes for the issuance of the follow-up or close-out letters or for posting related actual dates to the Tracking System.

Monitors should inform management when they become aware that established due dates for the release of monitoring reports will not be met, discuss obstacles in meeting the due dates and strategies to achieve them, and assess and document in the monitoring files reasons monitoring reports are not released to subgrantees and board chairs within timeframes established by the Department.

We also recommend EA enhance its subrecipient monitoring SOP to include standards for timeliness in issuing follow-up and close-out letters and for posting related data to the Monitoring Tracking System.

Status: 04/23/07 - Status comment same as 3/02/07.

03/02/07 - The Energy Assistance Section has an existing SOP that will be reviewed and updated in order to accommodate realistic timeframes for timely communication of follow-up, closeout, and subsequent updating of the tracking system.

12/20/06 - The Section will develop an SOP which will serve as a basis to help ensure monitoring results and follow-up letters are communicated to subrecipients in a timely manner. The SOP will include standards for timeliness for issuing follow-up and close-out letters and for posting related data to the Monitoring Tracking System. Management will emphasize to the monitoring staff the importance of timeliness in issuing the monitoring reports and the related follow-up and close-out letters.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
427	12/20/06 IA	Energy Assistance Weatherization Assistance Program Subrecipient Monitoring Consideration of EA Weatherization Assistance program's subrecipient monitoring functions from April 2005 to March 2006	Px Px Px	12/20/06 03/02/07 04/23/07	05/30/07 05/30/07 05/30/07

Division: Community Affairs - WAP

Issue: Section 6
Assess and Satisfy Information Needs

The management information system is adequate to track most of the significant milestones . However, data fields have not been created to capture significant milestones relating to the delivery of the monitoring letter to the subrecipient's governing board chair and the subrecipient's response to the monitoring follow-up letter.

A text/memo field called Notes in the Monitoring Tracking System is used to capture the results of monitoring activities such as findings or conditions noted, required corrective actions, concerns and comments; however, the information recorded in the Notes field is unclear, not consistently posted, and, in instances, incomplete.

Management should assess its information needs to ensure they are being adequately satisfied and strategies, including computer and non-computer solutions, should be developed for capturing necessary data to operate effectively.

Status: 04/23/07 - Status comment same as 3/02/07.

03/02/07 - The Energy Assistance Section and the Information Systems staff have implemented a tracking system on the TDHCA intranet. As currently designed, the system captures the pertinent dates, milestone dates, funding amounts, and provides a notes field for narrative text. EA staff will analyze this system for possible improvements.

12/20/06 - During the planning of the Contract System being developed by the IS Division, the EA Section identified the daily operational needs of the Section. The Contract System will help the Section gather information needed to comprehensively monitor the subrecipients and make effective management decisions. The updated monitoring tracking system will assist management by providing information, documenting results, and summarizing desk and field monitoring reviews.

The EA Section will coordinate with IS to update the Intranet monitoring tracking system to incorporate text fields to capture findings and the events that occur up to, and including resolution of, the findings. Upon coordination with IS staff, the updated system will be implemented after completion of the 2006 monitoring visits. In the interim, EA is using an Excel monitoring tracking system to track this information.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
428	03/05/07 IA	CDBG Disaster Hurricane Recovery Program – Project/Program Plan Department's planned approach for delivering the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.	Px Ix	03/05/07 04/23/07	03/16/07

Division: CDBG

Issue: Section 1
Establish a Project Charter

The goals and objectives related to the effective delivery of the Program have not been clearly identified or delineated in sufficient detail to plan the delivery of the Program adequately. Goals and objectives identify the desired predetermined results to be achieved.

The scope of the Program Plan has not been adequately defined. The scope describes the boundaries of a project and defines a project's product and service deliverables. The scope is fully described by identifying significant activities to be performed, the resources to be consumed and the final products that result, including quality standards.

The roles and responsibilities as well as the authorities of the Program Coordinator and other team members have not been fully developed. In the absence of clearly assigned roles, responsibilities and authorities, decision-making and the ability to commit resources is hindered as well as the ability to evaluate and judge performance on a project making accountability elusive.

Critical success factors of the Program Plan have not been identified or described. Critical success factors are those factors that, when present in a project's environment, are most conducive to achieving a project successfully.

We recommend the Program Team develop a project charter. We recommend the charter include the following elements:

• The goals and objectives related to the effective delivery of the Program be identified and delineated in sufficient detail to facilitate identifying necessary activities and tasks for developing the Program Plan.
• The scope of the Program Plan which defines (1) the product and service deliverables, (2) significant activities to be performed, (3) the resources to be consumed, and (4) the final products that result, including quality standards.
• The roles, responsibilities and authorities of the Program Coordinator, team members, Oversight Team members and others that may be involved with executing and overseeing the Program Plan.
• Critical success factors listed in the order of importance.

We also recommend that senior management establish a review and approval process of the project charter and that the charter serve as a basis for fully developing the Program Plan.

Status: 04/23/07 - The Project Charter was developed and provided to the Deputy Executive Director of Disaster Recovery for approval on 3/8/2007. The Program Coordinator forwarded the approved Charter to the Executive Director as a final document on 3/9/2007.

03/05/07 - A Charter is in development and a draft will be completed by March 8th that incorporates input from senior management and the Program Team. The draft Charter will be presented to CDBG knowledgeable staff on March 8th during a CDBG Disaster Recovery Program Planning meeting. Additional input that may be received as a result of this meeting will be incorporated and presented to the Oversight Team for final approval on 3/16/07.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
429	03/05/07 IA	CDBG Disaster Hurricane Recovery Program – Project/Program Plan Department's planned approach for delivering the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.	Px Ix	03/05/07 04/23/07	03/16/07

Division: CDBG

Issue: Section 2
Fully Develop the Program Plan

The Program Plan has not been fully developed. The Plan does not necessarily include:
- Consideration of all goals and objectives relating to delivery of the Program.
- Detailed tasks or steps to be performed for all significant milestones to be met to achieve the program-delivery goals and objectives.
- Time estimates to accomplish a task or milestone.
- Tasks and milestones dependent upon completion of a preceding task or milestone are not clearly identified.

The Program Coordinator conducted a planning brainstorm meeting in early February 2007 with knowledgeable staff. The objectives of the meeting were to identify and confirm the goals and objectives relating to delivery of the Program, and to identify risks, necessary activities, milestones, and tasks to achieve the goals and objectives while mitigating unacceptable risks.

We recommend the Program Coordinator continue working with knowledgeable staff and the Oversight Team to develop the Program Plan in full. In developing the plan, we recommend the Program Team incorporate consideration of the goals and objectives relating to delivery of the Program, the scope of the Program, and the risks associated with achieving the goals and objectives.

For each goal and objective and the related activities, we recommend, minimally, that the plan identify significant milestones, tasks necessary to achieve the milestones, specific staff assigned to complete tasks and the target dates or estimated completion dates for each task. We also recommend milestones and tasks dependent upon the completion of a preceding milestone or task be clearly noted.

We recommend that the plan be regularly updated to reflect the status of tasks to be performed and that the plan be adjusted, if necessary, due to changing goals and objectives, requirements, resources, timelines, circumstances or risks.

Status: 04/23/07 - An expanded version of the Project Plan was developed and completed that incorporated input from senior management and program team members. The CDBG DR Program planning meeting was cancelled, however Disaster Recovery Division staff members met, incorporated necessary changes, and forwarded the Plan to the Executive Director as a final document on 3/9/2007.

03/05/07 - An expanded version of the Program Plan is in development and a draft outline of the Plan will be completed by March 8th that incorporates input from senior management and the Program Team. The draft Plan will be presented to CDBG knowledgeable staff on March 8th during a CDBG Disaster Recovery Program Planning meeting. Additional input that may be received as a result of this meeting will be incorporated and presented to the Oversight Team for final approval on 3/16/07.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
430	03/05/07 IA	CDBG Disaster Hurricane Recovery Program – Project/Program Plan Department's planned approach for delivering the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.	Px Px	03/05/07 04/23/07	03/16/07 05/01/07

Division: CDBG

Issue: Section 3
Maintain, Report and Monitor the Status of the Plan

The Program plan is not being updated to reflect the status of completion on a regular and current basis. While the plan does have a data field to report status, instances were noted where the status field is not being updated on a regular basis. We also noted instances where target dates for completion have lapsed and revised target dates have not been established. Comments or explanations for the lapsed target dates are not provided.

We recommend staff assigned to tasks update the status of the tasks and plan, in coordination with the Program Coordinator, on a regular basis. We recommend the progress on completion of a task be reported in terms of the percentage completed and Program Team members immediately inform the Program Coordinator in instances where target dates for completion are not going to be met and provide explanations for the delays. Revised target dates should be established when necessary.

The Program Coordinator and Program Team should monitor the status of the plan and evaluate progress against the plan on an ongoing basis to ensure the related goals are being achieved in a timely manner and so corrective actions can be taken when necessary.

We also recommend regular status meetings be scheduled with the Program Team to discuss the status of the Program and, in instances where planned tasks are not being achieved, take corrective actions. The meetings should be used to discuss issues or risks being identified that are interfering or might interfere with achieving the Program Plan's goals, and strategies to address or mitigate the issues and risks identified.

Status: 04/23/07 - The Program Coordinator regularly monitors and updates the Project Plan. The Project Plan was updated during April to reflect the expansion of the Disaster Recovery Division to include two new staff members. Staff members have been meeting regularly to discuss the status of the program and have included discussions on issues and risks identified in relation to achieving the program's goals and strategies and tasks to be achieved. Staff members in the division are in the process of obtaining licenses needed to utilize the software program used to document the Project Plan. Once the licenses are obtained, it will be the responsibility of each staff member to regularly update the Project Plan.

Regular meetings have not been set with the Department's Program Team. A recurring meeting date with team members will be established by 5/1/2007.

03/05/07 - After Oversight Team approval of the Project Charter and approval of the Project Plan, a regular recurring Program Team meeting will be set and the Project Plan will be regularly updated and monitored.

Ref. #	Report Date / Auditors	Report Name / Audit Scope	Status Codes*	Status Date	Target Date
431	03/05/07 IA	CDBG Disaster Hurricane Recovery Program – Project/Program Plan Department's planned approach for delivering the $74,523,000 HUD CDBG Disaster Recovery award to the State of Texas to address the consequences of Hurricane Rita.	Px Ix	03/05/07 04/23/07	03/16/07

Division: CDBG

Issue: Section 4
Enhance the Ability of the Oversight Team to
Provide Governance over the Program

The Oversight Team has not received a fully developed plan for the Program or regular status reports to assess progress on achieving the program-delivery goals and objectives. Additionally, the responsibilities of the Oversight Team members relating to the Program's demands, as well as other job responsibilities and demands not related to the Program, may warrant additional Oversight Team members to share the workload.

The plan and progress in achieving the plan, should be periodically reviewed by the Oversight Team or assigned responsible designees independent of the plan. The purpose of the review is to ensure appropriate controls have been established and are being maintained to ensure the program-delivery goals and objectives are being achieved and issues or risks are being identified and addressed to promote the attainment of the goals.

We recommend the Executive Director consider expanding the Oversight Team to include other senior or knowledgeable staff to provide support to the Program Team. The purpose of the Oversight Team should include the following:
• Reviewing and confirming the goals and objectives of the Program Plan or adjusting them as appropriate.
• Reviewing the Program Plan and assessing whether the Plan is reasonable to achieve the program-delivery goals.
• Assessing whether adequate strategies have been developed to identify and mitigate significant risks and control issues that may be obstructing progress in completing the Plan and achieving the related goals.
• Assisting the Program Team in establishing priorities should they encounter conflicting demands on them or their resources.
• Monitoring progress in completing the Plan and ensuring the plan is adjusted when necessary in those instances where actual performance varies from the plan.

In instances where additional resources are identified as necessary to achieve the goals of the Program Plan, we recommend the Oversight Team work with the Program Coordinator to identify and obtain those resources.

Status: 04/23/07 - The Oversight Team was disbanded with the appointment of a Deputy Executive Director for Disaster Recovery. The DED provides program updates to the Executive Team on a regular basis. The DED and Program Coordinator have identified and utilized additional resources as necessary to achieve the goals of the Program Plan and the DED recently hired two additional staff members for the Disaster Recovery Division.

03/05/07 - The Oversight Team has been expanded to include the Deputy Executive Director of Programs and the Director of Portfolio Management and Compliance. The Project Charter will formally identify Oversight Team members and define their responsibilities. The Oversight Team meets weekly.

Texas Department of Housing and Community Affairs

Status of Internal/External Audits

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

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 status of internal audits/activities and external audits currently in progress, recently completed, or anticipated in the near future.

The Internal Audit Division has completed two of three audits planned for the first of three phases of an audit of the Department's CDBG Disaster Recovery Program. The anticipated completion date for the third report on the subrecipient monitoring function has been extended from April to November 2007. Phases 2 and 3 are also being delayed to allow the Disaster Recovery Division to finalize their controls systems to deliver the program, and for a sufficient number of subrecipient requests for reimbursement to be processed prior to selection for audit testing. The delays are subject to the TDHCA Governing Board approving proposed amendments to the FY 2007 Audit Plan.

Completion of the internal audit of the Manufactured Housing Division (MHD) Homeowners' Recovery Trust Fund (HORTF) has been extended from March to May 2007. A briefing on the status of the audit and audit results are planned with a MHD Governing Board member on May 11, 2007.

An amendment to the FY 2007 Audit Plan to be considered by the Governing Board in May 2007 proposes that two of the five follow-up projects on prior audit issues be deleted from plan, due to employee turnover.

The phases and timing of the audits of the HOME and LIHTC programs are planned for discussion with the proposed amendments to the FY 2007 Audit Plan being considered by the Governing Board at the May 2007 Board meeting.

The expected completion of an Employee Classification Audit by the State Auditor's Office is June 2007. The SAO has also announced an audit of the Department's CDBG Disaster Recovery Program to determine whether the Department appropriately awarded and disbursed hurricane recovery funds. Audit work will include automated systems and process that support the functions being audited. The auditors are in the planning stage and fieldwork is expected to begin in June 2007. Planning and interim work on the Department's annual audits conducted by Deloitte and Touche and the Statewide Federal Single Audit for Fiscal Year 2007 is anticipated during the Summer 2007.

A senior level internal audit position with the Internal Audit Division is posted. One applicant passed the "pass/fail" criteria, and was interviewed and offered the position. A response is expected by Friday, May 4.

Recommendation

No action is required.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS/ISSUES OF INTERNAL/EXTERNAL AUDITS
May 1, 2007

Internal Audits/Activities	Scope/Description	Stage	Comments
CDBG Disaster Recovery Program	Phase 1: Control Systems, Policies and Procedures	Planning	Two of three planned reports have been released for Phase 1. • Report No. 1016-1, *CDBG Disaster Hurricane Recovery Program - Project/Program Plan,* was released March 5, 2007. • Report No. 1016-1, *CDBG Disaster Hurricane Recovery Program – Control Design over Project Set-up and Draw Processing Functions*, was released May 1, 2007. The anticipated completion date for the third report on the subrecipient monitoring function is November 2007.
	Phase 2: Funding/Management of the Program	Pending Inception	Estimated completion – February 2008
	Phase 3: Subrecipient Monitoring	Pending Inception	Estimated completion – An anticipated timeframe and completion date will be identified in developing the 2008 audit plan.
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.	Fieldwork / Reporting	Estimated completion – May 2007. Discussion of results with MHD Governing Board member planned for May 11, 2007.
Follow-Up on Status of Prior Internal Audit Issues for five separate audits	To independently verify corrective actions taken by management in response to prior internal audit issues. Follow-up projects will be pursued as issues relating to an audit are reported by management as implemented. Follow-up projects anticipated for the year relate to the following internal audits: ➢ Single Audit, Rpt. No. 1003.20, released September 23, 2005 ➢ Risk Assessment, Rpt. No. 1003.30, released August 5, 2005 ➢ Office of Colonia Initiative – Self Help Program Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.20, released August 31, 2006.	Pending Inception	Proposed amendments to the FY 2007 Annual Audit Plan, to be considered by the Governing Board at the May 2007 Board meeting, proposes deletion of the following projects from the FY 2007 Audit Plan: ➢ Single Audit, Rpt. No. 1003.20, released September 23, 2005 ➢ Risk Assessment, Rpt. No. 1003.30, released August 5, 2005 An August 2007 estimated completion date is planned for the following projects: ➢ Office of Colonia Initiative – Self Help Program Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.20, released August 31, 2006. ➢ Energy Assistance – Subrecipient Monitoring, Rpt. No. 1012.00, released December 20, 2006. ➢ Office of Colonia Initiative – Contract for Deed Draw Processing and Subrecipient Monitoring Function, Rpt. No. 1010.10, released June 6, 2006.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS/ISSUES OF INTERNAL/EXTERNAL AUDITS
May 1, 2007

Internal Audits/Activities	Scope/Description	Stage	Comments
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. Eight unresolved prior audit issues will be reported to the Board in May 2007.
Coordinate External Auditors	To coordinate and assist external auditors.	Periodic	• KPMG, FY 2007 Statewide Federal Single Audit – planning phase. • State Auditor's Office, Audit of CDBG Disaster Recovery Program – June 2007 start date anticipated.
Proposed Amendments to FY 2007 Annual Audit Plan	To propose amendments to annual audit plan for FY 2007	Complete, pending approval	Amended FY 2007 audit plan to be proposed to the Governing Board in May 2007.
Internal Audit Staffing	Senior level auditor position posting and hiring in process.	Interviewing	One applicant passed the "pass/fail" criteria, and was interviewed and offered the position. A response is expected by Friday, May 4.
HOME	An audit of the HOME program procedures to assess whether they adequately address the significant risks and compliance requirements associated with the program.	Pending inception	Phases and timing of review being proposed to Governing Board at May 2007 Board meeting.
LIHTC	To review significant Phases of the 2007 tax application cycle for the purposes of identifying significant risks associated with the awards process and if adequate controls are in place address the risks, and to determine whether the Department has complied with all significant requirements associated with the LIHTC phases subject to audit.	Pending inception	Phases and timing of review being proposed to Governing Board at May 2007 Board meeting.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
INTERNAL AUDIT DIVISION – STATUS/ISSUES OF INTERNAL/EXTERNAL AUDITS
May 1, 2007

External Audits	Scope	Stage	Comments
KPMG	Statewide Federal Single Audit for FYE August 31, 2006 (SAO contract with KPMG)	Planning	Estimated completion – February 2008
State Auditor's Office	Employee classification audit	Concluding/ Reporting	Department employees have responded to classification survey regarding their job responsibilities. The SAO is in the process of evaluation and reporting results. Anticipated completion – June 2007.
State Auditor's Office	To determine whether the Department appropriately awarded and disbursed hurricane recovery funds. Audit work will include automated systems and process that support the functions being audited.	Planning Phase	Fieldwork anticipated to begin June 2007
Deloitte and Touche	Annual Opinion Audits: • Consolidated Financial Statements for the FYE August 31, 2007 • Revenue Bond Enterprise Fund for the FYE August 31, 2007 • Opinion Audit on FY 2007 Computation of Unencumbered Fund Balances	Pending inception	Planning and interim fieldwork anticipated for Summer 2007.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST
May 10, 2007

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government 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 statute identifies certain changes as material alterations and the requests presented below include material alterations.

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.

Penalties for Amendment Requests

§49.9(c), 2007 Qualified Allocation Plan and Rules, entitled, "Adherence to Obligations," states in part:

> Effective December 1, 2006, if a Development Owner does not produce the Development as represented in the Application and in any amendments approved by the Department subsequent to the Application, or does not provide the necessary evidence for any points received by the required deadline:
>
> (1) the Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and
>
> (2) the Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:
>
> (A) reduce the score for Applications for tax credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was identified by the Department; and
>
> (B) prohibit eligibility to apply for tax credits for a Tax-Exempt Bond Development that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for 12 months from the date that the non-conforming aspect, or lack of financing, was identified by the Department.

HTC No. 04241, Anson Park II

Summary of Request: The owner requests the Board's acknowledgement of a correction in the square footage of the community building as reported to the Board at the time of the award. At the time of the award, the applicant proposed that the development would contain a net rentable area of 80,600 square feet and a common area of 4,052 square feet. The applicant's architect did not separate the common area from the maintenance area. The common area, as built, is actually 3,877 square feet and the remaining square footage is the maintenance building. The common area, as built, is 4.3% smaller than what was represented in the application. A reduction of three percent in the common area of a development is a material alteration calling for the Board's approval.

Governing Law:	§2306.6712, Texas Government Code. The code states that the Board must approve material alterations of a development, including a reduction of three percent or more in the square footage of the units or common areas.
Owner:	Anson Park II Limited Partnership
General Partner:	Tejas Housing I, Inc.; Eagle River Builders, Inc. (Co-GP)
Developers:	Tejas Housing and Development, Inc.
Principals/Interested Parties:	R.J. Collins
Syndicator:	Red Capital Group
Construction Lender:	Stearns Bank
Permanent Lender:	Greystone Servicing Corporation, Inc.
Other Funding:	American Housing Foundation
City/County:	Abilene/Taylor
Set-Aside:	General
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	General Population
Units:	74 HTC units and 16 market rate units
2004 Allocation:	$535,250 (original allocation)
Allocation per HTC Unit:	$7,233
Prior Board Actions:	7/04 – Approved award of tax credits
Underwriting Reevaluation:	No change in the amount of the award was recommended.
Staff Recommendation:	**Staff recommends the Board's acceptance of the explanation provided and approve the components of the development as discussed.**
Penalty Assessment:	**No penalty assessment is recommended because the material alteration would not affect the development in a negative manner.**

HTC No. 05118, Vista Verde I & II

Summary of Request: The owner requests approval to complete the development with 192 units instead of the 190 units that were originally proposed. The two additional units would be two-bedroom/two-bathroom market rate units, created by converting one of the two original community buildings to residential use. The development was originally proposed to have three community buildings, two containing 1,805 square feet, each, and one new building of 3,065 square feet. The amended proposal calls for two community buildings, a new 4,344 square foot building and one of the two existing community buildings.

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 the bedroom mix of units.
Owner:	810/910 North Frio Street, LP
General Partner:	810/910 North Frio Street GP, LLC
Developers:	Housing and Community Services, Inc.
Principals/Interested Parties:	Housing and Community Services, Inc. (Owner of GP and Developer)
Syndicator:	JER Hudson Housing Capital
Construction Lender:	Malone Mortgage Company
Permanent Lender:	City of San Antonio (HOME/CDBG)
Other Funding:	San Antonio Housing Trust
City/County:	San Antonio/Bexar
Set-Aside:	At-Risk
Type of Area:	Urban
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	190 HTC units (190 HTC and 2 market rate units if amended)
2005 Allocation:	$1,126,771
Allocation per HTC Unit:	$5,930 (original allocation)
Prior Board Actions:	7/05 – Approved award of tax credits
Underwriting Reevaluation:	undetermined at the time of publication
Staff Recommendation:	**Staff recommends approving the request subject to the REA reevaluation. The changes would not materially alter the development in a negative manner and would not have adversely affected the selection of the application.**
Penalty Assessment:	**No penalty assessment is recommended because amendments are being requested in advance of the changes being instituted.**

ANSON PARK II LIMITED PARTNERSHIP

8455 Lyndon Lane
Austin, TX 78729
Office (512) 249-6240 Fax (512) 249-6660

March 28, 2007

Ben Sheppard
Texas Department of Housing and Community Affairs
221 E. 11th St
Austin, Texas 78701

RECEIVED
MAR 28 RECD
LIHTC

Re: Request for Administrative Waiver – TDHCA #04241 Anson Park II

Mr. Sheppard,

In the process of obtaining our IRS form 8609's for the Anson Park II property in Abilene, it was discovered that an error was made by us at application regarding the common area square footage calculation. In an effort to have the 8609's issued, we would like to request an administrative waiver from your office. The following provides a brief narrative of the error and the corrective action being taken.

The error occurred as our architect did not break out the common area square footage on Exhibit 3, which should have included a daycare center of 3877 square feet and a maintenance building of 288 square feet. During the processing of the 8609's, it was noted that there was a decrease of 5.5% in the common ~~gross building~~ area, which Staff arrived at by subtracting the rent restricted and market rentable areas from the gross building area. This left a common area square footage of 4,052 square feet needed on site, while only the ~~3,822~~ 3,877 square feet were accounted for (a decrease of 5.5%). Essentially, the maintenance building was included in the gross building area but not listed in the breakdown on Exhibit 3. Further, the floor plan that was submitted at application for the daycare center certified to only 3000 square feet, which was considerably exceeded.

Additionally, we have added a soccer field and basketball court to the property, which was envisioned at application, but not included in the Application. These two additional amenities, which began construction earlier this year, should be completed in early April and will further exceed the required common area square footage required.

Attached are the following documents required to amend the Application:

1. Exhibit 3. Activity Overview, Part A – A copy of the Exhibit that was submitted at Application and the amended version, along with the shared amenities with Phase I and the Reciprocal Use Agreement.
2. Exhibit 3. Activity Overview, Part B - A copy of the Exhibit that was submitted at Application and the amended version.
3. Scoring sheet from Application. This remains unchanged as we had already achieved the maximum 6 additional points.
4. A copy of the Daycare Center floor plan that was submitted at Application.

Please let me know if you require any additional documentation to execute this request.

Thank you

Sincerely

R.J. Collins
President of General Partner

April 3, 2007

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

RE: **Amendment Request**
Vista Verde Apartments in San Antonio, Texas
TDHCA No. 05118

Dear Mr. Sheppard,

810/910 North Frio Street, LP ("**Owner**") respectfully requests permission to amend certain criteria in its 2005 Housing Tax Credit Application to better serve the residents of Vista Verde, as follows:

1. **Addition of 2 Market Rate Units**

A new clubhouse/community building is being built at Vista Verde as indicated in the original tax credit application. As a result, the existing Community Building (Building #10) will not be utilized, and will be emptied. The Owner is therefore requesting to convert the existing Community Building #10 into two market rate units. An exhibit is attached showing the layouts of the two market rate units.

The 2 additional units will make the property 98.96% affordable (190 affordable units & 2 market rate units). These additional units will not affect the allocated or requested tax credit amount as this rehabilitation project will have excess eligible basis, nor does it impact any of the points originally taken in the tax credit application.

The updated forms for the application reflecting the two additional market rate units are attached.

2. **Revision of Unit Amenities**

The Owner is requesting to change the unit amenities in the selection criteria for Vista Verde, as attached. The point total will still remain at 14 points.

The Owner believes this amendment request should be approved and, if it is approved, that no penalties under Section 49.9(c) of the 2007 QAP will be assessed. If, for any reason, TDHCA believes the penalties of Section 49.9(c) would be applicable to this request, please advise us so that we may address the issues without the imposition of penalties.

Should you have any questions or need additional information, please contact me at 210-240-8376 or by email at manishv@about-cis.com. Enclosed is the required $2,500 check for this amendment request. If Board approval is required, please submit this amendment request at the next available Board meeting.

Thank you in advance for your time and consideration.

Sincerely,

Manish Verma, Authorized Representative.
810/910 North Frio Street, LP
Vista Verde, TDHCA #05118

Ben Sheppard

From: Manish C. Verma [manishv@about-cis.com]
Sent: Tuesday, April 17, 2007 6:10 PM
To: 'Ben Sheppard'
Subject: RE: Significant problem with the amendment request

Ben,

You are correct – the original underwriting report did show 3 community buildings. However, the new community building is much larger than what is shown on the underwriting report, at 4,344 SFT, and actually includes more direct community space for the residents – including a community room, class room, computer lab, and conference area. Building 10, which is the community building that we are requesting to be changed, was primarily office, storage, and laundry space; this has all been consolidated into the new clubhouse building. So at this time, there is no intended use for this Building #10, and will be empty.

Also, it is requested that this building be converted into 2 market rate units instead of tax credit units so that we have flexibility to lease the units to property management, maintenance, or onsite security personnel, or to long time residents who may not qualify. At Vista Verde I for example, the property manager and maintenance person did live on site prior to the rehab beginning, but they have had to move because they are not eligible for tax credits. Additionally, providing a unit or two for police or other security personnel at a discounted rent has always provided an increased level of security on our other Section 8 properties.

Ben, please call me if you need any additional information, at 210-240-8376.

Thanks.

Manish Verma
Commercial Investment Services
45 NE Loop 410, Suite 290
San Antonio, Texas 78216
210.530.0090 x102 (o)
210.240.8376 (m)
866.245.4254 (f)
manishv@about-cis.com

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
May 10, 2007

Action Items

A request for extension of the deadline to submit commencement of construction documentation is summarized below.

Required Action

Approve or deny the requests for extension related to a 2005 Housing Tax Credit commitment.

Background

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

HTC No. 05137, Los Ebanos
(Commencement of Construction)

Summary of Request: Applicant requests an extension of the deadline to submit the commencement of substantial construction package. The owner reported that the development was over 90% complete but the commencement of construction documentation was not submitted in the belief that a HOME loan from the Department had to be closed to meet the requirement. In fact, closing the HOME loan was not required to meet the deadline. The owner's extension request included all documentation necessary to comply with the requirement.

The request is being brought to the Board only because the owner violated 49.20(l) of the 2007 QAP by requesting the extension after, rather than before, the expiration of the previous deadline.

Owner:	HVM Zapata II, Ltd.
General Partner:	HVM Housing, LLC
Developer:	Dennis Hoover
Principals/Interested Parties:	Dixie Farmer, Danna Hoover, Dennis Hoover
Syndicator:	BHHH Corporation
Construction Lender:	First State Bank of Burnet
Permanent Lender:	USDA-RD
Other Funding:	NA
City/County:	Zapata/Zapata
Set-Aside:	USDA-RD
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly Population
Units:	28 HTC units
2005 Allocation:	$65,042
Allocation per HTC Unit:	$2,323
Extension Request Fee Paid:	$2,500
Note on Time of Request:	Request was submitted on-time.
Type of Extension Request:	Commencement of Substantial Construction
Current Deadline:	March 30, 2007
New Deadline Requested:	April 6, 2007 (date required documentation was submitted)

New Deadline Recommended: **April 6, 2007**
Previous Extensions: December 1, 2007 extended to March 30, 2007

Staff Recommendation: **Approve the extension as requested.**

HAMILTON VALLEY MANAGEMENT, INC.

April 5, 2007

Texas Department of Housing and Community Affairs
P.O. Box 13941
221 East 11th Street
Austin, Texas 78701-2401

Received

APR - 6 2007

Re: Commencement of Substantial Construction
HVM Zapata II, Ltd.
Los Ebanos Apartments
TDHCA File #05137

To Whom It May Concern:

HVM Zapata II, Ltd. humbly requests the Board Members acceptance of Commencement of Substantial Construction in its delinquency. Although the "10% construction" mark was met and surpassed back in December of 2006, HVM Zapata II, Ltd, failed to submit proof of commencement of construction by the required deadline of March 30th, 2007. This was due to the fact that we had fallen under the impression that we had to close our corresponding HOME loan for the property in conjunction with the commencement of substantial construction, and have thus far been unable to achieve a closing on the HOME loan. The property is currently in excess of 90% completed, and is scheduled to open next month to begin serving the elderly citizens of the Zapata area.

We sincerely appreciate you consideration and leniency in this matter, and once again humbly request your approval and acceptance of our delinquent submittal.

Should you have any question regarding this or any other matter, please contact me at your convenience.

Respectfully,

Dennis Hoover
Vice Pres. - HVM Housing, LLC. – GP
(512) 756-6809 ext. 212
(512) 756-9885 fax
dennishoover@hamiltonvalley.com

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation of Challenges Made in Accordance with §49.(17)(c) of the 2007 Qualified Allocation Plan and Rules (QAP) Concerning 2007 Housing Tax Credit (HTC) Applications.

Required Action

Consideration and possible action on Challenges made concerning 2007 Housing Tax Credit Applications.

Background and Recommendations

The attached table titled, **Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of April 26, 2007** ("Status Log")**,** summarizes status of the challenges received on or before April 26, 2007. The challenges were made against Applications in the 2007 Application Round. Behind the Status Log, all imaged challenges are provided in project number order. This PDF document has been bookmarked by application number for quick access.

All challenges are addressed pursuant to §49.17(c) of the 2007 Qualified Allocation Plan and Rules ("QAP"), which states, "the Department will address information or challenges received from unrelated entities to a specific 2007 active Application, utilizing a preponderance of the evidence standard, in the following manner, provided the information or challenge includes a contact name, telephone number, fax number and e-mail address of the person providing the information or challenge:

(1) Within 14 business days of the receipt of the information or challenge, the Department will post all information and challenges received (including any identifying information) to the Department's website.
(2) Within seven business days of the receipt of the information or challenge, the Department will notify the Applicant related to the information or challenge. The Applicant will then have seven business days to respond to all information and challenges provided to the Department.
(3) Within 14 business days of the receipt of the response from the Applicant, the Department will evaluate all information submitted and other relevant documentation related to the investigation. This information may include information requested by the Department relating to this evaluation. The Department will post its determination summary to its website. Any determinations made by the Department cannot be appealed by any party unrelated to the Applicant."

Please note that a challenge is not eligible pursuant to this section if it is not made against a specific active 2007 HTC Application. If an Application is no longer active because the Development has been awarded tax credits by the Texas Department of Housing and Community Affairs' (the "Department") Board, challenges relating to the awarded/inactive Application are not eligible under this section.

To the extent that the Applicant related to the challenge responds to the eligible challenge(s), point reductions and/or terminations could possibly be made administratively. In these cases, the Applicant will be been given an opportunity to appeal pursuant to §49.17(b) of the 2007 QAP, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm a challenge, a memo will be written to the file for that Application relating to the challenge. The table attached reflects a summary of all such challenges received and determinations made as of April 26, 2007.

Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of April 26, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/10/07	07109	Elrod Place	Kathy Zollinger and Katrina Thornhill	Challenge regarding inconsistencies between information presented to the community and information contained in the 2007 HTC Application, and regarding the Development's location in a particular Municipal Utility District ("MUD"). The basis of the challenge as reflected in the challenge documentation is: information presented to the community by a representative of the Applicant in three separated meetings was different than, or incomplete when compared to, the Application, and; the Applicant represented in the Application that the Development is located in a MUD that it is not actually located in.	**Pending:** Posted to the Department's website. Challenge being processed pursuant to §47.17(c) of the 2007 QAP.
3/5/07, 3/15/07, and 3/16/07	07177	Hamilton Senior Village	Andy J. McMullen, Mark C. Henkes, Jesse T. Christopher, Lola Christopher, and Paula Patrick	Challenge regarding fulfillment of signage requirements under §49.8(B) of the 2007 QAP. The challenges assert that the signage requirements have not been met. The basis of the challenge as reflected in the challenge documentation is: the signage is not posted within twenty feet of, and facing, the main road adjacent to the site, and is obstructed by trees.	**Pending:** Posted to the Department's website. Challenge being processed pursuant to §47.17(c) of the 2007 QAP.

Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of April 26, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/16/07	07227	Champion Homes at La Joya	Don Pace	Challenge regarding eligibility for points under §49.9(i)(2) of the 2007 QAP; Quantifiable Community Participation, §49.9(i)(5) of the 2007 QAP, Commitment of Development Funding by Local Political Subdivisions; §49.9(i)(8), Cost of the Development by Square Foot; §49.9(i)(12) of the 2007 QAP, Development Includes the Use of Existing Housing as Part of a Community Revitalization Plan; §49.9(i)(25) of the 2007 QAP, Leveraging of Private, State, and Federal Resources; and §49.9(i)(26) of the 2007 QAP, Third-Party Funding Commitment Outside of Qualified Census Tracts.	**Pending:** Challenge being processed pursuant to §47.17(c) of the 2007 QAP.
4/16/07	07228	Las Palmas Homes	Don Pace	Challenge regarding the fulfillment of notification requirements under §49.9(h)(8)(A) of the 2007 QAP, and eligibility for points under §49.9(i)(2) of the 2007 QAP, Quantifiable Community Participation; §49.9(i)(5) of the 2007 QAP, Commitment of Development Funding by Local Political Subdivisions; §49.9(i)(12) of the 2007 QAP, Development Includes the Use of Existing Housing as Part of a Community Revitalization Plan; §49.9(i)(25) of the 2007 QAP, Leveraging of Private, State, and Federal Resources; and §49.9(i)(26) of the 2007 QAP, Third-Party Funding Commitment Outside of Qualified Census Tracts.	**Pending:** Challenge being processed pursuant to §47.17(c) of the 2007 QAP.

Status Log of 2007 Competitive Housing Tax Credit Challenges Received as of April 26, 2007

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
4/20/07	07228	Palermo	Janine Sisak, DMA Development Company, LLC	Challenge regarding eligibility for points under §49.9(i)(2) of the 2007 QAP, Quantifiable Community Participation ("QCP"), and §49.9(i)(22) of the 2007 QAP, Qualified Census Tracts with Revitalization. The challenge asserts that the QCP letter of support from Comunidad in Action is ineligible, and that the Application is not eligible for points based on the Development Site's location in an area targeted by a Community Revitalization Plan. The basis of the challenge as reflected in the challenge documentation is: Comunidad in Action is not a neighborhood organization, but rather a broader-based community organization, and; the Development Site is not located in the areas that target specific geographic areas for revitalization and development of residential developments under the Community Revitalization Plan.	**Pending:** Challenge being processed pursuant to §47.17(c) of the 2007 QAP.

Challenge 07109

WITNESS AFFIRMATION FORM

Texas Department of Housing and Community Affairs
P.O. Box 13941, Austin, TX 78711-3941 Phone: (512) 475-3800

UPON COMPLETION OF THIS FORM, PLEASE RETURN TO DEPARTMENT STAFF.
PLEASE PRINT LEGIBLY.

I want to appear and offer testimony, in so appearing, I hereby make the following statements:

Date of Statement: 4/10/07 Location of Hearing: Houston CITY OF

My name is : KATHY ZOLINGER

My occupation, profession or business is: HC MUD 71 Board / Bridgewater Comm. Assoc
Re-tired Law Enforcement.

My mailing address is: 21619 DALTON Spring Lane
KATY TX 77449

Phone: (281) 615-8855

In appearing before this body, I represent: ☒ myself or ☒ the following persons, firms, corporations, classes or groups:

HC. MUD 71 / BRIDGEWATER COMM. ASSOC. 3080 Greenhous

c/o Allen Boone Humphries Robinson Their business address is: HOUSTON TX

I wish to make the following written statements: *(Attach additional sheet(s) if extra space is needed.)*

SEE ATTACHED

If this statement is in regard to a specific TDHCA development or application, also provide the following information:

TDHCA Development #: 07109 Development Name: ELROD PLACE

Development City: KATY ☐ I support this development. ☒ I oppose this development.

I hereby certify that the above statements by me are true and accurate, and that I have listed all persons, firms, corporations, classes, or groups that I represent in reference to the matters on which I am appearing. I further certify that the testimony I give before this body will be true and accurate.

Signature of Witness ***Date*** 4.10.07

Note: At the discretion of the Department, the length of time available for each public comment may be limited.

TDHCA Staff: 4-10-07

My name is Kathi Zollinger. I sit on the HC MUD 71 Board and the Bridgewater Community Association Board, which sits directly adjacent to the proposed Elrod Place project.

Thank you for giving me the opportunity to speak here today.

You have received letters from both Boards I sit on and will either have already heard or will hear a supplemental letter from the MUD 71 Board based on research I did over the weekend based on the posting of the filed application. It is a VERY long document.

I won't reiterate the contents of those letters.

What I'm here to say is this:

That application, much of the 400 some odd pages of it...most of it which I have read...needs to be re-studied and investigated because intentionally or unintentionally, the contents of that document either do not coincide, may be false, were concealed or are incomplete. What I mean by that is this: Applicant in what I believed was good faith did three presentations. One was to the Bridgewater Community Associations Homeowners (a public entity), one to the HC MUD 71 Board (a governmental entity) and another a group of about 700 HC MUD 71 Homeowners and many, many things I found in the TDHCA application were either MISSING from the information provided to us or erroneous. In addition, I have sat in on several other meetings with applicant and others and the information I found was not gleaned from those meetings either. I can only surmise that it was meant to me concealed.

Due to the volume of material and time between the time the document came out (posted) on Friday and this hearing, there was simply not enough time to prepare a complete document showing all points. However, I would like to make an offer to meet with the TDHCA staff or attorneys here in town or I will come to Austin in the near future to show the inconsistencies I have found. Some of these include:

- ✓ The biggest thing obviously is the issue of eluding the fact that the applicant had already been annexed into HC MUD 287 which he has not been.
- ✓ HCHA MOU was never mentioned and the implication of that document.
- ✓ It states that HCHA is the General Partner in the project and that they may give notice and purchase the project.
- ✓ It also states that A "Qualified' non-profit corporation designated by the general partner (HCHA) has the first right of refusal to purchase the project for the outstanding debt. Applicant never told the community this and in fact stated that at the 15 year point that he would be likely rehabbing the units, the people

living in them would be able to purchase them for the outstanding debt and they would then become a regular taxpaying unit in the district. This is in every way I can see was very misleading to our community.

- ✓ By not revealing the agreement overall, it appears however unlikely that the HCHA could come in at anytime they chose and purchase the project themselves and the project would never become the taxpaying entity that the applicant stated that it would.
- ✓ <u>In regards to Negative Site issues on page 19:</u> There may be issues regarding chlorine gas at one of the MUD 71 water and sewer plants on Elrod Road. We realize there are existing homes on Elrod already, however we want to know whether the federal and state guidelines are different for proximity and applicant has met those in addition to power lines near to the property.
- ✓ <u>Applicant has also given himself points on page 18</u> for Proximity of site issues: Applicant has stated he will have a van for the elderly to go to doctor's appts, pharmacy, etc. But when asked what will happen when there are more trips necessary than that one van can handle there has not been a good enough response. In fact, I would like to know what would happen in the event of a disaster, flood, and hurricane. We are in unincorporated Harris County and our services out here and as we learned in preparing for Hurricane Rita were very limited.
- ✓ I also ask that the non-profit letters be investigated. I believe (and have been told) that they have no direct bearing in our immediate area. I would ask how often and when was the last time that any of the applicant's non-profits had any direct, specific ongoing work in our immediate area. Please also show data that would show that any of the Hi-risk, people coming out of a shelter, HIV outreach, chemical dependency, or others, coming their 'stated' low income waiting lists would qualify to rent from his development.
- ✓ The last few things...I'm not sure if any of you looked at our school report card from the Houston Chronicle recently. However, there is an area for low income in there. Our schools are certainly not the highest low income ratio but I was surprised to see that they were at between 38-42%. When you start looking south of I-10 the ratios were looking like 2%, 6%, 10% and 12%. I started feeling a little angry and thinking that it wasn't fair that they developers were picking areas that were already beginning to be at a high low income ratio instead of somewhere where they could even if out. This would seem 'fair'. Even IF the land is a little more expensive. Isn't this what these tax credits should be about, after all?

- ✓ There are many more things, but these are some of the major ones.

Thank you for letting me speak before you today and please, compel these developers to be honest and truthful in their dealings with you and the public and if they are not, do not let them proceed with their projects.

Thank you,

Kathi Zollinger
21619 Dalton Spring Lane
Katy, TX 77449
(281) 398-1096-home (281) 615-8855-cell

cc: Rep: William Callegari

WITNESS AFFIRMATION FORM

Texas Department of Housing and Community Affairs
P.O. Box 13941, Austin, TX 78711-3941 Phone: (512) 475-3800

UPON COMPLETION OF THIS FORM, PLEASE RETURN TO DEPARTMENT STAFF.
PLEASE PRINT LEGIBLY.

I want to appear and offer testimony, in so appearing, I hereby make the following statements:

Date of Statement: 4-10-07 Location of Hearing: Bagby - City of Houston

My name is : Katrina Thornhill

My occupation, profession or business is: HC MUD 71 Director

My mailing address is: 2803 Morton Cove Ln. Phone: _____
Katy TX 77449

In appearing before this body, I represent: [X] myself or [X] the following persons, firms, corporations, classes or groups:
HC MUD 71

Their business address is: CLAY RD
KATY TX 77449

I wish to make the following written statements: *(Attach additional sheet(s) if extra space is needed.)*
* Attached

If this statement is in regard to a specific TDHCA development or application, also provide the following information:

TDHCA Development #: 07109 Development Name: ELROD PLACE

Development City: KATY [ ] I support this development. [X] I oppose this development.

I hereby certify that the above statements by me are true and accurate, and that I have listed all persons, firms, corporations, classes, or groups that I represent in reference to the matters on which I am appearing. I further certify that the testimony I give before this body will be true and accurate.

Katrina Thornhill
Signature of Witness

4-10-07
Date

Note: At the discretion of the Department, the length of time available for each public comment may be limited.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027-9944

April 9, 2007

VIA U.S. MAIL AND FACSIMILE (512) 475-0764

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
Attn: Audrey Martin
P.O. Box 13941
Austin, Texas 78711-3941

Dear Ms. Martin:

This letter is to follow up to the letter dated March 27, 2007 to express Harris County Municipal Utility District No. 71's (the "District's") opposition to the proposed application for affordable rental housing submitted by Elrod Place, Ltd., located at 3700 Elrod Road, Katy, Texas 77494, by Barry Kahn.

The District has been reviewing Mr. Kahn's application to the Texas Department of Housing and Community Affairs. The application contains serious inaccuracies. The District would like to point out that the proposed affordable rental housing is NOT currently in Harris County Municipal Utility District No. 287 ("MUD 287"), nor has Mr. Kahn petitioned MUD 287 for annexation. We have attached a copy of the MUD 287 boundary map, which shows that the proposed project at 3700 Elrod Road is not in fact, in MUD 287. We are also including a copy of a map included in Mr. Kahn's application, which shows the development tract clearly not in the boundaries of MUD 287.

Furthermore, the application indicates that Mr. Kahn has a utility capacity commitment letter from MUD 287, but in fact a Public Information Act records review confirms that MUD 287 has never issued a utility capacity commitment letter to Mr. Kahn. In fact, Mr. Kahn has neither requested a utility capacity letter nor has been to a Board meeting of MUD 287.

We wanted to advise of these serious discrepancies for your further evaluation. If you have any questions or concerns, please contact our attorney, Lynne Humphries at (713) 860-6406.

Sincerely,

Toby Dagenhart
President

Cc: The Honorable Bill Callegari
The Honorable Dan Patrick

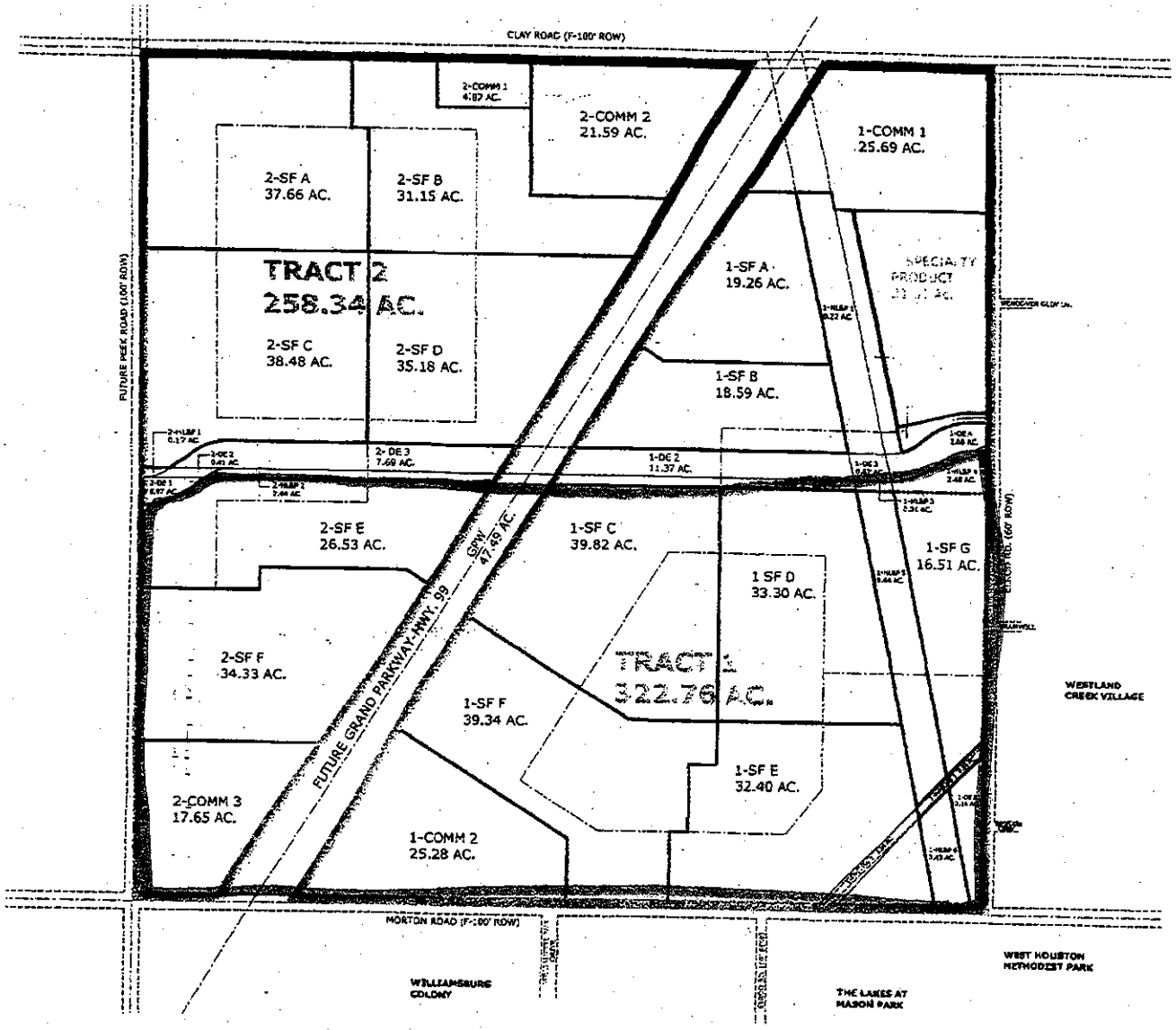


Exhibit "A"

3700 EL RODEO

MUD 287

LEGEND:

COLLECTOR ROW CENTERLINE

628 ACRE CLAY ROAD TRACT

PARCELIZATION PLAN

DEVELOPER:

Clay Road 628 Investment, L.P.

PLANNER/LANDSCAPE ARCHITECT:

CIVIL ENGINEER:

STATE

03/20/06 Z168288 300799157 $36.00

INFORMATION FORM OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 287

34

X

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

We, the undersigned, constituting a majority of the members of the Board of Directors of HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 287 (the "District"), do hereby make, execute and affirm this Information Form in compliance with TEX. WATER CODE § 49.452 and § 49.455 and 30 TEXAS ADMIN. CODE § 293.92. We do hereby certify as follows:

1. The name of the District is Harris County Municipal Utility District No. 287.

2. The District consists of 321.7728 acres, more particularly described by metes and bounds and boundary map in **Exhibit A** attached hereto and incorporated herein for all purposes.

3. The District as of this date has not levied taxes on property within the District. The District's projected rate of debt service tax is $1.50 on each $100 of assessed valuation.

4. The total amount of new money bonds that have been approved by the voters and which may be (or have been) issued by the District (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) is $0.00.

5. The total amount of refunding bonds that have been approved by the voters and which may be (or have been) issued by the District is $0.00.

6. The aggregate initial principal amount of all new money bonds of the District payable in whole or in part from taxes (excluding refunding bonds and any bonds or portion of bonds payable solely from revenues received or expected to be received pursuant to a contract with a governmental entity) that have been previously issued by the District is $0.00 and the principal amount of refunding bonds payable in whole or in part from taxes that have been previously issued by the District is $0.00.

7. The District has not imposed any standby fees.

8. An election to confirm the creation of the District is required. The District was created pursuant to an order of the Texas Water Commission now known as the Texas Commission on Environmental Quality dated July 29, 1985. The District anticipates a confirmation election will be called for May 13, 2006.

9. The District is performing, or will perform, the following functions: the supply of water for municipal, domestic, commercial or other beneficial uses; the collection, transportation, treatment and disposal of waste; the gathering, conducting, diverting and controlling of local storm water or other harmful excesses of water in the District, the provision of parks and recreational facilities and fire protection.

10. The form Notice to Purchasers required by § 49.452, Texas Water Code, as amended, to be furnished by a seller to a purchaser of real property in the District is attached hereto as **Exhibit B** and incorporated herein for all purposes.

WITNESS OUR HANDS this 24th day of January, 2006.

Name: David W. Meyer
Title: President

Name: Kevin Patrick Doody
Title: ASST. VICE PRESIDENT

Name: Jeffrey Lokey
Title:

Name: Frank Sheehy
Title: ASST. SECRETARY

Name: Mabel Mahfouz
Title: Secretary

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned, a Notary Public, on this day personally appeared David W. Meyer, Kevin Patrick Doody, Jeffrey Lokey, Frank Sheehy and Mabel Mahfouz, known to me to be the persons and officers whose names are subscribed to the foregoing instrument and affirmed and acknowledged that said instrument is correct and accurate to the best of their knowledge and belief, and that they executed the same for the purposes and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 24th day of January, 2006.

ERIN M. EAST
MY COMMISSION EXPIRES
October 26, 2009
(NOTARY SEAL)

Notary Public, State of Texas

AFTER RECORDING, return to: Harris County Municipal Utility District No. 287, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, Attn: Erin M. East.

87844

EXHIBIT A

321.7728
ACRES

JOB NO. 28760

DESCRIPTION OF A 321.7728 ACRE TRACT OF LAND
SITUATED IN THE C. P. COLLIS
SURVEY, ABSTRACT NO. 1332
HARRIS COUNTY, TEXAS
March 8, 2006

BEING 321.7728 acres of land situated in the C. P. Collis Survey, Abstract No. 1332, Harris County, Texas and being out of and a part of a tract described as 628.59 acres in a conveyance to 640 Clay, LTD and recorded under Harris County Clerk's File No. S728934, said 321.7728 acre tract being more particularly described by mates and bounds as follows;

BEGINNING at a the intersection of the North right-of-way line of Morton Road (based on a width of 60.00 feet per instruments recorded in Volume 303, Page 626 and Volume 303, Page 630, Harris County Deed Records) with the West right-of-way line of Elrod Road (based on a width of 60.00 feet), same being the southeast corner of said 628.59 acre tract;

THENCE S 87°57'56" W, along and with the North right-of-way of said Morton Road, a distance of 5260.45 feet to a point for the common Southeast corner of the H. & T. C. R. R. Survey, Abstract No. 439 and a tract described as 71.476 in a conveyance to 70 Grand Peek Partnership and recorded under Harris County Clerk's File No. M256445, same being the common Southwest corner of said C. P. Collis Survey, said 628.59 acre tract, and the herein described tract;

THENCE N 02°03'17"W, along and with the common East line of said H. & T. C. R. R. Survey, Abstract No. 439 and said 71.476 acre tract, same being the common West line of C. P. Collis Survey and said 628.59 acre tract, distance of 2659.09 feet to the Northwest corner of the herein described tract

THENCE, in an Easterly direction over and across said 628.59 acre tract the following 5 courses and distances:

N 88°07'06" E, a distance of 4629.25 feet to the Point of Curvature of a curve to the left;

In a Northeasterly direction, along and with said curve to the left having a Radius of 485.00 feet, a Central Angle of 37°08'39", a Long Chord which bears N 69°32'47" E, 308.94 feet, a total Arc Distance of 314.42 feet to the Point of Tangeny of said curve;

N 50°58'27" E, a distance of 58.48 feet to the Point of Curvature of a curve to the right;

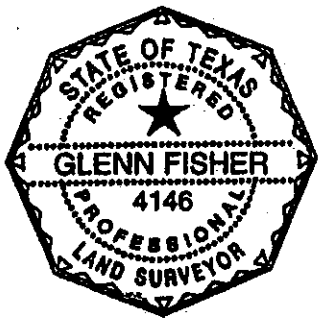
In a In a Northeasterly direction, along and with said curve to the right having a Radius of 315.00 feet, a Central Angle of 36°55'41", a Long Chord which bears N 69°26'18" E, 199.53 feet, a total Arc Distance of 203.02 feet to the Point of Tangeny of said curve;

N 87°54'08" E, a distance of 100.00 feet to a point in the West right-of-way line of said Elrod Road, same being the East line of said 628.59 acre tract for the Northeast corner of the herein described tract;

THENCE S 02°05'52" E, along and with the West right-of-way line of said Elrod Road, same being the East line of said 628.59 acre tract, a distance of 2843.07 feet to the **POINT OF BEGINNING** and containing 321.7728 acres of land.

This metes and bounds description was prepared by the undersigned and all courses and distances cited herein are based upon a survey prepared by Putney, Moffatt & Easley Consulting Engineers, titled "H.C.M.U.D. NO. 287 DISTRICT BOUNDARY" and dated Feb., 1985.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.



Glenn Fisher RPLS No. 4146
Brown & Gay Engineers, Inc.
11490 Westheimer Road, Suite 700
Houston, Texas 77077
Telephone: (281) 558-8700

FILED
2006 MAR 20 PM 4:04
COUNTY CLERK
HARRIS COUNTY, TEXAS

RP 019-32-1327

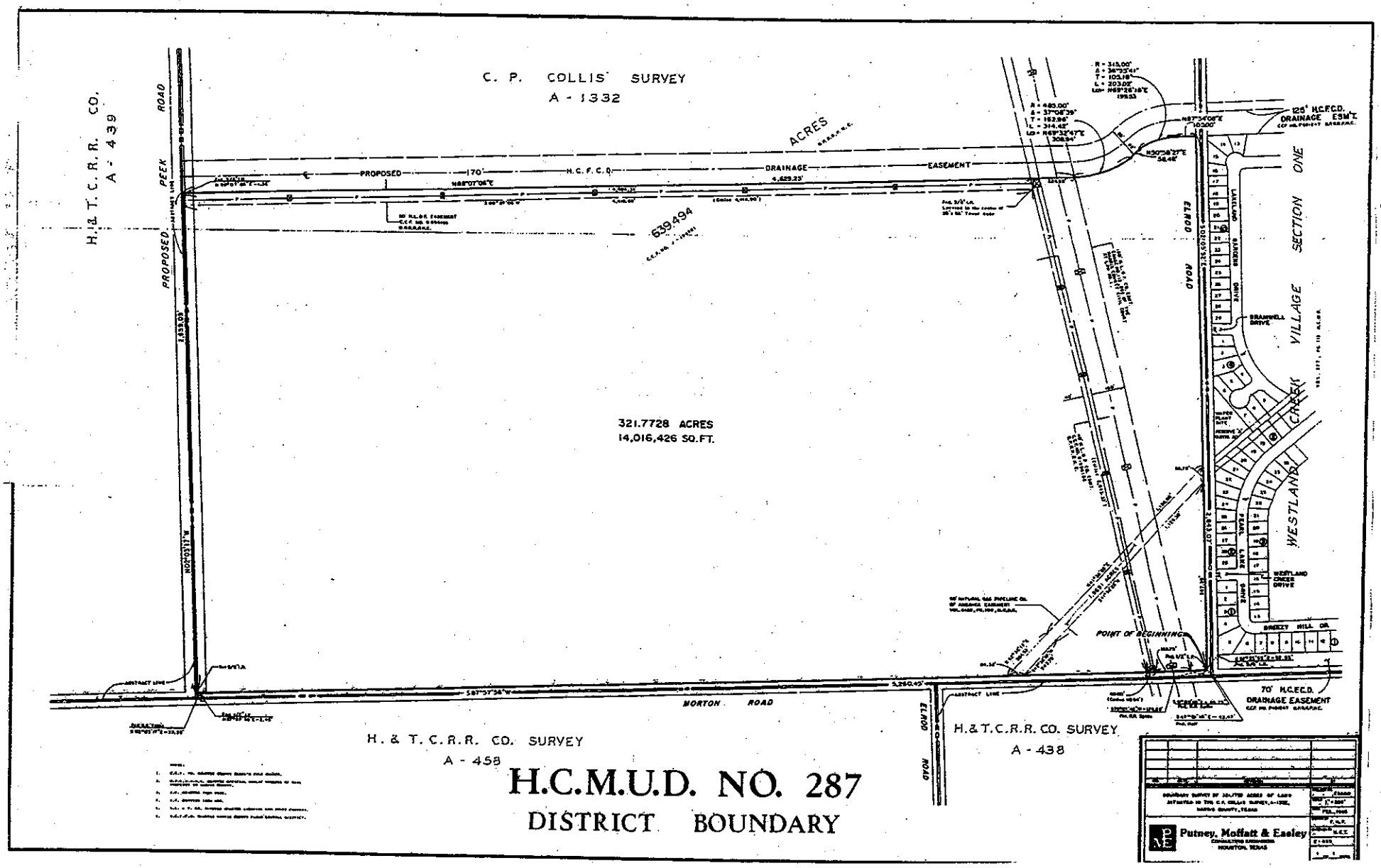


EXHIBIT B

NOTICE TO PURCHASERS

The real property, described below, that you are about to purchase is located in the Harris County Municipal Utility District No. 287 (the "District"). The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. The District has not yet levied taxes but the most recent projected debt service tax, as of this date, is $1.50 on each $100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is $ 0 , and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is $ 0 .

The District is located in whole or in part in the extraterritorial jurisdiction of the City of Houston. By law, a district located in the extraterritorial jurisdiction of a municipality may be annexed without the consent of the district or the voters of the district. When a district is annexed, the district is dissolved.

The purpose of this District is to provide water, sewer, drainage, or flood control facilities and services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the District. The legal description of the property you are acquiring is as follows:

(description of property)

SELLER:

(Date) _____ Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

PURCHASER:

(Date) _____ Signature of Purchaser

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REA PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in file number Sequence on th date and at the time stamped hereon by me; and was duly RECORDED. In th Official Public Records of Real Property of Harris County Texas on

MAR 20 2006

COUNTY OF HARRIS COUNTY, TEXAS

Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY TEXAS

After recording, please return to: _____

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

87844

RP 019-32-1328

Challenge 07177

Challenge

ANDY J. McMULLEN
LAWYER
100 West Main
P.O. Box 706
Hamilton, TX 76531
(254) 386-8191
Telecopier: (254) 386-8511

Received
MAR - 5 2007

Andy J. McMullen
Mark C. Henkes

February 26, 2007

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

Cert. Mail No.: 70060810000370360225

RE: Comment Concerning Hamilton-Charger Senior Properties L.P.'s Application for Housing Tax Credit Program Financing

Dear Governing Board:

I am submitting this comment to give the Board notice that Hamilton-Charger Senior Properties L.P. has not complied with §49.9 of the Housing Tax Credit Program Qualified Allocation Plan and Rules.

On or before January 8, 2007, Hamilton-Charger Senior Properties L.P. submitted an application for Housing Tax Credit Program Financing. The development name for Hamilton-Charger Senior Properties L.P. is Hamilton Senior Village and the owner contact is Bonita Williams. The subject property is eleven (11) acres located at the southernmost end of Williams Street, just outside of the city limits of the City of Hamilton, in Hamilton County, Texas.

§49.9(h)(8)(B) of the Housing Tax Credit Program Qualified Allocation Plan and Rules states that it is a mandatory requirement for the Applicant to erect a four (4) foot by eight (8) foot sign within twenty (20) feet of and facing the main road adjacent to the site. Hamilton-Charger Senior Properties L.P. has not erected such a sign. The main road adjacent to the site is Williams street, and the sign they have erected is placed at a location that much further than (20) feet from Williams Street, nor is it facing Williams Street. Rather, the sign is located on a gravel drive that connects Williams Street to Jones Street. There are no signs posted to give notice that the gravel drive is a public roadway. Jones Street, the street the gravel drive leads to, is posted as a "Dead End Street," which would be inappropriate if the gravel drive were a public roadway. This issue is not laid to rest by simply determining if the gravel drive is a public roadway. Even if the gravel drive is a public roadway, §49.9(h)(8)(B) requires the sign to be within twenty (20) feet for the nearest main road adjacent to the site. In light of the fact that there is no posted road signs on the gravel drive and the presence of a posted "Dead End Street" sign on Jones Street, the gravel drive is clearly not a main road adjacent to the site. Please see the

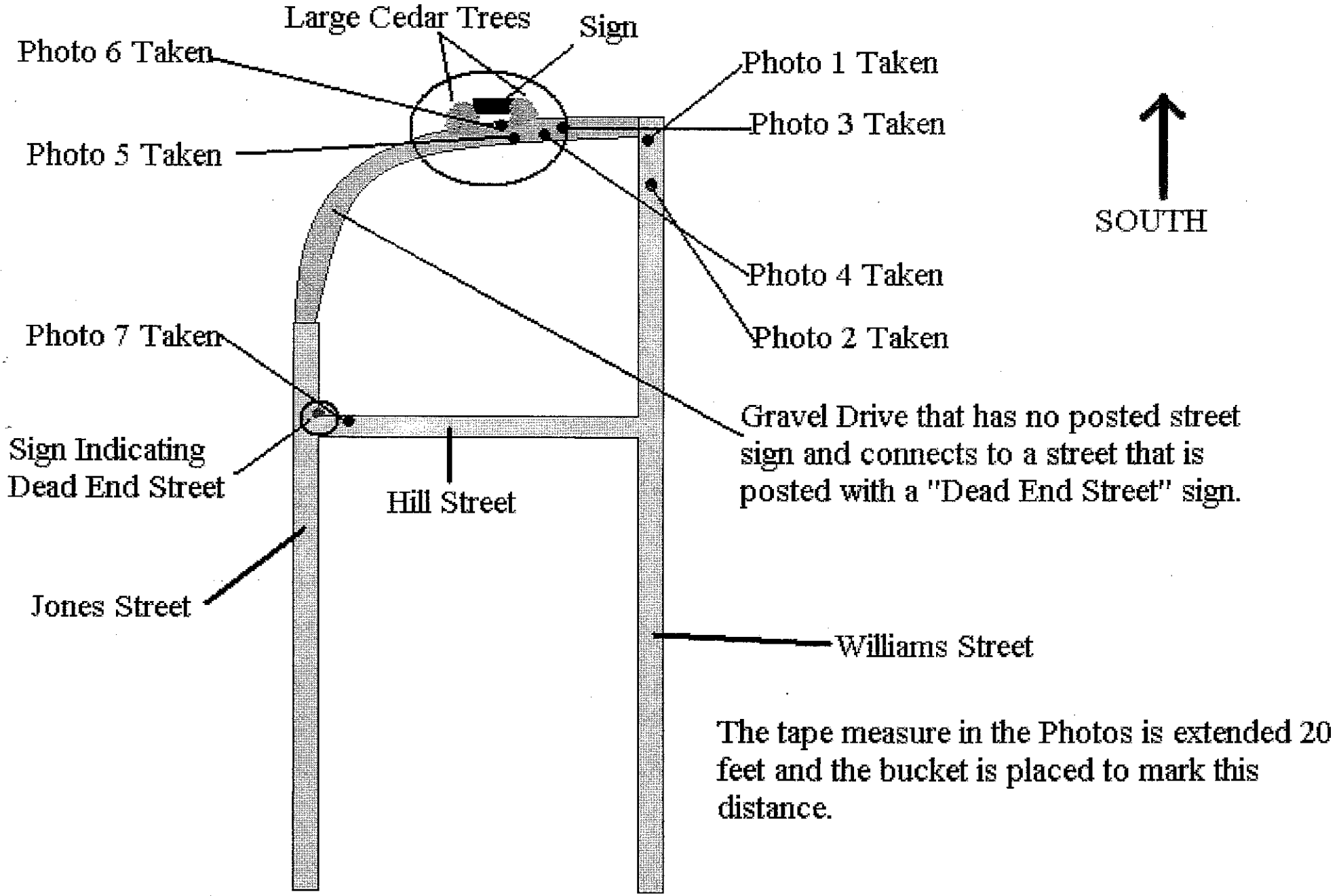
enclosed seven (7) photographs and reference map.

It is also clear that the intent of §49.9(h)(8)(B) is to provide neighboring property owners notice of the filing of an Application, notice of the date and location of the public hearing, and notice of the methods by which they may submit comments. A close examination of the photos that have been provided reveals that the sign was erected at a location that is hidden from public view. Hiding the sign from view is the most likely purpose for erecting the sign at that particular location. The sign is bracketed by two large cedar trees that obstruct any viewing of the sign from a distance greater than ten (10) paces. Further, if it is determined that the gravel drive is not a public roadway, then by erecting the sign at its current location the Applicant is requiring any interested party to trespass on another person's private property to actually read the sign. This act clearly defeats the purpose of §49.9(h)(8)(B), and I argue that such was the goal of the Applicant all along.

In light of the above facts and the photographs that have been provided to the board, I urge the Board to withhold approval of Hamilton-Charger Senior Properties L.P.'s Application for Housing Tax Credit Program Financing at this time, due to the applicants failure to comply with §49.9(h)(8)(B) of the Housing Tax Credit Program Qualified Allocation Plan and Rules.

Respectfully,

Mark C. Henkes
State Bar I.D.: 24055653



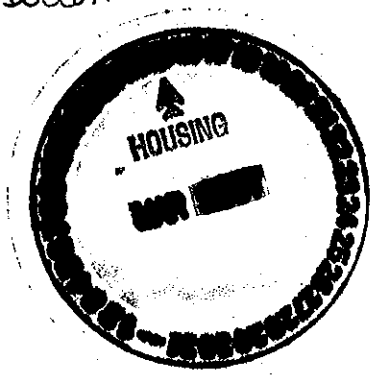
The tape measure in the Photos is extended 20 feet and the bucket is placed to mark this distance.

NOTICE TO PUBLIC

Lola Christopher
507 South Williams Street
Hamilton, Texas 76531-2418
(254) 386-5209

#07177

Opposition



March 15, 2007

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

Subject: Hamilton-Charger Senior Properties L.P.

Dear Gentlefolk's:

Louis and Bonita Williams of Nacogdoches are proposing to build a 36-unit low income apartment complex on 11 acres of land for "senior residents" at the end of Williams Street, Hamilton, Texas. The only access to the units (1 and 2 bedroom units) would be William Street. Although the units are for low income, senior residents, they would be for profit and would be built by Mr. & Mrs. Williams under the name of ***Hamilton-Charger Senior Properties L. P.*** *This letter is our petition against this proposed project. Our reasons being;*

Williams Street is the only entrance or exit, it is a dead end street. It is a narrow street in a single family dwelling residential area. We feel It is insufficient to handle the increased traffic. It will be dangerous for the children of the neighborhood who often run across the street.

Under the Mandatory Requirement of Rule 4939(h)(8)(B) that all applicants erect a 4 foot by 8 foot sign no more than 20 feet from and Facing the main road adjacent to the site:

Hamilton-Charger Senior Properties L. P. 's sign is more than 20 feet from Williams Street, which Is the main road adjacent to the proposed building site.

The sign is not facing Williams Street, which is the main road adjacent to the proposed building site.

Mar 15 07 09:57a Joy L. Alexander, Atty 254-386-8942 p.1

The sign has been intentionally placed between two large cedar trees to hide it from public view and deny local property owners an opportunity to voice their concerns.

We as property owners of the single family dwelling along Williams Street (known as the Williams Addition to the City of Hamilton, Texas and has been set up with the city as a restrictive single family residential dwellings only) feel that a 36 unit apartment complex at the end of our Street will decrease our property values, but will probably not decrease our city taxes.

We would appreciate your consideration in this matter.

Sincerely,

Jesse T. Christopher

Lola Christopher
507 Williams Street
Hamilton, Texas 76531

March 15, 2007

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

RECEIVED
MAR 16 REC'D

#07177

Re: Request for denial of Hamilton-Charger Senior Properties L.P. s (d/b/a Louis and Bonita Williams from Nacogdoches) Application for Housing Tax Credit Program financing at the end of Williams Street (a dead-in-street) in Hamilton, Texas for a 36-unit "low income for profit" apartment complex on 11 acres of land.

Gentlemen:

Louis and Bonita Williams were granted a vote of approval by the City Council of Hamilton, Texas, to build the above referenced complex. The City Council agreed to send a letter of recommendation, along with said approval. This approval was given without prior notice to the public or anyone on Williams Street, a quiet area composed of some large and some small homes, older people, younger couples with children who ride their bicycles and play near the street, crossing it numerous times to each other's homes. Many walk in this area and enjoy the orderly yards and homes, as everyone attempts to keep their properties neat and attractive.

Williams is the ONLY through street to the highway and is used by many people who live blocks away to come down a small cross street (Hill Street) and turn onto Williams to get to the highway. At one point Williams narrows at a curve so only one car can pass at a time; when it rains this area also floods. Can you even imagine what this "low income for profit" complex would cause in higher traffic usage of the street, the lower water pressure, the higher sewer usage, and the danger to young and old, much less the value of homes on this, and neiboring streets where many have lived for years, hoping to retire in these same homes (if they haven't already done so)?

&49.9(h)(8)(B) of the Housing Tax Credit Program Qualified Allocation Plan and Rules requires Hamilton-Charger Senior Properties L.P. to erect a sign within 20 feet of and faxing the main road near the site announcing the plans for this complex. Instead they hid it around the corner on an unmarked, dirt road, between and behind two large cedar trees! Williams Street is the main marked, paved road which gives the only public access to the site and the sign cannot even be seen from Williams Street! They have clearly thwarted the purpose of this rule but have the audacity to expect Multifamily Finance Division to grant their request!

Hamilton, Texas is a small community (2A high school). On Thursday, March 8, at least 30 people attended the City Council Meeting (after we had to request to be on the Agenda). We had about 80 petitions signed and respectfully asked them to rescind their approval to this project. As a result of this meeting, the Hamilton City Council is now fully aware of the massive resistance to this proposed low income apartment complex and the many, many expenses and difficulties it will create for the city of Hamilton.

PLEASE DENY THEIR REQUEST!!

Very truly yours,

Paula Patrick

Telephone: 254-386-4523
E-Mail: plp@htcomp.net
FAX: 254-386-4523 (manual)

Paula Patrick
501 Jones Street
Hamilton, Texas 76531

Applicant Response 07177

Louis Williams & Associates Inc.
410 County Road 198
Nacogdoches, TX 75965
936-560-5702
936-560-2636 fax
louisw@suddenlink.net

April 2, 2007

Audrey Martin
Program Administrator, 9% Housing Tax Credits
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711

Received
APR - 5 2007

RE: 07177 Hamilton Senior Village Challenge received April 2, 2007

Dear Audrey,

We are in receipt of the "challenge" documents emailed. We will address the items mentioned:

1. Sign Location: The required Public Notification Sign faces Elm Street. Elm Street, although graveled, is a public city street. Elm Street is the only street that has frontage on the 11 acre tract that is optioned. Elm Street **is** the main road adjacent to the site, therefore the sign is properly placed according to Section 49.9(h)(8)(B) of the 2007 QAP. I have enclosed a fold up map of Hamilton that is distributed by the Hamilton Chamber of Commerce. Elm Street is shown on the map and the proposed development site is marked on this map. Enclosed is a Certified Copy of the Williams Addition Plat that was filed with the County Clerks office of Hamilton County. The recorded plat and recorded notes specifically identify Elm Street. Also included are a Site Sketch and Location Map that show the proposed development site. Note that each indicates the location of Elm Street, Williams Street and Jones Street. Also enclosed is an Aerial Photograph (2004). This photo shows the 11 acre tract that is optioned. This shows the Elm Street frontage. The Site Sketch, Location Map and Aerial Photograph were made by Phase Engineering as part of their Phase 1 ESA.

The letters indicate that the authors think the sign should have been placed at the very end of Williams Street where it intersects with Elm Street. The property optioned is fenced. The only gap in the fencing is at the very end of Williams Street exactly where the authors of the letters think the sign should be located. Mr. Martin Wenzel, the current property owner, uses this gap as the access to his property. He asked that we not place the sign in the middle of his access, so the sign was placed just east of this spot and facing Elm Street, the only city street with frontage on the property optioned. Monday, April 2, 2007 we telephoned Mr. Wenzel and informed him of this "challenge". He gave his

permission to relocate the sign if the Department thinks this is necessary. He will have to create another gap in the fencing along the frontage on Elm Street to gain access to his property. He is willing to do this if necessary.

2. Sign Visibility: The entire frontage of the property is brushy. There are cedars and brush on either side of the sign, but the sign is completely visible and legible. We had no permission from Mr. Wenzel to do any clearing along the frontage of his property.

3. The Developer trying to conceal the fact that a development was proposed on that site: Louis Williams & Associates Inc. (Louis Williams and Bonita Williams) appeared before the Hamilton City Council on February 8, 2007 to ask for a Resolution of Support for Hamilton Senior Village. Enclosed are copies of the February 8, 2007 Council Agenda that was properly posted and the minutes from that meeting. We received unanimous support from all members of the council. Also enclosed is the February 15, 2007 edition of the Hamilton Herald News. On the front page is an article with the headline "Senior Apartment Complex Proposed in East Hamilton". Paragraph five states very specifically where the development will be located. The Public Notification Sign was placed on the proposed site on February 13, 2007. This is two weeks earlier than what is required in the 2007 QAP.

Before the application due date of March 1, 2007 Louis Williams and Bonita Williams met with the Hamilton Economic Development Corporation, Hamilton Senior Citizens Center, Friends for Life-Neighbor to Neighbor, the Hamilton Chamber of Commerce and the Hamilton Unit of the Salvation Army. We asked for and received letters of support from these community organizations for Hamilton Senior Village. These letters are enclosed and were also bound as part of our application.

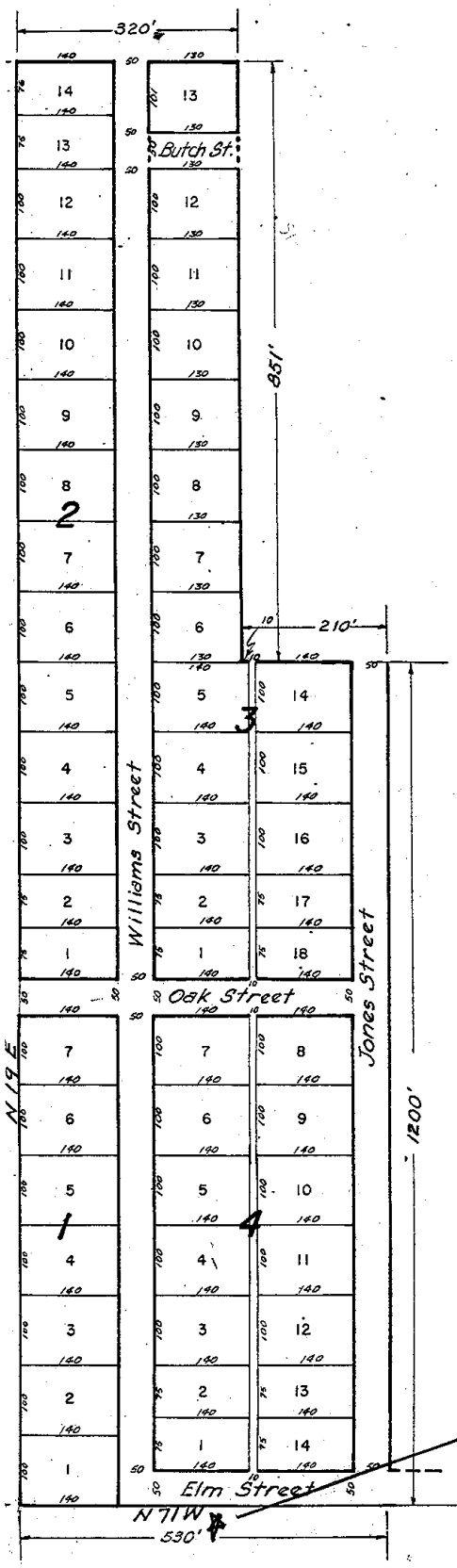
We assure you, the Department and the Board that we were not and are not trying to conceal anything to do with Hamilton Senior Village. We think that the problem here is NIMBY!

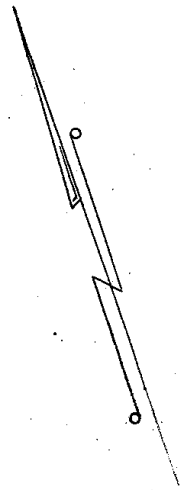
Please let us know it this clears up the concerns addressed in this "challenge".

Sincerely,

Louis Williams

Bonita Williams
Hamilton-Charger Senior Properties LP





Scale: 1" = 150'

All corners marked with Iron pipe & square (90°)
Streets - 50' wide : Alley - 10' wide
Block 1 : All lots - 100' X 140'
Block 2 : Lots 1, 2 & 13 - 75' X 140'
Lots 3 to 12 - 100' X 140'
Lot 14 - 76' X 140'
Block 3 : Lots 1, 2, 17 & 18 - 75' X 140'
Lots 3, 4, 5, 14, 15 & 16 - 100' X 140'
Lots 6 to 12 - 100' X 130'
Lot 13 - 101' X 130'
Block 4 : Lots 1, 2, 13 & 14 - 75' X 140'
Lots 3 to 12 - 100' X 140'

WILLIAMS ADDITION TO THE TOWN OF HAMILTON, TEXAS

Location of sign

I, R.W. Durham, Registered Public Surveyor No. 171 of the State of Texas, hereby certify that this is a true and correct plat of the Williams Addition to the town of Hamilton, Texas.

STATE OF TEXAS
COUNTY OF HAMILTON
I, Debbie Rudolph, Clerk in and for Hamilton County, Texas, do hereby certify that the above and foregoing is a true and correct copy of an instrument appearing of record in the [illegible] records of said county, [illegible] pages.
GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS [illegible] day of April 20[illegible]

DEBBIE RUDOLPH
County Clerk, Hamilton County, Texas

BY _____ DEPUTY

THE STATE OF TEXAS

NOTICE OF FRANCHISE TAX LIEN

Notice is hereby given that The De Leon Brick Company, a Domestic Corporation, doing business in the State of Texas and having an office at c/o L.W. Gardner, Jr., P. O. Box 106 in the City of Hamilton, Hamilton County, Texas, is indebted to the State of Texas for franchise taxes and penalties as provided in Chapter 3 of Title 122, Vernon's Annotated Civil Statutes of Texas, of 1925, as amended, in an amount not ascertainable by reason of the failure of said corporation to file a franchise tax report with the Secretary of State of the State of Texas, as provided by law; that the minimum tax provided in said chapter is $25.00 per year and that said corporation is indebted to the State of Texas in at least said minimum amount for each of the years 1959 to 1960 inclusive, and such further sums as might be shown to be due if such reports were filed, together with penalties as provided in said chapter and title; that possible additional taxes and penalties are accruing and might accrue in the future under the terms of said Chapter 3 of Title 122 of Vernon's Annotated Civil Statutes of Texas, of1925, as amended, in amounts not yet ascertained or ascertainable; that all franchise taxes and penalties due and owing by the said The De Leon Brick Company, a corporation, for the years above shown are unpaid; and the State of Texas hereby claims a prior lien in the amount of such taxes and penalties together with all additional franchise taxes and penalties that might hereafter accrue against all property, real, personal and mixed, situated in Hamilton County, Texas, and belonging to said The De Leon Brick Company, a corporation.

In Witness Whereof, the State of Texas has caused this instrument to be executed by its Comptroller of Public Accounts this 21st day of October 1960.

(SEAL OF STATE)

Robert S. Calvert Comptroller of
Public Accounts

Filed for record October 25, 1960 at 10:00 A. M.

Recorded October 28, 1960 at 4:30 P. M.

Vada Williams County Clerk
Hamilton County, Texas

By: Emily McClendon, Deputy

****
****
****

THE STATE OF TEXAS:

COUNTY OF HAMILTON: KNOW ALL MEN BY THESE PRESENTS:

That I, Willie Pearl Williams, of the County of Hamilton, State of Texas, acting herein individually and as Independent Executrix of the Estate of Grady O, Williams, deceased, in consideration of the general benefit that may accrue to me and in order that in future conveyances the land included herein may be more conveniently described, do hereby place of record the following and attached map or plat, showing a subdivision of a portion of the James Hamilton Survey No. 16 in Hamilton County, Texas, which subdivides said land into blocks, lots, streets and alleys and which land is designated as Williams Addition, a subdivision of a part of the said James Hamilton Survey No. 16, adjoining and adjacent to the Town of Hamilton, Hamilton County, Texas, it being understood that the figures in the lines of said lots designate the deminsions of the said lots in feet, with all streets being 50 feet in width and all alleys being 10 feet in width.

Said land included by the outside line of said [illegible] being described by metes and bounds

TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN HAMILTON
COUNTY CLERK'S OFFICE

as follows:

Field notes of the Williams Addition to the Town of Hamilton, Hamilton County, Texas, being a part of the James Hamilton Survey No. 16, described as follows:

BEGINNING at a 6 X 8 Railroad tie for the S.E. corner of a tract of land described in deed from O. M. Little to T.A. Emmett, recorded Vol. 134, Page 357, of the Deed Records of Hamilton County, Texas, and for the S.W. corner of that 100 acre tract described in deed from J. S. White et ux to Grady O. Williams et ux recorded in Vol. 143, Page 571, of the Deed Records of Hamilton County, Texas, in the South line of James Hamilton Survey No. 16 and in the North line of the B. R. Eidson 90 acre tract in the James Hamilton Survey No. 15, for the S. W. corner of this Addition and the S. W. corner of Lot No. One (1) of Block No. One (1) of this Addition;

THENCE S. 71 E., with the south line of said Block No. 1, at 140 feet pass the S.E. corner of said Block No. 1, and Lot No. 1, continuing same course and count with the South line of Elm Street 530 feet to the intersection of the South line of said Elm Street and the East line of Jones Street for the S.E. corner of this Addition;

THENCE N. 19 E. at 50 feet cross the north line, continuing same course and count with the East line of said Jones Street 1200 feet to the southernmost N.E. corner of this Addition;

THENCE N. 71 W. at 50 feet pass the N.E. corner of Lot No. Fourteen (14) of Block No. Three (3) in the West line of said Jones Street, continuing same course and count, with north line of said Block No. 3, at 190 feet pass the N.W. corner of said Lot No. 14 in the east line of a ten foot alley, at 200 feet pass the N.E. corner of Lot No. Five (5) of said Block No. 3, at 210 feet the S.E. corner of Lot No. Six (6) of said Block No. 3 for an inside corner of this Addition;

THENCE N. 19 E., with east line of said Block No. 3, at 700 feet pass the N.E. corner of Lot No. Twelve (12) of said Block No. 3 in South line of Butch Street, at 750 feet pass the S.E. corner of Lot No. Thirteen (13) of said Block No. 3 in the north line of Butch Street, at 851 feet the N.E. corner of said Lot No. 13 for the Northernmost N.E. corner of said Block No. 3 and of this Addition;

THENCE N. 71 W., with the north line of Blocks Three (3) and Two (2), at 130 feet pass the N.W. corner of said Lot No. 13 in the East line of Williams Street, at 180 feet pass the N.E. corner of Lot No. Fourteen (14) of Block No. Two (2), at 320 feet the N.W. corner of said Lot No. 14 for the N.W. corner of said Block No. 2 and of this Addition;

THENCE S. 19 W., with west line of Blocks Two (2) and One (1) at 1301 feet pass the S W corner of Lot No. One (1) of Block No. 2 and S.W. corner of Block No. 2 in the north line of Oak Street, at 1351 feet pass the N.W. corner of Lot No. Seven (7) of Block No. One (1) and N. W. corner of Block No. One (1) in the south line of said Oak Street, at 2051 feet the S.W. corner of Lot No. 1 of Block No. 1, the place of beginning. This Addition being out of the West side of the above mentioned Grady Williams 100 acre tract.

All corners marked with iron pipe and square (90 degrees).

All Streets are fifty (50') feet wide, alley ten (10') feet wide.Block No. One (1): all lots are 100 feet by 140 feet.Block No. Two (2): Lots 1,2 & 13, 75 feet by 140 feet, Lots 3 to 12, 100 feet by 140 feet, Lot 14, 76 feet by 140 feet. Block No. Three (3): Lots 1,2,17 & 18, 75 feet by 140 feet, Lots 3,4,5,14,15,& 16, 100 feet by 140 feet, Lots 6 to 12, 100 feet by 130 feet, Lot 13, 101 feet by 130 feet. Block No. 4: Lots 1,2,13 & 14, 75 feet by 140 feet, Lots 3 to 12, 100 feet by 140 feet.

It is provided that said ,and, and the use of the lots and blocks therein, shall be subject to the following covenants and restrictions:

TRUE AND CORRECT COPY OF ORIGINAL FILED IN HAMILTON COUNTY CLERKS OFFICE

1. Said property shall be used for residential purposes only. However, this restriction shall not prevent the construction of the usual appurtenances, including private garage and bona fide servant's house. No. building shall be constructed closer to a sideline than 10% of the width of the front of the lot.

2. All residences erected on said lots shall be located not less than 30 feet from the front line of the lot. The ground floor area of said residences as may be constructed, exclusive of open porches and garages, shall not be less than 1,000 square feet.

3. No trailor, tent, garage, barn or other building erected on said property shall be at any time used as a residehce, temporarily or permanently, nor shall any structure of a temporary character be used as a residence. No existing structure or portion thereof shall be moved upon said property; but any and all improvements placed thereon shall be new construction; however this restriction shall not prevent the sue of used materials in the construction of new improvements.

4. No noxious or offensive activity shall be carried on upon said property, now shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

5. No livestock or poultry shall be maintained upon said property. If thepurchaser or their heirs or assigns shall violate or atempt to violate any of the covenants or restrictions herein cntained, it shall then be lawful for any other person or persons owing lots in the blocks hereinabove referred to, to prosecure any proceedings at law or equity against the person or persons violating or attempting to violate any such covenant or restrictions. and either to prevent him or them from doing so, or to recover damages or other dues for such violation, all without prejudice to the rights of any bona fide lien holder.

Invalidation of any of these covenants or restrictions by judgment or court order shall in no wise effect any of the other provisions which shall remain in full force and effect. These covenants and restrictions shall run with the land and shall be binding on all grantees of any of said land, and all persons claiming under them.

All cesspolls, sewer lines and water lines shall be installed in accordance with all sanitary regulations promulgated the samitary commission and the Department of Dealth of the State of Texas and all applicable laws or statutes of the State of Texas.

I do declare that all of the streets and alleys shown upon the plat or map are dedicated. and I do hereby dedicate the same to the public forever, to be used as streets and alleyways.

Witness my hand this 14th day of October 1960.

Willie Pearl Williams

THE STATE OF TEXAS:
COUNTY OF HAMILTON: Before me, the undersigned authority, on this day personally appeared Willie Pearl Williams, individually and as Independent Executrix of the Estate of Grady O. Williams, deceased, known to me to be theperson whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this the 24th day of October, 1960.

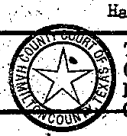
(SEAL)

Andrew Campbell Notary Public
Hamilton County, Texas

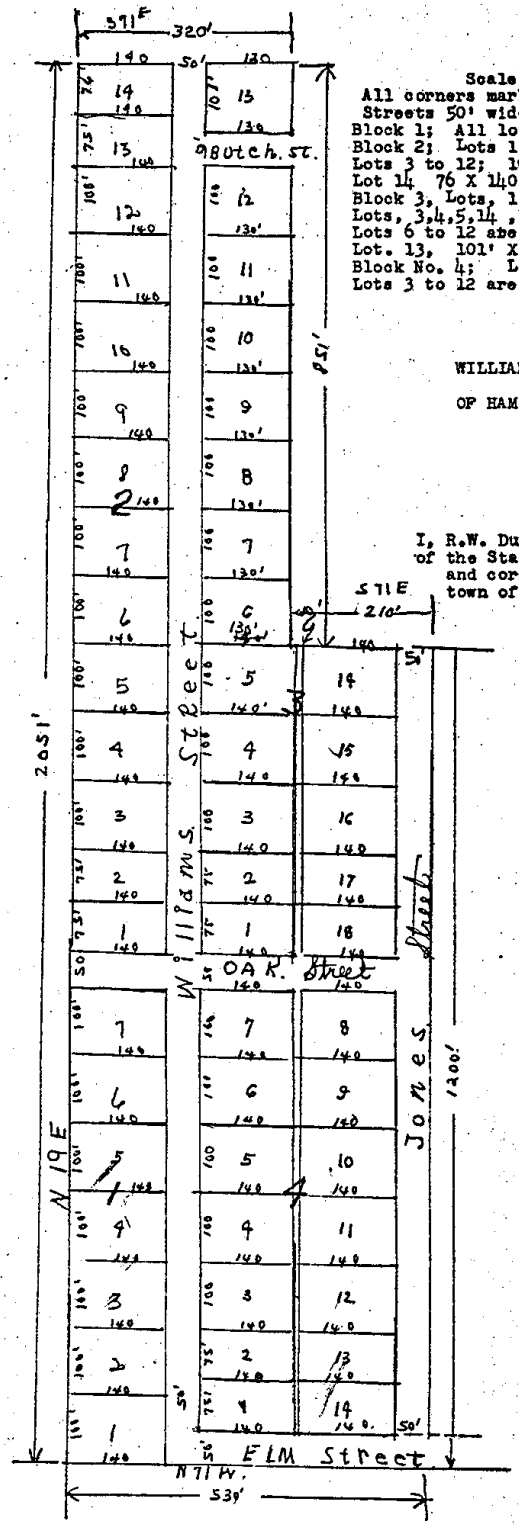
Filed for record Odtober 14, 1960 at 3:30 P. M.
Recorded October 31, 1960 at 1:15 P. M.

Vada Williams County Clerk
Hamilton County, Texas

By: Emily McClendon, Deputy



TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN HAMILTON
COUNTY CLERK'S OFFICE



Scale 1" = 150'
All corners marked with iron pipe and square (90°)
Streets 50' wide, ; Alley 10' wide;
Block 1; All lots 100' X 140'
Block 2; Lots 1,2, and 13 75' X 140 '
Lots 3 to 12; 100' X 140'
Lot 14 76 X 140'.
Block 3, Lots, 1,2,17,and 18 75' X 140'.
Lots, 3,4,5,14 ,15,and 16 are 100' X 140'
Lots 6 to 12 are 100' X 130'.
Lot. 13, 101' X 130'.
Block No. 4; Lots, 1,2, 13 and 14, are 75' X 140 '
Lots 3 to 12 are 100' X 140 feet.

WILLIAMS ADDITION TO THE TOWN

OF HAMILTON, TEXAS.

I, R.W. Durham, Registered Public Surveyor No. 171, of the State of Texas, hereby certify that this is a true and correct plat of the Williams Addition to the town of Hamilton, Texas.

(Seal)

R.W. Durham, Resigtered Public Surveyor. No. 171.

TRUE AND CORRECT COPY OF ORIGINAL FILED IN HAMILTON COUNTY CLERK'S OFFICE

THE STATE OF TEXAS:

COUNTY OF HAMILTON: Whereas, by Deed dated Sept. 8, 1960, recorded in the County Clerk's office of Hamilton County,Texas, in Book 183 Page 81, Mrs. Annie Zeptner, a widow, e t al conveyed to Walter Stinson 1 acres of land out of the A. Parks 640 acre survey fully described in said deed, to which reference is hereby made retaining therein a Vendor's Lien, securing payment of One Hundred and No/100 Dollars for which said Walter Stinson executed one promissory note as follows: One note for the principal sum of $100.00 dated Sept. 8 1960, and payable to the order of Mrs. Annie Zeptner, on or before Jan. 1, 1961, with interest from date at rate of 6% per annum;

And Whereas said Walter Stinson has paid the said note in full satisfaction of said incumbrance;

Now, Therefore, I, Mrs. Annie Zeptner,a widow being the legal owner and holder of the above described note at the time of its payment, do hereby release the above described property from the Vendor's Lien aforesaid.

In Witness Whereof I have hereunto set my name at Hamilton, Texas this 26th day of October 1960.

Mrs. Annie Zeptner

THE STATE OF TEXAS:

COUNTY OF HAMILTON: Before me, the undersigned authority in and for Hamilton County,Texas, on this day personally appeared Mrs. Annie Septner, a widow, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office, this 26th day of October A.D. 1960.

(SEAL)

T.A.Emmett Notary Public in and for
Hamilton County, Texas

Filed for record October 26, 1960 at 11:50 A. M.

Recorded October 31, 1960 at 1:40 P. M.

Vada Williams County, Texas
Hamilton County, Texas

By: Emily McClendon, Deputy

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****
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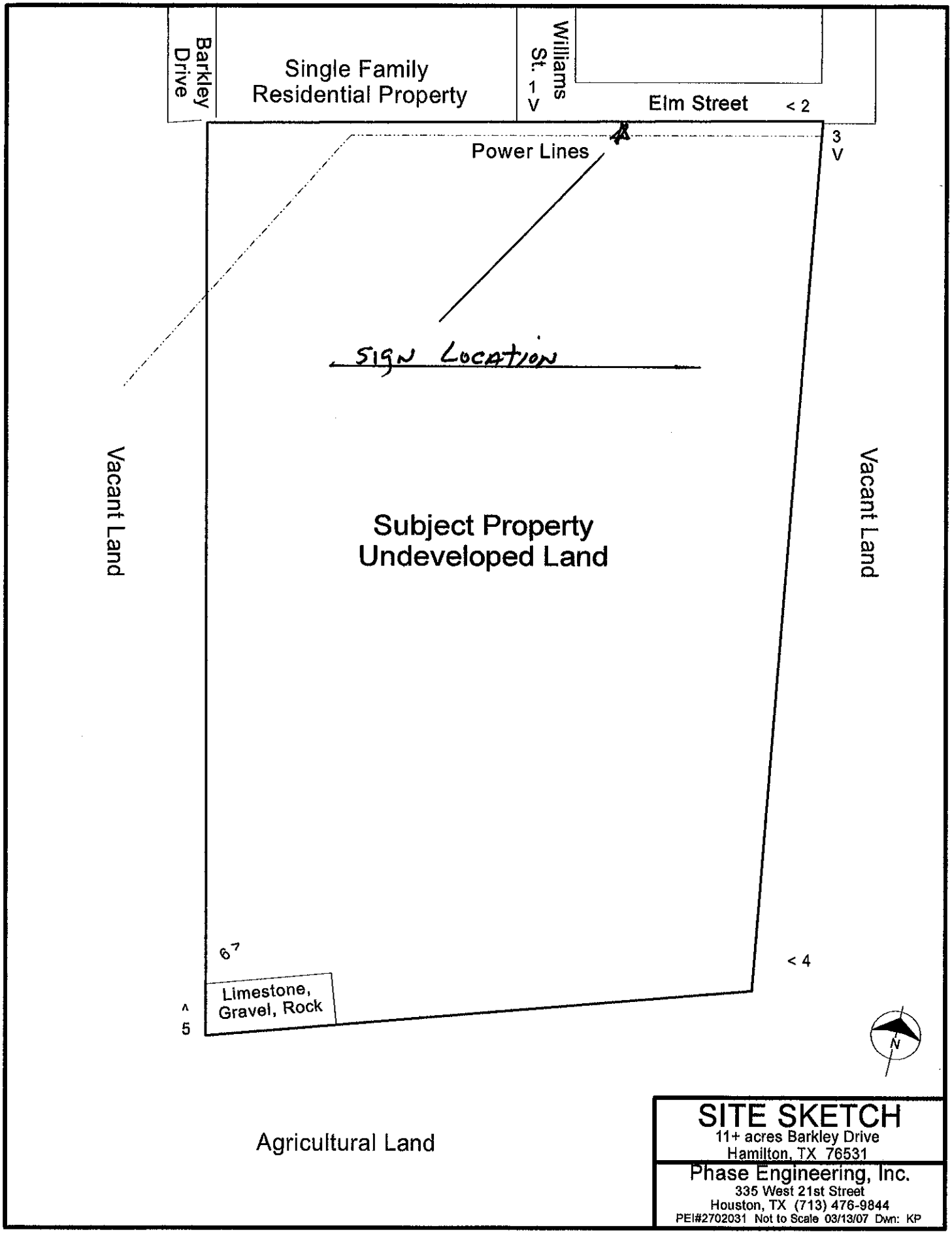
AFFIDAVIT OF HEIRSHIP

THE STATE OF TEXAS:

COUNTY OF HAMILTON: Before me, the undersigned authority, on this day personally appeared Monroe Schrank and Robert Angermann, each known to me to be credible persons, each being by me duly sworn, upon his oath says that he was personally and well acquainted with J.L.M. Angermann and his wife Freida R.Angermann, during their lifetime; that they lived together as husband and wife until the death of Freida R.Angermann; that neither of said parties were ever married before they were married to each other; that the following children, only were born to said marriage, to-wit: Bernard Angerman,, Charlie Angermann,Robert Angermann, Willie Angermann, Fritz Angermann, Lillian Schrank, wife of Monroe Schrank, Annie Zeptner, a widow, Minnie Braun, wife of A.C. Braun, Winnie Renkin a widow, and Edna Grayson wife of Roy Grayson all of whom are now living except Fritz Angermann, who departed this life in February 1960; that the said Freida Angermann, who departed this life in February 1960; that the said Freida R. Angermann departed this life in Hamilton County,Texas, on or about September A.D. 1921, intestate, leving her husband, J. M. L. Angermann, and the following

TRUE AND CORRECT
COPY OF ORIGINAL
FILED IN HAMILTON
COUNTY CLERKS OFFICE



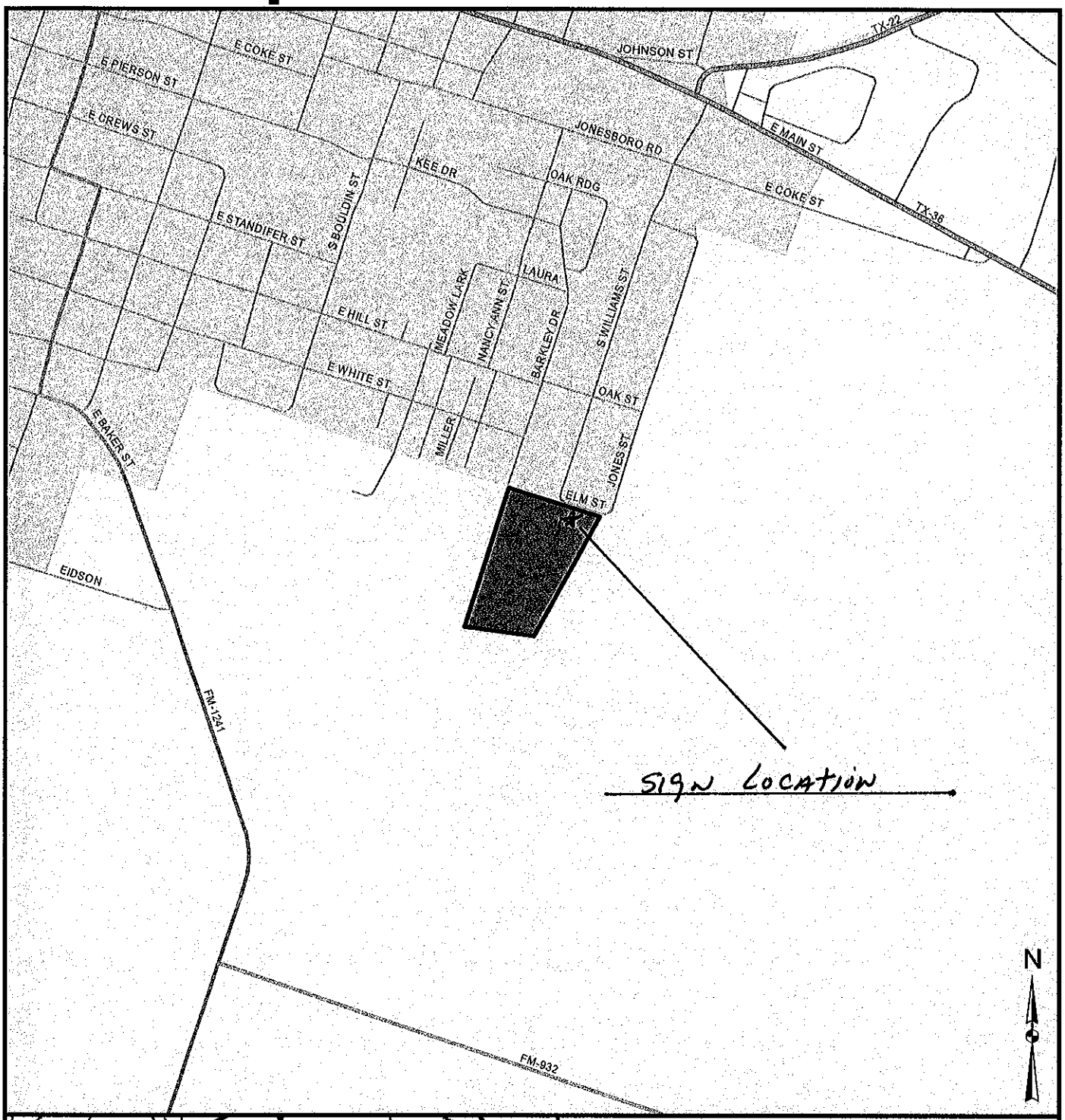
SITE SKETCH

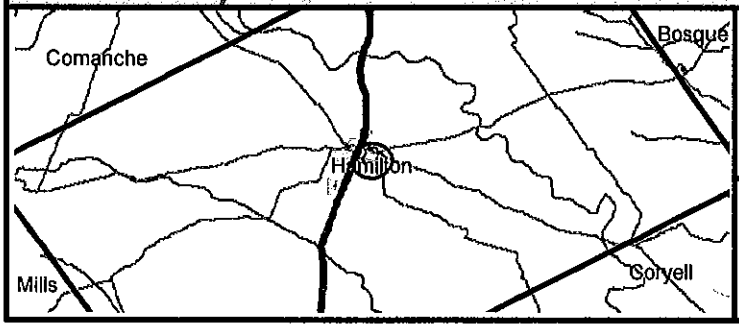
11+ acres Barkley Drive
Hamilton, TX 76531

Phase Engineering, Inc.
335 West 21st Street
Houston, TX (713) 476-9844

PEI#2702031 Not to Scale 03/13/07 Dwn: KP

Location Map





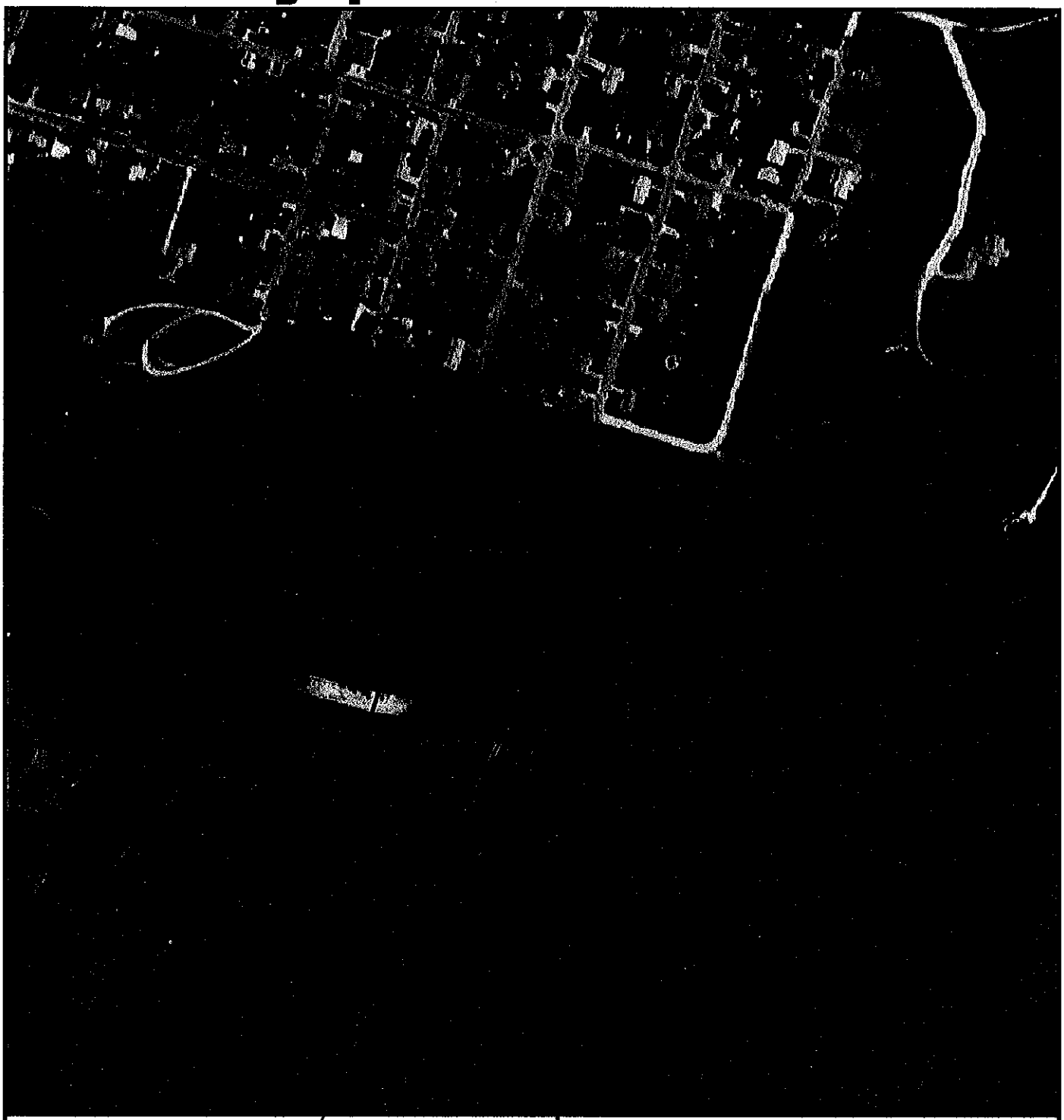
Site Location: 11 Acres Barkley St
Hamilton, TX 76531

Job Number: 2702031

Feet
0 650 1,300 2,600

Note: Property location and boundaries are representative only and may not be to scale.

Aerial Photograph



Year: 2004

ELM STREET
SIGN LOCATION

Site Location: 11 Acres Barkley St
Hamilton, TX 76531

Job Number: 2702031

Feet
0 280 560 1,120

Note: Property location and boundaries are representative only and may not be to scale.

NOTICE OF REGULAR MEETING
OF THE
GOVERNING BODY
CITY OF HAMILTON
February 8, 2007

Notice is hereby given that a Regular Council Meeting of the Governing Body of the City of Hamilton, Texas will be held, on the 8th of February, 2007 at 5:30 PM in The City Hall, Hamilton, Texas, concerning the following matters:

Item No. I. Meeting called to order.

Item No. II. Comments from the General Public.

Item No. III. Public Hearing regarding New Condemnations:

(1) 307 Park Rd. – Lot 14 & 16 of Block 4 of the Smith & Williams Addition (126' x 150').

(2) NW Corner of E. Baker & S. Dempster – E 60' & S ½ of Lot 3 of Block 3 of the Eidson & Pierson Addition (60' x 75')

Item No. IV. The City Council may discuss and/or take actions on the following agenda items.

1. Consideration and/or action on minutes of January 11th, 2007 Regular Meeting.

2. Consideration and/or action to accept the January Financial Statement.

3. Consideration and/or action on Resolution appointing Hamilton-Charger Senior Properties LP to act on The City's behalf in applying for TDHCA Funds for Hamilton Senior Village.

4. Consideration and/or action on Resolution supporting Hamilton Senior Village.

5. Consideration and/or action on Condemnation of Structures.

   (1) 307 Park Rd. – Lot 14 & 16 of Block 4 of the Smith & Williams Addition (126' x 150').

   (2) NW Corner of E. Baker & S. Dempster – E 60' & S ½ of Lot 3 of Block 3 of the Eidson & Pierson Addition (60' x 75')

6. Consideration and or action to remove and/or demolish condemned structures and advertise for bids:

   (1) 801 E. White - Lot 9 & 10 Of Block 4 of O. M. Little Addn.

   (2) 407/409 E. Main - 75'x140' of W ½ of Lot 3 of Block 11 of Wagner Addn. Of Hamilton, Texas

   (3) 407 ½ E. Main - 75'x140' of W ½ of Lot 3 of Block 11 of Wagner Addn. Of Hamilton, Texas (407 ½ E. Main)

   (4) 827 N. Thompson - 826 R. Trainer; 124'x125' (Mobile Home)

7. Consideration and/or action of Resolution to hold a joint election with Hamilton Independent School District.

8. Consideration and/or action to approve a Resolution to call Municipal General Election for May 12, 2007, and appoint Election Judges.

9. Consideration and/or action of Resolution selecting two twelve hour days for Early Voting.

10. Consideration and/or action on Resolution authorizing Hamilton Economic Development Corporation to Loan Funds for Pecan Creek Park.

11. Consideration and/or action of Ordinance Prohibiting Drilling of Disposal Wells Inside the City Limits and Extra Territorial Jurisdiction.

12. Consideration and/or action on Resolution to participate in the Texas Building and Procurement Commission Cooperative Purchasing Program.

13. Consideration and/or action on Ordinance authorizing appointment of Deputy Municipal Clerk.

14. Consideration and/or action to purchase Trailer Mounted Sewer Cleaning Machine.

15. Consideration and/or action on Sanitary Sewer Overflow Final Plan.

16. Discussion of Truck Traffic within the City Limits.

17. Consideration and/or action on Ordinance for Rate Increase with Waste Management.

18. Consideration and/or action of Resolution amending Personnel Policy.

19. Consideration and/or action on Resolution Granting Easement for Access at Hamilton Manor Apartments.

20. Consideration and/or action on Fuqua Addition Preliminary Subdivision Plat.

21. City Administrator Report:

    a. Sheriff's Report
    b. Lake Proctor Report
    c. Park Project
    d. Wastewater Project, USDA Loan
    e. Planning & Zoning Commission Update

Item No. V. Adjourn.

The City reserves the right to go into Executive Session in accordance with the following provisions of the Government Code Section 551.071 (1) (A) pending or contemplated litigation; Section 551.071 (1) (B) a settlement offer; Section 551.071 (2) an attorney client privilege and relationship; Section 551.072 the purchase, exchange, lease or value of real property; Section 551.074 Personnel matters; Section 551.076 Deliberations about Security Devices.

I, the undersigned authority, do hereby certify that the above notice of meeting of The Governing Body of the City of Hamilton, Texas is a true and correct copy of said notice posted in The City Hall of said City of Hamilton, Texas a place convenient and readily accessible to the General Public at all times, and said notice was posted February 5th, 2007 at 4:30 p.m. and remained so posted continuously for at least 72 hours preceding the scheduled time of meeting. The City Hall is accessible to the disabled. Disabled individuals requiring a reasonable accommodation must submit a request 48 hours prior to the meeting to the City Administrator. The City encourages all citizens to attend.

_____

Jane Dodson, City Secretary

MINUTES OF REGULAR MEETING
OF THE
GOVERNING BODY
CITY OF HAMILTON
Feb. 8, 2007

The City of Hamilton held a Regular Council Meeting at City Hall, Hamilton, Texas, on the 8th day of February, 2007 at 5:30 PM.

Present for the meeting:

Mayor	Roy Rumsey	Councilmember	Betty Jenkins
Mayor Pro Tem	Helen Townsend	City Attorney	Connie White
Councilmember	Mike Collett	City Administrator	Bill Funderburk
Councilmember	Bradley Haile	City Secretary	Jane Dodson

Others Present: Bldg. Inspector John Ratliff, Public Works Director Ronnie Harris, Deputy Sheriff Johnny Slough, Kenneth Miller, Sam Bell, Louis and Bonita Williams, Toni Taylor, Charles Beaty and Sam Bell.

Item No. I. Mayor Rumsey called the meeting to order at 5:30 PM.

Item No. II. Mayor Rumsey called for public comments. There were none.

Item No. III. Mayor Rumsey called the Public Hearing regarding New Condemnations to order:

(1) 307 Park Rd. – Lot 14 & 16 of Black 4 of the Smith & Williams Addition (126' x 150'). Charles Beaty addressed Council with his plan. Building Inspector John Ratliff recommended 90 days to restore or demolish.

(2) NW Corner of E. Baker & S. Dempster – E 60' & S ½ of Lot 3 of Block 3 of the Eidson & Pierson Addition (60' x 75'). The Owner was not present. John Ratliff recommended 60 days to restore or demolish.

Mayor Rumsey adjourned the Public Hearing and Opened into Regular Session.

Item No. III. The City Council discussed and/or took actions on the following agenda items.

1. Minutes of January 11th, 2007 Regular Meeting were approved unanimous with motion by Townsend and second by Haile.

2. The January Financial Statement was accepted unanimously with motion by Jenkins and second by Townsend.

3. Louis and Bonita Williams of Nacogdoches came before Council to discuss preliminary plans for a proposed 36-unit senior living apartment complex to be located at the South East of Williams Street. **Resolution #02-07**, appointing Hamilton-Charger Senior Properties LP to act on The City's behalf in applying

– over –

for TDHCA Funds for Hamilton Senior Village, was approved unanimous with motion by Jenkins and second by Lengefeld.

4. **Resolution #03-07**, supporting Hamilton Senior Village, was approved unanimously with motion by Jenkins and second by Haile.

5. **Resolution #04-07**, granting easement for access at Hamilton Manor Apartments was approved unanimously with corrected field notes as motioned by Townsend and second by Haile.

6. New Condemnation of Structures were addressed with Council by John Ratliff: Council unanimously approved Mr. Ratliff's recommendations.

   (1) 307 Park Rd. – Lot 14 & 16 of Black 4 of the Smith & Williams Addition (126' x 150') – 90 days to restore or demolish, with motion by Jenkins and second by Lengefeld.

   (2) NW Corner of E. Baker & S. Dempster – E 60' & S ½ of Lot 3 of Block 3 of the Eidson & Pierson Addition (60' x 75') – 60 days to restore or demolish, with motion by Townsend and second by Jenkins.

7. The following condemned structures and advertise for bids were unanimously approved per Mr. Ratliff's recommendations.

   801 E. White - Lot 9 & 10 Of Block 4 of O. M. Little Addn; 827 N. Thompson - 826 R. Trainer; 124'x125' (Mobile Home) – demolish, with motion by Jenkins and second by Haile.

   407/409 E. Main - 75'x140' of W ½ of Lot 3 of Block 11 of Wagner Addn. Of Hamilton, Texas; (407 ½ E. Main - 75'x140' of W ½ of Lot 3 of Block 11 of Wagner Addn. Of Hamilton, Texas (407 ½ E. Main) – 30 days, with motion by Townsend and second by Lengefeld.

8. **Resolution #10-07** to hold a joint election with Hamilton Independent School District was approved unanimously with motion by Collett and second by Townsend.

9. **Resolution #05-07** to call Municipal General Election for May 12, 2007, and appoint Election Judge Mike Lovell and Alternate Judge Katherine Olson was approved unanimously, with motion by Jenkins and second by Haile.

10. **Resolution #06-07**, selecting April 30 and May 1 as two twelve hour days for Early Voting was approved unanimously, with motion by Collett and second by Haile.

11. **Resolution #07-07**, authorizing Hamilton Economic Development Corporation to Loan up to One Hundred Thousand for Pecan Creek Park was approved unanimously as a First Reading, with motion by Lengefeld and second by Haile.

12. **Ordinance #03-07**, Prohibiting Drilling of Disposal Wells Inside the City Limits and Extra Territorial Jurisdiction was approved unanimously with motion by Haile and second by Jenkins.

13. **Resolution #08-07**, to participate in the Texas Building and Procurement Commission Cooperative Purchasing Program was approved unanimously, with motion by Collett and second by Haile.

14. **Ordinance #04-07**, authorizing appointment of Deputy Municipal Clerk by The Court Clerk was approved unanimously with motion by Townsend and second by Haile.

15. The purchase of Trailer Mounted Sewer Cleaning Machine for $45,933.00, was approved unanimously with motion by Collett and second by Haile.

16. The Sanitary Sewer Overflow Final Plan was approved unanimously with motion by Haile and second by Townsend.

17. No Action was taken on Truck Traffic within the City Limits.

18. **Ordinance #05-07**, Rate Increase with Waste Management was approved unanimously with motion by Collett and second by Townsend.

19. **Resolution #09-07**, amending the Personnel Policy was approved unanimously with motion by Collett and second by Jenkins.

20. The Fuqua Addition Preliminary Subdivision Plat, with recommendations as by the City Inspector, was approved unanimously with motion by Townsend and second by Haile.

21. Deputy Johnny Slough presented the Sheriff's Report

Bill Funderburk presented updates on the following:

a. Lake Proctor Report
b. Park Project
c. Wastewater Project, USDA Loan

John Ratliff presented an update from the Planning & Zoning Commission.

Item No. VII. Mayor Rumsey adjourned, with motion by Townsend, at 7:45 PM.

Roy Rumsey, Mayor

Jane Dodson, City Secretary

Volume 4
Tab 12

DEMOSTRATION OF COMMUNITY SUPPORT OTHER THAN QCP

Letters of Support and accompanying documentation:

1. Hamilton Senior Center
   Donna Ashmore, Center Director
   204 E. Gentry
   Hamilton, TX 76531
   254-386-3676
   254-386-3676 fax
   email: hccaa530@yahoo.com

2. Hamilton Chamber of Commerce
   Troy Smith, Chamber Manager
   204 E. Main
   Hamilton, TX 76531
   254-386-3216
   254-386-3563 fax
   email: cofc@htcomp.net

3. Friends for Life and Neighbor to Neighbor
   Sandy Ivey, Hamilton County Coordinator
   P.O. Box 611
   Hamilton, TX 76531
   254-386-8157
   254-386-0057 fax
   email: ntnhamilton.htcomp.net

4. Hamilton Economic Development Corporation
   Thomas C. Adams, President
   P.O. Box 224
   Hamilton, TX 76531
   254-386-5954
   254-386-3563
   email: hamiltonedc@htcomp.net

5. Hamilton Unit of the Salvation Army
   Ivy Whitehead
   P.O. Box 611
   Hamilton, TX 76531
   254-386-3676

Hill Country Community Action Association, Inc.
Executive Director – Tama Shaw

2905 W. Wallace, P.O. Box 846, San Saba, TX 76877
Telephone 325.372.5167 FAX: 325.372.3526
e-mail: hccainc@centex.net website: www.hccaa.com

Case Management, Outreach, Energy, Weatherization, Aging, Nutrition, RSVP, Head Start, Family Planning

February 16, 2007

Hamilton-Charger Senior Properties

The Hamilton Multi-Service Senior Center, a part of Hill Country Community Action Association, would like to extend their support to the proposed development of the Hamilton Senior Village to be located at the end of Williams Street at the Hamilton city limits.

Donna Ashmore

Donna Ashmore
Center Director
P. O. Box 305
Hamilton, Texas 76531
254-386-3676
hccaa530@yahoo.com

FROM : HAMILTON CENTER FAX NO. : 12543863676 Feb. 22 2007 05:16PM P1

Hamilton Chamber Of Commerce & Visitor's Center
P.O. Box 429 ~ 204 E. Main Street
Hamilton, Texas 76531
(254) 386-3216 ~ fax: (254) 386-3563
email: cofc@htcomp.net ~ www.hamiltontexas.com

February 20, 2007

To Hamilton-Charger Senior Properties:

The Hamilton Chamber of Commerce & Visitor's Center is in support of the Hamilton Senior Village to be located at the end of Williams Street at the Hamilton city limits. We believe that this project would be very beneficial for the Hamilton community and help meet a need in our future growth.

Thank you,

Troy Smith

Troy Smith
Chamber Manager

FRIENDS FOR LIFE
Hope for the Generations

Neighbor to Neighbor
200 E. Gentry Street
Hamilton, Tx 76531
(254) 386-8157

To Whom It May Concern:

At Friends For Life and Neighbor to Neighbor our goal is to help the elderly, senior, frail and all others who have a need of any sort. We are not limited to a specific area of assistance. A few examples are:

- Help those who need assistance with filing for Social Security, Medicare, and/or Medicaid. We assist with setting up telephone interviews with the above agencies for those who cannot travel.

- Assist with helping clients find employment and also support the program Experience Works. This program trains and/or retrains seniors who are on limited income to market themselves and offers the opportunity to improve their living standard.

- Find a volunteer to drive to and from doctor's appointments, locating medical assistance, writing checks for bill paying, obtaining financial assistance and much more.

Mr. and Mrs. Williams visited our office, February 13, 2007, and talked with us about building a senior housing community in Hamilton, Tx. After hearing the details of their plan, it is a project that is much needed and would be very welcomed in our town. The development would be located in an area of town that would be convenient to the residents of Hamilton Senior Village, which would be located at the S. Williams area near the city limits.

Hamilton is a small town and our population is mainly of seniors and the elderly and doe not have anything that offers a life style for independent community living for this age group such as the Hamilton Senior Village is offering.

I am 100% in support of this community project. There are many seniors who would qualify and be very happy for the opportunity to live in a new and updated home.

Thank you.

Sandy Ivey
Friends For Life and
Neighbor to Neighbor
Hamilton County Coordinator

Hamilton Economic Development Corporation

P. O. Box 224 ~ 204 East Main ~ Hamilton, Texas 76531
Phone: 254-386-5954 ~ Fax: 254-386-3563
e-mail: hamiltonedc@htcomp.net

February 16, 2007

Louis Williams & Associates, Inc.
410 CR 198
Nacogdoches TX 75965

In re: Hamilton Senior Village

Dear Mr. Williams

Thank you for coming before the Hamilton Economic Development Corporation on February 12 to provide details of your proposed 36 unit "Hamilton Senior Village" on South Williams Street at the southeastern city limits of Hamilton.

Based upon the information available on the projected need for such housing from older residents desirous of moving to smaller, more manageable living quarters and your excellent record in developing and administering similar housing in Hamilton and elsewhere, on behalf of the Hamilton EDC, I am pleased to support your application for tax credits for the project.

Please let me or our executive director, Jane Crouch, know if we can be of further service.

Sincerely,

Tom Adams

Thomas C. Adams, President
Hamilton EDC

DOING THE MOST GOOD
Founded in 1865

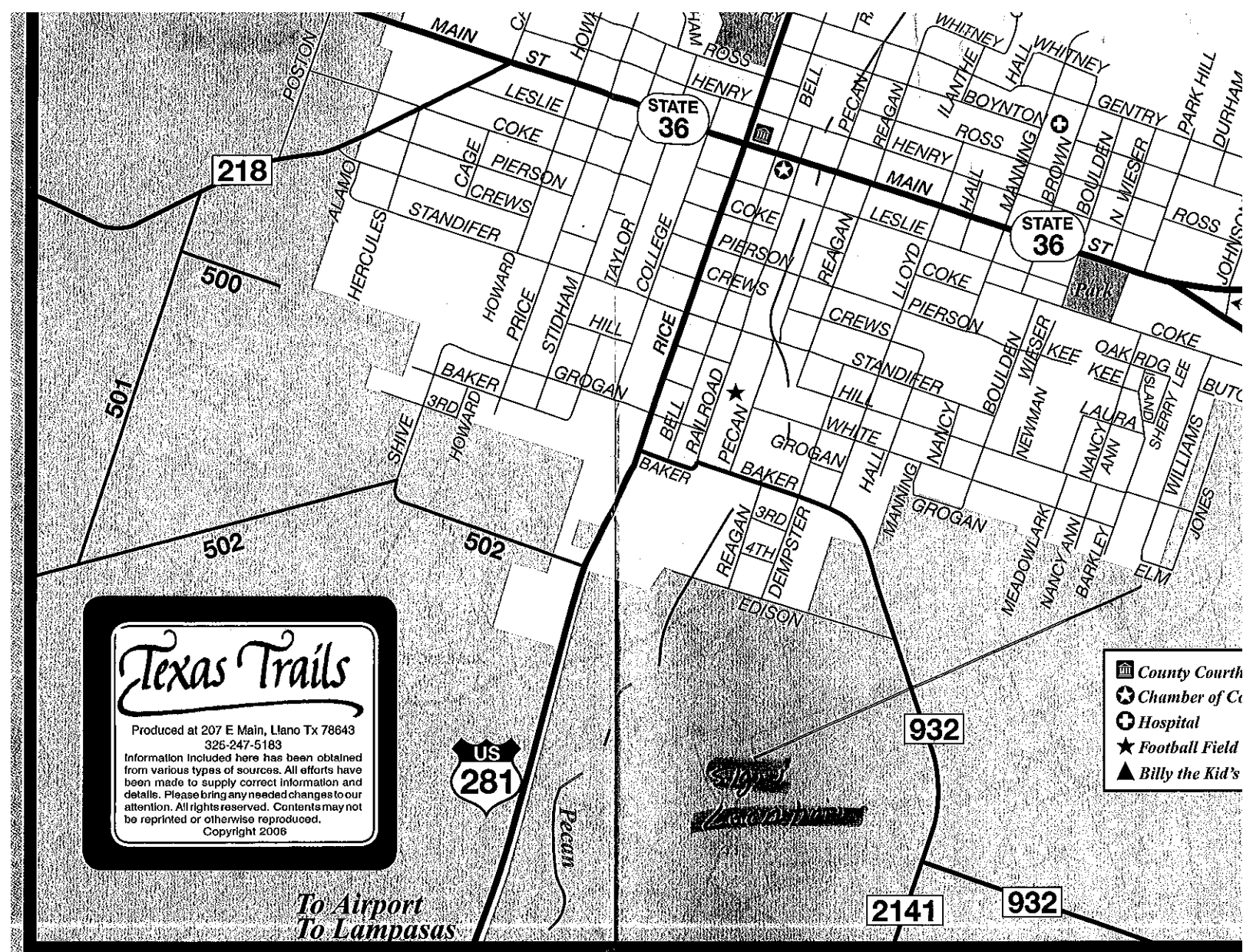
William Booth, *Founder*
Shaw Clifton, *General*
Commissioner Maxwell Feaner, *Territorial Commander*
Major Kenneth Johnson, *Divisional Commander*

February 22, 2007

Hamilton-Charger Senior Properties

The Hamilton Service Unit of the Salvation Army would like to extend their support to the proposed development of the Hamilton Senior Village to be located at the end of Williams Street at the Hamilton city limits.

Ivy Whitehead
Hamilton Unit of the Salvation Army
P.O. Box 611
Hamilton, Texas 76531



Texas Trails

Produced at 207 E Main, Llano Tx 78643
325-247-5183

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Hamilton County Dove Festival & Rodeo

Arts & Crafts • Entertainment
Giant Parade • Car Show
5K Run • Giant Inflatables
Pageant: August 25, 2006

September 1-3, 2006

Hamilto
Chamber of Comm

254-386-32

www.HamiltonTexas

204 East Main • Ha

2/15/07

e Hamilton Herald-N

Hamilton, Texas 76531 Thursday, Feb. 15, 2007

district champs

oys as- day ver in few the st a test ow l of

the playoffs.

The local Dogs showed their determination to win the district title early in McGregor, grabbing a 21-8 first quarter lead. But McGregor fought back to narrow the Hamilton lead to 29-24 at the half and go ahead by two in the third period. But Hamilton would not be denied and regained the lead 42-31 going into the final period and kept the McGregor Dogs at bay throughout the fourth.

The Hamilton girls trailed at all three quarter breaks, 9-14, 19-23 and 26-35 and fell behind by as many as 10 points. However, they also showed a great deal of determination, battling back to cut the Mart lead to as little as one point in both the third and fourth quarters.

VFD OFFICERS- New officers were recently elected for the Department. Serving for 2007 will be (l-r): Toby Logan, Fire Chie Assistant Chief; Phillip Hall, Assistant Foreman; Larry Shaw, Foreman; John Armstrong, Treasurer; Steve Sanford, Preside Assistant Chief; and Ed Ramos, Vice President. Since taking office, addressing several internal department issues. In an open letter to Stanley and Fire Chief Logan discuss those issues in this week's pap

apartment complex ed in east Hamilton

ncil r a ing day ular ouis of the t of exas and for osed gthy enda ayor the f the Mike irant send the ation go tion. our

with a gazebo and barbecue pit.

Although from Nacogdoches, the Williamses do already have some familiarity with Hamilton. Last year they purchased the Hamilton Manor Apartment Complex on S. College Ave. in Hamilton and have done extensive remodeling to the complex since then. They also own existing apartment complexes in Nacogdoches, Brady and Clifton and are currently building a complex in Cross Plains.

The Williamses said that the proposed one-bedroom units would be 895 square feet and that the two-bedroom units would be a little over 1,100 square feet.

The Williamses were asked who would be eligible to live in the apartments. They explained that there would be age and income restrictions.

The facility would be for

cation, construction should start six to eight months after the announcement.

The council unanimously approved the Williams' application to TDHCA and also voted to include a letter of support for the proposed project.

In other business, the council continued its effort to eliminate unsafe structures in Hamilton by condemning two more.

In a public hearing at the start of the meeting, City Building Inspector John Ratliff told the council that structure at 307 Park Road and the northwest corner of East Baker and Dempster were not in compliance with codes.

The structure on Park Road is a house that has been moved-in and has not been secured to any type of foundation.

Owner of the property, Charles Beaty, told the council

Jury convicts three for conspiring to ro

FORT WORTH (Department of Justice release) A federal jury today (Feb. 5) found three area residents guilty on all counts of a superseding indictment charging them with offenses

carry a firearm during and in relation to a crime of violence, one count of conspiracy to posses an unregistered firearm and one count of possession of an unregistered firearm.

Sentencing has been set for

ex ph un un de Sr

Challenge 07227

CDHM GROUP, LLC
2137 N. COURTENAY PKWY – SUITE 23
MERRITT ISLAND, FLORIDA 32953

April 16, 2007

TDHCA
221 East 11th Street
Austin, Texas 78701-2410

RE: CHALLENGE OF 07227 CHAMPION HOMES – LA JOYA, TEXAS

This challenge is about the following areas of the application:

1) Loan as a contribution for the above referenced development. This loan is made by one of the owner / affiliates of the development. La Joya Housing Authority, whom they list as a political subdivision. It is my understanding that Housing Authorities can not be a political subdivision for the purpose of the contribution of funds for the 18 points. The housing authority owns the land and is taking a note for the $1,000,000 for the land and will be paid back at the end of 30 years at an AFR interest rate. No where does this show in the proformas

2) These funds are used for other points in the application. Volume 4, Tab 21 Using the loan as leverage of Private, State and Federal Resources.

3) Using the construction loan as a Third- Party funding. Volume 4, Tab 22.

4) He did not check the box for the Demonstration of Community Support. The Housing Authority can not be a Quantifiable Community Participant.

5) The organization chart list La Joya Housing Authority as owner and developer and will received developer fees.

6) If there is a revitalization plan as described in the points taken in Volume 4 ,Tab 9 and they are not in a qualified census tract, and they marked the form Volume 4, Tab 18 as not applicable. This only proves that there is no City Revitalization Plan. There are no copies of the plan in either Tab.

7) Under the Total Development Summary – they have put the demolition under the Acquisition cost and not the construction cost. This would run his total for the Construction, Gen. Requirements, Profit & Overhead, and Contingency to $4,883,595 and would be over the $75 per net rental space for the development.

I would like to enter these challenges, as I feel they are not going by the rules.

Sincerely,
CDHM GROUP, LLC

Donald Pace
Sole Member

Challenge 07228

CDHM GROUP, LLC
2137 N. COURTENAY PKWY – SUITE 23
MERRITT ISLAND, FLORIDA 32953

April 16, 2007

TDHCA
221 East 11th Street
Austin, Texas 78701-2410

RE: CHALLENGE OF 07228 LAS PALMAS HOMES, LOS FESNOS, TEXAS

This challenge is about the following areas of the application:

1) Loan as a contribution for the above referenced development. This loan is made by one of the owner / affiliates of the development. Cameron Co. Housing Authority, whom they list as a political subdivision. It is my understanding that Housing Authorities can not be a political subdivision for the purpose of the contribution of funds for the 18 points. The housing authority owns the land and is taking a note for the $1,650,000 for the land and will be paid back at the end of 30 years at an AFR interest rate. No where does this show in the proformas.

2) These funds are used for other points in the application. Volume 4, Tab 21 Using the loan as leverage of Private, State and Federal Resources.

3) Using the construction loan as a Third- Party funding. Volume 4, Tab 22.

4) He did not check the box for the Demonstration of Community Support. The Housing Authority can not be a Quantifiable Community Participant.

5) The organization chart list Cameron County Housing Authority as owner and developer and will received developer fees.

6) If there is a revitalization plan as described in the points taken in Volume 4 ,Tab 9 and they are not in a qualified census tract, and they marked the form Volume 4, Tab 18 as not applicable. This only proves that there is no City Revitalization Plan. There are no copies of the plan in either Tab.

7) They have changed their unit mix from the pre-application to the final application. They had 132 units in the pre-application and the final application has 75 units and he check the box that no changes were made between the pre-application and the final application. Vol 1, Taab 8

I would like to enter these challenges, as I feel they are not going by the rules.

Sincerely,
CDHM GROUP, LLC

Donald Pace
Sole Member

Challenge 07282

DMA DEVELOPMENT COMPANY, LLC

April 19, 2007

RECEIVED
APR 20 REC'D
LIHTC

Ms. Robbye Meyer
Director of Multifamily Production
Texas Department of Housing
& Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Challenge regarding points awarded to TDHCA #07282

Dear Ms. Meyer:

This letter challenges points awarded to the above-mentioned application. The first challenges relates to the award of 1 point for the project being in a Qualified Census Tract with Revitalization. The second challenge relates to the award of 24 points for the support letter received from Comunidad in Action.

Regarding the first challenge, the application in question requested one point for being in a QCT that is targeted for revitalization according to a Community Revitalization Plan. In support of this request, the applicant submitted the required TDHCA form, as well as the Consolidated Plan for the City of Midland. Most of the pages submitted from the Consolidated Plan (which were different pages than those indicated on the TDHCA form) did not indicate a targeted geographic area but rather generally indicated the need for more affordable rental units. The one page that references a specific geographic area (page 27) is from the Action Plan for the 2005/2006 Program Year, which arguably doesn't cover the current year. Further, while that page references certain CDBG Selected Target Areas, neither the 2004 or the 2005 targeted areas contain the proposed site. The site is in a much larger low to moderate income neighborhood, which—the applicant points out—is in need of public capital improvements, but this hardly rises to the level of a geographic area targeted for revitalization.

The second challenge concerns the QCP certification received from Comunidad in Action. Although the President of Comunidad (which translates to "Community") in Action submitted a certification that the organization is a neighborhood group rather than a broader based community organization, the group's Statement of Authority indicates that its boundaries encompass the "the Midland CDBG delineated area," which is a city-wide area. This statement, as well as the broader statement of purpose that the organization is a "grass roots organization committed to promote involvement and awareness of economic and community development issues" clearly suggests that this group is a community organization, as opposed to a group of people who live "near one another" as the QAP defines a neighborhood organization. Indeed, the Applicant's own Affirmative Fair Housing Marketing Plan, which was submitted in Volume 7, Tab 2, Part F, confirms that this group is a community organization that will provide supportive

services to the residents of the proposed development. The Affirmative Fair Housing Marketing Plan reads "Comunidad in Action provides tutoring services, computer classes, and English as a Second language class." Clearly, this applicant's own statements contradict the certification from Comunidad in Action that it is a neighborhood group rather than a broader based community organization. Moreover, if this group will receive compensation for providing services to the proposed development, it is not surprising that it willingly provided a support letter for this application.

Therefore, the Applicant should not have received QCP points for a support letter from this organization because the QAP specifically excludes community organizations such as this one from the definition of a neighborhood group. The QAP also excludes organizations whose boundaries are county or city wide. Here, the Midland CDBG delineated area most likely consists of the entire city, since CDBG funds can be used anywhere within the city's jurisdiction. The name of this organization alone—Community in Action—confirms that this group represents a much larger community than the immediate one that surrounds the site.

We respectfully request that TDHCA reconsider these points awarded based on the foregoing. We appreciate your time in considering this request. Please do not hesitate to contact me with any questions or concerns. I can be reached at 512-328-3232 ext. 66 or at janines@mciver.com

Sincerely,

DMA DEVELOPMENT COMPANY, LLC

Janine Sisak
Vice President/General Counsel

HOME DIVISION

BOARD ACTION REQUEST
MAY 10, 2007

Action Item

Presentation, discussion and possible approval of HOME Division award recommendation for disaster relief for the City of Roma in the amount of $520,000.

Required Action

Approval of 2006 HOME Owner Occupied Housing Assistance Program award recommendation for disaster relief for the City of Roma in the amount of $520,000.

Background

On September 13, 2006, heavy rainfall and flooding hit the City of Roma in Starr County. TDHCA's Disaster Relief Program Officer assisted in the Preliminary Damage Assessments (PDA's) conducted by the Governor's Division of Emergency Management (GDEM) during September 15, 2006 through September 19, 2006. Although the area was not declared a State disaster area, on September 20, 2006, TDHCA received a letter from Governor Rick Perry recognizing that a disaster had occurred and requested that the Department make available any assistance to the citizens of the City of Roma in Starr County for which the city and county may be eligible under emergency conditions. On September 26, 2006, the Department notified the City of Roma and Starr County officials of the Department's HOME Program. Technical assistance for completing and submitting an application was also offered. The following application was received and processed. The application has 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 this applicant has been reviewed by all divisions in the Department. The review did not identify any issues that would warrant disqualification or material noncompliance and is recommended for funding under the 2006 HOME Program rules. The award is in accordance with 10 TAC Chapter 1 §1.19, Deobligated Funds, adopted by the Board on April 12, 2007.

Application #	Applicant Name	Project Funds Requested and Recommended	Admin. Funds Requested and Recommended	# of Units Proposed
2006-0222 DR	City of Roma	$ 500,000.00	$ 20,000.00	9
Total		**$ 500,000.00**	**$ 20,000.00**	**9**

Recommendation

Staff recommends the HOME Program application be awarded. Staff also requests and recommends approval of 4% of project funds for program administration.

FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST
May 10, 2007

Report Item

2nd Quarter Investment Report

Required Action

Presentation of the Department's 2nd 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 fair value at the beginning and end of the quarter.

- Overall, the portfolio carrying value decreased by $31,677,331(see p.1) for a total of $1,551,510,861. There were 2 new Multi-Family bond issuances issued for a total of $29 million during the 2nd quarter. The Residential Mortgage Revenue Bond indenture paid $17.8 million in principal and $9.3 million in interest; the multi-family issues paid $11.8 million in principal. The remaining difference is accounted for by construction draws made by multi-family projects currently under construction.

The portfolio consists of (see p. 4):

	Beginning Quarter	Ending Quarter
Mortgage Backed Securities (MBS)	63%	67%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	27%	23%
Repurchase Agreements	5%	7%
Other (Cd's, MM's, T-Bonds)	5%	3%

The portfolio activity for the quarter (see p. 5):

- $67,807,964 of MBS purchases during the quarter represent portfolio activity for new loans originated.

- The maturities in MBS this quarter were $19,795,687 which represents loan payoffs. The table below shows a strong trend in new loans and decreasing amounts of loan payoffs.

	2nd Qtr FY 06	3rd Qtr FY 06	4th Qtr FY 06	1st Qtr FY 07	2nd Qtr FY 07	Total
Purchases	93,337,220	71,241,317	44,123,295	104,944,001	67,807,964	381,453,797
Sales						
Maturities	52,202,521	18,345,860	17,158,700	19,396,370	19,795,687	126,899,138

- The fair value decreased $3,676,311(see p. 1 and p. 5) increasing the difference between fair value and carrying value with fair value being less. The national average for a 30-year fixed mortgage as reported by HSH was 6.37% for the end of February up from 6.34% at the end of November. The spread between the market rate and our below-market rates is increasing.

- 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 loss.

- 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 next 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 100.09% to 121.43%. 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.

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of February 28, 2007

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:					
PARITY ASSETS					
Cash	$ 232,582	$ 1	$ 1,956	$ 1,350,086	$ 1,584,625
Investments	$ 282,772,769	$ 20,232,369	$ 1,087,682	$ 173,620,324	$ 477,713,144
Mortgage Backed Securities	$ 683,041,135	$ 315,867,549	$ 13,818,712		$ 1,012,727,396
Loans Receivable	$ 44,663,036	$ 1,652,567	$ -	$ 1,185,157,726	$ 1,231,473,329
Accrued Interest Receivable	$ 3,119,299	$ 2,037,169	$ 87,097	$ 16,299,498	$ 21,543,063
TOTAL PARITY ASSETS	$ 1,013,828,821	$ 339,789,655	$ 14,995,447	$ 1,376,427,634	$ 2,745,041,558
PARITY LIABILITIES					
Bonds Payable	$ 953,310,000	$ 327,250,000	$ 13,400,000	$ 1,186,809,223	$ 2,480,769,223
Accrued Interest Payable	$ 21,301,476	$ 2,954,956	$ 88,656	$ 16,450,368	$ 40,795,456
TOTAL PARITY LIABILITIES	$ 974,611,476	$ 330,204,956	$ 13,488,656	$ 1,203,259,591	$ 2,521,564,679
PARITY DIFFERENCE	$ 39,217,345	$ 9,584,699	$ 1,506,791	$ 173,168,043	$ 223,476,879
PARITY	**104.02%**	**102.90%**	**111.17%**	**114.39%**	**108.86%**
INTEREST COMPARISON (For the Sixth Fiscal Month) :					
INTEREST INCOME					
Loans	$176,864	$174,493	$0	$5,558,551	$5,909,908
Investments	$4,210,169	$1,561,419	$85,158	$4,966	$5,861,712
Real Estate Owned	$0	$0	$0	$0	$0
TOTAL INTEREST INCOME	$4,387,033	$1,735,912	$85,158	$5,563,517	$11,771,620
INTEREST EXPENSE					
Interest on Bonds	$3,737,194	$1,473,933	$70,131	$5,558,553	$10,839,811
TOTAL INTEREST EXPENSE	$3,737,194	$1,473,933	$70,131	$5,558,553	$10,839,811
NET INTEREST	$649,839	$261,979	$15,027	$4,964	$931,809
INTEREST RATIO	**117.39%**	**117.77%**	**121.43%**	**100.09%**	**108.60%**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING FEBRUARY 28, 2007

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING FEBRUARY 28, 2007

1) PFIA- Internal Management Report (Sec. 2256.023)
2) Bar Graph - Comparison of Market by Fund Group between Quarters
3) Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
4) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
5) Supplemental Public Funds Investment Act Report by Investment Type
6) Detail of Investments including maturity dates by Fund Group

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending February 28, 2007

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

INDENTURE	FAIR VALUE (MARKET) @ 11/30/06	CARRYING VALUE @ 11/30/06	CHANGE IN CARRYING VALUE: ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 02/28/07	FAIR VALUE (MARKET) @ 02/28/07	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 02/28/07	RECOGNIZED GAIN
Single Family	945,573,731.59	957,767,244.93	107,221,577.71	(85,684,242.96)	(9,429,739.63)	0.00	969,874,840.05	954,755,378.95	(2,925,947.76)	3,001,130.00	0.
RMRB	360,028,481.44	359,813,591.47	2,990,487.11	(15,243,141.61)	(9,649,275.20)	0.00	337,911,661.77	337,307,330.16	(819,221.58)	2,015,435.00	0.
CHMRB	16,873,879.11	16,365,153.42	233,376.92	(995,185.86)	(660,258.35)	0.00	14,943,086.13	15,520,669.55	68,857.73	87,097.00	0.
Multi Family	210,151,470.43	210,151,470.43	49,007,734.42	(84,034,880.52)	(56,414.02)	0.00	175,067,910.31	175,067,910.31	-	3,495.00	0.
Commercial Paper	248,673.82	248,673.82	15,039,755.97	(198,000.00)	0.00	0.00	15,090,429.79	15,090,429.79	(0.00)	94,400.00	0.
General Fund	13,851,063.19	13,851,063.19	394,364.11	(291,579.02)	0.00	0.00	13,953,848.28	13,953,848.28	-	2,058.00	0.
Housing Trust Fund	16,710,227.50	16,710,227.50	1,105,659.25	(1,816,124.10)	0.00	0.00	15,999,762.65	15,999,762.65	-	2,360.00	0.
Administration	147,518.71	147,518.71	1,907.82	0.00	0.00	0.00	149,426.53	149,426.53	-	22.00	0.
Compliance	2,589,873.98	2,589,873.98	380,410.10	(110,755.71)	0.00	0.00	2,859,528.37	2,859,528.37	-	422.00	0.
Housing Initiatives	5,543,374.99	5,543,374.99	116,992.16	0.00	0.00	0.00	5,660,367.15	5,660,367.15	-	835.00	0.
TOTAL	1,571,718,294.76	1,583,188,192.44	176,492,265.57	(188,373,909.78)	(19,795,687.20)	0.00	1,551,510,861.03	1,536,364,651.74	(3,676,311.61)	5,207,254.00	0.

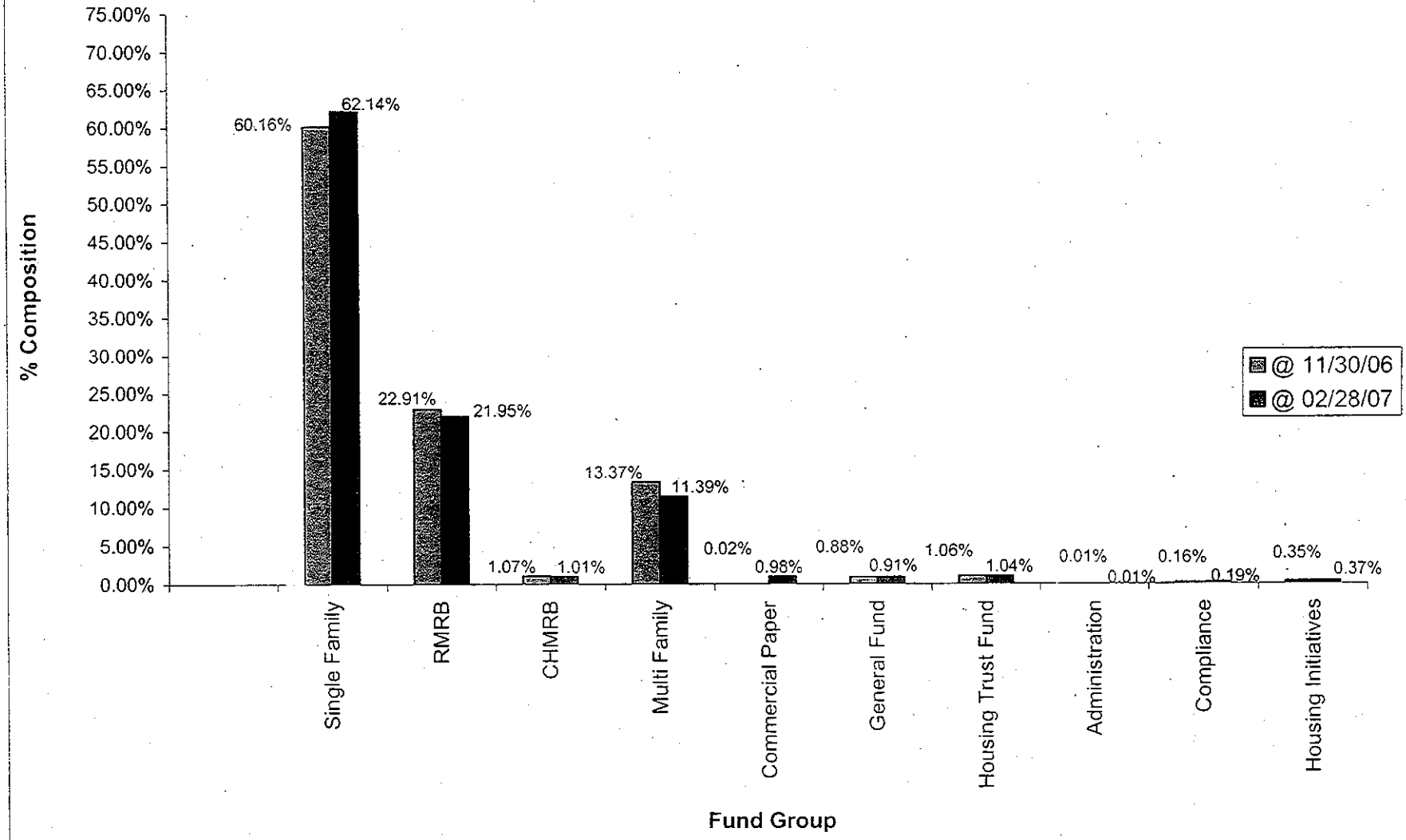
* No relationship can be drawn between the "ACCRUED INT RECVBL @ 02/28/07" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..).
In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying $ 176,418,092 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

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

David Cervantes, Director of Financial Administration — Date 4/23/07

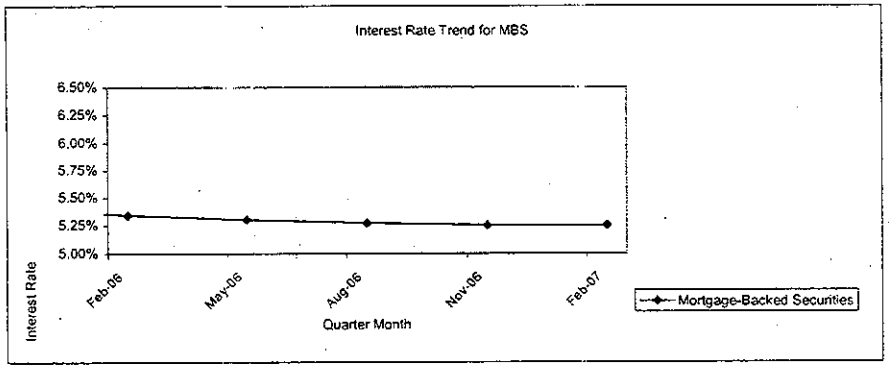
Matt Pogor, Director of Bond Finance — Date 4/23/07

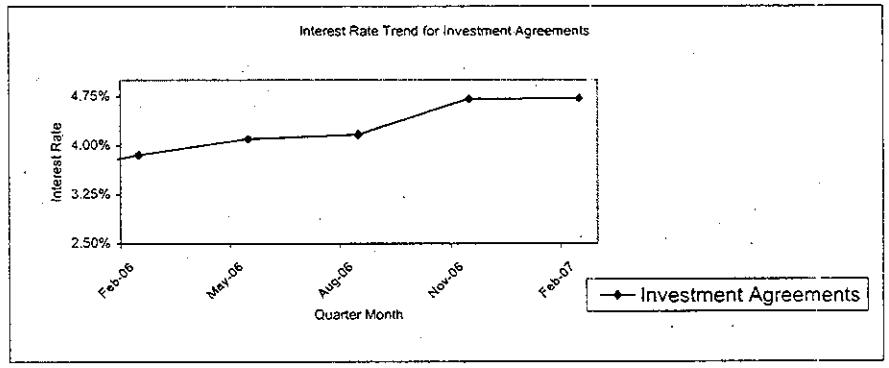
Market Valuation Comparison By Fund Group

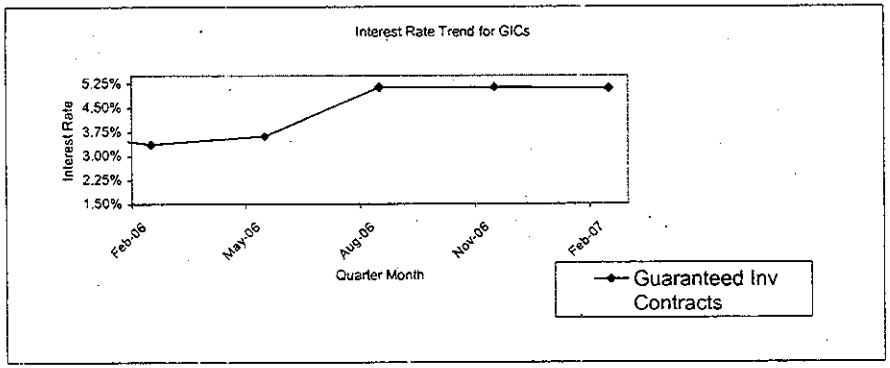


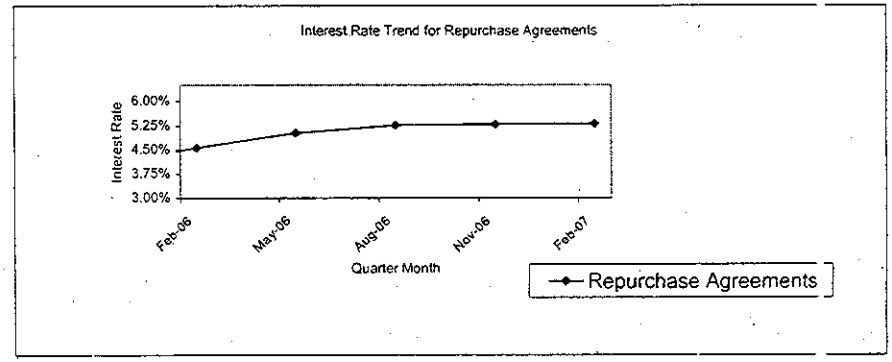
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
Quarter February 28, 2007

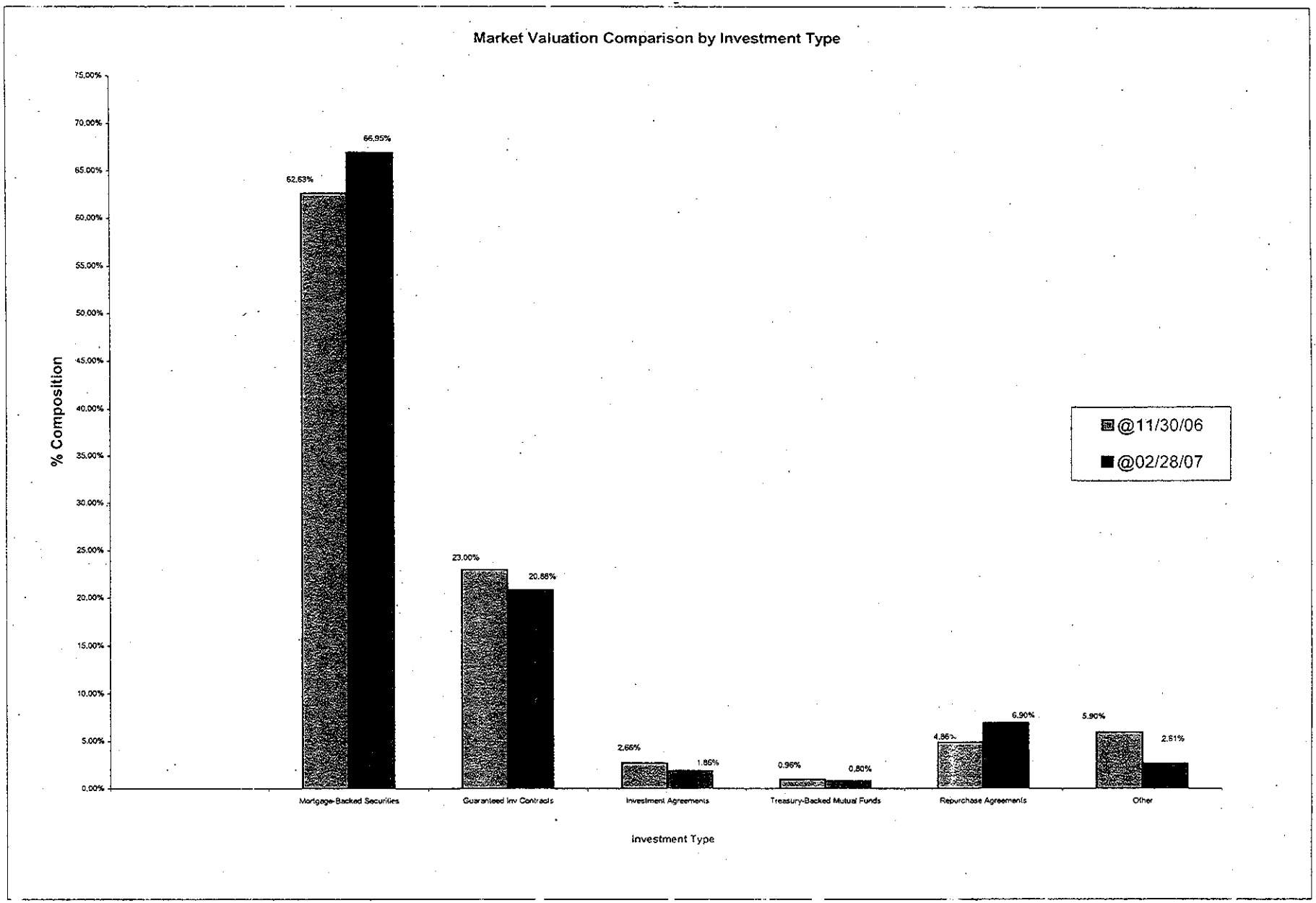
INVESTMENT TYPE	Range of Interest for Current Quarter HI	LOW	Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 11/30/06	Weighted Avg Rate Beg Market Value @ 11/30/06	Weighted Avg Rate End Carrying Value @ 02/28/07	Weighted Avg Rate End Market Value @ 02/28/07	Weighted Avg Maturity Beg Carrying Value @ 11/30/06 Months	Days	Weighted Avg Maturity Beg Market Value @ 11/30/06 Months	Days	Weighted Avg Maturity End Carrying Value @ 02/28/07 Months	Days	Weighted Avg Maturity End Market Value @ 02/28/07 Months	Days
Mortgage-Backed Securities	8.75%	4.49%	66.95%	5.23%	5.25%	5.23%	5.25%	321	19	320	26	322	1	321	
Guaranteed Inv Contracts	6.51%	3.37%	20.88%	5.13%	5.13%	5.10%	5.10%	58	2	58	2	36	29	36	
Investment Agreements	6.70%	2.51%	1.86%	4.71%	4.71%	4.72%	4.72%	95	5	95	5	97	19	97	
Repurchase Agreements	5.31%	5.31%	6.90%	5.29%	5.29%	5.31%	5.31%	0	1	0	1	0	1	0	
Money Markets	5.16%	4.27%	2.20%	4.57%	4.57%	4.76%	4.76%	0	1	0	1	0	1	0	
Treasury-Backed Mutual Funds	5.16%	4.27%	0.80%	4.63%	4.63%	4.65%	4.65%	0	1	0	1	0	1	0	
Certificates of Deposit	5.16%	4.70%	0.30%	5.14%	5.14%	5.13%	5.13%	0	8	0	8	0	26	0	
Treasury Bonds/Notes	13.25%	4.91%	0.10%	3.00%	3.07%	10.73%	11.02%	4	11	5	1	61	7	64	
Treasury Bills	5.01%	5.01%	0.01%	5.81%	5.81%	5.01%	5.01%	0	14	0	14	0	15	0	










Market Valuation Comparison by Investment Type
% Composition
75.00%
70.00%
65.00%
60.00%
55.00%
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
62.63%
66.95%
23.00%
20.88%
2.65%
1.86%
0.96%
0.80%
4.86%
6.90%
5.90%
2.51%
@11/30/06
@02/28/07
Mortgage-Backed Securities
Guaranteed Inv Contracts
Investment Agreements
Treasury-Backed Mutual Funds
Repurchase Agreements
Other
Investment Type

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Public Funds Investment Act Report by Investment Type Schedule
Quarter Ending February 28, 2007

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

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 11/30/06	CARRYING VALUE @ 11/30/06	CHANGE IN CARRYING VALUE				CARRYING VALUE @ 02/28/07	FAIR VALUE (MARKET) @ 02/28/07	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
			ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS				
Certificates of Deposit	6,575,504.21	6,575,504.21	37,102.49	(1,946,068.78)			4,666,537.92	4,666,537.92	-	0.
Mortgage-Backed Securities	984,311,332.93	995,975,215.63	67,807,963.62	0.00	(19,795,687.20)	0.00	1,043,987,492.05	1,028,667,161.40	(3,656,447.95)	0.
Guaranteed Inv Contracts	361,417,081.44	361,417,081.44	53,663,559.04	(94,330,005.95)	0.00	0.00	320,750,634.53	320,750,634.53	-	0.
Investment Agreements	41,868,100.98	41,868,100.98	1,978,877.39	(15,251,463.18)	0.00	0.00	28,595,515.19	28,595,515.19	-	0.
Treasury-Backed Mutual Funds	15,041,733.77	15,041,733.77	3,533,926.95	(6,328,758.27)	0.00	0.00	12,246,902.45	12,246,902.45	-	0.
Repurchase Agreements	76,328,254.13	76,328,254.13	41,706,297.82	(12,044,825.83)	0.00	0.00	105,989,726.12	105,989,726.12	-	0.
Money Markets	60,307,251.55	60,307,251.55	7,376,032.97	(33,837,603.22)	0.00	0.00	33,845,681.30	33,845,681.30	-	0.
Treasury Bills	82,677.12	82,677.12	281.96	0.00	0.00	0.00	82,959.08	82,959.08	-	0.
Treasury Bonds/Notes	25,786,358.63	25,592,373.61	388,223.33	(24,635,184.55)	0.00	0.00	1,345,412.39	1,519,533.75	(19,863.66)	0.
TOTAL	1,571,718,294.76	1,583,188,192.44	176,492,265.57	(188,373,909.78)	(19,795,687.20)	0.00	1,551,510,861.03	1,536,364,651.74	(3,676,311.61)	0

(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 4/23/

Matt Pogor, Director of Bond Finance — Date 4/23/

Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogn Gain
Repo Agmt	1980 Single Family Surplus Rev	5.31	02/28/07	03/01/07	45,160.21	45,160.21	12,385.17				57,545.38	57,545.38	-	
Repo Agmt	1980 Single Family Surplus Rev	5.31	02/28/07	03/01/07	2,695,874.93	2,695,874.93		(2,636,930.61)			58,944.32	58,944.32	-	
GIC's	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	1,310,869.66	1,310,869.66	652,291.30				1,963,160.96	1,963,160.96	-	
Repo Agmt	1980 Single Family Surplus Rev	5.31	02/28/07	03/01/07	266.99	266.99	277.79				544.78	544.78	-	
Repo Agmt	1980 Single Family Surplus Rev	5.31	02/28/07	03/01/07	45,529.77	45,529.77	600.46				46,130.23	46,130.23	-	
Repo Agmt	1980 Single Family Surplus Rev	5.31	02/28/07	03/01/07	759,334.33	759,334.33	82,636.00				841,970.33	841,970.33	-	
	1980 Single Family Surplus Rev Total				4,857,035.89	4,857,035.89	748,190.72	(2,636,930.61)	0.00	0.00	2,968,296.00	2,968,296.00	0.00	
Repo Agmt	1982 A Single Family	5.31	02/28/07	03/01/07			475.97				475.97	475.97	-	
GIC's	1982 A Single Family	6.08	11/14/96	09/30/29	1,512.81	1,512.81		(74.70)			1,438.11	1,438.11	-	
	1982 A Single Family Total				1,512.81	1,512.81	475.97	(74.70)	0.00	0.00	1,914.08	1,914.08	0.00	
Repo Agmt	1983 A&B Single Family	5.31	02/28/07	03/01/07	9.55	9.55	16,008.51				16,018.06	16,018.06	-	
GIC's	1983 A&B Single Family	6.08	11/14/96	09/30/29	307,988.17	307,988.17	63,175.47				371,163.64	371,163.64	-	
T-Note	1983 A&B Single Family	13.25	08/05/85	05/15/14	716.25	864.53	0.12				716.37	849.48	(15.17)	
	1983 A&B Single Family Total				308,713.97	308,862.25	79,184.10	0.00	0.00	0.00	387,898.07	388,031.18	(15.17)	
Repo Agmt	1984 A&B Single Family	5.31	02/28/07	03/01/07	0.96	0.96	3,694.95				3,695.91	3,695.91	-	
T-Bond	1984 A&B Single Family	13.25	08/05/85	05/15/14	407.80	492.30	0.07				407.87	483.73	(8.64)	
GIC's	1984 A&B Single Family	6.08	11/14/96	09/30/29	141,361.96	141,361.96		(108,719.72)			32,642.24	32,642.24	-	
	1984 A&B Single Family Total				141,770.72	141,855.22	3,695.02	(108,719.72)	0.00	0.00	36,746.02	36,821.88	(8.64)	
Repo Agmt	1985 A Single Family	5.31	02/28/07	03/01/07	2.45	2.45	3,219.79				3,222.24	3,222.24	-	
GIC's	1985 A Single Family	6.08	11/14/96	09/30/29	72,812.24	72,812.24		(72,803.46)			8.78	8.78	-	
	1985 A Single Family Total				72,814.69	72,814.69	3,219.79	(72,803.46)	0.00	0.00	3,231.02	3,231.02	0.00	
Repo Agmt	1985 B&C Single Family	5.31	02/28/07	03/01/07	0.25	0.25	1,148.93				1,149.18	1,149.18	-	
GIC's	1985 B&C Single Family	6.08	11/14/96	09/30/29	32,810.10	32,810.10		(4,015.31)			28,794.79	28,794.79	-	
	1985 B&C Single Family Total				32,810.35	32,810.35	1,148.93	(4,015.31)	0.00	0.00	29,943.97	29,943.97	0.00	
Repo Agmt	1987 B Single Family	5.31	02/28/07	03/01/07	666.07	666.07	6,212.96				6,879.03	6,879.03	-	
GIC's	1987 B Single Family	6.08	11/14/96	09/30/29	8,709.66	8,709.66		(8,631.88)			77.78	77.78	-	
Repo Agmt	1987 B Single Family	5.31	02/28/07	03/01/07	496,958.91	496,958.91	0.00				496,958.91	496,958.91	-	
	1987 B Single Family Total				506,334.64	506,334.64	6,212.96	(8,631.88)	0.00	0.00	503,915.72	503,915.72	0.00	
Repo Agmt	1995 A&B Single Family	5.31	02/28/07	03/01/07	2,407.74	2,407.74	9,723.13				12,130.87	12,130.87	-	
GIC's	1995 A&B Single Family	6.08	11/14/96	09/30/29	115,848.11	115,848.11	102,350.11				218,198.22	218,198.22	-	
Repo Agmt	1995 A&B Single Family	5.31	02/28/07	03/01/07			0.02				0.02	0.02	-	
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	225,212.63	231,747.33			(1,441.37)		223,771.26	230,170.56	(135.40)	
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	688,199.09	701,408.09			(61,957.38)		626,241.71	637,896.70	(1,554.01)	
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	303,816.13	308,452.38			(3,765.21)		300,050.92	304,479.68	(207.49)	
	1995 A&B Single Family Total				1,335,483.70	1,359,863.65	112,073.26	0.00	(67,163.96)	0.00	1,380,393.00	1,402,876.05	(1,896.90)	
Repo Agmt	1996 A-C Single Family	5.31	02/28/07	03/01/07	453,757.07	453,757.07	5,983.89				459,740.96	459,740.96	-	
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	795,141.17	795,141.17	36,411.31				831,552.48	831,552.48	-	
	1996 A-C Single Family Total				1,248,898.24	1,248,898.24	42,395.20	0.00	0.00	0.00	1,291,293.44	1,291,293.44	0.00	
Repo Agmt	1996 D&E Single Family	5.31	02/28/07	03/01/07	495.98	495.98	6.31				502.29	502.29	-	
T-Bond	1996 D&E Single Family	13.25	08/05/85	05/15/14	937,188.74	1,130,940.98	154.77				937,343.51	1,111,255.90	(19,839.85)	
Repo Agmt	1996 D&E Single Family	5.31	02/28/07	03/01/07	578,355.62	578,355.62	7,626.98				585,982.60	585,982.60	-	
GIC's	1996 D&E Single Family	6.08	04/06/98	09/30/29	301,801.43	301,801.43	97,357.96				399,159.39	399,159.39	-	
	1996 D&E Single Family Total				1,817,841.77	2,011,594.01	105,146.02	0.00	0.00	0.00	1,922,987.79	2,096,900.18	(19,839.85)	
Repo Agmt	1997 A-C Single Family	5.31	02/28/07	03/01/07	27.42	27.42		(0.01)			27.41	27.41	-	
Repo Agmt	1997 A-C Single Family	5.31	02/28/07	03/01/07	24,041.62	24,041.62	2,734,806.01				2,758,847.63	2,758,847.63	-	
GIC's	1997 A-C Single Family	6.14	09/17/97	08/31/29	1,780,770.17	1,780,770.17		(1,583,565.89)			197,204.28	197,204.28	-	
FNMA	1997 A-C Single Family	6.25	02/20/98	01/01/28	294,207.25	300,362.13			(2,382.41)		291,824.84	298,180.84	201.12	
FNMA	1997 A-C Single Family	6.25	03/27/98	03/01/28	321,304.94	327,930.28			(85,590.37)		235,714.57	240,938.03	(1,401.88)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
FNMA	1997 A-C Single Family	6.25	06/29/98	05/01/28	214,973.71	219,406.48			(2,472.70)		212,501.01	217,210.04	276.26	
GNMA	1997 A-C Single Family	6.25	02/20/98	01/20/28	1,682,091.49	1,714,152.14			(88,766.55)		1,593,324.94	1,622,705.81	(2,679.78)	
FNMA	1997 A-C Single Family	6.25	11/30/98	09/01/28	345,405.14	352,527.42			(2,237.72)		343,167.42	350,772.02	482.32	
GNMA	1997 A-C Single Family	6.25	03/27/98	03/20/28	2,966,491.13	3,023,032.49			(20,935.97)		2,945,555.16	2,999,871.17	(2,225.35)	
GNMA	1997 A-C Single Family	6.25	05/19/98	05/20/28	1,965,800.80	2,003,268.94			(56,425.12)		1,909,375.68	1,944,584.53	(2,259.29)	
GNMA	1997 A-C Single Family	5.45	07/28/00	06/20/30	1,213,268.68	1,211,679.29			(8,471.56)		1,204,797.12	1,199,917.66	(3,290.07)	
GNMA	1997 A-C Single Family	6.25	08/14/98	07/20/28	1,174,720.06	1,197,110.23			(82,449.90)		1,092,270.16	1,112,411.62	(2,248.71)	
GNMA	1997 A-C Single Family	6.25	06/29/98	06/20/28	543,329.04	553,684.92			(3,281.21)		540,047.83	550,006.33	(397.38)	
GNMA	1997 A-C Single Family	6.25	09/18/98	09/20/28	835,676.86	851,604.86			(74,970.07)		760,706.79	774,734.21	(1,900.58)	
FNMA	1997 A-C Single Family	6.25	03/31/99	11/01/28	135,323.88	138,114.19			(2,445.77)		132,878.11	135,822.62	154.20	
GNMA	1997 A-C Single Family	6.25	11/30/98	11/20/28	740,197.31	754,305.48			(79,267.99)		660,929.32	673,116.85	(1,920.64)	
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	486,831.34	496,110.32			(2,830.81)		484,000.53	492,925.47	(354.04)	
GNMA	1997 A-C Single Family	6.25	11/30/98	10/20/28	163,608.00	166,726.40			(874.14)		162,733.86	165,734.70	(117.56)	
FNMA	1997 A-C Single Family	6.25	05/27/99	11/01/28	137,994.40	140,661.23			(2,835.99)		135,158.41	138,102.14	56.90	
GNMA	1997 A-C Single Family	6.25	02/16/99	02/20/29	1,028,036.14	1,047,167.91			(7,971.58)		1,020,064.56	1,038,497.13	(699.20)	
GNMA	1997 A-C Single Family	6.25	03/31/99	02/20/29	67,815.58	69,077.65			(2,279.85)		65,535.73	66,719.97	(77.83)	
GNMA	1997 A-C Single Family	6.25	05/27/99	05/20/29	355,320.29	361,932.80			(1,919.61)		353,400.68	359,786.62	(226.57)	
GNMA	1997 A-C Single Family	5.45	07/30/99	07/20/29	820,885.97	820,171.80			(5,306.54)		815,579.43	813,181.61	(1,683.65)	
GNMA	1997 A-C Single Family	5.45	08/26/99	08/20/29	825,441.09	824,722.93			(5,168.26)		820,272.83	817,861.19	(1,693.48)	
FNMA	1997 A-C Single Family	5.45	09/20/99	08/01/29	106,551.35	106,470.99			(562.68)		105,988.67	105,440.27	(468.04)	
GNMA	1997 A-C Single Family	5.45	09/20/99	09/20/29	376,424.12	376,096.65			(2,075.85)		374,348.27	373,247.69	(773.11)	
FNMA	1997 A-C Single Family	5.45	12/20/99	12/01/29	442,897.97	442,561.39			(3,227.44)		439,670.53	437,393.05	(1,940.90)	
FNMA	1997 A-C Single Family	5.45	01/19/00	12/01/29	304,772.75	304,541.12			(2,415.62)		302,357.13	300,790.91	(1,334.59)	
GNMA	1997 A-C Single Family	5.45	10/28/99	10/20/29	1,477,064.42	1,475,779.32			(51,186.50)		1,425,877.92	1,421,685.77	(2,907.05)	
GNMA	1997 A-C Single Family	5.45	11/18/99	11/20/29	186,652.64	186,490.25			(1,453.71)		185,198.93	184,654.43	(382.11)	
GNMA	1997 A-C Single Family	5.45	12/30/99	12/20/29	2,784,615.97	2,782,193.33			(51,893.23)		2,732,722.74	2,724,688.50	(5,611.60)	
GNMA	1997 A-C Single Family	5.45	01/28/00	01/20/30	758,278.20	757,284.87			(3,960.04)		754,318.16	751,263.17	(2,061.66)	
GNMA	1997 A-C Single Family	5.45	02/22/00	01/20/30	320,381.89	319,962.15			(1,721.02)		318,660.87	317,370.25	(870.88)	
GNMA	1997 A-C Single Family	5.45	03/27/00	02/20/30	489,225.41	488,584.55			(4,177.32)		485,048.09	483,083.67	(1,323.56)	
FNMA	1997 A-C Single Family	5.45	04/27/00	03/01/30	306,251.95	305,611.87			(2,315.51)		303,936.44	301,684.25	(1,612.11)	
GNMA	1997 A-C Single Family	5.45	04/27/00	04/20/30	528,944.90	528,251.99			(3,489.58)		525,455.32	523,327.23	(1,435.18)	
GNMA	1997 A-C Single Family	5.45	05/30/00	04/20/30	144,385.35	144,196.25			(755.94)		143,629.41	143,047.74	(392.57)	
GNMA	1997 A-C Single Family	5.45	06/21/00	05/20/30	734,606.42	733,644.05			(4,492.94)		730,113.48	727,156.47	(1,994.64)	
GNMA	1997 A-C Single Family	5.45	09/18/00	09/20/30	1,155,495.99	1,153,982.27			(6,237.01)		1,149,258.98	1,144,604.44	(3,140.82)	
FNMA	1997 A-C Single Family	5.45	07/24/00	06/01/30	288,420.84	287,818.02			(3,798.10)		284,622.74	282,513.65	(1,506.27)	
	1997 A-C Single Family Total				28,528,532.48	28,772,278.17	2,734,806.01	(1,583,565.90)	(682,646.61)	0.00	28,997,125.98	29,191,111.37	(49,760.30)	0.
Repo Agmt	1997 D-F Single Family	5.31	02/28/07	03/01/07	17,620.81	17,620.81	232.44				17,853.25	17,853.25	-	
Repo Agmt	1997 D-F Single Family	5.31	02/28/07	03/01/07	26,231.68	26,231.68	2,529,067.96				2,555,299.64	2,555,299.64	-	
GIC's	1997 D-F Single Family	5.91	12/04/97	03/01/30	11,357.71	11,357.71	0.00				11,357.71	11,357.71	-	
GIC's	1997 D-F Single Family	5.91	12/04/97	03/01/30	1,918,676.91	1,918,676.91		(1,161,824.53)			756,852.38	756,852.38	-	
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	389,548.14	397,581.31			(4,773.35)		384,774.79	393,302.07	494.11	
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	229,413.00	234,143.47			(1,363.71)		228,049.29	233,102.83	323.07	
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	656,245.59	668,753.69			(6,908.33)		649,337.26	661,311.07	(534.29)	
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,355,335.55	1,353,560.05			(8,400.28)		1,346,935.27	1,341,480.15	(3,679.62)	
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	212,771.44	216,826.88			(1,937.02)		210,834.42	214,722.21	(167.65)	
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	239,561.89	239,248.06			(1,183.82)		238,378.07	237,412.62	(651.62)	
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	492,270.14	501,652.83			(3,279.64)		488,990.50	498,007.49	(365.70)	
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	1,147,293.35	1,169,160.83			(87,050.23)		1,060,243.12	1,079,794.03	(2,316.57)	
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	157,480.68	160,727.93			(817.58)		156,663.10	160,134.75	224.40	
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	939,041.88	956,939.96			(6,305.34)		932,736.54	949,936.12	(698.50)	
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	462,058.76	470,865.61			(32,977.58)		429,081.18	436,993.43	(894.60)	
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	126,569.72	128,982.12			(72,745.73)		53,823.99	54,816.47	(1,419.92)	
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	214,006.13	218,273.41			(1,276.32)		212,729.81	217,333.28	336.19	
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,686,658.33	1,718,250.81			(76,421.99)		1,610,436.34	1,639,536.92	(2,291.90)	
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	768,889.04	783,198.10			(57,932.20)		710,956.84	723,803.86	(1,462.04)	
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	522,317.91	532,038.24			(51,517.26)		470,800.65	479,308.00	(1,212.98)	
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	822,871.10	822,155.19			(5,716.26)		817,154.84	814,752.38	(1,686.55)	
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	1,090,936.59	1,089,987.42			(36,085.77)		1,054,850.82	1,051,749.48	(2,152.17)	
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	681,352.71	680,759.93			(5,511.61)		675,841.10	673,854.12	(1,394.20)	
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	517,625.89	517,175.53			(2,875.64)		514,750.25	513,236.86	(1,063.03)	
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	447,796.01	447,455.68			(68,589.57)		379,206.44	377,242.14	(1,623.97)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	1,107,974.10	1,107,010.18			(7,331.69)		1,100,642.41	1,097,406.54	(2,271.95)	
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,437,499.43	1,436,248.83			(8,825.72)		1,428,673.71	1,424,473.41	(2,949.70)	
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,338,034.80	1,336,870.75			(7,903.72)		1,330,131.08	1,326,220.48	(2,746.55)	
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,474,463.71	1,472,532.17			(8,741.18)		1,465,722.53	1,459,786.35	(4,004.64)	
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	787,191.04	786,159.82			(75,653.40)		711,537.64	708,655.92	(1,850.50)	
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	396,463.59	395,944.21			(2,362.67)		394,100.92	392,504.80	(1,076.74)	
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	186,411.17	186,269.49			(974.92)		185,436.25	184,475.68	(818.89)	
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	632,122.86	631,294.77			(62,247.27)		569,875.59	567,567.57	(1,479.93)	
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	620,213.39	619,400.92			(6,115.07)		614,098.32	611,611.22	(1,674.63)	
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,146,680.28	1,145,178.13			(5,962.23)		1,140,718.05	1,136,098.13	(3,117.77)	
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	279,962.50	279,377.36			(1,926.34)		278,036.16	275,975.88	(1,475.14)	
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	43,101.47	43,045.02			(209.45)		42,892.02	42,718.31	(117.26)	
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	331,790.81	331,356.17			(2,441.39)		329,349.42	328,015.56	(899.22)	
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	555,671.37	554,509.98			(4,161.55)		551,489.82	547,403.23	(2,925.20)	
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	115,283.17	115,132.13			(46,950.81)		68,332.36	68,055.59	(125.73)	
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	320,066.84	319,397.88			(1,648.90)		318,417.94	316,058.43	(1,690.55)	
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	347,108.68	346,383.23			(2,076.41)		345,032.27	342,475.59	(1,831.23)	
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	119,572.41	119,481.53			(39,250.06)		80,322.35	79,906.27	(325.20)	
Repo Agmt	1997 D-F Single Family	5.31	02/28/07	03/01/07	155,087.72	155,087.72	30,298.17				185,385.89	185,385.89	-	
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	81,950.25	78,501.31			(326.94)		81,623.31	77,657.68	(516.69)	
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	46,869.92	44,896.27			(184.84)		46,685.08	44,415.84	(295.59)	
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	70,127.88	67,354.51			(285.30)		69,842.58	66,628.75	(440.46)	
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	64,071.38	61,538.72			(299.54)		63,771.84	60,838.93	(400.25)	
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	77,577.49	74,311.99			(339.16)		77,238.33	73,485.46	(487.37)	
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	69,720.53	66,961.78			(278.89)		69,441.64	66,244.77	(438.12)	
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	146,431.45	140,269.81			(6,987.14)		139,444.31	132,730.88	(551.79)	
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	62,173.73	59,648.42			(247.06)		61,926.67	59,007.93	(393.43)	
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	12,615.89	12,116.58			(49.89)		12,566.00	11,987.40	(79.29)	
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	30,571.98	29,451.04			(119.79)		30,452.19	29,137.64	(193.61)	
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	23,596.85	22,603.25			(93.09)		23,503.76	22,361.35	(148.81)	
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	5,161.33	5,039.39			(19.66)		5,141.67	4,985.99	(33.74)	
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	30,267.05	28,926.43			(129.54)		30,137.51	28,569.13	(227.76)	
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,469.16	6,182.38			(25.16)		6,444.00	6,108.40	(48.82)	
	1997 D-F Single Family Total				27,256,435.19	27,360,106.33	2,559,598.57	(1,161,824.53)	(827,858.01)	0.00	27,826,351.22	27,872,148.26	(57,874.10)	0.0
Repo Agmt	2002A Single Family (JR Lien)	5.31	02/28/07	03/01/07	134,216.96	134,216.96	78,328.90				212,545.86	212,545.86	-	
Repo Agmt	2002A Single Family (JR Lien)	5.31	02/28/07	03/01/07	48,313.70	48,313.70	22,292.37				70,606.07	70,606.07	-	
Repo Agmt	2002A Single Family (JR Lien)				9,059.20	9,059.20		(9,059.20)					-	
Repo Agmt	2002A Single Family (JR Lien)	5.31	02/28/07	03/01/07	520,269.57	520,269.57		(1,826.27)			518,443.30	518,443.30	-	
Repo Agmt	2002A Single Family (JR Lien)	5.31	02/28/07	03/01/07	299,999.95	299,999.95	0.00				299,999.95	299,999.95	-	
Repo Agmt	2002A Single Family (JR Lien)	5.31	02/28/07	03/01/07	100,628.87	100,628.87	86,531.10				187,159.97	187,159.97	-	
Repo Agmt	2002A Single Family (JR Lien)				68,266.51	68,266.51		(68,266.51)					-	
	2002A Single Family (JR Lien) Total				1,180,754.76	1,180,754.76	187,152.37	(79,151.98)	0.00	0.00	1,288,755.15	1,288,755.15	0.00	0.0
Repo Agmt	2004 A/B Single Family	5.31	02/28/07	03/01/07	1,029,997.12	1,029,997.12	26,836.13				1,056,833.25	1,056,833.25	-	
Repo Agmt	2004 A/B Single Family	5.31	02/28/07	03/01/07	139,093.65	139,093.65	6,112,323.27				6,251,416.92	6,251,416.92	-	
GIC's	2004 A/B Single Family	3.96	04/25/05	03/01/36	3,373,379.09	3,373,379.09		(2,586,779.74)			786,599.35	786,599.35	-	
Repo Agmt	2004 A/B Single Family	5.31	02/28/07	03/01/07	169,839.25	169,839.25	2,239.73				172,078.98	172,078.98	-	
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,350,282.04	1,292,689.01			(6,154.97)		1,344,127.07	1,278,325.03	(8,209.01)	
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	1,109,175.85	1,061,868.75			(4,999.23)		1,104,176.62	1,050,123.51	(6,746.01)	
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	828,865.06	793,506.24			(3,919.14)		824,945.92	784,555.00	(5,032.10)	
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	1,404,530.31	1,344,691.29			(5,890.87)		1,398,639.44	1,330,235.84	(8,564.58)	
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	1,893,265.05	1,812,618.48			(8,203.53)		1,885,061.52	1,792,882.85	(11,532.10)	
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	2,702,117.75	2,587,027.26			(12,676.65)		2,689,441.10	2,557,938.92	(16,411.69)	
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	950,275.19	909,807.77			(4,081.55)		946,193.64	899,936.11	(5,790.11)	
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,346,502.40	1,289,168.12			(6,440.57)		1,340,061.83	1,274,555.23	(8,172.32)	
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	2,601,340.97	2,490,595.61			(10,819.27)		2,590,521.70	2,463,908.48	(15,867.86)	
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	2,221,039.81	2,126,323.90			(9,793.95)		2,211,245.86	2,103,010.85	(13,519.10)	
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	2,086,683.88	1,997,709.64			(147,464.42)		1,939,219.46	1,844,310.62	(5,934.60)	
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,481,116.59	2,375,336.06			(11,636.37)		2,469,480.22	2,348,631.29	(15,068.40)	
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	3,255,046.13	3,116,294.89			(15,195.48)		3,239,850.65	3,081,327.03	(19,772.38)	
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	3,827,419.77	3,664,292.41			(17,098.97)		3,810,320.80	3,623,906.40	(23,287.04)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,649,673.34	3,494,142.84			(19,787.77)		3,629,885.57	3,452,319.61	(22,035.46)	
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	270,511.12	267,663.77			(1,026.12)		269,485.00	265,286.40	(1,351.25)	
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,836,607.70	1,758,351.47			(7,827.98)		1,828,779.72	1,739,328.63	(11,194.86)	
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	84,852.75	83,960.12			(324.13)		84,528.62	83,212.07	(423.92)	
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	1,068,733.58	1,023,286.65			(5,834.33)		1,062,899.25	1,011,000.46	(6,451.86)	
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	292,977.51	289,182.60			(1,395.90)		291,581.61	286,336.83	(1,449.87)	
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	370,452.25	354,701.25			(1,533.67)		368,918.58	350,907.30	(2,260.28)	
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	211,884.75	209,675.22			(1,068.01)		210,816.74	207,552.71	(1,054.50)	
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	336,833.27	332,473.65			(1,250.11)		335,583.16	329,550.23	(1,673.31)	
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	1,022,282.30	978,822.51			(4,459.80)		1,017,822.50	968,136.40	(6,226.31)	
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,584,338.02	1,516,898.12			(6,655.94)		1,577,682.08	1,500,581.06	(9,661.12)	
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	996,464.33	983,511.55			(3,878.34)		992,585.99	974,686.78	(4,946.43)	
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	1,095,134.12	1,080,905.28			(6,747.69)		1,088,386.43	1,068,766.10	(5,391.49)	
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,435,959.05	1,374,843.47			(5,974.98)		1,429,984.07	1,360,109.26	(8,759.23)	
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	345,275.49	340,791.47			(1,358.94)		343,916.55	337,718.48	(1,714.05)	
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	759,009.04	726,709.41			(3,174.01)		755,835.03	718,905.51	(4,629.89)	
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,820,987.11	1,743,507.30			(7,908.98)		1,813,078.13	1,724,506.43	(11,091.89)	
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	1,148,528.71	1,099,666.34			(5,368.07)		1,143,160.64	1,087,320.91	(6,977.36)	
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	524,960.07	518,147.75			(2,029.08)		522,930.99	513,512.42	(2,606.25)	
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	952,687.18	912,163.06			(4,190.52)		948,496.66	902,172.03	(5,800.51)	
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	399,306.24	395,137.11			(1,482.15)		397,824.09	391,659.53	(1,995.43)	
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,870,689.45	1,791,123.79			(8,244.91)		1,862,444.54	1,771,489.79	(11,389.09)	
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	404,526.08	399,292.73			(1,639.35)		402,886.73	395,646.26	(2,007.12)	
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	507,474.35	485,903.29			(2,197.85)		505,276.50	480,613.79	(3,091.65)	
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	547,787.64	540,703.65			(2,028.12)		545,759.52	535,954.10	(2,721.43)	
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	375,041.49	360,055.34			(1,514.24)		373,527.25	356,258.26	(2,282.84)	
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	727,847.42	696,639.06			(4,386.43)		723,460.99	687,719.65	(4,532.98)	
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	876,002.51	838,446.65			(4,810.92)		871,191.59	828,156.85	(5,478.88)	
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	474,232.57	453,903.63			(2,481.87)		471,750.70	448,449.63	(2,972.13)	
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	358,387.89	343,027.30			(1,461.26)		356,926.63	339,299.44	(2,266.60)	
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	2,018,236.82	1,931,748.33			(8,179.04)		2,010,057.78	1,910,802.50	(12,766.79)	
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,415,472.85	1,358,394.53			(5,771.21)		1,409,701.64	1,343,698.90	(8,924.42)	
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,932,205.64	1,906,318.38			(116,674.66)		1,815,530.98	1,781,956.37	(7,687.35)	
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	556,333.85	532,499.45			(2,271.18)		554,062.67	526,709.81	(3,518.46)	
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	589,537.20	581,641.06			(119,790.05)		469,747.15	461,061.97	(789.04)	
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	368,814.71	353,016.13			(1,526.89)		367,287.82	349,157.74	(2,331.50)	
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	415,137.05	409,582.57			(1,550.91)		413,586.14	405,944.64	(2,087.02)	
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	370,782.44	355,837.62			(1,763.30)		369,019.14	351,748.27	(2,326.05)	
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	276,224.04	273,227.09			(912.09)		275,311.95	270,916.47	(1,398.53)	
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	581,858.70	556,944.82			(2,529.96)		579,328.74	550,742.44	(3,672.42)	
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	306,761.14	302,662.53			(1,154.88)		305,606.26	299,965.88	(1,541.77)	
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	106,320.99	102,037.46			(1,080.73)		105,240.26	100,316.61	(640.12)	
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	184,147.05	182,152.24			(702.14)		183,444.91	180,519.23	(930.87)	
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	249,810.96	247,106.82			(903.81)		248,907.15	244,939.41	(1,263.60)	
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	792,381.97	758,468.50			(3,398.76)		788,983.21	750,066.13	(5,003.61)	
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	528,919.43	521,865.74			(1,991.79)		526,927.64	517,215.53	(2,658.42)	
GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	324,558.49	310,671.35			(1,297.98)		323,260.51	307,319.21	(2,054.16)	
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	388,744.63	384,543.56			(1,419.04)		387,325.59	381,157.92	(1,966.60)	
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	196,320.59	194,200.37			(62,055.42)		134,265.17	132,128.23	(16.72)	
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	1,062,265.26	1,016,825.57			(4,879.80)		1,057,385.46	1,005,252.62	(6,693.15)	
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	220,242.72	217,865.02			(910.41)		219,332.31	215,842.34	(1,112.27)	
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	650,665.65	624,477.64			(2,584.31)		648,081.34	617,787.19	(4,106.14)	
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	129,326.40	127,932.81			(1,140.34)		128,186.06	126,148.93	(643.54)	
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	333,200.13	329,619.95			(1,191.25)		332,008.88	326,742.50	(1,686.20)	
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	338,489.12	324,882.32			(1,334.61)		337,154.51	321,410.66	(2,137.05)	
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	128,850.37	127,461.14			(461.20)		128,389.17	126,348.05	(651.89)	
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	281,867.76	270,526.96			(1,166.85)		280,700.91	267,583.50	(1,776.61)	
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	262,804.53	259,972.60			(944.36)		261,860.17	257,698.44	(1,329.80)	
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	233,693.95	224,292.76			(4,078.17)		229,615.78	218,886.73	(1,327.86)	
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	223,883.26	214,312.87			(890.19)		222,993.07	212,005.36	(1,417.32)	
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	304,221.56	300,946.97			(1,101.07)		303,120.49	298,306.92	(1,538.98)	
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	267,094.44	256,354.51			(1,152.11)		265,942.33	253,521.01	(1,681.39)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	157,068.12	150,762.87			(608.17)		156,459.95	149,162.59	(992.11)	
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	726,574.37	716,979.55			(2,860.93)		723,713.44	710,468.17	(3,650.45)	
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	196,721.86	194,621.67			(687.11)		196,034.75	192,938.85	(995.71)	
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	352,073.26	337,924.83			(1,381.60)		350,691.66	334,320.39	(2,222.84)	
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	108,302.26	107,139.97			(628.91)		107,673.35	105,966.92	(544.14)	
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	3,781,856.55	3,620,357.14			(15,912.73)		3,765,943.82	3,580,544.17	(23,900.24)	
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	195,709.52	193,611.73			(716.39)		194,993.13	191,905.34	(990.00)	
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	140,621.66	134,972.99			(545.06)		140,076.60	133,539.63	(888.30)	
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	971,338.69	958,481.62			(3,708.58)		967,630.11	949,891.01	(4,882.03)	
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	440,720.46	421,912.40			(2,058.29)		438,662.17	417,078.77	(2,775.34)	
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	122,624.72	121,313.01			(445.07)		122,179.65	120,247.57	(620.37)	
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	210,191.82	207,943.42			(1,163.93)		209,027.89	205,722.43	(1,057.06)	
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	652,831.15	645,881.76			(2,382.54)		650,448.61	640,196.35	(3,302.87)	
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	216,700.13	208,009.87			(831.14)		215,868.99	205,809.28	(1,369.45)	
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	150,063.39	148,462.22			(538.45)		149,524.94	147,164.44	(759.33)	
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	170,595.38	168,775.13			(600.97)		169,994.41	167,310.76	(863.40)	
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	207,066.78	198,758.02			(794.25)		206,272.53	196,655.46	(1,308.31)	
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	625,868.97	617,650.78			(2,565.12)		623,303.85	611,942.59	(3,143.07)	
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,606,246.77	1,585,164.97			(5,553.51)		1,600,693.26	1,571,526.16	(8,085.30)	
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	554,336.93	548,439.89			(2,034.86)		552,302.07	543,600.62	(2,804.41)	
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35	238,905.76	236,365.72			(827.82)		238,077.94	234,328.48	(1,209.42)	
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	246,255.06	236,384.10			(958.63)		245,296.43	233,869.85	(1,555.62)	
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	1,003,597.47	992,933.21			(3,700.80)		999,896.67	984,155.34	(5,077.07)	
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	279,955.87	276,982.18			(968.21)		278,987.66	274,596.68	(1,417.29)	
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	228,596.79	219,435.86			(951.96)		227,644.83	217,042.93	(1,440.97)	
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,499,591.68	1,483,671.95			(5,689.69)		1,493,901.99	1,470,398.40	(7,583.86)	
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,573,080.32	1,552,443.24			(5,482.08)		1,567,598.24	1,539,043.51	(7,917.65)	
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,689,279.07	1,667,127.68			(7,417.85)		1,681,861.22	1,651,235.13	(8,474.70)	
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	215,488.31	206,314.48			(829.34)		214,658.97	204,119.19	(1,365.95)	
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,406,069.73	1,390,963.46			(5,260.19)		1,400,809.54	1,378,125.01	(7,578.26)	
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	342,176.03	331,995.28			(1,228.57)		340,947.46	329,034.64	(1,732.07)	
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	856,902.73	847,701.64			(2,965.25)		853,937.48	840,114.00	(4,622.39)	
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	93,113.38	89,385.51			(676.38)		92,437.00	88,135.57	(573.56)	
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	4,019,998.20	3,966,846.63			(14,155.28)		4,005,842.92	3,931,126.06	(21,565.29)	
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	1,128,669.18	1,113,738.28			(3,861.89)		1,124,807.29	1,103,820.73	(6,055.66)	
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	198,486.50	192,572.36			(723.93)		197,762.57	190,844.36	(1,004.07)	
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,722,253.06	1,703,770.48			(5,988.42)		1,716,264.64	1,688,492.11	(9,289.95)	
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,571,592.61	1,550,753.86			(7,546.04)		1,564,046.57	1,534,815.16	(8,392.66)	
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	212,712.65	206,381.16			(762.63)		211,950.02	204,541.99	(1,076.54)	
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,644,095.36	3,518,898.49			(15,968.49)		3,628,126.87	3,484,835.23	(18,094.77)	
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	181,105.97	173,854.15			(1,321.35)		179,784.62	171,375.72	(1,157.08)	
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,534,041.46	1,517,607.81			(5,554.73)		1,528,486.73	1,503,781.67	(8,271.41)	
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	119,116.05	115,569.13			(649.75)		118,466.30	114,324.22	(595.16)	
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,916,676.39	3,864,816.77			(13,452.83)		3,903,223.56	3,830,347.28	(21,016.66)	
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,649,957.88	2,621,601.57			(9,700.10)		2,640,257.78	2,597,614.55	(14,286.92)	
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,825,786.51	1,806,249.39			(98,354.07)		1,727,432.44	1,699,532.40	(8,362.92)	
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	475,851.64	469,586.59			(1,602.51)		474,249.13	465,429.76	(2,554.32)	
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	659,476.68	652,465.30			(2,353.67)		657,123.01	646,554.76	(3,556.87)	
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	979,451.11	966,561.51			(3,311.90)		976,139.21	957,992.24	(5,257.37)	
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	1,563,943.23	1,543,274.46			(5,415.79)		1,558,527.44	1,529,467.10	(8,391.57)	
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	297,494.46	285,592.88			(1,108.46)		296,386.00	282,533.97	(1,950.45)	
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,618,339.30	1,601,062.41			(7,689.24)		1,610,650.06	1,584,676.17	(8,697.00)	
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	179,559.03	174,204.20			(4,483.20)		175,075.83	168,946.75	(774.25)	
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	1,316,210.31	1,302,166.74			(4,710.07)		1,311,500.24	1,290,358.37	(7,098.30)	
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	1,486,865.22	1,467,243.24			(5,896.62)		1,480,968.60	1,453,382.32	(7,964.30)	
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	813,231.91	804,565.54			(2,714.62)		810,517.29	797,461.92	(4,389.00)	
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	234,351.28	227,358.15			(832.70)		233,518.58	225,339.06	(1,186.39)	
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,812,490.13	1,793,185.79			(6,582.53)		1,805,907.60	1,776,829.76	(9,773.50)	
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,622,689.58	1,601,304.23			(112,473.88)		1,510,215.70	1,482,111.53	(6,718.82)	
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,474,831.96	1,459,143.08			(5,199.26)		1,469,632.70	1,445,988.39	(7,955.43)	
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	190,072.12	184,397.56			(1,948.61)		188,123.51	181,531.36	(917.59)	
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	62,644.64	60,141.88			(230.85)		62,413.79	59,500.16	(410.87)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	887,757.48	876,079.90			(2,966.41)		884,791.07	868,347.59	(4,765.90)	
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	145,987.27	141,626.33			(1,396.61)		144,590.66	139,521.48	(708.24)	
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	1,082,731.23	1,071,239.38			(3,655.83)		1,079,075.40	1,061,740.33	(5,843.22)	
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	611,040.63	604,558.86			(2,254.29)		608,786.34	599,009.96	(3,294.61)	
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	229,690.26	222,336.97			(807.27)		228,882.99	220,375.10	(1,154.60)	
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	1,100,747.48	1,086,289.04			(3,695.24)		1,097,052.24	1,076,684.62	(5,909.18)	
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	1,196,484.63	1,183,812.91			(4,327.88)		1,192,156.75	1,173,032.27	(6,452.76)	
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	272,258.54	264,117.50			(1,050.56)		271,207.98	261,691.72	(1,375.22)	
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,654,409.28	1,636,901.01			(7,426.38)		1,646,982.90	1,620,575.26	(8,899.37)	
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	302,028.14	289,972.71			(1,340.15)		300,687.99	286,662.11	(1,970.45)	
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	511,610.70	506,199.49			(1,839.93)		509,770.77	501,600.17	(2,759.39)	
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	1,149,378.10	1,137,228.25			(3,872.88)		1,145,505.22	1,127,151.90	(6,203.47)	
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	68,850.54	66,790.46			(245.16)		68,605.38	66,196.81	(348.49)	
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	507,205.08	500,561.59			(1,705.02)		505,500.06	496,133.60	(2,722.97)	
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	675,309.85	668,184.09			(2,240.36)		673,069.49	662,298.26	(3,645.47)	
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/36	62,627.48	60,752.04			(241.01)		62,386.47	60,194.68	(316.35)	
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	1,008,090.20	997,465.09			(3,790.20)		1,004,300.00	988,240.00	(5,434.89)	
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	946,888.87	934,520.27			(3,293.88)		943,594.99	926,144.69	(5,081.70)	
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	609,065.55	602,657.06			(2,013.68)		607,051.87	597,354.62	(3,288.76)	
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	126,076.54	121,052.51			(457.58)		125,618.96	119,767.44	(827.49)	
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	66,225.91	63,321.98			(235.50)		65,990.41	62,766.86	(319.62)	
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	578,718.67	571,166.74			(1,902.05)		576,816.62	566,156.16	(3,108.53)	
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	233,163.94	230,713.43			(986.06)		232,177.88	228,471.99	(1,255.38)	
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	937,316.69	927,483.43			(5,512.72)		931,803.97	916,948.64	(5,022.07)	
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	957,611.03	947,588.78			(3,836.94)		953,774.09	938,591.25	(5,160.59)	
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	195,605.85	187,820.45			(1,721.46)		193,884.39	184,862.12	(1,236.87)	
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	67,444.29	65,419.10			(248.77)		67,195.52	64,829.33	(341.00)	
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	566,663.78	560,739.94			(2,904.38)		563,759.40	554,792.37	(3,043.19)	
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36			309,238.66				309,238.66	304,323.66	(4,915.00)	
GNMA	2004 A/B Single Family	5.00	01/09/07	12/20/36			109,797.17				109,797.17	108,054.80	(1,742.37)	
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36			74,353.69				74,353.69	71,731.74	(2,621.95)	
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37			429,351.29				429,351.29	422,564.58	(6,786.71)	
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	456,462.92	436,639.52			(4,482.55)		451,980.37	428,811.59	(3,345.38)	
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	356,884.70	341,386.84			(4,732.06)		352,152.64	334,102.43	(2,552.35)	
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	337,824.24	323,156.03			(1,753.57)		336,070.67	318,846.70	(2,555.76)	
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	243,300.74	232,737.41			(1,012.51)		242,288.23	229,871.40	(1,853.50)	
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	294,012.41	281,254.13			(1,215.90)		292,796.51	277,797.91	(2,240.32)	
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	251,700.40	247,452.57			(953.00)		250,747.40	244,962.15	(1,537.42)	
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	369,561.37	353,526.86			(1,808.09)		367,753.28	348,917.11	(2,801.66)	
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	275,121.25	270,481.42			(1,109.69)		274,011.56	267,692.78	(1,678.95)	
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	266,412.39	254,512.98			(111,998.19)		154,414.20	146,318.72	3,803.93	
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	453,280.39	445,651.62			(1,702.75)		451,577.64	441,179.21	(2,769.66)	
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	229,761.82	225,544.01			(1,599.15)		228,162.67	222,693.48	(1,251.38)	
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	347,759.25	332,236.80			(1,548.67)		346,210.58	328,070.01	(2,618.12)	
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	280,839.17	268,309.40			(1,178.71)		279,660.46	265,012.55	(2,118.14)	
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	293,593.37	288,215.08			(1,954.63)		291,638.74	284,659.14	(1,601.31)	
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	161,809.57	154,592.38			(644.08)		161,165.49	152,726.04	(1,222.26)	
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	74,724.07	73,355.73			(267.17)		74,456.90	72,675.48	(413.08)	
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	359,522.75	352,949.82			(1,276.36)		358,246.39	349,685.71	(1,987.75)	
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	396,552.30	378,879.35			(2,069.26)		394,483.04	373,840.16	(2,969.93)	
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	326,095.59	320,137.65			(1,152.49)		324,943.10	317,182.06	(1,803.10)	
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	318,821.48	313,000.21			(1,528.35)		317,293.13	309,718.54	(1,753.32)	
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	302,996.85	297,468.41			(1,213.30)		301,783.55	294,583.06	(1,672.05)	
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	412,249.44	393,891.56			(2,332.63)		409,916.81	388,480.74	(3,078.19)	
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	989,791.82	971,738.03			(3,643.69)		986,148.13	962,624.65	(5,469.69)	
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	358,433.62	351,897.93			(1,781.53)		356,652.09	348,146.65	(1,969.75)	
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	126,765.97	122,074.08			(462.21)		126,303.76	120,953.24	(658.63)	
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	487,195.31	478,314.65			(1,734.46)		485,460.85	473,886.43	(2,693.76)	
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	399,018.16	391,650.96			(1,674.28)		397,343.88	387,509.45	(2,467.23)	
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	542,912.96	532,890.58			(2,076.78)		540,836.18	527,451.84	(3,361.96)	
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	1,130,578.22	1,109,710.67			(8,418.87)		1,122,159.35	1,094,392.01	(6,899.79)	
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	658,010.93	646,028.29			(2,296.11)		655,714.82	640,092.75	(3,639.43)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	996,723.11	978,336.00			(6,108.21)		990,614.90	966,112.27	(6,115.52)	
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	497,231.29	488,060.07			(1,804.66)		495,426.63	483,173.34	(3,082.07)	
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	641,108.30	629,285.21			(2,209.20)		638,899.10	623,099.22	(3,976.79)	
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	219,386.46	215,341.70			(750.71)		218,635.75	213,230.20	(1,360.79)	
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	311,652.92	305,908.30			(1,215.71)		310,437.21	302,763.18	(1,929.41)	
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	313,479.70	301,759.57			(1,758.72)		311,720.98	298,192.97	(1,807.88)	
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	286,711.52	281,428.34			(974.99)		285,736.53	278,674.78	(1,778.57)	
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	258,842.47	254,073.59			(1,616.32)		257,226.15	250,869.77	(1,587.50)	
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	532,015.90	522,224.59			(1,850.37)		530,165.53	517,074.87	(3,299.35)	
FNMA	2004 A/B Single Family	5.00	07/06/06	05/01/36	65,539.57	63,083.14			(231.79)		65,307.78	62,467.59	(383.76)	
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	266,430.73	261,532.29			(890.82)		265,539.91	258,988.24	(1,653.23)	
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	78,544.83	75,032.82			(290.36)		78,254.47	74,143.12	(599.34)	
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	197,761.69	194,129.28			(902.22)		196,859.47	192,005.82	(1,221.24)	
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	539,536.00	529,632.36			(5,008.65)		534,527.35	521,354.65	(3,269.06)	
FNMA	2004 A/B Single Family	5.00	11/14/06	08/01/36	62,997.94	60,625.78			(218.87)		62,779.07	60,038.03	(368.88)	
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	203,919.96	200,180.46			(672.58)		203,247.38	198,242.21	(1,265.67)	
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36			368,859.04				368,859.04	359,780.22	(9,078.82)	
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37			487,291.76				487,291.76	475,307.47	(11,984.29)	
Repo Agmt	2004 A/B Single Family	5.31	02/28/07	03/01/07	4,460,647.75	4,460,647.75		(1,792,829.00)			2,667,818.75	2,667,818.75	-	
	2004 A/B Single Family Total				172,116,621.86	167,827,611.91	7,920,290.74	(4,379,608.74)	(1,432,886.17)	0.00	174,224,417.69	168,988,416.22	(946,991.52)	0.0
Repo Agmt	2004 CDEF Single Family	5.31	02/28/07	03/01/07	448.67	448.67	6.30				454.97	454.97	-	
Repo Agmt	2004 CDEF Single Family	5.31	02/28/07	03/01/07	664,534.72	664,534.72	30,500.97				695,035.69	695,035.69	-	
Repo Agmt	2004 CDEF Single Family	5.31	02/28/07	03/01/07	84,290.08	84,290.08	3,684,791.02				3,769,081.10	3,769,081.10	-	
Repo Agmt	2004 CDEF Single Family	5.31	02/28/07	03/01/07	0.34	0.34	0.00				0.34	0.34	-	
GIC's	2004 CDEF Single Family	3.80	12/16/04	03/01/36	1,741,204.62	1,741,204.62		(1,639,928.80)			101,275.82	101,275.82	-	
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	26,885.78	25,781.51			(124.23)		26,761.55	25,487.05	(170.23)	
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	17,535.36	16,815.49			(67.67)		17,467.69	16,636.13	(111.69)	
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	40,798.69	39,126.24			(161.89)		40,636.80	38,704.68	(259.67)	
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	27,311.92	26,192.32			(108.62)		27,203.30	25,909.88	(173.82)	
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	149,185.57	143,065.63			(2,478.22)		146,707.35	139,727.86	(859.55)	
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	48,093.00	46,120.48			(200.52)		47,892.48	45,614.34	(305.62)	
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	35,935.91	34,462.55			(3,172.34)		32,763.57	31,205.57	(84.64)	
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	25,097.80	23,983.75			(94.75)		24,913.05	23,729.61	(159.39)	
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	37,310.13	35,876.89			(142.96)		37,167.17	35,496.96	(236.97)	
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,627.69	8,295.90			(35.05)		8,592.64	8,206.15	(54.70)	
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	46,591.12	44,799.68			(214.43)		46,376.69	44,291.02	(294.23)	
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	30,680.86	29,423.82			(130.13)		30,550.73	29,098.84	(194.85)	
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	21,436.77	20,558.58			(86.04)		21,350.73	20,336.16	(136.38)	
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	24,156.53	23,228.18			(99.73)		24,056.80	22,975.36	(153.09)	
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	36,092.73	34,706.50			(146.89)		35,945.84	34,330.75	(228.86)	
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	60,086.61	57,627.32			(231.11)		59,855.50	57,013.45	(382.76)	
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	38,646.08	37,062.29			(207.89)		38,438.19	36,602.10	(252.30)	
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	41,194.09	39,611.55			(161.37)		41,032.72	39,179.20	(270.98)	
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	33,154.05	31,797.41			(124.99)		33,029.06	31,453.42	(219.00)	
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	40,643.28	38,979.92			(160.09)		40,483.19	38,551.67	(268.16)	
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	21,697.38	20,808.47			(84.08)		21,613.30	20,581.18	(143.21)	
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	29,505.79	28,297.22			(132.33)		29,373.46	27,970.96	(193.93)	
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	61,700.04	59,173.22			(266.52)		61,433.52	58,500.70	(406.00)	
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	28,635.48	27,462.99			(111.14)		28,524.34	27,162.81	(189.04)	
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	36,991.73	35,477.32			(159.46)		36,832.27	35,074.42	(243.44)	
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	40,377.60	38,724.84			(152.71)		40,224.89	38,305.44	(266.69)	
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	19,489.65	18,693.43			(77.12)		19,412.53	18,487.70	(128.61)	
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,845.75	8,507.01			(32.72)		8,813.03	8,415.99	(58.30)	
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	26,704.24	25,613.45			(103.03)		26,601.21	25,334.09	(176.33)	
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,564.25	9,198.05			(35.18)		9,529.07	9,099.84	(63.03)	
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	19,089.26	18,357.14			(77.84)		19,011.42	18,153.85	(125.45)	
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	49,182.74	47,170.93			(183.66)		48,999.08	46,662.28	(324.99)	
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	26,949.93	25,847.78			(116.34)		26,833.59	25,554.07	(177.37)	
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	40,449.67	38,795.67			(163.47)		40,286.20	38,365.47	(266.73)	
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	24,132.00	23,145.41			(93.36)		24,038.64	22,892.72	(159.33)	
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	45,934.15	44,056.57			(190.92)		45,743.23	43,563.00	(302.65)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	19,281.61	18,493.60			(79.04)		19,202.57	18,287.47	(127.09)	
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	37,716.06	36,271.47			(1,727.27)		35,988.79	34,367.21	(176.99)	
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	25,165.94	24,138.18			(93.06)		25,072.88	23,878.74	(166.38)	
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	29,302.10	28,180.60			(107.54)		29,194.56	27,879.94	(193.12)	
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	36,869.31	35,364.13			(181.39)		36,687.92	34,941.13	(241.61)	
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	25,410.82	24,438.63			(99.92)		25,310.90	24,171.50	(167.21)	
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	43,613.82	41,945.70			(165.88)		43,447.94	41,492.61	(287.21)	
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	18,442.27	17,737.07			(67.43)		18,374.84	17,548.07	(121.57)	
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	35,226.27	33,879.53			(3,059.36)		32,166.91	30,719.76	(100.41)	
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	41,827.39	40,121.49			(175.08)		41,652.31	39,670.83	(275.58)	
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	26,696.47	25,676.23			(98.67)		26,597.80	25,401.58	(175.98)	
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	19,351.85	18,612.42			(70.81)		19,281.04	18,414.04	(127.57)	
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	42,006.85	40,402.07			(185.73)		41,821.12	39,940.82	(275.52)	
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	24,042.09	23,062.23			(101.45)		23,940.64	22,802.43	(158.35)	
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	17,286.98	16,626.82			(88.66)		17,198.32	16,425.31	(112.85)	
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	21,746.93	20,916.74			(80.83)		21,666.10	20,692.57	(143.34)	
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	11,482.45	11,044.16			(42.04)		11,440.41	10,926.43	(75.71)	
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	13,431.71	12,919.24			(51.12)		13,380.59	12,779.64	(88.48)	
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	26,597.95	25,583.70			(109.69)		26,488.26	25,299.18	(174.83)	
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	22,761.58	21,894.26			(106.64)		22,654.94	21,638.59	(149.03)	
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,873.98	4,688.34			(17.34)		4,856.64	4,638.82	(32.18)	
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36			5,572.81				5,572.81	5,322.96	(249.85)	
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36			5,497.85				5,497.85	5,251.55	(246.30)	
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36			2,882.09				2,882.09	2,753.04	(129.05)	
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37			6,976.40				6,976.40	6,664.49	(311.91)	
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37			5,088.03				5,088.03	4,860.59	(227.44)	
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	5,686.07	5,434.02			(23.11)		5,662.96	5,367.95	(42.96)	
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	5,499.04	5,255.34			(26.40)		5,472.64	5,187.61	(41.33)	
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	6,631.35	6,337.56			(25.99)		6,605.36	6,261.42	(50.15)	
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,743.76	7,400.76			(33.26)		7,710.50	7,309.09	(58.41)	
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	4,667.34	4,459.37			(21.33)		4,646.01	4,402.62	(35.42)	
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,449.77	5,206.97			(20.63)		5,429.14	5,144.76	(41.58)	
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	8,626.40	8,242.14			(42.88)		8,583.52	8,133.98	(65.28)	
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,902.26	5,639.39			(22.15)		5,880.11	5,572.20	(45.04)	
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	8,334.11	7,963.01			(37.40)		8,296.71	7,862.32	(63.29)	
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	9,776.83	9,341.55			(3,260.87)		6,515.96	6,174.86	94.18	
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	6,139.63	5,866.37			(27.46)		6,112.17	5,792.28	(46.63)	
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	6,320.12	6,038.88			(23.64)		6,296.48	5,967.00	(48.24)	
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,800.22	7,453.16			(31.55)		7,768.67	7,362.20	(59.41)	
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	11,860.73	11,333.05			(43.87)		11,816.86	11,198.62	(90.56)	
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,696.46	10,220.63			(40.76)		10,655.70	10,098.29	(81.58)	
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	8,029.06	7,671.92			(29.62)		7,999.44	7,580.99	(61.31)	
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	6,221.83	5,945.17			(29.09)		6,192.74	5,868.90	(47.18)	
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	5,875.75	5,614.57			(38.69)		5,837.06	5,531.90	(43.98)	
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,792.20	8,401.48			(31.67)		8,760.53	8,302.63	(67.18)	
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	6,268.13	5,989.61			(34.59)		6,233.54	5,907.76	(47.26)	
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36			8,262.02				8,262.02	7,852.44	(409.58)	
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36			1,232.31				1,232.31	1,167.94	(64.37)	
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37			1,287.50				1,287.50	1,220.21	(67.29)	
Inv Agmt	2004 CDEF Single Family	3.80	10/26/04	03/01/36	1,562,432.42	1,562,432.42	0.00				1,562,432.42	1,562,432.42	-	
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	163,805.16	167,889.87			(1,772.72)		162,032.44	166,080.12	(37.03)	
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	270,291.16	280,317.87			(3,932.25)		266,358.91	276,663.67	278.05	
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	384,201.76	399,106.31			(3,412.99)		380,788.77	396,109.48	416.16	
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	145,294.73	150,601.04			(1,048.54)		144,246.19	149,482.24	(70.26)	
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	69,599.59	72,454.75			(483.91)		69,115.68	72,062.01	91.17	
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	56,986.92	59,521.68			(1,749.13)		55,237.79	57,677.59	(94.96)	
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,875,320.23	1,907,963.09			(23,372.95)		1,851,947.28	1,883,706.65	(883.49)	
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	1,138,017.60	1,175,160.75			(14,722.75)		1,123,294.85	1,159,390.42	8,952.42	
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	933,909.90	966,532.00			(12,121.66)		921,788.24	961,662.62	7,252.28	
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	335,927.31	346,935.38			(57,676.49)		278,250.82	286,953.09	(2,305.80)	
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	339,680.82	345,847.15			(2,952.51)		336,728.31	342,751.21	(143.43)	
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	521,719.94	540,343.24			(4,077.05)		517,642.89	540,429.89	4,163.70	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	129,818.85	134,136.57			(914.71)		128,904.14	134,332.28	1,110.42	
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	82,819.58	85,546.53			(945.40)		81,874.18	84,447.63	(153.50)	
GNMA	2004 CDEF Single Family				36,667.23	37,998.14			(36,667.23)				(1,330.91)	
GNMA	2004 CDEF Single Family				50,196.24	51,901.61			(50,196.24)				(1,705.37)	
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	77,539.03	80,223.71			(507.39)		77,031.64	79,602.96	(113.36)	
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	33,715.82	34,844.03			(208.99)		33,506.83	34,586.34	(48.70)	
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	122,560.10	126,889.85			(754.07)		121,806.03	125,956.54	(179.24)	
GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	2,602,262.76	2,494,939.18			(10,986.57)		2,591,276.19	2,467,429.31	(16,523.30)	
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	6,513,417.17	6,244,927.06			(163,856.53)		6,349,560.64	6,046,231.63	(34,838.90)	
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	2,406,474.06	2,307,292.91			(129,206.16)		2,277,267.90	2,168,494.39	(9,592.36)	
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	415,950.20	398,860.01			(1,657.37)		414,292.83	395,564.93	(2,637.71)	
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,603,979.92	2,496,699.10			(10,859.72)		2,593,120.20	2,469,299.99	(16,539.39)	
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	1,092,075.98	1,047,091.19			(4,437.05)		1,087,638.93	1,035,710.99	(6,943.15)	
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	920,157.86	884,586.67			(175,292.45)		744,865.41	711,212.84	1,918.62	
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,807,522.49	1,733,091.54			(134,153.57)		1,673,368.92	1,593,498.59	(5,439.38)	
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	1,134,553.34	1,087,843.02			(4,710.41)		1,129,842.93	1,075,925.02	(7,207.59)	
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	226,911.26	218,144.24			(890.84)		226,020.42	215,813.97	(1,439.43)	
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	310,046.99	298,070.02			(1,382.43)		308,664.56	294,728.22	(1,959.37)	
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	2,217,359.72	2,131,831.34			(9,651.43)		2,207,708.29	2,108,155.04	(14,024.87)	
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	963,046.78	923,417.10			(3,785.23)		959,261.55	913,503.46	(6,128.41)	
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,088,006.22	1,043,243.92			(5,067.91)		1,082,938.31	1,031,290.05	(6,885.96)	
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	426,388.14	409,965.88			(1,649.90)		424,738.24	405,609.50	(2,706.48)	
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	331,246.82	318,491.17			(1,414.05)		329,832.77	314,980.48	(2,096.64)	
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	413,789.58	396,812.16			(1,584.74)		412,204.84	392,591.71	(2,635.71)	
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	535,828.95	513,810.08			(2,077.55)		533,751.40	508,321.05	(3,411.48)	
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	1,130,341.22	1,086,756.89			(6,211.60)		1,124,129.62	1,073,453.90	(7,091.39)	
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	499,312.57	480,063.20			(2,144.88)		497,167.69	474,758.75	(3,159.57)	
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,766,612.35	3,611,888.93			(15,351.38)		3,751,260.97	3,572,587.94	(23,949.61)	
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	1,137,717.15	1,090,990.18			(5,276.40)		1,132,440.75	1,078,510.09	(7,203.69)	
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	322,889.01	309,627.70			(1,250.31)		321,638.70	306,321.17	(2,056.22)	
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	595,429.36	570,986.56			(2,687.91)		592,741.45	564,523.94	(3,773.71)	
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	1,082,706.00	1,038,322.37			(4,163.74)		1,078,542.26	1,027,261.53	(6,897.10)	
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	343,587.99	329,503.20			(1,399.22)		342,188.77	325,918.94	(2,185.04)	
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	398,493.71	383,153.94			(1,655.34)		396,838.37	378,974.19	(2,524.41)	
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	409,266.95	393,516.05			(1,563.52)		407,703.43	389,353.30	(2,599.23)	
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,103,144.82	1,060,704.61			(4,285.39)		1,098,859.43	1,049,416.26	(7,002.96)	
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	1,132,537.47	1,086,159.42			(4,533.59)		1,128,003.88	1,074,419.21	(7,206.62)	
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	639,961.58	613,759.76			(2,423.48)		637,538.10	607,257.43	(4,078.85)	
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	1,049,188.52	1,006,187.02			(4,472.02)		1,044,716.50	995,053.10	(6,661.90)	
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,192,255.87	1,143,397.62			(4,581.15)		1,187,674.72	1,131,222.27	(7,594.20)	
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	752,548.99	721,715.61			(2,907.92)		749,641.07	714,014.96	(4,792.73)	
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	1,100,943.12	1,055,840.72			(4,284.16)		1,096,658.96	1,044,546.41	(7,010.15)	
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	672,687.57	645,134.76			(2,896.63)		669,790.94	637,967.39	(4,270.74)	
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	918,409.54	880,813.46			(3,618.86)		914,790.68	871,347.65	(5,846.95)	
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	918,801.33	881,195.51			(5,630.52)		913,170.81	869,811.81	(5,753.18)	
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	584,168.46	560,227.98			(2,192.76)		581,975.70	554,176.26	(3,858.96)	
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	533,659.24	511,792.36			(2,011.99)		531,647.25	506,255.45	(3,524.92)	
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	742,885.25	714,387.88			(2,775.28)		740,109.97	706,719.20	(4,893.40)	
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	445,353.48	428,266.51			(1,932.04)		443,421.44	423,413.06	(2,921.41)	
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	560,435.98	537,475.72			(2,415.16)		558,020.82	531,373.16	(3,687.40)	
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	719,779.87	690,297.10			(3,051.71)		716,728.16	682,506.44	(4,738.95)	
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	1,146,053.69	1,099,118.18			(4,386.34)		1,141,667.35	1,087,163.69	(7,568.15)	
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,235,262.12	1,184,682.73			(4,992.77)		1,230,269.35	1,171,545.27	(8,144.69)	
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	429,491.94	411,908.77			(1,918.19)		427,573.75	407,167.39	(2,823.19)	
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	396,053.61	380,855.45			(2,762.69)		393,290.92	375,541.90	(2,550.86)	
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	856,848.90	821,843.10			(3,490.55)		853,358.35	812,704.16	(5,648.39)	
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	154,281.63	148,374.44			(585.91)		153,695.72	146,772.43	(1,016.10)	
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	252,976.55	243,290.48			(946.99)		252,029.56	240,676.77	(1,666.72)	
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	495,462.08	476,463.19			(1,856.59)		493,605.49	471,343.15	(3,263.45)	
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	206,881.42	198,951.40			(763.39)		206,118.03	196,824.59	(1,363.42)	
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	201,503.27	193,782.35			(765.32)		200,737.95	191,690.00	(1,327.03)	
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	587,769.05	565,251.72			(2,159.51)		585,609.54	559,218.61	(3,873.60)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	598,897.53	575,958.53			(2,215.69)		596,681.84	569,796.53	(3,946.31)	
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	125,524.68	120,719.52			(1,351.72)		124,172.96	118,580.49	(787.31)	
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	650,012.53	623,470.72			(2,434.05)		647,578.48	616,740.78	(4,295.89)	
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	197,699.80	190,134.42			(733.56)		196,966.24	188,097.98	(1,302.88)	
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	232,913.61	224,002.52			(847.55)		232,066.06	221,619.26	(1,535.71)	
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	236,971.49	227,910.22			(860.27)		236,111.22	225,487.34	(1,562.61)	
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	371,016.05	356,831.73			(1,367.20)		369,648.85	353,018.91	(2,445.62)	
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	390,137.78	375,224.69			(1,577.09)		388,560.69	371,082.18	(2,565.42)	
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	442,968.21	426,039.54			(2,098.10)		440,870.11	421,042.42	(2,899.02)	
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	966,766.73	929,832.57			(3,569.54)		963,197.19	919,891.38	(6,371.65)	
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	205,608.84	197,755.21			(749.43)		204,859.41	195,650.02	(1,355.76)	
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	703,941.79	677,069.08			(2,788.79)		701,153.00	669,648.47	(4,631.82)	
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	220,014.50	211,616.82			(792.11)		219,222.39	209,373.67	(1,451.04)	
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	1,014,690.91	973,388.22			(3,946.77)		1,010,744.14	962,741.98	(6,699.47)	
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	1,060,591.77	1,020,166.01			(3,794.23)		1,056,797.54	1,009,374.28	(6,997.50)	
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	424,097.51	407,937.47			(1,778.03)		422,319.48	403,373.41	(2,786.03)	
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	549,911.51	528,961.66			(2,000.11)		547,911.40	523,334.74	(3,626.81)	
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	525,577.61	505,558.39			(2,010.37)		523,567.24	500,086.09	(3,461.93)	
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36			560,793.91				560,793.91	535,651.33	(25,142.58)	
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36			544,406.08				544,406.08	520,006.64	(24,399.44)	
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36			404,952.16				404,952.16	386,807.91	(18,144.25)	
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36			237,093.16				237,093.16	226,475.03	(10,618.13)	
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	186,413.04	178,133.36			(1,212.04)		185,201.00	175,536.78	(1,384.54)	
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	268,126.30	256,223.18			(1,640.63)		266,485.67	252,585.92	(1,996.63)	
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	82,985.35	79,538.01			(1,589.50)		81,395.85	77,327.48	(621.03)	
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	360,425.16	344,455.70			(1,648.72)		358,776.44	340,093.27	(2,713.71)	
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	309,174.45	295,479.33			(1,562.94)		307,611.51	291,596.55	(2,319.84)	
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	112,701.78	107,709.89			(442.23)		112,259.55	106,415.38	(852.28)	
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	163,305.52	156,073.82			(1,146.36)		162,159.16	153,718.79	(1,208.67)	
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	257,145.67	245,694.95			(965.77)		256,179.90	242,766.77	(1,962.41)	
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36	211,495.00	202,080.15			(790.62)		210,704.38	199,675.47	(1,614.06)	
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	130,963.23	125,135.83			(742.79)		130,220.44	123,406.66	(986.38)	
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	260,795.81	249,194.32			(3,373.20)		257,422.61	243,956.18	(1,864.94)	
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	309,378.18	295,621.15			(1,148.55)		308,229.63	292,110.93	(2,361.67)	
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	389,460.06	372,152.52			(2,048.60)		387,411.46	367,161.95	(2,941.97)	
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36			78,030.83				78,030.83	73,954.27	(4,076.56)	
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37			157,542.19				157,542.19	149,306.88	(8,235.31)	
Repo Agmt	2004 CDEF Single Family				2,045,495.15	2,045,495.15		(2,045,495.15)					-	
Repo Agmt	2004 CDEF Single Family	5.31	02/28/07	03/01/07	1,561,793.26	1,561,793.26		(16,843.08)			1,544,950.18	1,544,950.18	-	
	2004 CDEF Single Family Total				83,080,782.65	80,499,941.91	5,734,915.63	(3,702,267.03)	(1,074,435.37)	0.00	84,038,995.88	80,963,504.31	(494,650.83)	0.0
Repo Agmt	2005 BCD Single Family	5.31	02/28/07	03/01/07	97,941.04	97,941.04	408,007.32				505,948.36	505,948.36	-	
Repo Agmt	2005 BCD Single Family	5.31	02/28/07	03/01/07	1,542,002.51	1,542,002.51	1,113,931.88				2,655,934.39	2,655,934.39	-	
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	16,402.20	16,266.69			(60.22)		16,341.98	16,188.36	(18.11)	
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	8,103.08	8,134.47			(24.68)		8,078.40	8,092.81	(16.98)	
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,288.14	5,334.52			(15.30)		5,272.84	5,322.68	3.46	
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	14,066.27	14,120.84			(42.72)		14,023.55	14,048.68	(29.44)	
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	21,130.05	20,916.63			(71.55)		21,058.50	20,821.86	(23.22)	
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	56,780.83	57,002.02			(284.31)		56,496.52	56,598.58	(119.13)	
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	21,199.74	21,354.59			(65.06)		21,134.68	21,303.47	13.94	
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	52,095.92	51,667.13			(170.85)		51,925.07	51,438.62	(57.66)	
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	27,370.70	27,477.50			(92.11)		27,278.59	27,328.07	(57.32)	
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	34,962.59	34,636.41			(141.90)		34,820.69	34,456.63	(37.88)	
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	8,054.18	8,125.03			(132.48)		7,921.70	7,996.78	4.23	
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	47,976.20	48,163.78			(210.75)		47,765.45	47,852.47	(100.56)	
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	91,014.45	89,997.58			(312.91)		90,701.54	89,586.06	(98.61)	
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,760.87	7,829.22			(26.71)		7,734.16	7,807.55	5.04	
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	37,438.30	37,089.59			(139.25)		37,299.05	36,909.60	(40.74)	
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	45,911.83	46,091.67			(183.41)		45,728.42	45,812.00	(96.26)	
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	77,253.49	77,556.78			(267.57)		76,985.92	77,127.41	(161.80)	
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	44,247.63	44,572.78			(128.95)		44,118.68	44,472.97	29.14	
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	72,096.84	71,292.49			(241.69)		71,855.15	70,972.60	(78.20)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	49,505.42	49,700.43			(193.43)		49,311.99	49,403.23	(103.77)	
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	76,331.44	75,622.15			(262.93)		76,068.51	75,275.93	(83.29)	
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	43,352.39	43,735.74			(152.75)		43,199.64	43,611.13	28.14	
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	61,854.99	62,099.09			(190.49)		61,664.50	61,779.07	(129.53)	
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	81,108.18	80,355.06			(268.01)		80,840.17	79,998.52	(88.53)	
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	45,640.28	45,820.86			(156.42)		45,483.86	45,568.78	(95.66)	
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	47,535.33	47,094.43			(231.69)		47,303.64	46,811.56	(51.18)	
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	37,871.38	38,207.10			(126.78)		37,744.60	38,104.98	24.66	
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	32,328.96	32,457.26			(100.84)		32,228.12	32,288.71	(67.71)	
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	44,082.91	43,674.56			(176.12)		43,906.79	43,450.63	(47.81)	
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	59,833.42	60,071.36			(223.82)		59,609.60	59,722.12	(125.42)	
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	16,998.26	17,123.81			(68.16)		16,930.10	17,066.69	11.04	
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	30,413.31	30,131.83			(103.60)		30,309.71	29,995.03	(33.20)	
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	46,873.46	47,060.19			(172.10)		46,701.36	46,789.85	(98.24)	
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,958.19	6,011.11			(16.95)		5,941.24	5,998.05	3.89	
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	8,684.70	8,604.38			(27.86)		8,656.84	8,567.02	(9.50)	
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36			42,953.32				42,953.32	43,039.66	86.34	
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36			27,856.90				27,856.90	28,123.69	266.79	
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36			50,912.01				50,912.01	50,384.55	(527.46)	
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36			84,400.97				84,400.97	84,563.53	162.56	
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36			22,071.12				22,071.12	22,250.05	178.93	
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36			50,576.40				50,576.40	50,053.22	(523.18)	
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36			47,536.26				47,536.26	47,628.49	92.23	
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36			23,360.39				23,360.39	23,550.07	189.68	
GNMA	2005 BCD Single Family	5.13	01/09/07	01/20/37			34,022.44				34,022.44	33,658.93	(363.51)	
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36			29,266.37				29,266.37	29,323.37	57.00	
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37			22,410.82				22,410.82	22,621.55	210.73	
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37			51,614.51				51,614.51	51,064.18	(550.33)	
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37			39,506.95				39,506.95	39,579.29	72.34	
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37			12,012.01				12,012.01	12,125.13	113.12	
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37			48,857.68				48,857.68	48,947.84	90.16	
GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37			49,242.24				49,242.24	48,717.89	(524.35)	
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37			5,727.12				5,727.12	5,781.14	54.02	
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	12,849.70	12,781.75			(58.78)		12,790.92	12,677.25	(45.72)	
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	8,017.62	7,882.49			(45.92)		7,971.70	7,820.27	(16.30)	
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	12,420.13	12,354.54			(38.46)		12,381.67	12,271.73	(44.35)	
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	16,041.94	16,046.87			(56.30)		15,985.64	15,996.16	5.59	
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	17,991.81	17,688.71			(107.34)		17,884.47	17,544.84	(36.53)	
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	21,209.36	21,097.48			(70.34)		21,139.02	20,951.43	(75.71)	
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	7,981.95	7,984.45			(23.49)		7,958.46	7,963.74	2.78	
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	25,291.26	24,837.67			(85.34)		25,205.92	24,700.15	(52.18)	
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	20,117.08	20,011.01			(71.08)		20,046.00	19,868.17	(71.76)	
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	9,751.58	9,754.70			(29.40)		9,722.18	9,728.70	3.40	
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	18,622.94	18,524.84			(78.95)		18,543.99	18,379.54	(66.35)	
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	15,214.25	14,941.46			(49.87)		15,164.38	14,860.15	(31.44)	
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	20,335.09	20,228.01			(88.01)		20,247.08	20,067.60	(72.40)	
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	33,369.43	33,193.83			(105.69)		33,263.74	32,969.01	(119.13)	
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	16,079.34	16,084.68			(48.09)		16,031.25	16,042.20	5.61	
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	34,219.74	33,606.55			(112.22)		34,107.52	33,423.67	(70.66)	
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	33,700.51	33,523.38			(118.98)		33,581.53	33,284.18	(120.22)	
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	44,011.03	43,779.84			(146.20)		43,864.83	43,476.54	(157.10)	
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	44,304.26	44,071.71			(292.86)		44,011.40	43,622.01	(156.84)	
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,925.82	12,930.20			(39.72)		12,886.10	12,894.99	4.51	
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	23,374.83	22,956.14			(98.44)		23,276.39	22,809.85	(47.85)	
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	27,897.89	27,751.62			(99.72)		27,798.17	27,552.38	(99.52)	
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11,708.50	11,712.54			(41.26)		11,667.24	11,675.36	4.08	
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	11,080.20	10,881.80			(68.53)		11,011.67	10,791.03	(22.24)	
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	13,613.49	13,542.16			(51.88)		13,561.61	13,441.74	(48.54)	
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	8,566.73	8,569.71			(25.44)		8,541.29	8,547.25	2.98	
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	5,235.97	5,142.24			(47.31)		5,188.66	5,084.71	(10.22)	
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	9,930.40	9,878.40			(61.90)		9,868.50	9,781.30	(35.20)	
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	6,599.05	6,480.93			(21.20)		6,577.85	6,446.09	(13.64)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,774.17	8,777.26			(26.24)		8,747.93	8,754.06	3.04	
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36			9,174.92				9,174.92	9,084.27	(90.65)	
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36			10,445.74				10,445.74	10,478.36	32.62	
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36			14,760.34				14,760.34	14,457.18	(303.16)	
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36			31,518.89				31,518.89	31,233.82	(285.07)	
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36			10,745.98				10,745.98	10,783.58	37.60	
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36			8,552.80				8,552.80	8,429.52	(123.28)	
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36			40,464.45				40,464.45	40,107.46	(356.99)	
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36			10,741.41				10,741.41	10,749.11	7.70	
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36			10,652.73				10,652.73	10,439.56	(213.17)	
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36			33,620.74				33,620.74	33,324.46	(296.28)	
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36			23,553.17				23,553.17	23,570.29	17.12	
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37			8,026.32				8,026.32	7,865.78	(160.54)	
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37			22,827.70				22,827.70	22,626.68	(201.02)	
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37			7,192.50				7,192.50	7,197.78	5.28	
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37			7,783.02				7,783.02	7,627.39	(155.63)	
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37			9,352.70				9,352.70	9,296.35	(56.35)	
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37			11,817.40				11,817.40	11,826.14	8.74	
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	260,135.13	267,265.59			(1,823.06)		258,312.07	265,289.81	(152.72)	
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	202,766.26	208,049.88			(2,024.71)		200,741.55	205,896.20	(128.97)	
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	224,771.65	231,164.41			(1,656.40)		223,115.25	229,369.28	(138.73)	
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	248,474.31	255,597.25			(3,396.52)		245,077.79	252,002.20	(198.53)	
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	221,490.89	225,692.25			(47,521.06)		173,969.83	177,210.47	(960.72)	
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	217,996.96	221,874.69			(6,956.69)		211,040.27	214,725.40	(192.60)	
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	508,439.20	517,383.41			(10,244.75)		498,194.45	506,797.44	(341.22)	
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	287,489.09	292,671.17			(41,807.49)		245,681.60	250,029.41	(834.27)	
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	245,015.15	249,261.28			(2,591.70)		242,423.45	246,547.09	(122.49)	
FNMA	2005 BCD Single Family	6.15	07/01/97	03/01/27	35,317.24	35,947.66			(1,279.69)		34,037.55	34,633.97	(34.00)	
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	201,393.68	205,963.29			(1,248.11)		200,145.57	204,895.01	179.83	
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	1,351,596.94	1,380,977.94			(57,564.54)		1,294,032.40	1,320,822.72	(2,590.68)	
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	398,904.08	407,611.54			(3,950.69)		394,953.39	403,164.58	(496.27)	
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	1,011,747.34	1,033,701.17			(12,690.17)		999,057.17	1,019,701.63	(1,309.37)	
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	409,630.96	418,497.20			(4,382.64)		405,248.32	413,599.89	(514.67)	
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	1,062,984.30	1,086,005.11			(53,708.25)		1,009,276.05	1,030,089.23	(2,207.63)	
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	556,610.05	568,790.90			(58,719.76)		497,890.29	508,269.20	(1,801.94)	
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	1,454,446.24	1,486,112.32			(93,453.09)		1,360,993.15	1,389,213.10	(3,446.13)	
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	382,474.41	390,721.41			(2,419.73)		380,054.68	387,856.61	(445.07)	
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,386,526.92	1,416,263.96			(11,843.95)		1,374,682.97	1,402,747.86	(1,672.15)	
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	1,005,465.28	1,023,008.06			(10,138.87)		995,326.41	1,011,720.49	(1,148.70)	
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	477,345.86	485,331.97			(4,928.31)		472,417.55	479,864.15	(539.51)	
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	392,874.36	399,608.90			(6,314.70)		386,559.66	392,809.84	(484.36)	
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	1,184,411.07	1,204,332.67			(74,526.07)		1,109,885.00	1,127,478.04	(2,328.56)	
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	431,243.72	438,361.52			(54,393.00)		376,850.72	382,707.38	(1,261.14)	
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	900,732.03	915,619.03			(6,268.11)		894,463.92	908,384.83	(966.09)	
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	612,867.26	623,809.09			(5,737.29)		607,129.97	617,645.82	(425.98)	
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	504,493.76	513,483.75			(4,512.62)		499,981.14	508,624.26	(346.87)	
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	219,329.35	222,997.88			(1,713.60)		217,615.75	221,142.66	(141.62)	
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	557,912.98	566,825.21			(4,163.51)		553,749.47	562,313.03	(348.67)	
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	227,126.03	230,591.97			(1,403.83)		225,722.20	229,053.84	(134.30)	
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	288,148.76	292,672.35			(48,101.76)		240,047.00	243,693.90	(876.69)	
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	337,499.22	344,946.13			(8,244.51)		329,254.71	336,327.19	(374.43)	
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	649,039.39	659,310.32			(4,077.40)		644,961.99	654,841.12	(391.80)	
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	190,201.37	193,079.12			(1,054.35)		189,147.02	191,929.37	(95.40)	
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	263,807.17	267,798.57			(3,110.05)		260,697.12	264,531.96	(156.56)	
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	272,290.37	276,410.11			(4,570.64)		267,719.73	271,657.87	(181.60)	
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	394,734.26	400,706.59			(53,177.33)		341,556.93	346,581.23	(948.03)	
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	196,354.34	199,325.17			(2,101.04)		194,253.30	197,110.74	(113.39)	
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	377,645.29	383,562.10			(3,213.66)		374,631.63	380,142.47	(205.97)	
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	745,484.09	756,763.27			(40,535.22)		704,948.87	715,318.65	(909.40)	
Repo Agmt	2005 BCD Single Family	5.31	02/28/07	03/01/07	918,029.04	918,029.04		(915,090.38)			2,938.66	2,938.66	-	
	2005 BCD Single Family Total				25,384,151.35	25,778,484.85	2,435,497.52	(915,090.38)	(768,862.20)	0.00	26,135,696.29	26,494,066.26	(35,963.53)	0.0

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	4,570,808.44	4,570,808.44		(1,551,502.88)			3,019,305.56	3,019,305.56	-	
Repo Agmt	2006 ABCDE Single Family	5.31	02/28/07	03/01/07	111,208.04	111,208.04	9,770,455.36				9,881,663.40	9,881,663.40	-	
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	3,172,152.79	3,172,152.79		(1,629,842.31)			1,542,310.48	1,542,310.48	-	
Repo Agmt	2006 ABCDE Single Family	5.31	02/28/07	03/01/07			38,135.09				38,135.09	38,135.09	-	
GIC's	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	1,613,274.81	1,613,274.81	0.00				1,613,274.81	1,613,274.81	-	
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	307,378.30	313,808.66			(2,679.60)		304,698.70	311,335.04	205.98	
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	265,419.13	270,971.71			(6,736.06)		258,683.07	264,317.19	81.54	
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	311,264.80	317,776.43			(41,651.01)		269,613.79	275,485.94	(639.48)	
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	134,977.30	138,470.53			(1,127.51)		133,849.79	137,430.28	87.26	
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	226,339.56	232,197.20			(13,817.75)		212,521.81	218,206.73	(172.72)	
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	263,599.16	270,421.11			(3,323.68)		260,275.48	267,237.84	140.41	
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	2,441,405.27	2,488,084.94			(102,019.16)		2,339,386.11	2,382,594.48	(3,471.30)	
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	1,031,095.15	1,050,809.69			(55,806.55)		975,288.60	993,302.15	(1,700.99)	
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	366,332.29	376,171.94			(2,117.33)		364,214.96	373,648.09	(406.52)	
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	749,407.46	763,736.07			(6,229.99)		743,177.47	756,903.88	(602.20)	
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	936,352.54	954,255.55			(143,256.73)		793,095.81	807,744.19	(3,254.63)	
GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	129,160.44	132,629.71			(778.68)		128,381.76	131,706.85	(144.18)	
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,728,681.56	1,761,733.91			(143,806.26)		1,584,875.30	1,614,147.89	(3,779.76)	
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	464,821.29	473,708.74			(65,424.02)		399,397.27	406,774.19	(1,510.53)	
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	342,065.74	351,253.68			(3,008.88)		339,056.86	347,838.46	(406.34)	
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	590,498.81	601,789.16			(4,317.83)		586,180.98	597,007.74	(463.59)	
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	676,290.02	689,220.67			(4,146.37)		672,143.65	684,558.10	(516.20)	
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	1,439,286.79	1,466,805.98			(12,070.10)		1,427,216.69	1,453,577.34	(1,158.54)	
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	1,377,458.71	1,403,795.69			(11,504.49)		1,365,954.22	1,391,183.32	(1,107.88)	
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	298,129.57	306,137.32			(1,706.47)		296,423.10	304,100.45	(330.40)	
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	346,679.69	353,308.19			(81,700.43)		264,979.26	269,873.40	(1,734.36)	
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	498,278.10	507,805.19			(5,295.70)		492,982.40	502,087.79	(421.70)	
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	485,848.30	495,137.76			(4,132.90)		481,715.40	490,612.71	(392.15)	
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	66,259.75	68,039.48			(418.72)		65,841.03	67,546.29	(74.47)	
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	523,076.04	533,077.25			(15,263.16)		507,812.88	517,192.16	(621.93)	
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	417,969.87	425,961.46			(2,480.77)		415,489.10	423,163.17	(317.52)	
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	364,781.40	374,579.41			(2,401.88)		362,379.52	371,765.11	(412.42)	
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	528,344.75	536,446.67			(3,137.51)		525,207.24	534,907.78	(401.38)	
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	745,598.83	759,854.69			(8,910.57)		736,688.26	750,294.87	(649.25)	
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	1,052,353.34	1,072,411.19			(6,978.65)		1,045,374.69	1,064,651.38	(781.16)	
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	308,846.34	317,141.98			(1,758.62)		307,087.72	315,041.30	(342.06)	
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	476,588.55	489,418.58			(41,994.43)		434,594.12	445,859.06	(1,565.09)	
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	752,417.67	766,758.78			(7,617.39)		744,800.28	758,534.41	(606.98)	
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/28	151,909.18	154,804.37			(845.41)		151,063.77	153,849.17	(109.79)	
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	206,329.90	211,884.30			(1,885.49)		204,444.41	209,743.58	(255.23)	
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	291,747.74	297,308.46			(4,087.75)		287,659.99	292,964.44	(256.27)	
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	130,667.05	133,157.54			(690.83)		129,976.22	132,372.94	(93.77)	
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	160,671.87	163,734.25			(1,130.89)		159,540.98	162,482.89	(120.47)	
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	117,559.76	119,800.47			(939.92)		116,619.84	118,770.31	(90.24)	
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	283,548.41	291,181.54			(2,361.46)		281,186.95	288,475.31	(344.77)	
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	1,061,675.50	1,081,911.07			(6,849.40)		1,054,826.10	1,074,277.10	(784.57)	
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	39,049.37	40,100.58			(190.45)		38,858.92	39,866.14	(43.99)	
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	560,222.67	559,735.26			(3,887.32)		556,335.35	554,699.70	(1,148.24)	
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	560,474.00	559,986.37			(4,127.06)		556,346.94	554,711.26	(1,148.05)	
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	652,644.95	652,077.18			(76,051.51)		576,593.44	574,898.28	(1,127.39)	
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	218,209.89	218,020.08			(1,963.38)		216,246.51	215,610.77	(445.93)	
GNMA	2006 ABCDE Single Family	5.45	08/26/99	07/20/29	482,963.67	482,543.51			(99,367.79)		383,595.88	382,468.12	(707.60)	
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	192,524.81	196,107.71			(1,173.05)		191,351.76	194,809.49	(125.17)	
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	46,624.56	47,492.24			(218.02)		46,406.54	47,245.10	(29.12)	
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	189,741.29	189,576.21			(1,438.24)		188,303.05	187,749.43	(388.54)	
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	1,158,602.99	1,157,595.01			(8,804.65)		1,149,798.34	1,146,417.93	(2,372.43)	
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	263,879.80	268,790.63			(1,556.77)		262,323.03	267,063.23	(170.63)	
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	175,815.58	176,562.76			(964.17)		174,851.41	174,814.66	(783.93)	
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	201,043.07	206,187.76			(1,448.12)		199,594.95	205,009.96	270.32	
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	791,576.70	784,148.05			(2,915.11)		788,661.59	780,372.41	(860.53)	
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	370,545.91	371,981.08			(1,128.81)		369,417.10	370,076.19	(776.08)	
GNMA	2006 ABCDE Single Family	5.63	08/16/06	08/20/36	241,821.67	243,942.19			(699.55)		241,122.12	243,400.91	158.27	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	643,235.80	645,731.71			(1,953.12)		641,282.68	642,432.02	(1,346.57)	
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	1,019,744.87	1,008,301.64			(3,463.42)		1,016,281.45	1,003,733.10	(1,105.12)	
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,596,529.17	2,606,643.84			(13,001.37)		2,583,527.80	2,588,194.80	(5,447.67)	
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	969,442.27	976,523.42			(2,975.70)		966,466.57	974,186.10	638.38	
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	2,514,173.70	2,490,652.18			(8,268.75)		2,505,904.95	2,479,637.03	(2,746.40)	
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	1,251,634.59	1,256,517.91			(4,211.87)		1,247,422.72	1,249,684.97	(2,621.07)	
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,687,332.57	1,671,590.57			(6,848.01)		1,680,484.56	1,662,914.43	(1,828.13)	
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	368,309.22	371,549.41			(6,058.49)		362,250.73	365,685.00	194.08	
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	2,193,902.84	2,202,460.29			(9,637.27)		2,184,265.57	2,188,244.52	(4,598.50)	
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	4,392,455.86	4,343,380.50			(15,101.14)		4,377,354.72	4,323,520.44	(4,758.92)	
GNMA	2006 ABCDE Single Family	5.63	09/20/06	09/20/36	354,897.27	358,022.36			(1,221.35)		353,675.92	357,031.78	230.77	
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,806,813.21	1,789,983.69			(6,720.40)		1,800,092.81	1,781,297.36	(1,965.93)	
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	2,099,501.34	2,107,724.62			(8,387.13)		2,091,114.21	2,094,936.16	(4,401.33)	
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	3,532,722.94	3,546,592.12			(12,235.61)		3,520,487.33	3,526,957.46	(7,399.05)	
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	2,023,399.17	2,038,267.45			(5,896.74)		2,017,502.43	2,033,703.40	1,332.69	
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	3,479,471.86	3,440,652.63			(11,664.36)		3,467,807.50	3,425,214.61	(3,773.66)	
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	2,263,832.39	2,272,749.90			(8,844.88)		2,254,987.51	2,259,159.26	(4,745.76)	
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	3,683,838.34	3,649,606.51			(12,689.41)		3,671,148.93	3,632,897.91	(4,019.19)	
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,982,460.64	1,999,990.23			(6,985.14)		1,975,475.50	1,994,292.42	1,287.33	
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	2,828,565.03	2,839,727.19			(8,711.11)		2,819,853.92	2,825,093.53	(5,922.55)	
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	3,914,368.81	3,878,022.25			(12,934.17)		3,901,434.64	3,860,815.43	(4,272.65)	
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	2,087,083.35	2,095,340.66			(7,153.14)		2,079,930.21	2,083,813.93	(4,373.59)	
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	2,294,106.98	2,272,828.23			(11,182.02)		2,282,924.96	2,259,177.19	(2,469.02)	
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,731,819.20	1,747,171.42			(5,797.21)		1,726,021.99	1,742,501.59	1,127.38	
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,478,370.16	1,484,237.18			(4,611.60)		1,473,758.56	1,476,529.83	(3,095.75)	
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	2,127,489.25	2,107,781.53			(8,499.51)		2,118,989.74	2,096,974.86	(2,307.16)	
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,736,120.79	2,747,001.51			(10,234.67)		2,725,886.12	2,731,031.26	(5,735.58)	
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	777,313.20	783,054.34			(3,116.93)		774,196.27	780,442.44	505.03	
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,467,779.81	1,454,195.00			(4,999.62)		1,462,780.19	1,447,593.13	(1,602.25)	
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	2,143,474.97	2,152,014.16			(7,869.52)		2,135,605.45	2,139,651.59	(4,493.05)	
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	272,462.28	274,881.78			(775.15)		271,687.13	274,285.01	178.38	
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	419,133.03	415,256.75			(1,344.37)		417,788.66	413,453.97	(458.41)	
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36			1,964,407.84				1,964,407.84	1,968,159.47	3,751.63	
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36			1,273,867.51				1,273,867.51	1,286,067.79	12,200.28	
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36			2,457,068.77				2,457,068.77	2,431,612.80	(25,455.97)	
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36			3,859,569.98				3,859,569.98	3,867,003.59	7,433.61	
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36			1,009,290.40				1,009,290.40	1,017,472.41	8,182.01	
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36			2,440,871.78				2,440,871.78	2,415,622.70	(25,249.08)	
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36			2,173,784.46				2,173,784.46	2,178,002.05	4,217.59	
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36			1,068,247.01				1,068,247.01	1,076,921.12	8,674.11	
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36			1,652,707.86				1,652,707.86	1,624,416.48	(28,291.38)	
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36			1,338,321.48				1,338,321.48	1,340,927.59	2,606.11	
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37			1,024,824.39				1,024,824.39	1,034,460.51	9,636.12	
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37			2,490,972.28				2,490,972.28	2,464,412.77	(26,559.51)	
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37			1,806,612.82				1,806,612.82	1,809,920.72	3,307.90	
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37			549,297.04				549,297.04	554,470.33	5,173.29	
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37			2,234,211.94				2,234,211.94	2,238,334.48	4,122.54	
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37			2,376,484.08				2,376,484.08	2,351,178.60	(25,305.48)	
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37			261,895.78				261,895.78	264,366.07	2,470.29	
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37			781,933.46				781,933.46	783,382.61	1,449.15	
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37			1,182,797.05				1,182,797.05	1,170,211.76	(12,585.29)	
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37			562,993.21				562,993.21	568,308.14	5,314.93	
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	587,603.75	584,496.42			(2,687.71)		584,916.04	579,718.12	(2,090.59)	
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	386,934.42	379,981.38			(2,219.37)		384,715.05	376,982.18	(779.83)	
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	567,959.84	564,960.35			(1,758.23)		566,201.61	561,173.95	(2,028.17)	
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	733,581.70	733,806.57			(2,574.06)		731,007.64	731,488.09	255.58	
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	868,295.28	852,697.53			(5,189.33)		863,105.95	845,762.39	(1,745.81)	
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	969,882.46	964,766.16			(3,217.08)		966,665.38	958,087.50	(3,461.58)	
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	365,006.59	365,120.67			(1,074.41)		363,932.18	364,173.55	127.29	
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,220,584.18	1,198,692.97			(4,118.67)		1,216,465.51	1,192,056.16	(2,518.14)	
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	919,933.29	915,083.24			(3,250.20)		916,683.09	908,551.48	(3,281.56)	
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	445,929.89	446,072.41			(1,344.04)		444,585.85	444,883.40	155.03	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	851,608.53	847,122.11			(3,610.96)		847,997.57	840,477.79	(3,033.36)	
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	734,256.73	721,090.72			(2,406.87)		731,849.86	717,166.87	(1,516.98)	
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	929,903.47	925,006.45			(4,024.86)		925,878.61	917,670.99	(3,310.60)	
FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	1,525,949.78	1,517,919.97			(4,832.42)		1,521,117.36	1,507,639.19	(5,448.36)	
FNMA	2006 ABCDE Single Family	5.63	10/17/06	09/01/36	735,291.89	735,535.76			(2,198.65)		733,093.24	733,593.47	256.36	
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,651,481.86	1,621,888.57			(5,415.48)		1,646,066.38	1,613,062.70	(3,410.39)	
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	1,541,089.73	1,532,989.49			(5,440.66)		1,535,649.07	1,522,051.29	(5,497.54)	
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	2,012,579.63	2,002,007.19			(6,685.92)		2,005,893.71	1,988,138.04	(7,183.23)	
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	2,025,988.43	2,015,353.66			(13,391.67)		2,012,596.76	1,994,789.78	(7,172.21)	
FNMA	2006 ABCDE Single Family	5.63	11/02/06	10/01/36	591,084.87	591,285.07			(1,816.31)		589,268.56	589,674.81	206.05	
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	1,128,095.00	1,107,888.20			(4,751.32)		1,123,343.68	1,100,828.35	(2,308.53)	
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,275,742.36	1,269,053.42			(4,560.21)		1,271,182.15	1,259,942.63	(4,550.58)	
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	535,417.98	535,602.55			(1,886.50)		533,531.48	533,902.51	186.46	
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	534,742.82	525,167.50			(3,307.25)		531,435.57	520,787.08	(1,073.17)	
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	622,531.36	619,269.19			(2,372.33)		620,159.03	614,677.58	(2,219.28)	
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	391,748.24	391,884.47			(1,163.42)		390,584.82	390,857.63	136.58	
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	252,693.93	248,169.84			(2,283.43)		250,410.50	245,393.71	(492.70)	
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	454,107.21	451,728.97			(2,831.04)		451,276.17	447,288.79	(1,609.14)	
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	318,477.72	312,776.82			(1,022.91)		317,454.81	311,095.77	(658.14)	
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	401,233.89	401,374.63			(1,200.28)		400,033.61	400,314.22	139.87	
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36			419,560.31				419,560.31	415,414.55	(4,145.76)	
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36			477,673.40				477,673.40	479,165.04	1,491.64	
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36			714,837.81				714,837.81	697,719.17	(17,118.64)	
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36			1,441,326.96				1,441,326.96	1,428,290.75	(13,036.21)	
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36			491,402.97				491,402.97	493,122.58	1,719.61	
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36			412,766.97				412,766.97	406,817.78	(5,949.19)	
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36			1,850,397.65				1,850,397.65	1,834,072.87	(16,324.78)	
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36			491,193.95				491,193.95	491,546.17	352.22	
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36			514,112.44				514,112.44	503,824.43	(10,288.01)	
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36			1,527,426.45				1,527,426.45	1,523,893.62	(3,532.83)	
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36			1,077,062.54				1,077,062.54	1,077,845.70	783.16	
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37			387,359.00				387,359.00	379,611.30	(7,747.70)	
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37			1,043,887.45				1,043,887.45	1,034,694.59	(9,192.86)	
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37			328,905.93				328,905.93	329,147.07	241.14	
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37			375,617.05				375,617.05	368,106.42	(7,510.63)	
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37			428,981.57				428,981.57	425,112.96	(3,868.61)	
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37			540,397.87				540,397.87	540,797.60	399.73	
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37			464,915.89				464,915.89	455,620.42	(9,295.47)	
GIC's	2006 ABCDE Single Family	5.25	06/28/06	12/31/07	142,008,868.59	142,008,868.59		(45,564,578.31)			96,444,290.28	96,444,290.28	-	
Repo Agmt	2006 ABCDE Single Family				26,037.84	26,037.84		(26,037.84)					-	
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	13,052.20	13,338.81			(4,551.83)		8,500.37	8,684.17	(102.81)	
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	13,598.38	13,654.75			(55.19)		13,543.19	13,564.22	(35.34)	
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	9,033.82	9,232.21			(40.54)		8,993.28	9,187.76	(3.91)	
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	11,782.09	11,830.46			(48.48)		11,733.61	11,751.36	(30.62)	
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	11,881.90	12,142.44			(3,282.87)		8,599.03	8,784.71	(74.86)	
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,518.63	3,533.11			(15.78)		3,502.85	3,508.17	(9.16)	
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	10,963.15	11,204.05			(41.12)		10,922.03	11,158.37	(4.56)	
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,419.89	6,560.79			(24.61)		6,395.28	6,533.49	(2.69)	
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,838.23	2,849.95			(19.43)		2,818.80	2,823.12	(7.40)	
GNMA	2006 ABCDE Single Family	6.15	11/05/02	10/20/32	3,102.39	3,170.53			(11.08)		3,091.31	3,158.17	(1.28)	
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,979.27	7,008.13			(32.99)		6,946.28	6,957.00	(18.14)	
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	4,086.45	4,176.22			(14.49)		4,071.96	4,160.04	(1.69)	
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,997.83	5,018.60			(20.22)		4,977.61	4,985.38	(13.00)	
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	21,213.52	21,679.60			(82.65)		21,130.87	21,588.07	(8.88)	
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	13,549.97	13,606.34			(57.84)		13,492.13	13,513.29	(35.21)	
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	5,127.32	5,239.97			(19.69)		5,107.63	5,218.14	(2.14)	
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	7,269.78	7,300.05			(59.96)		7,209.82	7,221.14	(18.95)	
GNMA	2006 ABCDE Single Family	6.15	12/12/02	12/20/32	3,163.89	3,233.47			(11.37)		3,152.52	3,220.79	(1.31)	
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	5,442.81	5,465.57			(22.31)		5,420.50	5,429.11	(14.15)	
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	5,964.57	6,095.80			(40.20)		5,924.37	6,052.73	(2.87)	
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	10,312.31	10,355.53			(41.31)		10,271.00	10,287.41	(26.81)	
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	8,764.64	8,957.50			(31.95)		8,732.69	8,921.92	(3.63)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	5,094.49	5,115.85			(20.32)		5,074.17	5,082.29	(13.24)	
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,807.56	5,935.37			(21.27)		5,786.29	5,911.69	(2.41)	
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	24,518.11	25,041.86			(89.46)		24,428.65	24,944.53	(7.87)	
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	8,948.88	8,982.16			(4,000.42)		4,948.46	4,956.42	(25.32)	
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,470.17	5,587.02			(19.42)		5,450.75	5,565.85	(1.75)	
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	5,151.86	5,171.06			(20.43)		5,131.43	5,139.74	(10.89)	
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	17,943.47	18,326.81			(68.20)		17,875.27	18,252.79	(5.82)	
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	17,169.13	17,233.07			(102.98)		17,066.15	17,093.71	(36.38)	
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	21,246.66	21,700.90			(104.10)		21,142.56	21,589.41	(7.39)	
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,647.24	8,832.15			(40.43)		8,606.81	8,788.75	(2.97)	
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,896.16	5,920.32			(23.11)		5,875.05	5,884.74	(12.47)	
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	21,939.32	22,408.63			(76.74)		21,862.58	22,324.92	(6.97)	
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	5,351.32	5,371.35			(21.25)		5,330.07	5,338.78	(11.32)	
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,855.04	16,194.38			(56.88)		15,798.16	16,132.42	(5.08)	
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,892.81	8,061.87			(37.50)		7,855.31	8,021.65	(2.72)	
GNMA	2006 ABCDE Single Family	5.40	03/24/03	02/20/33	5,483.36	5,504.05			(23.68)		5,459.68	5,468.76	(11.61)	
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	10,041.00	10,256.13			(36.28)		10,004.72	10,216.64	(3.21)	
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	8,029.62	8,201.64			(27.81)		8,001.81	8,171.27	(2.56)	
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	15,919.23	16,260.33			(60.46)		15,858.77	16,194.71	(5.16)	
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,549.75	3,625.81			(12.30)		3,537.45	3,612.37	(1.14)	
GNMA	2006 ABCDE Single Family				4,558.89	4,576.15			(4,558.89)				(17.26)	
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	8,211.13	8,387.18			(28.46)		8,182.67	8,356.11	(2.61)	
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	8,490.76	8,672.83			(30.43)		8,460.33	8,639.69	(2.71)	
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,412.82	4,507.47			(16.93)		4,395.89	4,489.11	(1.43)	
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,581.31	2,636.67			(9.46)		2,571.85	2,626.38	(0.83)	
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,221.98	4,312.58			(14.94)		4,207.04	4,296.28	(1.36)	
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	8,981.15	9,173.94			(31.99)		8,949.16	9,139.09	(2.86)	
GNMA	2006 ABCDE Single Family				3,209.52	3,278.47			(3,209.52)				(68.95)	
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,183.26	3,251.68			(11.05)		3,172.21	3,239.62	(1.01)	
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	4,107.58	4,195.88			(14.00)		4,093.58	4,180.58	(1.30)	
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,603.26	2,659.29			(10.16)		2,593.10	2,648.27	(0.86)	
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,692.35	4,793.33			(27.32)		4,665.03	4,764.27	(1.74)	
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,386.43	4,480.85			(17.31)		4,369.12	4,462.11	(1.43)	
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,430.07	2,482.39			(8.22)		2,421.85	2,473.39	(0.78)	
GNMA	2006 ABCDE Single Family	6.15	09/04/03	08/20/33	2,775.73	2,835.57			(9.27)		2,766.46	2,825.43	(0.87)	
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	8,327.19	8,506.96			(28.09)		8,299.10	8,476.24	(2.63)	
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,913.40	2,976.32			(10.97)		2,902.43	2,964.39	(0.96)	
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	3,287.33	3,358.63			(10.76)		3,276.57	3,346.82	(1.05)	
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	5,212.54	5,321.78			(16.63)		5,195.91	5,302.01	(3.14)	
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	17,928.09	17,993.81			(64.50)		17,863.59	17,894.44	(34.87)	
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	2,004.59	2,046.66			(8.64)		1,995.95	2,036.76	(1.26)	
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	42,362.39	42,516.84			(4,838.13)		37,524.26	37,588.37	(90.34)	
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	37,022.55	37,160.12			(135.08)		36,887.47	36,953.06	(71.98)	
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	52,578.42	52,675.43			(189.10)		52,389.32	52,385.00	(101.33)	
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	47,588.38	47,765.76			(166.99)		47,421.39	47,506.25	(92.52)	
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	17,888.49	17,954.15			(68.45)		17,820.04	17,850.92	(34.78)	
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	18,048.87	18,115.28			(68.16)		17,980.71	18,012.02	(35.10)	
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	24,089.41	24,178.09			(8,993.78)		15,095.63	15,121.93	(62.38)	
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	19,388.49	19,460.05			(70.03)		19,318.46	19,352.33	(37.69)	
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	29,965.19	30,075.95			(106.37)		29,858.82	29,911.32	(58.26)	
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	10,422.67	10,461.28			(39.68)		10,382.99	10,401.33	(20.27)	
GNMA	2006 ABCDE Single Family	5.40	08/26/04	08/20/34	6,740.01	6,765.01			(65.16)		6,674.85	6,686.67	(13.18)	
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	20,824.19	20,903.27			(74.08)		20,750.11	20,788.69	(40.50)	
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	47,192.44	47,280.96			(188.46)		47,003.98	47,001.55	(90.95)	
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	7,805.73	7,493.30			(32.65)		7,773.08	7,413.19	(47.46)	
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	78,120.39	78,414.05			(293.44)		77,826.95	77,968.70	(151.91)	
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	16,254.38	15,603.89			(68.02)		16,186.36	15,437.05	(98.82)	
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	19,370.57	19,407.14			(73.40)		19,297.17	19,296.37	(37.37)	
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	29,206.84	27,963.97			(134.18)		29,072.66	27,652.23	(177.56)	
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	127,569.95	122,141.83			(576.82)		126,993.13	120,789.07	(775.94)	
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	22,959.27	23,045.88			(81.28)		22,877.99	22,919.96	(44.64)	
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	27,229.66	26,071.21			(126.54)		27,103.12	25,779.21	(165.46)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,408.76	3,421.63			(11.80)		3,396.98	3,403.19	(6.64)	
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	39,551.11	37,868.74			(167.98)		39,383.13	37,459.65	(241.11)	
GNMA	2006 ABCDE Single Family	5.40	12/23/04	12/20/34	5,365.77	5,386.26			(19.37)		5,346.40	5,356.44	(10.45)	
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	2,975.99	2,986.74			(10.24)		2,965.75	2,970.82	(5.68)	
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,911.64	2,906.06			(41.73)		2,869.91	2,852.54	(11.79)	
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	3,182.61	3,244.37			(29.87)		3,152.74	3,221.50	7.00	
FNMA	2006 ABCDE Single Family	5.45	03/01/04	02/01/34	7,094.97	7,093.30			(23.61)		7,071.36	7,039.79	(29.90)	
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	5,171.95	5,251.19			(16.77)		5,155.18	5,245.81	11.39	
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	15,236.13	15,194.79			(54.93)		15,181.20	15,078.57	(61.29)	
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	15,442.28	14,772.24			(63.72)		15,378.56	14,590.83	(117.69)	
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	11,026.19	11,070.97			(45.61)		10,980.58	10,996.71	(28.65)	
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	3,136.85	3,205.61			(11.79)		3,125.06	3,192.52	(1.30)	
GNMA	2006 ABCDE Single Family	6.15	09/19/02	09/20/32	7,482.77	7,646.74			(2,860.23)		4,622.54	4,722.29	(64.22)	
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	12,144.36	12,194.15			(53.40)		12,090.96	12,109.18	(31.57)	
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	97,848.19	93,687.87			(507.74)		97,340.45	92,588.11	(592.02)	
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	91,304.04	87,422.50			(370.41)		90,933.63	86,494.62	(557.47)	
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	101,208.61	96,903.91			(434.98)		100,773.63	95,852.21	(616.72)	
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	163,946.50	156,974.84			(690.07)		163,256.43	155,285.03	(999.74)	
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	96,520.32	92,417.57			(391.72)		96,128.60	91,436.54	(589.31)	
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	96,948.20	92,827.70			(9,823.63)		87,124.57	82,872.39	(131.68)	
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	199,656.02	191,095.26			(832.45)		198,823.57	189,001.05	(1,261.76)	
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	22,279.34	22,354.74			(76.44)		22,202.90	22,235.92	(42.38)	
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	100,996.75	96,666.83			(435.09)		100,561.66	95,594.15	(637.59)	
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	9,492.39	9,524.56			(32.78)		9,459.61	9,473.72	(18.06)	
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	132,437.03	126,759.84			(589.20)		131,847.83	125,335.49	(835.15)	
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	13,116.78	13,161.35			(44.71)		13,072.07	13,091.67	(24.97)	
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	149,934.49	143,508.25			(645.51)		149,088.98	141,726.05	(936.69)	
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	211,052.97	202,008.60			(11,826.31)		199,226.66	189,388.97	(793.32)	
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	73,038.63	69,909.09			(297.71)		72,740.92	69,149.44	(461.94)	
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	150,569.25	144,117.71			(621.33)		149,947.92	142,544.45	(951.93)	
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	9,661.88	9,699.19			(33.68)		9,628.20	9,646.71	(18.80)	
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	105,397.36	100,881.96			(16,187.83)		89,209.53	84,805.48	111.35	
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	97,302.91	93,134.84			(441.93)		96,860.98	92,079.73	(613.18)	
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	94,124.63	90,093.33			(6,096.74)		88,027.89	83,683.24	(313.35)	
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	39,156.27	37,479.51			(156.21)		39,000.06	37,075.46	(247.84)	
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	6,285.01	6,306.66			(22.52)		6,262.49	6,272.18	(11.96)	
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	59,668.16	57,113.33			(280.71)		59,387.45	56,457.06	(375.56)	
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	59,064.76	56,536.11			(235.88)		58,828.88	55,926.38	(373.85)	
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	81,080.47	77,610.26			(7,587.50)		73,492.97	69,867.86	(154.90)	
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	58,186.53	55,843.34			(245.80)		57,940.73	55,231.04	(366.50)	
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	11,515.28	11,533.75			(39.44)		11,475.84	11,472.57	(21.74)	
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	82,303.94	78,782.37			(327.73)		81,976.21	77,933.65	(520.99)	
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	73,317.31	70,180.66			(299.43)		73,017.88	69,417.44	(463.79)	
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,610.00	6,633.02			(22.55)		6,587.45	6,597.88	(12.59)	
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	119,931.97	114,801.83			(537.65)		119,394.32	113,507.96	(756.22)	
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	11,605.00	11,623.75			(40.05)		11,564.95	11,561.79	(21.91)	
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,892.54	5,913.46			(20.55)		5,871.99	5,881.67	(11.24)	
GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	8,033.55	8,061.76			(26.98)		8,006.57	8,019.49	(15.29)	
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	35,371.29	33,858.90			(141.58)		35,229.71	33,493.45	(223.87)	
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	8,490.06	8,519.97			(33.62)		8,456.44	8,470.17	(16.18)	
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,206.19	3,217.68			(10.52)		3,195.67	3,201.04	(6.12)	
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	16,100.32	15,402.06			(72.34)		16,027.98	15,207.32	(122.40)	
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	21,551.70	20,617.27			(101.84)		21,449.86	20,351.85	(163.58)	
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	22,001.57	21,018.71			(99.64)		21,901.93	20,753.52	(165.55)	
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	17,427.21	16,671.95			(71.36)		17,355.85	16,467.74	(132.85)	
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	11,988.68	11,956.92			(45.59)		11,943.09	11,863.11	(48.22)	
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	15,128.11	14,452.73			(60.88)		15,067.23	14,277.61	(114.24)	
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,634.79	5,613.82			(19.11)		5,615.68	5,575.44	(19.27)	
	2006 ABCDE Single Family Total				273,565,415.40	273,614,392.80	55,306,575.80	(48,771,961.34)	(1,470,780.20)	0.00	278,629,249.66	278,308,914.78	(369,312.28)	0.0
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	1,913,289.00	1,913,289.00		(574,904.30)			1,338,384.70	1,338,384.70	-	
Repo Agmt	2006 FGH Single Family	5.31	02/28/07	03/01/07			2,014,634.66				2,014,634.66	2,014,634.66	-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GIC's	2006 FGH Single Family	4.33	11/15/06	02/26/38	600,000.00	600,000.00	0.00				600,000.00	600,000.00	-	
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37			5,460,259.26				5,460,259.26	5,503,177.75	42,918.49	
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37			44,988.35				44,988.35	44,576.66	(411.69)	
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37			2,425,092.69				2,425,092.69	2,444,188.92	19,096.23	
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37			187,481.94				187,481.94	188,958.26	1,476.32	
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37			584,569.03				584,569.03	591,932.71	7,363.68	
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37			428,091.18				428,091.18	424,177.11	(3,914.07)	
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37			1,327,676.95				1,327,676.95	1,338,142.49	10,465.54	
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37			1,204,325.44				1,204,325.44	1,200,133.96	(4,191.48)	
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37			201,792.39				201,792.39	202,419.67	627.28	
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37			176,239.61				176,239.61	172,950.96	(3,288.65)	
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37			1,405,042.41				1,405,042.41	1,400,245.54	(4,796.87)	
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37			202,737.65				202,737.65	202,033.27	(704.38)	
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37			1,256,741.79				1,256,741.79	1,252,379.21	(4,362.58)	
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37			215,035.07				215,035.07	210,915.27	(4,119.80)	
GIC's	2006 FGH Single Family	5.19	11/15/06	08/29/08	132,030,000.00	132,030,000.00		(15,273,364.05)			116,756,635.95	116,756,635.95	-	
Repo Agmt	2006 FGH Single Family	5.31	02/28/07	03/01/07	135,256.07	135,256.07		(95,992.70)			39,263.37	39,263.37	-	
	2006 FGH Single Family Total				134,678,545.07	134,678,545.07	17,134,708.42	(15,944,261.05)	0.00	0.00	135,868,992.44	135,925,150.46	56,158.02	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	75,327.62	72,124.80			(390.89)		74,936.73	71,278.16	(455.75)	
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	70,289.60	67,301.45			(285.15)		70,004.45	66,587.13	(429.17)	
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	6,009.16	5,768.65			(25.13)		5,984.03	5,706.98	(36.54)	
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	12,513.51	12,012.53			(52.37)		12,461.14	11,884.09	(76.07)	
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	22,485.16	21,527.82			(103.30)		22,381.86	21,287.83	(136.69)	
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	98,208.60	94,029.82			(444.06)		97,764.54	92,988.41	(597.35)	
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	20,962.49	20,070.69			(97.42)		20,865.07	19,845.90	(127.37)	
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	30,448.08	29,152.91			(129.32)		30,318.76	28,837.98	(185.61)	
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	77,914.55	74,600.63			(334.87)		77,579.68	73,790.98	(474.78)	
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	126,212.82	120,845.71			(531.25)		125,681.57	119,544.82	(769.64)	
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	74,305.33	71,146.86			(301.58)		74,003.75	70,391.62	(453.66)	
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	74,634.69	71,462.59			(7,562.64)		67,072.05	63,798.58	(101.37)	
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	153,703.45	147,113.02			(640.85)		153,062.60	145,500.81	(971.36)	
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	77,751.46	74,418.11			(334.95)		77,416.51	73,592.32	(490.84)	
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,307.61	7,332.39			(25.24)		7,282.37	7,293.25	(13.90)	
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	101,955.50	97,584.96			(453.60)		101,501.90	96,488.43	(642.93)	
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	10,097.87	10,132.15			(34.42)		10,063.45	10,078.50	(19.23)	
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	115,425.73	110,478.57			(650.89)		114,774.84	109,106.56	(721.12)	
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	162,477.28	155,514.56			(9,104.38)		153,372.90	145,799.44	(610.74)	
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	56,228.12	53,818.90			(229.18)		55,998.94	53,234.09	(355.63)	
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	115,914.44	110,947.77			(478.33)		115,436.11	109,736.61	(732.83)	
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	81,139.25	77,663.09			(12,462.05)		68,677.20	65,286.75	85.71	
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	74,907.79	71,699.04			(340.22)		74,567.57	70,886.77	(472.05)	
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	72,461.00	69,357.56			(4,693.51)		67,767.49	64,422.80	(241.25)	
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	30,144.12	28,853.27			(120.26)		30,023.86	28,542.22	(190.79)	
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	45,935.00	43,968.20			(216.11)		45,718.89	43,462.98	(289.11)	
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	45,470.50	43,523.82			(181.60)		45,288.90	43,054.43	(287.79)	
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	62,419.08	59,747.58			(5,841.17)		56,577.91	53,787.16	(119.25)	
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	44,794.37	42,990.51			(189.22)		44,605.15	42,519.13	(282.16)	
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	63,361.01	60,649.93			(252.31)		63,108.70	59,996.55	(401.07)	
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	56,442.68	54,027.97			(230.49)		56,212.19	53,440.41	(357.07)	
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	92,328.58	88,379.18			(413.91)		91,914.67	87,383.11	(582.16)	
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	63,133.73	60,433.55			(249.73)		62,884.00	59,784.09	(399.73)	
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	213,758.12	204,626.13			(7,220.75)		206,537.37	196,365.84	(1,039.54)	
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	36,105.25	34,563.00			(141.15)		35,964.10	34,193.15	(228.70)	
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	54,025.98	51,852.28			(217.93)		53,808.05	51,293.56	(340.79)	
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	27,230.29	26,065.97			(108.99)		27,121.30	25,784.63	(172.35)	
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	49,360.69	47,375.05			(228.74)		49,131.95	46,836.32	(309.99)	
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	59,763.02	57,208.44			(259.02)		59,504.00	56,572.14	(377.28)	
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	53,710.01	51,549.94			(213.00)		53,497.01	50,997.96	(338.98)	
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	112,806.09	107,985.48			(5,330.08)		107,476.01	102,181.71	(473.69)	
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	47,969.49	45,919.81			(189.32)		47,780.17	45,426.74	(303.75)	
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,717.93	9,327.84			(38.08)		9,679.85	9,228.39	(61.37)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	16,778.38	16,062.61			(67.53)		16,710.85	15,888.88	(106.20)	
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	21,970.02	21,032.90			(94.41)		21,875.61	20,799.72	(138.77)	
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	23,621.87	22,672.62			(92.10)		23,529.77	22,431.35	(149.17)	
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	18,177.14	17,400.91			(71.08)		18,106.06	17,214.69	(115.14)	
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	4,041.91	3,879.53			(15.58)		4,026.33	3,838.42	(25.53)	
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	29,303.35	28,126.27			(116.11)		29,187.24	27,825.16	(185.00)	
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	81,222.55	77,755.54			(351.47)		80,871.08	76,891.21	(512.86)	
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	144,245.44	138,089.65			(701.14)		143,544.30	136,481.51	(907.00)	
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	11,916.51	11,438.33			(46.56)		11,869.95	11,316.50	(75.27)	
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	15,178.19	14,531.02			(72.09)		15,106.10	14,363.38	(95.55)	
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	100,116.11	95,848.62			(464.73)		99,651.38	94,753.22	(630.67)	
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	24,870.06	23,872.84			(97.97)		24,772.09	23,617.85	(157.02)	
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	11,888.12	11,372.29			(49.05)		11,839.07	11,232.63	(90.61)	
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	12,394.71	11,857.14			(55.70)		12,339.01	11,707.22	(94.22)	
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	16,591.41	15,872.03			(78.41)		16,513.00	15,667.69	(125.93)	
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	16,937.71	16,181.08			(76.71)		16,861.00	15,976.92	(127.45)	
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	13,416.17	12,834.75			(54.93)		13,361.24	12,677.54	(102.28)	
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,646.21	11,126.32			(46.87)		11,599.34	10,991.50	(87.95)	
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	23,308.18	22,268.76			(99.33)		23,208.85	21,993.69	(175.74)	
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	17,978.26	17,176.84			(100.16)		17,878.10	16,942.36	(134.32)	
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,981.42	4,759.45			(19.29)		4,962.13	4,702.50	(37.66)	
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	10,290.28	9,831.79			(39.75)		10,250.53	9,714.23	(77.81)	
Repo Agmt	2002 A-D SF MRB				0.03	0.03		(0.03)						
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,814.34	7,842.90			(28.12)		7,786.22	7,799.59	(15.19)	
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	18,464.61	18,531.68			(2,108.80)		16,355.81	16,383.52	(39.36)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	16,136.88	16,196.87			(58.87)		16,078.01	16,106.62	(31.38)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	22,917.35	22,959.48			(82.43)		22,834.92	22,832.89	(44.16)	
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	20,742.45	20,819.51			(72.79)		20,669.66	20,706.40	(40.32)	
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,797.07	7,825.62			(29.84)		7,767.23	7,780.62	(15.16)	
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,867.05	7,895.85			(29.72)		7,837.33	7,850.84	(15.29)	
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	10,499.99	10,538.44			(3,920.18)		6,579.81	6,591.15	(27.11)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	8,450.82	8,481.99			(30.53)		8,420.29	8,435.04	(16.42)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	13,060.94	13,109.11			(46.37)		13,014.57	13,037.35	(25.39)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,542.97	4,559.73			(17.29)		4,525.68	4,533.60	(8.84)	
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,937.81	2,948.64			(28.40)		2,909.41	2,914.49	(5.75)	
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	20,569.63	20,608.21			(82.14)		20,487.49	20,486.42	(39.65)	
Repo Agmt	2002 A-D SF MRB	5.31	02/28/07	03/01/07	10,710.78	10,710.78	141.22				10,852.00	10,852.00		
Repo Agmt	2002 A-D SF MRB	5.31	02/28/07	03/01/07	68,744.09	68,744.09	5,676,481.26				5,745,225.35	5,745,225.35		
Repo Agmt	2002 A-D SF MRB	5.31	02/28/07	03/01/07	8,720.35	8,720.35	259,202.18				267,922.53	267,922.53		
GIC's	2002 A-D SF MRB	5.01	06/26/02	03/01/34	2,870,862.45	2,870,862.45		(2,602,695.49)			268,166.96	268,166.96		
GIC's	2002 A-D SF MRB	4.51	06/26/02	03/01/34	118,206.18	118,206.18		(91,674.03)			26,532.15	26,532.15		
GIC's	2002 A-D SF MRB				68.76	68.76		(68.76)						
GNMA	2002 A-D SF MRB				115,689.39	118,235.57			(115,689.39)				(2,546.18)	
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	219,900.14	220,797.39			(909.78)		218,990.36	219,316.31	(571.30)	
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	260,006.07	265,715.86			(90,674.84)		169,331.23	172,993.13	(2,047.89)	
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	270,886.31	272,009.42			(1,099.48)		269,786.83	270,206.09	(703.85)	
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	63,134.95	64,517.64			(237.06)		62,897.89	64,254.34	(26.24)	
GNMA	2002 A-D SF MRB	6.15	09/19/02	09/20/32	150,602.34	153,901.99			(57,566.30)		93,036.04	95,043.28	(1,292.41)	
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	244,423.07	245,425.31			(1,074.87)		243,348.20	243,715.30	(635.14)	
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	181,830.32	185,815.12			(816.03)		181,014.29	184,920.66	(78.43)	
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	237,131.96	238,105.52			(975.85)		236,156.11	236,513.56	(616.11)	
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	236,693.65	241,883.45			(65,396.26)		171,297.39	174,995.97	(1,491.22)	
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	70,092.69	70,381.24			(314.47)		69,778.22	69,884.61	(182.16)	
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	218,393.89	223,185.13			(819.27)		217,574.62	222,275.11	(90.75)	
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	127,887.74	130,694.21			(490.34)		127,397.40	130,150.49	(53.38)	
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	56,538.85	56,772.44			(387.20)		56,151.65	56,238.04	(147.20)	
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	61,801.97	63,158.55			(220.78)		61,581.19	62,912.32	(25.45)	
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	139,030.22	139,605.38			(657.09)		138,373.13	138,586.91	(361.38)	
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	81,404.42	83,192.50			(288.78)		81,115.64	82,870.23	(33.49)	
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	99,559.27	99,972.94			(402.78)		99,156.49	99,311.46	(258.70)	
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	422,583.73	431,868.54			(1,646.22)		420,937.51	430,045.31	(177.01)	
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	269,921.90	271,045.09			(1,152.06)		268,769.84	269,191.58	(701.45)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	102,138.69	104,382.84			(392.17)		101,746.52	103,948.00	(42.67)	
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	144,817.94	145,420.57			(1,194.48)		143,623.46	143,848.83	(377.26)	
GNMA	2002 A-D SF MRB	6.15	12/12/02	12/20/32	63,026.57	64,412.42			(226.68)		62,799.89	64,159.75	(25.99)	
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	108,423.99	108,876.91			(444.48)		107,979.51	108,150.67	(281.76)	
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	118,817.14	121,431.41			(800.70)		118,016.44	120,573.47	(57.24)	
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	205,426.28	206,287.34			(822.74)		204,603.54	204,930.57	(534.03)	
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	174,596.26	178,437.80			(636.24)		173,960.02	177,729.17	(72.39)	
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	101,484.98	101,910.35			(404.79)		101,080.19	101,241.74	(263.82)	
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32			115,265.66				115,265.66	117,763.92	2,498.26	
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	488,414.14	498,846.41			(1,782.13)		486,632.01	496,907.59	(156.69)	
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	178,266.06	178,929.14			(79,690.47)		98,575.59	98,734.45	(504.22)	
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	108,968.68	111,296.20			(386.82)		108,581.86	110,874.66	(34.72)	
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	102,628.44	103,010.14			(406.86)		102,221.58	102,386.28	(217.00)	
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	357,442.76	365,079.39			(1,358.67)		356,084.09	363,604.90	(115.82)	
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	342,017.51	343,291.44			(2,051.78)		339,965.73	340,515.36	(724.30)	
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	423,244.24	432,292.82			(2,073.92)		421,170.32	430,071.88	(147.02)	
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	172,257.11	175,940.86			(805.54)		171,451.57	175,076.31	(59.01)	
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	117,494.36	117,935.81			(460.23)		117,034.13	117,227.13	(248.45)	
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	437,042.75	446,391.29			(1,528.68)		435,514.07	444,723.74	(138.87)	
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	106,600.57	107,000.02			(423.39)		106,177.18	106,351.21	(225.42)	
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	315,840.66	322,600.20			(1,132.98)		314,707.68	321,365.91	(101.31)	
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	157,229.62	160,596.53			(746.92)		156,482.70	159,795.46	(54.15)	
GNMA	2002 A-D SF MRB	5.40	03/24/03	02/20/33	109,231.64	109,643.48			(471.95)		108,759.69	108,940.47	(231.06)	
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	200,022.01	204,307.35			(722.68)		199,299.33	203,520.78	(63.89)	
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	159,954.28	163,380.71			(554.17)		159,400.11	162,775.80	(50.74)	
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	317,118.79	323,913.88			(1,204.13)		315,914.66	322,606.92	(102.83)	
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	70,712.83	72,228.05			(245.18)		70,467.65	71,960.44	(22.43)	
GNMA	2002 A-D SF MRB				90,815.91	91,159.22			(90,815.91)				(343.31)	
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	163,570.30	167,076.72			(566.93)		163,003.37	166,457.89	(51.90)	
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	169,140.18	172,767.06			(605.99)		168,534.19	172,106.98	(54.09)	
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	87,906.01	89,790.98			(337.10)		87,568.91	89,425.29	(28.59)	
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	51,420.52	52,523.74			(188.26)		51,232.26	52,318.89	(16.59)	
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	84,104.36	85,908.75			(297.71)		83,806.65	85,584.14	(26.90)	
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	178,910.30	182,749.59			(637.10)		178,273.20	182,055.35	(57.14)	
GNMA	2002 A-D SF MRB				63,936.26	65,308.83			(63,936.26)				(1,372.57)	
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	63,412.50	64,775.05			(219.99)		63,192.51	64,534.93	(20.13)	
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	81,825.42	83,583.95			(278.82)		81,546.60	83,279.25	(25.88)	
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	51,858.37	52,974.38			(202.51)		51,655.86	52,754.91	(16.96)	
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	93,473.93	95,485.52			(544.38)		92,929.55	94,906.77	(34.37)	
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	87,379.80	89,260.79			(344.66)		87,035.14	88,887.49	(28.64)	
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	48,408.11	49,450.39			(163.77)		48,244.34	49,271.32	(15.30)	
GNMA	2002 A-D SF MRB	6.15	09/04/03	08/20/33	55,293.59	56,485.94			(184.43)		55,109.16	56,284.08	(17.43)	
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	165,881.80	169,462.92			(559.31)		165,322.49	168,851.05	(52.56)	
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	58,036.68	59,289.82			(218.72)		57,817.96	59,052.22	(18.88)	
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	65,485.50	66,905.56			(214.47)		65,271.03	66,670.45	(20.64)	
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	103,835.91	106,012.52			(331.26)		103,504.65	105,618.79	(62.47)	
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	187,180.82	187,866.45			(673.52)		186,507.30	186,829.09	(363.84)	
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	39,932.54	40,770.44			(172.12)		39,760.42	40,573.38	(24.94)	
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	442,289.59	443,902.03			(50,512.99)		391,776.60	392,445.81	(943.23)	
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	386,538.37	387,974.55			(1,410.25)		385,128.12	385,812.83	(751.47)	
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	548,951.42	549,964.06			(1,974.39)		546,977.03	546,931.76	(1,057.90)	
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	496,851.96	498,704.07			(1,743.58)		495,108.38	495,994.65	(965.84)	
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	186,766.77	187,452.42			(714.63)		186,052.14	186,374.68	(363.11)	
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	188,441.86	189,134.78			(711.73)		187,730.13	188,056.69	(366.36)	
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	251,508.12	252,434.20			(93,900.66)		157,607.46	157,882.41	(651.13)	
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	202,427.99	203,174.99			(731.15)		201,696.84	202,050.35	(393.49)	
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	312,855.05	314,011.47			(1,110.64)		311,744.41	312,292.68	(608.15)	
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	108,819.30	109,222.31			(414.36)		108,404.94	108,596.36	(211.59)	
GNMA	2002 A-D SF MRB	5.40	08/26/04	08/20/34	70,369.91	70,630.88			(680.26)		69,689.65	69,812.99	(137.63)	
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	414,828.18	416,403.53			(1,475.75)		413,352.43	414,121.18	(806.60)	
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,379,970.44	1,321,296.46			(7,160.94)		1,372,809.50	1,305,786.45	(8,349.07)	
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	1,267,677.18	1,232,934.80			(5,223.97)		1,282,453.21	1,219,848.88	(7,861.95)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	492,718.07	493,642.40			(1,967.63)		490,750.44	490,725.17	(949.60)	
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	110,085.57	105,679.35			(460.41)		109,625.16	104,549.67	(669.27)	
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,556,197.30	1,562,047.16			(5,845.30)		1,550,352.00	1,553,175.74	(3,026.12)	
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	229,238.13	220,064.55			(959.33)		228,278.80	217,711.58	(1,393.64)	
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	385,871.40	386,599.97			(1,462.27)		384,409.13	384,393.60	(744.10)	
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	411,909.58	394,380.79			(1,892.47)		410,017.11	389,984.40	(2,503.92)	
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,799,141.29	1,722,587.52			(8,135.01)		1,791,006.28	1,703,509.41	(10,943.10)	
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	457,360.18	459,085.46			(1,619.10)		455,741.08	456,577.14	(889.22)	
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	384,024.49	367,686.77			(1,784.54)		382,239.95	363,568.75	(2,333.48)	
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	67,904.00	68,160.53			(235.15)		67,668.85	67,793.37	(132.01)	
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	557,796.16	534,069.37			(2,369.00)		555,427.16	528,300.07	(3,400.30)	
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,427,362.55	1,366,652.83			(6,134.65)		1,421,227.90	1,351,820.49	(8,697.69)	
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	2,312,166.31	2,213,643.55			(9,732.22)		2,302,434.09	2,190,011.83	(14,099.50)	
GNMA	2002 A-D SF MRB	5.40	12/23/04	12/20/34	106,889.24	107,297.10			(386.08)		106,503.16	106,703.17	(207.85)	
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,361,243.08	1,303,381.14			(5,524.50)		1,355,718.58	1,289,545.56	(8,311.08)	
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	1,367,277.12	1,309,165.31			(138,544.35)		1,228,732.77	1,168,763.87	(1,857.09)	
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	2,815,783.98	2,695,049.80			(11,740.07)		2,804,043.91	2,665,514.88	(17,794.85)	
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	443,815.41	445,317.70			(1,522.58)		442,292.83	442,950.74	(844.38)	
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,424,374.78	1,363,309.20			(6,136.16)		1,418,238.62	1,348,181.11	(8,991.93)	
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	133,872.54	134,326.52			(462.24)		133,410.30	133,609.56	(254.72)	
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,867,782.48	1,787,716.22			(8,309.53)		1,859,472.95	1,767,628.47	(11,778.22)	
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	184,988.56	185,616.81			(630.68)		184,357.88	184,634.17	(351.96)	
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	2,114,552.14	2,023,921.89			(11,924.38)		2,102,627.76	1,998,787.30	(13,210.21)	
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	2,976,516.69	2,848,962.55			(166,788.47)		2,809,728.22	2,670,985.73	(11,188.35)	
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	1,030,076.51	985,940.10			(4,198.64)		1,025,877.87	975,226.62	(6,514.84)	
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,123,504.57	2,032,517.28			(8,762.78)		2,114,741.79	2,010,329.45	(13,425.05)	
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	192,469.58	193,212.79			(670.97)		191,798.61	192,167.34	(374.48)	
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	1,486,437.61	1,422,755.79			(228,299.65)		1,258,137.96	1,196,026.44	1,570.30	
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,372,280.00	1,313,496.87			(6,232.59)		1,366,047.41	1,298,616.51	(8,647.77)	
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,327,456.04	1,270,601.97			(85,983.40)		1,241,472.64	1,180,199.33	(4,419.24)	
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	552,227.80	528,579.99			(2,203.13)		550,024.67	522,881.72	(3,495.14)	
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	125,200.42	125,631.84			(448.59)		124,751.83	124,944.97	(238.28)	
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	841,510.88	805,479.27			(3,958.99)		837,551.89	796,223.88	(5,296.40)	
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	833,000.89	797,338.51			(3,326.84)		829,674.05	788,739.55	(5,272.12)	
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	1,143,491.72	1,094,550.98			(107,007.89)		1,036,483.83	985,358.65	(2,184.44)	
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	820,614.78	787,568.34			(3,466.62)		817,148.16	778,932.99	(5,168.73)	
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	229,390.66	229,758.08			(785.91)		228,604.75	228,539.45	(432.72)	
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,160,747.49	1,111,081.64			(4,622.13)		1,156,125.36	1,099,112.08	(7,347.43)	
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	1,034,007.06	989,770.17			(4,222.72)		1,029,784.34	979,006.40	(6,541.05)	
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	131,674.09	132,133.01			(449.12)		131,224.97	131,453.16	(250.73)	
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,691,421.22	1,619,070.28			(7,582.59)		1,683,838.63	1,600,822.68	(10,665.01)	
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	231,177.83	231,550.92			(797.72)		230,380.11	230,316.86	(436.34)	
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	1,156,584.19	1,107,117.70			(4,575.01)		1,152,009.18	1,095,219.87	(7,322.82)	
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	3,915,960.61	3,748,666.33			(132,281.10)		3,783,679.51	3,597,341.34	(19,043.89)	
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	117,382.44	117,799.03			(409.62)		116,972.82	117,165.96	(223.45)	
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	661,433.24	633,179.93			(2,585.77)		658,847.47	626,404.44	(4,189.72)	
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	989,733.91	949,912.48			(3,992.33)		985,741.58	939,676.99	(6,243.16)	
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	160,032.61	160,594.40			(537.31)		159,495.30	159,752.52	(304.57)	
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	498,856.13	477,517.93			(1,995.20)		496,860.93	472,363.94	(3,158.79)	
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	904,267.96	867,891.34			(4,190.50)		900,077.46	858,022.09	(5,678.75)	
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	169,126.41	169,722.01			(669.93)		168,456.48	168,730.04	(322.04)	
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,094,833.96	1,048,034.97			(4,744.92)		1,090,089.04	1,036,378.33	(6,911.72)	
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	983,945.04	944,373.68			(3,902.03)		980,043.01	934,261.71	(6,209.94)	
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	2,066,561.30	1,978,249.50			(97,644.96)		1,968,916.34	1,871,926.84	(8,677.70)	
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	878,781.46	841,232.13			(3,468.12)		875,313.34	832,199.30	(5,564.71)	
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	178,028.85	170,882.16			(697.67)		177,331.18	169,060.36	(1,124.13)	
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	59,283.66	59,497.35			(204.23)		59,079.43	59,180.20	(112.92)	
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	307,373.36	294,260.45			(1,237.20)		306,136.16	291,077.84	(1,945.41)	
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	402,482.19	385,314.14			(1,729.71)		400,752.48	381,042.42	(2,542.01)	
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	432,743.28	415,353.05			(1,687.17)		431,056.11	410,933.22	(2,732.66)	
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	332,997.89	318,777.63			(1,302.16)		331,695.73	315,366.13	(2,109.34)	
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	74,046.03	71,071.36			(285.23)		73,760.80	70,318.37	(467.76)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	06/11/05	07/20/35	63,869.04	64,097.65			(209.77)		63,659.27	63,766.26	(121.62)	
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	536,825.10	515,261.58			(2,127.08)		534,698.02	509,745.55	(3,388.95)	
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,487,963.75	1,424,449.47			(6,439.07)		1,481,524.68	1,408,615.37	(9,395.03)	
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,642,516.75	2,529,745.45			(12,844.51)		2,629,672.24	2,500,285.08	(16,615.86)	
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	218,305.77	209,545.60			(853.02)		217,452.75	207,313.78	(1,378.80)	
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	278,058.17	266,202.30			(1,320.79)		276,737.38	263,131.21	(1,750.30)	
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,834,085.84	1,755,907.09			(8,513.81)		1,825,572.03	1,735,839.96	(11,553.32)	
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	455,609.21	437,340.69			(1,794.60)		453,814.61	432,669.45	(2,876.64)	
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	76,552.95	78,242.47			(245.62)		76,307.33	78,134.89	138.04	
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	58,001.41	57,890.22			(831.30)		57,170.11	56,823.99	(234.93)	
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	63,399.61	64,629.45			(595.07)		62,804.54	64,174.02	139.64	
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	48,333.13	49,399.84			(153.63)		48,179.50	49,333.39	87.18	
FNMA	2002 A-D SF MRB	5.45	03/25/04	02/01/34	82,845.47	82,468.53			(279.07)		82,566.40	81,846.43	(343.03)	
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	103,028.89	104,606.47			(334.17)		102,694.72	104,499.29	226.99	
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	303,511.68	302,687.94			(1,094.33)		302,417.35	300,372.82	(1,220.79)	
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	217,785.46	208,335.56			(698.80)		216,886.66	205,777.20	(1,659.58)	
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	227,065.70	217,217.92			(1,020.30)		226,045.40	214,471.52	(1,726.10)	
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	303,947.59	290,768.97			(1,436.34)		302,511.25	287,025.67	(2,306.96)	
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	310,291.74	296,430.66			(1,405.37)		308,886.37	292,690.62	(2,334.67)	
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	245,778.97	235,127.40			(1,006.47)		244,772.50	232,247.47	(1,873.46)	
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	238,820.67	238,187.86			(908.35)		237,912.32	236,319.10	(960.41)	
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	213,354.30	203,829.45			(858.67)		212,495.63	201,359.76	(1,611.02)	
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	426,996.58	407,954.53			(1,819.89)		425,176.69	402,915.50	(3,219.14)	
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	112,248.58	111,830.10			(380.54)		111,868.04	111,065.66	(383.90)	
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	329,354.48	314,672.51			(1,834.85)		327,519.63	310,377.13	(2,460.53)	
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	91,257.69	87,191.18			(353.37)		90,904.32	86,147.91	(689.90)	
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	188,513.47	180,114.26			(728.23)		187,785.24	177,960.79	(1,425.24)	
Repo Agmt	2002 A-D SF MRB	5.31	02/28/07	03/01/07	1,271,769.57	1,271,769.57		(46,854.72)			1,224,914.85	1,224,914.85	-	
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37			17,099.30				17,099.30	17,097.46	(1.84)	
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37			24,508.29				24,508.29	24,203.50	(304.79)	
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37			12,311.52				12,311.52	12,434.59	123.07	
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37			9,633.35				9,633.35	9,440.24	(193.11)	
	2002 A-D SF MRB Total				92,868,088.02	90,194,704.93	6,114,642.78	(2,741,293.03)	(2,027,753.65)	0.00	94,213,684.12	91,121,811.35	(418,489.68)	0.00
Repo Agmt	2004A Single Family (JR Lien)	5.31	02/28/07	03/01/07	843.69	843.69	116,649.06				117,492.75	117,492.75	-	
Repo Agmt	2004A Single Family (JR Lien)	5.31	02/28/07	03/01/07	124,205.19	124,205.19	0.00				124,205.19	124,205.19	-	
Repo Agmt	2004A Single Family (JR Lien)	5.31	02/28/07	03/01/07	357,892.31	357,892.31		(65,923.49)			291,968.82	291,968.82	-	
	2004A Single Family (JR Lien) Total				482,941.19	482,941.19	116,649.06	(65,923.49)	0.00	0.00	533,666.76	533,666.76	0.00	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	5.31	02/28/07	03/01/07	2,217.51	2,217.51	4,266.26				6,483.77	6,483.77	-	
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	192,300.26	192,300.26	62,324.64				254,624.90	254,624.90	-	
Repo Agmt	1991 A S/F (1980 A Refunding)	5.31	02/28/07	03/01/07	0.01	0.01	183.13				183.14	183.14	-	
GIC's	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	6,951.57	6,951.57		(153.68)			6,797.89	6,797.89	-	
Repo Agmt	1991 A S/F (1980 A Refunding)	5.31	02/28/07	03/01/07			12,466.98				12,466.98	12,466.98	-	
GIC's	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	566,817.35	566,817.35	0.00				566,817.35	566,817.35	-	
Repo Agmt	1991 A S/F (1980 A Refunding)	5.31	02/28/07	03/01/07			0.11				0.11	0.11	-	
	1991 A S/F (1980 A Refunding) Total				768,286.70	768,286.70	79,241.12	(153.68)	0.00	0.00	847,374.14	847,374.14	0.00	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	5.31	02/28/07	03/01/07	17.30	17.30	21,504.75				21,522.05	21,522.05	-	
Repo Agmt	1994 A&B SF (1983 Refunding)	5.31	02/28/07	03/01/07			7.67				7.67	7.67	-	
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	28,338.79	28,338.79	7,618.18				35,956.97	35,956.97	-	
GIC's	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29			3.28				3.28	3.28	-	
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	12,829.14	13,180.99			(89.92)		12,739.22	13,083.54	(7.53)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	9,999.92	10,260.59			(99.86)		9,900.06	10,154.37	(6.36)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	11,085.21	11,400.55			(81.70)		11,003.51	11,312.02	(6.83)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	11,107.02	11,429.30			(71.08)		11,035.94	11,351.53	(6.69)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	12,254.12	12,605.53			(167.51)		12,086.61	12,428.23	(9.79)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	10,923.44	11,130.68			(2,343.63)		8,579.81	8,739.65	(47.40)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	10,751.14	10,942.40			(343.10)		10,408.04	10,589.81	(9.49)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	25,075.27	25,516.23			(505.26)		24,570.01	24,994.15	(16.82)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	14,177.82	14,433.94			(2,061.81)		12,116.01	12,330.93	(41.20)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	12,083.68	12,293.06			(127.82)		11,955.86	12,159.19	(6.05)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/97	03/01/27	1,741.85	1,772.86			(63.11)		1,678.74	1,708.07	(1.68)	
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	9,932.20	10,157.74			(61.55)		9,870.65	10,105.05	8.86	
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	66,643.62	68,107.00			(2,838.16)		63,805.46	65,140.26	(128.58)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	19,672.53	20,102.69			(194.84)		19,477.69	19,883.37	(24.48)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	49,896.94	50,980.02			(625.85)		49,271.09	50,289.58	(64.59)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	20,200.87	20,639.42			(216.15)		19,984.72	20,397.89	(25.38)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	52,423.76	53,559.56			(2,648.75)		49,775.01	50,801.90	(108.91)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	27,450.45	28,051.60			(2,895.90)		24,554.55	25,066.79	(88.91)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	71,729.60	73,292.00			(4,608.87)		67,120.73	68,513.13	(170.00)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	18,862.51	19,269.57			(119.33)		18,743.18	19,128.28	(21.96)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	68,380.10	69,847.23			(584.11)		67,795.99	69,180.64	(82.48)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	49,587.27	50,452.65			(500.03)		49,087.24	49,895.97	(56.65)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	23,541.71	23,935.58			(243.08)		23,298.63	23,665.91	(26.59)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	19,375.66	19,707.89			(311.43)		19,064.23	19,372.57	(23.89)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	57,226.99	58,189.57			(3,600.86)		53,626.13	54,476.19	(112.52)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	33,992.00	34,592.00			(3,048.13)		30,943.87	31,459.75	(84.12)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	21,268.04	21,619.09			(2,682.55)		18,585.49	18,874.34	(62.20)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	44,422.25	45,156.45			(309.13)		44,113.12	44,799.67	(47.65)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	30,225.13	30,764.98			(282.95)		29,942.18	30,461.02	(21.01)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	24,880.53	25,323.96			(222.55)		24,657.98	25,084.30	(17.11)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	10,816.89	10,997.80			(84.51)		10,732.38	10,906.30	(6.99)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	27,515.08	27,954.65			(205.37)		27,309.71	27,732.12	(17.16)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	11,201.42	11,372.32			(69.24)		11,132.18	11,296.46	(6.62)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	14,983.65	15,212.24			(185.69)		14,797.96	15,016.31	(10.24)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	14,210.86	14,434.00			(2,372.29)		11,838.57	12,018.48	(43.23)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	16,644.57	17,012.03			(406.60)		16,237.97	16,586.96	(18.47)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	32,010.09	32,514.39			(201.16)		31,808.93	32,293.99	(19.24)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	9,380.37	9,522.27			(52.00)		9,328.37	9,465.56	(4.71)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	13,010.41	13,207.28			(153.38)		12,857.03	13,046.17	(7.73)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	13,428.84	13,631.96			(225.41)		13,203.43	13,397.60	(8.97)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	19,467.48	19,762.02			(2,622.59)		16,844.89	17,092.67	(46.76)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	9,683.75	9,830.31			(103.62)		9,580.13	9,721.09	(5.60)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	18,634.57	18,916.49			(158.50)		18,476.07	18,747.84	(10.15)	
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	36,765.73	37,322.01			(1,999.12)		34,766.61	35,278.04	(44.85)	
Repo Agmt	1994 A&B SF (1983 Refunding)				19,929.68	19,929.68		(19,929.68)						-
Repo Agmt	1994 A&B SF (1983 Refunding)				11,913.22	11,913.22		(11,913.22)						-
Repo Agmt	1994 A&B SF (1983 Refunding)				7.60	7.60		(7.60)						-
Repo Agmt	1994 A&B SF (1983 Refunding)	5.31	02/28/07	03/01/07	10,936.26	10,936.26	144.26				11,080.52	11,080.52		-
Repo Agmt	1994 A&B SF (1983 Refunding)	5.31	02/28/07	03/01/07	589,212.55	589,212.55	155,891.54				745,104.09	745,104.09		-
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	4,844.66	4,945.99			(39.24)		4,805.42	4,910.07	3.32	
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	5,290.80	5,399.95			(1,409.40)		3,881.40	3,967.46	(23.09)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	3,539.95	3,612.91			(40.72)		3,499.23	3,576.74	4.55	
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	27,698.59	28,226.53			(1,461.70)		26,236.89	26,720.70	(44.13)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	5,687.64	5,804.99			(36.85)		5,650.79	5,776.07	7.93	
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	48,848.50	49,779.56			(344.75)		48,503.75	49,398.16	(36.65)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	32,370.38	32,987.35			(929.14)		31,441.24	32,021.01	(37.20)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	19,978.67	19,952.47			(139.50)		19,839.17	19,758.78	(54.19)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	19,343.83	19,712.53			(1,357.68)		17,986.15	18,317.81	(37.04)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	8,946.85	9,117.40			(54.03)		8,892.82	9,056.82	(6.55)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	13,760.92	14,023.17			(1,234.52)		12,526.40	12,757.36	(31.29)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	2,228.31	2,274.29			(40.27)		2,188.04	2,236.55	2.53	
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	12,188.66	12,420.97			(1,305.28)		10,883.38	11,084.05	(31.64)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	8,016.54	8,169.33			(46.62)		7,969.92	8,116.88	(5.83)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,694.10	2,745.44			(14.39)		2,679.71	2,729.11	(1.94)	
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	2,272.31	2,319.86			(46.70)		2,225.61	2,274.09	0.93	
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	16,928.42	17,243.47			(131.26)		16,797.16	17,100.68	(11.53)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	1,116.71	1,137.49			(37.54)		1,079.17	1,098.66	(1.29)	
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,850.97	5,959.86			(31.62)		5,819.35	5,924.52	(3.72)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	13,517.34	13,505.60			(87.38)		13,429.96	13,390.49	(27.73)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	13,592.39	13,580.54			(85.11)		13,507.28	13,467.54	(27.89)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,754.76	1,753.08			(9.26)		1,745.50	1,736.10	(7.72)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	6,198.49	6,193.11			(34.19)		6,164.30	6,146.19	(12.73)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	7,293.14	7,287.57			(53.15)		7,239.99	7,202.46	(31.96)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	5,018.60	5,014.81			(39.77)		4,978.83	4,953.05	(21.99)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	24,322.54	24,301.35			(842.89)		23,479.65	23,410.59	(47.87)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	3,073.56	3,070.89			(23.94)		3,049.62	3,040.66	(6.29)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	45,853.73	45,813.79			(854.51)		44,999.22	44,866.87	(92.41)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	12,486.35	12,470.05			(65.21)		12,421.14	12,370.89	(33.95)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,275.66	5,268.75			(28.34)		5,247.32	5,226.06	(14.35)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	8,056.00	8,045.42			(68.79)		7,987.21	7,954.83	(21.80)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	5,042.94	5,032.45			(38.13)		5,004.81	4,967.77	(26.55)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	8,710.04	8,698.61			(57.46)		8,652.58	8,617.51	(23.64)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	2,377.60	2,374.45			(12.45)		2,365.15	2,355.53	(6.47)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	12,096.61	12,080.76			(73.98)		12,022.63	11,973.93	(32.85)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	19,027.31	19,002.38			(102.71)		18,924.60	18,847.95	(51.72)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	4,749.43	4,739.44			(62.54)		4,686.89	4,652.09	(24.81)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	112,190.29	112,092.67			(725.24)		111,465.05	111,137.31	(230.12)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	112,812.77	112,714.67			(706.35)		112,106.42	111,776.87	(231.45)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	14,562.53	14,551.23			(76.90)		14,485.63	14,410.35	(63.98)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	51,445.81	51,401.03			(283.70)		51,162.11	51,011.66	(105.67)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	60,530.77	60,484.75			(441.09)		60,089.68	59,778.39	(265.27)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	41,653.25	41,621.56			(330.14)		41,323.11	41,109.02	(182.40)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	201,870.02	201,694.38			(6,995.65)		194,874.37	194,301.43	(397.30)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	25,509.76	25,487.57			(198.68)		25,311.08	25,236.67	(52.22)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	380,572.79	380,241.65			(7,092.23)		373,480.56	372,382.47	(766.95)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	103,633.66	103,497.93			(541.22)		103,092.44	102,674.94	(281.77)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	43,786.51	43,729.15			(235.21)		43,551.30	43,374.91	(119.03)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	18,119.70	18,095.95			(154.71)		17,964.99	17,892.21	(49.03)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	110,639.67	110,543.44			(768.59)		109,871.08	109,548.09	(226.76)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	146,682.62	146,555.01			(4,851.93)		141,830.69	141,413.70	(289.38)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	91,611.73	91,532.05			(741.06)		90,870.67	90,603.52	(187.47)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	69,597.77	69,537.19			(386.65)		69,211.12	69,007.61	(142.93)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	60,208.72	60,162.96			(9,222.25)		50,986.47	50,722.34	(218.37)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	148,973.42	148,843.82			(985.79)		147,987.63	147,552.55	(305.48)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	193,279.95	193,111.82			(1,186.67)		192,093.28	191,528.55	(396.60)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	179,906.38	179,749.88			(1,062.70)		178,843.68	178,317.88	(369.30)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	198,250.06	197,990.33			(1,175.30)		197,074.76	196,276.58	(538.45)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	105,842.32	105,703.66			(10,172.03)		95,670.29	95,282.82	(248.81)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	46,330.80	46,269.87			(276.10)		46,054.70	45,867.93	(125.84)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	25,064.03	25,044.99			(131.08)		24,932.95	24,803.80	(110.11)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	165,817.12	165,599.90			(1,157.81)		164,659.31	163,992.43	(449.66)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	48,742.62	48,678.77			(416.20)		48,326.42	48,130.70	(131.87)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	41,855.38	41,767.90			(316.46)		41,538.92	41,231.11	(220.33)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	72,290.76	72,196.06			(476.92)		71,813.84	71,522.99	(196.15)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	19,733.13	19,707.26			(103.32)		19,629.81	19,550.29	(53.65)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	100,398.51	100,266.94			(614.05)		99,784.46	99,380.28	(272.61)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	157,921.34	157,714.46			(852.41)		157,068.93	156,432.79	(429.26)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	39,418.39	39,336.01			(519.08)		38,899.31	38,611.06	(205.87)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	182,232.54	181,993.85			(1,129.46)		181,103.08	180,369.63	(494.76)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	32,210.43	32,168.26			(159.18)		32,051.25	31,921.47	(87.61)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,976.01	6,967.08			(41.58)		6,934.43	6,906.56	(18.94)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	84,992.52	84,881.17			(8,369.50)		76,623.02	76,312.68	(198.99)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	83,391.19	83,281.98			(822.20)		82,568.99	82,234.60	(225.18)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	154,177.68	153,975.71			(801.65)		153,376.03	152,754.85	(419.21)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	37,642.54	37,563.88			(259.01)		37,383.53	37,106.53	(198.34)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,795.23	5,787.65			(28.16)		5,767.07	5,743.72	(15.77)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	44,611.22	44,552.72			(328.26)		44,282.96	44,103.55	(120.91)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	74,713.20	74,557.02			(562.23)		74,150.97	73,601.47	(393.32)	
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	15,500.46	15,480.17			(6,312.80)		9,187.66	9,150.46	(16.91)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	43,034.78	42,944.86			(221.71)		42,813.07	42,495.85	(227.30)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	46,670.75	46,573.20			(279.18)		46,391.57	46,047.79	(246.23)	
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	16,077.17	16,064.97			(5,277.39)		10,799.78	10,743.85	(43.73)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	277,665.17	265,803.01			(9,379.52)		268,285.65	255,073.15	(1,350.34)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	21,794.62	20,864.84			(87.73)		21,706.89	20,639.17	(137.94)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	28,538.41	27,321.10			(122.66)		28,415.75	27,018.20	(180.24)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	38,064.13	36,535.15			(150.82)		37,913.31	36,144.03	(240.30)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	105,437.95	101,002.04			(469.43)		104,968.52	99,879.30	(653.31)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	187,370.34	179,374.18			(910.75)		186,459.59	177,285.26	(1,178.17)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	15,479.19	14,858.05			(60.48)		15,418.71	14,699.79	(97.78)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	19,715.99	18,875.34			(93.66)		19,622.33	18,657.58	(124.10)	
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	130,047.76	58,860.62			(603.69)		129,444.07	123,081.50	64,824.57	
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	32,305.43	31,010.09			(127.24)		32,178.19	30,678.87	(203.98)	
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	23,353.21	22,312.17			(130.10)		23,223.11	22,007.59	(174.48)	
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	13,366.74	12,771.18			(51.64)		13,315.10	12,618.48	(101.06)	
	1994 A&B SF (1983 Refunding) Total				7,100,320.42	7,017,132.08	185,169.68	(31,850.50)	(142,007.07)	0.00	7,111,632.53	7,075,867.48	47,423.29	0.0
Repo Agmt	1995 C SF (1985 A&B Refunding)	5.31	02/28/07	03/01/07			0.56				0.56	0.56	-	
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	20.95	20.95	0.00				20.95	20.95	-	
Repo Agmt	1995 C SF (1985 A&B Refunding)	5.31	02/28/07	03/01/07			0.01				0.01	0.01	-	
GIC's	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.29	0.29	0.00				0.29	0.29	-	
	1995 C SF (1985 A&B Refunding) Total				21.24	21.24	0.57	0.00	0.00	0.00	21.81	21.81	0.00	0.0
Repo Agmt	2005A Single Family	5.31	02/28/07	03/01/07	1,028,332.60	1,028,332.60	30,211.87				1,058,544.47	1,058,544.47	-	
Repo Agmt	2005A Single Family	5.31	02/28/07	03/01/07	73,679.09	73,679.09	3,910,451.94				3,984,131.03	3,984,131.03	-	
GIC's	2005A Single Family	3.37	09/22/05	09/01/36	1,821,590.40	1,821,590.40		(1,789,213.36)			32,377.04	32,377.04	-	
Repo Agmt	2005A Single Family	5.31	02/28/07	03/01/07	1,029.05	1,029.05	13.50				1,042.55	1,042.55	-	
Inv Agmt	2005A Single Family	3.50	05/13/05	09/01/36	395,878.80	395,878.80	0.00				395,878.80	395,878.80	-	
GNMA	2005A Single Family	4.49	08/11/05	07/20/35	1,219,095.57	1,169,023.97			(5,633.17)		1,213,462.40	1,155,672.06	(7,718.74)	
GNMA	2005A Single Family	4.49	08/30/05	08/20/35	795,114.46	762,473.09			(3,068.35)		792,046.11	754,340.66	(5,064.08)	
GNMA	2005A Single Family	4.49	10/27/05	10/20/35	1,849,956.39	1,774,120.68			(7,340.72)		1,842,615.67	1,755,006.01	(11,773.95)	
GNMA	2005A Single Family	4.49	10/27/05	10/20/35	1,238,418.10	1,187,651.32			(4,925.23)		1,233,492.87	1,174,844.78	(7,881.31)	
GNMA	2005A Single Family	4.49	09/29/05	09/20/35	6,764,595.86	6,487,096.35			(112,370.71)		6,652,225.15	6,335,750.37	(38,975.27)	
GNMA	2005A Single Family	4.49	10/06/05	09/20/35	2,180,704.84	2,091,264.15			(9,092.40)		2,171,612.44	2,068,314.19	(13,857.56)	
GNMA	2005A Single Family	4.49	10/20/05	10/20/35	1,629,460.79	1,562,652.85			(143,844.97)		1,485,615.82	1,414,970.20	(3,837.68)	
GNMA	2005A Single Family	4.49	12/08/05	12/20/35	1,133,941.32	1,087,506.89			(4,295.92)		1,129,645.40	1,075,983.86	(7,227.11)	
GNMA	2005A Single Family	4.49	12/15/05	12/20/35	1,103,068.50	1,060,694.48			(4,226.60)		1,098,841.90	1,049,462.10	(7,005.78)	
GNMA	2005A Single Family	4.49	11/03/05	11/20/35	391,209.97	376,165.04			(1,589.09)		389,620.88	372,095.91	(2,480.04)	
GNMA	2005A Single Family	4.49	11/10/05	11/20/35	2,112,605.05	2,031,374.01			(9,722.67)		2,102,882.38	2,008,309.87	(13,341.47)	
GNMA	2005A Single Family	4.49	11/17/05	11/20/35	1,391,178.34	1,334,179.13			(5,900.73)		1,385,277.61	1,319,443.42	(8,834.98)	
GNMA	2005A Single Family	4.49	11/22/05	11/20/35	972,018.70	932,197.95			(3,901.42)		968,117.28	922,112.94	(6,183.59)	
GNMA	2005A Single Family	4.49	11/29/05	11/20/35	1,095,342.26	1,053,246.95			(4,521.93)		1,090,820.33	1,041,783.11	(6,941.91)	
GNMA	2005A Single Family	4.49	12/22/05	12/20/35	1,636,571.34	1,573,714.14			(6,660.94)		1,629,910.40	1,556,676.45	(10,376.75)	
GNMA	2005A Single Family	4.49	12/29/05	12/20/35	2,724,537.48	2,613,024.25			(10,479.31)		2,714,058.17	2,585,189.73	(17,355.21)	
GNMA	2005A Single Family	4.49	01/05/06	01/20/36	1,752,348.55	1,680,533.53			(9,426.41)		1,742,922.14	1,659,667.35	(11,439.77)	
GNMA	2005A Single Family	4.49	01/12/06	01/20/36	1,867,884.11	1,796,125.95			(7,316.72)		1,860,567.39	1,776,521.89	(12,287.34)	
GNMA	2005A Single Family	4.49	03/09/06	02/20/36	1,503,320.67	1,441,806.13			(5,667.13)		1,497,653.54	1,426,208.31	(9,930.69)	
GNMA	2005A Single Family	4.49	03/02/06	02/20/36	1,842,908.49	1,767,485.79			(7,259.15)		1,835,649.34	1,748,067.74	(12,156.90)	
GNMA	2005A Single Family	4.49	01/19/06	01/20/36	963,835.29	943,528.97			(3,812.31)		980,022.98	933,223.09	(6,493.57)	
GNMA	2005A Single Family	4.49	01/26/06	01/20/36	1,337,896.12	1,283,094.81			(6,000.69)		1,331,895.43	1,268,301.23	(8,792.89)	
GNMA	2005A Single Family	4.49	02/02/06	02/20/36	2,797,695.25	2,683,121.08			(12,085.11)		2,785,610.14	2,652,626.70	(18,409.27)	
GNMA	2005A Single Family	4.49	02/09/06	02/20/36	1,298,433.74	1,245,267.73			(5,039.64)		1,293,394.10	1,231,656.92	(8,571.17)	
GNMA	2005A Single Family	4.49	02/16/06	02/20/36	1,677,335.05	1,608,665.84			(7,230.65)		1,670,104.40	1,590,397.09	(11,038.10)	
GNMA	2005A Single Family	4.49	02/23/06	02/20/36	1,830,861.54	1,755,919.44			(6,923.68)		1,823,937.86	1,736,902.73	(12,093.03)	
GNMA	2005A Single Family	4.49	05/11/06	04/20/36	883,729.17	847,625.19			(3,496.74)		880,232.43	838,297.08	(5,831.37)	
GNMA	2005A Single Family	4.49	05/11/06	05/20/36	401,097.60	385,737.48			(1,483.81)		399,613.79	381,610.67	(2,643.00)	
GNMA	2005A Single Family	4.49	05/18/06	05/20/36	1,210,864.00	1,161,403.45			(4,672.12)		1,206,191.88	1,148,736.72	(7,994.61)	
GNMA	2005A Single Family	4.49	05/18/06	05/20/36	433,676.99	417,072.18			(1,594.90)		432,082.09	412,619.16	(2,858.12)	
GNMA	2005A Single Family	4.49	03/16/06	03/20/36	865,573.75	832,376.73			(3,529.23)		862,044.52	823,159.21	(5,688.29)	
GNMA	2005A Single Family	4.49	03/23/06	03/20/36	2,230,116.85	2,138,894.89			(8,327.91)		2,221,788.94	2,115,831.10	(14,735.88)	
GNMA	2005A Single Family	4.49	03/30/06	03/20/36	1,222,004.59	1,172,028.51			(5,275.33)		1,216,729.26	1,158,711.25	(8,041.93)	
GNMA	2005A Single Family	4.49	04/06/06	03/20/36	1,834,128.90	1,759,131.36			(7,412.25)		1,826,716.65	1,739,624.57	(12,094.54)	
GNMA	2005A Single Family	4.49	04/13/06	03/20/36	1,094,229.50	1,049,493.88			(4,233.27)		1,089,996.23	1,038,036.02	(7,224.59)	
GNMA	2005A Single Family	4.49	04/20/06	04/20/36	2,082,815.00	1,997,678.99			(8,656.49)		2,074,158.51	1,975,299.17	(13,723.33)	
GNMA	2005A Single Family	4.49	04/27/06	04/20/36	874,295.90	838,564.59			(3,583.97)		870,711.93	829,218.43	(5,762.19)	
GNMA	2005A Single Family	4.49	05/05/06	04/20/36	1,710,178.37	1,644,675.04			(78,320.37)		1,631,858.00	1,558,329.69	(8,024.98)	
GNMA	2005A Single Family	4.49	05/25/06	05/20/36	1,141,111.80	1,094,509.29			(4,219.70)		1,136,892.10	1,082,745.61	(7,543.98)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2005A Single Family	4.49	06/01/06	06/20/36	1,328,660.30	1,277,807.37			(4,875.88)		1,323,784.42	1,264,174.38	(8,757.11)	
GNMA	2005A Single Family	4.49	06/08/06	06/20/36	1,671,783.83	1,603,533.24			(8,224.64)		1,663,559.19	1,584,353.30	(10,955.30)	
GNMA	2005A Single Family	4.49	06/15/06	06/20/36	1,152,215.53	1,108,132.64			(4,530.37)		1,147,685.16	1,096,020.39	(7,581.88)	
GNMA	2005A Single Family	4.49	06/27/06	06/20/36	1,977,603.52	1,901,964.99			(7,521.79)		1,970,081.73	1,881,420.30	(13,022.90)	
GNMA	2005A Single Family	4.49	07/06/06	07/20/36	836,236.71	804,260.82			(3,057.47)		833,179.24	795,690.94	(5,512.41)	
GNMA	2005A Single Family	4.49	07/13/06	06/20/36	1,597,282.10	1,536,216.36			(138,722.29)		1,458,559.81	1,392,941.41	(4,552.66)	
GNMA	2005A Single Family	4.49	07/19/06	06/20/36	1,896,600.10	1,819,248.66			(7,938.53)		1,888,661.57	1,798,814.44	(12,495.69)	
GNMA	2005A Single Family	4.49	07/27/06	07/20/36	1,210,511.58	1,164,250.14			(4,474.34)		1,206,037.24	1,151,796.92	(7,978.88)	
GNMA	2005A Single Family	4.49	08/02/06	08/20/36	877,481.31	843,952.22			(3,210.55)		874,270.76	834,957.22	(5,784.45)	
GNMA	2005A Single Family	4.49	08/09/06	08/20/36	1,904,737.85	1,831,971.49			(8,421.45)		1,896,316.40	1,811,057.12	(12,492.92)	
GNMA	2005A Single Family	4.49	08/16/06	07/20/36	1,090,152.41	1,045,722.02			(4,600.12)		1,085,552.29	1,033,941.92	(7,179.98)	
GNMA	2005A Single Family	4.49	08/23/06	07/20/36	783,852.97	753,918.25			(4,020.78)		779,832.19	744,781.12	(5,116.35)	
GNMA	2005A Single Family	4.49	09/06/06	08/20/36	986,081.66	948,438.38			(3,665.40)		982,416.26	938,273.89	(6,499.09)	
GNMA	2005A Single Family	4.49	09/12/06	08/20/36	520,654.46	500,781.72			(1,906.03)		518,748.43	495,442.79	(3,432.90)	
GNMA	2005A Single Family	4.49	09/26/06	09/20/36	609,041.23	585,803.76			(2,317.79)		606,723.44	579,474.16	(4,011.81)	
GNMA	2005A Single Family	4.49	10/17/06	10/20/36	1,206,044.32	1,160,054.52			(4,973.82)		1,201,070.50	1,147,153.35	(7,927.35)	
GNMA	2005A Single Family	4.49	11/14/06	10/20/36	1,032,089.85	992,762.53			(4,835.74)		1,027,254.11	981,169.50	(6,757.29)	
GNMA	2005A Single Family	4.49	11/28/06	10/20/36	221,003.66	212,585.64			(786.69)		220,216.97	210,340.59	(1,458.36)	
GNMA	2005A Single Family	4.49	12/12/06	10/20/36			252,691.07				252,691.07	241,361.94	(11,329.13)	
GNMA	2005A Single Family	4.49	01/16/07	12/20/36			249,291.95				249,291.95	238,124.12	(11,167.83)	
GNMA	2005A Single Family	4.49	01/30/07	12/20/36			132,003.89				132,003.89	124,832.74	(7,171.15)	
GNMA	2005A Single Family	4.49	02/13/07	01/20/37			316,329.44				316,329.44	302,191.41	(14,138.03)	
GNMA	2005A Single Family	4.49	02/20/07	02/20/37			230,707.80				230,707.80	220,396.55	(10,311.25)	
FNMA	2005A Single Family	4.49	10/20/05	10/01/35	257,826.53	246,397.24			(1,047.74)		256,778.79	243,401.72	(1,947.78)	
FNMA	2005A Single Family	4.49	11/10/05	11/01/35	249,346.49	238,295.50			(1,196.83)		248,149.66	235,224.50	(1,874.17)	
FNMA	2005A Single Family	4.49	12/15/05	12/01/35	244,354.87	233,528.86			(957.71)		243,397.16	230,723.25	(1,847.90)	
FNMA	2005A Single Family	4.49	01/05/06	12/01/35	351,130.14	335,576.55			(1,508.15)		349,621.99	331,419.86	(2,648.54)	
FNMA	2005A Single Family	4.49	02/09/06	02/01/36	211,634.01	202,203.43			(967.02)		210,666.99	199,630.61	(1,605.80)	
FNMA	2005A Single Family	4.49	02/23/06	01/01/36	247,112.12	236,102.02			(935.29)		246,176.83	233,281.34	(1,885.39)	
FNMA	2005A Single Family	4.49	03/16/06	03/01/36	391,151.56	373,727.55			(1,944.42)		389,207.14	368,823.37	(2,959.76)	
FNMA	2005A Single Family	4.49	04/06/06	03/01/36	267,628.84	255,709.51			(1,003.95)		266,624.89	252,663.35	(2,042.21)	
FNMA	2005A Single Family	4.49	04/20/06	04/01/36	377,898.26	361,070.42			(1,696.00)		376,202.26	356,504.97	(2,869.45)	
FNMA	2005A Single Family	4.49	05/11/06	04/01/36	443,315.77	423,578.72			(147,859.02)		295,456.75	279,989.98	4,270.28	
FNMA	2005A Single Family	4.49	06/08/06	04/01/36	278,392.87	266,001.88			(1,244.95)		277,147.92	262,642.74	(2,114.19)	
FNMA	2005A Single Family	4.49	06/27/06	06/01/36	286,576.97	273,824.20			(1,071.78)		285,505.19	270,565.07	(2,187.35)	
FNMA	2005A Single Family	4.49	07/13/06	06/01/36	353,689.14	337,952.23			(1,430.45)		352,258.69	333,828.12	(2,693.66)	
FNMA	2005A Single Family	4.49	07/19/06	07/01/36	537,807.64	513,880.18			(1,989.38)		535,818.26	507,785.17	(4,105.63)	
FNMA	2005A Single Family	4.49	08/02/06	07/01/36	485,014.87	463,438.99			(1,847.46)		483,167.41	457,891.68	(3,699.85)	
FNMA	2005A Single Family	4.49	08/09/06	07/01/36	364,066.03	347,871.62			(1,343.20)		362,722.83	343,748.92	(2,779.50)	
FNMA	2005A Single Family	4.49	09/12/06	08/01/36	282,120.02	269,575.07			(1,318.95)		280,801.07	266,116.73	(2,139.39)	
FNMA	2005A Single Family	4.49	10/17/06	09/01/36	266,427.19	254,584.14			(1,754.28)		264,672.91	250,836.01	(1,993.85)	
FNMA	2005A Single Family	4.49	11/14/06	10/01/36	398,669.13	380,952.73			(1,436.30)		397,232.83	376,470.34	(3,046.09)	
FNMA	2005A Single Family	4.49	11/21/06	10/01/36	284,219.30	271,589.73			(1,568.09)		282,651.21	267,878.73	(2,142.91)	
FNMA	2005A Single Family	4.49	12/12/06	11/01/36			374,628.89				374,628.89	356,057.08	(18,571.81)	
FNMA	2005A Single Family	4.49	01/30/07	11/01/36			55,877.45				55,877.45	52,958.61	(2,918.84)	
FNMA	2005A Single Family	4.49	02/13/07	01/01/37			58,379.67				58,379.67	55,328.88	(3,050.79)	
Repo Agmt	2005A Single Family	5.31	02/28/07	03/01/07	8,518,046.54	8,518,046.54		(1,686,902.27)			6,831,144.27	6,831,144.27		
	2005A Single Family Total				100,433,131.82	96,856,947.90	5,610,587.47	(3,476,115.63)	(935,346.39)	0.00	101,632,257.27	97,421,347.08	(634,726.27)	0.00
	Total Single Family Investment Summary				957,767,244.93	945,573,731.59	107,221,577.71	(65,684,242.96)	(9,429,739.63)	0.00	969,874,840.05	954,755,378.95	(2,925,947.76)	0.00

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	5.31	02/28/07	03/01/07	74,275.02	74,275.02	7,458.37				81,733.39	81,733.39	-	
Repo Agmt	1989 A&B RMRB	5.31	02/28/07	03/01/07	491,277.75	491,277.75	0.00				491,277.75	491,277.75	-	
	1989 A&B RMRB Total				565,552.77	565,552.77	7,458.37	0.00	0.00	0.00	573,011.14	573,011.14	0.00	0.0
Repo Agmt	1998 A/B RMRB	5.31	02/28/07	03/01/07	110,010.72	110,010.72	1,321.16				111,331.88	111,331.88	-	
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	5,779,942.37	5,779,942.37		(2,974,752.76)			2,805,189.61	2,805,189.61	-	
GIC's	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,243,049.58	1,243,049.58	419,296.85				1,662,346.43	1,662,346.43	-	
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	1,462,865.98	1,453,708.42			(7,793.66)		1,455,072.32	1,442,485.92	(3,428.84)	
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,625,394.89	2,608,959.96			(17,023.94)		2,608,370.95	2,585,808.54	(6,127.48)	
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	193,457.78	192,368.61			(1,160.19)		192,297.59	190,426.52	(781.90)	
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	877,937.34	872,854.07			(5,668.34)		872,269.00	865,683.35	(1,502.38)	
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	216,555.39	215,336.13			(2,007.87)		214,547.52	212,459.92	(868.34)	
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	3,123,953.20	3,105,865.50			(296,956.54)		2,826,996.66	2,805,652.79	(3,256.17)	
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	4,506,133.06	4,480,042.48			(43,186.20)		4,462,946.86	4,429,251.51	(7,604.77)	
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	73,896.74	73,480.68			(442.56)		73,454.18	72,739.44	(298.68)	
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	140,015.28	139,226.99			(872.42)		139,142.86	137,788.99	(565.58)	
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	3,520,007.90	3,499,627.02			(124,749.29)		3,395,258.61	3,369,624.33	(5,253.40)	
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	2,695,981.46	2,680,371.78			(16,390.17)		2,679,591.29	2,659,360.40	(4,621.21)	
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	181,187.72	180,167.63			(989.92)		180,197.80	178,444.47	(733.24)	
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	2,318,524.84	2,305,100.58			(263,961.18)		2,054,563.66	2,039,051.68	(2,087.72)	
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	453,540.06	450,986.66			(6,789.31)		446,750.75	442,403.87	(1,793.48)	
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	352,256.06	350,272.86			(4,578.31)		347,677.75	344,294.83	(1,399.72)	
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	547,471.09	544,388.80			(4,828.10)		542,642.99	537,363.04	(2,197.66)	
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	3,186,078.30	3,167,630.91			(318,256.97)		2,867,821.33	2,846,169.27	(3,204.67)	
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	3,257,461.51	3,238,600.83			(21,546.54)		3,235,914.97	3,211,483.80	(5,570.49)	
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	5,608,328.08	5,575,855.83			(543,188.64)		5,065,139.44	5,026,897.51	(5,769.68)	
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	2,509,230.97	2,493,523.16			(16,355.06)		2,492,875.91	2,471,312.48	(5,855.62)	
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,982,947.46	2,964,274.20			(20,314.25)		2,962,633.21	2,937,006.40	(6,953.55)	
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,692,452.59	1,681,857.83			(10,077.94)		1,682,374.65	1,667,822.07	(3,957.82)	
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	506,341.45	503,490.73			(8,072.80)		498,268.65	493,420.47	(1,997.46)	
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	284,531.74	282,554.24			(3,356.77)		281,174.97	277,840.23	(1,357.24)	
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	308,879.30	306,732.59			(1,748.32)		307,130.98	303,488.40	(1,495.87)	
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	2,097,329.64	2,084,200.38			(12,712.32)		2,084,617.32	2,066,585.39	(4,902.67)	
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,752,187.17	1,741,218.45			(117,181.89)		1,635,005.28	1,620,862.43	(3,174.13)	
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,278,531.58	1,270,528.00			(12,502.53)		1,266,029.05	1,255,077.92	(2,947.55)	
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	422,583.85	419,646.90			(4,047.28)		418,536.57	413,572.72	(2,026.90)	
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	204,949.27	203,524.87			(2,862.01)		202,087.26	199,690.50	(972.36)	
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,866,025.37	1,854,344.05			(79,706.73)		1,786,318.64	1,770,866.95	(3,770.37)	
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	468,519.59	465,586.66			(4,215.78)		464,303.81	460,287.58	(1,083.30)	
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	404,326.73	401,516.66			(2,373.91)		401,952.82	397,185.65	(1,957.10)	
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	205,864.12	204,433.36			(1,711.86)		204,152.26	201,731.01	(990.49)	
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	334,719.75	332,624.40			(4,496.95)		330,222.80	327,366.36	(761.09)	
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	207,360.41	206,062.33			(1,599.48)		205,760.93	203,981.09	(481.76)	
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	113,509.95	112,799.32			(577.87)		112,932.08	111,955.15	(266.30)	
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	328,670.45	326,612.96			(3,957.37)		324,713.08	321,904.31	(751.28)	
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	755,513.49	750,783.94			(3,837.55)		751,675.94	745,173.89	(1,772.50)	
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	151,752.76	150,802.79			(4,351.76)		147,401.00	146,125.97	(325.06)	
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	295,615.45	293,764.90			(1,513.87)		294,101.58	291,557.60	(693.43)	
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	432,735.39	429,727.86			(3,678.94)		429,056.45	423,967.82	(2,081.10)	
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	464,487.91	461,259.69			(69,074.10)		395,413.81	390,724.17	(1,461.42)	
Repo Agmt	1998 A/B RMRB	5.31	02/28/07	03/01/07	1,143,881.42	1,143,881.42	865.75				1,144,747.17	1,144,747.17	-	
Repo Agmt	1998 A/B RMRB	5.31	02/28/07	03/01/07			31,890.52				31,890.52	31,890.52	-	
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	27,177.50	27,194.80			(84.81)		27,092.69	27,248.69	138.70	
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36	33,637.14	33,660.35			(104.65)		33,532.49	33,727.27	171.57	
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36	19,058.35	19,071.37			(59.30)		18,999.05	19,109.29	97.22	
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	39,285.31	39,306.96			(137.32)		39,147.99	39,374.89	205.25	
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36	29,824.02	29,844.47			(93.73)		29,730.29	29,903.16	152.42	
GNMA	1998 A/B RMRB	5.49	03/30/06	03/20/36	41,790.62	41,740.21			(133.64)		41,656.98	41,821.07	214.50	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36	37,014.06	37,040.98			(113.97)		36,900.09	37,115.38	188.37	
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36	26,133.37	25,907.64			(82.92)		26,050.45	25,951.68	126.96	
FNMA	1998 A/B RMRB	5.49	04/27/06	10/01/35	8,710.58	8,638.26			(28.03)		8,682.55	8,657.11	46.88	
	1998 A/B RMRB Total				63,949,628.11	63,616,005.14	453,374.28	(2,974,752.76)	(2,071,555.86)	0.00	59,356,693.77	58,915,310.89	(107,759.91)	0.00
Repo Agmt	2000 BCDE RMRB	5.31	02/28/07	03/01/07	186,377.61	186,377.61	2,457.84				188,835.45	188,835.45	-	
Repo Agmt	2000 BCDE RMRB	5.31	02/28/07	03/01/07	595,091.55	595,091.55	7,847.77				602,939.32	602,939.32	-	
Repo Agmt	2000 BCDE RMRB	5.31	02/28/07	03/01/07	49,770.57	49,770.57		(1,010.65)			48,759.92	48,759.92	-	
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32	6,038,251.44	6,038,251.44		(3,090,866.70)			2,947,384.74	2,947,384.74	-	
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32			1,228.19				1,228.19	1,228.19	-	
Inv Agmt	2000 BCDE RMRB	6.22	10/26/00	12/31/32			1,383,363.11				1,383,363.11	1,383,363.11	-	
Repo Agmt	2000 BCDE RMRB				1,228.19	1,228.19		(1,228.19)					-	
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	1,060,564.58	1,077,073.06			(161,129.33)		899,435.25	913,138.02	(2,805.71)	
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	226,641.50	230,168.86			(1,210.41)		225,431.09	228,865.02	(93.43)	
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	117,841.75	119,675.44			(499.43)		117,342.32	119,129.41	(46.60)	
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	244,659.20	248,468.75			(1,027.63)		243,631.57	247,344.51	(96.61)	
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,295,066.35	1,315,231.61			(7,037.70)		1,288,028.65	1,307,658.15	(535.76)	
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	95,968.21	97,462.52			(437.69)		95,530.52	96,986.40	(38.43)	
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	356,990.10	362,550.54			(1,514.31)		355,475.79	360,895.01	(141.22)	
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	794,447.52	806,821.75			(4,240.30)		790,207.22	802,253.93	(327.52)	
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	72,161.49	73,285.84			(45,114.59)		27,046.90	27,459.37	(711.88)	
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	258,791.17	262,823.43			(1,590.93)		257,200.24	261,122.60	(109.90)	
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	182,446.64	185,290.49			(784.72)		181,661.92	184,433.42	(72.35)	
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	757,389.06	769,196.94			(3,308.04)		754,081.02	765,587.80	(301.10)	
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	476,776.61	484,212.04			(2,521.07)		474,255.54	481,494.72	(196.25)	
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	971,059.47	986,203.44			(32,469.30)		938,590.17	952,917.21	(816.93)	
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	96,554.53	98,060.34			(401.31)		96,153.22	97,620.95	(38.08)	
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	171,648.29	174,326.24			(820.41)		170,827.88	173,436.49	(69.34)	
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	451,831.98	458,881.21			(2,089.95)		449,742.03	456,609.85	(181.41)	
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	113,193.15	114,959.36			(742.62)		112,450.53	114,167.82	(48.92)	
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,255,250.44	1,274,836.66			(138,821.03)		1,116,429.41	1,133,478.99	(2,536.64)	
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	115,485.57	117,287.78			(487.36)		114,998.21	116,754.76	(45.66)	
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	89,907.83	91,311.16			(42,688.14)		47,219.69	47,941.09	(681.93)	
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	375,103.25	380,958.06			(87,535.57)		287,567.68	291,961.02	(1,461.47)	
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	48,138.37	48,889.74			(199.26)		47,939.11	48,671.50	(18.98)	
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	200,844.01	203,980.30			(2,296.23)		198,547.78	201,582.29	(101.78)	
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,313,058.82	1,333,563.12			(91,743.28)		1,221,315.54	1,239,981.83	(1,838.01)	
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	43,375.82	44,053.17			(192.14)		43,183.68	43,843.69	(17.34)	
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	248,735.25	252,620.95			(1,164.72)		247,570.53	251,356.11	(100.12)	
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	1,185,018.24	1,203,530.34			(117,163.86)		1,067,854.38	1,084,182.82	(2,183.66)	
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	264,548.37	268,681.10			(1,639.46)		262,908.91	266,929.03	(112.61)	
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	307,001.39	311,800.15			(1,676.95)		305,324.44	309,995.95	(127.25)	
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	675,438.24	685,998.06			(3,317.45)		672,120.79	682,405.65	(274.96)	
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	142,143.53	144,365.38			(1,157.12)		140,986.41	143,143.51	(64.75)	
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	227,944.52	231,509.38			(1,332.32)		226,612.20	230,080.99	(96.07)	
GNMA	2000 BCDE RMRB	6.10	08/08/01	08/20/31	1,126,319.33	1,143,936.30			(5,300.86)		1,121,018.47	1,138,181.56	(453.88)	
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	225,383.64	228,908.45			(46,093.17)		179,290.47	182,034.90	(780.38)	
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	329,181.61	334,333.09			(1,633.33)		327,548.28	332,565.81	(133.95)	
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	887,062.03	900,943.94			(5,141.88)		881,920.15	895,429.76	(372.30)	
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	229,150.30	232,736.35			(54,438.00)		174,712.30	177,388.61	(909.74)	
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	292,707.43	297,803.12			(2,369.99)		290,337.44	296,146.80	713.67	
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	231,320.80	234,949.55			(953.79)		230,367.01	233,904.56	(91.20)	
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	271,370.48	275,627.49			(1,505.28)		269,865.20	274,009.28	(112.93)	
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	259,831.64	263,908.16			(1,074.15)		258,757.49	262,731.52	(102.49)	
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	323,975.24	329,048.20			(1,344.63)		322,630.61	327,575.76	(127.81)	
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	1,178,415.18	1,196,869.77			(300,630.01)		877,785.17	891,241.27	(4,998.49)	
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	194,410.59	197,454.77			(1,230.94)		193,179.65	196,140.62	(83.21)	
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	173,367.09	176,083.51			(1,541.85)		171,825.24	174,460.64	(81.02)	
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	784,578.62	796,871.92			(3,566.12)		781,012.50	792,991.47	(314.33)	
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	200,198.53	203,335.38			(995.55)		199,202.98	202,258.31	(81.52)	
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	94,777.62	96,263.54			(379.93)		94,397.69	95,846.31	(37.30)	
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	207,106.71	210,354.55			(851.92)		206,254.79	209,421.01	(81.62)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	275,128.91	279,921.37			(1,217.96)		273,910.95	279,394.40	690.99	
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	203,771.92	206,973.49			(967.55)		202,804.37	205,923.62	(82.32)	
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	371,683.17	378,166.98			(1,767.04)		369,916.13	377,331.00	931.06	
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	387,882.33	393,846.96			(2,678.16)		385,204.17	391,054.27	(114.53)	
FNMA	2000 BCDE RMRB	6.10	05/30/01	04/01/31	224,570.69	228,489.82			(1,088.65)		223,482.04	227,963.28	562.11	
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	309,097.39	314,497.32			(1,326.78)		307,770.61	313,947.35	776.81	
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	522,530.12	530,583.93			(2,772.49)		519,757.63	527,669.75	(141.69)	
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	111,502.26	113,221.21			(441.66)		111,060.60	112,751.59	(27.96)	
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	293,418.32	297,933.04			(57,562.61)		235,855.71	239,439.60	(930.83)	
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	263,021.22	267,071.70			(1,031.62)		261,989.60	265,974.31	(65.77)	
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	349,256.02	354,636.27			(1,383.84)		347,872.18	353,164.88	(87.55)	
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	76,347.83	77,524.57			(291.39)		76,056.44	77,214.21	(18.97)	
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	44,645.12	45,332.98			(174.16)		44,470.96	45,147.61	(11.21)	
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	1,095,219.34	1,112,150.34			(47,655.21)		1,047,564.13	1,063,558.99	(936.14)	
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	533,584.37	541,812.38			(52,189.17)		481,395.20	488,726.79	(896.42)	
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	538,231.30	546,533.16			(2,128.57)		536,102.73	544,269.69	(134.90)	
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	653,222.34	663,300.56			(3,356.31)		649,866.03	659,768.74	(175.51)	
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	446,170.28	453,054.91			(2,256.85)		443,913.43	450,678.72	(119.34)	
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	901,668.24	915,585.08			(67,884.62)		833,783.62	846,493.94	(1,206.52)	
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	723,449.07	734,621.06			(56,657.72)		666,791.35	676,961.46	(1,001.88)	
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	172,740.09	175,406.03			(689.76)		172,050.33	174,674.85	(43.42)	
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	195,622.63	198,644.18			(753.68)		194,868.95	197,841.76	(48.74)	
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,407,016.26	1,428,758.71			(32,966.01)		1,374,050.25	1,395,021.69	(771.01)	
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	1,250,670.24	1,270,001.81			(56,496.35)		1,194,173.89	1,212,404.84	(1,100.62)	
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	463,834.95	471,020.55			(2,364.34)		461,470.61	468,531.25	(124.96)	
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	898,973.25	912,875.07			(4,358.84)		894,614.41	908,278.51	(237.72)	
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	293,265.89	297,802.51			(1,242.72)		292,023.17	296,484.97	(74.82)	
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,370,041.97	1,391,238.30			(7,074.97)		1,362,967.00	1,383,794.37	(368.96)	
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	1,087,925.10	1,104,764.45			(69,564.10)		1,018,361.00	1,033,929.72	(1,270.63)	
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	846,393.48	859,497.74			(220,334.65)		626,058.83	635,632.57	(3,530.52)	
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	530,388.95	538,603.39			(2,178.50)		528,210.45	536,290.58	(134.31)	
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	593,836.05	604,222.55			(2,925.56)		590,910.49	602,782.41	1,485.42	
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	438,195.47	444,982.47			(93,396.75)		344,798.72	350,073.48	(1,512.24)	
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	30,926.64	31,405.88			(147.14)		30,779.50	31,250.59	(8.15)	
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	175,500.12	178,220.17			(52,887.57)		122,612.55	124,489.56	(843.04)	
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	156,945.20	159,377.66			(661.23)		156,283.97	158,676.43	(40.00)	
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	78,704.58	79,924.89			(50,847.95)		27,856.63	28,283.24	(793.70)	
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	64,307.33	65,303.96			(254.82)		64,052.51	65,032.99	(16.15)	
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	85,472.81	86,798.32			(1,102.56)		84,370.25	85,662.60	(33.16)	
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	34,626.80	35,163.90			(136.91)		34,489.89	35,018.30	(8.69)	
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	123,764.16	125,684.50			(1,312.26)		122,451.90	124,328.56	(43.68)	
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	20,641.41	20,948.60			(668.31)		19,973.10	20,268.53	(11.76)	
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	333,281.14	338,240.90			(1,551.13)		331,730.01	336,636.85	(52.92)	
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	176,907.91	179,542.21			(1,083.93)		175,823.98	178,426.32	(31.96)	
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	333,338.63	339,414.65			(2,741.86)		330,596.77	337,452.62	779.83	
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	258,050.53	261,893.90			(1,004.74)		257,045.79	260,851.06	(38.10)	
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	103,126.71	104,662.98			(366.90)		102,759.81	104,281.37	(14.71)	
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	190,441.08	193,280.20			(703.74)		189,737.34	192,548.90	(27.56)	
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	149,471.08	151,699.87			(532.28)		148,938.80	151,146.25	(21.34)	
GNMA	2000 BCDE RMRB	6.10	04/10/03	04/20/33	40,030.58	40,627.69			(152.15)		39,878.43	40,469.68	(5.86)	
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	147,475.61	149,675.85			(1,086.78)		146,388.83	148,559.68	(29.39)	
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	27,250.61	27,657.23			(97.32)		27,153.29	27,556.01	(3.90)	
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	335,506.01	340,512.91			(1,199.49)		334,306.52	339,265.43	(47.99)	
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	82,719.34	83,954.13			(314.02)		82,405.32	83,628.01	(12.10)	
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	72,062.28	73,138.14			(252.10)		71,810.18	72,875.81	(10.23)	
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	147,360.91	149,561.69			(757.10)		146,603.81	148,780.09	(24.50)	
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	61,487.40	62,405.76			(215.92)		61,271.48	62,181.10	(8.74)	
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	134,667.78	136,679.96			(484.02)		134,183.76	136,176.63	(19.31)	
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	195,309.28	198,228.54			(876.71)		194,432.57	197,321.23	(30.60)	
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	60,525.98	61,430.66			(216.90)		60,309.08	61,205.08	(8.68)	
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	98,900.61	100,379.17			(341.42)		98,559.19	100,023.77	(13.98)	
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	72,560.42	73,645.49			(249.90)		72,310.52	73,385.34	(10.25)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	481,925.49	489,133.19			(1,858.35)		480,067.14	487,203.85	(70.99)	
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	238,679.21	242,249.64			(972.99)		237,706.22	241,240.70	(35.95)	
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	49,023.18	49,756.68			(168.07)		48,855.11	49,581.69	(6.92)	
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	220,008.37	223,300.62			(803.18)		219,205.19	222,465.69	(31.75)	
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	170,715.63	173,271.12			(651.69)		170,063.94	172,594.38	(25.05)	
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	235,200.43	238,721.69			(66,180.47)		169,019.96	171,535.20	(1,006.02)	
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	226,469.99	230,443.07			(1,067.15)		225,402.84	229,943.37	567.45	
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	205,559.63	208,637.76			(862.52)		204,697.11	207,743.90	(31.34)	
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	341,361.50	346,474.22			(1,230.76)		340,130.74	345,194.42	(49.04)	
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	158,022.49	160,389.59			(706.35)		157,316.14	159,658.49	(24.75)	
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	386,900.90	392,689.23			(1,465.55)		385,435.35	391,177.04	(56.64)	
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	81,561.69	82,783.94			(279.25)		81,282.44	82,493.19	(11.50)	
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	362,585.95	368,021.73			(1,277.13)		361,308.82	366,692.94	(51.66)	
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	236,454.01	239,999.82			(46,401.61)		190,052.40	192,885.09	(713.12)	
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	88,617.89	89,946.97			(301.07)		88,316.82	89,633.44	(12.46)	
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	236,167.94	236,037.02			(1,123.31)		235,044.63	234,430.67	(483.04)	
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	243,443.38	247,095.49			(828.03)		242,615.35	246,233.21	(34.25)	
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	151,641.88	151,558.32			(45,160.73)		106,481.15	106,203.37	(194.22)	
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	58,327.16	59,202.18			(216.78)		58,110.38	58,976.92	(8.48)	
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	528,490.55	528,202.87			(46,383.28)		482,107.27	480,852.81	(966.78)	
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	137,718.14	139,785.58			(652.35)		137,065.79	139,111.10	(22.13)	
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	498,884.08	498,614.04			(2,017.86)		496,866.22	495,574.87	(1,021.31)	
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	47,487.19	48,200.13			(159.90)		47,327.29	48,033.56	(6.67)	
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	325,876.81	325,701.05			(40,953.55)		284,923.26	284,183.30	(564.20)	
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	408,714.12	408,494.96			(1,661.83)		407,052.29	405,996.41	(836.72)	
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	355,856.46	355,667.07			(1,887.53)		353,968.93	353,052.16	(727.38)	
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	963,489.07	962,979.14			(5,581.52)		957,907.55	955,429.47	(1,968.15)	
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	859,623.22	859,170.00			(3,567.52)		856,055.70	853,842.84	(1,759.64)	
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	131,016.26	130,878.34			(748.86)		130,267.40	129,884.44	(245.04)	
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	1,200,239.45	1,198,979.81			(9,761.27)		1,190,478.18	1,186,982.36	(2,236.18)	
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	289,896.78	289,051.91			(1,087.93)		288,808.85	287,425.09	(538.89)	
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	49,781.77	49,729.83			(219.52)		49,562.25	49,417.01	(93.30)	
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	44,472.39	45,141.52			(175.56)		44,296.83	44,959.33	(6.63)	
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	39,515.62	39,831.76			(136.56)		39,379.06	39,702.83	7.63	
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	162,273.24	163,571.67			(584.21)		161,689.03	163,018.62	31.16	
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	739,048.09	744,994.60			(2,707.85)		736,340.24	742,428.16	141.41	
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	248,797.43	250,799.30			(1,975.36)		246,822.07	248,862.75	38.81	
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	163,534.40	164,843.79			(580.69)		162,953.71	164,294.55	31.45	
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	208,479.22	210,148.88			(759.92)		207,719.30	209,428.91	39.95	
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	65,938.00	66,466.27			(226.36)		65,711.64	66,252.65	12.74	
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	258,475.28	260,546.93			(1,087.50)		257,387.78	259,507.76	48.33	
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	133,267.02	134,335.67			(525.90)		132,741.12	133,834.97	25.20	
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	300,589.65	303,000.94			(1,058.42)		299,531.23	302,000.41	57.89	
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	503,536.18	507,576.50			(2,490.81)		501,045.37	505,176.75	91.06	
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	248,110.44	250,102.01			(864.77)		247,245.67	249,285.09	47.85	
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	402,872.78	406,108.25			(1,399.02)		401,473.76	404,786.95	77.72	
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	408,560.59	411,843.00			(32,556.43)		376,004.16	379,108.35	(178.22)	
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	125,751.33	126,762.00			(446.28)		125,305.05	126,339.89	24.17	
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	481,131.23	484,999.08			(1,891.72)		479,239.51	483,198.38	91.02	
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	105,410.97	106,261.70			(502.67)		104,908.30	105,778.12	19.09	
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	105,000.07	105,847.68			(354.01)		104,646.06	105,514.00	20.33	
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	94,356.36	95,118.45			(316.03)		94,040.33	94,820.73	18.31	
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	96,106.84	96,883.26			(329.39)		95,777.45	96,572.44	18.57	
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	231,287.20	233,156.42			(787.74)		230,499.46	232,413.39	44.71	
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	142,766.08	143,920.58			(501.88)		142,264.20	143,446.17	27.47	
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	553,348.89	557,802.93			(1,951.91)		551,396.98	555,957.51	106.49	
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	606,987.95	611,875.58			(3,530.08)		603,457.87	608,450.82	105.32	
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	381,862.08	384,937.71			(1,362.89)		380,499.19	383,648.19	73.37	
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	431,312.56	434,788.21			(2,907.63)		428,404.93	431,952.11	71.53	
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	575,810.75	580,452.57			(2,456.22)		573,354.53	578,103.63	107.28	
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	242,481.43	244,076.46			(1,007.29)		241,474.14	243,116.07	46.90	
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	76,533.50	77,150.92			(297.66)		76,235.84	76,867.75	14.49	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	88,592.77	89,311.28			(74,703.38)		13,889.39	14,005.12	(602.78)	
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	191,067.50	192,618.43			(661.63)		190,405.87	191,993.64	36.84	
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	58,009.47	58,478.70			(192.50)		57,816.97	58,297.45	11.25	
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	116,827.19	117,772.91			(579.73)		116,247.46	117,214.24	21.06	
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	62,247.03	62,751.08			(211.22)		62,035.81	62,551.90	12.04	
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	60,708.63	61,200.73			(199.29)		60,509.34	61,013.23	11.79	
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	299,119.56	301,548.13			(1,088.31)		298,031.25	300,517.04	57.22	
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	52,378.73	52,769.51			(187.68)		52,192.05	52,595.13	13.30	
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	138,808.19	139,845.79			(475.17)		138,333.02	139,406.05	35.43	
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	125,731.21	127,946.62			(684.19)		125,047.02	127,575.58	313.15	
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	63,033.79	63,815.87			(196.52)		62,837.27	63,632.00	12.65	
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	123,723.51	125,264.12			(382.88)		123,340.63	124,906.23	24.99	
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	137,368.63	139,075.64			(432.64)		136,935.99	138,670.66	27.66	
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	249,284.97	251,170.23			(765.54)		248,519.43	250,468.97	64.28	
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	122,705.39	123,635.36			(703.34)		122,002.05	122,961.09	29.07	
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	285,303.35	290,099.10			(2,687.44)		282,615.91	288,146.91	735.25	
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	158,845.48	160,039.00			(495.13)		158,350.35	159,565.71	21.84	
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	344,047.11	349,836.26			(1,350.72)		342,696.39	349,409.16	923.62	
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	176,965.12	179,947.01			(681.18)		176,283.94	179,741.16	475.33	
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	193,206.42	196,159.53			(733.33)		192,473.09	196,006.48	580.28	
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	265,828.87	269,901.76			(954.62)		264,874.25	269,746.52	799.38	
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	247,569.21	251,367.38			(879.35)		246,689.86	251,232.68	744.65	
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	201,576.14	204,670.54			(3,187.99)		198,388.15	202,043.12	560.57	
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	146,302.76	148,554.33			(958.48)		145,344.28	148,027.80	431.95	
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	250,448.93	249,869.91			(1,199.11)		249,249.82	247,680.10	(990.70)	
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	229,179.62	228,654.83			(1,270.03)		227,909.59	226,479.28	(905.52)	
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	257,564.57	259,138.97			(1,243.77)		256,320.80	257,792.53	(102.67)	
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	273,462.17	275,137.05			(2,030.65)		271,431.52	272,993.30	(113.10)	
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	291,868.66	293,660.68			(1,434.18)		290,434.48	292,109.99	(116.51)	
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	238,104.45	239,569.99			(813.31)		237,291.14	238,663.67	(93.01)	
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	73,971.21	74,427.57			(260.12)		73,711.09	74,138.51	(28.94)	
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	46,043.15	46,328.23			(154.16)		45,888.99	46,156.09	(17.98)	
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	232,338.60	233,566.65			(757.47)		231,581.13	232,740.22	(68.96)	
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	63,559.33	63,899.15			(202.16)		63,357.17	63,678.12	(18.87)	
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	264,849.17	266,279.81			(850.01)		263,999.16	265,351.16	(78.64)	
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	217,545.54	218,727.92			(67,806.56)		149,738.98	150,510.82	(410.54)	
Repo Agmt	2000 BCDE RMRB	5.31	02/28/07	03/01/07	371,191.73	371,191.73	0.00				371,191.73	371,191.73	-	
Repo Agmt	2000 BCDE RMRB	5.31	02/28/07	03/01/07	1,114.07	1,114.07	83,510.30				84,624.37	84,624.37	-	
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	19,638.16	19,627.35			(93.41)		19,544.75	19,493.77	(40.17)	
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	12,609.67	12,602.63			(3,755.30)		8,854.37	8,831.20	(16.13)	
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	43,945.89	43,922.03			(3,856.94)		40,088.95	39,984.69	(80.40)	
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	41,484.06	41,461.61			(167.80)		41,316.26	41,208.88	(84.93)	
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	27,097.82	27,083.25			(3,405.45)		23,692.37	23,630.89	(46.91)	
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	33,986.08	33,967.87			(138.20)		33,847.88	33,760.11	(69.56)	
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	29,590.78	29,575.03			(156.96)		29,433.82	29,357.59	(60.48)	
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	80,117.67	80,075.29			(464.14)		79,653.53	79,447.50	(163.65)	
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	71,480.86	71,443.17			(296.65)		71,184.21	71,000.20	(146.32)	
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	10,894.47	10,883.02			(62.28)		10,832.19	10,800.37	(20.37)	
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	99,804.35	99,699.62			(811.69)		98,992.66	98,701.98	(185.95)	
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	24,106.01	24,035.74			(90.46)		24,015.55	23,900.46	(44.82)	
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	4,139.54	4,135.22			(18.25)		4,121.29	4,109.20	(7.77)	
GNMA	2000 BCDE RMRB	5.75	03/25/04	03/20/34	1,529.34	1,541.57			(5.29)		1,524.05	1,536.57	0.29	
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,280.30	6,330.56			(22.60)		6,257.70	6,309.15	1.19	
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	28,602.69	28,832.81			(104.80)		28,497.89	28,733.48	5.47	
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,628.96	9,706.45			(76.45)		9,552.51	9,631.49	1.49	
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,329.12	6,379.79			(22.49)		6,306.63	6,358.53	1.23	
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	8,068.54	8,133.19			(29.40)		8,039.14	8,105.32	1.53	
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	2,551.92	2,572.38			(8.76)		2,543.16	2,564.11	0.49	
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	10,003.55	10,083.70			(42.08)		9,961.47	10,043.48	1.86	
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	5,157.68	5,199.07			(20.36)		5,137.32	5,179.68	0.97	
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,633.41	11,726.76			(40.96)		11,592.45	11,688.03	2.23	
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	19,487.87	19,644.24			(96.39)		19,391.48	19,551.36	3.51	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,602.40	9,679.46			(33.46)		9,568.94	9,647.84	1.84	
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	15,591.99	15,717.22			(54.15)		15,537.84	15,666.08	3.01	
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	15,812.13	15,939.16			(1,259.99)		14,552.14	14,672.26	(6.91)	
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	4,866.85	4,905.95			(17.27)		4,849.58	4,889.61	0.93	
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	18,620.77	18,770.46			(73.21)		18,547.56	18,700.76	3.51	
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	4,079.63	4,112.54			(19.46)		4,060.17	4,093.82	0.74	
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	4,063.72	4,096.52			(13.70)		4,050.02	4,083.60	0.78	
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,651.79	3,681.28			(12.22)		3,639.57	3,669.75	0.69	
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,719.54	3,749.58			(12.75)		3,706.79	3,737.54	0.71	
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,951.29	9,023.63			(30.48)		8,920.81	8,994.87	1.72	
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,525.32	5,570.02			(19.42)		5,505.90	5,551.66	1.06	
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	21,415.72	21,588.11			(75.55)		21,340.17	21,516.68	4.12	
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	23,491.66	23,680.83			(136.62)		23,355.04	23,548.28	4.07	
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,778.85	14,897.87			(52.74)		14,726.11	14,847.96	2.83	
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	16,692.67	16,827.19			(112.54)		16,580.13	16,717.42	2.77	
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	22,285.05	22,464.70			(95.06)		22,189.99	22,373.79	4.15	
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,384.53	9,446.26			(38.99)		9,345.54	9,409.08	1.81	
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,961.99	2,985.90			(11.52)		2,950.47	2,974.93	0.55	
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	3,428.74	3,456.52			(2,891.17)		537.57	542.02	(23.33)	
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,394.72	7,454.73			(25.60)		7,369.12	7,430.54	1.41	
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,245.07	2,263.24			(7.45)		2,237.62	2,256.22	0.43	
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	4,521.49	4,558.05			(22.45)		4,499.04	4,536.42	0.82	
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,409.06	2,428.59			(8.16)		2,400.90	2,420.88	0.45	
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,349.54	2,368.59			(7.71)		2,341.83	2,361.33	0.45	
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,576.53	11,670.53			(42.12)		11,534.41	11,630.62	2.21	
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	2,027.20	2,042.29			(7.27)		2,019.93	2,035.53	0.51	
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,372.20	5,412.32			(18.40)		5,353.80	5,395.29	1.37	
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,439.55	2,469.80			(7.61)		2,431.94	2,462.68	0.49	
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,811.64	4,847.97			(15.09)		4,796.55	4,834.12	1.24	
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,316.45	5,382.51			(16.74)		5,299.71	5,366.83	1.06	
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	9,647.83	9,720.80			(29.63)		9,618.20	9,693.66	2.49	
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,748.94	4,784.94			(27.22)		4,721.72	4,758.84	1.12	
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	6,147.63	6,193.83			(19.16)		6,128.47	6,175.51	0.84	
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	20,825.74	20,777.61			(99.72)		20,726.02	20,595.52	(82.37)	
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	19,057.12	19,013.49			(105.61)		18,951.51	18,832.59	(75.29)	
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	9,968.28	10,029.21			(48.14)		9,920.14	9,977.09	(3.98)	
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	10,583.54	10,648.37			(78.59)		10,504.95	10,565.39	(4.39)	
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	11,295.89	11,365.27			(55.50)		11,240.39	11,305.25	(4.52)	
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	9,215.11	9,271.84			(31.47)		9,183.64	9,236.76	(3.61)	
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,862.85	2,880.50			(10.07)		2,852.78	2,869.31	(1.12)	
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,781.96	1,792.99			(5.97)		1,775.99	1,786.33	(0.69)	
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,991.97	9,039.51			(29.31)		8,962.66	9,007.52	(2.68)	
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,459.91	2,473.02			(7.83)		2,452.08	2,464.46	(0.73)	
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	10,250.19	10,305.57			(32.88)		10,217.31	10,269.63	(3.06)	
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	8,419.46	8,465.22			(2,624.25)		5,795.20	5,825.07	(15.90)	
	2000 BCDE RMRB Total				75,652,233.62	76,505,545.22	1,478,407.21	(3,093,105.54)	(2,654,387.60)	0.00	71,383,147.69	72,189,223.46	(47,235.83)	0.0
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	4,662.10	4,662.10	61.47				4,723.57	4,723.57	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	84,774.37	84,774.37	1,117.96				85,892.33	85,892.33	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	3,249.44	3,249.44	42.93				3,292.37	3,292.37	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	12,979.86	12,979.86		(560.74)			12,419.12	12,419.12	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	0.18	0.18	0.00				0.18	0.18	-	
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	3,996,717.56	3,996,717.56		(2,656,640.41)			1,340,077.15	1,340,077.15	-	
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	189,449.40	189,449.40		(188,245.88)			1,203.52	1,203.52	-	
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33	2,656,162.24	2,656,162.24	0.18				2,656,162.42	2,656,162.42	-	
GIC's	2001 A-E RMRB	4.71	10/30/01	07/01/33			186,714.86				186,714.86	186,714.86	-	
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	218,891.07	230,760.28			(5,283.08)		213,607.99	224,301.58	(1,175.62)	
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	59,832.71	61,355.80			(1,604.76)		58,227.95	59,622.60	(128.44)	
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	52,740.79	55,600.55			(1,918.06)		50,822.73	53,366.92	(315.57)	
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	178,929.90	183,133.17			(23,945.97)		154,983.93	158,405.42	(781.78)	
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	27,909.48	29,349.19			(759.53)		27,149.95	28,539.75	(49.91)	
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	114,021.99	116,699.86			(3,181.05)		110,840.94	113,287.29	(231.52)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	59,573.68	62,646.41			(2,225.75)		57,347.93	60,283.21	(137.45)	
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	155,517.10	159,171.91			(4,849.69)		150,667.41	153,995.23	(326.99)	
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	175,433.21	184,487.48			(5,580.23)		169,852.98	178,552.23	(355.02)	
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	229,396.54	235,206.42			(5,863.58)		223,532.96	228,858.12	(484.72)	
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	327,789.04	345,518.16			(47,372.94)		280,416.10	294,416.16	(3,729.06)	
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	121,703.12	124,786.71			(13,055.07)		108,648.05	111,237.34	(494.30)	
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	97,474.26	102,504.95			(2,257.95)		95,216.31	100,092.88	(154.12)	
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	135,724.64	139,163.51			(3,447.45)		132,277.19	135,429.61	(286.45)	
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	143,630.70	151,401.56			(3,157.89)		140,472.81	147,488.01	(755.66)	
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	80,190.10	82,222.55			(21,729.12)		58,460.98	59,854.70	(638.73)	
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	126,804.95	133,666.59			(29,199.88)		97,605.07	102,480.33	(1,986.38)	
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	96,645.76	99,096.88			(2,185.24)		94,460.52	96,714.05	(197.59)	
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	239,895.45	252,880.60			(5,160.92)		234,734.53	246,463.09	(1,256.59)	
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	271,063.79	277,944.29			(28,166.79)		242,897.00	248,697.17	(1,080.33)	
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	217,323.47	229,091.61			(6,724.99)		210,598.48	221,125.91	(1,240.71)	
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	246,970.77	253,239.72			(6,277.50)		240,693.27	246,440.81	(521.41)	
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	541,806.71	571,145.68			(13,868.72)		527,937.99	554,328.54	(2,948.42)	
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	104,748.37	107,409.76			(4,417.69)		100,330.68	102,728.89	(263.18)	
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	35,087.13	36,987.44			(755.17)		34,331.96	36,048.46	(183.81)	
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	152,821.69	156,704.59			(18,228.07)		134,593.62	137,810.92	(665.60)	
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	445,822.83	469,975.70			(9,837.73)		435,985.10	457,790.30	(2,347.67)	
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	81,511.64	83,584.61			(1,923.18)		79,588.46	81,492.79	(168.64)	
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	79,783.12	84,107.42			(1,874.46)		77,908.66	81,807.07	(425.89)	
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	90,149.94	92,442.66			(2,049.62)		88,100.32	90,208.37	(184.67)	
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	282,299.78	297,600.48			(6,387.68)		275,912.10	289,718.11	(1,494.69)	
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	109,123.68	110,343.43			(23,867.24)		85,256.44	86,158.14	(318.05)	
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	54,686.75	56,078.88			(1,245.60)		53,441.15	54,721.17	(112.11)	
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	29,037.48	29,777.07			(633.43)		28,404.05	29,084.77	(58.87)	
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	76,587.23	80,742.49			(1,709.56)		74,877.67	78,628.40	(404.53)	
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	88,484.03	90,739.04			(1,853.10)		86,630.93	88,708.30	(177.64)	
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	169,455.70	178,652.15			(22,618.04)		146,837.66	154,195.35	(1,838.76)	
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	102,015.30	103,160.98			(2,037.70)		99,977.60	101,040.19	(83.09)	
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	107,361.82	113,188.89			(3,694.83)		103,666.99	108,861.98	(632.08)	
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	191,015.41	193,164.35			(5,014.55)		186,000.86	187,981.55	(168.25)	
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	189,509.77	194,343.18			(5,015.81)		184,493.96	188,921.88	(405.49)	
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	412,109.32	434,476.58			(10,039.10)		402,070.22	422,218.92	(2,218.56)	
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	8,821.12	9,046.18			(180.41)		8,640.71	8,848.15	(17.62)	
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	123,459.02	130,163.07			(21,484.26)		101,974.76	107,087.58	(1,591.23)	
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	133,987.22	135,497.95			(22,467.92)		111,519.30	112,709.54	(320.49)	
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	31,248.97	32,046.76			(1,266.59)		29,982.38	30,702.69	(77.48)	
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	248,067.11	261,537.54			(5,110.91)		242,956.20	255,137.45	(1,289.18)	
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	132,559.69	134,057.24			(3,178.44)		129,381.25	130,765.10	(113.70)	
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	486,393.63	512,816.90			(56,179.39)		430,214.24	451,794.64	(4,842.87)	
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	73,699.61	75,683.33			(1,483.60)		72,216.01	73,953.15	(146.58)	
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	128,412.07	135,391.00			(23,553.63)		104,858.44	110,120.75	(1,716.62)	
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	40,426.02	42,623.27			(787.62)		39,638.40	41,627.78	(207.87)	
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	146,047.71	147,702.40			(3,178.18)		142,869.53	144,402.15	(122.07)	
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	41,017.18	43,246.85			(984.77)		40,032.41	42,041.88	(220.20)	
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	131,106.11	138,630.49			(10,145.23)		120,960.88	127,340.27	(1,144.99)	
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	100,847.47	106,648.37			(3,214.37)		97,633.10	102,794.63	(639.37)	
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	125,576.93	134,305.37			(1,269.87)		124,307.06	132,824.50	(211.00)	
GNMA	2001 A-E RMRB	8.19	04/29/91	04/20/16	133,967.33	141,678.88			(3,076.00)		130,891.33	137,816.54	(786.34)	
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	276,701.65	286,297.14			(5,444.23)		273,257.42	280,265.97	(586.94)	
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	314,097.45	318,037.51			(6,897.01)		307,200.44	310,829.17	(311.33)	
GNMA	2001 A-E RMRB	8.19	04/26/91	04/20/16	21,359.43	22,588.99			(422.60)		20,936.83	22,044.59	(121.80)	
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	45,661.29	46,907.06			(1,015.24)		44,646.05	45,792.45	(99.37)	
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	394,296.38	399,804.43			(54,388.77)		339,907.61	344,362.69	(1,052.97)	
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	17,187.75	18,230.12			(323.91)		16,863.84	17,868.89	(37.32)	
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	330,495.40	340,107.51			(40,289.39)		290,206.01	298,150.93	(1,667.19)	
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	354,852.21	359,397.18			(6,142.26)		348,709.95	352,973.43	(281.49)	
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	459,925.54	462,901.26			(2,057.98)		457,867.56	459,578.75	(1,264.53)	
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	1,168,898.73	1,152,943.32			(6,288.93)		1,162,609.80	1,140,880.84	(5,773.55)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	311,893.12	313,935.45			(1,333.65)		310,559.47	311,744.32	(857.48)	
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	1,042,548.29	1,028,392.16			(5,132.11)		1,037,416.18	1,018,100.92	(5,159.13)	
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	838,734.07	827,350.50			(3,954.36)		834,779.71	819,242.30	(4,153.84)	
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	333,789.35	335,977.10			(1,456.80)		332,332.55	333,602.50	(917.80)	
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	1,036,750.59	1,043,482.64			(4,856.20)		1,031,894.39	1,035,774.97	(2,851.47)	
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	102,203.63	102,867.28			(445.39)		101,758.24	102,140.91	(280.98)	
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	766,800.82	756,347.73			(6,351.39)		760,449.43	746,250.29	(3,746.05)	
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,657,513.78	1,668,323.71			(7,777.88)		1,649,735.90	1,655,986.62	(4,559.21)	
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	154,550.34	155,557.66			(657.08)		153,893.26	154,475.73	(424.85)	
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,540,905.78	1,519,942.98			(73,300.28)		1,467,605.50	1,440,243.05	(6,399.65)	
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	62,123.85	62,529.65			(260.52)		61,863.33	62,098.29	(170.84)	
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	2,131,880.21	2,102,898.88			(217,202.62)		1,914,677.59	1,878,996.83	(6,699.43)	
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	637,127.80	641,289.48			(2,998.47)		634,129.33	636,537.78	(1,753.23)	
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	80,192.59	79,102.44			(399.42)		79,793.17	78,306.19	(396.83)	
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	401,495.41	404,124.48			(1,759.46)		399,735.95	401,261.04	(1,103.98)	
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	323,004.54	318,617.39			(1,468.85)		321,535.69	315,547.56	(1,600.98)	
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	127,421.85	128,255.72			(544.12)		126,877.73	127,361.16	(350.44)	
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	453,333.25	456,344.09			(70,155.23)		383,178.02	384,675.62	(1,513.24)	
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	532,080.34	524,904.26			(91,741.10)		440,339.24	432,180.84	(982.32)	
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	380,382.91	382,879.14			(1,618.04)		378,764.87	380,215.33	(1,045.77)	
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	832,813.95	821,517.26			(4,482.41)		828,331.54	812,920.63	(4,114.22)	
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	407,401.19	401,877.07			(2,953.87)		404,447.32	396,924.69	(1,998.51)	
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	98,438.13	99,085.72			(464.53)		97,973.60	98,350.37	(270.82)	
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	280,425.73	276,626.38			(97,826.98)		182,598.75	179,204.44	405.04	
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	202,270.52	203,601.39			(881.68)		201,388.84	202,163.30	(556.41)	
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	191,560.81	188,966.41			(891.47)		190,669.34	187,125.95	(948.99)	
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	352,035.40	354,355.61			(1,456.39)		350,579.01	351,931.47	(967.75)	
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	1,027,375.18	1,013,468.03			(4,815.59)		1,022,559.59	1,003,563.47	(5,088.97)	
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	118,639.59	119,422.49			(490.45)		118,149.14	118,605.88	(326.16)	
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	293,063.23	289,098.50			(1,501.06)		291,562.17	286,148.12	(1,449.32)	
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	166,539.76	167,639.60			(888.45)		165,651.31	166,292.53	(458.62)	
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	621,067.68	612,671.04			(3,209.09)		617,858.59	606,391.00	(3,070.95)	
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	101,595.32	102,266.90			(1,612.85)		99,982.47	100,897.71	243.66	
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	72,778.48	73,259.54			(253.17)		72,525.31	72,278.71	(727.66)	
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	358,352.44	353,509.78			(1,611.55)		356,740.89	350,121.49	(1,776.74)	
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	63,563.49	63,984.04			(263.49)		63,300.00	63,545.80	(174.75)	
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	55,935.68	55,179.67			(282.39)		55,653.29	54,620.57	(276.71)	
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	164,353.21	165,441.94			(814.35)		163,538.86	164,175.21	(452.38)	
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	241,781.94	238,516.98			(1,322.94)		240,459.00	235,999.85	(1,194.19)	
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	856,720.79	862,407.27			(3,640.77)		853,080.02	856,409.84	(2,356.66)	
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	1,371,634.02	1,353,129.56			(6,242.89)		1,365,391.13	1,340,087.02	(6,799.65)	
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	355,941.59	358,329.09			(1,939.17)		354,002.42	355,409.29	(980.63)	
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	237,704.22	239,285.58			(1,098.40)		236,605.82	237,533.19	(653.99)	
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	434,361.75	428,508.37			(1,961.63)		432,400.12	424,393.55	(2,153.19)	
GNMA	2001 A-E RMRB	5.45	09/19/02	09/20/32	114,468.13	115,230.70			(461.75)		114,006.38	114,454.27	(314.68)	
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	548,594.72	541,206.82			(2,900.46)		545,694.26	535,594.68	(2,711.68)	
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	598,619.38	602,610.33			(2,776.62)		595,842.76	598,186.61	(1,647.10)	
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	382,916.13	377,761.32			(1,743.77)		381,172.36	374,119.60	(1,897.95)	
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	595,003.96	598,977.49			(2,446.09)		592,557.87	594,895.42	(1,635.98)	
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	445,591.12	439,597.47			(2,157.46)		443,433.66	435,233.73	(2,206.28)	
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	152,035.25	153,052.41			(626.62)		151,408.63	152,007.75	(418.04)	
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	312,326.19	308,128.82			(1,562.32)		310,763.87	305,020.95	(1,545.55)	
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	127,420.47	128,274.24			(514.57)		126,905.90	127,409.35	(350.32)	
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	314,779.23	310,552.02			(1,403.05)		313,376.18	307,588.09	(1,560.88)	
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	426,543.35	429,402.25			(1,848.17)		424,695.18	426,380.84	(1,173.24)	
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	258,840.94	255,365.45			(1,135.57)		257,705.37	252,946.03	(1,283.85)	
GNMA	2001 A-E RMRB	5.45	11/19/02	11/20/32	110,088.69	110,828.12			(445.01)		109,643.68	110,080.42	(302.69)	
GNMA	2001 A-E RMRB	4.95	11/19/02	11/20/32	73,802.07	72,812.16			(320.90)		73,481.17	72,125.13	(366.13)	
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	193,033.72	194,331.49			(777.49)		192,256.23	193,023.24	(530.76)	
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	79,530.59	78,464.31			(350.17)		79,180.42	77,719.68	(394.46)	
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	184,341.19	185,580.48			(2,350.01)		181,991.18	182,717.21	(513.26)	
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	76,690.09	75,662.81			(341.66)		76,348.43	74,940.84	(380.31)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	363,305.99	365,752.85			(1,796.23)		361,509.76	362,956.34	(1,000.28)	
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	403,001.46	405,719.35			(4,922.43)		398,079.03	399,675.58	(1,121.34)	
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	65,710.27	64,830.45			(283.73)		65,426.54	64,220.63	(326.09)	
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	436,842.70	439,792.81			(2,021.23)		434,821.47	436,568.91	(1,202.67)	
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	43,656.19	43,951.02			(176.17)		43,480.02	43,654.75	(120.10)	
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	128,810.79	127,087.64			(650.99)		128,159.80	125,799.15	(637.50)	
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	107,443.25	108,169.61			(1,002.48)		106,440.77	106,869.39	(297.74)	
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	383,798.37	386,213.03			(1,619.89)		382,178.48	383,730.96	(862.18)	
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	375,786.84	370,730.12			(1,732.95)		374,053.89	367,119.66	(1,877.51)	
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	93,218.37	93,804.85			(369.56)		92,848.81	93,225.98	(209.31)	
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	52,748.71	52,038.91			(796.28)		51,952.43	50,989.33	(253.30)	
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	285,772.32	287,709.17			(1,354.11)		284,418.21	285,568.12	(786.94)	
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	75,580.19	74,563.53			(526.55)		75,053.64	73,662.66	(374.32)	
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	239,768.51	241,280.66			(1,398.90)		238,369.61	239,341.53	(540.23)	
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	162,138.30	159,959.58			(702.65)		161,435.65	158,445.99	(810.94)	
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	180,699.09	181,840.54			(779.56)		179,919.53	180,654.95	(406.03)	
GNMA	2001 A-E RMRB	5.45	02/27/03	02/20/33	92,708.46	93,294.56			(363.26)		92,345.20	92,723.13	(208.17)	
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	140,854.71	138,963.53			(805.54)		140,049.17	137,457.09	(700.90)	
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	162,330.39	160,152.64			(723.70)		161,606.69	158,617.21	(811.73)	
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	271,066.62	272,784.96			(1,387.85)		269,678.77	270,787.08	(610.03)	
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	104,366.94	102,967.43			(497.75)		103,869.19	101,948.48	(521.20)	
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	114,422.29	115,149.14			(454.98)		113,967.31	114,437.19	(256.97)	
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	125,092.16	125,887.56			(612.70)		124,479.46	124,993.44	(281.42)	
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	54,795.98	55,144.74			(260.88)		54,535.10	54,760.61	(123.25)	
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	223,278.35	224,702.36			(890.78)		222,387.57	223,309.87	(501.71)	
GNMA	2001 A-E RMRB	5.45	05/08/03	04/20/33	208,221.62	209,551.09			(877.54)		207,344.08	208,205.46	(468.09)	
GNMA	2001 A-E RMRB	4.95	05/08/03	04/20/33	146,068.76	144,116.59			(629.28)		145,439.48	142,756.42	(730.89)	
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	148,659.60	146,673.54			(631.43)		148,028.17	145,298.23	(743.88)	
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	154,034.01	155,019.22			(632.60)		153,401.41	154,040.40	(346.22)	
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	287,403.83	289,244.41			(1,170.39)		286,233.44	287,428.35	(645.67)	
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	266,081.04	267,787.77			(1,057.10)		265,023.94	266,132.73	(597.94)	
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	115,317.67	116,058.52			(449.51)		114,868.16	115,350.01	(259.00)	
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	221,503.97	222,927.01			(1,715.93)		219,788.04	220,710.01	(501.07)	
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	104,911.35	105,586.00			(478.56)		104,432.79	104,871.40	(236.04)	
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	50,109.63	50,432.42			(190.77)		49,918.86	50,129.07	(112.58)	
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	53,621.87	53,967.73			(202.91)		53,418.96	53,644.40	(120.42)	
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	49,993.54	50,316.30			(192.36)		49,801.16	50,011.64	(112.28)	
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	52,740.42	53,081.12			(199.57)		52,540.85	52,763.11	(118.44)	
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	98,602.16	99,239.83			(974.79)		97,627.37	98,041.06	(223.98)	
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	55,814.54	56,176.58			(338.44)		55,476.10	55,712.24	(125.90)	
GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	54,511.82	54,867.01			(205.06)		54,306.76	54,539.52	(122.43)	
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	50,231.37	50,559.80			(194.21)		50,037.16	50,252.73	(112.86)	
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	53,663.51	54,015.58			(199.21)		53,464.30	53,695.83	(120.54)	
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	64,407.07	64,829.22			(260.19)		64,146.88	64,424.22	(144.81)	
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	248,901.42	250,537.88			(918.52)		247,982.90	249,060.33	(559.03)	
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	60,935.89	61,337.02			(223.39)		60,712.50	60,976.78	(136.85)	
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	123,910.92	122,227.75			(491.70)		123,419.22	121,131.53	(604.52)	
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	500,886.13	492,826.90			(2,103.36)		498,782.77	488,297.47	(2,426.07)	
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	52,548.83	52,896.57			(192.75)		52,356.08	52,585.79	(118.03)	
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	51,951.61	52,295.55			(291.28)		51,660.33	51,887.14	(117.13)	
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	52,416.70	52,764.36			(195.44)		52,221.26	52,451.11	(117.81)	
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	52,992.92	53,318.76			(191.83)		52,801.09	53,015.98	(110.95)	
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	129,432.15	127,680.16			(514.09)		128,918.06	126,534.57	(631.50)	
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	102,077.06	100,441.24			(402.58)		101,674.48	99,543.53	(495.13)	
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	96,853.56	97,654.70			(388.74)		96,464.82	97,049.54	(216.42)	
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	289,832.68	289,947.63			(1,617.77)		288,214.91	287,102.59	(1,227.27)	
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	203,071.28	199,190.80			(2,443.72)		200,627.56	195,599.44	(1,147.64)	
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	88,160.04	86,476.53			(565.08)		87,594.96	85,400.86	(510.59)	
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	240,872.99	236,277.04			(1,772.34)		239,100.65	233,115.11	(1,389.59)	
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	240,614.48	240,726.34			(1,010.31)		239,604.17	238,695.51	(1,020.52)	
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	87,617.09	85,947.92			(390.41)		87,226.68	85,045.73	(511.78)	
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	307,028.55	307,187.33			(1,399.30)		305,629.25	304,486.40	(1,301.63)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	225,585.83	221,314.00			(1,144.06)		224,441.77	218,855.27	(1,314.67)	
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	66,411.96	66,426.04			(307.01)		66,104.95	65,843.47	(275.56)	
FNMA	2001 A-E RMRB	5.45	12/04/03	11/01/33	94,161.82	94,185.94			(466.76)		93,695.06	93,328.66	(390.52)	
FNMA	2001 A-E RMRB	4.95	02/26/04	09/01/33	65,576.58	64,320.37			(285.88)		65,290.70	63,649.87	(384.62)	
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	25,949.27	25,966.92			(139.13)		25,810.14	25,717.74	(110.05)	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	139,068.88	139,068.88	1,834.00				140,902.88	140,902.88	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	244,687.78	244,687.78	78,882.31				323,570.09	323,570.09	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	88.31	88.31	61,188.00				61,276.31	61,276.31	-	
Repo Agmt	2001 A-E RMRB	5.31	02/28/07	03/01/07	168.78	168.78	130.52				299.30	299.30	-	-
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,897.42	4,938.61			(18.88)		4,878.54	4,908.14	(11.59)	
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,859.42	11,959.13			(46.37)		11,813.05	11,884.73	(28.03)	
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	32,400.70	32,673.52			(133.48)		32,267.22	32,463.38	(76.66)	
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	11,273.63	11,026.65			(50.79)		11,222.84	10,923.56	(52.30)	
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	70,079.85	68,545.13			(13,164.42)		56,915.43	55,398.17	17.46	
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	68,350.55	68,927.10			(303.40)		68,047.15	68,461.87	(161.83)	
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,584.39	9,374.50			(41.49)		9,542.90	9,288.51	(44.50)	
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	23,594.05	23,077.63			(101.31)		23,492.74	22,866.73	(109.59)	
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	7,063.68	7,123.36			(27.47)		7,036.21	7,079.18	(16.71)	
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,756.14	9,542.58			(49.93)		9,706.21	9,447.56	(45.09)	
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	28,223.49	28,462.15			(152.72)		28,070.77	28,242.43	(67.00)	
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	15,194.87	15,323.44			(58.39)		15,136.48	15,229.12	(35.93)	
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	24,287.36	23,756.13			(112.29)		24,175.07	23,531.24	(112.60)	
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	37,634.01	37,952.69			(146.98)		37,487.03	37,716.71	(89.00)	
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	26,345.89	25,769.78			(113.44)		26,232.45	25,533.96	(122.38)	
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	21,102.99	21,281.79			(83.81)		21,019.18	21,148.05	(49.93)	
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	20,082.30	19,643.34			(86.58)		19,995.72	19,463.51	(93.25)	
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	11,339.44	11,435.62			(43.20)		11,296.24	11,365.59	(26.83)	
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	9,194.40	8,993.50			(39.79)		9,154.61	8,910.99	(42.72)	
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,527.99	11,625.89			(44.12)		11,483.87	11,554.52	(27.25)	
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,560.01	10,329.41			(44.80)		10,515.21	10,235.55	(49.06)	
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	25,037.14	25,249.73			(96.77)		24,940.37	25,093.77	(59.19)	
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,735.56	6,588.44			(29.09)		6,706.47	6,528.07	(31.28)	
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	5,107.23	5,150.67			(19.50)		5,087.73	5,119.08	(12.09)	
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	15,215.40	15,344.77			(57.93)		15,157.47	15,250.86	(35.98)	
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	32,545.31	32,822.29			(125.25)		32,420.06	32,620.03	(77.01)	
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	14,375.73	14,062.05			(61.36)		14,314.37	13,933.89	(66.80)	
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	76,916.34	75,238.18			(11,685.00)		65,231.34	63,497.68	(55.50)	
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	39,764.30	40,103.25			(168.72)		39,595.58	39,840.41	(94.12)	
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	39,603.75	38,740.03			(171.14)		39,432.61	38,384.94	(183.95)	
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	11,982.74	12,084.93			(56.60)		11,926.14	11,999.93	(28.40)	
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	27,766.90	28,003.91			(111.78)		27,655.12	27,826.44	(65.69)	
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	10,950.33	10,711.59			(46.46)		10,903.87	10,614.25	(50.88)	
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	16,313.63	16,453.01			(61.85)		16,251.78	16,352.58	(38.58)	
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	31,880.44	31,185.67			(137.16)		31,743.28	30,900.44	(148.07)	
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	12,338.56	12,444.07			(47.19)		12,291.37	12,367.72	(29.16)	
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	13,002.00	12,718.81			(55.86)		12,946.14	12,602.55	(60.40)	
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,407.13	5,453.41			(22.85)		5,384.28	5,417.76	(12.80)	
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	41,398.25	41,753.23			(175.23)		41,223.02	41,480.00	(98.00)	
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	46,493.40	45,481.73			(195.23)		46,298.17	45,070.41	(216.09)	
GNMA	2001 A-E RMRB				10,691.08	10,782.77			(10,691.08)				(91.69)	
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	7,517.31	7,353.76			(31.33)		7,485.98	7,287.47	(34.96)	
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	66,387.77	66,957.66			(254.44)		66,133.33	66,546.21	(157.01)	
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	34,946.54	34,186.43			(147.51)		34,799.03	33,876.50	(162.42)	
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,968.07	10,053.77			(38.47)		9,929.60	9,991.74	(23.56)	
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	33,835.77	34,063.30			(127.22)		33,708.55	33,856.66	(79.42)	
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	232,861.41	227,222.50			(1,013.23)		231,848.18	225,132.71	(1,076.56)	
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	20,557.39	20,695.91			(113.32)		20,444.07	20,534.15	(48.44)	
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	115,981.91	113,463.69			(10,879.45)		105,102.46	102,320.11	(264.13)	
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,345.93	5,392.09			(42.73)		5,303.20	5,336.56	(12.80)	
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	155,732.35	151,964.24			(688.61)		155,043.74	150,555.94	(719.69)	
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,581.57	6,638.41			(34.92)		6,546.65	6,587.85	(15.64)	
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	53,111.03	51,958.55			(233.99)		52,877.04	51,477.97	(246.59)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change In In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	75,424.29	73,600.38			(472.42)		74,951.87	72,783.39	(344.57)	
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	5,041.99	5,085.54			(18.83)		5,023.16	5,054.78	(11.93)	
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	44,631.36	43,552.29			(243.28)		44,388.08	43,104.08	(204.93)	
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,920.40	11,014.77			(40.52)		10,879.88	10,948.42	(25.83)	
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,660.47	5,709.51			(20.88)		5,639.59	5,675.23	(13.40)	
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	45,592.58	44,604.14			(208.49)		45,384.09	44,184.15	(211.50)	
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	11,759.68	11,861.57			(43.35)		11,716.33	11,790.41	(27.81)	
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	32,394.67	31,611.75			(133.03)		32,261.64	31,328.72	(150.00)	
GNMA	2001 A-E RMRB				10,044.13	9,826.54			(10,044.13)				217.59	
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	45,276.85	45,647.57			(239.47)		45,037.38	45,306.60	(101.50)	
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	40,309.31	40,563.16			(153.83)		40,155.48	40,320.43	(88.90)	
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	38,929.38	38,067.38			(217.02)		38,712.36	37,675.57	(174.79)	
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	12,349.45	12,450.72			(48.76)		12,300.69	12,374.37	(27.59)	
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,454.50	8,271.50			(35.85)		8,418.65	8,196.35	(39.30)	
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	20,849.36	20,336.09			(117.08)		20,732.28	20,125.93	(93.08)	
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	43,646.00	44,004.50			(175.16)		43,470.84	43,731.82	(97.52)	
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	27,332.28	26,659.78			(118.94)		27,213.34	26,417.80	(123.04)	
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	21,967.16	22,106.19			(81.99)		21,885.17	21,975.76	(48.44)	
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	25,699.21	25,067.26			(104.80)		25,594.41	24,846.57	(115.89)	
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	72,664.06	73,262.74			(274.34)		72,389.72	72,826.15	(162.25)	
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	28,952.42	29,136.40			(105.77)		28,846.65	28,966.75	(63.88)	
GNMA	2001 A-E RMRB	4.80	03/30/04	03/20/34	11,144.64	10,898.51			(45.08)		11,099.56	10,802.91	(50.52)	
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	15,495.24	15,624.60			(60.36)		15,434.88	15,529.61	(34.63)	
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,862.29	9,620.75			(39.94)		9,822.35	9,536.32	(44.49)	
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	28,208.90	37,267.70			(25.82)		28,183.08	37,047.59	(194.29)	
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	31,401.79	30,708.99			(126.74)		31,275.05	30,439.95	(142.30)	
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	19,141.47	19,299.90			(68.78)		19,072.69	19,188.40	(42.72)	
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	22,757.44	22,198.73			(101.46)		22,655.98	21,994.88	(102.39)	
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,701.87	10,790.49			(39.98)		10,661.89	10,726.61	(23.90)	
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,711.67	17,321.11			(72.87)		17,638.80	17,168.01	(80.23)	
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	7,042.22	7,100.56			(25.10)		7,017.12	7,059.75	(15.71)	
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	11,100.81	10,856.08			(44.47)		11,056.34	10,761.29	(50.32)	
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	19,037.83	19,195.98			(68.07)		18,969.76	19,085.41	(42.50)	
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,656.46	6,711.79			(23.49)		6,632.97	6,673.45	(14.85)	
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,835.14	13,950.44			(48.49)		13,786.65	13,871.06	(30.89)	
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	27,268.35	27,445.56			(112.93)		27,155.42	27,272.42	(60.21)	
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	29,064.26	29,308.50			(100.78)		28,963.48	29,142.84	(64.88)	
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34			17,086.96				17,086.96	17,192.84	105.88	
GNMA	2001 A-E RMRB				25,407.42	25,621.06			(25,407.42)				(213.64)	
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	14,000.86	13,693.90			(54.38)		13,946.48	13,576.01	(63.51)	
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,812.99	16,954.58			(59.39)		16,753.60	16,857.64	(37.55)	
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	19,652.00	19,817.60			(69.68)		19,582.32	19,704.05	(43.87)	
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,842.94	13,539.53			(53.96)		13,788.98	13,422.77	(62.80)	
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,940.62	12,040.32			(42.85)		11,897.77	11,970.80	(26.67)	
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,598.79	11,695.76			(40.59)		11,558.20	11,629.28	(25.89)	
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,602.98	6,658.21			(22.99)		6,579.99	6,620.47	(14.75)	
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	26,389.24	26,610.20			(95.33)		26,293.91	26,455.95	(58.92)	
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	22,539.28	22,728.27			(116.96)		22,422.32	22,560.76	(50.55)	
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,515.62	13,629.00			(47.06)		13,468.56	13,551.75	(30.19)	
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	38,021.91	38,344.25			(133.67)		37,888.24	38,125.69	(84.89)	
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	25,905.31	25,338.84			(101.84)		25,803.47	25,119.49	(117.51)	
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,279.57	3,207.68			(15.01)		3,264.56	3,177.85	(14.82)	
GNMA	2001 A-E RMRB	5.49	10/21/04	06/20/34	10,341.36	10,408.93			(52.05)		10,289.31	10,334.00	(22.88)	
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	10,365.60	10,112.76			(74.97)		10,290.63	9,991.97	(45.82)	
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,852.63	14,978.09			(51.67)		14,800.96	14,893.23	(33.19)	
GNMA	2001 A-E RMRB	5.49	11/04/04	10/20/34	7,151.69	7,212.17			(26.11)		7,125.58	7,170.08	(15.98)	
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	37,569.76	37,889.22			(127.72)		37,442.04	37,677.65	(83.85)	
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	15,057.62	14,728.70			(57.46)		15,000.16	14,602.89	(68.35)	
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	11,195.03	11,286.28			(37.56)		11,157.47	11,223.87	(24.85)	
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	17,957.96	18,110.88			(5,792.89)		12,165.07	12,241.75	(76.24)	
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	58,273.05	58,638.97			(195.90)		58,077.15	58,314.02	(129.05)	
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,883.13	11,984.91			(40.23)		11,842.90	11,918.15	(26.53)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	04/21/05	04/20/35	7,193.99	7,253.29			(23.68)		7,170.31	7,213.63	(15.98)	
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,601.37	6,655.86			(22.89)		6,578.48	6,618.29	(14.68)	
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	14,282.75	14,401.48			(46.83)		14,235.92	14,322.91	(31.74)	
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,702.51	8,347.78			(33.49)		8,669.02	8,277.44	(36.85)	
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	35,148.54	33,631.29			(138.52)		35,010.02	33,344.81	(147.96)	
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	14,199.33	14,291.39			(48.90)		14,150.43	14,211.01	(31.48)	
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	26,497.78	26,669.71			(117.89)		26,379.89	26,493.00	(58.82)	
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	35,121.99	35,414.86			(115.28)		35,006.71	35,221.57	(78.01)	
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	13,389.82	12,842.85			(52.26)		13,337.56	12,733.96	(56.63)	
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	27,525.45	27,756.72			(90.51)		27,434.94	27,605.06	(61.15)	
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	26,537.92	26,762.48			(83.64)		26,454.28	26,619.90	(58.94)	
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	26,868.66	27,095.27			(92.67)		26,775.99	26,942.88	(59.72)	
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	25,475.42	24,093.98			(100.21)		25,375.21	23,891.77	(102.00)	
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	22,598.98	21,674.39			(87.18)		22,511.80	21,491.57	(95.64)	
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	19,563.47	19,729.17			(62.25)		19,501.22	19,623.46	(43.46)	
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,448.32	8,518.30			(26.38)		8,421.94	8,470.45	(21.47)	
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	28,818.23	28,882.23			(111.71)		28,706.52	28,646.92	(123.60)	
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,638.14	8,401.23			(37.52)		8,600.62	8,316.72	(46.99)	
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	16,003.23	16,040.16			(64.86)		15,938.37	15,906.66	(68.64)	
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	33,806.68	32,881.20			(295.61)		33,511.07	32,406.59	(179.00)	
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	11,800.71	11,470.42			(78.30)		11,722.41	11,328.28	(63.84)	
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,716.87	7,734.98			(30.54)		7,686.33	7,671.32	(33.12)	
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	27,514.37	27,695.64			(98.48)		27,415.89	27,475.05	(122.11)	
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,809.90	6,619.91			(47.17)		6,762.73	6,535.96	(36.78)	
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,890.23	6,698.14			(26.97)		6,863.26	6,633.26	(37.91)	
FNMA	2001 A-E RMRB	5.49	04/07/05	01/01/35	10,176.07	10,184.53			(34.54)		10,141.53	10,110.13	(39.86)	
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,349.43	4,353.24			(14.41)		4,335.02	4,321.79	(17.04)	
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,550.34	8,143.35			(33.73)		8,516.61	8,071.10	(38.52)	
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	27,497.00	27,522.40			(150.67)		27,346.33	27,264.18	(107.55)	
FNMA	2001 A-E RMRB	4.80	12/15/05	06/01/35	12,860.27	12,483.62			(47.94)		12,812.33	12,373.53	(62.15)	
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	8,054.99	7,669.93			(30.77)		8,024.22	7,602.84	(36.32)	
	2001 A-E RMRB Total				60,251,433.67	60,466,724.96	347,059.19	(2,845,447.03)	(1,455,867.65)	0.00	56,297,178.18	56,308,605.53	(203,863.94)	0.00
Repo Agmt	2002 RMRB	5.31	02/28/07	03/01/07	407.31	407.31	5.41				412.72	412.72	-	
Repo Agmt	2002 RMRB	5.31	02/28/07	03/01/07	394,231.03	394,231.03		(380,741.01)			13,490.02	13,490.02	-	
Repo Agmt	2002 RMRB	5.31	02/28/07	03/01/07	0.55	0.55	0.00				0.55	0.55	-	
GIC's	2002 RMRB	4.20	12/18/02	04/01/34	1,424,489.09	1,424,489.09		(631,799.90)			792,689.19	792,689.19	-	
GIC's	2002 RMRB	4.20	12/18/02	04/01/34			26,736.99				26,736.99	26,736.99	-	
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	40,033.32	40,369.74			(154.37)		39,878.95	40,120.73	(94.64)	
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	96,942.75	97,757.73			(379.00)		96,563.75	97,149.53	(229.20)	
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	264,853.39	267,083.50			(1,091.11)		263,762.28	265,365.84	(626.55)	
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	92,154.42	90,135.33			(415.20)		91,739.22	89,292.68	(427.45)	
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	572,854.61	560,309.31			(107,610.03)		465,244.58	452,841.97	142.69	
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	558,718.66	563,431.61			(2,480.10)		556,238.56	559,628.66	(1,322.85)	
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	78,345.64	76,630.06			(339.09)		78,006.55	75,927.18	(363.79)	
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	192,865.31	188,643.72			(828.20)		192,037.11	186,919.79	(895.73)	
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	57,740.90	58,228.55			(224.52)		57,516.38	57,867.43	(136.60)	
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	79,749.74	78,004.04			(408.05)		79,341.69	77,227.34	(368.65)	
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	230,707.69	232,658.50			(1,248.41)		229,459.28	230,862.45	(547.64)	
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	124,207.71	125,258.58			(477.31)		123,730.40	124,487.64	(293.63)	
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	198,532.54	194,190.02			(917.94)		197,614.60	192,351.74	(920.34)	
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	307,632.49	310,237.14			(1,201.47)		306,431.02	308,308.25	(727.42)	
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	215,359.46	210,650.17			(927.22)		214,432.24	208,722.57	(1,000.38)	
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	172,502.54	173,963.96			(685.18)		171,817.36	172,870.80	(407.98)	
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	164,159.19	160,570.79			(707.58)		163,451.61	159,100.83	(762.38)	
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	92,692.06	93,478.29			(353.19)		92,338.87	92,905.87	(219.23)	
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	75,157.84	73,515.69			(325.37)		74,832.47	72,841.24	(349.08)	
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	94,233.42	95,033.69			(360.63)		93,872.79	94,450.26	(222.80)	
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	86,321.08	84,435.85			(366.18)		85,954.90	83,668.61	(401.06)	
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	204,661.18	206,399.25			(790.95)		203,870.23	205,124.37	(483.93)	
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	55,058.41	53,855.99			(237.82)		54,820.59	53,362.47	(255.70)	
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	41,748.42	42,103.18			(159.43)		41,588.99	41,845.00	(98.75)	
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Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	124,375.28	125,432.91			(473.51)		123,901.77	124,665.34	(294.06)	
GNMA	2002 RMRB	5.49	07/10/03	06/20/33	266,035.70	268,299.56			(1,023.95)		265,011.75	266,646.30	(629.31)	
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	117,512.02	114,947.58			(501.57)		117,010.45	113,899.98	(546.03)	
GNMA	2002 RMRB	4.80	07/17/03	06/20/33	628,737.97	615,020.33			(95,516.80)		533,221.17	519,049.86	(453.67)	
GNMA	2002 RMRB	5.49	07/24/03	07/20/33	325,045.85	327,816.46			(1,379.13)		323,666.72	325,667.95	(769.38)	
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	323,733.31	316,673.06			(1,399.10)		322,334.21	313,770.45	(1,503.51)	
GNMA	2002 RMRB	5.49	07/30/03	07/20/33	97,950.69	98,785.99			(462.64)		97,488.05	98,091.20	(232.15)	
GNMA	2002 RMRB	5.49	08/07/03	07/20/33	226,975.50	228,912.74			(913.72)		226,061.78	227,462.06	(536.96)	
GNMA	2002 RMRB	4.80	08/07/03	06/20/33	89,511.31	87,559.90			(379.63)		89,131.68	86,764.26	(416.01)	
GNMA	2002 RMRB	5.49	08/14/03	08/20/33	133,352.75	134,492.01			(505.60)		132,847.15	133,671.12	(315.29)	
GNMA	2002 RMRB	4.80	08/14/03	07/20/33	260,600.66	254,921.39			(1,121.07)		259,479.59	252,589.83	(1,210.49)	
GNMA	2002 RMRB	5.49	08/21/03	08/20/33	100,859.47	101,721.73			(385.64)		100,473.83	101,097.60	(238.49)	
GNMA	2002 RMRB	4.80	08/28/03	08/20/33	106,282.27	103,967.53			(456.62)		105,825.65	103,017.21	(493.70)	
GNMA	2002 RMRB	5.49	09/04/03	08/20/33	44,199.50	44,577.88			(186.72)		44,012.78	44,286.51	(104.65)	
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	338,402.20	341,303.93			(1,432.35)		336,969.85	339,070.49	(801.09)	
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	380,051.62	371,781.88			(1,595.78)		378,455.84	368,419.61	(1,766.49)	
GNMA	2002 RMRB				87,392.37	88,141.73			(87,392.37)				(749.36)	
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	61,449.02	60,111.92			(256.16)		61,192.86	59,570.09	(285.67)	
GNMA	2002 RMRB	5.49	09/29/03	09/20/33	542,674.57	547,332.79			(2,079.93)		540,594.64	543,969.53	(1,283.33)	
GNMA	2002 RMRB	4.80	09/29/03	09/20/33	285,663.91	279,450.56			(1,205.78)		284,458.13	276,917.15	(1,327.63)	
GNMA	2002 RMRB	5.49	10/16/03	09/20/33	81,482.17	82,182.68			(314.34)		81,167.83	81,675.63	(192.71)	
GNMA	2002 RMRB	5.49	10/30/03	10/20/33	276,584.09	278,444.03			(1,039.87)		275,544.22	276,754.94	(649.22)	
GNMA	2002 RMRB	4.80	10/30/03	10/20/33	1,903,481.95	1,857,387.62			(8,282.39)		1,895,199.56	1,840,305.05	(8,800.18)	
GNMA	2002 RMRB	5.49	11/13/03	10/20/33	168,042.76	169,174.84			(926.36)		167,116.40	167,852.56	(395.92)	
GNMA	2002 RMRB	4.80	11/13/03	10/20/33	948,072.22	927,487.54			(88,931.96)		859,140.26	836,396.49	(2,159.09)	
GNMA	2002 RMRB	5.49	11/20/03	11/20/33	43,699.46	44,076.66			(349.38)		43,350.08	43,622.78	(104.50)	
GNMA	2002 RMRB	4.80	11/20/03	11/20/33	1,273,004.84	1,242,203.08			(5,628.87)		1,267,375.97	1,230,691.22	(5,882.99)	
GNMA	2002 RMRB	5.49	11/26/03	10/20/33	53,800.01	54,264.50			(285.53)		53,514.48	53,851.23	(127.74)	
GNMA	2002 RMRB	4.80	11/26/03	11/20/33	434,146.10	424,725.44			(1,912.63)		432,233.47	420,797.02	(2,015.79)	
GNMA	2002 RMRB	4.80	12/04/03	12/20/33	616,541.78	601,632.40			(3,861.79)		612,679.99	594,954.14	(2,816.47)	
GNMA	2002 RMRB	5.49	12/04/03	11/20/33	41,214.57	41,570.62			(153.94)		41,060.63	41,319.41	(97.47)	
GNMA	2002 RMRB	4.80	12/11/03	12/20/33	364,830.63	356,009.98			(1,988.56)		362,842.07	352,346.20	(1,675.22)	
GNMA	2002 RMRB	5.49	12/11/03	09/20/33	89,266.65	90,036.19			(331.28)		88,935.37	89,495.83	(211.08)	
GNMA	2002 RMRB	5.49	12/18/03	12/20/33	46,270.69	46,671.23			(170.70)		46,099.99	46,391.12	(109.41)	
GNMA	2002 RMRB	4.80	12/18/03	12/20/33	372,687.89	364,608.19			(1,704.22)		370,983.67	361,175.13	(1,728.84)	
GNMA	2002 RMRB	5.49	12/23/03	12/20/33	96,127.59	96,960.13			(354.33)		95,773.26	96,378.51	(227.29)	
GNMA	2002 RMRB	4.80	12/23/03	12/20/33	264,803.99	258,404.37			(1,087.34)		263,716.65	256,090.78	(1,226.25)	
GNMA	2002 RMRB				82,103.75	80,325.18			(82,103.75)				1,778.57	
GNMA	2002 RMRB	5.49	01/15/04	01/20/34	370,106.98	373,137.48			(1,957.51)		368,149.47	370,350.34	(829.63)	
GNMA	2002 RMRB	5.49	01/22/04	01/20/34	329,500.87	331,575.94			(1,257.47)		328,243.40	329,591.82	(726.65)	
GNMA	2002 RMRB	4.80	01/22/04	01/20/34	318,221.12	311,174.64			(1,774.06)		316,447.06	307,971.93	(1,428.65)	
GNMA	2002 RMRB	5.49	01/29/04	01/20/34	100,948.33	101,776.05			(398.55)		100,549.78	101,152.00	(225.50)	
GNMA	2002 RMRB	4.80	01/29/04	11/20/33	69,109.98	67,613.81			(293.01)		68,816.97	66,999.58	(321.22)	
GNMA	2002 RMRB	4.80	02/12/04	01/20/34	170,429.20	166,233.50			(957.06)		169,472.14	164,515.60	(760.84)	
GNMA	2002 RMRB	5.49	02/12/04	02/20/34	356,776.08	359,706.51			(1,431.81)		355,344.27	357,477.60	(797.10)	
GNMA	2002 RMRB	4.80	02/26/04	02/20/34	223,422.58	217,925.31			(972.25)		222,450.33	215,947.34	(1,005.72)	
GNMA	2002 RMRB	5.49	02/26/04	02/20/34	179,566.42	180,702.90			(670.16)		178,896.26	179,636.75	(395.99)	
GNMA	2002 RMRB	4.80	03/11/04	03/20/34	210,073.72	204,907.57			(856.58)		209,217.14	203,103.65	(947.34)	
GNMA	2002 RMRB	5.49	03/11/04	03/20/34	593,978.70	598,872.53			(2,242.54)		591,736.16	595,303.71	(1,326.28)	
GNMA	2002 RMRB	5.49	03/25/04	03/20/34	236,666.08	238,169.97			(864.61)		235,801.47	236,783.25	(522.11)	
GNMA	2002 RMRB	4.80	03/30/04	03/20/34	91,099.64	89,087.80			(368.51)		90,731.13	88,306.43	(412.86)	
GNMA	2002 RMRB	5.49	07/09/04	07/20/34	126,662.95	127,720.32			(493.41)		126,169.54	126,943.91	(283.00)	
GNMA	2002 RMRB	4.80	07/08/04	06/20/34	80,617.31	78,643.03			(326.49)		80,290.82	77,952.85	(363.69)	
GNMA	2002 RMRB	5.49	04/01/04	04/20/34	230,588.51	304,637.78			(211.10)		230,377.41	302,838.61	(1,588.07)	
GNMA	2002 RMRB	4.80	04/22/04	04/20/34	256,688.29	251,024.86			(1,036.00)		255,652.29	248,825.69	(1,163.17)	
GNMA	2002 RMRB	5.49	04/22/04	04/20/34	156,468.38	157,763.44			(562.21)		155,906.17	156,851.99	(349.24)	
GNMA	2002 RMRB	4.80	04/29/04	04/20/34	186,026.34	181,459.30			(829.35)		185,196.99	179,793.04	(836.91)	
GNMA	2002 RMRB	5.49	04/29/04	04/20/34	87,480.30	88,204.81			(326.77)		87,153.53	87,682.71	(195.33)	
GNMA	2002 RMRB	4.80	05/06/04	04/20/34	144,780.99	141,588.20			(595.65)		144,185.34	140,336.76	(655.79)	
GNMA	2002 RMRB	5.49	05/06/04	04/20/34	57,565.07	58,042.19			(205.13)		57,359.94	57,708.58	(128.48)	
GNMA	2002 RMRB	4.80	05/13/04	04/20/34	90,741.60	88,741.05			(363.56)		90,378.04	87,966.20	(411.29)	
GNMA	2002 RMRB	5.49	05/27/04	05/20/34	155,621.15	156,913.95			(556.41)		155,064.74	156,010.18	(347.36)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2002 RMRB	5.49	06/03/04	05/20/34	54,411.95	54,864.30			(191.94)		54,220.01	54,550.91	(121.45)	
GNMA	2002 RMRB	5.49	06/24/04	06/20/34	113,092.75	114,035.23			(396.41)		112,696.34	113,386.43	(252.39)	
GNMA	2002 RMRB	5.49	09/02/04	08/20/34	222,900.02	239,576.84			(923.12)		221,976.90	222,933.30	(15,720.42)	
GNMA	2002 RMRB	5.49	09/01/04	09/20/34	237,581.69	224,348.58			(823.86)		236,757.83	238,222.72	14,698.00	
GNMA	2002 RMRB	5.49	09/16/04	09/20/34	207,687.84	209,434.51			(68,014.07)		139,673.77	140,539.69	(880.75)	
GNMA	2002 RMRB	4.80	09/29/04	09/20/34	114,447.25	111,938.22			(444.44)		114,002.81	110,974.55	(519.23)	
GNMA	2002 RMRB	5.49	09/29/04	09/20/34	137,434.63	138,592.02			(485.50)		136,949.13	137,799.69	(306.83)	
GNMA	2002 RMRB	5.49	10/07/04	09/20/34	160,641.45	161,995.23			(569.49)		160,071.96	161,067.09	(358.65)	
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	113,156.43	110,676.36			(441.04)		112,715.39	109,721.99	(513.33)	
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	97,606.59	98,421.32			(350.25)		97,256.34	97,853.07	(218.00)	
GNMA	2002 RMRB	5.49	07/22/04	07/20/34	94,812.26	95,604.81			(331.77)		94,480.49	95,061.43	(211.61)	
GNMA	2002 RMRB	5.49	07/29/04	07/20/34	53,974.85	54,426.32			(188.02)		53,786.83	54,117.84	(120.46)	
GNMA	2002 RMRB	5.49	08/05/04	08/20/34	215,714.04	217,520.06			(779.22)		214,934.82	216,259.21	(481.63)	
GNMA	2002 RMRB	5.49	08/19/04	08/20/34	184,243.20	185,787.99			(956.08)		183,287.12	184,418.75	(413.16)	
GNMA	2002 RMRB	5.49	08/26/04	08/20/34	110,480.63	111,407.68			(384.74)		110,095.89	110,776.24	(246.70)	
GNMA	2002 RMRB	5.49	12/02/04	11/20/34	310,802.79	313,437.85			(1,092.66)		309,710.13	311,651.26	(693.93)	
GNMA	2002 RMRB	4.80	12/02/04	11/20/34	211,758.29	207,127.55			(832.43)		210,925.86	205,334.60	(960.52)	
GNMA	2002 RMRB	4.80	10/14/04	09/20/34	26,807.89	26,220.52			(122.59)		26,685.30	25,976.79	(121.14)	
GNMA	2002 RMRB	5.49	10/21/04	06/20/34	84,533.27	85,085.81			(425.38)		84,107.89	84,473.35	(187.08)	
GNMA	2002 RMRB	4.80	10/28/04	09/20/34	84,731.67	82,664.89			(612.72)		84,118.95	81,677.58	(374.59)	
GNMA	2002 RMRB	5.49	10/28/04	10/20/34	121,409.89	122,435.54			(422.47)		120,987.42	121,741.93	(271.14)	
GNMA	2002 RMRB	5.49	11/04/04	10/20/34	58,460.38	58,954.51			(213.45)		58,246.93	58,610.50	(130.56)	
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	307,106.85	309,718.36			(1,043.93)		306,062.92	307,988.93	(685.50)	
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	123,085.55	120,396.98			(469.69)		122,615.86	119,368.57	(558.72)	
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	91,511.94	92,257.61			(306.98)		91,204.96	91,747.42	(203.21)	
GNMA	2002 RMRB	5.49	01/13/05	12/20/34	146,793.93	148,044.02			(47,352.98)		99,440.95	100,067.95	(623.09)	
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	476,341.97	479,333.16			(1,601.43)		474,740.54	476,677.02	(1,054.71)	
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	97,136.52	97,968.35			(328.82)		96,807.70	97,422.71	(216.82)	
GNMA	2002 RMRB	5.49	04/21/05	04/20/35	58,805.89	59,290.64			(193.59)		58,612.30	58,966.46	(130.59)	
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	53,961.72	54,407.08			(187.22)		53,774.50	54,099.98	(119.88)	
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	116,751.72	117,722.20			(382.87)		116,368.85	117,079.90	(259.43)	
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	71,137.10	68,237.36			(273.79)		70,863.31	67,662.45	(301.12)	
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	287,315.15	274,912.71			(1,132.26)		286,182.89	272,570.93	(1,209.52)	
GNMA	2002 RMRB	5.49	09/08/05	08/20/35	116,070.00	116,822.31			(399.74)		115,670.26	116,165.27	(257.30)	
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	216,601.00	218,006.48			(963.59)		215,637.41	216,562.03	(480.86)	
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	287,098.15	289,492.18			(942.35)		286,155.80	287,912.14	(637.69)	
GNMA	2002 RMRB	5.49	09/01/05	09/20/35	239,071.09	240,619.44			(762.92)		238,308.17	239,327.08	(529.44)	
GNMA	2002 RMRB	4.80	10/13/05	09/20/35	109,515.70	104,981.45			(413.89)		109,101.81	104,091.44	(476.12)	
GNMA	2002 RMRB	5.49	10/13/05	10/20/35	225,001.67	226,892.10			(739.83)		224,261.84	225,652.41	(499.86)	
GNMA	2002 RMRB	5.49	12/19/05	12/20/35	216,929.22	218,764.86			(683.67)		216,245.55	217,599.38	(481.81)	
GNMA	2002 RMRB	5.49	11/17/05	11/20/35	219,632.94	221,485.18			(757.48)		218,875.46	220,239.52	(488.18)	
GNMA	2002 RMRB	4.80	11/22/05	10/20/35	205,347.34	196,951.67			(783.57)		204,563.77	195,298.79	(869.31)	
GNMA	2002 RMRB	4.80	12/22/05	12/20/35	184,731.03	177,173.20			(712.74)		184,018.29	175,678.82	(781.64)	
GNMA	2002 RMRB	5.49	12/29/05	11/20/35	159,917.84	161,272.36			(508.84)		159,409.00	160,408.29	(355.23)	
GNMA	2002 RMRB	5.49	01/12/06	01/20/36	291,216.63	293,628.60			(908.80)		290,307.83	291,979.42	(740.38)	
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	274,960.35	277,251.70			(855.42)		274,104.93	275,697.17	(699.11)	
GNMA	2002 RMRB	5.49	03/02/06	03/20/36	155,788.88	157,086.01			(484.75)		155,304.13	156,205.31	(395.95)	
GNMA	2002 RMRB	5.49	02/23/06	02/20/36	321,130.53	323,802.35			(1,122.52)		320,008.01	321,862.64	(817.19)	
GNMA	2002 RMRB	5.49	03/16/06	03/20/36	243,790.84	245,823.91			(766.26)		243,024.58	244,437.75	(619.90)	
GNMA	2002 RMRB	5.49	03/30/06	03/20/36	341,609.65	343,817.69			(1,092.56)		340,517.09	341,858.47	(866.66)	
GNMA	2002 RMRB	5.49	04/06/06	04/20/36	302,564.44	305,093.50			(931.57)		301,632.87	303,392.66	(769.27)	
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	235,569.05	236,092.36			(913.13)		234,655.92	234,168.89	(1,010.34)	
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	70,610.90	68,674.30			(306.71)		70,304.19	67,983.54	(384.05)	
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	130,815.75	131,117.25			(530.08)		130,285.67	130,026.06	(561.11)	
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	276,346.27	268,781.18			(2,416.47)		273,929.80	264,901.60	(1,463.11)	
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	96,462.71	93,762.75			(640.09)		95,822.62	92,600.90	(521.76)	
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	63,079.91	63,228.13			(249.60)		62,830.31	62,707.86	(270.67)	
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	224,911.01	226,392.82			(805.00)		224,106.01	224,589.69	(998.13)	
FNMA	2002 RMRB	4.80	09/01/04	08/01/34	55,666.83	54,113.23			(385.57)		55,281.26	53,427.00	(300.66)	
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	56,322.88	54,752.64			(220.44)		56,102.44	54,222.34	(309.86)	
FNMA	2002 RMRB	5.49	04/07/05	01/01/35	83,182.44	83,251.55			(282.38)		82,900.06	82,643.35	(325.82)	
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	35,553.68	35,584.76			(117.77)		35,435.91	35,327.73	(139.26)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	2002 RMRB	4.80	07/14/05	04/01/35	69,893.22	66,566.32			(275.75)		69,617.47	65,975.71	(314.86)	
FNMA	2002 RMRB	5.49	11/03/05	10/01/35	224,768.97	224,976.72			(1,231.57)		223,537.40	222,865.97	(879.18)	
FNMA	2002 RMRB	4.80	12/15/05	06/01/35	105,124.09	102,045.05			(391.79)		104,732.30	101,145.20	(508.06)	
FNMA	2002 RMRB	4.80	12/15/05	10/01/35	65,844.04	62,696.40			(251.48)		65,592.56	62,148.00	(296.92)	
FNMA	2002 RMRB	5.49	04/27/06	03/01/36	213,622.27	213,734.96			(677.76)		212,944.51	212,137.13	(920.07)	
FNMA	2002 RMRB	5.49	04/27/06	10/01/35	71,202.99	71,274.11			(229.11)		70,973.88	70,765.98	(279.02)	
Repo Agmt	2002 RMRB	5.31	02/28/07	03/01/07	5,315.74	5,315.74	39,668.14				44,983.88	44,983.88	-	
	2002 RMRB Total				33,478,376.60	33,327,284.24	66,410.54	(1,012,540.91)	(696,364.27)	0.00	31,835,881.96	31,583,138.48	(101,651.12)	0.00
Repo Agmt	1999 B-D RMRB	5.31	02/28/07	03/01/07	20,703.04	20,703.04	34,935.81				55,638.85	55,638.85	-	
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	2,584,701.33	2,584,701.33		(1,365,436.10)			1,219,265.23	1,219,265.23	-	
GIC's	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,651,263.66	1,651,263.66	170,567.92				1,821,831.58	1,821,831.58	-	
GNMA	1999 B-D RMRB	8.18	04/01/91	01/20/21	29,762.27	31,719.04			(277.78)		29,484.49	31,393.91	(47.35)	
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	213,045.45	226,706.63			(3,209.17)		209,836.28	223,095.28	(402.18)	
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	72,889.23	75,135.53			(1,001.21)		71,888.02	74,005.30	(129.02)	
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	276,703.53	294,450.80			(32,902.42)		243,801.11	259,209.88	(2,338.50)	
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	88,403.03	94,070.45			(1,801.76)		86,601.27	92,072.13	(196.56)	
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	195,320.09	207,853.38			(3,361.05)		191,959.04	204,097.01	(395.32)	
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	196,887.09	209,516.79			(38,983.31)		157,903.78	167,885.05	(2,648.43)	
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	113,956.62	121,265.62			(1,626.36)		112,330.26	119,429.82	(209.44)	
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	118,408.24	126,005.25			(1,141.94)		117,266.30	124,680.29	(183.02)	
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	77,528.26	82,503.13			(2,225.32)		75,302.94	80,064.54	(213.27)	
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	103,027.21	106,206.73			(1,165.62)		101,861.59	104,866.04	(175.07)	
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	49,833.49	53,032.00			(753.61)		49,079.88	52,184.08	(94.31)	
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	1,056,597.30	1,125,115.80			(14,782.35)		1,041,814.95	1,108,450.04	(1,883.41)	
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	99,672.54	106,136.51			(1,390.41)		98,282.13	104,568.68	(177.42)	
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	100,760.92	107,294.49			(1,314.55)		99,446.37	105,806.42	(173.52)	
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	234,601.96	249,820.04			(4,470.71)		230,131.25	244,855.02	(494.31)	
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	114,275.27	121,688.95			(1,780.53)		112,494.74	119,693.03	(215.39)	
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	114,842.04	122,503.30			(2,262.33)		112,579.71	119,984.45	(256.52)	
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	144,573.75	154,224.95			(2,365.26)		142,208.49	151,568.56	(291.13)	
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	49,903.87	53,236.11			(566.96)		49,336.91	52,585.00	(84.15)	
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	122,603.03	126,391.17			(2,935.19)		119,667.84	123,201.78	(254.20)	
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	101,376.75	107,886.18			(1,091.97)		100,284.78	106,630.13	(164.08)	
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	113,548.85	117,140.62			(1,705.61)		111,843.24	115,227.19	(207.82)	
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	94,050.87	100,335.19			(1,139.28)		92,911.59	99,032.74	(163.17)	
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	53,677.05	57,264.46			(994.45)		52,682.60	56,154.13	(115.88)	
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	136,595.59	145,725.69			(1,428.85)		135,166.74	144,074.69	(222.15)	
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	52,623.82	56,141.54			(557.05)		52,066.77	55,498.41	(86.08)	
GNMA	1999 B-D RMRB	8.75	01/25/91	12/20/19	140,596.98	150,000.04			(23,882.50)		116,714.48	124,410.95	(1,706.59)	
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	51,199.54	54,707.47			(708.52)		50,491.02	53,901.50	(97.45)	
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	57,128.81	60,950.39			(586.04)		56,542.77	60,272.11	(92.24)	
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	198,142.54	211,174.46			(2,573.13)		195,569.41	208,239.25	(362.08)	
GNMA	1999 B-D RMRB	6.10	07/28/00	07/20/30	1,710,275.73	1,731,021.40			(165,252.40)		1,545,023.33	1,563,223.70	(2,545.30)	
FNMA	1999 B-D RMRB	6.10	04/28/00	04/01/30	165,803.11	168,160.83			(975.42)		164,827.69	167,590.19	404.78	
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	1,083,726.40	1,096,872.01			(18,445.07)		1,065,281.33	1,077,830.31	(596.63)	
GNMA	1999 B-D RMRB	6.10	04/27/00	04/20/30	1,026,973.65	1,039,430.79			(6,748.42)		1,020,225.23	1,032,243.40	(438.97)	
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,406,975.68	1,424,042.28			(38,690.50)		1,368,285.18	1,384,403.55	(948.23)	
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	2,024,199.67	2,048,753.25			(154,355.41)		1,869,844.26	1,891,871.02	(2,526.82)	
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	227,399.02	230,632.62			(2,721.56)		224,677.46	228,443.04	531.98	
FNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	97,411.09	98,796.27			(790.48)		96,620.61	98,239.97	234.18	
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	2,964,791.34	3,000,754.28			(155,607.01)		2,809,184.33	2,842,276.52	(2,870.75)	
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	1,043,649.25	1,056,308.75			(5,379.73)		1,038,269.52	1,050,500.35	(428.67)	
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	374,479.58	379,022.02			(1,763.91)		372,715.67	377,106.25	(151.86)	
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	263,668.56	266,866.85			(1,580.96)		262,087.60	265,174.98	(110.91)	
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	265,394.19	268,613.39			(1,223.36)		264,170.83	267,282.72	(107.31)	
FNMA	1999 B-D RMRB	6.10	07/24/00	07/01/30	48,199.11	48,884.50			(279.55)		47,919.56	48,722.68	117.73	
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	109,304.71	110,630.58			(904.25)		108,400.46	109,677.41	(48.92)	
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	57,714.30	58,414.38			(364.66)		57,349.64	58,025.21	(24.51)	
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	545,369.12	551,984.42			(3,686.56)		541,682.56	548,063.55	(234.31)	
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	257,939.96	261,068.77			(2,742.21)		255,197.75	258,203.97	(122.59)	
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	113,922.18	115,251.63			(500.44)		113,421.74	114,712.45	(38.74)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	204,227.95	206,611.30			(976.91)		203,251.04	205,564.04	(70.35)	
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	106,334.88	107,575.81			(473.52)		105,861.36	107,066.06	(36.23)	
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	790,159.59	799,380.74			(3,840.61)		786,318.98	795,267.27	(272.86)	
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	914,091.61	927,090.00			(46,263.29)		867,828.32	882,373.12	1,546.41	
FNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	112,376.22	113,974.21			(1,568.58)		110,807.64	112,664.77	259.14	
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	264,871.53	267,962.58			(1,281.36)		263,590.17	266,589.82	(91.40)	
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	215,907.54	218,427.18			(1,874.01)		214,033.53	216,469.22	(83.95)	
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	537,732.75	544,008.10			(2,896.68)		534,836.07	540,922.51	(188.91)	
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	561,052.57	567,600.06			(2,341.26)		558,711.31	565,069.44	(189.36)	
FNMA	1999 B-D RMRB	6.10	12/27/00	11/01/30	150,875.80	153,021.25			(1,311.36)		149,564.44	152,071.12	361.23	
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	108,596.12	110,140.36			(1,126.93)		107,469.19	109,270.37	256.94	
FNMA	1999 B-D RMRB	6.10	02/05/01	01/01/31	258,431.75	262,106.65			(1,780.69)		256,651.06	260,952.53	626.57	
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	64,336.55	65,087.36			(1,349.44)		62,987.11	63,703.90	(34.02)	
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	333,669.76	337,563.66			(2,153.08)		331,516.68	335,289.30	(121.28)	
GNMA	1999 B-D RMRB	6.10	09/28/01	09/20/31	71,757.55	72,594.96			(869.15)		70,888.40	71,695.10	(30.71)	
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	180,727.17	182,836.26			(813.26)		179,913.91	181,961.32	(61.68)	
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	42,386.08	42,880.73			(245.64)		42,140.44	42,619.99	(15.10)	
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	272,125.40	275,995.02			(1,575.51)		270,549.89	275,084.30	664.79	
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	949,733.87	960,484.86			(4,818.94)		944,914.93	955,469.63	(196.29)	
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	239,335.76	242,045.04			(1,032.33)		238,303.43	240,965.27	(47.44)	
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	334,589.38	338,376.98			(1,406.27)		333,183.11	336,904.81	(65.90)	
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	690,246.37	698,059.93			(3,179.97)		687,066.40	694,740.88	(139.08)	
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	590,085.19	596,764.94			(2,381.60)		587,703.59	594,268.22	(115.12)	
GNMA	1999 B-D RMRB	6.10	05/15/02	04/20/32	96,249.63	97,339.18			(369.85)		95,879.78	96,950.75	(18.58)	
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	311,689.73	315,218.06			(1,195.57)		310,494.16	313,962.38	(60.11)	
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	211,703.89	214,100.38			(809.03)		210,894.86	213,250.55	(40.80)	
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	147,466.91	149,136.24			(86,846.83)		60,620.08	61,297.20	(992.21)	
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	92,277.89	93,322.48			(342.20)		91,935.69	92,962.61	(17.67)	
GNMA	1999 B-D RMRB				83,339.12	84,282.52			(83,339.12)				(943.40)	
GNMA	1999 B-D RMRB	6.10	10/21/02	09/20/32	96,974.92	98,072.68			(396.51)		96,578.41	97,657.19	(18.98)	
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	107,614.30	108,763.62			(388.35)		107,225.95	108,365.76	(9.51)	
FNMA	1999 B-D RMRB	6.10	10/17/01	09/01/31	79,935.67	81,015.60			(407.45)		79,528.22	80,811.80	203.65	
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	205,567.13	208,344.34			(1,030.29)		204,536.84	207,838.06	524.01	
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	35,274.17	35,721.45			(137.22)		35,136.95	35,680.51	96.28	
Repo Agmt	1999 B-D RMRB	5.31	02/28/07	03/01/07	310.37	310.37	13,791.06				14,101.43	14,101.43	-	
	1999 B-D RMRB Total				32,078,455.79	32,644,594.66	219,294.79	(1,365,436.10)	(977,819.95)	0.00	29,954,494.53	30,497,325.57	(23,307.83)	0.0
Repo Agmt	2000 A RMRB	5.31	02/28/07	03/01/07	74,341.49	74,341.49	980.42				75,321.91	75,321.91	-	
Repo Agmt	2000 A RMRB	5.31	02/28/07	03/01/07	14,513.80	14,513.80	151,155.05				165,668.85	165,668.85	-	
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	1,608,162.05	1,608,162.05		(1,120,729.10)			487,432.95	487,432.95	-	
GIC's	2000 A RMRB	6.51	05/01/00	07/01/31	154,637.39	154,637.39	166,034.75				320,672.14	320,672.14	-	
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	532,160.50	545,991.33			(61,934.76)		470,225.74	481,920.21	(2,136.36)	
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	1,990,970.84	2,042,716.18			(76,557.46)		1,914,413.38	1,962,024.83	(4,133.89)	
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	393,610.28	403,840.18			(1,842.87)		391,767.41	401,510.63	(486.68)	
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	666,378.54	683,697.71			(2,895.30)		663,483.24	679,984.05	(818.36)	
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	432,298.39	443,534.84			(2,206.27)		430,093.12	440,789.50	(539.07)	
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	219,162.83	224,685.73			(68,703.35)		150,459.48	154,469.21	(1,513.17)	
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	164,346.72	168,618.08			(688.85)		163,657.87	167,728.02	(201.21)	
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	120,729.94	123,836.30			(702.36)		120,027.58	123,004.23	(129.71)	
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	814,831.84	836,009.35			(3,747.23)		811,084.61	831,256.30	(1,005.82)	
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	323,659.93	332,071.86			(1,523.58)		322,136.35	330,147.86	(400.42)	
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	400,594.21	411,005.63			(1,787.81)		398,806.40	408,724.68	(493.14)	
GNMA	2000 A RMRB	6.45	12/27/00	11/20/30	139,495.03	143,120.53			(610.59)		138,884.44	142,338.52	(171.42)	
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	223,480.29	229,230.45			(991.09)		222,489.20	228,006.94	(232.42)	
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	365,847.17	375,260.41			(2,069.57)		363,777.60	372,799.27	(391.57)	
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	393,155.28	403,271.16			(1,829.73)		391,325.55	401,030.41	(411.02)	
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	173,036.13	177,488.35			(1,127.75)		171,908.38	176,171.70	(188.90)	
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	282,455.25	289,722.84			(53,396.84)		229,058.41	234,739.07	(1,586.93)	
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	350,874.67	359,716.71			(1,626.42)		349,248.25	358,555.71	465.42	
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	28,840.87	29,567.66			(122.15)		28,718.72	29,484.07	38.56	
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	278,597.16	285,617.81			(83,879.96)		194,717.20	199,906.41	(1,831.44)	
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	505,436.57	518,441.65			(2,115.61)		503,320.96	515,803.50	(522.54)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	218,065.41	223,676.23			(1,273.63)		216,791.78	222,168.21	(234.39)	
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	129,136.70	132,459.39			(570.70)		128,566.00	131,754.43	(134.26)	
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	230,440.11	236,369.33			(890.12)		229,549.99	235,242.83	(236.38)	
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	205,800.78	211,096.02			(1,069.48)		204,731.30	209,808.61	(217.93)	
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	208,726.82	213,986.76			(979.21)		207,747.61	213,284.10	276.55	
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	88,679.94	90,914.67			(679.13)		88,000.81	90,346.02	110.48	
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	404,909.70	415,327.97			(1,853.77)		403,055.93	413,051.65	(422.55)	
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	214,844.86	220,372.80			(39,082.89)		175,761.97	180,120.84	(1,169.07)	
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	436,127.86	447,349.43			(1,777.98)		434,349.88	445,121.75	(449.70)	
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	254,579.95	261,130.28			(56,864.14)		197,715.81	202,619.14	(1,647.00)	
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	648,170.76	664,848.18			(3,817.19)		644,353.57	660,333.50	(697.49)	
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	295,274.58	302,871.98			(2,619.41)		292,655.17	299,912.99	(339.58)	
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	308,220.66	316,151.21			(45,647.49)		262,573.17	269,085.01	(1,418.71)	
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	202,357.93	207,564.62			(885.47)		201,472.46	206,468.99	(210.16)	
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	140,739.11	144,285.73			(3,297.11)		137,442.00	141,104.82	116.20	
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	573,530.57	588,144.09			(2,536.69)		570,993.88	585,068.83	(538.57)	
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	131,773.06	135,163.58			(541.62)		131,231.44	134,485.97	(135.99)	
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,369,756.44	1,404,657.80			(6,753.57)		1,363,002.87	1,396,600.85	(1,303.38)	
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	138,660.45	142,103.39			(550.87)		138,109.58	141,711.47	158.95	
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	89,593.12	91,875.95			(327.29)		89,265.83	91,466.23	(82.43)	
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	210,814.98	216,186.54			(1,249.88)		209,565.10	214,730.87	(205.79)	
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	390,753.95	400,710.38			(1,490.79)		389,263.16	398,858.51	(361.08)	
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	407,605.72	417,991.51			(57,335.00)		350,270.72	358,904.88	(1,751.63)	
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	92,290.50	94,642.06			(345.64)		91,944.86	94,211.29	(85.13)	
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	66,672.46	68,371.27			(254.78)		66,417.68	68,054.87	(61.62)	
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	64,130.05	65,764.08			(226.85)		63,903.20	65,478.41	(58.82)	
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	65,004.63	66,660.95			(665.25)		64,339.38	65,925.34	(70.36)	
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	41,354.71	42,408.43			(741.95)		40,612.76	41,613.86	(52.62)	
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	61,258.13	62,818.99			(220.85)		61,037.28	62,541.84	(56.30)	
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	132,159.90	135,527.33			(462.33)		131,697.57	134,943.91	(121.09)	
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	73,694.51	75,572.25			(257.86)		73,436.65	75,246.86	(67.53)	
GNMA	2000 A RMRB	6.45	10/29/02	10/20/32	64,186.33	65,821.80			(233.76)		63,952.57	65,529.00	(59.04)	
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	39,974.66	40,993.21			(233.97)		39,740.69	40,720.29	(38.95)	
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	66,719.65	68,419.67			(228.81)		66,490.84	68,129.83	(61.03)	
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	78,179.34	80,110.37			(288.47)		77,890.87	79,754.01	(67.89)	
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	52,061.26	53,347.17			(191.34)		51,869.92	53,110.64	(45.19)	
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	159,450.70	163,409.86			(874.71)		158,575.99	162,711.64	176.49	
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	160,748.72	164,740.11			(631.72)		160,117.00	164,292.85	184.46	
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	85,245.57	87,362.22			(533.99)		84,711.58	86,920.85	92.62	
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	119,938.14	122,773.48			(474.61)		119,463.53	122,493.12	194.25	
Repo Agmt	2000 A RMRB	5.31	02/28/07	03/01/07	401.93	401.93	19,004.75				19,406.68	19,406.68	-	
	2000 A RMRB Total				19,373,652.82	19,823,482.51	337,174.97	(1,120,729.10)	(609,319.87)	0.00	17,980,778.82	18,402,826.76	(27,781.75)	0.0
Repo Agmt	2003A RMRB	5.31	02/28/07	03/01/07	39,513.71	39,513.71	521.12				40,034.83	40,034.83	-	
Repo Agmt	2003A RMRB	5.31	02/28/07	03/01/07	24,583.50	24,583.50		(2,855.89)			21,727.61	21,727.61	-	
GIC's	2003A RMRB	4.13	08/20/03	06/26/34	4,033,009.12	4,033,009.12		(2,828,274.28)			1,204,734.84	1,204,734.84	-	
Repo Agmt	2003A RMRB	5.31	02/28/07	03/01/07	2,069.16	2,069.16	27.20				2,096.36	2,096.36	-	
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	11,183,814.46	10,705,801.94			(269,977.96)		10,913,836.50	10,378,573.45	(57,250.53)	
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,802,453.10	1,725,420.60			(7,997.51)		1,794,455.59	1,706,454.39	(10,968.70)	
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,417,883.63	1,357,409.95			(107,369.07)		1,310,514.56	1,246,360.54	(3,680.34)	
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	168,282.49	169,686.79			(600.04)		167,682.45	168,711.10	(375.65)	
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	181,108.71	173,844.83			(901.33)		180,207.38	171,849.29	(1,094.21)	
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	172,931.50	174,046.89			(693.93)		172,237.57	172,971.28	(381.68)	
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,770,339.81	1,699,196.40			(7,671.29)		1,762,668.52	1,680,777.84	(10,747.27)	
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	1,137,730.35	1,092,015.79			(4,986.12)		1,132,744.23	1,080,125.33	(6,904.34)	
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	63,026.87	63,548.15			(226.89)		62,799.98	63,180.58	(140.68)	
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,342,561.87	1,288,624.90			(6,005.93)		1,336,555.94	1,274,477.19	(8,141.78)	
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,070,064.93	1,024,359.80			(4,569.22)		1,065,495.71	1,013,270.75	(6,519.83)	
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	60,069.50	60,566.98			(213.42)		59,856.08	60,219.50	(134.06)	
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	665,051.13	636,650.27			(2,849.36)		662,201.75	629,749.19	(4,051.70)	
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	532,202.51	509,478.02			(2,772.64)		529,429.87	503,487.13	(3,218.25)	
GNMA	2003A RMRB	5.49	05/01/04	04/20/34	98,751.06	99,569.10			(835.36)		97,915.70	98,510.40	(223.34)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,374,518.50	1,315,835.97			(6,089.23)		1,368,429.27	1,301,382.38	(8,364.36)	
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	650,159.25	622,405.07			(2,773.28)		647,385.97	615,670.11	(3,961.68)	
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	946,004.31	905,628.28			(3,985.89)		942,018.42	895,876.39	(5,766.00)	
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	551,561.44	528,023.68			(2,314.31)		549,247.13	522,346.50	(3,362.87)	
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,182,902.73	1,132,429.44			(5,039.86)		1,177,862.87	1,120,181.12	(7,208.46)	
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,271,870.18	1,217,608.10			(5,533.45)		1,266,336.73	1,204,329.55	(7,745.10)	
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	1,158,856.44	1,168,513.96			(4,244.53)		1,154,611.91	1,161,682.02	(2,587.41)	
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	133,911.03	128,205.85			(565.29)		133,345.74	126,824.17	(816.39)	
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	83,824.66	84,529.12			(379.60)		83,445.06	83,961.86	(187.66)	
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	155,477.61	148,854.80			(648.52)		154,829.09	147,258.01	(948.27)	
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	168,779.41	170,198.85			(580.59)		168,198.82	169,241.57	(376.69)	
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,151,198.43	1,102,168.03			(5,066.97)		1,146,131.46	1,090,092.76	(7,008.30)	
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	75,789.27	76,427.12			(261.46)		75,527.81	75,996.50	(169.16)	
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	198,050.73	190,120.40			(959.17)		197,091.56	187,963.27	(1,197.96)	
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	575,013.22	550,529.10			(2,454.46)		572,558.76	544,570.25	(3,504.39)	
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	204,617.16	205,952.09			(961.88)		203,655.28	204,537.89	(452.32)	
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	136,539.31	137,689.97			(469.68)		136,069.63	136,915.55	(304.74)	
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	449,105.87	429,986.35			(2,213.82)		446,892.05	425,049.94	(2,722.59)	
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	52,936.30	53,378.37			(185.59)		52,750.71	53,074.63	(118.15)	
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	493,723.04	472,668.29			(2,061.52)		491,661.52	467,595.90	(3,010.87)	
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	62,365.83	62,887.16			(217.43)		62,148.40	62,530.54	(139.19)	
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	580,328.37	555,583.73			(2,434.07)		577,894.30	549,611.13	(3,538.53)	
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	553,862.26	531,657.16			(2,374.34)		551,487.92	525,918.69	(3,364.13)	
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	255,285.76	257,421.02			(914.55)		254,371.21	255,936.57	(569.90)	
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	333,164.48	319,810.04			(1,514.99)		331,649.49	316,275.42	(2,019.63)	
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	108,776.58	109,687.08			(380.39)		108,396.19	109,063.90	(242.79)	
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	389,105.18	373,510.69			(2,297.25)		386,807.93	368,879.16	(2,334.28)	
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	85,368.10	86,083.18			(297.36)		85,070.74	85,595.28	(190.54)	
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	384,705.57	369,289.65			(1,685.18)		383,020.39	365,269.38	(2,335.09)	
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	359,611.25	362,626.42			(1,312.42)		358,298.83	360,511.01	(802.99)	
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	140,273.71	134,308.30			(579.12)		139,694.59	132,873.11	(856.07)	
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	282,827.64	270,801.75			(1,165.61)		281,662.03	267,910.24	(1,725.90)	
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	157,426.54	158,763.48			(39,587.80)		117,838.74	118,578.98	(596.70)	
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	305,760.59	292,761.95			(1,612.79)		304,147.80	289,300.50	(1,848.66)	
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	442,792.65	423,943.62			(100,948.52)		341,844.13	325,137.62	2,142.52	
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	40,980.84	41,326.45			(153.49)		40,827.35	41,081.41	(91.55)	
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	185,237.93	186,801.63			(666.60)		184,571.33	185,721.39	(413.64)	
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	192,962.86	185,240.92			(787.29)		192,175.57	183,279.59	(1,174.04)	
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	474,048.59	453,875.45			(1,992.38)		472,056.21	448,991.90	(2,891.17)	
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	53,954.00	54,409.79			(294.57)		53,659.43	53,994.05	(121.17)	
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	513,025.23	516,389.41			(2,094.91)		510,930.32	513,161.70	(1,132.80)	
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	585,327.66	560,421.87			(2,714.03)		582,613.63	554,150.92	(3,556.92)	
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	66,902.24	66,459.77			(226.04)		65,676.20	66,086.63	(147.10)	
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	116,001.97	111,361.63			(497.27)		115,504.70	110,159.66	(704.70)	
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	106,703.81	107,607.27			(385.04)		106,318.77	106,983.94	(238.29)	
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	240,836.98	231,204.60			(985.78)		239,851.20	228,753.57	(1,465.25)	
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	266,879.03	269,139.78			(917.61)		265,961.42	267,626.45	(595.72)	
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	435,329.56	416,806.21			(1,840.83)		433,488.73	412,311.29	(2,654.09)	
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	329,144.67	331,943.59			(1,233.86)		327,910.81	329,974.32	(735.41)	
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	159,300.59	152,530.02			(805.62)		158,494.97	150,759.54	(964.86)	
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	52,413.40	52,840.49			(175.84)		52,237.56	52,548.27	(116.38)	
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	285,762.93	273,529.57			(1,187.35)		284,575.58	270,535.59	(1,806.63)	
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	222,724.81	224,541.03			(803.93)		221,920.88	223,242.18	(494.92)	
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	108,174.14	103,809.98			(438.47)		107,735.67	102,689.37	(682.14)	
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	787,649.51	753,890.65			(3,309.90)		784,339.61	745,604.19	(4,976.56)	
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	216,233.60	217,592.53			(752.24)		215,481.36	216,361.41	(478.88)	
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	764,122.85	733,305.48			(4,474.05)		759,648.80	724,077.38	(4,754.05)	
GNMA	2003A RMRB	4.49	02/17/05	02/20/35	292,983.21	280,431.25			(1,181.99)		291,801.22	277,395.64	(1,853.62)	
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	55,500.08	55,954.30			(186.56)		55,313.52	55,644.48	(123.26)	
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	104,452.06	105,308.92			(348.80)		104,103.26	104,728.15	(231.97)	
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	27,678.18	26,562.82			(110.83)		27,567.35	26,277.35	(174.64)	
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	119,130.09	120,108.33			(395.97)		118,734.12	119,447.80	(264.56)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	313,781.26	316,363.95			(1,405.26)		312,376.00	314,259.66	(699.03)	
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	225,693.01	227,553.42			(849.46)		224,843.55	226,202.11	(501.85)	
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	62,154.23	59,651.87			(246.88)		61,907.35	59,012.75	(392.24)	
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	182,143.98	183,646.52			(618.97)		181,525.01	182,622.76	(404.79)	
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	182,960.19	184,471.88			(3,379.09)		179,581.10	180,669.64	(423.15)	
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,370,483.03	1,311,876.19			(5,741.38)		1,364,741.65	1,297,473.42	(8,661.39)	
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	673,960.92	679,563.74			(2,230.47)		671,730.45	675,836.29	(1,496.98)	
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	358,156.32	360,459.93			(1,159.98)		356,996.34	358,506.80	(793.15)	
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	126,796.70	121,694.86			(502.56)		126,294.14	120,392.05	(800.25)	
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	385,211.38	388,398.86			(58,862.62)		326,348.76	328,330.92	(1,205.32)	
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	284,349.82	286,705.89			(985.64)		283,364.18	285,088.43	(631.82)	
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	320,995.60	323,657.60			(1,052.71)		319,942.89	321,891.99	(712.90)	
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	298,702.78	300,618.22			(1,003.73)		297,699.05	298,952.89	(661.60)	
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	276,964.99	279,283.26			(1,327.56)		275,637.43	277,337.89	(617.81)	
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	705,184.28	711,091.19			(2,309.78)		702,874.50	707,214.96	(1,566.45)	
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	203,429.46	205,134.71			(671.68)		202,757.78	204,011.10	(451.93)	
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	87,390.70	83,879.32			(359.08)		87,031.62	82,969.25	(550.99)	
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	585,096.30	589,967.52			(2,633.68)		582,462.62	586,029.92	(1,303.92)	
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	228,410.37	230,313.40			(742.21)		227,668.16	229,063.91	(507.28)	
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	440,498.40	444,171.15			(1,618.22)		438,880.18	441,573.01	(979.92)	
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	259,427.13	261,592.01			(898.03)		258,529.10	260,117.46	(576.52)	
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	310,298.23	312,889.20			(1,004.56)		309,293.67	311,195.17	(689.47)	
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	936,719.41	944,551.44			(82,262.98)		854,456.43	859,719.94	(2,568.52)	
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	410,593.15	414,026.18			(1,368.72)		409,224.43	411,745.27	(912.19)	
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	409,834.60	413,282.98			(1,331.09)		408,503.51	411,041.48	(910.41)	
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	617,366.69	622,545.54			(1,994.67)		615,372.02	619,179.62	(1,371.25)	
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	526,906.49	531,329.72			(1,685.71)		525,220.78	528,473.77	(1,170.24)	
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	383,604.00	386,826.98			(1,227.46)		382,376.54	384,747.54	(851.98)	
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	328,830.82	331,595.62			(1,073.56)		327,757.26	329,791.58	(730.48)	
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	383,685.82	386,911.84			(1,356.15)		382,329.67	384,702.71	(852.98)	
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	153,946.86	155,249.08			(581.03)		153,365.83	154,325.53	(342.52)	
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	205,426.58	207,156.10			(656.84)		204,769.74	206,042.78	(456.48)	
GNMA	2003A RMRB	5.49	11/03/05	10/20/35	274,192.55	276,501.30			(873.03)		273,319.52	275,019.29	(608.98)	
GNMA	2003A RMRB	5.49	11/10/05	11/20/35	161,110.04	162,467.76			(532.12)		160,577.92	161,577.69	(357.95)	
GNMA	2003A RMRB	5.49	11/17/05	07/20/35	230,599.37	232,543.17			(744.94)		229,854.43	231,285.75	(512.48)	
GNMA	2003A RMRB	5.49	11/17/05	10/20/35	431,434.69	435,072.71			(1,411.13)		430,023.56	432,702.67	(958.91)	
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	220,270.80	222,129.33			(745.76)		219,525.04	220,894.05	(489.52)	
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	546,698.00	550,297.04			(115,901.92)		430,796.08	432,683.85	(1,711.27)	
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	214,147.85	215,921.51			(669.86)		213,477.99	214,707.20	(544.45)	
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	79,069.36	79,740.14			(247.66)		78,821.70	79,316.85	(175.63)	
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	319,372.35	321,430.48			(1,035.76)		318,336.59	319,584.46	(810.26)	
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	202,024.25	203,707.57			(632.26)		201,391.99	202,561.63	(513.68)	
GNMA	2003A RMRB	5.49	02/09/06	01/20/36	207,918.00	209,645.14			(647.21)		207,270.79	208,469.31	(528.62)	
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	240,772.78	242,775.78			(749.83)		240,022.95	241,413.78	(612.17)	
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	366,738.31	369,794.07			(1,182.82)		365,555.49	367,678.56	(932.69)	
GNMA	2003A RMRB	5.49	03/30/06	03/20/36	464,504.86	468,384.23			(1,428.57)		463,076.29	465,774.67	(1,180.99)	
GNMA	2003A RMRB	5.49	04/27/06	03/20/36	140,844.23	142,023.95			(441.40)		140,402.83	141,224.39	(358.16)	
GNMA	2003A RMRB	4.49	04/27/06	03/20/36	121,598.19	116,426.57			(450.59)		121,147.60	115,176.10	(799.88)	
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	298,982.60	285,981.35			(1,548.38)		297,434.22	282,171.13	(2,261.84)	
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	310,424.06	296,941.98			(1,468.19)		308,955.87	293,118.03	(2,355.76)	
FNMA	2003A RMRB	4.49	08/26/04	08/01/34	271,624.11	259,830.29			(1,138.02)		270,486.09	256,623.40	(2,068.87)	
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	202,979.08	203,368.90			(720.83)		202,258.25	201,763.18	(884.89)	
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	329,816.31	315,500.56			(1,411.96)		328,404.35	311,577.98	(2,510.62)	
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	164,405.18	157,271.99			(692.44)		163,712.74	155,327.44	(1,252.11)	
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	228,822.65	218,606.38			(1,135.25)		227,687.40	215,754.55	(1,716.58)	
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	353,877.80	354,184.23			(1,304.76)		352,573.04	351,493.91	(1,385.56)	
FNMA	2003A RMRB	5.49	08/18/05	06/01/35	318,493.06	318,776.22			(1,574.10)		316,918.96	315,956.26	(1,245.86)	
FNMA	2003A RMRB	5.49	09/08/05	08/01/35	254,159.09	254,387.61			(837.82)		253,321.27	252,554.29	(995.50)	
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	268,503.27	268,748.20			(1,075.78)		267,427.49	266,621.28	(1,051.14)	
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	251,153.99	251,384.60			(1,126.65)		250,027.34	249,275.09	(982.86)	
FNMA	2003A RMRB	4.49	12/15/05	06/01/35	90,400.39	86,373.99			(356.16)		90,044.23	85,334.71	(683.12)	
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	337,185.87	337,505.65			(1,081.15)		336,104.72	335,103.60	(1,320.90)	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	74,612.56	71,290.42			(284.40)		74,328.16	70,441.69	(564.33)	
FNMA	2003A RMRB	5.49	02/02/06	01/01/36	114,162.62	114,238.72			(360.24)		113,822.38	113,386.72	(491.76)	
Repo Agmt	2003A RMRB	5.31	02/28/07	03/01/07	3,135.24	3,135.24	80,759.44				83,894.68	83,894.68	-	
	2003A RMRB Total				68,357,458.64	66,765,924.96	81,307.76	(2,831,130.17)	(977,695.01)	0.00	64,629,941.22	62,745,832.46	(292,575.08)	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	341,911.35	354,674.63			(4,861.83)		337,049.52	349,042.47	(770.33)	
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	718,626.80	745,474.28			(12,369.15)		706,257.65	731,409.14	(1,695.99)	
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	127,736.36	136,018.30			(3,122.36)		124,614.00	132,583.00	(312.94)	
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	711,536.42	740,819.57			(24,803.54)		686,732.88	713,967.57	(2,048.46)	
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	90,194.20	96,483.38			(1,515.15)		88,679.05	94,798.28	(169.95)	
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	418,593.91	434,245.34			(8,411.44)		410,182.47	424,802.33	(1,031.57)	
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	125,474.71	133,613.96			(1,598.85)		123,875.86	131,801.43	(213.68)	
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	246,994.46	256,231.80			(49,008.77)		197,985.69	205,044.02	(2,179.01)	
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	61,689.57	63,997.48			(799.36)		60,890.21	63,061.75	(136.37)	
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	169,730.56	181,058.31			(3,893.47)		165,837.09	176,749.64	(415.20)	
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	284,951.49	295,938.74			(4,724.30)		280,227.19	290,584.48	(629.96)	
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	72,454.52	77,288.54			(828.85)		71,625.67	76,337.20	(122.49)	
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	276,108.65	286,761.06			(4,962.71)		271,145.94	281,173.87	(624.48)	
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	168,509.91	179,756.34			(2,525.10)		165,984.81	176,907.19	(324.05)	
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	365,621.57	379,733.03			(5,035.25)		360,586.32	373,927.58	(770.20)	
GNMA	1999 A RMRB	7.50	06/28/90	04/20/19	7,119.70	7,394.60			(1,141.13)		5,978.57	6,199.86	(53.61)	
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	91,967.92	98,108.04			(1,584.63)		90,383.29	96,332.84	(190.57)	
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	55,312.75	57,450.90			(672.16)		54,640.59	56,665.43	(113.31)	
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	47,833.45	49,683.40			(684.50)		47,148.95	48,897.07	(101.83)	
GNMA	1999 A RMRB	8.75	12/21/90	08/20/19	20,099.29	21,442.69			(246.35)		19,852.94	21,161.26	(35.08)	
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	40,599.39	42,171.47			(468.95)		40,130.44	41,620.22	(82.30)	
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	160,549.65	171,549.37			(1,690.32)		158,859.33	169,589.45	(269.60)	
GNMA	1999 A RMRB	8.75	04/29/91	02/20/20	34,048.86	36,382.01			(380.21)		33,668.65	35,943.14	(58.66)	
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	113,458.40	117,853.55			(1,386.24)		112,072.16	116,234.47	(232.84)	
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	42,160.46	41,896.58			(214.64)		41,945.82	41,583.03	(98.91)	
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	391,760.66	389,186.79			(65,179.90)		326,580.76	323,634.99	(371.90)	
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	12,637.29	12,554.26			(1,039.96)		11,597.33	11,492.72	(21.58)	
GNMA	1999 A RMRB	5.35	06/22/01	05/20/31	54,447.56	54,089.84			(319.10)		54,128.46	53,640.22	(130.52)	
GNMA	1999 A RMRB	5.35	06/29/01	05/20/31	99,367.23	98,714.39			(540.99)		98,826.24	97,934.82	(238.58)	
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	247,059.96	245,342.89			(1,530.51)		245,529.45	242,617.46	(1,194.92)	
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	67,436.54	66,917.28			(549.81)		66,886.73	66,051.31	(316.16)	
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	39,606.63	39,334.93			(175.46)		39,431.17	39,068.40	(91.07)	
Repo Agmt	1999 A RMRB	5.31	02/28/07	03/01/07	401,199.23	401,199.23	0.00				401,199.23	401,199.23	-	
	1999 A RMRB Total				6,106,799.45	6,313,366.98	0.00	0.00	(206,264.99)	0.00	5,900,534.46	6,092,055.87	(15,046.12)	0.00
	Total Residential Mortgage Revenue Bonds Investment Summary				359,813,591.47	360,028,481.44	2,990,487.11	(15,243,141.61)	(9,649,275.20)	0.00	337,911,661.77	337,307,330.16	(819,221.58)	0.00

Texas Department of Housing and Community Affairs
Collateralized Home Mortgage Revenue Bonds Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	5.31	02/28/07	03/01/07	50,016.04	50,016.04	659.65				50,675.69	50,675.69	-	
Repo Agmt	1990 A&B CHMRB	5.31	02/28/07	03/01/07	80,871.00	80,871.00	1,066.57				81,937.57	81,937.57	-	
Mutual Fund	1990 A&B CHMRB	4.92	02/01/07	03/01/07	23.15	23.15	0.00				23.15	23.15	-	
Repo Agmt	1990 A&B CHMRB	5.31	02/28/07	03/01/07	223,406.22	223,406.22	2,946.18				226,352.40	226,352.40	-	
	1990 A&B CHMRB Total				354,316.41	354,316.41	4,672.40	0.00	0.00	0.00	358,988.81	358,988.81	0.00	0.00
Repo Agmt	1991 A CHMRB	5.31	02/28/07	03/01/07	105,539.93	105,539.93	1,391.82				106,931.75	106,931.75	-	
Repo Agmt	1991 A CHMRB	5.31	02/28/07	03/01/07	7,035.78	7,035.78	92.81				7,128.59	7,128.59	-	
	1991 A CHMRB Total				112,575.71	112,575.71	1,484.63	0.00	0.00	0.00	114,060.34	114,060.34	0.00	0.00
Repo Agmt	1992 A-C CHMRB	5.31	02/28/07	03/01/07	45,521.66	45,521.66	48,203.70				93,725.36	93,725.36	-	
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24	1,326,302.60	1,326,302.60		(995,185.86)			331,116.74	331,116.74	-	
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	30,599.47	31,803.03			(250.17)		30,349.30	31,577.39	24.53	
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	152,014.65	157,986.45			(11,306.65)		140,708.20	146,394.88	(284.92)	
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	260,925.67	271,313.56			(4,676.97)		256,248.70	266,917.77	281.18	
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	1,193,131.54	1,241,331.61			(52,309.88)		1,140,821.66	1,188,729.86	(291.87)	
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	708,795.85	737,434.16			(9,012.65)		699,783.20	729,174.57	753.06	
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	189,054.61	196,693.23			(2,150.38)		186,904.23	194,754.35	211.50	
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	662,059.43	688,817.65			(10,528.65)		651,530.78	678,903.64	614.64	
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	960,989.83	1,000,215.60			(16,077.01)		944,912.82	985,284.82	1,146.23	
GNMA	1992 A-C CHMRB	6.91	06/30/96	12/20/22	288,803.72	298,041.65			(18,547.48)		270,256.24	281,097.46	1,603.29	
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	294,721.87	304,229.38			(96,734.65)		197,987.22	206,123.16	(1,371.57)	
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	213,793.28	220,697.24			(7,322.15)		206,471.13	214,962.88	1,587.79	
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	375,074.64	387,199.23			(3,811.06)		371,263.58	386,545.32	3,157.15	
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	196,760.42	203,123.15			(1,632.97)		195,127.45	203,161.45	1,671.27	
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	41,496.92	42,839.30			(637.72)		40,859.20	42,541.96	340.38	
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	304,985.90	314,861.55			(40,986.23)		263,999.67	274,881.13	1,005.81	
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	58,741.09	60,638.67			(2,125.86)		56,615.23	58,944.34	431.53	
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	600,937.79	621,068.45			(6,536.90)		594,400.89	619,573.98	5,042.43	
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	609,013.33	629,420.30			(7,295.60)		601,717.73	627,207.13	5,082.43	
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	407,655.58	421,319.20			(3,372.43)		404,283.15	421,412.78	3,466.01	
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	-	
GIC's	1992 A-C CHMRB	6.09	06/29/92	07/02/24			178,856.80				178,856.80	178,856.80	-	
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	122,813.95	127,636.65			(1,467.56)		121,346.39	126,248.92	79.83	
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	896,399.72	925,307.66			(17,014.14)		879,385.58	915,513.26	7,219.74	
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,972,253.62	2,038,200.90			(22,857.35)		1,949,396.27	2,031,833.58	16,490.03	
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,800,192.63	1,860,403.44			(62,698.72)		1,737,493.91	1,810,988.40	13,283.68	
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	2,073,136.46	2,142,495.80			(260,905.17)		1,812,231.29	1,888,904.21	7,313.58	
Repo Agmt	1992 A-C CHMRB	5.31	02/28/07	03/01/07	12,084.82	12,084.82	159.39				12,244.21	12,244.21	-	
	1992 A-C CHMRB Total				15,898,261.30	16,406,986.99	227,219.89	(995,185.86)	(660,258.35)	0.00	14,470,036.98	15,047,620.40	68,857.73	0.00
	Total CHMRB Investment Summary				16,365,153.42	16,873,879.11	233,376.92	(995,185.86)	(660,258.35)	0.00	14,943,086.13	15,520,669.55	68,857.73	0.00

Texas Department of Housing and Community Affairs
Multi Family Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.92	02/01/07	03/01/07			42,671.08				42,671.08	42,671.08	-	
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.92	02/01/07	03/01/07	49,998.78	49,998.78	3,639.09				53,637.87	53,637.87	-	
Mutual Fund	1996 A&B MF (Brighton/LasColi)	4.92	02/01/07	03/01/07	16,928.45	16,928.45	180.66				17,109.11	17,109.11	-	
	1996 A&B MF (Brighton/LasColi) Total				66,927.23	66,927.23	46,490.83	0.00	0.00	0.00	113,418.06	113,418.06	0.00	0.0
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)				335,356.99	335,356.99		(335,356.99)					-	
Mutual Fund	1998 M/F (Dallas-Oxford Rfdg)	4.55	02/01/07	03/01/07	489.90	489.90	5.86				495.76	495.76	-	
	1998 M/F (Dallas-Oxford Rfdg) Total				335,846.89	335,846.89	5.86	(335,356.99)	0.00	0.00	495.76	495.76	0.00	0.0
Money Market	1984 A & B M/F (Summer Bend)	4.65	02/01/07	03/01/07			94.89				94.89	94.89	-	
	1984 A & B M/F (Summer Bend) Total				0.00	0.00	94.89	0.00	0.00	0.00	94.89	94.89	0.00	0.0
Mutual Fund	1996 A&B MF (Braxton's)	4.80	02/01/07	03/01/07			6,635.31				6,635.31	6,635.31	-	
Mutual Fund	1996 A&B MF (Braxton's)	4.80	02/01/07	03/01/07	9,802.55	9,802.55		(9,796.91)			5.64	5.64	-	
Mutual Fund	1996 A&B MF (Braxton's)	4.80	02/01/07	03/01/07	31,413.63	31,413.63	336.99				31,750.62	31,750.62	-	
	1996 A&B MF (Braxton's) Total				41,216.18	41,216.18	6,972.30	(9,796.91)	0.00	0.00	38,391.57	38,391.57	0.00	0.0
T-Note	1993 A&B M/F(Reming. Hill/HP)	4.91	02/08/07	03/01/07	18,876.27	18,876.27	388,068.37				406,944.64	406,944.64	-	
T-Note	1993 A&B M/F(Reming. Hill/HP)				55,209.55	55,209.55		(55,209.55)					-	
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	5.31	02/28/07	03/01/07	574.10	574.10	7.40				581.50	581.50	-	
T-Bill	1993 A&B M/F(Reming. Hill/HP)	5.01	02/15/07	03/15/07	82,677.12	82,677.12	281.96				82,959.08	82,959.08	-	
Repo Agmt	1993 A&B M/F(Reming. Hill/HP)	5.31	02/28/07	03/01/07	24,741.61	24,741.61	326.23				25,067.84	25,067.84	-	
	1993 A&B M/F(Reming. Hill/HP) Total				182,078.65	182,078.65	388,683.96	(55,209.55)	0.00	0.00	515,553.06	515,553.06	0.00	0.0
Repo Agmt	1987 South Tx. Rental Housing	5.31	02/28/07	03/01/07	823,630.80	823,630.80	10,861.52				834,492.32	834,492.32	-	
	1987 South Tx. Rental Housing Total				823,630.80	823,630.80	10,861.52	0.00	0.00	0.00	834,492.32	834,492.32	0.00	0.0
Mutual Fund	1996 A-D M/F(Dallas-Ft Worth)	4.92	02/01/07	03/01/07	4.26	4.26	0.00				4.26	4.26	-	
	1996 A-D M/F(Dallas-Ft Worth) Total				4.26	4.26	0.00	0.00	0.00	0.00	4.26	4.26	0.00	0.0
Mutual Fund	1996 A&B M/F(NHP Project)	4.55	02/01/07	03/01/07	0.02	0.02	0.00				0.02	0.02	-	
Inv Agmt	1996 A&B M/F(NHP Project)	6.70	11/21/96	01/01/27	1.00	1.00	0.00				1.00	1.00	-	
	1996 A&B M/F(NHP Project) Total				1.02	1.02	0.00	0.00	0.00	0.00	1.02	1.02	0.00	0.0
Mutual Fund	1997 M/F (Meadow Ridge)	4.55	02/01/07	03/01/07	3.38	3.38	0.00				3.38	3.38	-	
	1997 M/F (Meadow Ridge) Total				3.38	3.38	0.00	0.00	0.00	0.00	3.38	3.38	0.00	0.0
Mutual Fund	1998 M/F (Pebble Brook)	4.92	02/01/07	03/01/07	186,291.85	186,291.85		(43.85)			186,248.00	186,248.00	-	
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	188,232.80	188,232.80		(183,089.92)			5,142.88	5,142.88	-	
Mutual Fund	1998 M/F (Pebble Brook)	4.55	02/01/07	03/01/07	36,744.99	36,744.99	407.76				37,152.75	37,152.75	-	
	1998 M/F (Pebble Brook) Total				411,269.64	411,269.64	407.76	(183,133.77)	0.00	0.00	228,543.63	228,543.63	0.00	0.0
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	277.15	277.15	3.29				280.44	280.44	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	0.11	0.11	0.00				0.11	0.11	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	64,506.97	64,506.97	127,550.40				192,057.37	192,057.37	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	89,554.07	89,554.07	971.08				90,525.15	90,525.15	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	510.99	510.99	11,869.57				12,380.56	12,380.56	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	1,766.01	1,766.01	36,922.27				38,688.28	38,688.28	-	
Mutual Fund	1998 M/F (Residence Oaks Proj)	4.80	02/01/07	03/01/07	16,984.98	16,984.98	2,114.63				19,099.61	19,099.61	-	
	1998 M/F (Residence Oaks Proj) Total				173,600.28	173,600.28	179,431.24	0.00	0.00	0.00	353,031.52	353,031.52	0.00	0.0
Mutual Fund	1998 M/F (Volente Project)	4.55	02/01/07	03/01/07	11,748.57	11,748.57		(2,524.98)			9,223.59	9,223.59	-	
Mutual Fund	1998 M/F (Volente Project)				151.97	151.97		(151.97)					-	
Inv Agmt	1998 M/F (Volente Project)	5.22	05/14/98	01/01/31	331,048.63	331,048.63		(176,794.15)			154,254.48	154,254.48	-	
Mutual Fund	1998 M/F (Volente Project)	4.55	02/01/07	03/01/07	4,163.30	4,163.30	47.53				4,210.83	4,210.83	-	
Mutual Fund	1998 M/F (Volente Project)	4.55	02/01/07	03/01/07	1.24	1.24	0.00				1.24	1.24	-	
	1998 M/F (Volente Project) Total				347,113.71	347,113.71	47.53	(179,471.10)	0.00	0.00	167,690.14	167,690.14	0.00	0.0

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.49	02/01/07	03/01/07	15,836.16	15,836.16	9,556.51				25,392.67	25,392.67	-	
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.49	02/01/07	03/01/07	362,991.96	362,991.96		(214,777.91)			148,214.05	148,214.05	-	
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.49	02/01/07	03/01/07	126,095.65	126,095.65	1,464.80				127,560.45	127,560.45	-	
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.55	02/01/07	03/01/07			110,000.00				110,000.00	110,000.00	-	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	03/22/01	09/01/30	55,001.50	55,001.50	36,666.66				91,668.16	91,668.16	-	
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.55	02/01/07	03/01/07			338,287.31				338,287.31	338,287.31	-	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	09/10/98	09/01/30	166,103.39	166,103.39		(166,097.44)			5.95	5.95	-	
Mutual Fund	1998 M/F (Greens-Hickory Trail	4.55	02/01/07	03/01/07			3,626.88				3,626.88	3,626.88	-	
Inv Agmt	1998 M/F (Greens-Hickory Trail	4.94	03/22/01	09/01/30	19,329.14	19,329.14	22,462.69				41,791.83	41,791.83	-	
	1998 M/F (Greens-Hickory Trail Total				745,357.80	745,357.80	522,064.85	(380,875.35)	0.00	0.00	886,547.30	886,547.30	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)				167,516.63	167,516.63		(167,516.63)					-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.80	02/01/07	03/01/07	1.78	1.78	0.00				1.78	1.78	-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.80	02/01/07	03/01/07	149,701.54	149,701.54	164,777.84				314,479.38	314,479.38	-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.80	02/01/07	03/01/07	10,751.97	10,751.97	4,955.44				15,707.41	15,707.41	-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.55	02/01/07	03/01/07	363.55	363.55	16,643.68				17,007.23	17,007.23	-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.80	02/01/07	03/01/07	3,828.06	3,828.06	49,334.06				53,162.12	53,162.12	-	
Mutual Fund	1999 M/F (Mayfield Apts)	4.80	02/01/07	03/01/07	0.16	0.16	0.00				0.16	0.16	-	
	1999 M/F (Mayfield Apts) Total				332,163.69	332,163.69	235,711.02	(167,516.63)	0.00	0.00	400,358.08	400,358.08	0.00	0.00
Mutual Fund	1999 M/F (Woodglen Village)				2,507.71	2,507.71		(2,507.71)					-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	7,289.97	7,289.97	89.13				7,379.10	7,379.10	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	402.98	402.98	4.62				407.60	407.60	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	0.01	0.01	0.00				0.01	0.01	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	417,348.25	417,348.25		(394,044.77)			23,303.48	23,303.48	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	26,551.99	26,551.99		(10,357.46)			16,194.53	16,194.53	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	16,194.53	16,194.53	0.00				16,194.53	16,194.53	-	
Mutual Fund	1999 M/F (Woodglen Village)	4.85	02/01/07	03/01/07	15,459.12	15,459.12	4,229.20				19,688.32	19,688.32	-	
	1999 M/F (Woodglen Village) Total				485,754.56	485,754.56	4,322.95	(406,909.94)	0.00	0.00	83,167.57	83,167.57	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	4.80	02/01/07	03/01/07	18,523.81	18,523.81	3,637.29				22,161.10	22,161.10	-	
Mutual Fund	2000 M/F (Timber Point Apts)	4.55	02/01/07	03/01/07	3,708.07	3,708.07		(1,692.90)			2,015.17	2,015.17	-	
Mutual Fund	2000 M/F (Timber Point Apts)	4.55	02/01/07	03/01/07	2.33	2.33	0.00				2.33	2.33	-	
Mutual Fund	2000 M/F (Timber Point Apts)	4.55	02/01/07	03/01/07	3.53	3.53	0.00				3.53	3.53	-	
Mutual Fund	2000 M/F (Timber Point Apts)	4.55	02/01/07	03/01/07	85,126.76	85,126.76	10,086.54				95,213.30	95,213.30	-	
	2000 M/F (Timber Point Apts) Total				107,364.50	107,364.50	13,723.83	(1,692.90)	0.00	0.00	119,395.43	119,395.43	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.55	02/01/07	03/01/07	191,706.54	191,706.54		(119,051.67)			72,654.87	72,654.87	-	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.55	02/01/07	03/01/07	181,764.89	181,764.89	7,755.04				189,519.93	189,519.93	-	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.55	02/01/07	03/01/07	0.04	0.04	0.00				0.04	0.04	-	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.55	02/01/07	03/01/07	95,271.78	95,271.78	120.33				95,392.11	95,392.11	-	
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	4.55	02/01/07	03/01/07	21,120.50	21,120.50	7,870.62				28,991.12	28,991.12	-	
	2000 A&B M/F (Oaks at Hampton) Total				489,863.75	489,863.75	15,745.99	(119,051.67)	0.00	0.00	386,558.07	386,558.07	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	4.55	02/01/07	03/01/07	6,250.17	6,250.17	4,890.00				11,140.17	11,140.17	-	
Mutual Fund	2000 M/F (Deerwood Apts)	4.55	02/01/07	03/01/07	0.02	0.02	0.00				0.02	0.02	-	
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	219,194.91	219,194.91		(120,341.91)			98,853.00	98,853.00	-	
	2000 M/F (Deerwood Apts) Total				225,445.10	225,445.10	4,890.00	(120,341.91)	0.00	0.00	109,993.19	109,993.19	0.00	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	4.80	02/01/07	03/01/07	24,607.35	24,607.35		(1,383.73)			23,223.62	23,223.62	-	
Mutual Fund	2000 M/F (Creek Point Apts)	4.80	02/01/07	03/01/07	11.62	11.62	24,703.44				24,715.06	24,715.06	-	
Mutual Fund	2000 M/F (Creek Point Apts)	4.80	02/01/07	03/01/07	26,807.05	26,807.05	0.00				26,807.05	26,807.05	-	
Mutual Fund	2000 M/F (Creek Point Apts)	4.80	02/01/07	03/01/07	239.12	239.12	2.65				241.77	241.77	-	
	2000 M/F (Creek Point Apts) Total				51,665.14	51,665.14	24,706.09	(1,383.73)	0.00	0.00	74,987.50	74,987.50	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	15,886.99	15,886.99	2,312.74				18,199.73	18,199.73	-	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	164,909.22	164,909.22	3,107.31				168,016.53	168,016.53	-	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	11.59	11.59	0.12				11.71	11.71	-	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	277.57	277.57	3.17				280.74	280.74	-	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	92,422.09	92,422.09	146.59				92,568.68	92,568.68	-	
Mutual Fund	2000 M/F (Parks @ Westmoreld)	4.55	02/01/07	03/01/07	174,329.05	174,329.05	61,019.35				235,348.40	235,348.40	-	
	2000 M/F (Parks @ Westmoreld) Total				447,836.51	447,836.51	66,589.28	0.00	0.00	0.00	514,425.79	514,425.79	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
Mutual Fund	2000 A-C MF Highland Meadows				195,943.24	195,943.24		(195,943.24)					-	
Mutual Fund	2000 A-C MF Highland Meadows	4.80	02/01/07	03/01/07	102,845.64	102,845.64	228,205.34				331,050.98	331,050.98	-	
Mutual Fund	2000 A-C MF Highland Meadows	4.80	02/01/07	03/01/07	49,046.08	49,046.08	581.54				49,627.62	49,627.62	-	
Mutual Fund	2000 A-C MF Highland Meadows	4.80	02/01/07	03/01/07	71,130.92	71,130.92	843.31				71,974.23	71,974.23	-	
Mutual Fund	2000 A-C MF Highland Meadows	4.80	02/01/07	03/01/07	374,015.28	374,015.28	4,433.32				378,448.60	378,448.60	-	
	2000 A-C MF Highland Meadows Total				792,981.16	792,981.16	234,063.51	(195,943.24)	0.00	0.00	831,101.43	831,101.43	0.00	0.0
Mutual Fund	2000 A/B MF Greenbridge	4.55	02/01/07	03/01/07	56,045.91	56,045.91	0.00				56,045.91	56,045.91	-	
Mutual Fund	2000 A/B MF Greenbridge	4.55	02/01/07	03/01/07	31,105.57	31,105.57	262,418.32				293,523.89	293,523.89	-	
Mutual Fund	2000 A/B MF Greenbridge	4.55	02/01/07	03/01/07	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	
	2000 A/B MF Greenbridge Total				98,926.93	98,926.93	262,418.32	0.00	0.00	0.00	361,345.25	361,345.25	0.00	0.0
Mutual Fund	2000 A-C MF Collingham Park	4.92	02/01/07	03/01/07	228,512.92	228,512.92		(189,685.77)			38,827.15	38,827.15	-	
Mutual Fund	2000 A-C MF Collingham Park	4.92	02/01/07	03/01/07	44,661.17	44,661.17	4,997.56				49,658.73	49,658.73	-	
Mutual Fund	2000 A-C MF Collingham Park	4.55	02/01/07	03/01/07	124,797.22	124,797.22	201,784.72				326,581.94	326,581.94	-	
Mutual Fund	2000 A-C MF Collingham Park	4.92	02/01/07	03/01/07	286.50	286.50	14,326.83				14,613.33	14,613.33	-	
Mutual Fund	2000 A-C MF Collingham Park	4.92	02/01/07	03/01/07	1,485.99	1,485.99	72,280.58				73,766.57	73,766.57	-	
	2000 A-C MF Collingham Park Total				399,743.80	399,743.80	293,389.69	(189,685.77)	0.00	0.00	503,447.72	503,447.72	0.00	0.0
Mutual Fund	2000 A/B MF Willams Run	4.55	02/01/07	03/01/07	10,013.09	10,013.09	44,000.00				54,013.09	54,013.09	-	
Mutual Fund	2000 A/B MF Willams Run	4.55	02/01/07	03/01/07	14.72	14.72	0.00				14.72	14.72	-	
Mutual Fund	2000 A/B MF Willams Run	4.55	02/01/07	03/01/07	118,572.23	118,572.23	21,321.89				139,894.12	139,894.12	-	
Mutual Fund	2000 A/B MF Willams Run	4.55	02/01/07	03/01/07	1,497.44	1,497.44	17.09				1,514.53	1,514.53	-	
Mutual Fund	2000 A/B MF Willams Run	4.55	02/01/07	03/01/07	0.66	0.66	0.00				0.66	0.66	-	
	2000 A/B MF Willams Run Total				130,098.14	130,098.14	65,338.98	0.00	0.00	0.00	195,437.12	195,437.12	0.00	0.0
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.55	02/01/07	03/01/07	23,133.90	23,133.90	8,346.67				31,480.57	31,480.57	-	
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.55	02/01/07	03/01/07	176,893.97	176,893.97		(136,015.26)			40,878.71	40,878.71	-	
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.55	02/01/07	03/01/07	120,927.43	120,927.43	11,015.82				131,943.25	131,943.25	-	
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.55	02/01/07	03/01/07	100,148.53	100,148.53		(1.14)			100,147.39	100,147.39	-	
Mutual Fund	2001A MF Bluffview Sr. Apts.	4.55	02/01/07	03/01/07	39,520.45	39,520.45	451.19				39,971.64	39,971.64	-	
	2001A MF Bluffview Sr. Apts. Total				460,624.28	460,624.28	19,813.68	(136,016.40)	0.00	0.00	344,421.56	344,421.56	0.00	0.0
Mutual Fund	2001A MF Knollwood Villas Apts	4.55	02/01/07	03/01/07	13,090.44	13,090.44	9,226.38				22,316.82	22,316.82	-	
Mutual Fund	2001A MF Knollwood Villas Apts	4.55	02/01/07	03/01/07	183,948.79	183,948.79		(121,643.18)			62,305.61	62,305.61	-	
Mutual Fund	2001A MF Knollwood Villas Apts	4.55	02/01/07	03/01/07	69,536.05	69,536.05	6,445.19				75,981.24	75,981.24	-	
Mutual Fund	2001A MF Knollwood Villas Apts	4.55	02/01/07	03/01/07	123,031.30	123,031.30		(3,298.90)			119,732.40	119,732.40	-	
	2001A MF Knollwood Villas Apts Total				389,606.58	389,606.58	15,671.57	(124,942.08)	0.00	0.00	280,336.07	280,336.07	0.00	0.0
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	21,586.30	21,586.30		(13,794.87)			7,791.43	7,791.43	-	
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	209,890.64	209,890.64	4,833.33				214,723.97	214,723.97	-	
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	52,746.08	52,746.08	134,695.30				187,441.38	187,441.38	-	
Mutual Fund	2001A MF Skyway Villas				119,228.35	119,228.35		(119,228.35)					-	
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	9,911.34	9,911.34	68.73				9,980.07	9,980.07	-	
Inv Agmt	2001A MF Skyway Villas	5.00	04/17/03	12/01/34	2,174.67	2,174.67	9,915.04				12,089.71	12,089.71	-	
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	16,666.66	16,666.66		(7,499.99)			9,166.67	9,166.67	-	
Inv Agmt	2001A MF Skyway Villas				10,833.31	10,833.31		(10,833.31)					-	
Mutual Fund	2001A MF Skyway Villas	4.55	02/01/07	03/01/07	60,562.08	60,562.08		(30,307.37)			30,254.71	30,254.71	-	
Inv Agmt	2001A MF Skyway Villas				118,674.41	118,674.41		(118,674.41)					-	
	2001A MF Skyway Villas Total				622,273.84	622,273.84	149,512.40	(300,338.30)	0.00	0.00	471,447.94	471,447.94	0.00	0.0
Mutual Fund	2001AB Cobb Park Apts	4.55	02/01/07	03/01/07	8,445.24	8,445.24	2,438.71				10,883.95	10,883.95	-	
Mutual Fund	2001AB Cobb Park Apts	4.55	02/01/07	03/01/07	230,355.60	230,355.60		(167,277.58)			63,078.02	63,078.02	-	
Mutual Fund	2001AB Cobb Park Apts	4.55	02/01/07	03/01/07	105,727.27	105,727.27	10,400.15				116,127.42	116,127.42	-	
Mutual Fund	2001AB Cobb Park Apts	4.55	02/01/07	03/01/07	17.88	17.88	72,551.94				72,569.82	72,569.82	-	
Mutual Fund	2001AB Cobb Park Apts	4.55	02/01/07	03/01/07	54,818.17	54,818.17	625.83				55,444.00	55,444.00	-	
	2001AB Cobb Park Apts Total				399,364.16	399,364.16	86,016.63	(167,277.58)	0.00	0.00	318,103.21	318,103.21	0.00	0.0
Mutual Fund	2001A MF Greens Road Apts	4.92	02/01/07	03/01/07	30.71	30.71	0.31				31.02	31.02	-	
Mutual Fund	2001A MF Greens Road Apts	4.92	02/01/07	03/01/07	168,364.04	168,364.04		(28,104.04)			140,260.00	140,260.00	-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognized Gain
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	106,863.27	106,863.27		(103,654.01)			3,209.26	3,209.26	-	
Mutual Fund	2001A MF Greens Road Apts	4.92	02/01/07	03/01/07			0.09				0.09	0.09	-	
Mutual Fund	2001A MF Greens Road Apts	4.92	02/01/07	03/01/07			0.01				0.01	0.01	-	
	2001A MF Greens Road Apts Total				275,258.02	275,258.02	0.41	(131,758.05)	0.00	0.00	143,500.38	143,500.38	0.00	0.00
Mutual Fund	2001AB MF Meridian Apts	4.80	02/01/07	03/01/07	155.06	155.06	1.83				156.89	156.89	-	
Mutual Fund	2001AB MF Meridian Apts	4.80	02/01/07	03/01/07	2.78	2.78	0.00				2.78	2.78	-	
Mutual Fund	2001AB MF Meridian Apts	4.80	02/01/07	03/01/07	0.01	0.01	0.00				0.01	0.01	-	
Mutual Fund	2001AB MF Meridian Apts	4.80	02/01/07	03/01/07	9.11	9.11	3,423.15				3,432.26	3,432.26	-	
Mutual Fund	2001AB MF Meridian Apts	4.80	02/01/07	03/01/07	81.08	81.08	1.17				82.25	82.25	-	
	2001AB MF Meridian Apts Total				248.04	248.04	3,426.16	0.00	0.00	0.00	3,674.19	3,674.19	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	4.80	02/01/07	03/01/07	2.62	2.62	0.00				2.62	2.62	-	
Mutual Fund	2001AB MF Wildwood Branch	4.80	02/01/07	03/01/07	0.02	0.02	0.00				0.02	0.02	-	
Mutual Fund	2001AB MF Wildwood Branch	4.80	02/01/07	03/01/07	549.32	549.32	6.49				555.81	555.81	-	
Mutual Fund	2001AB MF Wildwood Branch	4.80	02/01/07	03/01/07	14,106.84	14,106.84	0.00				14,106.84	14,106.84	-	
Mutual Fund	2001AB MF Wildwood Branch	4.80	02/01/07	03/01/07	324,046.51	324,046.51		(323,003.02)			1,043.49	1,043.49	-	
	2001AB MF Wildwood Branch Total				338,705.31	338,705.31	6.49	(323,003.02)	0.00	0.00	15,708.78	15,708.78	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	4.80	02/01/07	03/01/07	268,843.03	268,843.03		(182,524.96)			86,318.07	86,318.07	-	
Mutual Fund	2001ABC MF Fallbrook Apts	4.55	02/01/07	03/01/07	14,438.88	14,438.88		(7,979.91)			6,458.97	6,458.97	-	
Mutual Fund	2001ABC MF Fallbrook Apts	4.55	02/01/07	03/01/07	121,030.58	121,030.58	15,488.31				136,518.89	136,518.89	-	
Mutual Fund	2001ABC MF Fallbrook Apts	4.55	02/01/07	03/01/07	97,155.54	97,155.54		(45,568.10)			51,587.44	51,587.44	-	
Mutual Fund	2001ABC MF Fallbrook Apts	4.55	02/01/07	03/01/07	455,009.55	455,009.55		(219,912.57)			235,096.98	235,096.98	-	
	2001ABC MF Fallbrook Apts Total				956,477.58	956,477.58	15,488.31	(455,985.54)	0.00	0.00	515,980.35	515,980.35	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	4.55	02/01/07	03/01/07	18,440.35	18,440.35		(2,380.50)			16,059.85	16,059.85	-	
Mutual Fund	2001 MF Oak Hollow Apts	4.55	02/01/07	03/01/07	41,808.77	41,808.77	5,435.55				47,244.32	47,244.32	-	
Mutual Fund	2001 MF Oak Hollow Apts	4.55	02/01/07	03/01/07	58,437.56	58,437.56		(1,476.52)			56,961.04	56,961.04	-	
Mutual Fund	2001 MF Oak Hollow Apts	4.55	02/01/07	03/01/07	109,519.75	109,519.75		(73,013.86)			36,505.89	36,505.89	-	
Mutual Fund	2001 MF Oak Hollow Apts	4.55	02/01/07	03/01/07	1,915.21	1,915.21	21.86				1,937.07	1,937.07	-	
	2001 MF Oak Hollow Apts Total				230,121.64	230,121.64	5,457.41	(76,870.88)	0.00	0.00	158,708.17	158,708.17	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	4.55	02/01/07	03/01/07	12,560.42	12,560.42		(3,929.32)			8,631.10	8,631.10	-	
Mutual Fund	2001AB MF Hillside Apts	4.55	02/01/07	03/01/07	97,753.07	97,753.07	4,379.48				102,132.55	102,132.55	-	
Mutual Fund	2001AB MF Hillside Apts	4.55	02/01/07	03/01/07	108,409.74	108,409.74		(0.81)			108,408.93	108,408.93	-	
Mutual Fund	2001AB MF Hillside Apts	4.55	02/01/07	03/01/07	204,200.07	204,200.07		(107,497.60)			96,702.47	96,702.47	-	
	2001AB MF Hillside Apts Total				422,923.30	422,923.30	4,379.48	(111,427.73)	0.00	0.00	315,875.05	315,875.05	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	18,192.28	18,192.28		(18,163.77)			28.51	28.51	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	15,529.76	15,529.76	153.27				15,683.03	15,683.03	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	0.98	0.98	0.05				1.03	1.03	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07			176,526.70				176,526.70	176,526.70	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	10,454.24	10,454.24		(3,782.00)			6,672.24	6,672.24	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	75,000.00	75,000.00		(60,346.24)			14,653.76	14,653.76	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	269,507.50	269,507.50		(237,013.98)			32,493.52	32,493.52	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	187,800.00	187,800.00		(144,466.30)			43,333.70	43,333.70	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	2.42	2.42	0.00				2.42	2.42	-	
Mutual Fund	2002A MF Millstone Apts	4.27	02/01/07	03/01/07	13,344.17	13,344.17	147.27				13,491.44	13,491.44	-	
	2002A MF Millstone Apts Total				589,831.35	589,831.35	176,827.29	(463,772.29)	0.00	0.00	302,886.35	302,886.35	0.00	0.00
Mutual Fund	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07	260.03	260.03	2.78				262.81	262.81	-	
Money Market	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07			0.13				0.13	0.13	-	
Money Market	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07			0.28				0.28	0.28	-	
Mutual Fund	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07	379,132.04	379,132.04		(213,835.80)			165,296.24	165,296.24	-	
Mutual Fund	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07	17.58	17.58	0.07				17.65	17.65	-	
Mutual Fund	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07	6.48	6.48	0.93				7.41	7.41	-	
Mutual Fund	2002 MF SugarCreek Apts	4.27	02/01/07	03/01/07	77.03	77.03	1.84				78.87	78.87	-	
	2002 MF SugarCreek Apts Total				379,493.16	379,493.16	6.03	(213,835.80)	0.00	0.00	165,663.39	165,663.39	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	4.55	02/01/07	03/01/07	827.08	827.08	9.44				836.52	836.52	-	
Mutual Fund	2002 MF West Oaks Apts	4.55	02/01/07	03/01/07	122,051.14	122,051.14	10,828.01				132,879.15	132,879.15	-	

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Money Market	2002 MF West Oaks Apts	4.55	02/01/07	03/01/07			1,786.65				1,786.65	1,786.65	-	
Mutual Fund	2002 MF West Oaks Apts	4.55	02/01/07	03/01/07	2.32	2.32	42.23				44.55	44.55	-	
Mutual Fund	2002 MF West Oaks Apts				16,794.84	16,794.84		(16,794.84)					-	
Mutual Fund	2002 MF West Oaks Apts	4.55	02/01/07	03/01/07	161,444.89	161,444.89		(70,015.73)			91,429.16	91,429.16	-	
	2002 MF West Oaks Apts Total				301,120.27	301,120.27	12,666.33	(86,810.57)	0.00	0.00	226,976.03	226,976.03	0.00	0.00
Mutual Fund	2002 MF Park Meadows	4.80	02/01/07	03/01/07	14,994.79	14,994.79	149.61				15,144.40	15,144.40	-	
Mutual Fund	2002 MF Park Meadows	4.80	02/01/07	03/01/07	155,103.92	155,103.92		(51,675.97)			103,427.95	103,427.95	-	
Mutual Fund	2002 MF Park Meadows	4.80	02/01/07	03/01/07	44,903.97	44,903.97		(29,819.07)			15,084.90	15,084.90	-	
	2002 MF Park Meadows Total				215,002.68	215,002.68	149.61	(81,495.04)	0.00	0.00	133,657.25	133,657.25	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	4.55	02/01/07	03/01/07	245,655.06	245,655.06		(225,924.45)			19,730.61	19,730.61	-	
Mutual Fund	2002 MF Clarkridge Villas Apts	4.55	02/01/07	03/01/07	116,001.45	116,001.45	6,818.81				122,820.26	122,820.26	-	
Mutual Fund	2002 MF Clarkridge Villas Apts	4.55	02/01/07	03/01/07	121,146.03	121,146.03	0.00				121,146.03	121,146.03	-	
Money Market	2002 MF Clarkridge Villas Apts	4.55	02/01/07	03/01/07			76,078.02				76,078.02	76,078.02	-	
	2002 MF Clarkridge Villas Apts Total				482,802.54	482,802.54	82,896.83	(225,924.45)	0.00	0.00	339,774.92	339,774.92	0.00	0.00
Mutual Fund	2002 MF Hickory Trace Apts	4.55	02/01/07	03/01/07	1,495.47	1,495.47	6,431.59				7,927.06	7,927.06	-	
Mutual Fund	2002 MF Hickory Trace Apts	4.55	02/01/07	03/01/07	54,652.79	54,652.79	1,626.20				56,278.99	56,278.99	-	
Money Market	2002 MF Hickory Trace Apts	4.55	02/01/07	03/01/07	94,204.96	94,204.96		(1,485.09)			92,719.87	92,719.87	-	
Mutual Fund	2002 MF Hickory Trace Apts	4.55	02/01/07	03/01/07	156,948.47	156,948.47		(111,166.16)			45,782.31	45,782.31	-	
	2002 MF Hickory Trace Apts Total				307,301.69	307,301.69	8,057.79	(112,651.25)	0.00	0.00	202,708.23	202,708.23	0.00	0.00
Mutual Fund	2002 MF Green Crest Apts	4.55	02/01/07	03/01/07	122,142.44	122,142.44		(121,800.79)			341.65	341.65	-	
Mutual Fund	2002 MF Green Crest Apts	4.55	02/01/07	03/01/07	81,023.63	81,023.63	925.01				81,948.64	81,948.64	-	
Mutual Fund	2002 MF Green Crest Apts	4.55	02/01/07	03/01/07	240.71	240.71	2.74				243.45	243.45	-	
Mutual Fund	2002 MF Green Crest Apts	4.55	02/01/07	03/01/07	11,144.92	11,144.92		(3,901.48)			7,243.44	7,243.44	-	
	2002 MF Green Crest Apts Total				214,551.70	214,551.70	927.75	(125,702.27)	0.00	0.00	89,777.18	89,777.18	0.00	0.00
Mutual Fund	2002 M/Fironwood Crossing Apts	4.55	02/01/07	03/01/07	512,382.70	512,382.70		(326,852.65)			185,530.05	185,530.05	-	
Mutual Fund	2002 M/Fironwood Crossing Apts	4.55	02/01/07	03/01/07	3,756.13	3,756.13	42.88				3,799.01	3,799.01	-	
Mutual Fund	2002 M/Fironwood Crossing Apts	4.55	02/01/07	03/01/07	14,593.36	14,593.36	153.32				14,746.68	14,746.68	-	
Mutual Fund	2002 M/Fironwood Crossing Apts	4.55	02/01/07	03/01/07	43,294.68	43,294.68	14,542.88				57,837.56	57,837.56	-	
	2002 M/Fironwood Crossing Apts Total				574,026.87	574,026.87	14,739.08	(326,852.65)	0.00	0.00	261,913.30	261,913.30	0.00	0.00
Mutual Fund	2002 MF Woodway Village	4.80	02/01/07	03/01/07	1,637.51	1,637.51	18.88				1,656.39	1,656.39	-	
Mutual Fund	2002 MF Woodway Village	4.80	02/01/07	03/01/07	8.20	8.20	0.00				8.20	8.20	-	
Mutual Fund	2002 MF Woodway Village	4.80	02/01/07	03/01/07	232,588.39	232,588.39		(175,307.73)			57,280.66	57,280.66	-	
Mutual Fund	2002 MF Woodway Village	4.80	02/01/07	03/01/07	56.49	56.49	1.27				57.76	57.76	-	
Mutual Fund	2002 MF Woodway Village	4.80	02/01/07	03/01/07	42.27	42.27	1.00				43.27	43.27	-	
	2002 MF Woodway Village Total				234,332.86	234,332.86	21.15	(175,307.73)	0.00	0.00	59,046.28	59,046.28	0.00	0.00
Mutual Fund	2003 AB MF Reading Road	4.80	02/01/07	03/01/07	37,354.94	37,354.94		(23,407.09)			13,947.85	13,947.85	-	
Money Market	2003 AB MF Reading Road	4.80	02/01/07	03/01/07			4.15				4.15	4.15	-	
Mutual Fund	2003 AB MF Reading Road	4.80	02/01/07	03/01/07	0.16	0.16	0.00				0.16	0.16	-	
	2003 AB MF Reading Road Total				37,355.10	37,355.10	4.15	(23,407.09)	0.00	0.00	13,952.16	13,952.16	0.00	0.00
Money Market	2003 AB MF North Vista Apts				108,520.68	108,520.68		(108,520.68)					-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	757,009.47	757,009.47	9,128.41				766,137.88	766,137.88	-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	35,603.98	35,603.98	208,737.71				244,341.69	244,341.69	-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	42,000.00	42,000.00	496.73				42,496.73	42,496.73	-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	15,866.51	15,866.51	160.60				16,027.11	16,027.11	-	
Money Market	2003 AB MF North Vista Apts	4.55	02/01/07	03/01/07			52.83				52.83	52.83	-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	273,632.50	273,632.50		(184,804.11)			88,828.39	88,828.39	-	
Mutual Fund	2003 AB MF North Vista Apts	4.86	02/01/07	03/01/07	13,830.99	13,830.99		(13,729.35)			101.64	101.64	-	
	2003 AB MF North Vista Apts Total				1,246,464.13	1,246,464.13	218,576.28	(307,054.14)	0.00	0.00	1,157,986.27	1,157,986.27	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	12,850.86	12,850.86		(12,729.48)			121.38	121.38	-	
Money Market	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	17,000.00	17,000.00	209.13				17,209.13	17,209.13	-	
Money Market	2003 AB MF West Virginia Apts				69,333.36	69,333.36		(69,333.36)					-	
Mutual Fund	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	213,826.01	213,826.01	25,401.40				239,227.41	239,227.41	-	
Mutual Fund	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	11,020.75	11,020.75	118.29				11,139.04	11,139.04	-	

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Money Market	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	55,000.00	55,000.00		(54,857.75)			142.25	142.25	-	
Mutual Fund	2003 AB MF West Virginia Apts	5.16	02/01/07	03/01/07	184,941.25	184,941.25		(184,456.24)			485.01	485.01	-	
	2003 AB MF West Virginia Apts Total				563,972.23	563,972.23	25,728.82	(321,376.83)	0.00	0.00	268,324.22	268,324.22	0.00	0.0
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,839,257.26	14,839,257.26			(34,002.34)		14,805,254.92	14,805,254.92	-	
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	392,377.97	392,377.97		(229,868.89)			162,509.08	162,509.08	-	
	2003AB MF Sphinx @ Murdeaux Total				15,231,635.23	15,231,635.23	0.00	(229,868.89)	(34,002.34)	0.00	14,967,764.00	14,967,764.00	0.00	0.0
Mutual Fund	2003 AB MF Primrose Houston	4.55	02/01/07	03/01/07	111,605.85	111,605.85	6,568.43				118,174.28	118,174.28	-	
Mutual Fund	2003 AB MF Primrose Houston	4.55	02/01/07	03/01/07			6.88				6.88	6.88	-	
	2003 AB MF Primrose Houston Total				111,605.85	111,605.85	6,575.31	0.00	0.00	0.00	118,181.16	118,181.16	0.00	0.0
Mutual Fund	2003 AB MF Timber Oaks Apts	4.55	02/01/07	03/01/07	7,023.29	7,023.29	14,307.30				21,330.59	21,330.59	-	
Mutual Fund	2003 AB MF Timber Oaks Apts	4.55	02/01/07	03/01/07	102,480.41	102,480.41	16,750.12				119,230.53	119,230.53	-	
Mutual Fund	2003 AB MF Timber Oaks Apts	4.55	02/01/07	03/01/07	93,702.07	93,702.07	791.10				94,493.17	94,493.17	-	
Mutual Fund	2003 AB MF Timber Oaks Apts	4.55	02/01/07	03/01/07	11,032.42	11,032.42	7,874.99				18,907.41	18,907.41	-	
	2003 AB MF Timber Oaks Apts Total				214,238.19	214,238.19	39,723.51	0.00	0.00	0.00	253,961.70	253,961.70	0.00	0.0
Mutual Fund	2003 AB MF Ash Creek	4.55	02/01/07	03/01/07	851.94	851.94	64.85				916.79	916.79	-	
Mutual Fund	2003 AB MF Ash Creek	4.55	02/01/07	03/01/07	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	
Mutual Fund	2003 AB MF Ash Creek	4.55	02/01/07	03/01/07	114,271.78	114,271.78	6,441.54				120,713.32	120,713.32	-	
	2003 AB MF Ash Creek Total				119,952.20	119,952.20	6,506.39	0.00	0.00	0.00	126,458.59	126,458.59	0.00	0.0
Mutual Fund	2003 AB MF Peninsula	4.55	02/01/07	03/01/07	47.62	47.62	0.00				47.62	47.62	-	
Mutual Fund	2003 AB MF Peninsula	4.55	02/01/07	03/01/07	142,011.82	142,011.82	206,796.90				348,808.72	348,808.72	-	
	2003 AB MF Peninsula Total				142,059.44	142,059.44	206,796.90	0.00	0.00	0.00	348,856.34	348,856.34	0.00	0.0
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.55	02/01/07	03/01/07	21.69	21.69	8.16				29.85	29.85	-	
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.55	02/01/07	03/01/07	8,651.24	8,651.24	76,813.15				85,464.39	85,464.39	-	
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.55	02/01/07	03/01/07	1,203.57	1,203.57	13.74				1,217.31	1,217.31	-	
Mutual Fund	2003 A MF Evergreen @ Mesquite				15.85	15.85		(15.85)					-	
Money Market	2003 A MF Evergreen @ Mesquite	4.55	02/01/07	03/01/07			16.02				16.02	16.02	-	
Mutual Fund	2003 A MF Evergreen @ Mesquite	4.55	02/01/07	03/01/07	22,621.96	22,621.96	2,573.83				25,195.79	25,195.79	-	
	2003 A MF Evergreen @ Mesquite Total				32,514.31	32,514.31	79,424.90	(15.85)	0.00	0.00	111,923.36	111,923.36	0.00	0.0
Mutual Fund	2003 AB Arlington Villas				136,212.63	136,212.63		(136,212.63)					-	
Money Market	2003 AB Arlington Villas	4.55	02/01/07	03/01/07			423,218.20				423,218.20	423,218.20	-	
Mutual Fund	2003 AB Arlington Villas				276.57	276.57		(276.57)					-	
Mutual Fund	2003 AB Arlington Villas				282,003.06	282,003.06		(282,003.06)					-	
Mutual Fund	2003 AB Arlington Villas	4.55	02/01/07	03/01/07	105,895.85	105,895.85	6,348.34				112,244.19	112,244.19	-	
Mutual Fund	2003 AB Arlington Villas	4.55	02/01/07	03/01/07	8,973.32	8,973.32		(4,060.92)			4,912.40	4,912.40	-	
	2003 AB Arlington Villas Total				533,361.43	533,361.43	429,566.54	(422,553.18)	0.00	0.00	540,374.79	540,374.79	0.00	0.0
Mutual Fund	2003 AB Parkview Twnhms	4.55	02/01/07	03/01/07	24,088.50	24,088.50		(10,454.40)			13,634.10	13,634.10	-	
Mutual Fund	2003 AB Parkview Twnhms	4.55	02/01/07	03/01/07	73,921.04	73,921.04	835.31				74,756.35	74,756.35	-	
Mutual Fund	2003 AB Parkview Twnhms	4.55	02/01/07	03/01/07	2.87	2.87	37.09				39.96	39.96	-	
Mutual Fund	2003 AB Parkview Twnhms				218,690.89	218,690.89		(218,690.89)					-	
Mutual Fund	2003 AB Parkview Twnhms				207,756.38	207,756.38		(207,756.38)					-	
Mutual Fund	2003 AB Parkview Twnhms	4.55	02/01/07	03/01/07			210,128.25				210,128.25	210,128.25	-	
	2003 AB Parkview Twnhms Total				524,459.68	524,459.68	211,000.65	(436,901.67)	0.00	0.00	298,558.66	298,558.66	0.00	0.0
Money Market	2003 MF NHP-Asmara-Refunding	4.55	02/01/07	03/01/07			112,350.11				112,350.11	112,350.11	-	
Money Market	2003 MF NHP-Asmara-Refunding	4.55	02/01/07	03/01/07	158,720.53	158,720.53	13,414.07				172,134.60	172,134.60	-	
Money Market	2003 MF NHP-Asmara-Refunding	4.55	02/01/07	03/01/07	65.61	65.61	0.42				66.03	66.03	-	
T-Note	2003 MF NHP-Asmara-Refunding				24,349,975.00	24,349,975.00		(24,349,975.00)					-	
Money Market	2003 MF NHP-Asmara-Refunding	4.65	02/01/07	03/01/07	2,942.69	2,942.69		(2,314.87)			627.82	627.82	-	
Money Market	2003 MF NHP-Asmara-Refunding	4.55	02/01/07	03/01/07	5,309.18	5,309.18	30,624.42				35,933.60	35,933.60	-	
Money Market	2003 MF NHP-Asmara-Refunding				115,779.74	115,779.74		(115,779.74)					-	
Money Market	2003 MF NHP-Asmara-Refunding	4.55	02/01/07	03/01/07			117,101.55				117,101.55	117,101.55	-	
	2003 MF NHP-Asmara-Refunding Total				24,632,792.75	24,632,792.75	273,490.57	(24,468,069.61)	0.00	0.00	438,213.71	438,213.71	0.00	0.0
Money Market	2004 A&B Timber Ridge	4.55	02/01/07	03/01/07	12,506.19	12,506.19		(8,961.79)			3,544.40	3,544.40	-	

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Money Market	2004 A&B Timber Ridge	4.55	02/01/07	03/01/07	45,221.97	45,221.97	975.98				46,197.95	46,197.95	-	
	2004 A&B Timber Ridge Total				57,728.16	57,728.16	975.98	(8,961.79)	0.00	0.00	49,742.35	49,742.35	0.00	0.0
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07	20,439.43	20,439.43	6,691.44				27,130.87	27,130.87	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07	12,458.54	12,458.54	42,375.02				54,833.56	54,833.56	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07	168,496.25	168,496.25		(141,726.02)			26,770.23	26,770.23	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07	4,189.50	4,189.50		(430.87)			3,758.63	3,758.63	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07			21,666.67				21,666.67	21,666.67	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07			5,000.00				5,000.00	5,000.00	-	
Money Market	2004 A&B Century Park	4.55	02/01/07	03/01/07	321,533.55	321,533.55		(137,799.98)			183,733.57	183,733.57	-	
	2004 A&B Century Park Total				527,117.27	527,117.27	75,733.13	(279,956.87)	0.00	0.00	322,893.53	322,893.53	0.00	0.0
Money Market	2004 A Addison Park	4.55	02/01/07	03/01/07	554.36	554.36	7.20				561.56	561.56	-	
Money Market	2004 A Addison Park	4.55	02/01/07	03/01/07			170.35				170.35	170.35	-	
Money Market	2004 A Addison Park	4.55	02/01/07	03/01/07			1,211.48				1,211.48	1,211.48	-	
Money Market	2004 A Addison Park	4.55	02/01/07	03/01/07	1,197.22	1,197.22		(1,185.67)			11.55	11.55	-	
Money Market	2004 A Addison Park				168.16	168.16		(168.16)					-	
Money Market	2004 A Addison Park				11.40	11.40		(11.40)					-	
	2004 A Addison Park Total				1,931.14	1,931.14	1,389.03	(1,365.23)	0.00	0.00	1,954.94	1,954.94	0.00	0.0
Money Market	2004 A&B MF Veterans Memorial	4.55	02/01/07	03/01/07	119.24	119.24	1.36				120.60	120.60	-	
Money Market	2004 A&B MF Veterans Memorial				191,402.82	191,402.82		(191,402.82)					-	
Money Market	2004 A&B MF Veterans Memorial	4.55	02/01/07	03/01/07	68,414.21	68,414.21	771.30				69,185.51	69,185.51	-	
Money Market	2004 A&B MF Veterans Memorial	4.55	02/01/07	03/01/07	0.03	0.03	44.65				44.68	44.68	-	
Money Market	2004 A&B MF Veterans Memorial	4.55	02/01/07	03/01/07	25,655.28	25,655.28		(22,040.38)			3,614.90	3,614.90	-	
	2004 A&B MF Veterans Memorial Total				285,591.58	285,591.58	817.31	(213,443.20)	0.00	0.00	72,965.69	72,965.69	0.00	0.0
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	19,457.39	19,457.39	7,467.37				26,924.76	26,924.76	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	370,042.43	370,042.43	4,528.04				374,570.47	374,570.47	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	38.09	38.09	0.47				38.56	38.56	-	
Money Market	2004 MF Rush Creek Apts				67.10	67.10		(67.10)					-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	573.45	573.45		(477.77)			95.68	95.68	-	
Money Market	2004 MF Rush Creek Apts				18,364.33	18,364.33		(18,364.33)					-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	68.05	68.05	0.83				68.88	68.88	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	18,843.22	18,843.22	230.57				19,073.79	19,073.79	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07			3,688.14				3,688.14	3,688.14	-	
Money Market	2004 MF Rush Creek Apts	4.65	02/01/07	03/01/07	133,075.42	133,075.42		(113,675.11)			19,400.31	19,400.31	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07	84.01	84.01	1.03				85.04	85.04	-	
Money Market	2004 MF Rush Creek Apts	4.55	02/01/07	03/01/07			67.93				67.93	67.93	-	
	2004 MF Rush Creek Apts Total				560,613.49	560,613.49	15,984.38	(132,584.31)	0.00	0.00	444,013.56	444,013.56	0.00	0.0
Money Market	2004 MF Humble Parkway	4.55	02/01/07	03/01/07	18,109.15	18,109.15	11,026.76				29,135.91	29,135.91	-	
Money Market	2004 MF Humble Parkway	4.55	02/01/07	03/01/07	84,480.95	84,480.95		(79,814.58)			4,666.37	4,666.37	-	
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	369,828.13	369,828.13		(211,575.68)			158,252.45	158,252.45	-	
Money Market	2004 MF Humble Parkway	4.55	02/01/07	03/01/07	13,541.82	13,541.82		(5,436.08)			8,105.74	8,105.74	-	
	2004 MF Humble Parkway Total				485,960.05	485,960.05	11,026.76	(296,826.34)	0.00	0.00	200,160.47	200,160.47	0.00	0.0
Money Market	2004 MF Chisholm Trail Apts	4.55	02/01/07	03/01/07	0.81	0.81	0.00				0.81	0.81	-	
Money Market	2004 MF Chisholm Trail Apts	4.85	02/01/07	03/01/07	609,735.82	609,735.82		(609,091.55)			644.27	644.27	-	
Money Market	2004 MF Chisholm Trail Apts	4.85	02/01/07	03/01/07	767.95	767.95	9.33				777.28	777.28	-	
Money Market	2004 MF Chisholm Trail Apts	4.85	02/01/07	03/01/07	1.32	1.32	0.03				1.35	1.35	-	
	2004 MF Chisholm Trail Apts Total				610,505.90	610,505.90	9.36	(609,091.55)	0.00	0.00	1,423.71	1,423.71	0.00	0.0
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07	141,702.72	141,702.72		(51,975.95)			89,726.77	89,726.77	-	
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07	15,667.53	15,667.53		(4,074.09)			11,593.44	11,593.44	-	
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07	2,034.66	2,034.66	24.51				2,059.17	2,059.17	-	
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07	0.01	0.01	0.02				0.03	0.03	-	
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07	156,628.89	156,628.89		(54,218.80)			102,410.09	102,410.09	-	
Money Market	2004 MF Evergreen at Plano	4.85	02/01/07	03/01/07			58,746.53				58,746.53	58,746.53	-	
	2004 MF Evergreen at Plano Total				316,033.81	316,033.81	58,771.06	(110,268.84)	0.00	0.00	264,536.03	264,536.03	0.00	0.0
Money Market	2004 MF Montgomery Pines Apts	4.85	02/01/07	03/01/07	6,113.22	6,113.22	74.90				6,188.12	6,188.12	-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
Money Market	2004 MF Montgomery Pines Apts	4.85	02/01/07	03/01/07	2,912.96	2,912.96	57.28				2,970.24	2,970.24	-	
	2004 MF Montgomery Pines Apts Total				9,026.18	9,026.18	132.18	0.00	0.00	0.00	9,158.36	9,158.36	0.00	0.0
Money Market	2004 MF Bristol Apts	4.85	02/01/07	03/01/07	7,616.70	7,616.70	93.32				7,710.02	7,710.02	-	
Money Market	2004 MF Bristol Apts	4.85	02/01/07	03/01/07	45,817.94	45,817.94	561.41				46,379.35	46,379.35	-	
Money Market	2004 MF Bristol Apts	4.85	02/01/07	03/01/07	22,627.43	22,627.43	277.25				22,904.68	22,904.68	-	
Money Market	2004 MF Bristol Apts	4.85	02/01/07	03/01/07	98.80	98.80	1.22				100.02	100.02	-	
	2004 MF Bristol Apts Total				76,160.87	76,160.87	933.20	0.00	0.00	0.00	77,094.07	77,094.07	0.00	0.0
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07			4.93				4.93	4.93	-	
Money Market	2004 MF Pinnacle Apts	4.87	02/01/07	03/01/07	0.06	0.06	0.00				0.06	0.06	-	
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07	22,901.93	22,901.93	280.61				23,182.54	23,182.54	-	
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07	0.01	0.01	0.00				0.01	0.01	-	
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07	37.37	37.37	19.89				57.26	57.26	-	
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07	20,481.89	20,481.89	250.96				20,732.85	20,732.85	-	
Money Market	2004 MF Pinnacle Apts	4.85	02/01/07	03/01/07	53.53	53.53	0.65				54.18	54.18	-	
	2004 MF Pinnacle Apts Total				43,474.79	43,474.79	557.04	0.00	0.00	0.00	44,031.83	44,031.83	0.00	0.0
Money Market	2004 MF Tranquility Bay Apts	4.65	02/01/07	03/01/07	20,646.51	20,646.51	12,567.58				33,214.09	33,214.09	-	
Money Market	2004 MF Tranquility Bay Apts	4.65	02/01/07	03/01/07	236.14	236.14	2.75				238.89	238.89	-	
Money Market	2004 MF Tranquility Bay Apts	4.65	02/01/07	03/01/07	893.71	893.71	122,346.67				123,240.38	123,240.38	-	
Money Market	2004 MF Tranquility Bay Apts	4.65	02/01/07	03/01/07	274,145.17	274,145.17		(88,518.89)			185,626.28	185,626.28	-	
Money Market	2004 MF Tranquility Bay Apts	4.65	02/01/07	03/01/07	12,508.23	12,508.23		(3,014.29)			9,493.94	9,493.94	-	
	2004 MF Tranquility Bay Apts Total				308,429.76	308,429.76	134,917.00	(91,533.18)	0.00	0.00	351,813.58	351,813.58	0.00	0.
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,307,542.70	11,307,542.70			(22,411.68)		11,285,131.02	11,285,131.02	-	
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	233,453.85	233,453.85		(166,579.94)			66,873.91	66,873.91	-	
Money Market	2004 MF Sphinx @ Delafield	4.55	02/01/07	03/01/07	4,514.53	4,514.53	51.55				4,566.08	4,566.08	-	
	2004 MF Sphinx @ Delafield Total				11,545,511.08	11,545,511.08	51.55	(166,579.94)	(22,411.68)	0.00	11,356,571.01	11,356,571.01	0.00	0.
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	638,407.63	638,407.63	7,559.13				645,966.76	645,966.76	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	217,359.68	217,359.68		(109,470.33)			107,889.35	107,889.35	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	242.74	242.74	96.97				339.71	339.71	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07			46,981.62				46,981.62	46,981.62	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	0.73	0.73		(0.01)			0.72	0.72	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	132,366.38	132,366.38		(47,950.88)			84,415.50	84,415.50	-	
Money Market	2004 MF Churchill @ Pinnacle	4.85	02/01/07	03/01/07	10,365.84	10,365.84	895.46				11,261.30	11,261.30	-	
	2004 MF Churchill @ Pinnacle Total				998,743.00	998,743.00	55,533.18	(157,421.22)	0.00	0.00	896,854.96	896,854.96	0.00	0.
Money Market	2004 A/B MF Post Oak East Apts	4.85	02/01/07	03/01/07	2,846.53	2,846.53	34.88				2,881.41	2,881.41	-	
Money Market	2004 A/B MF Post Oak East Apts	4.85	02/01/07	03/01/07	2.73	2.73	0.03				2.76	2.76	-	
Money Market	2004 A/B MF Post Oak East Apts	4.85	02/01/07	03/01/07	5.64	5.64	0.06				5.70	5.70	-	
	2004 A/B MF Post Oak East Apts Total				2,854.90	2,854.90	34.97	0.00	0.00	0.00	2,889.87	2,889.87	0.00	0.
Money Market	2004 MF Village Fair	4.55	02/01/07	03/01/07			47,738.37				47,738.37	47,738.37	-	
Money Market	2004 MF Village Fair	4.55	02/01/07	03/01/07	181,376.68	181,376.68	2,117.69				183,494.37	183,494.37	-	
Money Market	2004 MF Village Fair	4.55	02/01/07	03/01/07	105,583.66	105,583.66	5,633.06				111,216.72	111,216.72	-	
Money Market	2004 MF Village Fair	4.55	02/01/07	03/01/07	6,180.96	6,180.96	6,218.28				12,399.24	12,399.24	-	
	2004 MF Village Fair Total				293,141.30	293,141.30	61,707.40	0.00	0.00	0.00	354,848.70	354,848.70	0.00	0.
Money Market	2005 MF Pecan Grove	4.55	02/01/07	03/01/07	494,614.44	494,614.44		(494,097.50)			516.94	516.94	-	
Money Market	2005 MF Pecan Grove	4.55	02/01/07	03/01/07			6,162.19				6,162.19	6,162.19	-	
Money Market	2005 MF Pecan Grove	4.55	02/01/07	03/01/07	1,881.32	1,881.32		(1,872.21)			9.11	9.11	-	
Money Market	2005 MF Pecan Grove	4.55	02/01/07	03/01/07	18,477.14	18,477.14		(18,477.13)			0.01	0.01	-	
	2005 MF Pecan Grove Total				514,972.90	514,972.90	6,162.19	(514,446.84)	0.00	0.00	6,688.25	6,688.25	0.00	0.
Money Market	2005 MF Prairie Oaks	4.55	02/01/07	03/01/07			9,580.04				9,580.04	9,580.04	-	
Money Market	2005 MF Prairie Oaks	4.55	02/01/07	03/01/07			13,810.26				13,810.26	13,810.26	-	
Money Market	2005 MF Prairie Oaks	4.55	02/01/07	03/01/07	348,876.95	348,876.95	4,048.57				352,925.52	352,925.52	-	
Inv Agmt	2005 MF Prairie Oaks				65.04	65.04		(65.04)					-	
Money Market	2005 MF Prairie Oaks	4.51	02/01/07	03/01/07	4,156.93	4,156.93	20,146.91				24,303.84	24,303.84	-	
Inv Agmt	2005 MF Prairie Oaks				20,027.65	20,027.65		(20,027.65)					-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
Money Market	2005 MF Prairie Oaks	4.55	02/01/07	03/01/07	89,601.06	89,601.06		(185.92)			89,415.14	89,415.14	-	
Money Market	2005 MF Prairie Oaks	4.55	02/01/07	03/01/07			31,217.14				31,217.14	31,217.14	-	
Money Market	2005 MF Prairie Oaks				51.56	51.56		(51.56)					-	
Inv Agmt	2005 MF Prairie Oaks				46.89	46.89		(46.89)					-	
Money Market	2005 MF Prairie Oaks				237.11	237.11		(237.11)					-	
	2005 MF Prairie Oaks Total				463,063.19	463,063.19	78,802.92	(20,614.17)	0.00	0.00	521,251.94	521,251.94	0.00	0.0
Money Market	2005 MF Port Royal	4.55	02/01/07	03/01/07	15,240.10	15,240.10		(15,098.03)			142.07	142.07	-	
Money Market	2005 MF Port Royal	4.55	02/01/07	03/01/07	144,345.18	144,345.18		(144,286.15)			59.03	59.03	-	
	2005 MF Port Royal Total				159,585.28	159,585.28	0.00	(159,384.18)	0.00	0.00	201.10	201.10	0.00	0.0
Money Market	2005 MF Mission Del Rio	4.55	02/01/07	03/01/07	4,992.60	4,992.60		(4,971.83)			20.77	20.77	-	
Money Market	2005 MF Mission Del Rio	4.55	02/01/07	03/01/07	4,827,790.38	4,827,790.38		(3,884,313.09)			943,477.29	943,477.29	-	
Money Market	2005 MF Mission Del Rio	4.55	02/01/07	03/01/07			41,748.64				41,748.64	41,748.64	-	
	2005 MF Mission Del Rio Total				4,832,782.98	4,832,782.98	41,748.64	(3,889,284.92)	0.00	0.00	985,246.70	985,246.70	0.00	0.0
Money Market	2005 MF Atascocita Apts	4.55	02/01/07	03/01/07	6,202.66	6,202.66	4.82				6,207.48	6,207.48	-	
Money Market	2005 MF Atascocita Apts	4.55	02/01/07	03/01/07	11,726.47	11,726.47	141.86				11,868.33	11,868.33	-	
Money Market	2005 MF Atascocita Apts	4.55	02/01/07	03/01/07	707,583.95	707,583.95		(300,490.63)			407,093.32	407,093.32	-	
Money Market	2005 MF Atascocita Apts	4.55	02/01/07	03/01/07	66,436.44	66,436.44	156,707.26				223,143.70	223,143.70	-	
Money Market	2005 MF Atascocita Apts	4.55	02/01/07	03/01/07	0.27	0.27	0.00				0.27	0.27	-	
	2005 MF Atascocita Apts Total				791,949.79	791,949.79	156,853.94	(300,490.63)	0.00	0.00	648,313.10	648,313.10	0.00	0.0
Money Market	2005 MF Tower Ridge	4.80	02/01/07	03/01/07	830.21	830.21	9.99				840.20	840.20	-	
Money Market	2005 MF Tower Ridge	4.88	02/01/07	03/01/07	81.36	81.36	0.91				82.27	82.27	-	
Money Market	2005 MF Tower Ridge	4.80	02/01/07	03/01/07	29.19	29.19	0.86				30.05	30.05	-	
	2005 MF Tower Ridge Total				940.76	940.76	11.76	0.00	0.00	0.00	952.52	952.52	0.00	0.0
Money Market	2005 MF Alta Cullen				100,163.31	100,163.31		(100,163.31)					-	
Money Market	2005 MF Alta Cullen	4.85	02/01/07	03/01/07	3,762.60	3,762.60	104,015.53				107,778.13	107,778.13	-	
Money Market	2005 MF Alta Cullen	4.85	02/01/07	03/01/07			4,682.12				4,682.12	4,682.12	-	
Money Market	2005 MF Alta Cullen	4.85	02/01/07	03/01/07	106,888.69	106,888.69	11,341.52				118,230.21	118,230.21	-	
	2005 MF Alta Cullen Total				210,814.60	210,814.60	120,039.17	(100,163.31)	0.00	0.00	230,690.46	230,690.46	0.00	0.0
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	336,459.06	336,459.06		(78,191.17)			258,267.89	258,267.89	-	
GNMA	2005 MF Prairie Ranch	4.99	07/29/05	05/15/07	11,579,512.00	11,579,512.00	612,022.00				12,191,534.00	12,191,534.00	-	
Inv Agmt	2005 MF Prairie Ranch				600,886.43	600,886.43		(600,886.43)					-	
Money Market	2005 MF Prairie Ranch				22,406.44	22,406.44		(22,406.44)					-	
Money Market	2005 MF Prairie Ranch	4.55	02/01/07	03/01/07	31,619.56	31,619.56		(25,204.31)			6,415.25	6,415.25	-	
Money Market	2005 MF Prairie Ranch	4.55	02/01/07	03/01/07	10.00	10.00	0.12				10.12	10.12	-	
	2005 MF Prairie Ranch Total				12,570,893.49	12,570,893.49	612,022.12	(726,688.35)	0.00	0.00	12,456,227.26	12,456,227.26	0.00	0.0
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	196,064.41	196,064.41		(71,903.70)			124,160.71	124,160.71	-	
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	375,118.87	375,118.87		(374,411.71)			707.16	707.16	-	
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	173,642.03	173,642.03		(173,311.88)			330.15	330.15	-	
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	5,728.65	5,728.65	57,800.33				63,528.98	63,528.98	-	
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	20,829.64	20,829.64		(20,790.37)			39.27	39.27	-	
Money Market	2005 MF St. Augustine	4.85	02/01/07	03/01/07	6,542.53	6,542.53		(6,531.08)			11.45	11.45	-	
	2005 MF St. Augustine Total				777,926.13	777,926.13	57,800.33	(646,948.74)	0.00	0.00	188,777.72	188,777.72	0.00	0.0
Money Market	2005 MF Park Manor	4.85	02/01/07	03/01/07	18.13	18.13		(3.64)			14.49	14.49	-	
Money Market	2005 MF Park Manor	4.85	02/01/07	03/01/07	478,822.25	478,822.25	283,877.11				762,699.36	762,699.36	-	
Money Market	2005 MF Park Manor	4.85	02/01/07	03/01/07	127,232.19	127,232.19		(127,050.13)			182.06	182.06	-	
Money Market	2005 MF Park Manor	4.85	02/01/07	03/01/07	102,001.81	102,001.81		(1,203.15)			100,798.66	100,798.66	-	
Money Market	2005 MF Park Manor	4.85	02/01/07	03/01/07	4,956.46	4,956.46	2,606.16				7,562.62	7,562.62	-	
	2005 MF Park Manor Total				713,030.84	713,030.84	286,483.27	(128,256.92)	0.00	0.00	871,257.19	871,257.19	0.00	0.0
Money Market	2005 MF Pr Mockingbird	4.55	02/01/07	03/01/07	3,117.09	3,117.09	0.00				3,117.09	3,117.09	-	
Money Market	2005 MF Pr Mockingbird	4.55	02/01/07	03/01/07	285,767.12	285,767.12		(158,879.62)			126,887.50	126,887.50	-	
Money Market	2005 MF Pr Mockingbird	4.55	02/01/07	03/01/07	9,847.56	9,847.56		(9,847.53)			0.03	0.03	-	
Inv Agmt	2005 MF Pr Mockingbird				57,773.53	57,773.53		(57,773.53)					-	
	2005 MF Pr Mockingbird Total				356,505.30	356,505.30	0.00	(226,500.68)	0.00	0.00	130,004.62	130,004.62	0.00	0.0

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change In In Market Value	Recognize Gain
Money Market	2005 MF PI @ Chase Oaks	4.85	02/01/07	03/01/07	97,903.52	97,903.52		(88,914.58)			8,988.94	8,988.94	-	
Inv Agmt	2005 MF PI @ Chase Oaks	4.05	08/31/05	03/01/07	3,304,191.34	3,304,191.34		(1,713,029.30)			1,591,162.04	1,591,162.04	-	
Money Market	2005 MF PI @ Chase Oaks	4.85	02/01/07	03/01/07	10,970.61	10,970.61		(10,939.11)			31.50	31.50	-	
Inv Agmt	2005 MF PI @ Chase Oaks	4.05	08/31/05	03/01/07	733,042.68	733,042.68		(173,868.58)			559,174.10	559,174.10	-	
	2005 MF PI @ Chase Oaks Total				4,146,108.15	4,146,108.15	0.00	(1,986,751.57)	0.00	0.00	2,159,356.58	2,159,356.58	0.00	0.0
Money Market	2005 MF Canal Place	4.55	02/01/07	03/01/07	5,558.83	5,558.83	3,821.65				9,380.48	9,380.48	-	
Money Market	2005 MF Canal Place	4.55	02/01/07	03/01/07	10,016.57	10,016.57	387,870.76				397,887.33	397,887.33	-	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07	521,301.42	521,301.42	0.00				521,301.42	521,301.42	-	
Money Market	2005 MF Canal Place	4.55	02/01/07	03/01/07	139,078.71	139,078.71		(126,623.60)			12,455.11	12,455.11	-	
Money Market	2005 MF Canal Place	4.55	02/01/07	03/01/07	23,491.47	23,491.47		(5,588.38)			17,903.09	17,903.09	-	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07			478,506.37				478,506.37	478,506.37	-	
Inv Agmt	2005 MF Canal Place	4.13	10/11/05	07/15/07	6,104,059.72	6,104,059.72		(1,286,106.37)			4,817,953.35	4,817,953.35	-	
	2005 MF Canal Place Total				6,803,506.72	6,803,506.72	870,198.78	(1,418,318.35)	0.00	0.00	6,255,387.15	6,255,387.15	0.00	0.0
Money Market	2006 MF Coral Hills	4.72	02/01/07	03/01/07	44.57	44.57	0.75				45.32	45.32	-	
Money Market	2006 MF Coral Hills	4.72	02/01/07	03/01/07	138,626.56	138,626.56		(63,336.10)			75,290.46	75,290.46	-	
Money Market	2006 MF Coral Hills	4.72	02/01/07	03/01/07	9.77	9.77	0.04				9.81	9.81	-	
	2006 MF Coral Hills Total				138,680.90	138,680.90	0.79	(63,336.10)	0.00	0.00	75,345.59	75,345.59	0.00	0.0
Money Market	2006 MF Harris Branch	4.55	02/01/07	03/01/07	1.08	1.08	0.00				1.08	1.08	-	
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	851,921.57	851,921.57	10,324.02				862,245.59	862,245.59	-	
Money Market	2006 MF Harris Branch				15,562.61	15,562.61		(15,562.61)					-	
Money Market	2006 MF Harris Branch	4.55	02/01/07	03/01/07			15,562.61				15,562.61	15,562.61	-	
Money Market	2006 MF Harris Branch				1,833.33	1,833.33		(1,833.33)					-	
Inv Agmt	2006 MF Harris Branch	4.72	03/02/06	02/15/08	7,115,314.31	7,115,314.31		(2,603,591.94)			4,511,722.37	4,511,722.37	-	
Inv Agmt	2006 MF Harris Branch	4.72	03/09/06	02/15/08	424,087.43	424,087.43		(132,404.46)			291,682.97	291,682.97	-	
Money Market	2006 MF Harris Branch	4.55	02/01/07	03/01/07	51.14	51.14	167.62				218.76	218.76	-	
	2006 MF Harris Branch Total				8,408,771.47	8,408,771.47	26,054.25	(2,753,392.34)	0.00	0.00	5,681,433.38	5,681,433.38	0.00	0.0
Money Market	2006 MF Bella Vista	4.55	02/01/07	03/01/07			1,655,250.50				1,655,250.50	1,655,250.50	-	
Money Market	2006 MF Bella Vista	4.55	02/01/07	03/01/07	439.96	439.96	4,295.31				4,735.27	4,735.27	-	
Inv Agmt	2006 MF Bella Vista	4.76	04/07/06	10/01/07	11,749.66	11,749.66	0.00				11,749.66	11,749.66	-	
Money Market	2006 MF Bella Vista	4.55	02/01/07	03/01/07	5,016.66	5,016.66	233,938.52				238,955.18	238,955.18	-	
T-Note	2006 MF Bella Vista				230,000.00	230,000.00		(230,000.00)					-	
Money Market	2006 MF Bella Vista	4.55	02/01/07	03/01/07	95,369.80	95,369.80	18,607.58				113,977.38	113,977.38	-	
Inv Agmt	2006 MF Bella Vista	4.76	04/07/06	10/01/07	2,846,100.67	2,846,100.67		(2,507,538.27)			338,562.40	338,562.40	-	
Inv Agmt	2006 MF Bella Vista	4.76	04/13/06	10/01/07	411,230.00	411,230.00	0.00				411,230.00	411,230.00	-	
Money Market	2006 MF Bella Vista	4.55	02/01/07	03/01/07	7,167.17	7,167.17	81.82				7,248.99	7,248.99	-	
	2006 MF Bella Vista Total				3,607,073.92	3,607,073.92	1,912,173.73	(2,737,538.27)	0.00	0.00	2,781,709.38	2,781,709.38	0.00	0.0
Money Market	2006 MF Village Park	4.72	02/01/07	03/01/07	3.73	3.73	0.00				3.73	3.73	-	
Money Market	2006 MF Village Park	4.72	02/01/07	03/01/07			0.50				0.50	0.50	-	
Money Market	2006 MF Village Park	4.72	02/01/07	03/01/07	489,415.99	489,415.99		(278,937.98)			210,478.01	210,478.01	-	
Money Market	2006 MF Village Park	4.72	02/01/07	03/01/07	290,763.53	290,763.53		(290,524.98)			238.55	238.55	-	
	2006 MF Village Park Total				780,183.25	780,183.25	0.50	(569,462.96)	0.00	0.00	210,720.79	210,720.79	0.00	0.0
Money Market	2006 MF Oakmoor	4.85	02/01/07	03/01/07	1,500.00	1,500.00	0.00				1,500.00	1,500.00	-	
Money Market	2006 MF Oakmoor	4.85	02/01/07	03/01/07	790,169.78	790,169.78		(284,851.00)			505,318.78	505,318.78	-	
Money Market	2006 MF Oakmoor	4.85	02/01/07	03/01/07	375,364.31	375,364.31		(89,538.95)			285,825.36	285,825.36	-	
Money Market	2006 MF Oakmoor	4.85	02/01/07	03/01/07	4,716,132.70	4,716,132.70		(3,879,744.00)			836,388.70	836,388.70	-	
GIC's	2006 MF Oakmoor	4.19	04/26/06	11/01/07	7,317,500.00	7,317,500.00		(3,658,750.00)			3,658,750.00	3,658,750.00	-	
	2006 MF Oakmoor Total				13,200,666.79	13,200,666.79	0.00	(7,912,883.95)	0.00	0.00	5,287,782.84	5,287,782.84	0.00	0.0
Money Market	2006 MF Sunset Pointe	5.08	02/01/07	03/01/07	11,633,106.86	11,633,106.86		(1,963,145.97)			9,669,960.89	9,669,960.89	-	
	2006 MF Sunset Pointe Total				11,633,106.86	11,633,106.86	0.00	(1,963,145.97)	0.00	0.00	9,669,960.89	9,669,960.89	0.00	0.0
Money Market	2006 MF Hillcrest	4.72	02/01/07	03/01/07	243,414.43	243,414.43		(238,776.19)			4,638.24	4,638.24	-	
Money Market	2006 MF Hillcrest	4.72	02/01/07	03/01/07	135,107.83	135,107.83	168,847.39				303,955.22	303,955.22	-	
Money Market	2006 MF Hillcrest	4.72	02/01/07	03/01/07	3,110,614.94	3,110,614.94		(1,412,805.38)			1,697,809.56	1,697,809.56	-	
Money Market	2006 MF Hillcrest	4.72	02/01/07	03/01/07	23.87	23.87	0.20				24.07	24.07	-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
	2006 MF Hillcrest Total				3,489,161.07	3,489,161.07	168,847.59	(1,651,581.57)	0.00	0.00	2,006,427.09	2,006,427.09	0.00	0.0
Money Market	2006 MF Pleasant Village	4.70	02/01/07	03/01/07	388.88	388.88	1,555.52				1,944.40	1,944.40	-	
CD	2006 MF Pleasant Village	4.70	02/01/07	03/01/07	243,010.68	243,010.68		(59,369.88)			183,640.80	183,640.80	-	
CD	2006 MF Pleasant Village				57,332.05	57,332.05		(57,332.05)					-	
Money Market	2006 MF Pleasant Village				298,645.25	298,645.25		(298,645.25)					-	
Money Market	2006 MF Pleasant Village	4.70	02/01/07	03/01/07			27,971.23				27,971.23	27,971.23	-	
CD	2006 MF Pleasant Village	5.16	10/13/06	03/27/07	3,226,257.12	3,226,257.12		(805,621.67)			2,420,635.45	2,420,635.45	-	
Mutual Fund	2006 MF Pleasant Village	4.70	02/01/07	03/01/07			308,048.88				308,048.88	308,048.88	-	
Money Market	2006 MF Pleasant Village	4.70	02/01/07	03/01/07	39,706.76	39,706.76	43,025.19				82,731.95	82,731.95	-	
	2006 MF Pleasant Village Total				3,865,340.74	3,865,340.74	380,600.82	(1,220,968.85)	0.00	0.00	3,024,972.71	3,024,972.71	0.00	0.0
Money Market	2006 MF Grove Village	4.70	02/01/07	03/01/07			28,510.51				28,510.51	28,510.51	-	
CD	2006 MF Grove Village	5.16	11/15/06	03/27/07	2,857,956.08	2,857,956.08		(868,745.18)			1,989,210.90	1,989,210.90	-	
Money Market	2006 MF Grove Village	4.70	02/01/07	03/01/07	328.40	328.40	367,213.17				367,541.57	367,541.57	-	
CD	2006 MF Grove Village	4.70	02/01/07	03/01/07	35,948.28	35,948.28	37,102.49				73,050.77	73,050.77	-	
Money Market	2006 MF Grove Village	4.70	02/01/07	03/01/07	388.88	388.88	1,555.52				1,944.40	1,944.40	-	
Money Market	2006 MF Grove Village	4.70	02/01/07	03/01/07	154,625.08	154,625.08	35,009.46				189,634.54	189,634.54	-	
CD	2006 MF Grove Village				155,000.00	155,000.00		(155,000.00)					-	
Money Market	2006 MF Grove Village	4.70	02/01/07	03/01/07			58.26				58.26	58.26	-	
	2006 MF Grove Village Total				3,204,246.72	3,204,246.72	469,449.41	(1,023,745.18)	0.00	0.00	2,649,950.95	2,649,950.95	0.00	0.0
Money Market	2006 MF Red Hills	4.55	02/01/07	03/01/07	4,161.96	4,161.96	5,068.20				9,230.16	9,230.16	-	
Money Market	2006 MF Red Hills	4.55	02/01/07	03/01/07	4,995.26	4,995.26	7,787.27				12,782.53	12,782.53	-	
Money Market	2006 MF Red Hills	4.55	02/01/07	03/01/07	3.85	3.85	0.03				3.88	3.88	-	
	2006 MF Red Hills Total				9,161.07	9,161.07	12,855.50	0.00	0.00	0.00	22,016.57	22,016.57	0.00	0.0
Money Market	2006 MF Champion Crossing	4.55	02/01/07	03/01/07	4,065.05	4,065.05	4,897.05				8,962.10	8,962.10	-	
Money Market	2006 MF Champion Crossing	4.55	02/01/07	03/01/07	9,740.33	9,740.33	14,928.55				24,668.88	24,668.88	-	
Money Market	2006 MF Champion Crossing	4.55	02/01/07	03/01/07	3.85	3.85	0.03				3.88	3.88	-	
	2006 MF Champion Crossing Total				13,809.23	13,809.23	19,825.63	0.00	0.00	0.00	33,634.86	33,634.86	0.00	0.0
Inv Agmt	2006 MF Stonehaven	4.71	09/27/06	02/28/08	7,525,017.32	7,525,017.32		(1,499,557.19)			6,025,460.13	6,025,460.13	-	
Money Market	2006 MF Stonehaven	4.55	02/01/07	03/01/07	399.04	399.04	3.57				402.61	402.61	-	
Money Market	2006 MF Stonehaven	4.55	02/01/07	03/01/07	1,093,243.83	1,093,243.83		(151,990.52)			941,253.31	941,253.31	-	
Money Market	2006 MF Stonehaven				203.27	203.27		(203.27)					-	
	2006 MF Stonehaven Total				8,618,863.46	8,618,863.46	3.57	(1,651,750.98)	0.00	0.00	6,967,116.05	6,967,116.05	0.00	0.0
Money Market	2006 MF Center Ridge	4.72	02/01/07	03/01/07	1,871,704.14	1,871,704.14		(995,464.51)			876,239.63	876,239.63	-	
Money Market	2006 MF Center Ridge	4.72	02/01/07	03/01/07	50,921.14	50,921.14	105,444.89				156,366.03	156,366.03	-	
	2006 MF Center Ridge Total				1,922,625.28	1,922,625.28	105,444.89	(995,464.51)	0.00	0.00	1,032,605.66	1,032,605.66	0.00	0.0
Money Market	2006 MF Meadowlands	4.85	02/01/07	03/01/07	401,333.40	401,333.40	4,527.62				405,861.02	405,861.02	-	
Money Market	2006 MF Meadowlands	4.85	02/01/07	03/01/07	1,018,267.51	1,018,267.51		(414,260.04)			604,007.47	604,007.47	-	
Money Market	2006 MF Meadowlands	4.85	02/01/07	03/01/07	378,881.59	378,881.59		(91,698.90)			287,182.69	287,182.69	-	
Money Market	2006 MF Meadowlands	4.65	02/01/07	03/01/07	4,458,215.91	4,458,215.91		(2,075,521.69)			2,382,694.22	2,382,694.22	-	
GIC's	2006 MF Meadowlands	4.19	09/27/06	10/01/07	6,750,000.00	6,750,000.00	0.00				6,750,000.00	6,750,000.00	-	
	2006 MF Meadowlands Total				13,006,698.41	13,006,698.41	4,527.62	(2,581,480.63)	0.00	0.00	10,429,745.40	10,429,745.40	0.00	0.0
Money Market	2006 MF East Texas Pines	4.55	02/01/07	03/01/07	62,732.12	62,732.12		(34,791.66)			27,940.46	27,940.46	-	
GIC's	2006 MF East Texas Pines	5.00	11/08/06	11/08/08	11,694,377.00	11,694,377.00		(931,490.38)			10,762,886.62	10,762,886.62	-	
Money Market	2006 MF East Texas Pines				112,285.17	112,285.17		(112,285.17)					-	
Money Market	2006 MF East Texas Pines	4.55	02/01/07	03/01/07			84,492.63				84,492.63	84,492.63	-	
GIC's	2006 MF East Texas Pines	5.00	01/01/07	11/08/08			152,577.24				152,577.24	152,577.24	-	
Money Market	2006 MF East Texas Pines	4.55	02/01/07	03/01/07			1,349.54				1,349.54	1,349.54	-	
GIC's	2006 MF East Texas Pines	5.00	02/01/07	11/08/08			207,175.49				207,175.49	207,175.49	-	
Money Market	2006 MF East Texas Pines	4.55	02/01/07	03/01/07	8,508.90	8,508.90		(8,457.55)			51.35	51.35	-	
	2006 MF East Texas Pines Total				11,877,903.19	11,877,903.19	445,594.90	(1,087,024.76)	0.00	0.00	11,236,473.33	11,236,473.33	0.00	0.0
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07			2.61				2.61	2.61	-	
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07	0.42	0.42	0.00				0.42	0.42	-	
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	248,285.00	248,285.00	0.00				248,285.00	248,285.00	-	

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recognize Gain
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07	0.28	0.28	0.00				0.28	0.28	-	
GIC's	2006 MF Villas at Henderson	4.47	11/10/06	04/01/08	5,485,458.00	5,485,458.00		(491,822.67)			4,993,635.33	4,993,635.33	-	
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07			25,225.15				25,225.15	25,225.15	-	
GIC's	2006 MF Villas at Henderson	4.47	11/20/06	04/01/08	342,990.49	342,990.49		(44,606.17)			298,384.32	298,384.32	-	
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07			1,604.79				1,604.79	1,604.79	-	
Money Market	2006 MF Villas at Henderson	4.55	02/01/07	03/01/07	41,417.40	41,417.40		(16,565.71)			24,851.69	24,851.69	-	
	2006 MF Villas at Henderson Total				6,118,151.59	6,118,151.59	26,832.55	(552,994.55)	0.00	0.00	5,591,989.59	5,591,989.59	0.00	0.0
Money Market	2006 MF Aspen Parks Apts	4.43	02/01/07	03/01/07			550.42				550.42	550.42	-	
Money Market	2006 MF Aspen Parks Apts	4.43	02/01/07	03/01/07	66,888.89	66,888.89	32,373.13				99,262.02	99,262.02	-	
Money Market	2006 MF Aspen Parks Apts	4.43	02/01/07	03/01/07	1,753,185.16	1,753,185.16		(463,219.70)			1,289,965.46	1,289,965.46	-	
	2006 MF Aspen Parks Apts Total				1,820,074.05	1,820,074.05	32,923.55	(463,219.70)	0.00	0.00	1,389,777.90	1,389,777.90	0.00	0.0
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07	400,000.00	400,000.00		(398,756.96)			1,243.04	1,243.04	-	
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07	599,673.50	599,673.50		(593,561.98)			6,111.52	6,111.52	-	
GIC's	2006 MF Idlewilde Apts	4.71	12/15/06	01/15/08			557,056.20				557,056.20	557,056.20	-	
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07			1,765.40				1,765.40	1,765.40	-	
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07	11,454,505.99	11,454,505.99		(11,409,999.31)			44,506.68	44,506.68	-	
GIC's	2006 MF Idlewilde Apts	4.71	12/15/06	01/15/08			11,252,850.74				11,252,850.74	11,252,850.74	-	
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07			27,141.00				27,141.00	27,141.00	-	
Money Market	2006 MF Idlewilde Apts	4.55	02/01/07	03/01/07	44,500.00	44,500.00		(23,102.47)			21,397.53	21,397.53	-	
	2006 MF Idlewilde Apts Total				12,498,679.49	12,498,679.49	11,838,813.34	(12,425,420.72)	0.00	0.00	11,912,072.11	11,912,072.11	0.00	0.
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			450.96				450.96	450.96	-	
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08			197,560.50				197,560.50	197,560.50	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			49,528.82				49,528.82	49,528.82	-	
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08			10,630,444.79				10,630,444.79	10,630,444.79	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			1,307.07				1,307.07	1,307.07	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			1,867.10				1,867.10	1,867.10	-	
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08			263,281.25				263,281.25	263,281.25	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			480.66				480.66	480.66	-	
GIC's	2007 MF Landcaster Apts	4.72	01/31/07	02/15/08			244,344.45				244,344.45	244,344.45	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			1.40				1.40	1.40	-	
Money Market	2007 MF Landcaster Apts	4.55	02/01/07	03/01/07			21,341.47				21,341.47	21,341.47	-	
	2007 MF Landcaster Apts Total				0.00	0.00	11,410,608.47	0.00	0.00	0.00	11,410,608.47	11,410,608.47	0.00	0.
GIC's	2007 MF Park Place	5.80	02/21/07	10/01/08			399,720.00				399,720.00	399,720.00	-	
Money Market	2007 MF Park Place	4.85	02/01/07	03/01/07			380,387.00				380,387.00	380,387.00	-	
GIC's	2007 MF Park Place	5.80	02/21/07	09/01/08			12,586,219.09				12,586,219.09	12,586,219.09	-	
Money Market	2007 MF Park Place	4.85	02/01/07	03/01/07			1,665,902.76				1,665,902.76	1,665,902.76	-	
Money Market	2007 MF Park Place	4.85	02/01/07	03/01/07			2,833.00				2,833.00	2,833.00	-	
	2007 MF Park Place Total				0.00	0.00	15,035,061.85	0.00	0.00	0.00	15,035,061.85	15,035,061.85	0.00	0
	Total Multi-Family Investment Summary				210,151,470.43	210,151,470.43	49,007,734.42	(84,034,880.52)	(56,414.02)	0.00	175,067,910.31	175,067,910.31	0.00	0

Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogniz Gain
Repo Agmt	Commercial Paper	5.31	02/28/07	03/01/07	50,673.82	50,673.82	755.97				51,429.79	51,429.79	-	
GIC's	Commercial Paper	4.04	12/07/06	03/15/07			9,678,000.00				9,678,000.00	9,678,000.00	-	
GIC's	Commercial Paper	4.29	02/22/07	03/15/07			5,361,000.00				5,361,000.00	5,361,000.00	-	
GIC's	Commercial Paper				198,000.00	198,000.00		(198,000.00)					-	
	Commercial Paper Total				248,673.82	248,673.82	15,039,755.97	(198,000.00)	0.00	0.00	15,090,429.79	15,090,429.79	0.00	0
	Total Commercial Paper Investment Summary				248,673.82	248,673.82	15,039,755.97	(198,000.00)	0.00	0.00	15,090,429.79	15,090,429.79	0.00	0

Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogniz Gain
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	2,758,569.11	2,758,569.11	36,377.78				2,794,946.89	2,794,946.89	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	3,300,712.61	3,300,712.61	43,527.06				3,344,239.67	3,344,239.67	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	819,308.70	819,308.70	10,804.54				830,113.24	830,113.24	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	533,334.49	533,334.49	37,400.59				570,735.08	570,735.08	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	39,607.30	39,607.30	8,333.11				47,940.41	47,940.41	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	888,046.45	888,046.45	160,995.36				1,049,041.81	1,049,041.81	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	135,638.02	135,638.02	1,788.75				137,426.77	137,426.77	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	319,626.87	319,626.87	4,215.07				323,841.94	323,841.94	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	385,247.10	385,247.10	5,080.49				390,327.59	390,327.59	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	228,926.53	228,926.53	5,362.02				234,288.55	234,288.55	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	396,186.72	396,186.72	5,224.76				401,411.48	401,411.48	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	172,609.29	172,609.29	7,513.12				180,122.41	180,122.41	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	680,544.19	680,544.19	8,974.65				689,518.84	689,518.84	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	860,588.03	860,588.03		(15,540.86)			845,047.17	845,047.17	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	2,030,671.46	2,030,671.46		(276,038.16)			1,754,633.30	1,754,633.30	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	91,443.70	91,443.70	39,545.25				130,988.95	130,988.95	-	
Repo Agmt	General Fund	5.31	02/28/07	03/01/07	210,002.62	210,002.62	19,221.56				229,224.18	229,224.18	-	
	General Fund Total				13,851,063.19	13,851,063.19	394,364.11	(291,579.02)	0.00	0.00	13,953,848.28	13,953,848.28	0.00	0
	Total General Fund Investment Summary				13,851,063.19	13,851,063.19	394,364.11	(291,579.02)	0.00	0.00	13,953,848.28	13,953,848.28	0.00	0

Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogniz Gain
Repo Agmt	Housing Assistance Fund	5.31	02/28/07	03/01/07	85,653.90	85,653.90	13,379.00				99,032.90	99,032.90	-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	302,647.08	302,647.08	59,811.40				362,458.48	362,458.48	-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	51,178.85	51,178.85	8,110.23				59,289.08	59,289.08	-	
Repo Agmt	Housing Trust Fund				16,530.67	16,530.67		(16,530.67)					-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	106,628.72	106,628.72	1,370.63				107,999.35	107,999.35	-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	337,711.82	337,711.82	36,712.61				374,424.43	374,424.43	-	
Repo Agmt	Housing Trust Fund				15,242.25	15,242.25		(15,242.25)					-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	3,234,482.29	3,234,482.29	42,432.58				3,276,914.87	3,276,914.87	-	
Repo Agmt	Housing Trust Fund	5.31	02/28/07	03/01/07	1,800,000.00	1,800,000.00		(94.12)			1,799,905.88	1,799,905.88	-	
Repo Agmt	General Revenue Appn	5.31	02/28/07	03/01/07	1,227,645.03	1,227,645.03		(1,099,287.78)			128,357.25	128,357.25	-	
Repo Agmt	General Revenue Appn	5.31	02/28/07	03/01/07	495,817.71	495,817.71		(307,235.62)			188,582.09	188,582.09	-	
Repo Agmt	Capacity Building -GR	5.31	02/28/07	03/01/07	10,878.28	10,878.28	0.00				10,878.28	10,878.28	-	
Repo Agmt	Capacity Building -GR	5.31	02/28/07	03/01/07	233,386.60	233,386.60		(122,493.66)			110,892.94	110,892.94	-	
Repo Agmt	Pre-Development -GR	5.31	02/28/07	03/01/07	400,778.31	400,778.31	0.00				400,778.31	400,778.31	-	
Repo Agmt	Pre-Development -GR	5.31	02/28/07	03/01/07	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	
Repo Agmt	Housing Trust Fund-GR	5.31	02/28/07	03/01/07	802,877.40	802,877.40	0.00				802,877.40	802,877.40	-	
Repo Agmt	Boostrap -GR	5.31	02/28/07	03/01/07	550,200.00	550,200.00		(17,040.00)			533,160.00	533,160.00	-	
Repo Agmt	Boostrap -GR	5.31	02/28/07	03/01/07	1,411,903.95	1,411,903.95	0.00				1,411,903.95	1,411,903.95	-	
Repo Agmt	Boostrap -GR	5.31	02/28/07	03/01/07	1,267,299.00	1,267,299.00		(238,200.00)			1,029,099.00	1,029,099.00	-	
Repo Agmt	Boostrap -GR	5.31	02/28/07	03/01/07	4,259,365.64	4,259,365.64	943,842.80				5,203,208.44	5,203,208.44	-	
	Housing Trust Fund Total				16,710,227.50	16,710,227.50	1,105,659.25	(1,816,124.10)	0.00	0.00	15,999,762.65	15,999,762.65	0.00	
	Total Housing Trust Fund Investment Summary				16,710,227.50	16,710,227.50	1,105,659.25	(1,816,124.10)	0.00	0.00	15,999,762.65	15,999,762.65	0.00	

Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogniz Gain
Repo Agmt	Administration	5.31	02/28/07	03/01/07	147,518.71	147,518.71	1,907.82				149,426.53	149,426.53	-	
	Administration Total				147,518.71	147,518.71	1,907.82	0.00	0.00	0.00	149,426.53	149,426.53	0.00	0.
	Total Administration Investment Summary				147,518.71	147,518.71	1,907.82	0.00	0.00	0.00	149,426.53	149,426.53	0.00	0

Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogniz Gain
Repo Agmt	RTC	5.31	02/28/07	03/01/07	321,616.71	321,616.71		(50,356.34)			271,260.37	271,260.37	-	
Repo Agmt	Multi Family	5.31	02/28/07	03/01/07	944,690.43	944,690.43		(60,399.37)			884,291.06	884,291.06	-	
Repo Agmt	Multi Family	5.31	02/28/07	03/01/07	99,412.84	99,412.84	32,771.96				132,184.80	132,184.80	-	
Repo Agmt	Low Income Tax Credit Prog.	5.31	02/28/07	03/01/07	1,224,154.00	1,224,154.00	347,638.14				1,571,792.14	1,571,792.14	-	
	Compliance Total				2,589,873.98	2,589,873.98	380,410.10	(110,755.71)	0.00	0.00	2,859,528.37	2,859,528.37	0.00	0.
	Total Compliance Investment Summary				2,589,873.98	2,589,873.98	380,410.10	(110,755.71)	0.00	0.00	2,859,528.37	2,859,528.37	0.00	0.

Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending February 28, 2007

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 11/30/06	Beginning Market Value 11/30/06	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 02/28/07	Ending Market Value 02/28/07	Change in In Market Value	Recogni Gain
Repo Agmt	S/F Interim Construction	5.31	02/28/07	03/01/07	476,319.69	476,319.69	6,227.09				482,546.78	482,546.78	-	
Repo Agmt	S/F Interim Construction	5.31	02/28/07	03/01/07	182.79	182.79	2.66				185.45	185.45	-	
Repo Agmt	S/F Interim Construction	5.31	02/28/07	03/01/07	7.25	7.25	0.00				7.25	7.25	-	
Repo Agmt	Mtg. Credit Certificate	5.31	02/28/07	03/01/07	72,484.72	72,484.72	952.19				73,436.91	73,436.91	-	
Repo Agmt	Low Income Tax Credit Prog.	5.31	02/28/07	03/01/07	795,923.98	795,923.98	91,767.23				887,691.21	887,691.21	-	
Repo Agmt	Low Income Tax Credit Prog.	5.31	02/28/07	03/01/07	3,843,710.97	3,843,710.97	16,141.32				3,859,852.29	3,859,852.29	-	
Repo Agmt	Low Income Tax Credit Prog.	5.31	02/28/07	03/01/07	354,745.59	354,745.59	1,901.67				356,647.26	356,647.26	-	
	Low Income Tax Credit Prog. Total				5,543,374.99	5,543,374.99	116,992.16	0.00	0.00	0.00	5,660,367.15	5,660,367.15	0.00	
	Total Housing Initiatives Investment Summary				5,543,374.99	5,543,374.99	116,992.16	0.00	0.00	0.00	5,660,367.15	5,660,367.15	0.00	
	Total Investment Summary				1,583,188,192.44	1,571,718,294.76	176,492,265.57	(188,373,909.78)	(19,795,687.20)	0.00	1,551,510,861.03	1,536,364,651.74	(3,676,311.61)	

COMMUNITY AFFAIRS DIVISION
EMERGENCY SHELTER GRANTS PROGRAM

BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, discussion, and possible approval for publication in the *Texas Register* of the final rule for the Emergency Shelter Grants Program to incorporate revisions to the rules. Rules are to be codified at 10 Texas Administrative Code, Chapter 5, Subchapter C.

Required Action

Department staff recommends that the Board review and approve the final rule for the Emergency Shelter Grants Program (ESGP) 10 Texas Administrative Code, Chapter 5, Subchapter C.

Background

On April 6, 2007, the Department announced in the *Texas Register* that the Department was soliciting public comment on revisions to the rule for the Emergency Shelter Grants Program, 10 Texas Administrative Code, Chapter 5, Subchapter C. The proposed revisions to the ESGP rules were published in the *Texas Register* on April 6, 2007 with a 7 day public comment period. The Department also notified organizations on the ESGP Interested Parties Mailing List. The Department did not receive any public comment on the proposed revisions to the ESGP rules.

Recommendation

Staff recommends Board approval of the Emergency Shelter Grants Program rule, 10 Texas Administrative Code, Chapter 5, Subchapter C incorporating the revisions announced in the *Texas Register* of April 6, 2007.

TITLE 10. COMMUNITY DEVELOPMENT
PART 1. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 5. COMMUNITY SERVICES PROGRAM
SUBCHAPTER C. EMERGENCY SHELTER GRANTS PROGRAM
10TAC Sections 5.204

§5.204. Application Requirements

(a) Eligibility Documentation: The following information must be included in each ESGP application. Failure to provide this documentation will deem the application ineligible for funding:

(1) Documentation of the ~~active~~ participation of a homeless or formerly homeless individual on the board of directors or other equivalent policymaking entity of such recipient, to the extent that such entity considers and makes policies and decisions regarding any facility, services, or other assistance of the recipient. ~~Active participation is defined as attendance at a minimum of 75% of the Board or policy-making entity meetings during a 12-month period.~~ A copy of the section in the bylaws which authorizes the governing board or equivalent policymaking entity to make policies for the organization must also be included. Applicants who have not previously received ESGP funds from the Department are exempt from the requirement, but must comply with the requirement prior to the execution of a contract with the Department.

§5.208. Process for Review of Applications

(c) The Department will award bonus points for applicants from non-entitlement areas, for organizations requesting homelessness prevention funds, for single applicant organizations that previously have not received ESGP funds from the Department, and for documentation of a minimum of 75% participation by the homeless representative on the board of directors or other equivalent policymaking entity.

§5.211. Program Administration

Upon approval by the Board, Applicants receiving ESGP funds shall enter into and execute an agreement for the receipt of ESGP funds.

(1) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to the ESGP contract.

(2) The Department reserves the right to deobligate funds.

(3) Faith-based subecipients, as with all subrecipients funded under HUD-funded programs, must serve all eligible beneficiaries without regard to religion.

(4) Accounting Requirements. Within 90 days following the conclusion of a contract issued by the Department, the recipient shall provide a full accounting of funds expended under the terms of the contract. Failure of a recipient to provide a full accounting of funds expended under the terms of the contract shall be sufficient reason to terminate the contract and for the Department to deny any future contract to the recipient.

(5) Waiver. The Board, in its discretion and within the limits of federal and state law, may waive 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.

REAL ESTATE ANALYSIS DIVISION

BOARD ACTION ITEM
May 10, 2007

Action Item

Presentation, discussion and possible approval of a Request for Proposals (RFP) for a Market Analysis of Dallas-Plano-Irving Metropolitan Division (Dallas MD).

Requested Action

Approve, deny or approve with amendments the RFP for a Market Analysis of the Dallas MD and authorize the Executive Director to negotiate and approve a contract for market study services in accordance with the RFP.

Background

In September 2005 the Department published an RFP for a market study to evaluate the need for affordable housing in the Houston area. *The Multifamily Housing Needs Assessment for the Houston-Baytown-Sugar Land Metropolitan Statistical Area,* published in February of 2006, contains demographic information as well as an analysis of the affordable housing supply and anticipated demand for the years 2006 through 2009. *The Multifamily Housing Needs Assessment* serves as a resource and a reference document for developments proposed in the Houston MSA. Real Estate Analysis underwriting reports for developments proposed in the Houston MSA have considered the conclusions and findings of the study. A second study was initially considered for the San Antonio MSA but has been postponed in favor of the proposed study for the Dallas MD.

As a result of discussions with potential respondents and other interested parties and including the 2007 roundtable workshop with Market Analysts and a public hearing meeting in San Antonio regarding the San Antonio RFP, the proposed Dallas MD RFP expands the requirements of the Houston area RFP to include:

- Consideration of any existing submarket boundaries established by the local apartment association (II A.1);
- Maps showing population density (II A.1); market rate multifamily developments; and subsidized affordable housing (II B.4);
- Consideration of existing studies by other entities (II A.4);
- An inventory of affordable housing including Public Housing, location of Housing Choice Vouchers, and waiting lists for affordable housing (II B.2);
- Consideration of the condition of existing affordable housing (II B.2);
- A delivery timeline for planned developments (II B.3);
- An analysis of market rents and Low Income Housing Tax Credit program maximum rents (II B.4); and,
- More specific demand methodology including traditional transitory pattern demand methods included in the Real Estate Analysis Rules and Guidelines (II C.2.b).

In addition, staff has made the following changes from the Houston RFP:

- Addition of turnover, occupancy by income group and number of bedrooms, and absorption information (II B.1);
- Updated time periods for the demand conclusions (II C.4);
- Alteration of the language regarding future site-specific market studies submitted by the Contractor (VIII); and,
- Addition of an in person proposal presentation by the top three respondents to allow for dialog and clarification of proposal contents between the respondents and staff (V. E).

An announcement of the RFP will be posted on our website and in the Texas Register as the successful respondent is not required to be a market analyst who currently provides market studies to the department. As the most likely pool of respondents comes from our existing market analysts, however, the RFP will also be sent directly to all market analysts on our approved market study provider list. RFP's will be due on June 15, 2007 and staff anticipates and expedited determination such that notification to the all respondents may be made by July 1, 2007. The proposed timeline provides three months for the completion of the study with benchmarks within that period to ensure timely arrival of the final report. This consistent with the actual amount of time needed to complete the Houston study.

Staff believes that if the timeframes established in the RFP are maintained, there will be a window of opportunity for Tax-Exempt Bond developers seeking a 2008 lottery number from the Bond Review Board in late October and 9% Housing Tax Credit developers securing site control for the 2008 application round to incorporate the results this study in their housing applications to the department. One critique of the Houston study was the slightly latter in the year timing that prevented potential applicants from incorporating its results.

The Dallas MD contains the counties of Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman and Rockwall. In order to concentrate the study's focus on Dallas, improve the likelihood that the aforementioned timetable can be met and reduce the overall cost, the study as proposed does not include Fort Worth or the counties in the Fort Worth-Arlington Metropolitan Division.

Staff is also recommending that the Executive Director be given authority to execute a contract with the successful respondent and report status progress to the Board rather than seek specific approval of the high score respondent and subsequent contract approval in order to expedite the commissioning and receipt of the final report. The Board previously authorized the inclusion of funds in the 2007 budget for these purposes. Moreover, the Houston study was similarly brought to the Board for budgetary authority and staff reported on progress to the Board but processed the contract under executive Director Authority.

Recommendation

Staff recommends approval of the RFP as proposed for the market study of the Dallas MD and authorization of the Executive Director to negotiate and approve a contract for market study services in accordance with the RFP.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Request for Proposals to Provide
Market Analysis of the Dallas-Plano-Irving Metropolitan Division

I. PURPOSE OF THE REQUEST

The Texas Department of Housing and Community Affairs ("the Department" or "TDHCA") is requesting proposals to provide market analysis relating to affordable housing in the Dallas-Plano-Irving Metropolitan Division ("the Dallas MD"). The Dallas MD contains the counties of Collin, Dallas, Delta, Denton, Ellis, Hunt, Kaufman and Rockwall as identified in Office of Management and Budget Bulletin No. 03-04. The market analysis report will be made available to the public and may be used by TDHCA to aid in decisions regarding its various programs.

II. SCOPE OF WORK

The selected proposal will evaluate the need for additional affordable rental housing in the Dallas MD and issue a user friendly report for TDHCA. The respondent will define and analyze submarkets within the Dallas MD as part of the overall report. Each submarket analysis will contain the following:

A. General and Demographic Information
   1. Describe the submarket's general characteristics including a map and an explanation for the selection of the boundaries. Where applicable, proposed submarkets should consider submarket boundaries established by the local apartment association. Discuss the predominant form of local government and all local government jurisdictions including overlaps and shared responsibilities. Provide additional maps of the submarket clearly identifying major transportation linkages and significant area amenities including retail, medical and educational facilities. Submarket maps should be sufficiently detailed to allow the reader to identify specific sites within the boundaries. Include maps displaying population density.
   2. Describe the current economy for the submarket including existing major industries and any new or anticipated major employment impacts including significant incentives offered for corporate relocation.
   3. Provide 2000 US Census data, current year estimates and five year projections for population and households, citing current, commonly used and well documented data sources. Provide a breakdown of households by tenure, income, household size, and age of head of household. Provide an analysis of the trends and/or shocks indicated by the data.
   4. Consider existing studies of housing demand for the Dallas MD conducted by other entities.

B. Housing Supply Analysis
   1. Describe the existing housing supply including total number of units, occupancy, absorption, tenure, turnover, number of bedrooms, typical square footages, unit and development amenities and overall condition and quality of rental housing stock. Include information on population served (market rate, low income, and project-based assistance) and targeted population (family, independent senior and special needs populations). Provide occupancy rate for all Low Income Housing Tax Credit units by income group and number of bedrooms. Provide absorption information for all developments completed within the last two years.
   2. Provide an analysis of the existing housing supply and its effect on the demand for new modern units. Include an inventory of all existing affordable housing, including Public Housing and location of Housing Choice Vouchers currently in use. Discuss waiting lists for affordable housing. Address condition and redevelopment plans for Public Housing Authority housing, and identify rental housing with significant reported code violations within each submarket.
   3. Describe all rental developments with rents affordable to households earning up to 100% of the area median income including those approved by TDHCA, under construction or unstabilized (less than one

year at 90% occupancy). Discuss planned properties in the submarket and provide an assessment of their impact on the market in relation to demographic trends. Include a property delivery timeline summarizing projected construction periods, placement in service, and lease-up periods.

4. Provide rental data including rental housing stock by population served (market rate, low income and project-based assistance) and type of occupancy (family, independent senior and special needs populations). Include current rents charged, typical concessions, market vacancy rates and absorption rates. Include a comparison of the market rents and the Low Income Housing Tax Credit program maximum rents. Submarket maps should provide location of individual market rate multifamily properties and location of individual subsidized affordable multifamily properties.

C. Analysis of Anticipated Demand

1. Provide detailed analysis of total demand by income group (less than 30%, 31% to 40%, 41% to 50%, 51% to 60% and 60% to 80%, 81% to 100% of AMFI), number of bedrooms, and targeted population (family, independent senior, and special needs populations).
2. Provide a clear identification of the demand calculation methodology. The demand calculation methodology may ultimately be developed collaboratively with the Department. The demand calculation should include population and household growth and other sources that will be defined and mutually agreed to by the Contractor and the Department. The demand calculation methodology will be consistent throughout the market study based on targeted population. The demand calculation is not limited to that required under Title 10 of the Texas Administrative Code Section 1.33. Two independent models of demand are required and are generally described below.
    a. Demand based upon strict need, comprised from:
        i. Household growth;
        ii. Cost overburdened households;
        iii. Overcrowding;
        iv. Substandard housing; and,
        v. Demand from other non-overlapping sources.
    b. Demand based upon traditional transitory patterns, comprised from:
        i. Household growth;
        ii. Turnover; and,
        iii. Demand from other non-overlapping sources.
3. The demand analysis should identify the demand for additional affordable housing units for the periods ending December 2007 (baseline), December 2008, December 2009, December 2010, and December 2011.

D. Summary and Conclusions

Present summary and conclusions for each submarket in tables that identify the net affordable housing need under both a strict need demand and transitory pattern demand described in C (2) (a) and (b) above by income group, number of bedrooms, and targeted population. The net affordable housing need equals the total demand less existing, approved, under construction and unstabilized supply.

E. Appendix

Include demographic data used to complete the analysis, any relevant third party information, and a list of references cited in the body of the report.

III. RESPONSE TIME FRAME AND OTHER INFORMATION

Response submission period:	May 11 – June 15, 2007
TDHCA Notification:	July 1, 2007
Draft Analysis:	September 1, 2007
Final Analysis:	October 1, 2007

Proposals must comply with rules and statutes relating to purchasing in the State of Texas. Late and/or unsigned proposals will not be considered. The person submitting the proposal must have the authority to bind the organization in a contract. Submissions received after 5:00PM (CST) on June 15, 2007 will not be considered.

Three hard copies of the proposal should be delivered to the following address: (facsimiles will not be accepted)

Texas Department of Housing and Community Affairs
Attn: Tom Gouris, Real Estate Analysis
221 East 11th Street
PO Box 13941
Austin, TX 78711-3941
(512) 475-1470

All costs directly or indirectly related to the preparation of a response to this RFP shall be the sole responsibility of and shall be borne by the respondent.

It is the express policy of the Department that parties responding to this request refrain from initiating any direct contact or communication with members of the Board of Directors with regard to this Request for Proposals during the selection process. Any violation of this policy will be considered a basis for disqualification.

Additional information regarding this RFP may be obtained from Tom Gouris at TDHCA. All requests must be in writing to (512) 475-4420 (fax) or tom.gouris@tdhca.state.tx.us (email). All questions and responses will be made available to all applicants via the Department's website (www.tdhca.state.tx.us/rea/) and will be subject to disclosure under the Public Information Law.

TDHCA shall not be obligated to proceed with any action and may decide it is in the Department's best interest to refrain from pursuing any selection process.

IV. RESPONSE FORMAT

A. Each item in Section V of this Request for Proposals must be addressed.
B. Identify the item to be addressed in the introduction to each response.
C. Please limit your response to 20 pages of text with additional information such as sample work, additional resumes and references submitted in appendix form.

V. PROPOSAL CONTENT

A. General Information
Provide information regarding the applicant including, but not limited to:

1. Resumes of personnel assigned to the market analysis prepared under this RFP;
2. Number of market studies performed by the respondent for multifamily properties including those prepared according to the TDHCA Real Estate Analysis Rules and Guidelines; attach a descriptive list of types of assignments performed since 2000; a complete list of assignments performed is not necessary, but may be included in the appendix;
3. Description of market analysis similar in size and scope to that required by this RFP;
4. Description of familiarity with transactions involving federal and state housing programs;
5. Description of unique qualifications including experience specific to the Dallas MD area;
6. Certification that the respondent and its principals and key staff assigned to this proposal does not currently and is not anticipated to have an ownership interest in an entity that will apply for an allocation of funds or tax credits for affordable housing from the Department within twelve months of the due date; additional certification that the respondent and its principals and key staff assigned to this proposal does not currently and is not anticipated to have an ownership interest in an entity that will enter into contract to sell property associated with an allocation of funds or tax credits for affordable housing from the Department within twelve months; additional certification that the respondent has not been barred from receiving funds from the Department or has been removed from the Department's approved list of market analysts for failure to perform a market study with the Department's guidelines any time in the last 24 months.

B. Approach
    1. Provide a list of the labeled submarkets with a description of the defined boundaries for each and the methodology used to determine the boundaries; include population of each;
    2. Provide maps of the Dallas MD with each submarket clearly delineated and labeled;
    3. Provide a description of the source data to be used and the methodology proposed for analysis;
    4. Provide a detailed description of the proposed demand calculations.

C. Work Plan and Schedule
Provide a proposed work plan with specific dates for deliverables including market study outline, draft, and final draft. Identify resources to be dedicated to this assignment.

D. Fee Schedule
Provide a proposed itemized cost schedule for the market analysis.

E. Presentation of Proposal
Prepare a 20 to 30 minute presentation to be made in person by the top scoring respondents on June 27, 2007.

VI. SELECTION PROCEDURE

Proposals will be referred to a panel of TDHCA staff for evaluation and scoring. Staff will review proposals for compliance with the proposal content requirements and the potential for fulfillment of the scope of work criteria described herein. To assist in the preparation of the proposal, established criteria for review are provided below (weighted values in parentheses).

A. Evidence of respondent's experience in developing and conducting similar studies (20%).
B. Evidence that the conceptual framework - definition of submarkets, methods and analysis - is adequately developed and appropriate for the aims of the project (25%).
C. Submission of a realistic work plan, resources and timeline (20%).
D. A budget and explanation for the scope and quality needed for successful completion of the project. Emphasis placed on cost efficiency (25%).
E. Proposal presentation and in-person interview (10%) (Top 3 candidates only).

VII. WORK MADE FOR HIRE

All work performed pursuant to this agreement specifically including all deliverables developed or prepared for TDHCA is the exclusive property of the State of Texas. All right, title and interest in and to said property shall vest in the State of Texas and shall be deemed to be a work made for hire and made in the course of the services rendered pursuant to this agreement. To the extent that title to any work may not, by operation of law, vest in the State of Texas or such work that may not be considered a work made for hire, all rights, title and interest therein are hereby irrevocably assigned to the State of Texas.

TDHCA and/or the State of Texas shall have the right to obtain and to hold in its own name, copyrights, registrations, or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor agrees to give TDHCA and/or the State of Texas and any person designated by TDHCA and/or the State of Texas, reasonable assistance required to assert the rights defined in this paragraph.

VIII. LICENSE AGREEMENT

TDHCA shall grant to the awarded contractor a non-exclusive, irrevocable, world-wide, royalty-free, license to use, reproduce, distribute and display the materials created pursuant to this agreement, subject to the following terms and conditions. The license granted shall terminate on December 31, 2009 unless renewed by the parties in writing, terminated sooner in accordance with its terms, or if the agreement of which this clause is a part, is terminated for cause.

Each copy of the materials that the contractor distributes shall indicate on the cover that the creation of the material was funded by the Texas Department of Housing and Community Affairs. The contractor agrees that it will not charge a fee for the distribution of the materials, except to recover actual duplication and mailing costs. Contractor shall not create derivatives of or modify the content of the materials except with the express written consent of TDHCA.

Failure to comply with the terms of this license may result in immediate termination of the license agreement by TDHCA. Upon termination of this license agreement, contractor shall return the remaining materials to TDHCA, or shall destroy or distribute them, in accordance with the instructions of TDHCA.

With the prior approval of the Department, the contractor may update the market analysis prepared under this RFP. In the 12-month period following the due date, the contractor is required to provide an explanation if a market analysis submitted to TDHCA contains conclusions that contradict the findings of the market analysis prepared under this RFP.

IX. OPEN RECORDS

Information submitted to TDHCA is public information and is available upon request in accordance with the Texas Public Information Act, chapter 552 of the Government Code (the "Act"). An applicant submitting any information it considers confidential as to trade secrets or commercial or financial information, which it desires not to be disclosed, must clearly identity all such information in its proposal. If information so identified by an applicant is requested from TDHCA, the applicant will be notified and given an opportunity to present its position to the Texas Attorney General, who shall make the final determination as to whether such information is excepted from disclosure under the Act. Information not clearly identified as confidential will be deemed to be non-confidential and will be made available by TDHCA upon request.

LEGAL SERVICES DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Approval for publication in the *Texas Register* of a final order adopting new §1.21 concerning Action by Department if Outstanding Balances Exist, to be codified at 10 Texas Administrative Code §1.21.

Required Action

Approve, reject or approve with modifications a final order adopting new §1.21, concerning Action by Department if Outstanding Balances Exist, to be codified at 10 Texas Administrative Code §1.21.

Background

The board approved a draft version of this rule for publication and comment in the March 16, 2007 edition of the *Texas Register*. No comments were received regarding this rule during the public comment period. The purpose of this rule is to put into place a policy to limit the actions taken by the Department when outstanding, non-current fees are due the Department. This rule would not impact ongoing compliance issues or any non-voluntary procedure by the Department.

The rule is designed to increase the collection of fees that are past due and lower delinquency rates.

Recommendation

Staff recommends the Board approve for publication in the *Texas Register* the final rule to be codified as 10 TAC §1.21, concerning Action by Department if Outstanding Balances Exist.

The Texas Department of Housing and Community Affairs (the Department) adopts new Section 1.21, concerning Action by the Department if Outstanding Balances Exist. The new section is adopted without changes to the proposed text, as published in the March 16, 2007 issue of the *Texas Register* (32 TexReg 1453). The Department has corrected a non-substantive error in the proposed text in subsection (e). The purpose of this new section is, in accordance with Chapter 2306.052(b)(4), Texas Government Code, to provide a mechanism to increase the collection of funds owed to the Department by persons requesting additional action by the Department. The rule will not impact required services related to compliance functions.

No comments were received by the Department concerning the proposed new section.

The new section is adopted pursuant to the authority of the Texas Government Code, Chapter 2306. The adopted section affects no other code, article or statute.

New §1.21. ACTION BY DEPARTMENT IF OUTSTANDING BALANCES EXIST

(a) Purpose. The purpose of this section is to provide guidance to persons requesting action by the Department on Applications, Amendments, Awards, Appeals, Contracts, Commitment, Executed Form Documents, Loan Documents, or LURAs when outstanding balances are owed to the Department by any Administrator, Applicant, Person or Related Party on any relationship between the requestor and the Department, regardless if it is the subject of the request.

(b) Definitions. The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) Action--Request for the Department to perform a function required or allowed under Texas Government Code §2306.001 et seq.

(2) Administrator--the Person responsible for performing under a Contract with the Department.

(3) Affiliated Party--A person in a relationship with the Administrator on a Contract with the Department. Does not apply to an Affiliated Party for Application purposes.

(4) Appeal--Action filed on behalf of an Administrator, Affiliated Party, Applicant, to request reconsideration or challenge a prior decision made by the staff, Executive Director or Board.

(5) Applicant--A person who has submitted to the Department an Application for Department funds or other assistance.

(6) Application--The written request for Department funds or other assistance in the format required by the Department including any exhibits or other supporting material.

(7) Award--Any grant, commitment, or loan provided by the Department.

(8) Board--The Governing Board of the Texas Department of Housing and Community Affairs.

(9) Commitment--A fully executed document that commits the Department to funding or other activity related to a program administered by the Department.

(10) Contract--The executed written agreement between the Department and an Administrator performing an activity related to a program that outlines performance requirements and responsibilities assigned by the document.

(11) Department--The Texas Department of Housing and Community Affairs.

(12) Executed Form Documents--documents that are signed by the Department at the Request of any Administrator, Applicant, Person or Related Party.

(13) Executive Director--The administrative head of the Department as defined under Texas Government Code §§2306.036 and/or 2306.038.

(14) Loan Documents--An agreement between the Department and a Person regarding the terms and conditions of a loan provided to the Person from the Department.

(15) LURA--A Land Use Restriction Agreement that has been executed by the Department and a Person related to a specific property or properties and filed with the responsible recording authority.

(16) Person--Any individual, partnership, corporation, association, unit of government, community action agency, or public or private organization of any character.

(17) Request--action initiated by voluntarily seeking Department Action regardless of whether it is part of a statutory requirement (application cycle, etc.) or an action to alter a previous Action taken by the Department. Ongoing requirements such as compliance with reporting functions are not considered to be a voluntary function.

(c) The Department will not take Action on any Request involving Applications, Amendments, Awards, Appeals, Contracts, Commitment, Executed Form Documents, Loan Documents, or LURAs unless all funds owed to the Department are current by any Administrator, Applicant, Person or Related Party involved in any relationship between the requestor and the Department. The non-current account need not be directly related to the Request.

(d) Once the Department notifies an Administrator, Applicant, Person or Related Party that they are subject to this section, if no corrective action has been taken by the Administrator, Applicant, Person or Related Party, the Executive Director, may, after seven (7) days, deny the requested action for failure to comply with this section.

(e) When time of submission is a factor in the Action requested, the Action requested will not be considered submitted until the~~is~~ parameters of this section are met.

(f) An appeal of any decision under this section may be appealed in accordance with §1.7 of this Subchapter.

None at this time

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Item

Presentation, Discussion and Possible reinstatement of a Determination Notice for Housing Tax Credits associated with a Mortgage Revenue Bond Transaction with another Issuer.

Requested Item

Approve, Amend or Deny the staff recommendation for Lakes of Goldshire.

Summary of the Lakes of GoldshireTransaction

The Lakes of Goldshire was awarded 4% Housing Tax Credits at the November 9, 2006 Board meeting in the amount of $660,812 to be utilized in conjunction with bond authority from a local issuer. The application received approval of a Housing Tax Credit Determination Notice that was issued in 2006. The Private Activity Bond reservation expired on January 14, 2007 and the Applicant asserts that they were unable to obtain building permits prior to the expiration of the bond reservation. The 2006 application was withdrawn and the applicant submitted an application for a 2007 allocation.

The Lakes of Goldshire was brought before the Board at the February 1, 2007 Board meeting to request approval to be allowed to use the Texas Department of Housing and Community Affairs' (the "Department") 2006 uniform application and approval for the 2007 program year. The applicant requested a waiver of the requirement in §49.12(f)(1) of the 2007 Qualified Allocation Plan (QAP) that states "in the event the bonds were not closed prior to the reservation expiration date, the new docket number issued by the Bond Review Board must be issued in the same program year as the original docket number in order to have the Determination Notice reinstated". The applicant signed a certification stating that the only change to the application is the docket number. In addition, the certification states the application meets the requirements of the 2007 QAP and will comply with the 2007 QAP. Due to the opposition with the original application the application is required to be presented to the Board again for re-instatement of the Housing Tax Credit Determination Notice.

The applicant has received a new 2007 docket number and reservation of allocation from the Texas Bond Review Board which expires on July 27, 2007. The Issuer for this transaction is Fort Bend County HFC. The proposed development is new construction and will consist of 160 total units targeting the general population and will be located in Rosenberg.

A significant change since the Department's Board approved the application in November 2006, is that the Fort Bend County Commissioner's Court issued a resolution regarding the matter that is discussed later in this presentation.

Public Comment: At the time the application was originally presented to the Board on November 9, 2006, the Department received one letter of support from former State Senator Ken Armbrister who left office this past election. Letters of opposition were received from newly elected State Senator Glenn Hegar, State Representative Dora Olivo, Lamar CISD and a city resolution of opposition. Subsequent to the November Board meeting, the Department has received a new city resolution in opposition, as well as letters of opposition from County Commissioner Tom D. Stavinoha, Mayor Joe Gurecky, County Judge Robert Hebert, 8 members of the community and a petition with 223 signatures from local citizens which

cited the following concerns: overcrowding of local schools, an additional burden on the school district with more economically disadvantaged children, concentration of affordable housing in the area, and the development is not consistent with the consolidated plan of the City of Rosenberg.

The staff recommendation at the November 2006 Board meeting was to deny the issuance of Housing Tax Credits because the applicant did not submit the required threshold documentation, pursuant to §50.9(h)(7)(B)(i) of the 2006 Qualified Allocation Plan and Rules, which states:

"Evidence from the appropriate local municipal authority that satisfies one of clauses (i) - (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period. (2306.6705(5))

> (i) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance; the letter must also state that the Development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan, comprehensive plan, or other local planning document; or if no such planning document exists, then the letter from the local municipal authority must state that there is a need for affordable housing".

The City of Rosenberg does have a consolidated plan that is in effect, although it was created in 1995. At the November Board meeting the applicant provided the Board with a certification of consistency with the consolidated plan of Fort Bend County. The Board heard testimony from the applicant's counsel stating the city does not operate under their 1995 consolidated plan. The applicant submitted evidence that they are under the consolidated plan of Fort Bend County because it includes the City of Rosenberg incorporated areas.

Subsequently, the Department has received a letter from County Judge Robert Hebert which states that while the county provided the applicant with a certification of consistency with the Fort Bend County Consolidated Plan, that certification was only confirming that the proposed development would be located within the boundaries of the county and that there is a need for affordable housing in the county as a whole. Their certification did not endorse the specific location of the proposed development as having a need for affordable housing. A copy of this letter is included in this presentation.

On April 3, 2007, the County Commissioner's Court for Fort Bend County approved a resolution stating (in paragraph 15):

> "WHEREAS, Goldshire and TDHCA are currently interpreting the Certificate of Consistency as a statement of approval of the proposed project despite the fact that Fort Bend County lacks the authority to approve or oppose a development located within a municipality; and
> WHEREAS, the City of Rosenberg has requested that the Commissioner's Court adopt a resolution to assist in Rosenberg's opposition to the Goldshire development and to help effectuate the governing municipality's intent to oppose this development.
> NOW, THEREFORE, BE IT RESOLVED, that the Commissioner's Court of Fort Bend County affirmatively states that it is without authority to approve or oppose a development within any municipality for puposes of determining eligibility for a affordable housing tax credit, that the issuance of a Certificate of Consistency to the lakes of Goldshire is not a consent to, nor an endorsement of, the Lakes of Goldshire development project, and the Fort Bend County affirmatively recognizes the authority of the City of Rosenberg to voice its opposition to the

Lakes of Goldshire Development pursuant to the Texas Government Code and the Texas Administrative Code."

The Fort Bend County Housing Finance Corporation (HFC) approved the issuance of the bonds on April 25, 2007, (six (6) to one (1) vote) subject to, the approval of the Housing Tax Credits by the TDHCA Board.

Recommendation

Staff takes no position based on the Board's prior decision of approval and the subsequent Commissioner's Court Resolution.

The Board's options are:

1) Approve the reinstatement consistent with the November 2006 approval; or

2) Approve the reinstatement subject to the applicant receiving a letter of consistency from the City of Rosenberg.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: October 31, 2006 **PROGRAM:** 4% HTC **FILE NUMBER:** 060429

DEVELOPMENT NAME

Lakes of Goldshire Apartments

APPLICANT

Name:	NS Lakes of Goldshire, LP	**Contact:**	Navdip Singh Sobti
Address:	17403 Marigold Drive		
City	Sugar Land	**State:**	TX **Zip:** 77479
Phone:	(281) 216-3656 **Fax:** (281) 265-0863	**Email:**	Nss64@alltel.net

KEY PARTICIPANTS

Name:	Lakes of Goldshire, GP, LLC	**Title:**	1% Managing General Partner of Applicant
Name:	Goldshire Developers, LLC	**Title:**	Managing Member of MGP/Co-Developer
Name:	SGI Ventures, Inc	**Title:**	Co-Developer (fee only)
Name:	Navdip Singh Sobti	**Title:**	50% owner of Goldshire Developers, LLC/signatory for Seller of property
Name:	Ira S Sobti	**Title:**	50% owner of Goldshire Developers, LLC
Name:	Sally Gaskin	**Title:**	Principal of SGI Ventures
Name:	Jeff Crozier, CBRE/Melody	**Title:**	Consultant

PROPERTY LOCATION

Location:	South side of FM 1640 Between Reading Road and Lamar Drive				
City:	Rosenberg			**Zip:**	77471
County:	Ft. Bend	**Region:**	6	☐ **QCT**	☒ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HTC	$660,812	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 $660,812 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance, before commencement of construction, of revised site plans indicating secure safety fencing surrounding the detention pond to prevent unauthorized access by children.
2. Receipt, review, and acceptance, before commencement of construction, of clarification of the need for noise barrier fencing, or revised plans to include noise barrier fencing.
3. Receipt, review and acceptance, before commencement of construction, of commitments by the general contractor and co-developers to defer up to 100% of their fees as necessary.
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.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 160 **# Res Bldgs** 20 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 167,588 **Av Un SF:** 1,047 **Common Area SF:** 2,453 **Gross Bldg SF:** 170,041

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 townhome 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 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 each bathroom, 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 between 150 and 199 units, the Applicant has elected to provide an accessible walking path, community laundry room, controlled access gates, an equipped business center or computer learning center, full perimeter fencing, a furnished community room, public telephone(s) available to tenants 24 hours a day, a swimming pool, and three children's playgrounds.

Uncovered Parking: 200 spaces **Carports:** 0 spaces **Garages:** 160 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: The Lakes of Goldshire is a 7-unit per acre new construction development located in Rosenberg. The development is comprised of 20 evenly distributed residential townhome buildings as follows:

No. of Buildings	No. of Floors	1BR	2BR	3BR
4	2	4	4	
14	2		4	4
1	2		6	2
1	2	2	4	2

It should be noted the unit square footages indicated in the submitted rent schedule are inconsistent with the architectural drawings. The underwriting analysis assumes the architectural drawings are correct with square footages at 813 for the one-bedroom units, 977 for the two-bedroom units, and 1,214 for the three-bedroom units. The Applicant subsequently submitted a revised rent schedule reflecting these figures.

The development includes a 2,453-square foot community building. Seventeen of the twenty residential buildings will be evenly spaced along the perimeter of a triangular-shaped detention pond. The project includes three children's playgrounds in close proximity to the detention pond, and the site plan has no specific indication of any fencing around the pond. Receipt, review, and acceptance, before commencement of construction, of revised site plans indicating secure safety fencing surrounding the detention pond to prevent unauthorized access by children, is a condition of this report.

SITE ISSUES

SITE DESCRIPTION

Total Size:	21.83 acres	**Scattered sites?**	☐ Yes ☒ No
Flood Zone:	Zone X	**Within 100-year floodplain?**	☐ Yes ☒ No
Current Zoning:	N / A	**Needs to be re-zoned?**	☐ Yes ☐ No ☒ N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The property is located on FM 1640 (Avenue I) at FM 2218, in Rosenberg, Fort Bend County, 28 miles southwest of the Houston Central Business District.

Adjacent Land Uses:

- **North:** FM 1640 immediately adjacent and mini storage and retail beyond;
- **South:** a recently developed single-family residential subdivision;
- **East:** vacant land immediately adjacent and bank and commercial development beyond; and
- **West:** vacant land immediately adjacent and Reading Road beyond.

Site Access: The site will be accessed on the north side from FM 1640 (Avenue I).

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

Shopping & Services: Shopping convenient to the subject includes numerous neighborhood shopping centers along the major thoroughfares … the neighborhood is served by the Lamar Consolidated Independent School District, with schools of all levels located throughout the area …recreational centers, libraries, police and fire service, and medical services are all located within the neighborhood.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 08/28/2006

Overall Assessment: ☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Comments:

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated August 21, 2006 was prepared by Associated Testing Laboratories, Inc. and supplemented by letters dated October 13 and October 17, 2006. The Analyst reported the following findings and recommendations:

Findings:

- **Noise:** "Noise level from the vehicular traffic at the perimeter property line was between 55 and 72 dBA level, but it is dependent on the number of vehicular traffic pattern and load on the road. Increase in traffic will increase the background traffic noise level. Normally, all residential communities have noise barrier walls installed surrounding the houses to control the noise level in the residential communities." (letter 10/17)
- **Floodplain:** "According to the Federal Insurance Rate Map (FIRM), the subject site is located in unshaded Zone X, indicating that the subject site is located outside the 500-year flood plain." (p. 10)
- **Asbestos-Containing Materials (ACM):** "Since the site is an undeveloped site, as per my opinion there is no need for asbestos-containing material testing at this site." (letter 10/13)
- **Lead-Based Paint (LBP):** "Since the site is an undeveloped site, as per my opinion there is no need for lead-based paint testing at this site." (letter 10/13)
- **Lead in Drinking Water:** "Since this site is not going to have any wells and the drinking water is going to be supplied by the city of Rosenberg, as per my opinion there is no need for lead in drinking water testing at this time." (letter 10/13)
- **Radon:** "Historically, the Greater Houston area does not have a Radon problem in commercial or residential facilities. Direct reading instrument indicates absence of Radon hazard at the NE corner of

FM 1640 and Reading Road, Rosenberg, Texas. Additional measurement using test kits is not recommended." (letter 10/17)

- **Recognized Environmental Concerns (RECs):** "Based on the subject site reconnaissance, aerial photos interpretation, regulatory data search, and information gathered during this Phase I ESA, the subject site does not appear to have Recognized Environmental Conditions (REC) resulting from previous uses of the subject site and the adjacent sites." (p. 2)

Recommendations: "Based on the Phase I ESA study … Associated Testing Laboratories, Inc. recommends that there are no Recognized Environmental Conditions foreseen at this time." (p. 2)

Receipt, review, and acceptance, before commencement of construction, of clarification of the need for noise barrier fencing, or revised plans to include noise barrier fencing, 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. 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).

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, was prepared by O'Connor & Associates, LP ("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): "The subject's primary market is defined as that area contained within zip codes 77469 and 77471. This area consists of the cities of Richmond and Rosenberg, as well as surrounding areas." (p. 10) This area encompasses approximately 282 square miles and is equivalent to a circle with a radius of 9.5 miles.

Population: The estimated 2006 population of the PMA was 93,631 and is expected to increase by 15% to approximately 107,832 by 2011. Within the primary market area there were estimated to be 29,360 households in 2006.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 100% because the subject property targets the general population, and a household size-appropriate adjustment rate of 93%. (p. 77) 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. 73) This income band results in an income-eligible adjustment rate of 16%. (p. 74) The tenure appropriate adjustment rate of 47% is specific to the income-eligible population. (p. 74) The Market Analyst indicates a turnover rate of 65% applies based on IREM data for Region 6 and the Houston MSA. (p. 74) The Analyst also indicated that there are 340 Section 8 Housing Choice vouchers in the Richmond/Rosenberg area, and calculated that this program provides theoretical demand for 158 additional units.

The Underwriter used the same household size-appropriate adjustment rate of (93%), income range ($23,520 to $39,540), income-eligible adjustment rate (16%), and tenure-appropriate adjustment rate (47%) as the Analyst.

MARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	68	4%	64	4%
Resident Turnover	1,345	86%	1,402	86%
Other Sources: Section 8 Vouchers	158	10%	161	10%
TOTAL DEMAND	**1,571**	**100%**	**1,627**	**100%**

p. 77

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 21% based on a supply of 328 unstabilized comparable affordable housing units in the PMA and total demand for 1,571 units. (The Analyst included Providence Estates, "a proposed 168-unit HTC project … on a wait list with priority over the subject".) (p. 78) The Underwriter calculated an inclusive capture rate of 10% based on a revised supply of 160 unstabilized units (including only the subject) divided by a revised demand estimate for 1,627 affordable units. Providence Estates was on a wait list at the time the market study was conducted, but it ultimately did not receive funding, so the Underwriter did not include these units in the supply. Current TDHCA guidelines allow for inclusive capture rates as high as 25% for developments targeting families in urban areas.

Unit Mix Conclusion: "The subject property has 11% one-bedroom units, 50% two-bedroom units, and 39% 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 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 1,492 units. "All projects utilized as comparables are market-rate projects, and four are located within the primary market area. Due to the limited number of Class A projects in the subject PMA, (one comparable) from outside the PMA was included. These complexes exhibited the most similar physical characteristics to the subject in terms of location, effective age/condition, and floor plans. The comparables utilized consisted of one, two, and three-bedroom floor plans. No comparables could be found with townhomes which would have similar floor plans to the subject; therefore, flats were utilized as a comparison. Based on our research and experience, the market indicates little difference between townhomes and flats." (p. 49)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom (60%)	$616	$616	$0	$825	-$209
2-Bedroom (60%)	$731	$731	$0	$1,030	-$299
3-Bedroom (60%)	$837	$836	$1	$1,275	-$438

(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 in the subject's primary market area was reported at 92.17%. Occupancy rates and rental rates in this market area have remained strong over the past few years … The selected comparable apartments surveyed in the primary market area of the subject complex exhibited strong occupancy rates, with a median occupancy level of 93.2%." (p. 10)

Absorption Projections: "Considering the absorption history of similar properties and the available quality affordable units in this market, we project that the subject property will lease an average of 15-25 units per month until achieving stabilized occupancy. We anticipate that the subject property will achieve stabilized occupancy within 6-11 months following completion." (p. 86)

Unstabilized, Under Construction, and Planned Development: "There has been a moderate level of new construction taking place in the subject's primary market area over the past several years, with only four project's constructed in the 2000's, one of which is an HTC project, with the remainder being market-rate projects. There are two market-rate projects currently under construction, and none proposed. There are no HTC projects under construction, and one proposed." (p. 10) The one proposed HTC project indicated by the

Analyst is Providence Estates. This application did not receive funding.

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. 13)

Other Information: The Department commissioned a market study for the Houston-Baytown-Sugar Land Metropolitan Statistical Area (MSA). The study, performed by Vogt, Williams & Bowen, LLC, only considers demand from household growth. It 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 proposed development is located in the Fort Bend submarket within the Houston MSA. The Vogt Williams market study indicates demand in the Fort Bend submarket at the 51%-60% of AMGI income level in 2009 (the expected placed-in-service date for the subject property) as follows: 19 studio/one-bedroom units, 28 two-bedroom units, and 14 three-bedroom units, for a total of 61 units.

This information is consistent with the demand conclusions of the market study submitted with the Application (68 units from household growth) and calculated by the Underwriter (64 units).

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 May 2, 2005, maintained by the City of Rosenberg, from the 2006 program gross rent limits. Tenants will be required to pay electricity costs only.

The Applicant included secondary income of $20 per unit per month from laundry, vending, and late fees. Because the Applicant did not provide substantiation for their secondary income estimate, the Underwriter included the TDHCA guideline maximum of $15 per unit per month. The Applicant's estimate for losses due to vacancy and collection is consistent with the TDHCA guidelines. The Applicant's estimated Effective Gross Income is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at $4,309 per unit is within 1% of the Underwriter's estimate of $4,320, derived from the TDHCA database and third-party data sources. While the Applicant has assumed the TDHCA minimum replacement reserve requirement of $200 per unit per year for new construction developments, the underwriting analysis includes $250 per unit per year as required by the submitted Letter of Interest (LOI) for syndication. The Applicant has also understated TDHCA compliance fees.

Conclusion: The Applicant's estimates for Effective Gross Income, Total Annual Operating Expenses, and Net Operating Income (NOI) are each within 5% of the Underwriter's estimates; therefore, the Applicant's Year 1 proforma will be used to determine debt capacity. The Applicant's NOI results in a first year debt coverage ratio of 1.15, within the TDHCA guidelines.

Long-Term Feasibility: The underwriting 30-year proforma applies a 3% annual growth factor to income and a 4% annual growth factor to 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 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: 30.9735 acres	$1,214,290	**Assessment for the Year of:**	2006
1 acre:	$39,204	**Valuation by:**	Fort Bend County Appraisal District
Total: 21.83 acre (prorated)	$855,827	**Tax Rate:**	3.48634

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Unimproved commercial property contract (approximately 22 acres)		
Contract Expiration:	11/16/2006	**Valid through Board Date?**	☒ Yes ☐ No
Acquisition Cost:	$2,000,000	**Other:**	
Seller:	Jolly Properties, Inc	**Related to Development Team?**	☒ Yes ☐ No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: Jolly Properties, Inc, a related party to the Applicant due to a common principal (Navdip S Sobti), will purchase five separate tracts, totaling 49.4608 acres, from Calsaro Town Center, Ltd, for $5,250,000. The site cost of $106,145 per acre is assumed to be reasonable since the acquisition by Jolly Properties from Calsaro Town Center, Ltd is an arm's-length transaction. The largest of the five tracts consists of 30.9735 acres. Jolly Properties will sell 21.83 acres of the largest tract to the General Partner for $2,000,000, or $91,617 per acre. This cost is less than the non-identity of interest acquisition cost of the larger tract.

Sitework Cost: The Applicant's claimed sitework costs of $7,000 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 (13%) lower than the Underwriter's estimate derived from the Marshall & Swift *Residential Cost Handbook*. The Underwriter confirmed with the Applicant that fire sprinklers will be provided in all of the townhome units.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by $66K to bring the eligible expense down to one year of fully drawn interest. This results in an equivalent reduction to the Applicant's eligible basis estimate.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant's total development costs are not within 5% of the Underwriter's estimate, but rather are much lower; therefore, the Underwriter'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 $15,512,525is increased by 30% because the region has been designated a Difficult Development Area. The adjusted eligible basis of $20,166,282 supports annual tax credits of $732,036. 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 3.53% to calculate the requested tax credits. The Underwriter used 3.63%, the underwriting applicable percentage in effect for August 2006 when the application was received.

FINANCING STRUCTURE

PERMANENT FINANCING

Source: Davis Penn Mortgage Company **Contact:** Ray Landry

Principal: $9,654,600 **Interest Rate:** 5.55%, fixed, lender's estimate **Amort:** 480 months

Documentation: ☒ Signed ☐ Term Sheet ☒ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application

Comments: 2-year interim period with interest only at 5.55%

TAX CREDIT SYNDICATION

Source: Alliant Capital, Ltd **Contact:** Mike Sugrue

Proceeds: $6,078,862 **Net Syndication Rate:** 92% **Anticipated HTC:** $660,812/year

Documentation: ☒ Signed ☐ Term Sheet ☒ LOI ☐ Firm Commitment ☐ Conditional Commitment ☐ Application

Comments:

OTHER

Amount: $1,708,989 **Source:** Deferred Developer Fees

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Financing: Fort Bend County HFC will issue up to $13,500,000 in tax-exempt private activity mortgage bonds. The development qualifies for tax credits 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). Davis-Penn Mortgage Company will purchase the bonds and provide financing in the amount of $9,654,600, at prime plus 2.0% for an interim construction period of up to 24 months, converting to a permanent loan fixed at 5.55% and fully amortizing over 40 years.

HTC Syndication: The updated tax credit syndication LOI is consistent with the Applicant's current sources and uses statement. The syndication rate proposed in the commitment is at the low end of current credit prices. If the final syndication rate were to increase an excess of funds would exist; the transaction should then be re-evaluated and an adjustment to the financing structure may be warranted.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of $1,540,131 amount to 84% of the developer fees.

Financing Conclusions: The Underwriter's total development cost estimate less the permanent loan of $9,654,600 indicates the need for $8,797,206 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $956,314 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, the Applicant's request ($660,812), the gap-driven amount ($956,314), and eligible basis-derived estimate ($732,036), the Applicant's request of $660,812 is recommended, resulting in proceeds of $6,078,862 based on a syndication rate of 92%.

The Underwriter's recommended financing structure indicates the need for $2,718,344 in addition to the permanent loan. This would represent 100% of the developer fee and 88% of the combined contractor and developer fees. Deferred fees in this amount do not appear to be repayable from development cashflow within 10 years of stabilized operations, but appear to be repayable within 15 years. Receipt, review and acceptance by commitment of commitments by the general contractor and co-developers to defer up to 100% of their fees as necessary is a condition of this report.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

- ∉ The Applicant, Developer, and General Contractor are related entities. These are common relationships for HTC-funded developments.
- ∉ The seller of the property is related to the Applicant; this was addressed 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, Navdip S. And Ira S. Sobti, submitted an unaudited joint personal financial statement as of September, 2006.
- SGI Ventures, Inc, the fee-only co-Developer (see Background & Experience below) provided unaudited financial statements as of May 10, 2006.
- Sally Gaskin, principal of SGI Ventures, Inc, provided an unaudited personal financial statement as of May 10, 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. Navdip Singh Sobti, the principal of the General Partner and of the Developer, has no direct experience in affordable multifamily housing. For this reason, the original application indicated that Jolly Properties, Inc would participate as co-Developer. Jolly Properties has since withdrawn from the project, and the applicant has submitted new documents indicating that SGI Ventures, Inc will participate as co-Developer. SGI Ventures has provided a TDHCA Certificate of Experience. SGI Ventures will have no ownership interest in the partnership, and will not receive more than 10% of the Developer fees.

SUMMARY OF SALIENT RISKS AND ISSUES

- The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift*-based estimate by more than 5%.
- The Applicant's total development costs differ from the Underwriter's estimate by more than 5%.
- Environmental/locational risk exists regarding potential traffic noise.
- 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 do not appear to have the development experience to support the project if needed.
- The significant financing structure changes being proposed have not been reviewed by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist

Underwriter:	*Thomas Cavanagh*	**Date:**	10/31/06
Reviewing Underwriter:	*Lisa Vecchietti*	**Date:**	10/31/06
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	10/31/06

MULTIFAMILY COMPARATIVE ANALYSIS

Lakes of Goldshire, Rosenberg, 4% HTC, 060429

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%	18	1	1.5	813	$686	$616	$11,088	$0.76	70.00	$23.00
TC 60%	82	2	2.5	977	823	$731	59,942	0.75	92.00	27.00
TC 60%	60	3	2.5	1,214	951	$836	50,160	0.69	115.00	31.00
TOTAL:	160		**AVERAGE:**	1,047	$856	$757	$121,190	$0.72	$98.15	$28.05

INCOME	Total Net Rentable Sq Ft: 167,588			**TDHCA**	**APPLICANT**			Comptroller's Region	6
POTENTIAL GROSS RENT				$1,454,280	$1,455,000			IREM Region	Houston
Secondary Income	Per Unit Per Month:	$15.00		28,800	38,400	$20.00	Per Unit Per Month		
Other Support Income:				0	0	$0.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				$1,483,080	$1,493,400				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(111,231)	(112,008)	-7.50%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0	0				
EFFECTIVE GROSS INCOME				$1,371,849	$1,381,392				

EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.72%	$405	0.39	$64,727	$60,360	$0.36	$377	4.37%
Management		3.60%	309	0.29	49,404	69,187	0.41	432	5.01%
Payroll & Payroll Tax		12.36%	1,060	1.01	169,592	153,600	0.92	960	11.12%
Repairs & Maintenance		5.49%	471	0.45	75,343	70,400	0.42	440	5.10%
Utilities		3.43%	294	0.28	47,112	51,680	0.31	323	3.74%
Water, Sewer, & Trash		3.93%	337	0.32	53,856	60,960	0.36	381	4.41%
Property Insurance		3.71%	318	0.30	50,878	59,295	0.35	371	4.29%
Property Tax	3.48634	8.67%	743	0.71	118,947	112,918	0.67	706	8.17%
Reserve for Replacements		2.92%	250	0.24	40,000	32,000	0.19	200	2.32%
Other: compl fees, security		1.56%	134	0.13	21,400	19,000	0.11	119	1.38%
TOTAL EXPENSES		50.39%	$4,320	$4.12	$691,260	$689,400	$4.11	$4,309	49.91%
NET OPERATING INC		49.61%	$4,254	$4.06	$680,589	$691,992	$4.13	$4,325	50.09%
DEBT SERVICE									
Davis-Penn Mortgage Co		43.85%	$3,759	$3.59	$601,493	$601,427	$3.59	$3,759	43.54%
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		5.77%	$494	$0.47	$79,096	$90,565	$0.54	$566	6.56%
AGGREGATE DEBT COVERAGE RATIO					1.13	1.15			
RECOMMENDED DEBT COVERAGE RATIO						1.15			

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)		10.84%	$12,500	$11.93	$2,000,000	$2,000,000	$11.93	$12,500	11.58%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.07%	7,000	6.68	1,120,000	1,120,000	6.68	7,000	6.48%
Direct Construction		51.07%	58,901	56.23	9,424,213	8,246,000	49.20	51,538	47.74%
Contingency	4.25%	2.43%	2,802	2.68	448,300	448,300	2.68	2,802	2.60%
General Req'ts	5.10%	2.92%	3,362	3.21	537,960	537,960	3.21	3,362	3.11%
Contractor's G & A	1.70%	0.97%	1,121	1.07	179,320	179,320	1.07	1,121	1.04%
Contractor's Profit	5.10%	2.92%	3,362	3.21	537,960	537,960	3.21	3,362	3.11%
Indirect Construction		2.93%	3,375	3.22	540,000	540,000	3.22	3,375	3.13%
Ineligible Costs		3.34%	3,854	3.68	616,575	616,575	3.68	3,854	3.57%
Developer's G & A	0.34%	0.25%	294	0.28	46,989	0	0.00	0	0.00%
Developer's Profit	13.00%	9.64%	11,120	10.62	1,779,221	1,826,210	10.90	11,414	10.57%
Interim Financing		4.87%	5,616	5.36	898,561	898,561	5.36	5,616	5.20%
Reserves		1.75%	2,017	1.93	322,707	322,707	1.93	2,017	1.87%
TOTAL COST		100.00%	$115,324	$110.10	$18,451,806	$17,273,593	$103.07	$107,960	100.00%
Construction Cost Recap		*66.38%*	***$76,548***	***$73.08***	***$12,247,753***	***$11,069,540***	***$66.05***	***$69,185***	*64.08%*

SOURCES OF FUNDS						**RECOMMENDED**	
Davis-Penn Mortgage Co	52.32%	$60,341	$57.61	$9,654,600	$9,654,600	$9,654,600	Contr & Dev Fee Available
Additional Financing	0.00%	$0	$0.00	0	0	0	$3,081,450
HTC Syndicatior: Alliant	32.94%	$37,993	$36.27	6,078,862	6,078,862	6,078,862	% of Dev. Fee Deferred
Deferred Developer Fees	8.35%	$9,626	$9.19	1,540,131	1,540,131	2,718,344	88%
Additional (Excess) Funds Req'd	6.39%	$7,364	$7.03	1,178,213	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$18,451,806	$17,273,593	$18,451,806	$2,887,311

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$54.56	$9,143,004
Adjustments				
Exterior Wall Finish	1.75%		$0.95	$160,003
8-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(0.83)	(138,260)
Floor Cover			2.81	470,922
Porches/Balconies			0.00	0
Plumbing per unit avg	$2,170	160	2.07	347,190
Built-In Appliances	$2,200	160	2.10	352,000
Stairs/Fireplaces			0.00	0
Enclosed Corridors			0.00	0
Heating/Cooling			2.20	368,694
Garages/Carports	$23.80	32,000	4.54	761,600
Comm &/or Aux Bldgs	$69.10	2,453	1.01	169,496
Other: Fire Sprinklers	$1.95	167,588	1.95	326,797
SUBTOTAL			71.37	11,961,445
Current Cost Multiplier	1.07		5.00	837,301
Local Multiplier	0.90		(7.14)	(1,196,145)
TOTAL DIRECT CONSTRUCTION COSTS			$69.23	$11,602,602
Plans, specs, survy, bld prm	3.90%		($2.70)	($452,501)
Interim Construction Interes	3.38%		(2.34)	(391,588)
Contractor's OH & Profit	11.50%		(7.96)	(1,334,299)
NET DIRECT CONSTRUCTION COSTS			$56.23	$9,424,213

PAYMENT COMPUTATION

Primary	$9,654,600	Amort	480
Int Rate	5.55%	DCR	1.13

Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.13

Additional	$6,078,862	Amort	
Int Rate		Aggregate DCR	1.13

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	$601,493
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$90,499

Primary	$9,654,600	Amort	480
Int Rate	5.55%	DCR	1.15

Secondary		Amort	0
Int Rate	0.00%	Subtotal DCR	1.15

Additional	$6,078,862	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

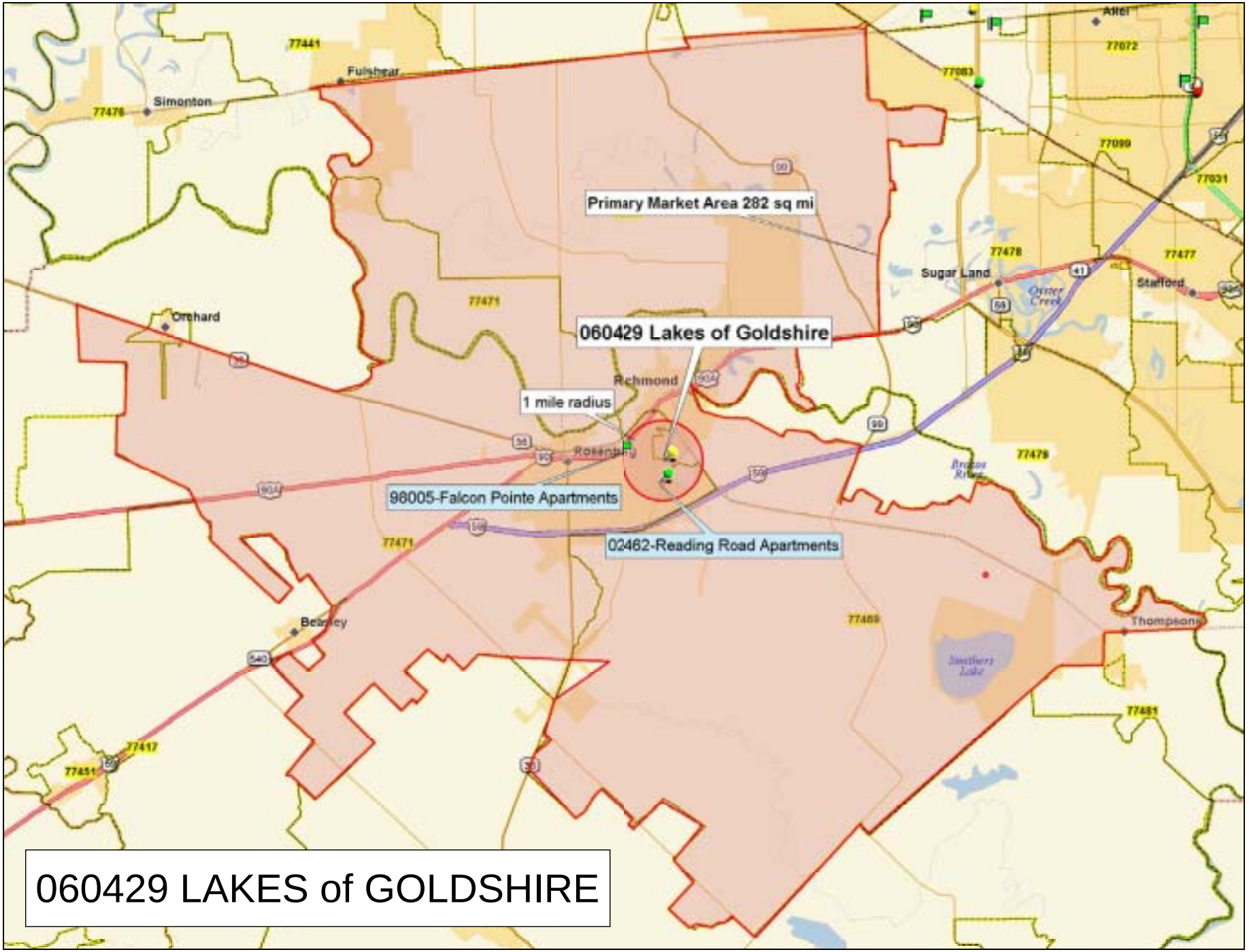
OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

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	$1,455,000	$1,498,650	$1,543,610	$1,589,918	$1,637,615	$1,898,445	$2,200,818	$2,551,351	$3,428,803
Secondary Income	38,400	39,552	40,739	41,961	43,220	50,103	58,083	67,335	90,492
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,493,400	1,538,202	1,584,348	1,631,879	1,680,835	1,948,548	2,258,901	2,618,686	3,519,295
Vacancy & Collection Loss	(112,008)	(115,365)	(118,826)	(122,391)	(126,063)	(146,141)	(169,418)	(196,401)	(263,947)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$1,381,392	$1,422,837	$1,465,522	$1,509,488	$1,554,772	$1,802,407	$2,089,484	$2,422,284	$3,255,348
EXPENSES at 4.00%									
General & Administrative	$60,360	$62,774	$65,285	$67,897	$70,613	$85,911	$104,524	$127,169	$188,242
Management	69,187	71262.76476	73400.64771	75602.66714	77870.74715	90273.53832	104651.7726	121320.0868	163044.0517
Payroll & Payroll Tax	153,600	159,744	166,134	172,779	179,690	218,621	265,986	323,612	479,025
Repairs & Maintenance	70,400	73,216	76,145	79,190	82,358	100,201	121,910	148,322	219,553
Utilities	51,680	53,747	55,897	58,133	60,458	73,557	89,493	108,882	161,172
Water, Sewer & Trash	60,960	63,398	65,934	68,572	71,315	86,765	105,563	128,434	190,113
Insurance	59,295	61,667	64,133	66,699	69,367	84,395	102,680	124,926	184,920
Property Tax	112,918	117,435	122,132	127,017	132,098	160,718	195,537	237,901	352,152
Reserve for Replacements	32,000	33,280	34,611	35,996	37,435	45,546	55,414	67,419	99,797
Other	19,000	19,760	20,550	21,372	22,227	27,043	32,902	40,030	59,254
TOTAL EXPENSES	$689,400	$716,284	$744,223	$773,258	$803,432	$973,030	$1,178,660	$1,428,015	$2,097,272
NET OPERATING INCOME	$691,992	$706,553	$721,299	$736,230	$751,340	$829,377	$910,824	$994,269	$1,158,076
DEBT SERVICE									
First Lien Financing	$601,493	$601,493	$601,493	$601,493	$601,493	$601,493	$601,493	$601,493	$601,493
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	$90,499	$105,059	$119,806	$134,737	$149,847	$227,884	$309,331	$392,776	$556,582
DEBT COVERAGE RATIO	1.15	1.17	1.20	1.22	1.25	1.38	1.51	1.65	1.93

HTC ALLOCATION ANALYSIS -Lakes of Goldshire, Rosenberg, 4% HTC, 060429

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	$2,000,000	$2,000,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	$1,120,000	$1,120,000	$1,120,000	$1,120,000
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	$8,246,000	$9,424,213	$8,246,000	$9,424,213
(4) Contractor Fees & General Requirements				
Contractor overhead	$179,320	$179,320	$179,320	$179,320
Contractor profit	$537,960	$537,960	$537,960	$537,960
General requirements	$537,960	$537,960	$537,960	$537,960
(5) Contingencies	$448,300	$448,300	$448,300	$448,300
(6) Eligible Indirect Fees	$540,000	$540,000	$540,000	$540,000
(7) Eligible Financing Fees	$898,561	$898,561	$898,561	$898,561
(8) All Ineligible Costs	$616,575	$616,575		
(9) Developer Fees				
Developer overhead		$46,989		$46,989
Developer fee	$1,826,210	$1,779,221	$1,826,210	$1,779,221
(10) Development Reserves	$322,707	$322,707		
TOTAL DEVELOPMENT COSTS	$17,273,593	$18,451,806	$14,334,311	$15,512,525

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		$14,334,311	$15,512,525
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		$18,634,605	$20,166,282
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		$18,634,605	$20,166,282
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		$676,436	$732,036
Syndication Proceeds	**0.9199**	**$6,222,590**	**$6,734,058**
Total Tax Credits (Eligible Basis Method)		**$676,436**	**$732,036**
Syndication Proceeds		**$6,222,590**	**$6,734,058**
Requested Tax Credits		**$660,812**	
Syndication Proceeds		**$6,078,862**	
Gap of Syndication Proceeds Needed			**$8,797,206**
Total Tax Credits (Gap Method)			**$956,314**



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TN
MN (4.1°E)

Scale 1 : 200,000
1" = 3.16 mi
Data Zoom 10-0

Opposition

COMMITTEES:
GOVERNMENT ORGANIZATION, VICE-CHAIR
CRIMINAL JUSTICE
NOMINATIONS

COMMITTEES:
NATURAL RESOURCES
SUBCOMMITTEE ON AGRICULTURE,
RURAL AFFAIRS, & COASTAL RESOURCES

SENATOR GLENN HEGAR
DISTRICT 18

April 2, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
PO Box 13941
Austin, Texas 78711

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on April 12, 2007. Please accept this as my letter in opposition to this development.

My concern with this particular project is my understanding of the process under which it was originally approved by TDHCA. It is my understanding that due to the City of Rosenberg's outdated consolidated plan the developer was required to provide a letter from the city which the city refused to provide. In an attempt to go around the City, the developer requested a letter from Fort Bend County stating that the City of Rosenberg was part of their consolidated plan. The issue with this is that from my understanding the Fort Bend County consolidated plan does not address each city individually, but simply the county as a whole which to me is not enough to waive TDHCA rules and approve this project.

Please share this letter with the TDHCA Board of Directors and ask that this issue be addressed when discussing the approval of the project. If you have any questions, please feel free to contact my office.

Sincerely,

GH:kb

CAPITOL OFFICE
P.O. BOX 12068
AUSTIN, TEXAS 78711-2068
(512) 463-0118
FAX: (512) 475-3736

DISTRICT OFFICE
P.O. BOX 1008
KATY, TEXAS 77492
(281) 391-8883
FAX: (281) 391-8818

DORA OLIVO
STATE REPRESENTATIVE
DISTRICT 27
FORT BEND COUNTY (PART)

The State of Texas
House of Representatives
Austin, Texas

COMMITTEES:
PUBLIC HEALTH
PUBLIC EDUCATION

April 27, 2007

RECEIVED
APR 30 REC'D
LIHTC

Ms. Robbye Meyer
Director of Multi-Family Finance
Production Division
Texas Department of Housing
and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3491

Dear Ms. Meyer:

Re: Lakes of Goldshire Project at Reading Road and Avenue I
Rosenberg, Texas

I am writing to inform you of my strong opposition to the above referenced development. Please keep me informed as to the status of this development.

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

Sincerely,

Dora F. Olivo

Dora Olivo
District 27

DISTRICT OFFICE: P.O. BOX 2130 • MISSOURI CITY, TX 77459-2130 • (281) 208-8806 • FAX(281) 208-8826
CAPITOL OFFICE: P.O. BOX 2910 • AUSTIN, TX 78768-2910 • (512)463-0494 • FAX(512)463-1403 • TOLL FREE 1-888-777-0033

COMMISSIONER, PRECINCT 1
Fort Bend County, Texas

TOM D. STAVINOHA
Commissioner

(281) 344-9400
Fax (281) 342-0587

Teresa Morales
Multifamily Finance Production Division
P.O. Box 13941
Austin, Tx 78711-3491

I am disappointed in your expected decision to approve the application for Affordable Rental Housing at NS Lakes of Goldshire, LP without the approval of the City of Rosenberg.

Although, this project was approved by Fort Bend Housing Finance Corporation, the project is located within the city limits of Rosenberg. Therefore their recommendation to not approve the application should carry more weight than that of the FBHFC Board. The board looks at the county as a whole, not concentrated locations.

Rosenberg already has an abundance of low income housing, plus an abundance of low-income single-family dwellings available for purchase. More that 8,000 homes are being planned for construction in the ETJ of Rosenberg over the next few years. Last year, over 8,000 new homes were built in all of Fort Bend County. Builders are now offering new home move-in with no down payment with 30-year payout. Pride in home ownership has a major impact on family behavior and stability. Apartment renters tend to relocate quite often, causing school children to move from school to school.

The financial impact on the City of Rosenberg and Lamar Schools will become greater with the addition of more, unneeded, low-income rental housing. Loss of property tax income will lesson their ability to provide services and quality education.

Thank you for considering my comments on the Lakes of Goldshire's housing tax credit requests.

Sincerely,

Tom D. Stavinoha
Fort Bend County Commissioner Pct. 1

COUNTY JUDGE

Fort Bend County, Texas

Robert E. Hebert
County Judge

(281) 341-8608
Fax (281) 341-8609

March 7, 2007

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

Dear Ms. Morales:

Fort Bend County is in receipt of the request for housing tax credits from NS Lakes of Goldshire Apartments (a multi-family development) in the City of Rosenberg. Since this project is fully within the city limits of Rosenberg, the county will take no formal position on the apartment complex; however I would like to add my voice to those objecting to the project due to its significant negative impact on the city and the local school district. The City of Rosenberg has passed a resolution finding no need for additional affordable housing within its corporate limits and further resolving that there is no need to provide tax credits or other financial incentives to encourage affordable housing within the city.

Fort Bend County recognizes the primacy of its municipalities on issues of local control within their municipal boundaries. Fort Bend County Community Development has provided a *Certificate of Consistency with our Consolidated Plan* confirming only that the applicant's project is located within the boundaries of Fort Bend County, the project is consistent with the County's consolidated action strategic plan, and that there is a need for affordable housing within the county as a whole especially in the development of single-family dwellings. That *Certificate* does not endorse the specific location as that is a matter to be addressed by the local jurisdiction.

However, I have two specific objections to this particular project. First, I object to this project because of the already high concentration of low-income housing in the City of Rosenberg. There are currently two housing tax credit multi-family developments within the city. With the addition of the Lakes of Goldshire the number of available apartments for low-income family would reach 496 concentrated within a 1.5 mile area of the city. Second, I believe that the addition of low-income housing within the Lamar ISD, that already has over 65% of its students identified as economically disadvantaged, would further dilute the educational resources available for the disadvantaged children currently enrolled.

Fort Bend County grew by over 30% between the 2000 decennial census and the July 2005 population estimate released by the U.S. Census Bureau. The University of Houston Center for Public Policy predicts that our population will exceed 575,000 by the release of the 2010 census. Revitalization and planned growth within our cities is critical to maintain the infrastructure necessary to handle this rapid growth. While we encourage the development of qualified low-income housing within the county, we realize that the concentration of low-income housing within a single neighborhood or municipality negatively impacts the long-term economic and social viability of that community and, through it, the county.

Thank you for the opportunity to submit these comments on the Lakes of Goldshire's housing tax credit requests. I would urge the Board to give great weight to the comments of the County, the City of Rosenberg and the Lamar Consolidated Independent School District to reject this application due to 1) the developer's proximity to other low-income housing which would result in a detrimental concentration of low-income housing units within this community; and 2) the negative impact that the addition of another low-income housing units will have on the local school district.

Respectfully submitted,

Robert E. Hebert

cc: City of Rosenberg
Fort Bend County Commissioners Court
Fort Bend County Community Development
Lamar Consolidated Independent School District

We're making it seem a little smaller, one student at a time.

Thomas Randle, Ed.D.
Superintendent of Schools

832.223.0110
Fax: 832.223.0111
terandle@lcisd.org

3911 Avenue I
Rosenberg, Texas
77471

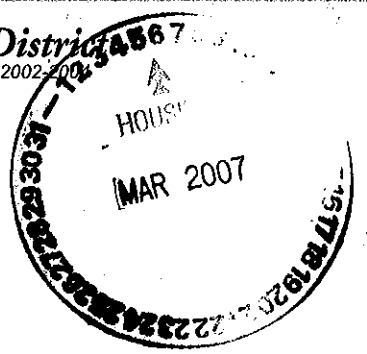
www.lcisd.org

Lamar CISD

A Proud Tradition • A Bright Future

A Recognized TEXAS District Education Agency 2002-2007

February 28, 2007



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

Re: NS Lakes of Goldshire, LP

We are in receipt of the information on the housing application submitted by the Lakes of Goldshire Apartments proposed at the south side of FM 1640 between Reading Road and Lamar Drive in Rosenberg. We would like to voice our concerns on any rental housing applications that are being proposed under the similar TDHCA program of tax-exempt bonds.

Our concern is that the incentive of tax-exempt bonds is attracting multifamily residential developments that produce large numbers of students. Lamar CISD schools are rapidly reaching, or are at capacity. Funds are not currently available in our annual operating budgets to expand and operate schools in response to this type of multifamily residential developments. The District has a total enrollment of 20,708 students. Currently there are 15 apartment complexes located within one mile of the Lakes of Goldshire project site with 2,360 apartment units housing 1,151 students according to our March 2006 demographic report provided by PASA. Reading Park Apartments, which is a 2004 4% tax credit project is located only one half mile from the Goldshire project.

Also, we are concerned that this type of development receives a valuation for tax purposes below the level of developments that do not receive incentives. We cannot support any development whereby school taxes are less than what would be received for a regular development.

We have requested that, if incentives are being provided to entice developments into Lamar CISD, consideration should be given by the state to provide supplemental funding to offset the student enrollment impact. We cannot support this program and type of multifamily residential development until this occurs.

Thank you for the opportunity to express our opinion.

Sincerely,

Thomas Randle

Thomas Randle

cc: Charlie Howard
John Zerwas
Glenn Hegar
Kyle Janek
Dora Olivo
Nick Lampson
Rodney Ellis
LCISD Board of Trustees
Tom Shirley, President Fort Bend Housing Finance Corporation

April 03, 2007

Received
APR - 6 2007

Teresa Morales
Multi-Family Bond Administrator
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3491

FACSIMILE TRANSMISSION & USPS

Re: **Lakes of Goldshire Apartments, TDHCA #060429**

Dear Ms. Morales,

Attached is a copy of a Resolution adopted by the Fort Bend County Commissioner's Court. Please add this Resolution to the written documents previously submitted by the City of Rosenberg regarding the Lakes of Goldshire project application.

Thank you for your continuing assistance on this matter.

Sincerely,

Jack S. Hamlett
City Manager

JSH/kes

xc: Ms. Robbye Meyer, Acting Director of Housing and Community Affairs
File/Correspondence
File/Lakes of Goldshire
File/Texas Department of Housing and Community Affairs

attach: Resolution (Copy)

\\Krusty\Administration\CM - Correspondence\Lakes of Goldshire - 04-03-07.doc

OFFICE OF THE CITY MANAGER
2110 FOURTH STREET * P.O. BOX 32 * ROSENBERG, TX 77471-0032 * 832-595-3310 * FAX 832-595-3311
E-Mail: info@ci.rosenberg.tx.us

STATE OF TEXAS §
§
COUNTY OF FORT BEND §

RESOLUTION

On this 3rd day of April, 2007, the Commissioners Court, sitting as the governing body of Fort Bend County, Texas, at a regular meeting, upon motion of Commissioner Stavinoha, seconded by Commissioner Patterson, duly put and carried;

WHEREAS, the United States Congress has enacted a National Affordable Housing Act to allow for programs to develop decent and affordable housing;

WHEREAS, the Commissioners Court of Fort Bend County, Texas, (hereinafter referred to as the "Commissioners Court"), has enacted, as required by the National Affordable Housing Act, a Consolidated Plan (hereinafter referred to as the "Consolidated Plan") for the purpose of developing viable urban communities by providing affordable housing and a suitable living environment and expanding economic opportunities principally, though not exclusively, for low- and moderate-income persons; and

WHEREAS, the Commissioners Court has authorized the Fort Bend County Community Development Department (hereinafter referred to as "Community Development Department") to issue a Certificate of Consistency with its Consolidated Plan (hereinafter referred to as "Certificate of Consistency"); and

WHEREAS, the Community Development Department issues a Certificate of Consistency when a proposed activity by a developer is within the territorial boundaries of Fort Bend County, when the project is consistent with the County's Consolidated Plan, and when there is a need for affordable housing within the county as whole; and

WHEREAS, a developer that seeks tax credits in developing property is required to submit to the Texas Department of Housing and Community Affairs (hereinafter referred to as "TDHCA") as a threshold matter, a Certificate of Consistency indicating that a proposed development fulfills the need for affordable rental housing as evidenced in a local consolidated plan pursuant to §50.9(h)(7)(B) of Title 10 of the Texas Administrative Code; and

WHEREAS, the Certificate of Consistency is not approval of or an objection to a proposed project; and

WHEREAS, under §50.9(h)(7)(B) of Title 10 of the Texas Administrative Code the Certificate of Consistency is required to be attached to any application to TDHCA for tax credits, and it merely allows a developer to apply for those credits from the State to develop property in order to carry out the purpose of the National Affordable Housing Act and all related State statutes; and

WHEREAS, an application for a tax credit is ineligible for consideration under §2306.6703 of the Texas Government Code if the proposed development is located within a municipality and the developer has not obtained a written statement of support from the municipality containing the development; and

WHEREAS, an application for tax credit is also ineligible for consideration under §50.5 of Title 10 of the Texas Administrative Code if the proposed development is located within a municipality and the developer has not obtained a written statement of support from the municipality containing the development; and

WHEREAS, §2306.6703 of the Texas Government Code only recognizes a municipality's authority to approve or reject development projects located within a municipality for purposes of determining whether a developer is ineligible for tax credits from TDH; and

WHEREAS, §50.5 of Title 10 of the Texas Administrative Code also recognizes a municipality's sole authority to approve or oppose development projects located within that municipality; and

WHEREAS, NS Lakes of Goldshire is a developer (hereinafter referred to as "Goldshire") that currently seeks to develop an affordable housing apartment complex wholly within the boundaries of a municipality, namely the City of Rosenberg; and

WHEREAS, the City of Rosenberg has unanimously passed a resolution in opposition to the Goldshire development pursuant to its authority under §2306.6703 of the Texas Government Code and §50.5 of Title 10 of the Texas Administrative Code; and

WHEREAS, the County has issued a Certificate of Consistency to Goldshire for the proposed project because it is consistent with the County's Consolidated Plan and

there is a need for housing within the county as whole regardless of whether there is a need for that housing in Rosenberg at the anticipated site of the development; and

WHEREAS, Goldshire and TDHCA are currently interpreting the Certificate of Consistency as a statement of approval of the proposed project despite the fact that Fort Bend County lacks the authority to approve or oppose a development located within a municipality; and

WHEREAS, the City of Rosenberg has requested that the Commissioner's Court adopt a resolution to assist in Rosenberg's opposition to the Goldshire development and to help effectuate the governing municipality's intent to oppose this development.

NOW, THEREFORE, BE IT RESOLVED, that the Commissioners Court of Fort Bend County affirmatively states that it is without authority to approve or oppose a development within any municipality for purposes of determining eligibility for a affordable housing tax credit, that the issuance of a Certificate of Consistency to the Lakes of Goldshire is not a consent to, nor an endorsement of, the Lakes of Goldshire development project, and that Fort Bend County affirmatively recognizes the authority of the City of Rosenberg to voice its opposition to the Lakes of Goldshire Development pursuant to The Texas Government Code and The Texas Administrative Code.

PASSED AND APPROVED this the 3 day of April 2007, by a vote of 5 Yeas and 0 Nays.

FORT BEND COUNTY

By: _____
Robert E. Hebert, County Judge

ATTEST:

_____
Dianne Wilson, County Clerk

DCN: Lakes of Goldshire Resolution 2904-

March 8, 2007

Texas Department of Housing and Community Affairs Board of Directors
c/o Ms. Robbye Meyer, Acting Director of Housing and Community Affairs
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3491

Re: **Lakes of Goldshire Apartments, TDHCA #060429**

Dear Ms. Morales,

It is my understanding that the Texas Department of Housing and Community Affairs (TDHCA) Board of Directors will again consider an application by the Lakes of Goldshire Project (Goldshire Project) for tax credits at the meeting on March 20, 2007. This project application was previously considered by the TDHCA Board on November 09, 2006.

The applicant failed to issue the bond financing by the deadline in January. Now the applicant is requesting that the tax credits for the project be rolled into the 2007 Allocation. Since the developer failed to meet his deadline, he should be required to submit a new application and be subject to full compliance review as a new applicant. The City of Rosenberg respectfully requests that the TDHCA Board of Directors deny this request to be rolled into the 2007 allocation. If the Board approved the request, the result would be to give an unfair advantage to this developer compared to the other new applications for 2007 tax credits.

Additionally, the City of Rosenberg wishes to express its concerns relating to information provided, and to the procedures used by TDHCA during the November 9th meeting. For the record, the specific concerns are:

1) The deadline for submitting written comments was October 30, 2006. The City submitted its comments prior to the deadline as per the TDHCA procedures.

2) After the deadline, City staff visited the TDHCA website and reviewed the documents submitted for the Board packet.

3) At the Board meeting on November 9th, the applicant was allowed to submit new information which violates the TDHCA procedures. Allowing this, the City did not receive notice or have an opportunity to respond.

4) The new information included a certification from a Fort Bend County official that the Goldshire Project was consistent with the Fort Bend County Consolidated Plan. This document was dated November 8, 2006, which is only one day before the November 9th meeting.

5) The Fort Bend County certification implies that the County plan applies within the City of Rosenberg and overrides any City plans. This is misleading. First, the City has an adopted Comprehensive Plan. Secondly, the City never voted to adopt the Fort Bend County Plan to replace the City's Comprehensive Plan inside the City's corporate limits. The City of Rosenberg and its Comprehension Plan is the applicable local jurisdiction for the proposed location of Lakes of Goldshire. Fort Bend County Judge Robert E. Hebert

and Fort Bend County Commissioner Tom Stavinoha have submitted letters supporting the City of Rosenberg as the applicable jurisdiction for determining the need for the affordable housing to be provided by the Lakes of Goldshire.

6) Since the City of Rosenberg was not provided the County document prior to the November 9th meeting, the City was denied the opportunity to provide correct information. As a result, the TDHCA Board was placed in a position of making its decision based on inaccurate information.

In addition to the concerns indicated above, the City opposes the Goldshire Project location because it will add to the existing saturation of apartments within one mile of the proposed location. On January 9, 2003, the TDHCA approved tax credits for the Reading Park Apartments which are located less than one mile from the proposed Lakes of Goldshire location. In addition, there are ten other apartments located within one mile of the proposed Goldshire Project location. Specific apartments with the one mile radius are listed on the attached list and provide a total of 1,808 living units.

Enclosed is a map verifying the location of the Reading Park Apartments and the other apartment complexes. The Reading Park Apartments has 252 units with a vacancy of 25 units on March 6, 2007, which is a 10% vacancy rate. This demonstrates the availability of affordable housing that is adequately meeting the current needs in Rosenberg. Additional units are not needed at this time.

Finally, I have enclosed a copy of the Resolution adopted by the Rosenberg City Council expressing its opposition to awarding tax credits to the Lakes of Goldshire project. On behalf of Rosenberg's citizens, I request your support to deny the application by the Lakes of Goldshire.

Sincerely,

Joe M. Gurecky
Mayor, City of Rosenberg

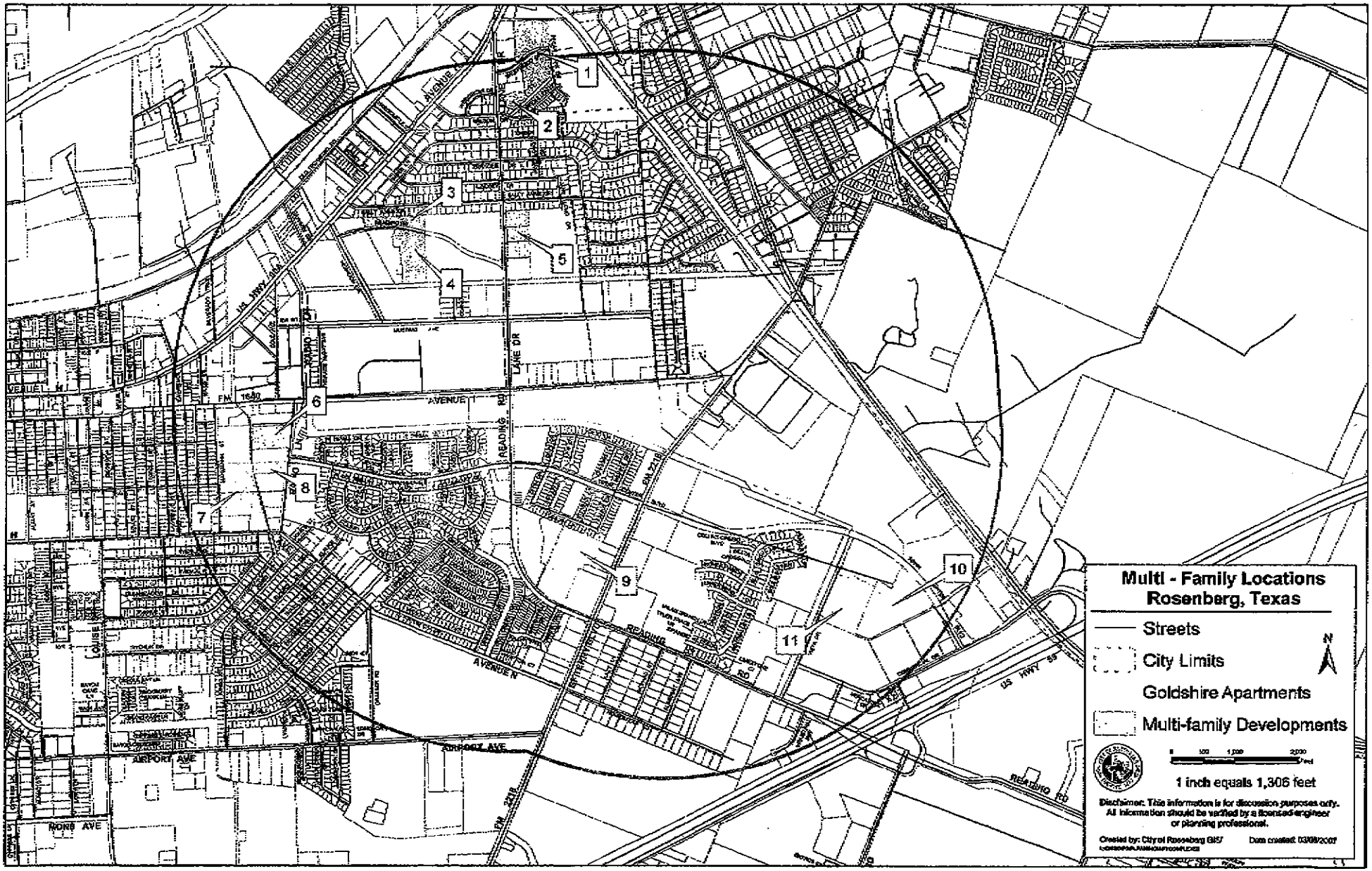
JMG/jsh/tay

xc: State Senator Glenn Hegar
State Representative Dora Olivo
State Representative John Zerwas
Rosenberg City Council
Jack S. Hamlett, City Manager, City of Rosenberg
File/Correspondence
File/Lakes of Goldshire
File/Texas Department of Housing and Community Affairs

attach: Apartment Complexes
Multi-Family Locations Map
Resolution R-734
Certification of Consistency with the Consolidated Plan

OFFICE OF THE CITY MANAGER
2110 FOURTH STREET * P.O. BOX 32 * ROSENBERG, TX 77471-0032 * 832-595-3310 * FAX 832-595-3311
E-Mail: info@cl.rosenberg.tx.us

Apartment Complexes			
	Name	**Street Address**	**Units**
1.	Pecan Park Apartments	1216 Westwood Dr. Rosenberg, TX 77471	280
2.	Ft. Bend VOA Elderly Housing	313 Lane Dr. Rosenberg, TX 77471	68
3.	Briarstone Apartments	4719 Reading Rd. Rosenberg, TX 77471	98
4.	Brittany Square Apartments	4720 Reading Rd. Rosenberg, TX 77471	188
5.	Victoria Garden Apartments	911-1001 Lane Dr. Rosenberg, TX 77471	154
6.	Williamsburg Apartments	1316 Radio Lane Rosenberg, TX 77471	32
7.	Kings Arms Apartments	1317 Mahlmann St. Rosenberg, TX 77471	122
8.	Texas Ashton Oaks	1136 Radio Lane Rosenberg, TX 77471	106
9.	Reading Park Apartments	5525 Reading Rd. Rosenberg, TX 77471	252
10.	Brazos Ranch Apartments	7407 Town Center Blvd. Rosenberg, TX 77471	308
11.	Club of the Brazos	3101 Vista Dr. Rosenberg, TX 77471	200


Multi - Family Locations
Rosenberg, Texas
Streets
City Limits
Goldshire Apartments
Multi-family Developments
1 inch equals 1,306 feet
Disclaimer: This information is for discussion purposes only. All information should be verified by a licensed engineer or planning professional.
Created by: City of Rosenberg GIS
Date created: 03/08/2007
1
2
3
4
5
6
7
8
9
10
11
US HWY 59
READING RD
AVENUE N
AIRPORT AVE
MONS AVE
LANE DR
FM 1640

RESOLUTION NO. R-734

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSENBERG, TEXAS, OPPOSING THE APPLICATION FOR TAX INCENTIVES ON MULTI-FAMILY PROJECTS TO BE LOCATED WITHIN THE CITY OF ROSENBERG.

WHEREAS, the City of Rosenberg is located in Fort Bend County, Texas, one the fastest growing counties in the United States; and

WHEREAS, the new growth and residential developments within the City provide a variety of housing opportunities for Rosenberg citizens which have satisfied the need for rental housing; and

WHEREAS, the granting of a credit, a reduction, or an exemption from taxation for a multi-family residential development is not necessary to attract new residential developments to the City; and

WHEREAS, the City of Rosenberg wishes to establish an official City policy on all applications for proposed multi-family projects that request granting of a credit, reduction, or an exemption from taxation including tax exempt financing programs;

NOW THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council of the City of Rosenberg finds and determines that there is an adequate number of rental housing units within the City.

Section 3. The City Council of the City of Rosenberg finds that there is no need to provide tax credits or other public financial incentives to encourage additional rental housing units within the City.

Section 4. The City of Rosenberg requests that the Fort Bend County Housing Finance Corporation not approve any multi-family projects located within the corporate Limits of the City of Rosenberg that requests public financial assistance, including tax credits, tax exemption, tax free financing and reduction from taxation. Furthermore, the City of Rosenberg requests that any proposed project located within Rosenberg's corporate Limits shall be reviewed by the Rosenberg City Council before consideration by the Fort Bend County Housing Finance Corporation of all applications for tax incentives on proposed multi-family projects.

Section 5. The City Manager is directed to cause copies of this Resolution to be sent to the Fort Bend County Housing Finance Corporation Board of Directors.

READ, PASSED, AND APPROVED at a regular meeting of the City Council of the City of Rosenberg the 19th day of December 2006.

ATTEST:

CITY OF ROSENBERG ROSENBERG, TEXAS

Linda Cernosek, CES, TRMC
City Secretary

APPROVED:

Joe M. Gurecky
Mayor

COMMUNITY DEVELOPMENT

Fort Bend County, Texas

Marilynn Kindell
Director

(281) 341-4410
Fax (281) 341-3762

Certification of Consistency with the Consolidated Plan

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's approved Consolidated Plan.

Applicant Name: NS Lakes of Goldshire, LP

Project Name: Lakes of Goldshire Townhomes

Location of the Project: FM 1640 at Reading Road, Rosenberg, Texas

Name of the Federal/State Program to which the applicant is applying: Texas Low Income Housing Tax Credit Program

Name of Certifying Jurisdiction: Fort Bend County, Texas

Certifying Official of the Jurisdiction Name: Marilynn Kindell

Title: Fort Bend County Community Development Department Director

Signature: Marilynn Kindell

Date: November 8, 2006.

certification of consistency with the consolidated plan

Ms. Robbye Meyer
Acting Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

March 1, ~~2006~~ 2007

Received
MAR - 5 2007

Re: Opposition to Tax Credit Development
Lakes of Goldshire - Rosenberg

Dear Ms. Meyer:

Recognizing the extremely high percentage of economically disadvantaged students (Low SES) living in Rosenberg and attending the Lamar Consolidated ISD, I (Dr. Dan Ives, Retired Lamar CISD Superintendent of Schools and resident of the City of Rosenberg) hereby submit the information presented herein as compelling circumstantial evidence to support the TDHCA Board in denying the application of the Lakes of Goldshire for housing tax credits that would have a significant negative impact on the educational opportunities and achievements of a great number of Low SES youngsters. In other words, the sole purpose of this effort is to provide pertinent and factual information that will justify the TDHCA Board using its' discretionary authority as per QAP 49.10(a)(2)(H) - the anticipated impact on local school districts, to prevent discrimination against the great number of Low SES students living in Rosenberg and attending Lamar CISD schools.

1.1 There are five elementary schools located in Rosenberg, plus two nearby elementary schools in Richmond, Texas that serve all the elementary children residing in Rosenberg. These seven schools have an overall average of 75% of their students receiving free and reduced priced meals. A total of 27% of the children have "Limited English Proficiency" and 57% are identified "AT RISK." (See details, Exhibit #1) ***It is terribly unfair to these children currently attending our schools to have more low income housing units being constructed that deteriorate, diminish, and negatively impact the resources and special programs of our school district and our teachers to teach and educate children who are in need of a great deal of extra help.*** **Lamar CISD is doing a great job, but needs the help of TDHCA to continue to support the extensive needs of these Low SES children concentrated in Rosenberg with a high level individualized educational program.**

1.2 The Lamar CISD has for many years endorsed a plan for neighborhood elementary schools which is referred to affectionately as the "MOTHERHOOD" plan which has extensive parental involvement. Secondary schools, grades 6-12, are zoned for attendance to reflect the over-all student demographics of the whole school district. In addition, there is a philosophy endorsing small schools (enrollment capacity) to better serve and meet the needs of both elementary and secondary students.

Lamar CISD Elementary Schools Serving Students Residing in Rosenberg

Schools	Students	E-D*	%	LEP*	%	At Risk*	%
Bowie Elem	644	517	80.3	215	34.4	371	59.4
Jackson Elem	392	325	82.9	149	37.7	255	64.6
Meyer Elem	660	427	64.7	92	14.3	295	46.0
Ray Elem	690	498	72.7	181	26.9	393	58.4
Travis Elem	737	516	70.0	165	22.8	392	54.1
Long Elem	533	404	75.8	98	19.7	291	58.6
Smith Elem	675	503	74.5	237	36.9	405	63.1
Totals	4,331	3,190	**75.0%**	1,137	**27.1%**	2,402	**57.2%**

*E-D = Economically Disadvantaged Students
LEP = Limited English Proficiency Students
At-Risk Students

Source:
Lamar CISD – Student Data
Peims Edit – Reports Data Review
2006-2007 Fall Collection (Oct. 27 Snapshot)
Texas Education Agency
Dated Jan 11, 2007

See Attachments A-G: Printouts verifying above figures.

EXHIBIT #1

1.3 Currently, Lamar CISD has a total enrollment of 20,708 students (Fall Piems Report 2006) with a minority population of 67.6%.

1.4 Six of the seven elementary schools, serving students residing in Rosenberg, achieved a "Recognized" status by the Texas Education Agency in 2005-2006 and the seventh school achieved an "Exemplary" status.

1.5 New low income multi-family complexes do not replace the existing apartments housing our economically disadvantaged children. Additional units only add to the great number of Low SES youngsters concentrated in Rosenberg.

1.6 **It *is quite devastating and demoralizing to students, teachers and parents to be impacted with more low income housing, in view of their tremendous academic achievements through a great deal of hard work.*** It is truly rewarding to observe how the students take pride in their personal accomplishments and the rating of their school. ***We do not need to create additional challenges and burdens that minimize the opportunity for our Low SES youngsters to succeed.***

2.1 There are fifteen (15) apartment complexes located in Rosenberg/Richmond within one-mile of the Lakes of Goldshire project site with 2,360 apartment units housing 1,151 students as per a "Demographic Update" professionally developed by Population and Survey Analysts (PASA) for Lamar Consolidated ISD which is dated March 2006. (See Exhibits #2 & #3)

3.2 It is noted that Falcon Pointe (.99 students per unit) and Reading Park (.64 students per unit) are housing tax credit (HTC) projects with low income eligibility programs within one-mile of the Lakes of Goldshire site. In addition, it is deemed that an overwhelming number of the 2,360 units are low rent apartments, which is substantiated by the fact that there is a .5 student to unit ratio, as per the Lamar CISD PASA report. (Exhibits #2 and #3)

3.3 As per the PASA March 2006 Demographic Update, the following is noted:

a. There are 1,151 students residing in M-F housing within one-mile of the Goldshire site, which is 81% of the total number of students residing in M-F housing within the 345 sq. miles of Lamar CISD. - That number is equivalent to 1-1/2 LCISD elementary schools. (Exhibit #2)

b. There are 2,360 M-F apartment units located within one-mile of the Goldshire site, which is 71% of the units within the 345 sq. miles of Lamar CISD. (Exhibit #2)

Multi-Family Complexes within One-Mile of Lakes of Goldshire Project as of March 2006

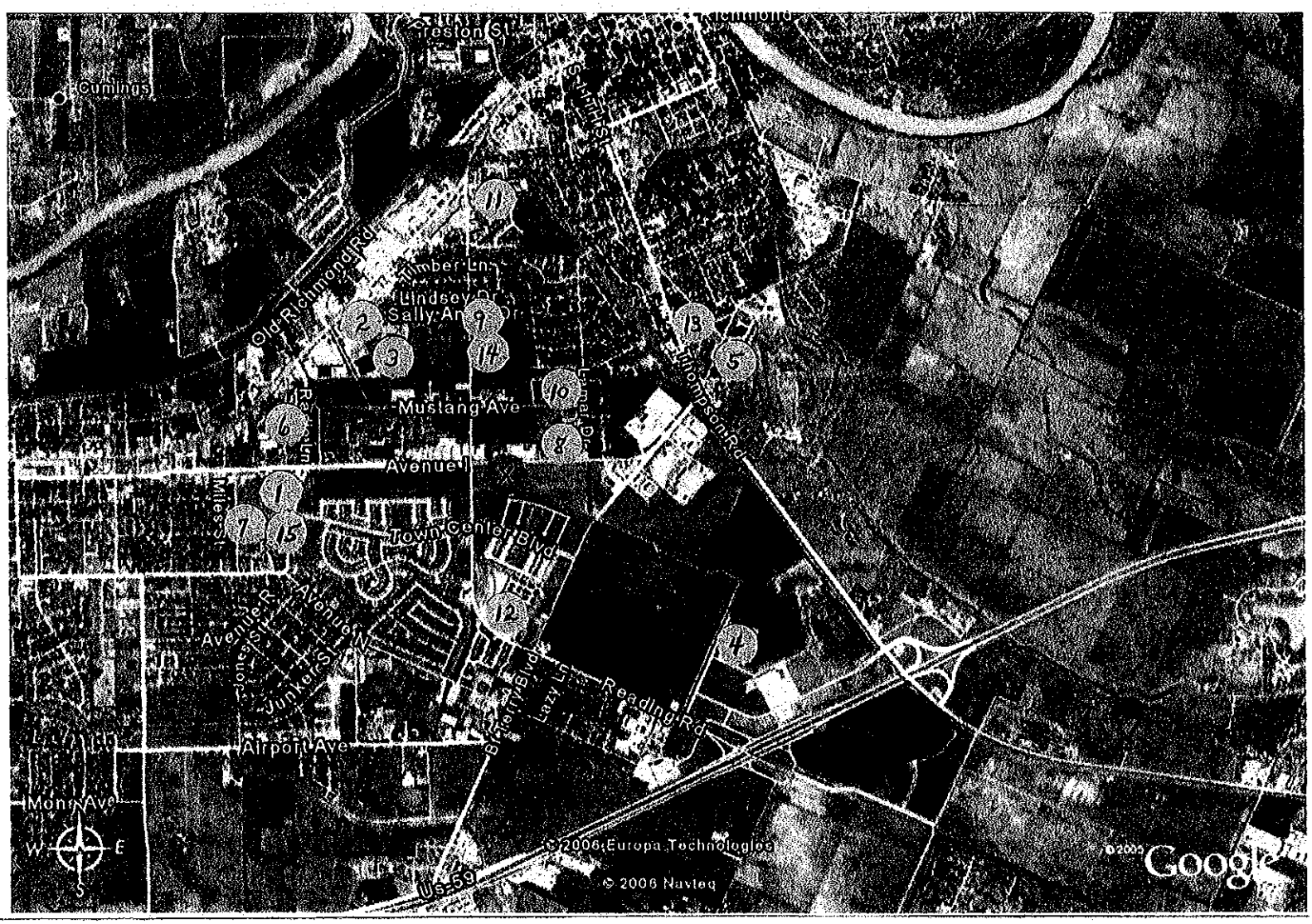
M-F Housing	Address	Units	Students
1. Ashton Oaks	1136 Radio Lane, Ros	104	41
2. Briarstone	4719 Reading, Ros	96	29
3. Brittany Square	4720 Reading, Ros	198	119
4. Club on the Brazos	3101 Vista, Ros	200	47
5. Country Club Place	1111 Golfview, Rich	169	15
6. Falcon Pointe	915 Cole, Ros	112	110
7. Kings Arms	1317 Mahlmann, Ros	120	51
8. Lamar Park	1720/1800 FM 1640, Rich	174	131
9. Murray Hill	819 Lane, Ros	80	30
10. Mustang Crossing	1800 Mustang/Lamar, Rich	307	158
11. Pecan Park	1216 Westwood, Ros	272	121
12. Reading Park	5525 Reading, Ros	252	161
13. Town & Country	2111 Thompson, Rich	92	36
14. Victoria Gardens	911/1001 Lane, Ros	152	89
15. Williamsburg	1316 Radio Lane, Ros	32	13
	Totals	2,360	1,151

M-F Housing	Total District	1-Mile	Percent
Students	1,422	1,151	81
Units	3,320	2,360	71
Per Unit	.44	.49	

Resource:
Demographic Update
Population and Survey Analysts (PASA)
Professionally developed for Lamar CISD
March 2006

EXHIBIT #2

Multi-Family Complexes within a One-Mile Radius of the Lakes of Goldshire Project as of March 2006



Note: Numbers correspond to M-F Housing Complexes identified in Exhibit #2
Lakes of Goldshire site is indicated by "X".

EXHIBIT #3

3.4 Consequently, it is obvious the proposed Goldshire site would be located in a tremendously over-impacted area of apartment complexes in Rosenberg/Richmond that significantly impact schools with Low SES students.

3.5 Reference is made to Exhibits #4 and #5 regarding information received from the management of Wolverine Property Management, L.L.C. Four of the five apartment complexes are within one mile of the Lakes of Goldshire with three being a ¼ of a mile or less. There were 110 units available as of Feb 23 in regard to the four apartment complexes. I would call to attention the rental rates of these units which are below the rates proposed for the Lakes of Goldshire.

3.6 Reference is made to Exhibit #6 in regard to unit rents of Reading Park Apartments, which is a 2004 4% tax credit project. Comparing unit costs with Wolverine Property Management apartment units noted in Exhibit #5 which has 110 vacancies ½ mile away, there is a significant difference. The Lakes of Goldshire project is proposed to be located between these two projects.

3.7 The children residing at the Reading Park Apartments attend Meyer Elementary School. The Meyer school staff has consistently claimed over a period of time that the Reading Park students go through a "revolving door." Families qualify for eligibility requirements to move in Reading Park and two months later are moved out because they can not pay the rent. If they get a better job, they are no longer eligible and have to move.

3.8 On Monday, February 26, 2007, I personally visited with the site manager of Reading Park, Kim Mins. She indicated that there were 20 vacancies at that moment because they had just moved out 17 renters. Can't pay the rent. This phenomenon impacts our schools. Affordable housing??? Do the math!!!

4.1 Reference is made to Exhibit #7. This information was recently presented to the Rosenberg City Council by the president of the Lamar Consolidated ISD Board of Trustees, Michael Richard. On the basis of this data, it is predicted that the Lakes of Goldshire project will cost the school district almost $300,000 a year of local tax dollars at today's cost for all time to come while the Lakes of Goldshire project reaps tax credits of over 6 million dollars over a ten year period and the number of Low SES students continue to increase in our schools.

5.1 Reference is made to the TDHCA requirement of a certification or a letter that the Lakes of Goldshire project is consistent with the consolidated or comprehensive plan of the local municipality. **It is noted that the local municipality is in fact the City of Rosenberg and not Fort Bend County in the case of the Lakes of Goldshire project. It is petitioned that the TDHCA Board not waive any QAP Rules and uphold the intent of QAP Sections 49.12(b) and 49.9(h)(7)(B) regarding the appropriate local municipal authority.**

WOLVERINE PROPERTY MANAGEMENT, L.L.C.
Real Estate Management & Investments
4320 Katy Hockley Road
Katy, Texas 77493
Ph: (281) 391-9252 Fax: (281) 391-9391

February 20, 2007

Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471

Dear Dan,

As you know, my company owns and manages almost 700 apartment units at five separate apartment complexes in the cities of Richmond/Rosenberg.

We are adamantly opposed to the Rosenberg "Lake of Goldshire" apartment development that the Texas Department of Housing and Community Affairs is considering granting tax credits to. There is an abundance of low-income housing already existing in the area. Our rents at our complexes (literally across the street from the proposed development) are lower than the planned rents of the new development by Goldshire. Why then do we need more low income apartments? We also have at the present time almost 100 of our units vacant. Surely the tax funds spent on the proposed apartments could be put to a better use in other deserving areas in the state of Texas.

Yours truly,

John P. Boerschig

EXHIBIT #4

Richmond/Rosenberg Vacancies
January 2007

Mustang Crossing Apartments #10*
1800 Mustang Drive, Richmond, TX 77469

Quantity	Type	Per Unit Market Rent	Total Market Rent
8	1X1, 535 sq. ft.	$ 350.00	$ 2,800.00
35	1X1 & 1TH	$ 475.00	$ 16,625.00
16	2X1-2	$ 575.00	$ 9,200.00
6	3X2	$ 650.00	$ 3,900.00
65			$ 32,525.00

Lamar Park Apartments #8*
1800 FM 1640, Richmond, TX 77469

Quantity	Type	Per Unit Market Rent	Total Market Rent
8	1X1	$ 465.00	$ 3,720.00
13	2X1, 1.5, 2	$ 575.00	$ 7,475.00
6	3X2	$ 645.00	$ 3,870.00
27			$ 15,065.00

Town & Country Apartments #13*
2111 Thompson Highway, Richmond, TX 77469

Quantity	Type	Per Unit Market Rent	Total Market Rent
1	1X1	$ 475.00	$ 475.00
2	2X1, 1.5, 2	$ 550.00	$ 1,100.00
3			$ 1,575.00

Rocky Falls Apartments N/A
1930 Rocky Falls Road, Richmond, TX 77469

Quantity	Type	Per Unit Market Rent	Total Market Rent
6	1X1	$ 385.00	$ 2,310.00
6			$ 2,310.00

Murray Hill Apartments #9*
819 Lane Drive, Rosenberg, TX 77471

Quantity	Type	Per Unit Market Rent	Total Market Rent
7	1X1	$ 430.00	$ 3,010.00
8	2X1, 1.5, 2	$ 530.00	$ 4,240.00
15			$ 7,250.00

* SEE EXHIBIT #2

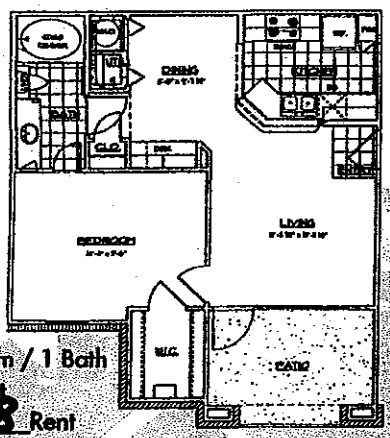
EXHIBIT #5

READING PARK APARTMENT HOMES

5525 Reading Road
Rosenberg, Texas 77471
(281) 342-8822
Fax (281) 344-8811
Email: readingpark@sbcglobal.net

Minimum Income

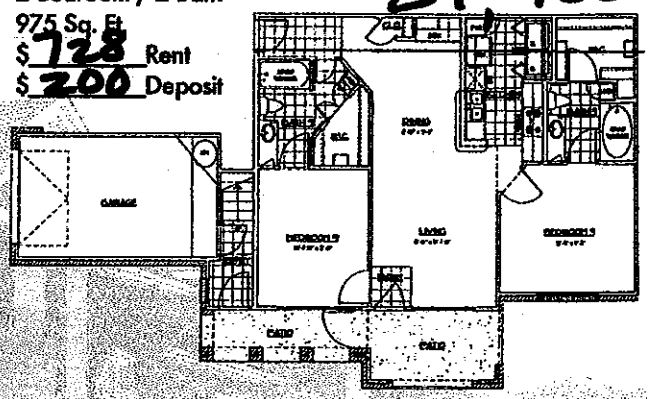
18,210



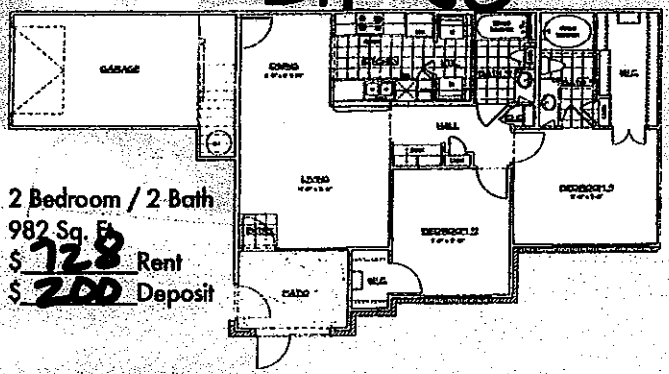
1 Bedroom / 1 Bath
684 Sq. Ft.
$ 408 Rent
$ 100 Deposit

2 Bedroom / 2 Bath
975 Sq. Ft.
$ 728 Rent
$ 200 Deposit

21,480



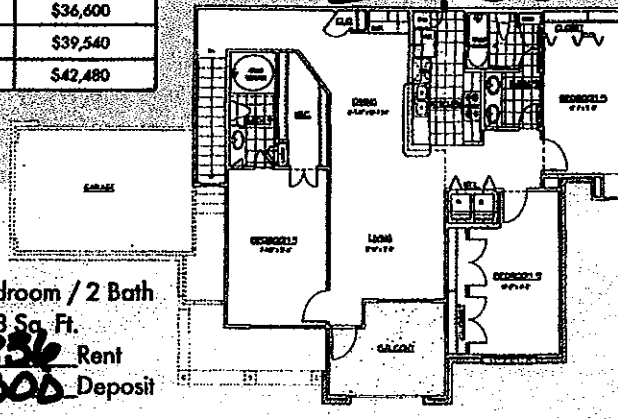
21,480



2 Bedroom / 2 Bath
982 Sq. Ft.
$ 728 Rent
$ 200 Deposit

Maximum Annual Income			
# of Persons	Annual Income	# of Persons	Annual Income
1	$25,620	4	$36,600
2	$29,280	5	$39,540
3	$32,940	6	$42,480

25,080



3 Bedroom / 2 Bath
1,288 Sq. Ft.
$ 836 Rent
$ 300 Deposit

EXHIBIT #6

Rosenberg Apartment Information October 30, 2006

- The position of Lamar CISD is to deny a tax reduction or exemption by resolution, as allowed by law, due to the enormous financial impact of multi-family housing.

- The average student ratio per occupied multi-family unit in LCISD is 0.44.

- The highest ratio of students per occupied apartment unit was found in Rosenberg. (Falcon Pointe @.99; Victoria Gardens @.67; Reading Park @.65; Mustang Apartments@.63)
  - 823 total units represented by these 4 apartment units

- Cost analysis using Mustang Apartments
  - Net cost to educate .63 students in 307 units (193.41 students) is $404,807.13.
    - Expenditures costs based on local cost per student of $2,093.00.
  - Anticipated revenue from M & O taxes from Mustang Apartments is $59,998.95.
  - Net cost to the district is $344,808.18. ($344,808.18)

- Approximately 3,320 total apartment units within LCISD are occupied, with 1,422 students residing in apartments (Information from March 2006 Demographic Report).

- Currently there are 3,623 apartment units available within LCISD with 2,244 of those located in Rosenberg.

- The 2000 US Census noted a total of 3,407 renter-occupied housing units which was 42.9% for Rosenberg while the US percentage was 33.8%.

EXHIBIT #7

6.1 Reference is made to Exhibit #8 which is an editorial published recently in the Fort Bend Herald, a local newspaper in Rosenberg. The actual 2000 Census percentage of rental housing for Rosenberg was 43 % while the national average was 32 %. There is no doubt that the Rosenberg percentage has moved closer to 50% over the last six years. The actual number of police calls to two nearby multi-family complexes was 384 within the 2005 calendar year.

7.1 Please know and understand that the Lakes of Goldshire has not initiated any effort whatsoever to develop and present a written rationale supporting the need for the project at the proposed location. The developer has refused to move forward with the details of the project to the City Planning and Zoning Commission as required except to approve a plat. There are some significant issues to be resolved by the P&Z Commission and the Texas Department of Transportation that may affect the project in a way that would not be in the best interest of residents… (Like ingress and egress from and into a major state five lane thoroughfare and a major boulevard intersection; the need for highway noise barriers, the issue of drainage and detention/retention ponds; and factors related to the safety of children, etc.)…The developer does not have any excuse in not meeting a bond allocation deadline of Jan 14. Such was not due to any issues beyond their control. The developer should be required to substantiate the specific facts regarding this issue in order to make this claim.

8.1 Now, it is duly prayed that the TDHCA Board use its' discretionary authority as per QAP 49.10(a)(2)(H) – the anticipated impact on local school districts, to deny the application of the Lakes of Goldshire for housing tax credits on behalf of the economically disadvantaged students who will suffer educationally by more low income housing in an area that is already inundated by low rental housing and Low SES children. Thank you for your time to read and consider the merits of this submittal.

Submitted by,

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496 hm
281-302-5927 cell
msdives@sbcglobal.net

Note:
Attachments A-G are provided as verification of information presented in Exhibit #1.

Fort Bend Herald
and Texas Coaster
Tuesday, February 13, 2007 • Page 4

Dan Ives is on the march

Former superintendent addresses apartments, safety

For the past couple of months, former Lamar CISD superintendent Dr. Dan Ives has been a regular speaker at Rosenberg City Council meetings, and his addresses to council have not been limited to one topic, either.

So what's with Dan Ives?

I asked him that question Monday afternoon, and his reply was short at first, and then, as Ives is inclined to do, he illustrated his point to its fullest potentiality.

"Kids," Ives listed as his first and foremost concern. Being in the education business most of his life, kids are understandably still close to his heart.

The latest push is his effort to limit the number of apartment complexes allowed in the city of Rosenberg. Some see his drive as an attack on housing for low-income families; Ives sees it the other way around.

"Seventy-five percent of the children in Rosenberg are on the meal programs at school," he said, noting their low socioeconomic status. "Why would we want to impact them with more apartments?"

Ives placed on my desk a copy of a plat of yet another apartment, showing that it calls for 198 units just down the street from our offices on Fourth Street in Rosenberg. If they are approved, they'll be like bookends for us here because someone is building "luxury townhomes" on a couple of acres to our north as well.

Bob Haenel

When the census was conducted in 2000, almost 50 percent of all housing units in Rosenberg were rental units. Take a look around. How many more rental units have been added since then? I believe the average percentage of apartments/rental units in a community on a national basis is about 32 percent. I'm sure we're well ahead of that average, and I'm not just talking about apartments, either. Rent houses are in the mix as well.

Apartments, as Ives has illustrated in his presentations to council, have been sprouting in all sectors of the community, and more are on the horizon.

"And we all know what happens to apartments in 15 years," he quipped.

One of his latest crusades calls for apartment owners to help foot the bill for security in and around apartment complexes in town.

Ives wants new complexes with 10 or more units to be gated with a security guard on the grounds. Existing complexes would be required to have the same security on a permanent basis based on the number of previous police calls to the complex.

Ives believes the crime rate would go down not only in the city, but at the complexes themselves. The winners would be the residents in the complexes as well as residents throughout the city. If the additional security hampered crime, the police department would get a break as well.

He says part of this request is driven by personal experience from an apartment complex near his neighborhood, as well as a duplex complex in the vicinity. His research shows 350 police calls to these areas over a relatively short period of time.

"I think it's the (apartment complex) owner's responsibility to help with the security," he said.

Benefits are plentiful, he said. Juvenile delinquency numbers would drop; fewer calls for police would be required; and everyone would feel much safer.

"What's the down side to all that?" he asked.

Anyone who knows Ives knows his tireless approach to projects he takes on makes the Energizer bunny look like a wimp.

Just ask him about the city's aging comprehensive plan, which he says hasn't been updated since 1996. Then again, don't get him started.

EXHIBIT #8

ATTACHMENTS A-G

Lamar CISD – Student Data
Peims Edit – Reports Data Review
2006-2007 Fall Collection (Oct. 27 Snapshot)
Texas Education Agency
Dated Jan. 11, 2007

A Bowie Elementary
B Jackson Elementary
C Meyer Elementary
D Ray Elementary
E Travis Elementary
F Long Elementary
G Smith Elementary

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901102 - BOWIE ELEMENTARY

TOTAL ENROLLMENT 624

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	7	1.12%
PRE-KINDERGARTEN	76	12.18%
KINDERGARTEN	92	14.74%
GRADE 1	107	17.15%
GRADE 2	84	13.46%
GRADE 3	89	14.26%
GRADE 4	88	14.10%
GRADE 5	81	12.98%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	624	100.00%

ENROLLMENT BY SEX		
MALE	309	49.52%
FEMALE	315	50.48%
TOTAL	624	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	7	1.12%
"1" ELIGIBLE FOR FULL DAY	535	85.74%
"2" ELIGIBLE FOR HALF DAY	75	12.02%
"3" TRANSFER FOR FULL DAY	6	0.96%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	1	0.16%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	624	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	7	1.12%
"6" ATTENDS SCHOOL WIDE	617	98.88%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	624	100.00%

LEP	215	34.46%
IMMIGRANT	10	1.60%
ECONOMIC DISADVANTAGE	504	80.77%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	1	0.16%	0.16%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	26	4.17%	4.17%
HISPANIC	535	85.74%	85.74%
WHITE	62	9.94%	9.94%
TOTAL	624	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	1	0.20%	0.16%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	23	4.56%	3.69%
HISPANIC	455	90.28%	72.92%
WHITE	25	4.96%	4.01%
TOTAL	504	100.00%	80.77%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	1	0.27%	0.16%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	11	2.96%	1.76%
HISPANIC	344	92.72%	55.13%
WHITE	15	4.04%	2.40%
TOTAL	371	100.00%	59.46%

BILINGUAL		% of Group	% of Enrolled
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	121	100.00%	19.39%
WHITE	0	0.00%	0.00%
TOTAL	121	100.00%	19.39%

ESL			
AM INDIAN/ALASKAN	1	1.09%	0.16%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	91	98.91%	14.58%
WHITE	0	0.00%	0.00%
TOTAL	92	100.00%	14.74%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	17	73.91%	2.72%
WHITE	6	26.09%	0.96%
TOTAL	23	100.00%	3.69%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	5	7.35%	0.80%
HISPANIC	54	79.41%	8.65%
WHITE	9	13.24%	1.44%
TOTAL	68	100.00%	10.90%

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901118 - JACKSON ELEMENTARY

TOTAL ENROLLMENT 395

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	10	2.53%
PRE-KINDERGARTEN	37	9.37%
KINDERGARTEN	62	15.70%
GRADE 1	67	16.96%
GRADE 2	66	16.71%
GRADE 3	51	12.91%
GRADE 4	57	14.43%
GRADE 5	45	11.39%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	395	100.00%

ENROLLMENT BY SEX		
MALE	201	50.89%
FEMALE	194	49.11%
TOTAL	395	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	2	0.51%
"1" ELIGIBLE FOR FULL DAY	354	89.62%
"2" ELIGIBLE FOR HALF DAY	38	9.62%
"3" TRANSFER FOR FULL DAY	1	0.25%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	395	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	2	0.51%
"6" ATTENDS SCHOOL WIDE	393	99.49%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	395	100.00%

LEP	149	37.72%
IMMIGRANT	2	0.51%
ECONOMIC DISADVANTAGE	337	85.32%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	2	0.51%	0.51%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	38	9.62%	9.62%
HISPANIC	345	87.34%	87.34%
WHITE	10	2.53%	2.53%
TOTAL	395	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	1	0.30%	0.25%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	31	9.20%	7.85%
HISPANIC	300	89.02%	75.95%
WHITE	5	1.48%	1.27%
TOTAL	337	100.00%	85.32%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	2	0.78%	0.51%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	19	7.45%	4.81%
HISPANIC	233	91.37%	58.99%
WHITE	1	0.39%	0.25%
TOTAL	255	100.00%	64.56%

BILINGUAL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	84	100.00%	21.27%
WHITE	0	0.00%	0.00%
TOTAL	84	100.00%	21.27%

ESL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	64	100.00%	16.20%
WHITE	0	0.00%	0.00%
TOTAL	64	100.00%	16.20%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	1	7.14%	0.25%
HISPANIC	13	92.86%	3.29%
WHITE	0	0.00%	0.00%
TOTAL	14	100.00%	3.54%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	2	3.92%	0.51%
HISPANIC	44	86.27%	11.14%
WHITE	5	9.80%	1.27%
TOTAL	51	100.00%	12.91%

PEIMS EDIT+ REPORTS DATA REVIEW
Disaggregation of PEIMS Student Data
2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901112 - MEYER ELEMENTARY

TOTAL ENROLLMENT 642

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	14	2.18%
PRE-KINDERGARTEN	34	5.30%
KINDERGARTEN	99	15.42%
GRADE 1	104	16.20%
GRADE 2	103	16.04%
GRADE 3	91	14.17%
GRADE 4	96	14.95%
GRADE 5	101	15.73%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	642	100.00%

ENROLLMENT BY SEX		
MALE	329	51.25%
FEMALE	313	48.75%
TOTAL	642	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	3	0.47%
"1" ELIGIBLE FOR FULL DAY	597	92.99%
"2" ELIGIBLE FOR HALF DAY	40	6.23%
"3" TRANSFER FOR FULL DAY	2	0.31%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	642	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	15	2.34%
"6" ATTENDS SCHOOL WIDE	627	97.66%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	642	100.00%

LEP	92	14.33%
IMMIGRANT	4	0.62%
ECONOMIC DISADVANTAGE	438	68.22%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	1	0.16%	0.16%
ASIAN/PACIFIC ISLAND	5	0.78%	0.78%
BLACK	94	14.64%	14.64%
HISPANIC	418	65.11%	65.11%
WHITE	124	19.31%	19.31%
TOTAL	642	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	0.23%	0.16%
BLACK	77	17.58%	11.99%
HISPANIC	315	71.92%	49.07%
WHITE	45	10.27%	7.01%
TOTAL	438	100.00%	68.22%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	1	0.34%	0.16%
ASIAN/PACIFIC ISLAND	2	0.68%	0.31%
BLACK	40	13.56%	6.23%
HISPANIC	211	71.53%	32.87%
WHITE	41	13.90%	6.39%
TOTAL	295	100.00%	45.95%

BILINGUAL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ESL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	91	100.00%	14.17%
WHITE	0	0.00%	0.00%
TOTAL	91	100.00%	14.17%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	2	7.69%	0.31%
BLACK	0	0.00%	0.00%
HISPANIC	15	57.69%	2.34%
WHITE	9	34.62%	1.40%
TOTAL	26	100.00%	4.05%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	1.10%	0.16%
BLACK	12	13.19%	1.87%
HISPANIC	51	56.04%	7.94%
WHITE	27	29.67%	4.21%
TOTAL	91	100.00%	14.17%

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901109 - TAYLOR RAY ELEMENTARY

TOTAL ENROLLMENT 673

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	6	0.89%
PRE-KINDERGARTEN	70	10.40%
KINDERGARTEN	114	16.94%
GRADE 1	115	17.09%
GRADE 2	124	18.42%
GRADE 3	76	11.29%
GRADE 4	81	12.04%
GRADE 5	87	12.93%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	673	100.00%

ENROLLMENT BY SEX		
MALE	344	51.11%
FEMALE	329	48.89%
TOTAL	673	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	6	0.89%
"1" ELIGIBLE FOR FULL DAY	589	87.52%
"2" ELIGIBLE FOR HALF DAY	70	10.40%
"3" TRANSFER FOR FULL DAY	8	1.19%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	673	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	4	0.59%
"6" ATTENDS SCHOOL WIDE	669	99.41%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	673	100.00%

LEP	181	26.89%
IMMIGRANT	21	3.12%
ECONOMIC DISADVANTAGE	499	74.15%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	1	0.15%	0.15%
ASIAN/PACIFIC ISLAND	1	0.15%	0.15%
BLACK	47	6.98%	6.98%
HISPANIC	519	77.12%	77.12%
WHITE	105	15.60%	15.60%
TOTAL	673	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	1	0.20%	0.15%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	36	7.21%	5.35%
HISPANIC	421	84.37%	62.56%
WHITE	41	8.22%	6.09%
TOTAL	499	100.00%	74.15%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	1	0.25%	0.15%
ASIAN/PACIFIC ISLAND	1	0.25%	0.15%
BLACK	23	5.85%	3.42%
HISPANIC	330	83.97%	49.03%
WHITE	38	9.67%	5.65%
TOTAL	393	100.00%	58.40%

BILINGUAL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	1	0.84%	0.15%
HISPANIC	118	99.16%	17.53%
WHITE	0	0.00%	0.00%
TOTAL	119	100.00%	17.68%

ESL			
AM INDIAN/ALASKAN	1	1.61%	0.15%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	60	96.77%	8.92%
WHITE	1	1.61%	0.15%
TOTAL	62	100.00%	9.21%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	13	54.17%	1.93%
WHITE	11	45.83%	1.63%
TOTAL	24	100.00%	3.57%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	1	1.02%	0.15%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	6	6.12%	0.89%
HISPANIC	72	73.47%	10.70%
WHITE	19	19.39%	2.82%
TOTAL	98	100.00%	14.56%

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901108 - TRAVIS ELEMENTARY

TOTAL ENROLLMENT 725

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	9	1.24%
PRE-KINDERGARTEN	56	7.72%
KINDERGARTEN	110	15.17%
GRADE 1	124	17.10%
GRADE 2	113	15.59%
GRADE 3	113	15.59%
GRADE 4	105	14.48%
GRADE 5	95	13.10%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	725	100.00%

ENROLLMENT BY SEX		
MALE	351	48.41%
FEMALE	374	51.59%
TOTAL	725	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	9	1.24%
"1" ELIGIBLE FOR FULL DAY	660	91.03%
"2" ELIGIBLE FOR HALF DAY	55	7.59%
"3" TRANSFER FOR FULL DAY	1	0.14%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	725	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	7	0.97%
"6" ATTENDS SCHOOL WIDE	718	99.03%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	725	100.00%

LEP	165	22.76%
IMMIGRANT	15	2.07%
ECONOMIC DISADVANTAGE	520	71.72%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	3	0.41%	0.41%
ASIAN/PACIFIC ISLAND	3	0.41%	0.41%
BLACK	65	8.97%	8.97%
HISPANIC	557	76.83%	76.83%
WHITE	97	13.38%	13.38%
TOTAL	725	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	3	0.58%	0.41%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	53	10.19%	7.31%
HISPANIC	427	82.12%	58.90%
WHITE	37	7.12%	5.10%
TOTAL	520	100.00%	71.72%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	2	0.51%	0.28%
ASIAN/PACIFIC ISLAND	1	0.26%	0.14%
BLACK	35	8.93%	4.83%
HISPANIC	322	82.14%	44.41%
WHITE	32	8.16%	4.41%
TOTAL	392	100.00%	54.07%

BILINGUAL			
AM INDIAN/ALASKAN	1	1.02%	0.14%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	97	98.98%	13.38%
WHITE	0	0.00%	0.00%
TOTAL	98	100.00%	13.52%

ESL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	63	100.00%	8.69%
WHITE	0	0.00%	0.00%
TOTAL	63	100.00%	8.69%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	2	7.14%	0.28%
BLACK	1	3.57%	0.14%
HISPANIC	16	57.14%	2.21%
WHITE	9	32.14%	1.24%
TOTAL	28	100.00%	3.86%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	1	1.64%	0.14%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	2	3.28%	0.28%
HISPANIC	43	70.49%	5.93%
WHITE	15	24.59%	2.07%
TOTAL	61	100.00%	8.41%

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901105 - JANE LONG ELEMENTARY

TOTAL ENROLLMENT 497

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	30	6.04%
PRE-KINDERGARTEN	55	11.07%
KINDERGARTEN	87	17.51%
GRADE 1	85	17.10%
GRADE 2	64	12.88%
GRADE 3	69	13.88%
GRADE 4	51	10.26%
GRADE 5	56	11.27%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	497	100.00%

ENROLLMENT BY SEX		
MALE	274	55.13%
FEMALE	223	44.87%
TOTAL	497	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	23	4.63%
"1" ELIGIBLE FOR FULL DAY	418	84.10%
"2" ELIGIBLE FOR HALF DAY	55	11.07%
"3" TRANSFER FOR FULL DAY	1	0.20%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	497	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	26	5.23%
"6" ATTENDS SCHOOL WIDE	471	94.77%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	497	100.00%

LEP	98	19.72%
IMMIGRANT	4	0.80%
ECONOMIC DISADVANTAGE	397	79.88%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	0.20%	0.20%
BLACK	81	16.30%	16.30%
HISPANIC	332	66.80%	66.80%
WHITE	83	16.70%	16.70%
TOTAL	497	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	0.25%	0.20%
BLACK	66	16.62%	13.28%
HISPANIC	288	72.54%	57.95%
WHITE	42	10.58%	8.45%
TOTAL	397	100.00%	79.88%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	0.34%	0.20%
BLACK	44	15.12%	8.85%
HISPANIC	212	72.85%	42.66%
WHITE	34	11.68%	6.84%
TOTAL	291	100.00%	58.55%

BILINGUAL		% of Group	% of Enrolled
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	38	100.00%	7.65%
WHITE	0	0.00%	0.00%
TOTAL	38	100.00%	7.65%

ESL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	59	100.00%	11.87%
WHITE	0	0.00%	0.00%
TOTAL	59	100.00%	11.87%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	1	5.00%	0.20%
HISPANIC	11	55.00%	2.21%
WHITE	8	40.00%	1.61%
TOTAL	20	100.00%	4.02%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	7	11.29%	1.41%
HISPANIC	36	58.06%	7.24%
WHITE	19	30.65%	3.82%
TOTAL	62	100.00%	12.47%

PEIMS EDIT+ REPORTS DATA REVIEW

Disaggregation of PEIMS Student Data

2006 - 2007 Fall Collection, Resubmission

Filename: F7079901
District: 079901 - LAMAR CISD
Campus: 079901107 - SMITH ELEMENTARY

TOTAL ENROLLMENT 642

ENROLLMENT BY GRADE		% of Enrolled
EARLY EDUCATION	6	0.93%
PRE-KINDERGARTEN	61	9.50%
KINDERGARTEN	87	13.55%
GRADE 1	128	19.94%
GRADE 2	79	12.31%
GRADE 3	84	13.08%
GRADE 4	87	13.55%
GRADE 5	110	17.13%
GRADE 6	0	0.00%
GRADE 7	0	0.00%
GRADE 8	0	0.00%
GRADE 9	0	0.00%
GRADE 10	0	0.00%
GRADE 11	0	0.00%
GRADE 12	0	0.00%
TOTAL	642	100.00%

ENROLLMENT BY SEX		
MALE	338	52.65%
FEMALE	304	47.35%
TOTAL	642	100.00%

ADA ELIGIBILITY		
"0" NO CODE, NOT IN SCHOOL	6	0.93%
"1" ELIGIBLE FOR FULL DAY	571	88.94%
"2" ELIGIBLE FOR HALF DAY	61	9.50%
"3" TRANSFER FOR FULL DAY	4	0.62%
"4" INELIGIBLE FOR FULL DY	0	0.00%
"5" INELIGIBLE FOR HALF DY	0	0.00%
"6" TRANSFER FOR HALF DAY	0	0.00%
TOTAL	642	100.00%

TITLE 1, PART A		
"0" DOES NOT PARTICIPATE	6	0.93%
"6" ATTENDS SCHOOL WIDE	636	99.07%
"7" ATTENDS AND PARTICIPAT	0	0.00%
"8" PREVIOUSLY PARTICIPATE	0	0.00%
"9" HOMELESS RECEIVING SRV	0	0.00%
TOTAL	642	100.00%

LEP	237	36.92%
IMMIGRANT	12	1.87%
ECONOMIC DISADVANTAGE	495	77.10%

ENROLLMENT BY ETHNICITY		% of Group	% of Enrolled
AM INDIAN/ALASKAN	2	0.31%	0.31%
ASIAN/PACIFIC ISLAND	6	0.93%	0.93%
BLACK	130	20.25%	20.25%
HISPANIC	445	69.31%	69.31%
WHITE	59	9.19%	9.19%
TOTAL	642	100.00%	100.00%

MIGRANTS			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

ELIGIBLE FOR FREE OR REDUCED-PRICE MEAL			
AM INDIAN/ALASKAN	1	0.20%	0.16%
ASIAN/PACIFIC ISLAND	3	0.61%	0.47%
BLACK	104	21.01%	16.20%
HISPANIC	378	76.36%	58.88%
WHITE	9	1.82%	1.40%
TOTAL	495	100.00%	77.10%

OTHER ECON DISADV			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

AT RISK			
AM INDIAN/ALASKAN	1	0.25%	0.16%
ASIAN/PACIFIC ISLAND	3	0.74%	0.47%
BLACK	55	13.58%	8.57%
HISPANIC	333	82.22%	51.87%
WHITE	13	3.21%	2.02%
TOTAL	405	100.00%	63.08%

BILINGUAL		% of Group	% of Enrolled
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	169	100.00%	26.32%
WHITE	0	0.00%	0.00%
TOTAL	169	100.00%	26.32%

ESL			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	3	5.00%	0.47%
BLACK	2	3.33%	0.31%
HISPANIC	55	91.67%	8.57%
WHITE	0	0.00%	0.00%
TOTAL	60	100.00%	9.35%

GIFTED AND TALENTED			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	3	11.11%	0.47%
BLACK	4	14.81%	0.62%
HISPANIC	11	40.74%	1.71%
WHITE	9	33.33%	1.40%
TOTAL	27	100.00%	4.21%

CAREER AND TECHNOLOGY			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	0	0.00%	0.00%
BLACK	0	0.00%	0.00%
HISPANIC	0	0.00%	0.00%
WHITE	0	0.00%	0.00%
TOTAL	0	0.00%	0.00%

SPECIAL EDUCATION			
AM INDIAN/ALASKAN	0	0.00%	0.00%
ASIAN/PACIFIC ISLAND	1	1.96%	0.16%
BLACK	15	29.41%	2.34%
HISPANIC	29	56.86%	4.52%
WHITE	6	11.76%	0.93%
TOTAL	51	100.00%	7.94%

Ms. Robbye Meyer
Acting Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O.Box 13941
Austin, Texas 78711-3941

March 30, 2007

Received
APR - 3 2007
060429

Re: Opposition to Tax Credit Development
Lakes of Goldshire - Rosenberg

Dear Ms. Meyer:

This additional submittal is forwarded to you to claim and insure that previous action by the TDHCA Board on November 9, 2006 approving the Lakes of Goldshire by waiving two QAP rules should not be locked in stone and should not be allowed to carry over to the current application for tax credits in 2007. Action on the Lakes of Goldshire project at the April 12 TDHCA Board meeting should stand on the merits of a 2007 application requiring a certification or letter of consistency with the consolidated or comprehensive plan of the local municipality, which is the City of Rosenberg not Fort Bend County. The following information is presented to refresh and clarify the issues regarding this matter.

Re: TDHCA Board meeting - November 9, 2006

1.1 A Lakes of Goldshire representative presented a position that misinterpreted TDHCA rules and submitted a certification not applicable to a project that is located in a local municipality. On the basis of such representation, TDHCA rules were waived and the project was approved. It is noted that such action was in conflict with the position of TDHCA Administrator Gerber and TDHCA Legal Counsel Hamby as per the attached excerpt from the transcript of the November 9 TDHCA Board meeting. (See Pencil Notes #1, #2, & #3, Attachment A.1-10) It is also pointed out that the TDHCA staff previously had recommended in the Board agenda, which had been posted on the TDHCA web site, that the Lakes of Goldshire application be denied.

1.2 Reference is made to the "Certification of Consistency with the Consolidated Plan" (Exhibit #1) by the Fort Bend County Community Development Department Director which was not timely submitted by the Lakes of Goldshire under TDHCA rules. If such document had been properly and timely submitted, it would have been included in the Board agenda and posted for seven days on the TDHCA web site which would have allowed the City of Rosenberg or the general public an opportunity to dispute this "backdoor" approach to circumvent TDHCA rules.

1.3 It is further noted that the Consolidated Plan of the Fort Bend County Development Department supports only the (1) Community Development Block Grant Program, (2) Home Program, (3) American Dream Downpayment Initiative Program and (4) Emergency Shelter Grant Program. (See Exhibit #2)

COMMUNITY DEVELOPMENT

Fort Bend County, Texas

Marilynn Kindell
Director

(281) 341-4410
Fax (281) 341-3762

Certification of Consistency with the Consolidated Plan

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's approved Consolidated Plan.

Applicant Name: NS Lakes of Goldshire, LP

Project Name: Lakes of Goldshire Townhomes

Location of the Project: FM 1640 at Reading Road, Rosenberg, Texas

Name of the Federal/State Program to which the applicant is applying: Texas Low Income Housing Tax Credit Program

Note *

Name of Certifying Jurisdiction: Fort Bend County, Texas

Certifying Official of the Jurisdiction Name: Marilynn Kindell

Title: Fort Bend County Community Development Department Director

Signature: Marilynn Kindell

Date: November 8, 2006.

certification of consistency with the consolidated plan

Exhibit #1

FORT BEND COUNTY

FY 2005
CONSOLIDATED PLAN

SEPTEMBER 1, 2005 - AUGUST 31, 2010

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
HOME PROGRAM
AMERICAN DREAM DOWNPAYMENT INITIATIVE PRORGRAM
EMERGENCY SHELTER GRANT PROGRAM

COMMUNITY DEVELOPMENT DEPARTMENT
4520 Reading Road, Suite A
Rosenberg, Texas 77471
(281) 341-4410

Exhibit #2

2.1 In such respect, **The 2006 Housing Tax Credit Program Qualified Allocation Plan (QAP) and Rules** are cited as follows:

2.2 As per 50.12(b):

Section 50.12. Tax-Exempt Bond Developments: Filing of Applications; Applicability of Rules; Supportive Services; Financial feasibility Evaluation; Satisfaction of Requirements.
(b) Applicability of Rules for Tax-Exempt Bond Developments. Tax-Exempt Bond Development Applications are subject to all rules in this title, with only the exceptions being the following sections: 50.4, 50.7, 50.8, 50.9(i), 50.10(b) and (c), and 50.14(a) and (b) of this title. Such Developments requesting a Determination Notice in the current calendar year must meet all Threshold Criteria requirements stipulated in 50.9(h) of this title. Such Developments which received a Determination Notice in a prior calendar year must meet all Threshold Criteria stipulated in the QAP and Rules in effect for the calendar year in which the Determination Notice was issued; provided, however that such Developments shall comply with all procedural requirements for obtaining Department action in the current QAP and Rules; and such other requirements of the QAP and Rules as the Department determines applicable. Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan. ---------Remaining paragraph wording does not appear to be an issue in dispute in regard to the Lakes of Goldshire application by the applicant or this complainant. Underlining/emphasis added.

2.3 The above QAP paragraph referenced by TDHCA Administrator Gerber in the November 9 Board meeting transcript (Attachment A.1) unequivocally states that the Board would be waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality, per section 50.12(b) of the 2006 QAP. Please see paragraphs 2.6 and 2.7 below reflecting on this mandatory requirement.

2.4 In respect to the above clause in paragraph 2.2, **"Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan,"** it is contended that the local municipality is the City of Rosenberg not Fort Bend County and that any participation by the City of Rosenberg in the Fort Bend County's Consolidated Plan is relevant to only the four programs noted above in paragraph 1.3.

2.5 It is beyond the most liberal legal imagination that such clause can be interpreted to supplant the mandatory requirements of the QAP as per 50.9h)(7)(B) noted in 50.12(b) above and override the local municipality. If it is deemed such in the matter of the Lakes of Goldshire, then TDHCA has a public responsibility to request an opinion by the Texas Attorney General to clear up this matter.

2.6 As per 50.9(h)(7)(B):

Section 50.9(h) Threshold Criteria. The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
(7) Evidence of readiness to proceed as evidenced by at least one of the items under each of subparagraphs (A)–(D) of this paragraph:
(B) Evidence from the appropriate local municipal authority that satisfies one of clauses (i) – (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared not more than 6 months prior to the close of the Application Acceptance Period (2306.6705(5)).

(i) A letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance; the letter must also state that the Development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan, comprehensive plan, or other local planning document; or is no such planning document exists, then the letter from the local municipal authority must state that there is a need for affordable housing.

(ii) A letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that:

(I) (Paraphrased) There is no zoning requirement.

(II) (Paraphrased) Applicant is in the process of seeking appropriate zoning etc. (N/A)

(iii) (Paraphrased) In the case of a Rehabilitation Development etc. (Not Applicable)

Underlining/emphasis added

2.7 In response, it is contended that the above section and paragraphing of TDHCA rules clearly delineates the mandatory time requirements and authority of the local municipality. There are no references to the need of affordable housing in the Comprehensive Plan of the City of Rosenberg adopted in 1995 which is still in effect. If it was deemed that such document was out of date and not a qualified reference document, then a letter is required from the local municipal authority stating that there was a need for affordable housing.....It Didn't Happen!....***Why would a municipality approve a resolution (Exhibit #3) and submit it to TDHCA that opposed the application by the Lakes of Goldshire for tax credits, then turn around and provide evidence of the need for affordable housing as a requirement for tax credit approval???***

It is recognized that the TDHCA Board exercised its' discretionary authority to waive rules to originally approve the application for tax credits by the Lakes of Goldshire on November 9, 2006. Now, TDHCA Board has the responsibility to appropriately and legally set the record straight for all concerned by denying the Lakes of Goldshire application in 2007.

Submitted By:

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496 hm
281-302-5927 cell
msdives@sbcglobal.net

cc.
Senator Glenn Hegar

RESOLUTION R-724

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSENBERG, TEXAS, OPPOSING THE APPLICATION OF NS LAKES OF GOLDSHIRE, LP, TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR HOUSING TAX CREDITS FOR THE LAKES OF GOLDSHIRE TOWNHOMES, ROSENBERG, FORT BEND COUNTY, TEXAS.

WHEREAS, the City of Rosenberg is located in Fort Bend County, Texas, one the fastest growing counties in the United States; and

WHEREAS, the new growth and residential developments within the City provide a variety of housing opportunities for Rosenberg citizens which have satisfied the need for affordable rental housing; and

WHEREAS, the granting of a credit, a reduction, or an exemption from taxation for a multifamily residential development is not necessary to attract new residential developments to the City; and

WHEREAS, the City of Rosenberg wishes to take a public position on the application of NS Lakes of Goldshire, LP (the "Developer), to the Texas Department of Housing and Community Affairs for Housing Tax Credits regarding a proposed multifamily residential development generally located at the south side of FM 1640 between Reading Road and Lamar Drive in Rosenberg, Texas (the "Proposed Project"); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council of the City of Rosenberg finds and determines that there is an adequate number of affordable housing units within the City of the type proposed in the application of NS Lakes of Goldshire, LP, to the Texas Department of Housing and Community Affairs, and that no additional units are necessary.

Section 3. The City Council of the City of Rosenberg finds that there is no need to provide tax credits or other financial incentives to encourage additional affordable housing units within the City.

Section 4. The City of Rosenberg does hereby decree its opposition to the Proposed Project. The City Secretary is directed to cause copies of this Resolution to be sent to the Developer and to the Texas Department of Housing and Community Affairs.

READ, PASSED, AND APPROVED at a regular meeting of the City Council of the City of Rosenberg the 11th day of December 2006.

ATTEST:

Linda Cernosek

Linda Cernosek, CPS, TRMC
City Secretary

APPROVED:

Joe M. Gurecky

Joe M. Gurecky
Mayor

Exhibit #3

ATTACHMENT A.1

Excerpted Transcript of a Board Meeting on November 9, 2006 of the Texas Department of Housing and Community Affairs Regarding the Lakes of Goldshire Tax Credit Application for Low Income Housing to be Located in the LOCAL MUNICIPALITY OF THE CITY of ROSENBERG

STAFF

MR. GERBER: The third one, Mr. Chairman, is the Lakes of Goldshire, a Priority 3 application, consisting of 160 units, proposed to be built in Rosenberg with Fort Bend County Housing Finance Corporation as the issuer. The 2006 QAP requires the applicant to submit evidence from the local municipality of consistency with the local consolidated plan. As of the date of board posting, the applicant was unable to obtain this evidence. While the city indicated that they do not generally refer to their consolidated plan created in 1995, the City of Rosenberg does have a plan that is still in effect for purposes of compliance with the QAP.

Note

Note

Staff notes that if the board should overturn staff's recommendation, they would be waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality, per Section 50.12(b) of the 2006 QAP. The underwritten credit amount for an award of $660,812 in Housing Tax Credits.

Note #1

STAFF POSITION

Staff does not recommend approval for the Lakes

A.2

of Goldshire development.

MR. CONINE: Now I've got some testimony. Ms. Toni Jackson.

MS. JACKSON: Good afternoon, board members. I sit before you today on behalf of Lakes of Goldshire. We are asking not for a waiver of the rules but for an interpretation regarding the rules.

Under applicable rules for tax-exempt bond developments, it indicates that consistency with local municipality's consolidated or a similar planning document must be demonstrated in those instances where the city or county has a consolidated plan.

Like your staff, we checked into the City of Rosenberg, and the City of Rosenberg, we learned, had a 1995 consolidated plan, however, as they indicated to the staff, that plan has not been in effect and they don't operate under that plan. However, what I have provided to you, we just learned that the County of Fort Bend has a consolidated plan in which the City of Rosenberg incorporated areas are under that consolidated plan.

Therefore, we were asked to submit the information to Fort Bend County which we did, which they did, in fact, review, and they have provided us with a consistency letter, as you have before you. So again, it

Not True As per 30.9(h)(7)(B) A.3

is our belief that the Fort Bend County consolidated plan is what we actually, in fact, fall under, and we have provided you that letter of consistency as they have reviewed the plans and all the documents as required by Fort Bend County.

MR. CONINE: Okay. Any questions?

Good Question

MR. FLORES: Mr. Chairman, this is for you. Are we in an argument about which plan we're operating under? Do we have to decide that?

MR. CONINE: It sounds like it to me.

MR. FLORES: That's what it sounds like to me.

MR. CONINE: If the City of Rosenberg has a plan but they don't review it or use it, it sounds kind of -- I can't believe they'd even say that, you know, we went through the effort to do a plan ten years ago but we ignore it.

(General laughter.)

MR. CONINE: And do I understand this project meets the definition of that plan, the City of Rosenberg's, or not?

TRUE

MS. JACKSON: The City of Rosenberg's plan really doesn't speak to anything regarding -- it speaks somewhat to affordability and multifamily but it doesn't go into that distinctively. But we have met all of their

A.4

other planning requirements regarding the acreage, the setbacks, those things. In fact, we made some changes to our plans in accordance to their requirements.

MR. CONINE: And I didn't realize that counties have plans, but maybe some down in the Houston area do.

Only Four Areas

MS. JACKSON: If you are participating jurisdiction, you do have a consolidated plan, and that being getting HOME funds, those types of things, but they have, as you see from the executive summary that I've provided you, it shows the areas in which their plan operates under.

SEE Exhibit #2

MR. CONINE: Is zoning applicable in this case?

MS. JACKSON: No, it is not.

MR. CONINE: There we go again.

MS. JACKSON: There is no zoning, zoning is not applicable, and your staff just also verified that.

MR. CONINE: Mr. Gerber, I think you were talking about waiving a particular rule, Toni was saying it's more of an interpretation, and I guess I'm concerned about that, and I'm also concerned about submitting the letter here at the last minute which typically goes against our grain a little bit.

Can you reiterate what staff's position is right quick?

A.5

MR. GERBER: If you should overturn the recommendation, you will be, in effect, waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality.

MR. CONINE: But she just submitted one.

MS. JACKSON: And as I state, your rules indicate in those instances where the city or county has a consolidated plan, and that is in the rules.

MR. CONINE: But the letter didn't come seven days ago so we could have it in our board book and all that kind of stuff, so we've got a timing issue.

MS. JACKSON: That is correct, and that we do acknowledge.

MR. CONINE: So we're going to have to waive the timing issue if we waive anything. Is that correct, Counsel?

MR. HAMBY: Well, actually it's both. And I think, Mr. Chairman, one of the things that our staff has continuously pointed out is that it's the most local community is what we're looking at because we're looking for local control. It's my understanding -- and Ms. Meyer needs to confirm this -- they did actually ask the city and the city did not offer a letter. And so it's not pick the governmental body that you want to, it's the most

A. 6

local.

MAYOR SALINAS: You didn't ask the city for a plan?

MS. JACKSON: The city said they did not give those.

MAYOR SALINAS: Why not?

MS. JACKSON: The city does not want affordable housing or tax credits or anything in their jurisdiction, and they don't feel that they have to work under the TDHCA rules.

MAYOR SALINAS: Maybe we don't want to work with them either.

MR. CONINE: I have another witness affirmation form from Navdip Sobti. Would you like to speak?

MR. SOBTI: Yes. Good afternoon, board members, Mr. Chairman, Mr. Gerber. About three months ago we went to the City of Rosenberg and I hired Mr. Jim Shaw from the [indiscernible] Company as my public person to go and talk to the mayor and the city about this project, and they were all very happy about it, they were all for it, and [indiscernible] talk to the Texas Bond Committee at that point also.

Three months passed by, they gave us all their input on the project, what we should. The mayor told Mr.

A.7

Jim Shaw why doesn't he go to Fort Bend County and to the school district and ask for some funds for beautification because this comes under a beautification zone.

And then unfortunately, one day Mr. Jim Shaw, says why don't you come to the city with me, I want them to get introduced to the developer.

[PA system garbled.]

MAYOR SALINAS: Is that inside the city of Rosenberg?

the Goldshine project

MS. JACKSON: Yes, it is inside the city of Rosenberg.

MR. CONINE: Ms. Ray.

MS. RAY: Mr. Chairman, something you said interested me about the minority population in the city of Rosenberg. Do you have any idea what the minority population is in the city of Rosenberg? Perhaps we should ask staff, Mr. Chairman or ask the witness.

MS. JACKSON: The minority population, I actually don't know the exact demographics, but I've been told in terms of the need for affordability it's a very high population.

MS. RAY: That's what I'm interested in.

MS. JACKSON: Right. We have looked at the demographics, our market study, everything shows that

A.8

there is a great need and they have, in fact, even in the city council meeting that we sat in, talked about the large number of students, over 70 percent of their students are actually on the free lunch program, and they're having a lot of new development, commercial development as well as high end homes, but a large need for affordability because particular the large amount of retail that is being built up in that area.

MS. RAY: My records tell me that there is an extremely high level of minority citizens in the city of Rosenberg and a high percentage in the area where your project is being considered.

True

MS. JACKSON: Yes, ma'am.

MR. CONINE: Do I understand this is also a townhome type project as opposed to a two-story garden apartment?

MS. JACKSON: That is right.

MR. SOBTI: It's a townhome with attached garage. It's a beautiful project. It's seven to an acre, 22 acres, 160 units, it's a beautiful project. They loved it, it's just bugged me to no end why would they pull it. In a community where 70 percent of the kids in the school district are on reduced rate or free lunches, how can you say that there is no need?

A.9

MAYOR SALINAS: We don't have any tax credits?

MR. CONINE: This is a 4 percent tax credit bond deal. Fort Bend County HFC is the issuer here.

MS. RAY: Mr. Chairman?

MR. CONINE: Yes, ma'am.

MS. RAY: Are we ready to accept a motion?

MR. CONINE: If there's no other questions of the witness, I'm sure we are.

MS. RAY: Mr. Chairman, I move that we accept the wavier that the developer is asking.

MR. CONINE: There's a motion to grant the waiver.

MAYOR SALINAS: Second.

MR. CONINE: I hear a second. Any further discussion?

MAYOR SALINAS: What if you have problems with your building permit?

MR. SOBTI: [indiscernible].

MAYOR SALINAS: Fort Bend County it's okay with?

NO Jurisdiction

MR. SOBTI: Yes. [Indiscernible].

MR. CONINE: Have we underwritten this yet? So his requested amount of $660,812 is what we underwrote, subject to conditions. So there's no need to change that

Note

A.10

in the motion other than to indicate in the motion that we are granting those amounts of credits, along with granting the waiver.

MS. RAY: Mr. Chairman, I accept that amendment to the motion.

MR. CONINE: Seeing no further discussion, all those in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: Motion carries. 5(e).

END

MR. GERBER: Chairman, 5(e) has been pulled.

Item 6, going to the mortgage revenue bonds. Mr. Gerber.

MR. GERBER: Mr. Chairman, item 6(a), this item concerns Idlewilde Apartments. Idlewilde is a Priority 2 bond transaction with TDHCA as the issuer for new construction of a 250-unit development to be located in Houston. The applicant is recommended for $14,800,000 in bonds with $1.184,604 in Housing Tax Credits.

It should be noted that the Executive Awards Review Advisory Committee, EARAC, expressed concerns about the appropriateness of the primary market area in relation to the location of the proposed development. We'll be

March 27, 2007

Received

MAR 30 2007

Ms. Robby Meyer
Acting
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: Opposition to Tax Credit Development
Lakes of Goldshire - Rosenberg

Dear Ms. Meyer:

I have been a resident of Rosenberg for 38 years. I have owned a home here for the same amount. I have been a school nurse in Lamar CISD for 21 years. I have seen many changes in our district, some very positive, others not so positive. I have observed the problems that occur when there are too many HUD apartments built. They will then offer "specials", one month free, etc. The residents then move in for 1 month, and then have to move due to rent coming due. This adversely affects their children, students in our schools. We see students attending 5 or 6 different schools in a year – what a difficult thing for students! Please note some facts about this situation:

* There are five elementary schools located in Rosenberg, plus two near by elementary schools in Richmond that serve all the elementary children in Rosenberg. These schools have an overall average of 75 % of their students receiving free or reduced lunch.

* New low income multi-family complexes do not replace the existing apartments housing our economically disadvantaged children. Additional units only add to the great number of Low SES youngsters concentrated in Rosenberg.

* There are fifteen apartment complexes located in Rosenberg-Richmond within one-mile of the Lakes of Goldshire project site wit h 1,260 apartment units housing 1,151 students.

* The children residing in Reading Park Apartments attend Meyer Elementary School. The Meyer school staff has said consistently that Reading Park students go through a revolving door. Families qualify for eligibility requirements and two months later are moved out because they can't pay the rent. To be eligible, income must be very low, but the rent is fairly high. Reading Park, on Feb. 26th, had 20 vacancies because they had evicted 17 renters. Can't pay the rent. This phenomenon impacts our schools.

* The Lakes of Goldshire project will cost the school district almost $30,000 a year in local tax dollars at today's cost for all time to come while the project reaps tax credits of over 6 million dollars over a ten year period and the number of Low SES students will increase.

* In summary, new low income apartments are not needed in Rosenberg, There are too many now, and with overbuilding comes the need for the "deals" to entice

renters, then when the rent is due, move on to another "deal" This is not conducive to family life, nor to students adjusting to new schools so often.

Please consider denying the application of the Lakes of Goldshire . Please do not increase the number of vacant apartments in our city.

Thank you for your consideration.

Sincerely,

Sandra Hubenak-Sedgwick

10e

Texas Department of Housing and Community Affairs (TDHCA) – Dec. 14, 2006

I am Dr. Dan Ives and reside at 2500 Pecan Drive Rosenberg, Texas

On behalf of 9,270 economically disadvantaged students (Low SES) who represent 44% of the total enrollment of the Lamar Consolidated ISD, I come before you as a Retired Lamar CISD Superintendent of Schools and as a resident of the City of Rosenberg in **opposition to TDHCA Agenda Item 10:e) "Waiver of the Certification Requirement of Tax Exempt Bond Applications with New Docket Numbers" for the Lakes of Goldshire (Project 060429) as per 2007 QAP 49.12(f)(1).** In respect to such reference, it is duly noted that "the application is not required to be presented to the Board again (unless there is public opposition)." There is!

On November 9, 2006, it is contended that a Lakes of Goldshire representative presented a position to the Board that misinterpreted TDHCA rules for housing tax credits and submitted a certification by a Fort Bend County Official which is not deemed to be applicable to a low income tax credit multi-family housing project to be located in the "local municipality" of the City of Rosenberg. In respect to such misrepresentation and the untimely document submittal to TDHCA, the Board waived TDHCA rules and the project was approved. It is noted that such action was in conflict with the position of the staff that had recommended that the Board deny the Lakes of Goldshire application. Reference is made to 2006 QAP 50.12(b) and the mandatory requirements of the subsection of 50.9(h)(7)(B).

Compelling rationale follows: Within one-mile of the Lakes of Goldshire site, there are fifteen apartment complexes with 2,360 multi-family rental units with 1,151 students residing in such multi-family housing, which is 81% of the students residing in multi-family complexes within the entire 345 sq. miles of Lamar CISD.

All five elementary schools located in Rosenberg, plus two elementary schools in Richmond serve all the children residing in Rosenberg. These seven schools have an overall average of **75%** of their students receiving free and reduced priced meals. It is terribly unfair to these children currently attending our schools to have more low income housing units being constructed that deteriorate, diminish, dilute and deter the resources of our school district to teach and educate children who are in need of a great deal of extra help. It is quite devastating and demoralizing to students, teachers and parents to be impacted with more low rent housing. We do not need to create additional burdens that impact and minimize the opportunity for our Low SES youngsters to succeed.

The details of this commentary are documented in the attached letter over-nighted on December 4, 2006 to TDHCA appealing the Board's decision on Nov. 9. It is noted that the Board may use discretionary factors in making decisions as per QAP 50.10(a)(2)(J) which notes "the anticipated impact on local school districts."

Lastly, it is felt that there are compelling circumstances and a preponderance of evidence for sufficient cause for TDHCA to deny this waiver request by the Lakes of Goldshire.

Thank You!

Lakes of Goldshire 060429
Testimony Submitted for Feb. 1, 2007 TDHCA Meeting Agenda.

Ms. Brooke Boston
Multifamily Finance Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin, Texas 78701

December 4, 2006

Re: Tax Credit Development – Complaint and Appeal
Project 060429
Lakes of Goldshire

Dear Ms. Boston:

On behalf of 9,270 economically disadvantaged students (Low SES) who represent 44% of the total enrollment of the Lamar Consolidated ISD, I (Dr. Dan Ives, Retired Lamar CISD Superintendent of Schools and resident of the City of Rosenberg) specifically request that an item for action be placed on the December TDHCA Board meeting agenda for December 14, 2006 or as soon as possible thereafter to rescind the Housing Tax Credit commitment approved on November 9, 2006 for the Lakes of Goldshire, Project 060429 based on the following:

1.1 A Lakes of Goldshire representative presented a position that misinterpreted TDHCA rules and submitted a certification not applicable to a project that is located in a local municipality. On the basis of such representation, TDHCA rules were waived and the project was approved. It is noted that such action was in conflict with the position of TDHCA Administrator Gerber and TDHCA Legal Counsel Hamby as per the attached excerpt from the transcript of the November 9 TDHCA Board meeting. (See Pencil Notes #1, #2, & #3, Attachment A.1-10) It is also pointed out that the TDHCA staff previously had recommended in the Board agenda, which was posted on the TDHCA web site, that the Lakes of Goldshire application be denied.

1.2 Reference is made to the "Certification of Consistency with the Consolidated Plan" (Exhibit #1) by the Fort Bend County Community Development Department Director which was not timely submitted by the Lakes of Goldshire under TDHCA rules. If such document had been properly and timely submitted, it would have been included in the Board agenda and posted for seven days on the TDHCA web site which would have allowed the general public an opportunity to dispute this "backdoor" approach to circumvent TDHCA rules.

1.3 It is further noted that the Consolidated Plan of the Fort Bend County Development Department supports only the (1) Community Development Block Grant Program, (2) Home Program, (3) American Dream Downpayment Initiative Program and (4) Emergency Shelter Grant Program. (See Exhibit #2)

COMMUNITY DEVELOPMENT

Fort Bend County, Texas

Marilynn Kindell
Director

(281) 341-4410
Fax (281) 341-3762

Certification of Consistency with the Consolidated Plan

I certify that the proposed activities/projects in the application are consistent with the jurisdiction's approved Consolidated Plan.

Applicant Name:	NS Lakes of Goldshire, LP
Project Name:	Lakes of Goldshire Townhomes
Location of the Project:	FM 1640 at Reading Road, Rosenberg, Texas
Name of the Federal/State Program to which the applicant is applying:	Texas Low Income Housing Tax Credit Program
Name of Certifying Jurisdiction:	Fort Bend County, Texas
Certifying Official of the Jurisdiction Name:	Marilynn Kindell
Title:	Fort Bend County Community Development Department Director
Signature:	Marilynn Kindell
Date:	November 8, 2006.

certification of consistency with the consolidated plan

Exhibit #1

FORT BEND COUNTY

FY 2005
CONSOLIDATED PLAN

SEPTEMBER 1, 2005 - AUGUST 31, 2010

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
HOME PROGRAM
AMERICAN DREAM DOWNPAYMENT INITIATIVE PRORGRAM
EMERGENCY SHELTER GRANT PROGRAM

COMMUNITY DEVELOPMENT DEPARTMENT
4520 Reading Road, Suite A
Rosenberg, Texas 77471
(281) 341-4410

Exhibit #2

2.1 In such respect, **The 2006 Housing Tax Credit Program Qualified Allocation Plan (QAP) and Rules** are cited as follows:

2.2 As per 50.12(b):

Section 50.12. Tax-Exempt Bond Developments: Filing of Applications; Applicability of Rules; Supportive Services; Financial feasibility Evaluation; Satisfaction of Requirements.
(b) Applicability of Rules for Tax-Exempt Bond Developments. Tax-Exempt Bond Development Applications are subject to all rules in this title, with only the exceptions being the following sections: 50.4, 50.7, 50.8, 50.9(i), 50.10(b) and (c), and 50.14(a) and (b) of this title. Such Developments requesting a Determination Notice in the current calendar year must meet all Threshold Criteria requirements stipulated in 50.9(h) of this title. Such Developments which received a Determination Notice in a prior calendar year must meet all Threshold Criteria stipulated in the QAP and Rules in effect for the calendar year in which the Determination Notice was issued; provided, however that such Developments shall comply with all procedural requirements for obtaining Department action in the current QAP and Rules; and such other requirements of the QAP and Rules as the Department determines applicable. Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan. ---------Remaining paragraph wording does not appear to be an issue in dispute in regard to the Lakes of Goldshire application by the applicant or this complainant. Underlining/emphasis added.

2.3 The above QAP paragraph referenced by TDHCA Administrator Gerber in the November 9 Board meeting transcript (Attachment A.1) unequivocally states that the Board would be waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality, per section 50.12(b) of the 2006 QAP. Please see paragraphs 2.6 and 2.7 below reflecting on this mandatory requirement. In addition please refer back to paragraph 1.1.

2.4 In respect to the above clause, **"Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan,"** it is contended that the local municipality is the City of Rosenberg not Fort Bend County and that any participation by the City of Rosenberg in the Fort Bend County's Consolidated Plan is relevant to only the four programs noted above in paragraph 1.3. Nowhere in Fort Bend County's Consolidated Plan does it actually mention that the City of Rosenberg is a participant in such plan.

2.5 It is beyond the most liberal legal imagination that such clause can be interpreted to supplant the mandatory requirements of the QAP as per 50.9h)(7)(B) noted in 50.12(b) above and override the local municipality. If it is deemed such in the matter of the Lakes of Goldshire, then TDHCA has a public responsibility to request an opinion by the Texas Attorney General to clear up this matter.

2.6 As per 50.9(h)(7)(B):

Section 50.9(h) Threshold Criteria. The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:
(7) Evidence of readiness to proceed as evidenced by at least one of the items under each of subparagraphs (A)–(D) of this paragraph:
(B) Evidence from the appropriate local municipal authority that satisfies one of clauses (i) – (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared not more than 6 months prior to the close of the Application Acceptance Period (2306.6705(5)).

(i) A letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance; the letter must also state that the Development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan, comprehensive plan, or other local planning document; or is no such planning document exists, then the letter from the local municipal authority must state that there is a need for affordable housing.

(ii) A letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that:

(I) (Paraphrased) There is no zoning requirement.

(II) (Paraphrased) Applicant is in the process of seeking appropriate zoning etc. (N/A)

(iii) (Paraphrased) In the case of a Rehabilitation Development etc. (Not Applicable)

Underlining/emphasis added

2.7 In response, it is contended that the above section and paragraphing of TDHCA rules clearly delineates the mandatory time requirements and authority of the local municipality. There are no references to the need of affordable housing in the Comprehensive Plan of the City of Rosenberg adopted in 1995 which is still in effect. If it was deemed that such document was out of date and not a qualified reference document, then a letter is required from the local municipal authority stating that there was a need for affordable housing.....It Didn't Happen!....***Why would a municipality approve a resolution (Exhibit #3) and submit it to TDHCA that opposed the application by the Lakes of Goldshire for tax credits, then turn around and provide evidence of the need for affordable housing as a requirement for tax credit approval???***

2.8 Please reference the numerous pencil notes added to the excerpted TDHCA Board meeting transcript as per Attachment A.1-10.

3.1 There are fifteen (15) apartment complexes located in Richmond/Rosenberg within a one-mile radius of the Lakes of Goldshire project site with 2,360 apartment units with 1,151 students as per a "Demographic Update" professionally developed by Population and Survey Analysts (PASA) for Lamar Consolidated ISD which is dated March 2006. (See Exhibits #4 & #5)

3.2 It is noted that Falcon Pointe (.99 students per unit) and Reading Park (.64 students per unit) are very recent projects with low income eligibility programs within the one-mile radius of the Lakes of Goldshire site. In addition, it is deemed that an overwhelming number of the 2,360 units are low rent apartments substantiated by the fact that there is a .5 student to unit ratio.

3.3 As per the PASA March 2006 Demographic Update, the following is noted:

a. There are 1,151 students residing in M-F housing within one-mile of the Goldshire site, which is 81% of the total number of students residing within the entire 345 sq. miles of Lamar CISD. That number is equivalent to 1-1/2 LCISD elementary schools.

b. There are 2,360 M-F apartment units located within a one-mile radius of the Goldshire site, which is 71% of the units within the entire 345 sq. miles of Lamar CISD.

RESOLUTION R-724

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROSENBERG, TEXAS, OPPOSING THE APPLICATION OF NS LAKES OF GOLDSHIRE, LP, TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR HOUSING TAX CREDITS FOR THE LAKES OF GOLDSHIRE TOWNHOMES, ROSENBERG, FORT BEND COUNTY, TEXAS.

WHEREAS, the City of Rosenberg is located in Fort Bend County, Texas, one the fastest growing counties in the United States; and

WHEREAS, the new growth and residential developments within the City provide a variety of housing opportunities for Rosenberg citizens which have satisfied the need for affordable rental housing; and

WHEREAS, the granting of a credit, a reduction, or an exemption from taxation for a multifamily residential development is not necessary to attract new residential developments to the City; and

WHEREAS, the City of Rosenberg wishes to take a public position on the application of NS Lakes of Goldshire, LP (the "Developer), to the Texas Department of Housing and Community Affairs for Housing Tax Credits regarding a proposed multifamily residential development generally located at the south side of FM 1640 between Reading Road and Lamar Drive in Rosenberg, Texas (the "Proposed Project"); now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

Section 2. The City Council of the City of Rosenberg finds and determines that there is an adequate number of affordable housing units within the City of the type proposed in the application of NS Lakes of Goldshire, LP, to the Texas Department of Housing and Community Affairs, and that no additional units are necessary.

Section 3. The City Council of the City of Rosenberg finds that there is no need to provide tax credits or other financial incentives to encourage additional affordable housing units within the City.

Section 4. The City of Rosenberg does hereby decree its opposition to the Proposed Project. The City Secretary is directed to cause copies of this Resolution to be sent to the Developer and to the Texas Department of Housing and Community Affairs.

READ, PASSED, AND APPROVED at a regular meeting of the City Council of the City of Rosenberg the 11th day of December 2006.

ATTEST:

Linda Cernosek

Linda Cernosek, CPS, TRMC
City Secretary

APPROVED:

Joe M. Gurecky

Joe M. Gurecky
Mayor

Exhibit #3

Multi-Family Complexes within a One-Mile Radius of
Lakes of Goldshire Project as of March 2006

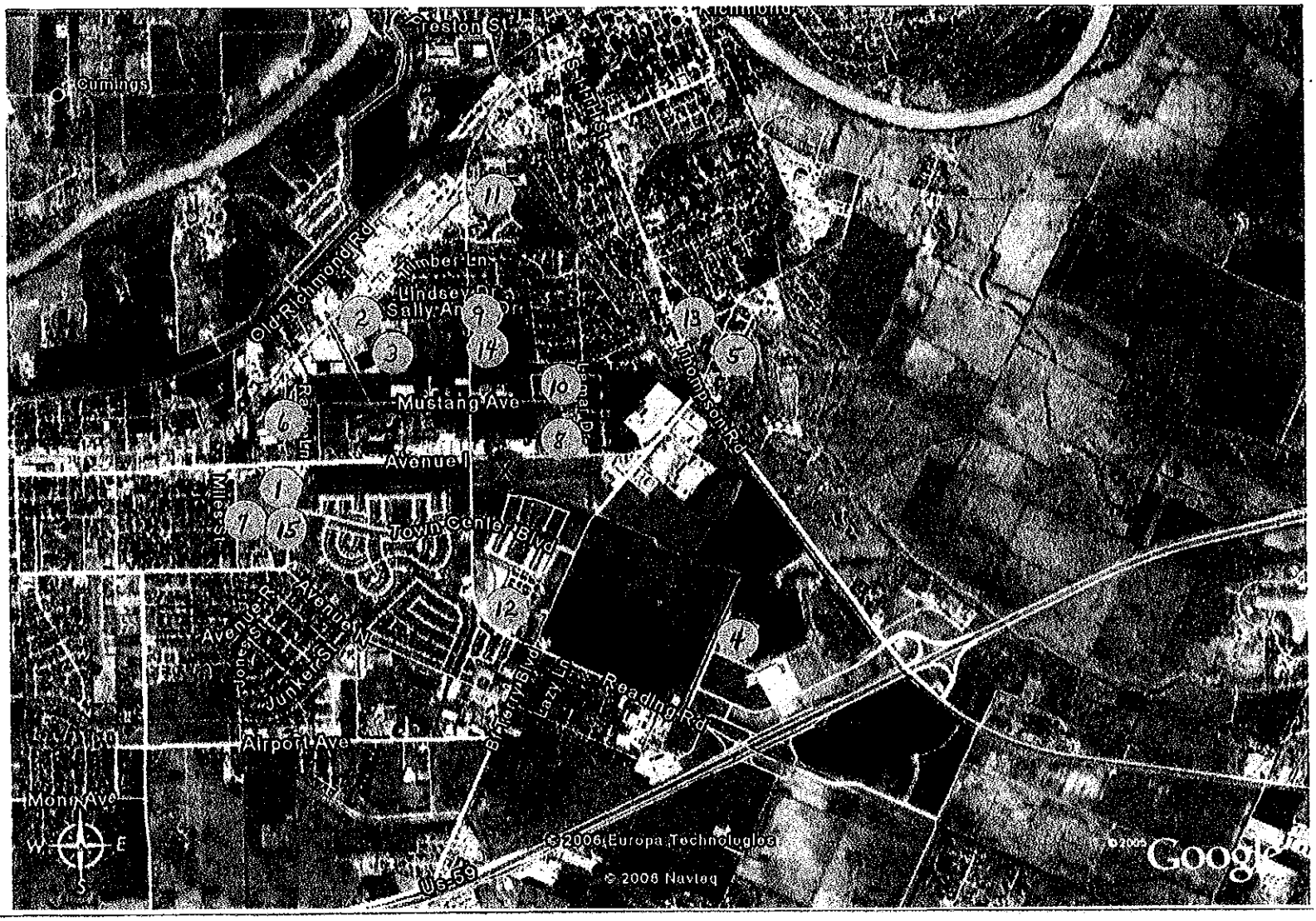
M-F Housing	Address	Units	Students
1. Ashton Oaks	1136 Radio Lane, Ros	104	41
2. Briarstone	4719 Reading, Ros	96	29
3. Brittany Square	4720 Reading, Ros	198	119
4. Club on the Brazos	3101 Vista, Ros	200	47
5. Country Club Place	1111 Golfview, Rich	169	15
6. Falcon Pointe	915 Cole, Ros	112	110
7. Kings Arms	1317 Mahlmann, Ros	120	51
8. Lamar Park	1720/1800 FM 1640, Rich	174	131
9. Murray Hill	819 Lane, Ros	80	30
10. Mustang Crossing	1800 Mustang/Lamar, Rich	307	158
11. Pecan Park	1216 Westwood, Ros	272	121
12. Reading Park	5525 Reading, Ros	252	161
13. Town & Country	2111 Thompson, Rich	92	36
14. Victoria Gardens	911/1001 Lane, Ros	152	89
15. Williamsburg	1316 Radio Lane, Ros	32	13
	Totals	2,360	1,151

M-F Housing	Total District	1-Mile	Percent
Students	1,422	1,151	81
Units	3,320	2,360	71
Per Unit	.44	.49	

Resource: PASA

Exhibit #4

Multi-Family Complexes within a One-Mile Radius of the Lakes of Goldshire Project as of March 2006



Note: Numbers correspond to M-F Housing Complexes identified in Exhibit #4. Lakes of Goldshire site is indicated by "X".

Exhibit #5

3.4 Consequently, it is obvious the Goldshire site is located in a tremendously over-impacted area of apartment complexes that significantly impact schools.

3.5 Reference is made to Exhibit #6. This information was presented to the Rosenberg City Council by the President, Michael Richard, of the Lamar Consolidated ISD Board of Trustees. On the basis of this data, it is predicted that the Lakes of Goldshire project will cost the school district almost $300,000 a year of local tax dollars at today's cost for all time to come while the Lakes of Goldshire Project reaps tax credits of over 6 million dollars over a ten year period.

4.1 There are five elementary schools located in Rosenberg, plus two elementary schools in Richmond, Texas that serve children residing in Rosenberg. These seven schools have an overall average of 75% of their students receiving free and reduced priced meals. (See details, Exhibit #7) It is terribly unfair to these children currently attending our schools to have more low income housing units being constructed that deteriorate, diminish, dilute and deter the resources of our school district to teach and educate children who are in need of a great deal of extra help. Lamar CISD is doing a great job, but needs help to maintain a quality educational system.

4.2 The Lamar CISD has for many years endorsed a plan for neighborhood elementary schools which is referred to affectionately as the "MOTHERHOOD" plan. Secondary schools, grades 6-12, are zoned for attendance to reflect the over-all student demographics of the whole school district. In addition, there is a philosophy endorsing small schools (enrollment capacity) to better serve and meet the needs of both elementary and secondary students.

4.3 Currently, Lamar CISD has a total enrollment of 21,042 students (Fall 2006) with a minority population of 67.5%.

4.4 Six of the seven elementary schools, serving students residing in Rosenberg, achieved a "Recognized" status by the Texas Education Agency in 2005-2006 and the seventh school achieved an "Exemplary" status.

4.5 **It *is quite devastating and demoralizing to students, teachers and parents to be impacted with more low income housing, in view of these tremendous academic achievements through a great deal of hard work.*** It is truly rewarding to observe how the students take pride in their personal accomplishments and the rating of their school. ***We do not need to create additional burdens that minimize the opportunity for our Low SES youngsters to succeed.***

Rosenberg Apartment Information **October 30, 2006**

- **The position of Lamar CISD is to deny a tax reduction or exemption by resolution, as allowed by law, due to the enormous financial impact of multi-family housing.**

- **The average student ratio per occupied multi-family unit in LCISD is 0.44.**

- **The highest ratio of students per occupied apartment unit was found in Rosenberg. (Falcon Pointe @.99; Victoria Gardens @.67; Reading Park @.65; Mustang Apartments@.63)**
  - **823 total units represented by these 4 apartment units**

- **Cost analysis using Mustang Apartments**
  - **Net cost to educate .63 students in 307 units (193.41 students) is $404,807.13.**
    - **Expenditures costs based on local cost per student of $2,093.00.**
  - **Anticipated revenue from M & O taxes from Mustang Apartments is $59,998.95.**
  - **Net cost to the district is $344,808.18.**

- **Approximately 3,320 total apartment units within LCISD are occupied, with 1,422 students residing in apartments (Information from March 2006 Demographic Report).**

- **Currently there are 3,623 apartment units available within LCISD with 2,244 of those located in Rosenberg.**

- **The 2000 US Census noted a total of 3,407 renter-occupied housing units which was 42.9% for Rosenberg while the US percentage was 33.8%.**

Exhibit #6

Lamar CISD Elementary Schools Serving Students Residing in Rosenberg

Schools	Students	Eco-Disadv*	Percent
Bowie Elem.	644	517	80.3
Jackson Elem.	392	325	82.9
Meyer Elem	660	427	64.7
Ray Elem.	690	498	72.7
Travis Elem.	737	516	70.0
Long Elem.	533	404	75.8
Smith Elem.	675	503	74.5
Totals	4,331	3,190	75

* Economically Disadvantaged

Source:
Lamar CISD
Peims Edit – Reports Data Review
2006-2007 Fall Collection
Dated Nov. 30, 2006

Exhibit #7

5.1 Lastly, in view of the fact there are still conditions required to be met by the Lakes of Goldshire that will need TDHCA staff approval before proceeding, it is contended that there are compelling circumstances and a preponderance of evidence for sufficient cause to reconsider and rescind the November 9 action of the TDHCA Board in regard to the Lakes of Goldshire, Project 060429 on behalf of the Low SES students currently attending the seven impacted Lamar Elementary Schools serving children living in the City of Rosenberg.

5.2 It is recognized that the TDHCA Board exercised its' discretionary authority to waive rules and approve the application for tax credits by the Lakes of Goldshire. Now, it is duly prayed that the TDHCA Board use such discretionary authority to rescind such action on behalf of the economically disadvantaged students who will suffer educationally by more low income housing in an area that is already inundated by low rent housing. It is respectfully requested that the TDHCA stand up for kids in regard to the information submitted herein.

Complaint and Appeal Submitted By:

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496 hm
281-302-5927 cell
msdives@sbcglobal.net

cc.
Fort Bend Herald
Houston Chronicle
Don Schwartz, L.L.P.

ATTACHMENT A.1

Excerpted Transcript of a Board Meeting on November 9, 2006 of the Texas Department of Housing and Community Affairs Regarding the Lakes of Goldshire Tax Credit Application for Low Income Housing to be Located in the LOCAL MUNICIPALITY OF THE CITY of ROSENBERG

START

MR. GERBER: The third one, Mr. Chairman, is the Lakes of Goldshire, a Priority 3 application, consisting of 160 units, proposed to be built in Rosenberg with Fort Bend County Housing Finance Corporation as the issuer. The 2006 QAP requires the applicant to submit evidence from the local municipality of consistency with the local consolidated plan. As of the date of board posting, the applicant was unable to obtain this evidence. While the city indicated that they do not generally refer to their consolidated plan created in 1995, the City of Rosenberg does have a plan that is still in effect for purposes of compliance with the QAP.

Note

Note

Staff notes that if the board should overturn staff's recommendation, they would be waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality, per Section 50.12(b) of the 2006 QAP. The underwritten credit amount for an award of $660,812 in Housing Tax Credits.

Note #1

STAFF POSITION

Staff does not recommend approval for the Lakes

A.2

of Goldshire development.

MR. CONINE: Now I've got some testimony. Ms. Toni Jackson.

MS. JACKSON: Good afternoon, board members. I sit before you today on behalf of Lakes of Goldshire. We are asking not for a waiver of the rules but for an interpretation regarding the rules.

Under applicable rules for tax-exempt bond developments, it indicates that consistency with local municipality's consolidated or a similar planning document must be demonstrated in those instances where the city or county has a consolidated plan.

Like your staff, we checked into the City of Rosenberg, and the City of Rosenberg, we learned, had a 1995 consolidated plan, however, as they indicated to the staff, that plan has not been in effect and they don't operate under that plan. However, what I have provided to you, we just learned that the County of Fort Bend has a consolidated plan in which the City of Rosenberg incorporated areas are under that consolidated plan.

Therefore, we were asked to submit the information to Fort Bend County which we did, which they did, in fact, review, and they have provided us with a consistency letter, as you have before you. So again, it

Not True. As per 30.9(4)(7)(B) A.3

is our belief that the Fort Bend County consolidated plan is what we actually, in fact, fall under, and we have provided you that letter of consistency as they have reviewed the plans and all the documents as required by Fort Bend County.

MR. CONINE: Okay. Any questions?

Good Question

MR. FLORES: Mr. Chairman, this is for you. Are we in an argument about which plan we're operating under? Do we have to decide that?

MR. CONINE: It sounds like it to me.

MR. FLORES: That's what it sounds like to me.

MR. CONINE: If the City of Rosenberg has a plan but they don't review it or use it, it sounds kind of -- I can't believe they'd even say that, you know, we went through the effort to do a plan ten years ago but we ignore it.

(General laughter.)

MR. CONINE: And do I understand this project meets the definition of that plan, the City of Rosenberg's, or not?

TRUE

MS. JACKSON: The City of Rosenberg's plan really doesn't speak to anything regarding -- it speaks somewhat to affordability and multifamily but it doesn't go into that distinctively. But we have met all of their

A.4

other planning requirements regarding the acreage, the setbacks, those things. In fact, we made some changes to our plans in accordance to their requirements.

MR. CONINE: And I didn't realize that counties have plans, but maybe some down in the Houston area do.

Only Four Areas

MS. JACKSON: If you are participating jurisdiction, you do have a consolidated plan, and that being getting HOME funds, those types of things, but they have, as you see from the executive summary that I've provided you, it shows the areas in which their plan operates under.

SEE Exhibit #2

MR. CONINE: Is zoning applicable in this case?

MS. JACKSON: No, it is not.

MR. CONINE: There we go again.

MS. JACKSON: There is no zoning, zoning is not applicable, and your staff just also verified that.

MR. CONINE: Mr. Gerber, I think you were talking about waiving a particular rule, Toni was saying it's more of an interpretation, and I guess I'm concerned about that, and I'm also concerned about submitting the letter here at the last minute which typically goes against our grain a little bit.

Can you reiterate what staff's position is right quick?

R.S

STAFF POSITION NOTE #2

MR. GERBER: If you should overturn the recommendation, you will be, in effect, waiving the requirement of submission of consistency with the consolidated plan letter from the local municipality.

MR. CONINE: But she just submitted one.

MS. JACKSON: And as I state, your rules indicate in those instances where the city or county has a consolidated plan, and that is in the rules.

NOTE →

MR. CONINE: But the letter didn't come seven days ago so we could have it in our board book and all that kind of stuff, so we've got a timing issue.

MS. JACKSON: That is correct, and that we do acknowledge.

MR. CONINE: So we're going to have to waive the timing issue if we waive anything. Is that correct, Counsel?

LEGAL POSITION NOTE #3

MR. HAMBY: Well, actually it's both. And I think, Mr. Chairman, one of the things that our staff has continuously pointed out is that it's the most local community is what we're looking at because we're looking for local control. It's my understanding -- and Ms. Meyer needs to confirm this -- they did actually ask the city and the city did not offer a letter. And so it's not pick the governmental body that you want to, it's the most

A. 6

local.

MAYOR SALINAS: You didn't ask the city for a plan?

MS. JACKSON: The city said they did not give those.

MAYOR SALINAS: Why not?

MS. JACKSON: The city does not want affordable housing or tax credits or anything in their jurisdiction, and they don't feel that they have to work under the TDHCA rules.

MAYOR SALINAS: Maybe we don't want to work with them either.

MR. CONINE: I have another witness affirmation form from Navdip Sobti. Would you like to speak?

MR. SOBTI: Yes. Good afternoon, board members, Mr. Chairman, Mr. Gerber. About three months ago we went to the City of Rosenberg and I hired Mr. Jim Shaw from the [indiscernible] Company as my public person to go and talk to the mayor and the city about this project, and they were all very happy about it, they were all for it, and [indiscernible] talk to the Texas Bond Committee at that point also.

Three months passed by, they gave us all their input on the project, what we should. The mayor told Mr.

A. 7

Jim Shaw why doesn't he go to Fort Bend County and to the school district and ask for some funds for beautification because this comes under a beautification zone.

And then unfortunately, one day Mr. Jim Shaw, says why don't you come to the city with me, I want them to get introduced to the developer.

[PA system garbled.]

MAYOR SALINAS: Is that inside the city of Rosenberg?

The Goldshine project

MS. JACKSON: Yes, it is inside the city of Rosenberg.

MR. CONINE: Ms. Ray.

MS. RAY: Mr. Chairman, something you said interested me about the minority population in the city of Rosenberg. Do you have any idea what the minority population is in the city of Rosenberg? Perhaps we should ask staff, Mr. Chairman or ask the witness.

MS. JACKSON: The minority population, I actually don't know the exact demographics, but I've been told in terms of the need for affordability it's a very high population.

MS. RAY: That's what I'm interested in.

MS. JACKSON: Right. We have looked at the demographics, our market study, everything shows that

A.8

there is a great need and they have, in fact, even in the city council meeting that we sat in, talked about the large number of students, over 70 percent of their students are actually on the free lunch program, and they're having a lot of new development, commercial development as well as high end homes, but a large need for affordability because particular the large amount of retail that is being built up in that area.

MS. RAY: My records tell me that there is an extremely high level of minority citizens in the city of Rosenberg and a high percentage in the area where your project is being considered.

True

MS. JACKSON: Yes, ma'am.

MR. CONINE: Do I understand this is also a townhome type project as opposed to a two-story garden apartment?

MS. JACKSON: That is right.

MR. SOBTI: It's a townhome with attached garage. It's a beautiful project. It's seven to an acre, 22 acres, 160 units, it's a beautiful project. They loved it, it's just bugged me to no end why would they pull it. In a community where 70 percent of the kids in the school district are on reduced rate or free lunches, how can you say that there is no need?

A.9

MAYOR SALINAS: We don't have any tax credits?

MR. CONINE: This is a 4 percent tax credit bond deal. Fort Bend County HFC is the issuer here.

MS. RAY: Mr. Chairman?

MR. CONINE: Yes, ma'am.

MS. RAY: Are we ready to accept a motion?

MR. CONINE: If there's no other questions of the witness, I'm sure we are.

MS. RAY: Mr. Chairman, I move that we accept the wavier that the developer is asking.

MR. CONINE: There's a motion to grant the waiver.

MAYOR SALINAS: Second.

MR. CONINE: I hear a second. Any further discussion?

MAYOR SALINAS: What if you have problems with your building permit?

MR. SOBTI: [indiscernible].

NO Jurisdiction

MAYOR SALINAS: Fort Bend County it's okay with?

MR. SOBTI: Yes. [Indiscernible].

MR. CONINE: Have we underwritten this yet? So his requested amount of $660,812 is what we underwrote, subject to conditions. So there's no need to change that

Note

A.10

in the motion other than to indicate in the motion that we are granting those amounts of credits, along with granting the waiver.

MS. RAY: Mr. Chairman, I accept that amendment to the motion.

MR. CONINE: Seeing no further discussion, all those in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. CONINE: All opposed?

(No response.)

MR. CONINE: Motion carries. 5(e).

END

MR. GERBER: Chairman, 5(e) has been pulled.

Item 6, going to the mortgage revenue bonds. Mr. Gerber.

MR. GERBER: Mr. Chairman, item 6(a), this item concerns Idlewilde Apartments. Idlewilde is a Priority 2 bond transaction with TDHCA as the issuer for new construction of a 250-unit development to be located in Houston. The applicant is recommended for $14,800,000 in bonds with $1.184,604 in Housing Tax Credits.

It should be noted that the Executive Awards Review Advisory Committee, EARAC, expressed concerns about the appropriateness of the primary market area in relation to the location of the proposed development. We'll be

February 18, 2007

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Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, I am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding our subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

Save these tax credits for areas who have a need and the support of the community. Our state elected officials, local elected officials, school district, and the residents of this area are all opposed to this development, and we request that you deny the developments request for tax credits. Please share this letter with the TDHCA Board of Directors.

Sincerely,

Maria A. Ingrid Chapa	1202 Celaya Ct.	Rosenberg, Texas 77471
Humberto Chapa	1202 Celaya Ct.	Rosenberg, Texas 77471
John D. Galvan	4814 E. COLUMBARY DR	Rosenberg, Texas 77471
Mary E. Galvan	4814 E. COLUMBARY DR.	Rosenberg, Texas 77471
ELEAZAR QUINONES	5713 WALLO LN	Rosenberg, Texas 77471

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Estela Quinones	5713 WALID LN	Rosenberg, Texas 77471
Karen Bleil	1211 Hannover Blvd	Rosenberg, Texas 77471
Gerald Bell	1414 Emile Ct	Rosenberg, Texas 77471
Lydia Cruz	4814 Arbor Ct	Rosenberg, Texas 77471
Jim Steele	1906 Villagecrest	Rosenberg, Texas 77471
[illegible]	1210 Gibbons Ct.	Rosenberg, Texas 77471
Mary Ellen Spellman	1210 Gibbons Court	Rosenberg, Texas 77471
Josephine Gonzalez	1202 Divin DR	Rosenberg, Texas 77471
Joshua Gonzalez	1202 Divin DR	Rosenberg, Texas 77471
Ana Gonzalez	1202 Divin DR	Rosenberg, Texas 77471
Juanita GARCIA	1207 GERONA BLVD.	Rosenberg, Texas 77471
Jon Wolfe	1207 Gerona Blvd	Rosenberg, Texas 77471
[illegible]	1311 DIVIN DR	Rosenberg, Texas 77471
Juneta L Aguila	1311 Divin Dr.	Rosenberg, Texas 77471
Adam Gonzalez	4817 E Columbus DR.	Rosenberg, Texas 77471
Diana Ybarra	4817 E Columbus DR	Rosenberg, Texas 77471
Nancy Villasquez	1201 Temple Dr.	Rosenberg, Texas 77471
Sarah Munguia	1216 Nanterre Ct	Rosenberg, Texas 77471
Eddie Munguia	1216 Nanterre Ct.	Rosenberg, Texas 77471
Doris Mejias	1216 NANTERRE CT	Rosenberg, Texas 77471
[illegible]	1201 Temple Dr.	Rosenberg, Texas 77471
[illegible]	1201 Temple Dr.	Rosenberg, Texas 77471

February 13, 2007

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Sincerely,

[illegible]	2002 Village Ct. Ln.	Rosenberg, Texas 77471
Mildred Dupik	1501 Manor Dr	Rosenberg, Texas 77471
Milan Dupik	1501 Manor Dr	Rosenberg, Texas 77471
Francisco Chaparro	1802 Manor Circ.	Rosenberg, Texas 77471
Gricelda Chaparro	1802 Manor Circle	Rosenberg, Texas 77471

Don + Florinda Belmarez	4409 W. Parma	Rosenberg, Texas 77471
Kristie L. Belmarez	4409 W. Parma	Rosenberg, Texas 77471
George Lasher	4106 Village Ct. Dr.	Rosenberg, Texas 77471
Rebecca Lasher	4106 Village Ct Dr	Rosenberg, Texas 77471
Chris Dominguez	2009 Village CT LN	Rosenberg, Texas 77471
Jennifer Dominguez	2009 Village CT LN	Rosenberg, Texas 77471
Marisela Morillas	1314 V. Mage Ct Blvd	Rosenberg, Texas 77471
David Morillas	1314 V Mage Ct Blvd	Rosenberg, Texas 77471
Mary Frances Lindeman	1321 Village Ct. Blvd	Rosenberg, Texas 77471
Becky Isles	1321 Village Ct. Blvd	Rosenberg, Texas 77471
Thelma Cheatam	1204 Cambay Dr.	Rosenberg, Texas 77471
Stephanie Chatom	1204 Cambay Dr.	Rosenberg, Texas 77471
Linda Rial	1505 Village Ct. Dr.	Rosenberg, Texas 77471
Terry Rial	1505 Village Ct. Dr.	Rosenberg, Texas 77471
Richard HARRIS	1806 MANOR CIR	Rosenberg, Texas 77471
JENICE HARRIS	1806 MANOR CIR	Rosenberg, Texas 77471
Kenneth Fletcher	5125 Alderney CT	Rosenberg, Texas 77471
Donna Fletcher	5125 Alderney CT	Rosenberg, Texas 77471
Cynthia Blust	1810 Manor Cir	Rosenberg, Texas 77471
Lawrence Klepper	1810 Manor Cir	Rosenberg, Texas 77471
Linda Godsey	1719 Village Ct.	Rosenberg, Texas 77471
		Rosenberg, Texas 77471

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Sincerely,

Leo James Miller	1605 Cotter Ct	Rosenberg, Texas 77471
Jeanette Miller	1605 Cotter Ct	Rosenberg, Texas 77471
Hazel Bennett	4403 W. Parsonage Dr	Rosenberg, Texas 77471
Pete T. Mendez	4403 W. Parsonage Dr.	Rosenberg, Texas 77471
		Rosenberg, Texas 77471

1201 Cambay Dr	Macedonia Maria Melendez	Rosenberg, Texas 77471
1604 Helmsley	[illegible]	Rosenberg, Texas 77471
1604 Helmsley	Margaret J Maynard	Rosenberg, Texas 77471
[illegible]	1212 Cambay Dr	Rosenberg, Texas 77471
[illegible]	1210 Cambay Dr	Rosenberg, Texas 77471
Juan M Vasquez	1208 Cambay Dr.	Rosenberg, Texas 77471
Aurora Vasquez	1208 Cambay Dr.	Rosenberg, Texas 77471
Steven + Mary Ellen Spellman	1210 Gibbons Ct.	Rosenberg, Texas 77471
Anthony Mendez	1202 Cambay Dr.	Rosenberg, Texas 77471
Monica Mendez	1202 Cambay Dr.	Rosenberg, Texas 77471
Pete Nolen	4401 West Parma	Rosenberg, Texas 77471
Tabitha Nolen	4401 West Parma	Rosenberg, Texas 77471
Lisa Pearson	1206 Navarre Ct.	Rosenberg, Texas 77471
Kenny Pearson	1206 Navarre Ct	Rosenberg, Texas 77471
Dan Hernandez	1316 Village Cr + Blvd.	Rosenberg, Texas 77471
Michele Hernandez	1316 Village Cr + Blvd.	Rosenberg, Texas 77471
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Lonnie Chappel	5116 Alderney Ct	Rosenberg, Texas 77471
LaKaysha Chappel	5116 Alderney Ct	Rosenberg, Texas 77471
Eddie Munguia Jr	5717 Walid Ln.	Rosenberg, Texas 77471
Frank Zarate	5717 Walid Ln.	Rosenberg, Texas 77471
Juaquin Escochea	2001 Village Ct. Ln.	Rosenberg, Texas 77471

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CONNIE ESCOCHEA	2001 Village Ct Ln.	Rosenberg, Texas 77471
GABRIEL ESCOCHEA	2001 Village Ct Ln.	Rosenberg, Texas 77471
TROY E. FALDYN	1614 VILLAGE CT DR	Rosenberg, Texas 77471
MELIA FALDYN	1614 VILLAGE CT DR	Rosenberg, Texas 77471
TOM PECORARO	4813 ARBOR CT	Rosenberg, Texas 77471
CAROL PECORARO	4813 ARBOR CT	Rosenberg, Texas 77471
Mickey Mikeska	1414 WALENTA AVE.	Rosenberg, Texas 77471
DELORES J. MIKESKA	1414 WALENTA AVE	Rosenberg, Texas 77471
	1212 Nanterre Ct	Rosenberg, Texas 77471
Jerry Rodriguez	1212 Nanterre Ct	Rosenberg, Texas 77471
	1618 MANOR DR	Rosenberg, Texas 77471
	1618 Manor Dr.	Rosenberg, Texas 77471
Jose D Maldonado	5709 WAGUD LN Rosenberg TX 77471	Rosenberg, Texas 77471
Nancy Carrizales	5709 WAGUD LN Rosenberg 77471	Rosenberg, Texas 77471
Luis Romo	1606 Cotter Ct.	Rosenberg, Texas 77471
Nanette V. Romo	1606 Cotter Ct	Rosenberg, Texas 77471
Josh L. Romo	1606 Cotter Ct	Rosenberg, Texas 77471
Eric Romo	1606 Cotter Ct.	Rosenberg, Texas 77471
Iris O. Maybeck	4821 E. Columbus	Rosenberg, Texas 77471
Terry Bumpers	1421 5th	Rosenberg, Texas 77471
Jacky Bumpers	1421 5th	Rosenberg, Texas 77471
		Rosenberg, Texas 77471

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Harley Johnson	1213 Nanterre Ct.	Rosenberg, Texas 77471
Ginger L. Johnson	1213 Nanterre Ct.	Rosenberg, Texas 77471
Israel Zamorano	4503 W. Parma Dr.	Rosenberg, Texas 77471
Maria Zamorano	4503 W. Parma Dr.	Rosenberg, Texas 77471
		Rosenberg, Texas 77471

Erica Flores	1502 Helmsley Dr.	Rosenberg, Texas 77471
Carlos A Flores	1502 Helmsley Dr.	Rosenberg, Texas 77471
Alejandro Arron	1214 Celaya Ct.	Rosenberg, Texas 77471
María Arron	1214 Celaya Ct.	Rosenberg, Texas 77471
Darice Angel	5017 E. Columbary	Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471
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Lynn Bell 1414 Emilee Ct. Rosenberg, Texas 77471
Thomas D Young 1702 Villages Ct Ln. Rosenberg, Texas 77471
[illegible] 1626 MANOR Rosenberg, Texas 77471
Colleen Steele 1906 Village Ct. Dr. Rosenberg, Texas 77471
Mary Taylor 4906 Cotter Ln Rosenberg, Texas 77471
Stephanie Jones 4809 Arbor Ct Rosenberg, Texas 77471
BRANDON Lewis 5009 Cotter LN Rosenberg, Texas 77471
NANCY KELLEY 5009 Cotter LN Rosenberg, Texas 77471
DALE KELLEY 5009 Cotter LN. Rosenberg, Texas 77471
Melissa Motta 4818 Arbor Ct Rosenberg, Texas 77471
Rudy Torres 4818 Arbor Ct Rosenberg, Texas 77471
[illegible] 1205 Hemlock Rosenberg, Texas 77471

50

[illegible]	1205 Hanover Blvd.	Rosenberg, Texas 77471
CRISTOBAL VILLAGUEZ	1706 Village Court Lane	Rosenberg, Texas 77471
Elvia Villagomez	1706 Village Court Lane	Rosenberg, Texas 77471
Beverly Rose	1209 Hemple Dr	Rosenberg, Texas 77471
[illegible]	1209 Hemple DR.	Rosenberg, Texas 77471
[illegible]	4821 Arbor CT	Rosenberg, Texas 77471
[illegible]	1505 VILLAGE CT CIRCLE	Rosenberg, Texas 77471
Crissina Rascas	1505 village ct. circle	Rosenberg, Texas 77471
Carmen Tuscos	1505 Village Ct Circle	Rosenberg, Texas 77471
Anthony Mayshack	4821 East Columbus Dr	Rosenberg, Texas 77471
DY Lawcock	1204 CELAYA Ct.	Rosenberg, Texas 77471
Norman Lawcock	1204 CELAYA Ct.	Rosenberg, Texas 77471
SHAWN SCHULZE	1209 LAWRENCE	Rosenberg, Texas 77471
Melanie BARTON	1209 Lawrence st	Rosenberg, Texas 77471
BEN BELL	1414 EMILEE CT.	Rosenberg, Texas 77471
Johnny West	4814 ARBOR CT	Rosenberg, Texas 77471
EDUARDO Lupe J. VASQUEZ	1201 Hemple DR.	Rosenberg, Texas 77471
Brandon Richards	1414 Emilee CT	Rosenberg, Texas 77471
Maria Chapa	5122 Alderney Ct	Rosenberg, Texas 77471
Mary A Flynn	5122 Alderney Ct	Rosenberg, Texas 77471
[illegible]	1303 Hemple	Rosenberg, Texas 77471
Amanda Ford	1303 Hemple	Rosenberg, Texas 77471
[illegible]	1221 Hemple	Rosenberg, Texas 77471
[illegible]	1205 Hemple	Rosenberg, Texas 77471
Manuel Mendez	1221 Hemple	Rosenberg, Texas 77471
Daniel Cruz	1221 Hemple	Rosenberg, Texas 77471

Betty Hernandez 1221 Hemple Dr. Rosenberg, Texas 77471
Veronica Galvan 5717 Walid Lane Rosenberg, Texas 77471
Glen T. Schwartz 3134 MAIN ST Rosenberg, Texas 77471 Pos. 7
Glene Schwartz 3134 Main Rosenberg, Texas 77471
Nicole Schiller 4402 E. Columbary Rosenberg, Texas 77471
Charles Schiller Jr. 4402 E. Columbary Rosenberg, Texas 77471
Jose Mtz 1410 Manor Dr. Rosenberg, Texas 77471
Beatriz Mendoza 1410 Manor Dr. Rosenberg, Texas 77471
1410 Manor Dr. Rosenberg, Texas 77471
Jose Saul Mendoza Jr. Rosenberg, Texas 77471
Don Dean 5805 Walid Ln. Rosenberg, Texas 77471
Dorothea Williams 5805 Walid Ln. Rosenberg, Texas 77471
Brandon Armstrong 5805 Walid Ln. Rosenberg, Texas 77471
Rosenberg, Texas 77471
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February 13, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
FEB 26 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, I am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding our subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

Save these tax credits for areas who have a need and the support of the community. Our state elected officials, local elected officials, school district, and the residents of this area are all opposed to this development, and we request that you deny the developments request for tax credits. Please share this letter with the TDHCA Board of Directors.

Sincerely,

Oscar + Senaida Perez — 1414 Village Court Drive — Rosenberg, Texas 77471
Monica Kraus — 1410 Villag Ct Dr. — Rosenberg, Texas 77471
[illegible] — 1410 VILLAGE CT. DR — Rosenberg, Texas 77471
Joanne Selberg — 1608 Helmsley Dr. — Rosenberg, Texas 77471
Curt Selberg — 1608 Helmsley — Rosenberg, Texas 77471

Robert Engram	4509 West Columbay Drive	Rosenberg, Texas 77471
Michelle Engram	4509 W. Columbay Dr	Rosenberg, Texas 77471
		Rosenberg, Texas 77471
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		Rosenberg, Texas 77471
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February 13, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
MAR 16 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March ~~12~~ 20, 2007. Please accept this as my letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, I am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding our subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

Save these tax credits for areas who have a need and the support of the community. Our state elected officials, local elected officials, school district, and the residents of this area are all opposed to this development, and we request that you deny the developments request for tax credits. Please share this letter with the TDHCA Board of Directors.

Sincerely,

Jana Child	1306 Village Court Blvd	Rosenberg, Texas 77471
Elizabeth Torres	1206 Cambay Dr.	Rosenberg, Texas 77471
Dora Mora	4405 W Parma	Rosenberg, Texas 77471
Elizabeth Cervantes	4501 West Parma	Rosenberg, Texas 77471
German Cervantes	4501 West Parma	Rosenberg, Texas 77471

Deborah Perez	1211 Gerona	Rosenberg, Texas 77471
Steve Perez	1211 Gerona	Rosenberg, Texas 77471
Leo Reyes	1205 Gerona	Rosenberg, Texas 77471
Margaret Reyes	1205 Gerona	Rosenberg, Texas 77471
[illegible]	1209 Nantes	Rosenberg, Texas 77471
Galinda Powell	1209 Nantes	Rosenberg, Texas 77471
Raul Trevino	1205 Nantes Ct.	Rosenberg, Texas 77471
Maria Trevino	1205 Nantes Ct.	Rosenberg, Texas 77471
ANDRES GARCIA	1206 MORAY DR.	Rosenberg, Texas 77471
LEVID GARCIA	1206 MORAY DR	Rosenberg, Texas 77471
Katrina Shuhart	1203 Moray Drive	Rosenberg, Texas 77471
Danny Shuhart	1203 Moray Drive	Rosenberg, Texas 77471
Roger Whitaker	1204 Moray Dr.	Rosenberg, Texas 77471
Gail Whitaker	1204 Moray Dr.	Rosenberg, Texas 77471
Carlos Hernandez	5102 Alderney ct	Rosenberg, Texas 77471
Sylvia Hernandez	5102 Alderney ct	Rosenberg, Texas 77471
Olga Montero	5104 Alderney ct	Rosenberg, Texas 77471
Maria Rodriguez	5104 Alderney ct	Rosenberg, Texas 77471
Connie Nelson	1419 Caslyn Dr	Rosenberg, Texas 77471
Ricardo Nelson	1419 Caslyn Dr	Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471
		Rosenberg, Texas 77471

February 13, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
MAR 16 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March ~~12~~ 20, 2007. Please accept this as my letter in opposition to this development.

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Sincerely,

Robert O Wilson	1201 Cambay Dr.	Rosenberg, Texas 77471
Carlen Wilson	1201 Cambay Dr	Rosenberg, Texas 77471
Norma B Wil	1201 Cambay Dr.	Rosenberg, Texas 77471
Anne Wilson	1201 Cambay Dr	Rosenberg, Texas 77471
[illegible]	1203 Cambay Dr.	Rosenberg, Texas 77471

27

Barbara Goodall	1210 Hanover Blvd	Rosenberg, Texas 77471
[illegible]	1206 Hanover Blvd	Rosenberg, Texas 77471
Michael Davila	1206 Hanover Blvd.	Rosenberg, Texas 77471
Irene Murillo	1207 Hanover Blvd.	Rosenberg, Texas 77471
Carmen Madrigal	4610 JERVIS DR.	Rosenberg, Texas 77471
Royal T. Brown	4703 E. PARMA	Rosenberg, Texas 77471
LYDIA BLACK	4703 E. PARMA	Rosenberg, Texas 77471
Elvia Villarreal	4705 E Parma DR	Rosenberg, Texas 77471
Joe Villarreal	4705 E Parma DR	Rosenberg, Texas 77471
Christopher Huerta	4711 E. Parma Dr.	Rosenberg, Texas 77471
Edelmira Garcia	4711 E. Parma DR	Rosenberg, Texas 77471
Sylvia Muniz	4709 E. Parma Dr	Rosenberg, Texas 77471
Orlando Muniz	4709 E. Parma Dr	Rosenberg, Texas 77471
[illegible]	4911 E. Parma Dr.	Rosenberg, Texas 77471
Rosie Barnhardt	5001 E. Parma Dr.	Rosenberg, Texas 77471
Melinda Barnhardt	5001 E. Parma Dr.	Rosenberg, Texas 77471
[illegible]	4606 Jervis Dr.	Rosenberg, Texas 77471
Jesse Torres	4606 Jervis Dr.	Rosenberg, Texas 77471
Glenn Wilson	4608 JERVIS Dr	Rosenberg, Texas 77471
[illegible]	4608 JERVIS DR.	Rosenberg, Texas 77471
NIKIA BAIN	1205 MORAY DR	Rosenberg, Texas 77471
[illegible]	1306 Hillmar Court Blvd.	Rosenberg, Texas 77471

February 25, 2007

Ms. Robbye Meyer

Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
MAR 12 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is our understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 20, 2007. Please accept this as our letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, we am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding the subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

Save these tax credits for areas who have a need and the support of the community. Our state elected officials, local elected officials, school district, and the residents of this area are all opposed to this development, and we request that you deny the developments request for tax credits. Please share this letter with the TDHCA Board of Directors.

Sincerely,

Barbara Cavazos	1403 Stevens Court	Rosenberg TX 77471
Carlos Cavazos	1403 Stevens Court	Rosenberg TX 77471
[illegible]	1318 Emilee Ct.	Rosenberg, Tx 77471
Brandt Fedeler	1302 Village Court Blvd	Rosenberg, TX 77471
Jamie L. Miller Fedeler	1302 Village Ct Blvd.	Rosenberg, Tx 77471

5

February 14, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
FEB 20 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

I am writing in regards to the proposed construction of the above referenced apartment complex in Rosenberg, Texas. It is my understanding that the housing application for Lakes of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. This letter is to express my opposition to this development.

As Vice-President of the Board for the Home Owner's Association of Villages of Town Center, which is situated adjacent to the proposed construction site, I and the Board are strongly opposed to this development. According to market research which has been performed by local real estate agents in Rosenberg, we have strong reason to believe that the valuation of our homes in Villages of Towncenter will be adversely affected by this new proposed development. Furthermore, not only will this negatively affect the tax base for the Lamar Consolidated Independent School District which our children attend, but it will severely impact the over burdened school system which are already having difficulty meeting high student quotas in our central area. The Board of Villages of Towncenter also believes that there is an abundant supply of public assistance housing situated a few blocks down from where this new development is being proposed to be built.

Our Home Owners Association has had meetings with city officials in Rosenberg and understands that our concern is mutual with regards to this new development. I urge you to consider this letter in your final decision making process.

Sincerely,

Agapito C. Gaytan

Agapito C. Gaytan
Board Vice-President
Villages of Towncenter Home Owners Association
2018 Village Ct Lane
Rosenberg, TX 77471
281-239-8947

Received
FEB 28 2007

February 13, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, I am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding our subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

Save these tax credits for areas who have a need and the support of the community. Our state elected officials, local elected officials, school district, and the residents of this area are all opposed to this development, and we request that you deny the developments request for tax credits. Please share this letter with the TDHCA Board of Directors.

Sincerely,

Shelton L. Boles Jr

SHELTON L. BOLES JR
1202 HEMPLE DR
Rosenberg, Texas 77471

RECEIVED
FEB 22 REC'D
LIHTC

Multifamily Finance Production Division Director
Texas Department of Housing and Community Affairs
507 Sabine
Austin Tx 78701

February 19, 2007

Dear Sir/Madam:

We want to express to you our feeling that the Lake Goldshire apartment developers in Rosenberg should be denied their request for building low income apartments on Avenue I (FM1640).

In the nearby Town Center area there is an abundance of apartment buildings with many unoccupied apartment units. The area does not warrant another apartment complex.

Please deny approval of this project.

Sincerely,
Wiley Amick
Eleanor J. Amick

Wiley Amick
Eleanor J. Amick

February 13, 2007

Ms. Robbye Meyer
Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

As a resident of the Villages of Town Center, the subdivision where the apartments are being proposed, I am adamantly opposed to this development. Currently, there is a concentration of affordable housing surrounding our subdivision all of which have signs out front saying now leasing. In other words, we have plenty of affordable housing still available to those in this area.

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Sincerely,

MARK + BEVERLY ROSE
1209 HEMREC DR.

Rosenberg, Texas 77471

February 18, 2007

Ms. Robbye Meyer

RECEIVED
FEB 22 REC'D
LIHTC

Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711
Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

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Sincerely,

Nancy W. Kelley
Dale C. Kelley

Rosenberg, Texas 77471

February 18, 2007

Ms. Robbye Meyer

Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
MAR 12 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

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Sincerely,

Edna Owens
1804 Houston St

Rosenberg, Texas 77471

February 18, 2007

Ms. Robbye Meyer

Multifamily Finance Production Division Director
TDHCA
PO Box 13941
Austin, Texas 78711

RECEIVED
MAR 12 REC'D
LIHTC

Re: Lakes of Goldshire Apartments, TDHCA #060429

Dear Ms. Meyer:

It is my understanding that the housing application for Lake of Goldshire Apartments will be considered at the next TDHCA Board meeting on March 12, 2007. Please accept this as my letter in opposition to this development.

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Sincerely,

Sonja Cannon

Rita A. Cannon

Rosenberg, Texas 77471

2

Ms. Robbye Meyer
Acting Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O.Box 13941
Austin, Texas 78711-3941

May 1, 2007

RECEIVED
MAY 0 2 REC'D
LIHTC

[redacted]

Dear Ms. Meyer:

It is requested that my previous submittals to TDHCA dated March 1, 2007 and March 30, 2007 to TDHCA be included in the May 10 TDHCA meeting agenda regarding the Lakes of Goldshire.

This third submittal is in regard to additional information in opposition to the Lakes of Goldshire. I have previously documented to you compelling evidence supporting this position in respect to (1) the impact on the great number of our economically disadvantaged children living and going to school in Rosenberg, (2) the heavy concentration of multifamily units within a one-mile area, (3) the impact on school taxes, (4) the circumstances of Goldshire's approach to get initial TDHCA approval by waiver of two state rules, (5) the availability of multifamily rental housing and costs in area and (6) the fact that the position and voice of the City of Rosenberg has been ignored.

In respect to still another issue, you will find attached a copy of a "Police Call" report by the Rosenberg Police Department for 2006.

It is noted that within a mile of the Goldshire project site there are 15 multifamily complexes with 2,360 units which is documented in my March 1, 2007 submittal to TDHCA. Eleven of these multifamily complexes located in Rosenberg proper with a total of 1,615 units had 3,287 police calls in 2006 with 237 Crime One calls involving homicide, rape, assault, burglary, and vehicle theft. Two police calls per apartment unit. (See attached)

Two of these eleven complexes are recent multifamily low income tax credit housing projects that began operation in 1998 and 2002 - Falcon Pointe and Reading Park. Last year there were 728 police calls to these two housing complexes and 70 Crime One calls. Two police calls per apartment unit. (See attached) It would stand to reason that the Lakes of Goldshire low income tax credit housing project will closely follow suit.

The Rosenberg community of 30,000 with 75% of its public elementary school children who are economically disadvantaged will be significantly impacted by the **third** low income tax credit housing project with an additional 160 units concentrated within a one mile area. Please know and understand how your actions can and will impact our school children, our school district and our communities of Rosenberg and Richmond, if the Lakes of Goldshire is approved for bond funding.

Submitted By:

Dr. Dan Ives
2500 Pecan Drive
Rosenberg, Texas 77471
281-344-0496 hm
281-302-5927 cell
msdives@sbcglobal.net

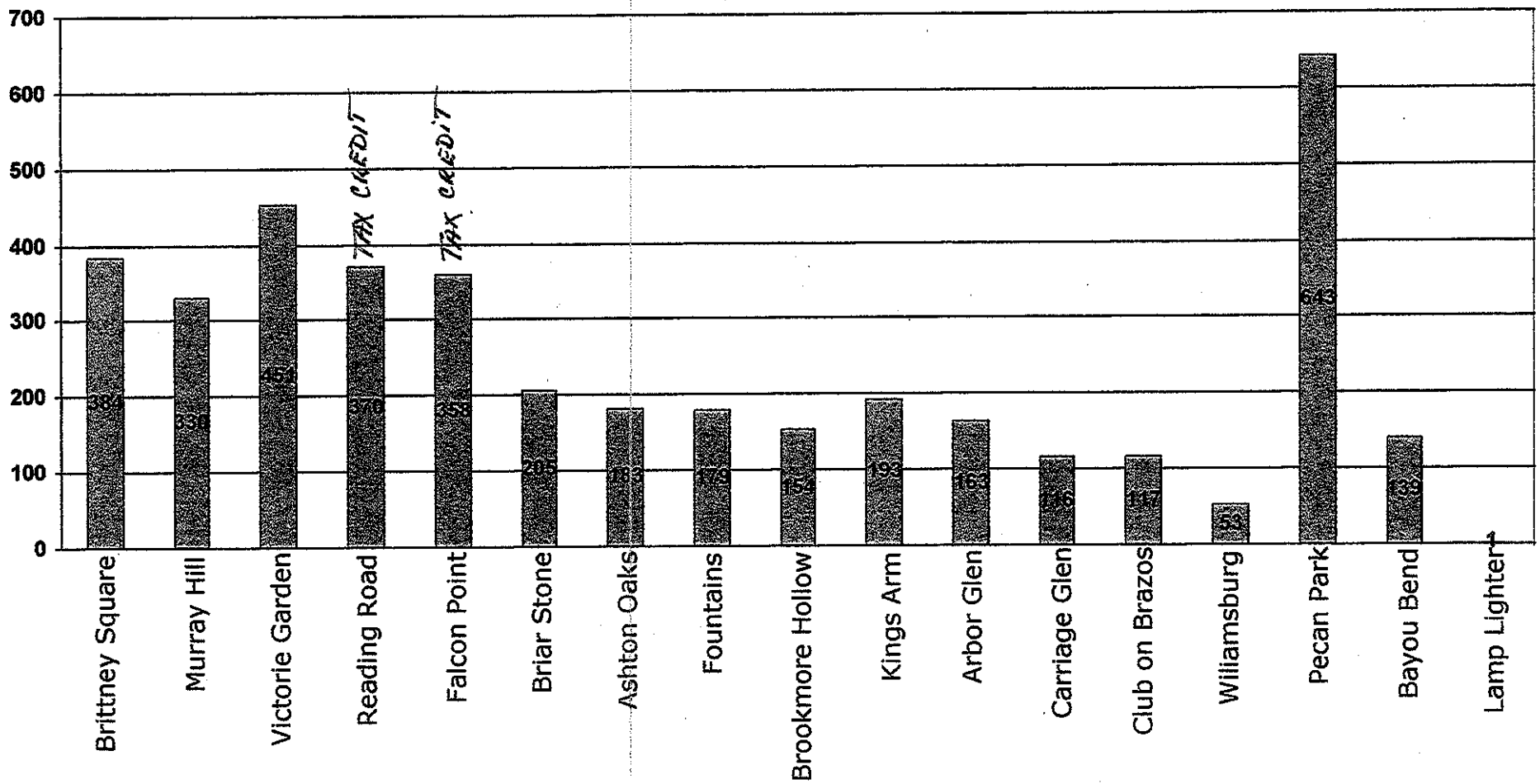
cc.
Senator Glenn Hegar

TOTAL CALLS

ROSENBERG POLICE DEPARTMENT
2120 4TH STREET
ROSENBERG, TEXAS 77471
832-595-3700

2006 Aparmtent Complex Crime Analysis

Total Calls For Service 36,243



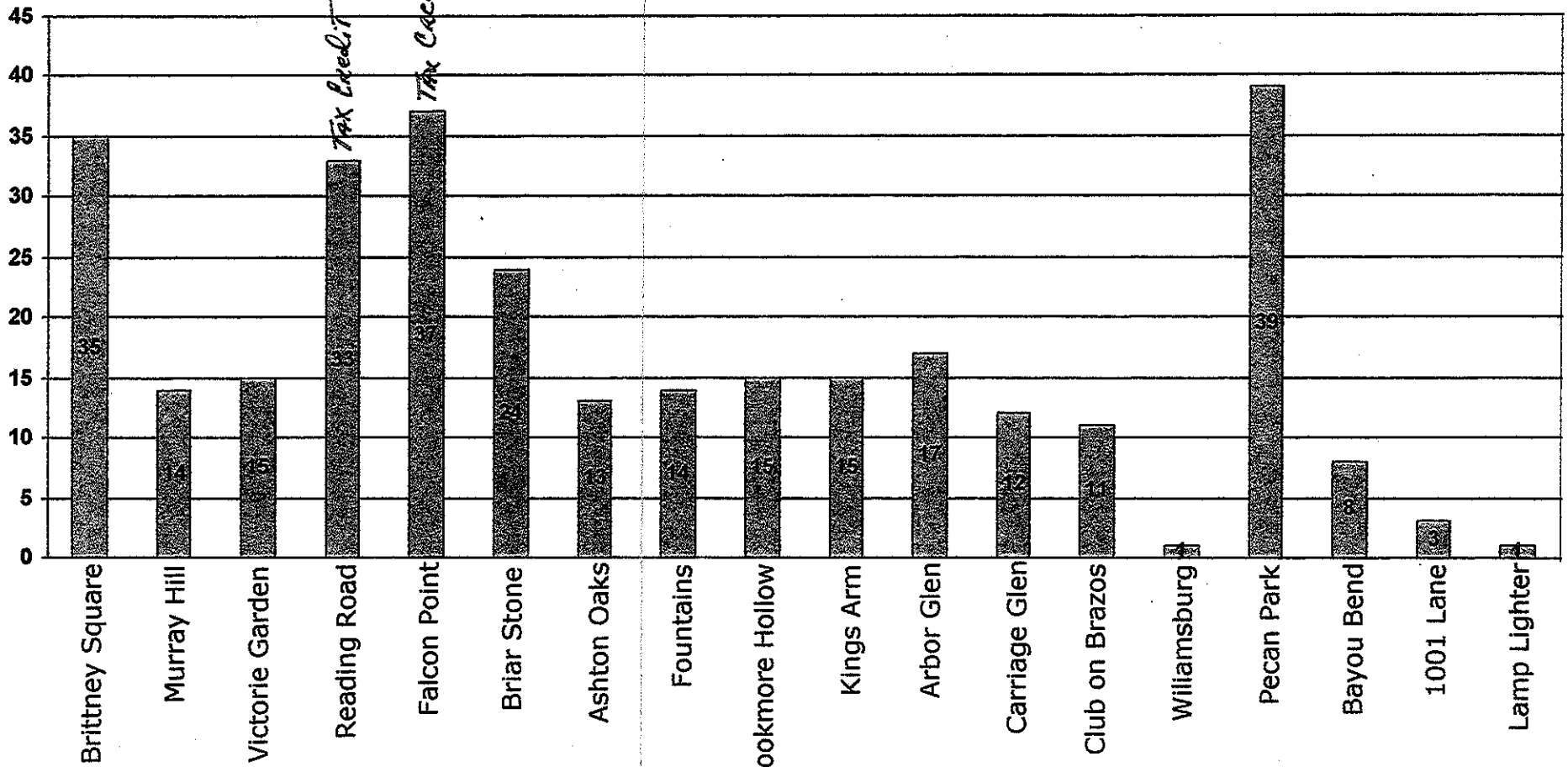
EJ01

Crime One Calls

ROSENBERG POLICE DEPARTMENT
2120 4TH STREET
ROSENBERG, TEXAS 77471
832-595-3700

2006 Aparmtent Complex Crime Analysis

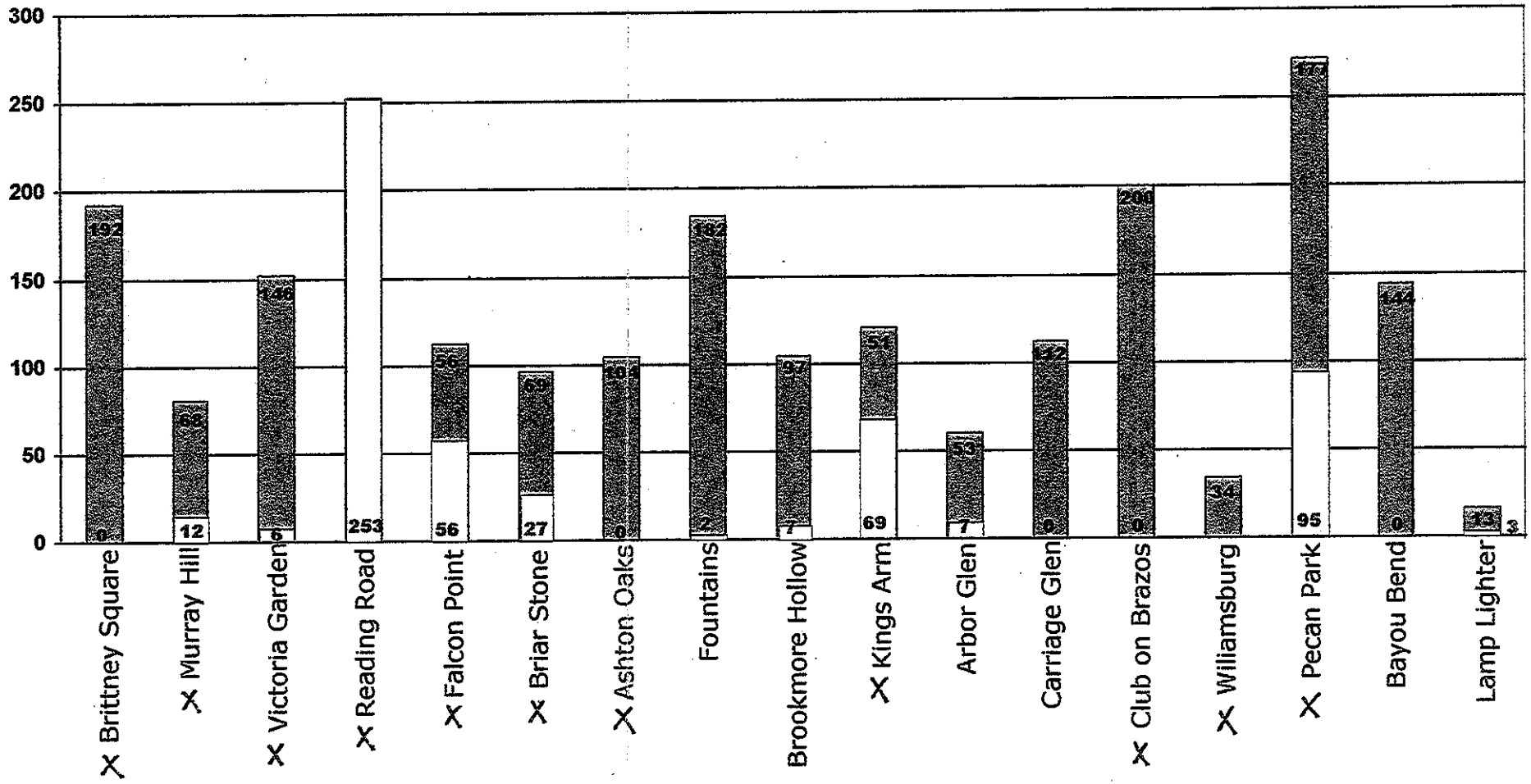
Total Part One Crime 1,648



Apartment Units

ROSENBERG POLICE DEPARTMENT
2120 4TH STREET
ROSENBERG, TEXAS 77471
832-595-3700

Apartment Complexes



X Within one-mile of Goldsline

Housing Tax Credit Program
Board Action Request
May 10, 2007

Action Item

Request review and board determination of one (1) four percent (4%) tax credit application with another issuer for a tax-exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of one (1) four percent (4%) Tax Credit Determination Notice with **another issuer** for the tax exempt bond transaction 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
07413	Mansions at Hastings Green Senior	Houston	Harris County HFC	252	252	$22,496,469	$11,700,000	$940,796	$940,796

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
May 10, 2007

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 Hastings Green Seniors, #07413.

Summary of the Transaction

Background and General Information: The application was received on February 20, 2007. The Issuer for this transaction is Harris County HFC with a reservation of allocation that expires on July 22, 2007. The development is new construction and will consist of 252 total units targeting elderly population, with all units affordable. The proposed development will be located in Houston, Harris County. There is no zoning required for the Houston area.

Organizational Structure and Compliance: The Borrower is Mansions at Hastings Green Senior, LP and the General Partner is Mansions at Hastings Green Senior, LLC which is comprised of Robert R. Burchfield with 50% ownership interest and Linda Hofheinz with 50% ownership interest. The Compliance Status Summary completed on April 26, 2007 reveals that the principals of the general partner have a total of four (4) properties that have been monitored with no material non-compliance. The bond priority for this transaction is:

☒ **Priority 1C:** Set aside **100%** of units that cap rents at 30% of **60%** AMFI (Only for projects located in a **census tract with median income that is greater** than the median income of the county MSA, or PMSA that the QCT is located in.)

Census Demographics: The development is to be located at the Northwest corner of Fallbrook and Hammond Drive in Houston. Demographics for the census tract (5524) include AMFI of $70,851; the total population is 4,266; the percent of population that is minority is 30.83%; the percent of population that is below the poverty line is 3.54%; the number of owner occupied units is 1,085; the number of renter units is 460 and the number of vacant units is 68. The percentage 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 or opposition.

Recommendation

Staff recommends the Board approve the issuance of a Determination Notice of $940,796 in Housing Tax Credits for Mansions at Hastings Green Seniors.

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Mansions at Hastings Green Senior, TDHCA Number 07413

BASIC DEVELOPMENT INFORMATION

Site Address:	Northwest Corner of Fallbrook and Hammond Dr.			Development #:	07413
City:	Houston	Region:	6	Population Served:	Elderly
County:	Harris	Zip Code:	77065	Allocation:	Urban/Exurban
HOME Set Asides:	☐ CHDO ☐ Preservation ☐ General			Purpose/Activity:	NC
Bond Issuer:	Harris 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:	Mansions at Hastings Green Senior, L.P.	
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' Conner & Associates	
Syndicator:	Red Capital Markets, Inc.	
Supportive Services:	Not Utilized	
Consultant:	Feniksas Real Estate Group, L.P.	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	0	252	0	140	112	0	0	0

Type of Building:

☐ Duplex
☐ Triplex
☐ Fourplex
☑ 4 units or more per building
☐ Detached Residence
☐ Single Room Occupancy
☐ Transitional
☐ Townhome

Total Restricted Units:	252
Market Rate Units:	0
Owner/Employee Units:	0
Total Development Units:	252
Total Development Cost:	$22,496,469
Number of Residential Buildings:	8
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:	$940,796	$940,796	0	0	0%
TDHCA Bond Allocation Amount:	$0	$0	0	0	0%
HOME Activity Fund Amount:	$0	$0	0	0	0%
HOME CHDO Operating Grant Amount:	$0	$0			

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Mansions at Hastings Green Senior, TDHCA Number 07413

PUBLIC COMMENT SUMMARY

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

State/Federal Officials with Jurisdiction:

TX Senator: Patrick, District 7 NC

US Representative: Culberson, District 7, NC

TX Representative: Van Arsdale, District 130 NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Ed Emmett, Judge, Harris County - NC

Resolution of Support from Local Government ☐

David B. Turkel, Director, Harris County Community & Economic Development Department - Consistent with the HUD approved 2003-2007 Consolidated Plan for Harris County which established the need for affordable, rental housing in the county.

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

Neighborhood Input:

General Summary of Comment:

CONDITIONS OF COMMITMENT

Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

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 1.15.

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

May 10**, 2007**

Development Information, Public Input and Board Summary

Mansions at Hastings Green Senior, TDHCA Number 07413

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

4% Housing Tax Credits:	Credit Amount:	$940,796

Recommendation: **Recommend approval of a Housing Tax Credit Allocation not to exceed $940,796 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
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 05/01/07 PROGRAM: 4% HTC FILE NUMBER: **07413**

DEVELOPMENT

Mansions at Hastings Green Senior

Location: NW Corner of Fallbrook and Hammond Dr Region: 6

City: Houston County: Harris Zip: 77065 [ ] QCT [x] DDA

Key Attributes: Multifamily, Seniors, New Construction, Urban/Exurban

ALLOCATION

	REQUEST			**RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
Housing Tax Credit (Annual)	$940,796			**$940,796**		

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 1.15.
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.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	252

PROS

- The development will target senior households
- The development represents the first targeting seniors in the PMA in the last three years

CONS

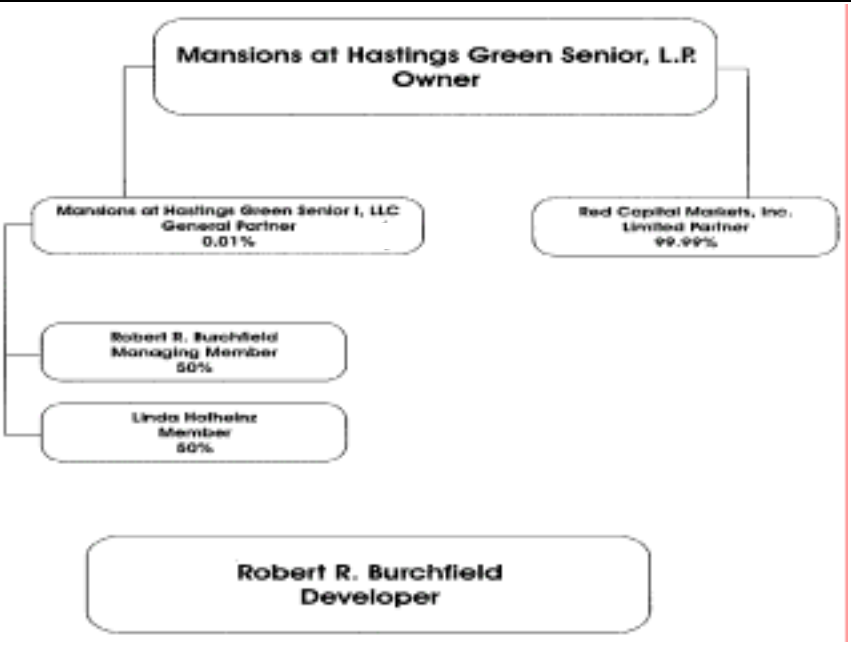
- The capture rate exceeds 50% suggesting a somewhat saturated primary market.
- The Developer has had difficulty in completing transactions the past.
- Elevators are only acessable via walkways for many second and third story residents.

PREVIOUS UNDERWRITING REPORTS

The Applicant submitted a tax credit application in 2006 (#060432), but withdrawn due to non-submission of all third party documentation (including market study) 60 days prior to the scheduled board meeting.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Robert R. Burchfield Phone: (713) 956-0555 Fax: (713) 956-0166
Email: Rob@BurchfieldCcompanies.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity[1]	# of Complete Developments
Robert R. Burchfield	CONFIDENTIAL		
Linda Hofheinz	CONFIDENTIAL		
Lee Burchfield	CONFIDENTIAL		

[1] Liquidity = Current Assets - Current Liabilities

Comments:

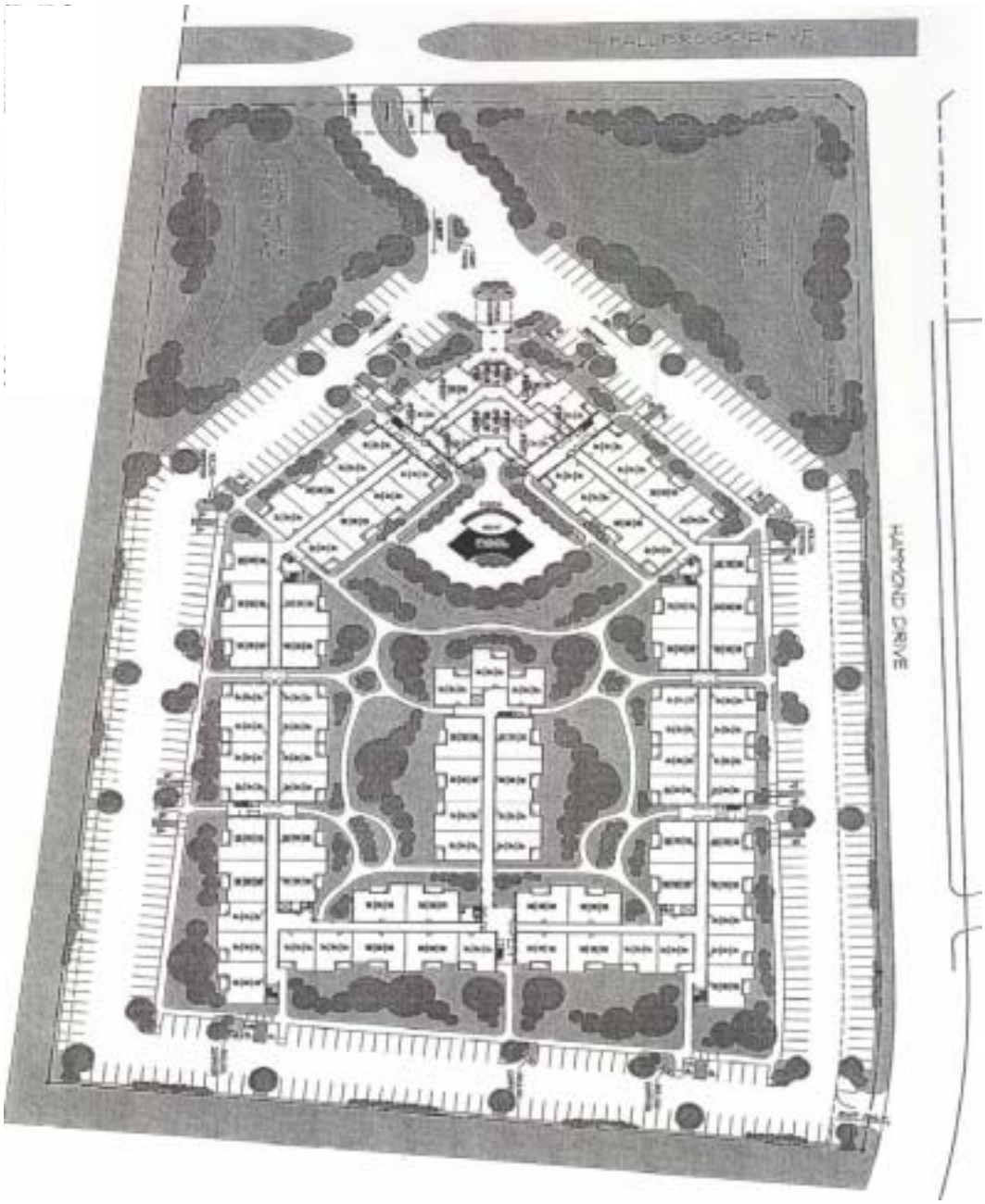
Multifamily Production Finance Staff have verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation. It should be noted, however, that at least one of the 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.

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; this issue is addressed at length in the acquisition cost section below.

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	I	II	III	IV	V	VI					Total Buildings
Floors/Stories	3	3	3	3	3	3					
Number	1	2	2	1	1	1					**8**

BR/BA	SF	Units										Total Units	Total SF
1/1	729	8	18	24	12	15	21					140	102,060
2/1	990	4	21	0	27	27	12					112	110,880
Units per Building		12	39	24	39	42	33					**252**	**212,940**

SITE ISSUES

Total Size: 10.03 acres Scattered site? [ ] Yes [x] No

Flood Zone: Zone X Within 100-yr floodplain? [ ] Yes [x] No

Comments:

The eight buildings will be connected by a system of covered walkways that will allow a total of four elevators to serve the upper floor residents throughout the site. Due to the configuration of the buildings, many second and third floor residents will have extended walks from the parking area through adjacent buildings to arrive at their unit.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff Date: 10/18/2006

Overall Assessment:

[ ] Excellent [x] Acceptable [ ] Questionable [ ] Poor [ ] Unacceptable

Surrounding Uses:

North: Howard Dr, residential & undeveloped land

South: Harris County Flood Control Ditch, White Oak Bayou, commercial & undeveloped land

East: Commercial, residential & vacant land

West: Community park & vacant land

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Honesty Environmental Services, Inc. Date: 3/2/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

None

MARKET HIGHLIGHTS

Provider: Patrick O'Connor & Associates, L.P. Date: 3/1/2007

Contact: Robert Coe, II Phone: (713) 686-9955 Fax: (713) 686-8336

Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA):

"The subject's primary market is defined as that area within the following geographic boundaries: Little Cypress Creek and Willow Creek to the north; Grant Road, Jones Road, the RR track and Langfield Road to the east; Clay Road to the south; and North Eldridge Parkway Horsepen Creek, Barker Cypress Rosehill Road to the west." (p. 10) This area encompasses approximately 27.47 square miles and is equivalent to a circle with a radius of approximately 3 miles.

Secondary Market Area (SMA):

The Market Analyst did not define a secondary market for the subject development.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	Comp Units 25%
The Manor at Jersey Village	03182	200	160	No secondary market defined			

INCOME LIMITS						
Harris						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	$12,800	$14,650	$16,450	$18,300	$19,750	$21,250
50	$21,350	$24,400	$27,450	$30,500	$32,950	$35,400
60	$25,620	$29,280	$32,940	$36,600	$39,540	$42,480

PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/60% Rent Limit	500	25	112	637	140	80	35%
2 BR/60% Rent Limit	500	25	112	637	112	80	30%

OVERALL DEMAND										
	Target Households		Household Size		Income Eligible		Tenure		Demand	
PMA DEMAND from TURNOVER										
Market Analyst p. 70	58%	49,280	100%	49,280	5%	2,567	20%	517	65%	582
Underwriter	17%	15,411	100%	15,411	20%	3,024	25%	770	65%	500
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 70			100%	5,807	5%	303	20%	303	20%	61
Underwriter			100%	494	20%	97	25%	25	100%	25
DEMAND from OTHER SOURCES										
Market Analyst p. 68										51
Underwriter										112

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 71	252	200	0	452	694	47.83%
Underwriter	252	160	0	412	637	64.67%

Primary Market Occupancy Rates:

"The occupancy of the comparable rentals included in this study range from 74% (in initial lease up) to 94%, with a median occupancy of 85.8% or 92% excluding the two comparables in their initial lease-up. The average occupancy for comparable apartments in the subject's primary market area was reported at 91.1% in the most recent O'Connor Data survey (December 2006). According to the survey, occupancy in the primary market area in December 2006 has increased slightly from the prior quarter. Average occupancy in the primary market area has remained in the high 80% to mid 90's since September 1995. The fluctuations were due to new product coming on-line. Based on our analysis of the market, moderate increases in occupancy are projected for this market." (p. 39)

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 within ten to thirteen months following completion." (p. 83)

RENT ANALYSIS (Tenant-Paid Net Rents)						
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR 729 SF 60%	$625	$625	$795	$625	$170
2 BR 990 SF 60%	$751	$751	$1,035	$751	$284

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. 83)

Comments:

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

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 4/19/2007

The Applicant's projected rents collected per unit were calculated by subtracting tenant-paid utility allowances as of April 1, 2006, maintained by the Harris County Housing Authority, from the 2007 program gross rent limits. Tenants will be required to pay electric utility costs. The Applicant's secondary income assumption is in line with current TDHCA underwriting guidelines, while their vacancy and collection loss at 7% is slightly understated. Overall, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 4/19/2007

The Applicant's total annual operating expense projection at $3,827 per unit is 5% lower than the Underwriter's estimate of $4,124, derived from the TDHCA database and third-party data sources. Several of the Applicant's line item projections are inconsistent with the Underwriter's estimates including: General and Administrative ($21K lower), Payroll ($18K lower), Repairs and Maintenance ($30K lower and Taxes($18K lower).

Conclusion:

The Applicant's estimated operating expenses are not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. Both the Applicant's and Underwriter's proforma and estimated debt service result in a debt coverage ratio (DCR) below the Department's minimum of 1.15. As a result, 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).

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 Applicant'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 1.15. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only:	10 acres	$327,680	Tax Year:	2006
Existing Buildings:		$0	Valuation by:	Harris CAD
Total Assessed Value:		$327,680	Tax Rate:	3.0261

EVIDENCE of PROPERTY CONTROL

Type: Purchase and Sale Agreement | Acreage: 10.03

Contract Expiration: 10/31/2007 | Valid Through Board Date? [x] Yes [ ] No

Acquisition Cost: $1,310,863 | Other:

Seller: Robert R. Burchfield | Related to Development Team? [x] Yes [ ] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 0 | Date of Last Applicant Revision: N/A

Acquisition Value:

The current owner, Rob Burchfield, is the developer and managing member of the General Partner; therefore, the transaction represents an identity of interest. The proposed acquisition cost for the subject 10.0273-acres included in the development cost schedule is $1,310,720.

The Applicant submitted two closing statements dated December 28, 2006 between Hastings Green Partners, Ltd. and AIMCO Properties, LP and Robert Burchfield for four tracts of land. The subject property was purchased as part of a transaction involving three of the four tracts. The acquisition cost for Tracts 1, 2 & 3 was $2,897,020, or $130,702 per acre. The resulting prorata cost for the subject 10.03 acres is $1,310,593, the acquisition value assumed in this underwriting analysis

Sitework Cost:

The Applicant's claimed sitework costs of $4,788 per unit appear to be low based on the proposed construction of detention ponds, but are acceptable under current Department guidelines.

Cost:

The Applicant's direct construction cost estimate is $663K, or 6%, less than the Underwriter's estimate derived from the Marshall & Swift Residential Cost Handbook.

Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by $674,875 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 & Fees:

The Applicant's eligible contingency costs were adjusted down by $25,000 to meet the Department guideline of 5% of eligible sitework and direct construction costs for new construction developments. Although the Applicant's total contractor fees are within the maximums allowed by HTC guidelines, the Applicant's developer fee exceeds 15% of the Applicant's adjusted eligible basis by $14,242 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. The calculated eligible basis of $20,081,543 is increased by 30% because the region has been designated a Difficult Development Area. The resulting adjusted eligible basis of $26,106,006 supports annual tax credits of $947,648. 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

SOURCES & USES Number of Revisions: 1 | Date of Last Applicant Revision: 3/29/2007

Issuer: Harris County Finance Corporation

Source: Red Capital Markets, Inc. | Type: **Interim to Permanent Bond Financing**

Tax-Exempt: $13,250,000 | Interest Rate: 5.85% | [x] Fixed | Term: 420 months

Source: Red Capital Markets, Inc | Type: **Syndication**

Proceeds: $8,302,783 | Syndication Rate: 95% | Anticipated HTC: $ 874,065

Amount: $943,813 | Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio below the Department's minimum guideline of 1.15. 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 1.15 is a condition of this report. The current underwriting analysis assumes a decrease in the permanent loan amount to $11,700,000 based on the terms reflected in the application materials. As a result the development's gap in financing will increase.

The Applicant's total development cost estimate less the adjusted permanent loan of $11,700,000 indicates the need for $10,796,596 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $1,136,598 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request ($940,796), the gap-driven amount ($1,136,598), and eligible basis-derived estimate ($947,648), the Applicant's request of $940,796 is recommended.

The Underwriter's recommended financing structure indicates the need for $1,859,805 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within ten years of stabilized operation.

Underwriter:	*Diamond Unique Thompson*	Date:	May 1, 2007
Reviewing Underwriter:	*Lisa Vecchietti*	Date:	May 1, 2007
Director of Real Estate Analysis:	*Tom Gouris*	Date:	May 1, 2007

Mansions at Hastings Green Senior , Houston, 4% HTC #07413

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	WS&T
TC 60%	140	1	1	729	$686	$625	$87,500	$0.86	$61.00	$32.31
TC 60%	112	2	2	990	$823	751	84,112	0.76	72.00	37.31
TOTAL:	252		**AVERAGE:**	845		$681	$171,612	$0.81	$65.89	$34.53

INCOME	Total Net Rentable Sq Ft: 212,940			TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$2,059,344	$2,059,344	Harris	Houston	6
Secondary Income	Per Unit Per Month:	$13.50		40,824	40,824	$13.50	Per Unit Per Month	
Other Support Income:				0	0	$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$2,100,168	$2,100,168			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(157,513)	(147,012)	-7.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0			
EFFECTIVE GROSS INCOME				$1,942,655	$1,953,156			

EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.75%	$366	0.43	$92,220	$70,740	$0.33	$281	3.62%
Management	4.00%	308	0.36	77,706	78,232	0.37	310	4.01%
Payroll & Payroll Tax	11.65%	898	1.06	226,233	208,643	0.98	828	10.68%
Repairs & Maintenance	5.19%	400	0.47	100,781	70,500	0.33	280	3.61%
Utilities	2.56%	198	0.23	49,812	49,200	0.23	195	2.52%
Water, Sewer, & Trash	4.01%	309	0.37	77,873	77,700	0.36	308	3.98%
Property Insurance	3.84%	296	0.35	74,529	86,940	0.41	345	4.45%
Property Tax 3.0261	11.78%	908	1.07	228,773	211,245	0.99	838	10.82%
Reserve for Replacements	3.24%	250	0.30	63,000	63,000	0.30	250	3.23%
TDHCA Compliance Fees	0.52%	40	0.05	10,080	10,080	0.05	40	0.52%
Other: Sup. Servs, Security	1.96%	151	0.18	38,160	38,160	0.18	151	1.95%
TOTAL EXPENSES	53.49%	$4,124	$4.88	$1,039,166	$964,441	$4.53	$3,827	49.38%
NET OPERATING INC	46.51%	$3,585	$4.24	$903,489	$988,715	$4.64	$3,923	50.62%
DEBT SERVICE								
First Lien Mortgage	45.85%	$3,534	$4.18	$890,642	$859,753	$4.04	$3,412	44.02%
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	0.66%	$51	$0.06	$12,847	$128,963	$0.61	$512	6.60%
AGGREGATE DEBT COVERAGE RATIO				1.01	1.15			
RECOMMENDED DEBT COVERAGE RATIO				1.15				

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)		5.65%	$5,201	$6.15	$1,310,593	$1,310,720	$6.16	$5,201	5.83%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		5.20%	4,788	5.67	1,206,628	1,206,628	5.67	4,788	5.36%
Direct Construction		51.59%	47,498	56.21	11,969,397	11,306,884	53.10	44,869	50.26%
Contingency	4.94%	2.80%	2,582	3.06	650,676	650,676	3.06	2,582	2.89%
Contractor's Fees	13.30%	7.55%	6,952	8.23	1,751,892	1,751,892	8.23	6,952	7.79%
Indirect Construction		2.83%	2,601	3.08	655,500	655,500	3.08	2,601	2.91%
Ineligible Costs		3.51%	3,234	3.83	815,090	815,090	3.83	3,234	3.62%
Developer's Fees	14.51%	11.35%	10,451	12.37	2,633,574	2,633,574	12.37	10,451	11.71%
Interim Financing		8.26%	7,602	9.00	1,915,632	1,915,632	9.00	7,602	8.52%
Reserves		1.25%	1,151	1.36	290,144	250,000	1.17	992	1.11%
TOTAL COST		100.00%	$92,060	$108.95	$23,199,125	$22,496,596	$105.65	$89,272	100.00%
Construction Cost Recap		*67.15%*	***$61,820***	***$73.16***	***$15,578,593***	***$14,916,080***	***$70.05***	***$59,191***	*66.30%*

SOURCES OF FUNDS						RECOMMENDED	
First Lien Mortgage	57.11%	$52,579	$62.22	$13,250,000	$13,250,000	$11,700,000	Developer Fee Available
Additional Financing	0.00%	$0	$0.00	0	0	0	$2,619,332
HTC Syndication Proceeds	35.79%	$32,948	$38.99	8,302,783	8,302,783	8,936,664	% of Dev. Fee Deferred
Deferred Developer Fees	4.07%	$3,745	$4.43	943,813	943,813	1,859,805	71%
Additional (Excess) Funds Req'd	3.03%	$2,788	$3.30	702,529	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$23,199,125	$22,496,596	$22,496,469	$3,546,806

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Mansions at Hastings Green Senior , Houston, 4% HTC #07413

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$55.19	$11,751,505
Adjustments				
Exterior Wall Finish	2.40%		$1.32	$282,036
Elderly	3.00%		1.66	352,545
9-Ft. Ceilings	3.30%		1.82	387,800
Roofing			0.00	0
Subfloor			(0.75)	(158,995)
Floor Cover			2.64	562,055
Breezeways/Balconies	$22.27	64,840	6.78	1,443,996
Plumbing Fixtures	$805	224	0.85	180,320
Rough-ins	$400	252	0.47	100,800
Built-In Appliances	$1,850	252	2.19	466,200
Stairs	$1,800	20	0.17	36,000
Enclosed Corridors	$45.27		0.00	0
Heating/Cooling			1.90	404,586
Elevators	$52,750	4	0.99	211,000
Comm &/or Aux Bldgs	$59.14	8,505	2.36	502,964
Other: fire sprinkler	$1.95	212,940	1.95	415,233
SUBTOTAL			79.54	16,938,045
Current Cost Multiplier	0.98		(1.59)	(338,761)
Local Multiplier	0.89		(8.75)	(1,863,185)
TOTAL DIRECT CONSTRUCTION COSTS			$69.20	$14,736,099
Plans, specs, survy, bld prm	3.90%		($2.70)	($574,708)
Interim Construction Interest	3.38%		(2.34)	(497,343)
Contractor's OH & Profit	11.50%		(7.96)	(1,694,651)
NET DIRECT CONSTRUCTION COSTS			$56.21	$11,969,397

PAYMENT COMPUTATION

Primary	$13,250,000	Amort	420
Int Rate	5.85%	DCR	1.01
Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.01
Additional		Amort	
Int Rate		Aggregate DCR	1.01

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$786,454
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$117,036

Primary	$11,700,000	Amort	420
Int Rate	5.85%	DCR	1.15
Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.15
Additional	$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

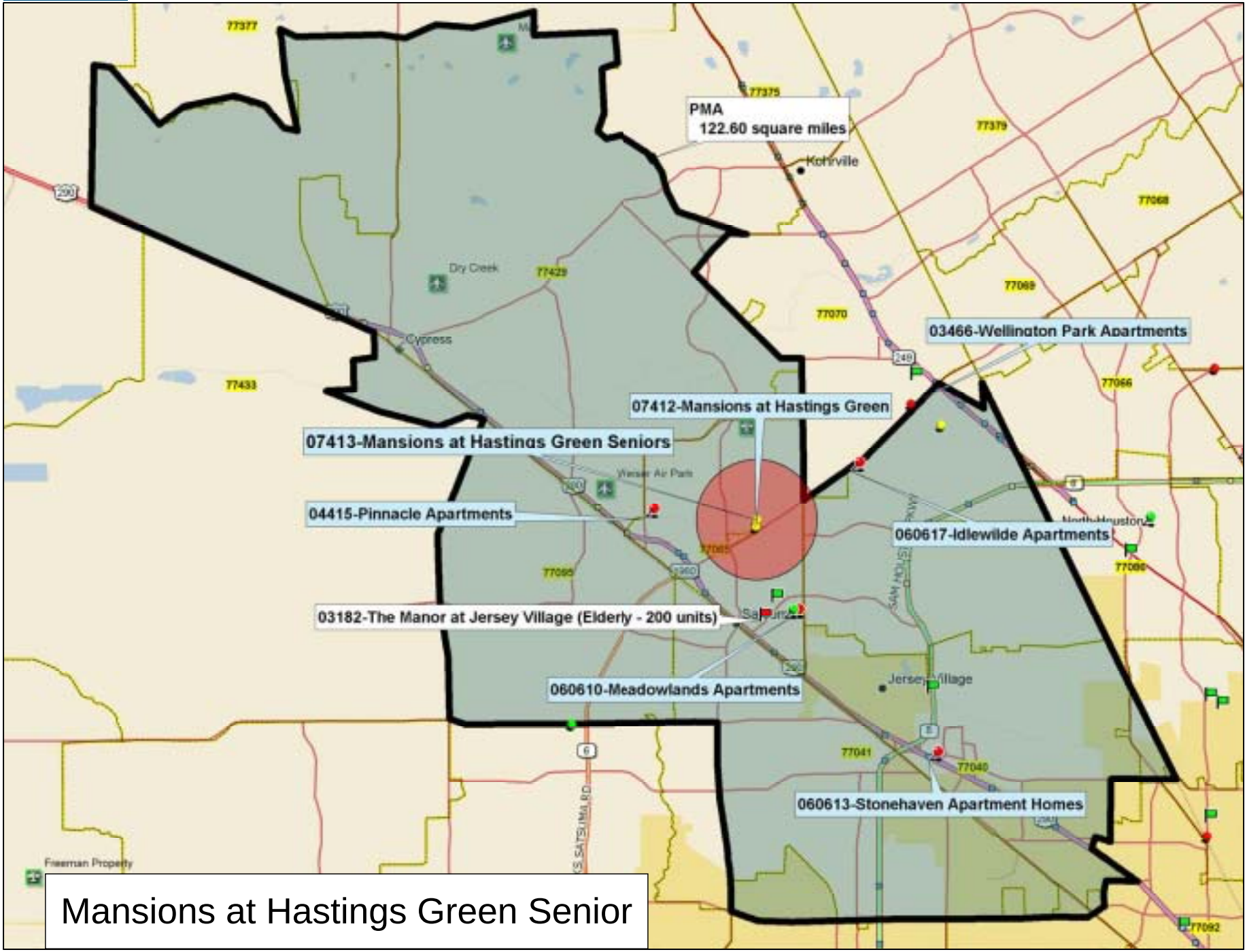
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$2,059,344	$2,121,124	$2,184,758	$2,250,301	$2,317,810	$2,686,977	$3,114,943	$3,611,072	$4,852,979
Secondary Income	40,824	42,049	43,310	44,609	45,948	53,266	61,750	71,585	96,204
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,100,168	2,163,173	2,228,068	2,294,910	2,363,758	2,740,243	3,176,693	3,682,657	4,949,183
Vacancy & Collection Loss	(157,513)	(162,238)	(167,105)	(172,118)	(177,282)	(205,518)	(238,252)	(276,199)	(371,189)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$1,942,655	$2,000,935	$2,060,963	$2,122,792	$2,186,476	$2,534,725	$2,938,441	$3,406,458	$4,577,995
EXPENSES at 4.00%									
General & Administrative	$92,220	$95,908	$99,745	$103,735	$107,884	$131,257	$159,695	$194,293	$287,601
Management	77,706	80,037	82,439	84,912	87,459	101,389	117,538	136,258	183,120
Payroll & Payroll Tax	226,233	235,282	244,693	254,481	264,660	322,000	391,762	476,638	705,541
Repairs & Maintenance	100,781	104,812	109,004	113,365	117,899	143,442	174,520	212,330	314,300
Utilities	49,812	51,804	53,877	56,032	58,273	70,898	86,258	104,946	155,346
Water, Sewer & Trash	77,873	80,987	84,227	87,596	91,100	110,837	134,850	164,066	242,857
Insurance	74,529	77,510	80,611	83,835	87,188	106,078	129,060	157,021	232,430
Property Tax	228,773	237,924	247,441	257,339	267,632	325,616	396,161	481,991	713,464
Reserve for Replacements	63,000	65,520	68,141	70,866	73,701	89,669	109,096	132,731	196,475
Other	48,240	50,170	52,176	54,263	56,434	68,661	83,536	101,634	150,444
TOTAL EXPENSES	$1,039,166	$1,079,956	$1,122,353	$1,166,423	$1,212,231	$1,469,846	$1,782,475	$2,161,909	$3,181,578
NET OPERATING INCOME	$903,489	$920,979	$938,610	$956,369	$974,245	$1,064,879	$1,155,966	$1,244,549	$1,396,417
DEBT SERVICE									
First Lien Financing	$786,454	$786,454	$786,454	$786,454	$786,454	$786,454	$786,454	$786,454	$786,454
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	$117,036	$134,526	$152,156	$169,915	$187,791	$278,425	$369,512	$458,095	$609,963
DEBT COVERAGE RATIO	1.15	1.17	1.19	1.22	1.24	1.35	1.47	1.58	1.78

HTC ALLOCATION ANALYSIS -Mansions at Hastings Green Senior , Houston, 4% HTC #07413

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	$1,310,720	$1,310,593		
Purchase of buildings				
Off-Site Improvements				
Sitework	$1,206,628	$1,206,628	$1,206,628	$1,206,628
Construction Hard Costs	$11,306,884	$11,969,397	$11,306,884	$11,969,397
Contractor Fees	$1,751,892	$1,751,892	$1,751,892	$1,751,892
Contingencies	$650,676	$650,676	$625,676	$650,676
Eligible Indirect Fees	$655,500	$655,500	$655,500	$655,500
Eligible Financing Fees	$1,915,632	$1,915,632	$1,915,632	$1,915,632
All Ineligible Costs	$815,090	$815,090		
Developer Fees			$2,619,332	
Developer Fees	$2,633,574	$2,633,574		$2,633,574
Development Reserves	$250,000	$290,144		
TOTAL DEVELOPMENT COSTS	$22,496,596	$23,199,125	$20,081,543	$20,783,299

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		$20,081,543	$20,783,299
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		$26,106,006	$27,018,288
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		$26,106,006	$27,018,288
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		$947,648	$980,764

Syndication Proceeds	**0.9499**	**$9,001,751**	**$9,316,320**
Total Tax Credits (Eligible Basis Method)		**$947,648**	**$980,764**
Syndication Proceeds		**$9,001,751**	**$9,316,320**
Requested Tax Credits		**$940,796**	
Syndication Proceeds		**$8,936,664**	
Gap of Syndication Proceeds Needed		**$10,796,596**	
Total Tax Credits (Gap Method)		**$1,136,598**	



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TN

MN (3.9°E)

Scale 1 : 137,500

1" = 2.17 mi

Data Zoom 10-5

Applicant Evaluation

Project ID # **07413** Name: **Mansions at Hastings Green Senior** City: **Houston**

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 grouped by score: zero to nine: 4; ten to nineteen: 0; twenty to twenty-nine: 0

Projects in Material Noncompliance: **Yes** ☐ **No** ☑

monitored with a score less than thirty: 4

not yet monitored or pending review: 0

in noncompliance: 0

Projects not reported in application: Yes ☐ No ☑

# 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 4/30/2007

Multifamily Finance Production

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

Reviewer S. Roth
Date 4 /26/2007

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 4 /26/2007

Real Estate Analysis (Workout)

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

Reviewer D. Burrell
Date 4 /26/2007

Community Affairs

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

Reviewer EEF
Date 4 /27/2007

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 4 /26/2007

Financial Administration

No delinquencies found	☑
Delinquencies found	☐

Reviewer Melissa M. Whitehead
Date 4 /26/2007

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Action on an Extension Amendment to a 2004 Housing Trust Fund Capacity Building Grant #1000215 for Ability Resources Incorporated.

Required Action

Approve, amend or deny the amendment request for an extension of the capacity building grant for Ability Resources Incorporated #1000215.

Background

In August 2004, the Texas Department of Housing and Community Affairs (the "Department") executed a commitment of Housing Trust Fund funds in the amount of $30,000 with Ability Resources Incorporated to hire a consultant to provide technical assistance for the Willow Bend Creek development. The Department policy at the time allowed the applicant to draw 50% of the funds initially and the remaining 50% of funds at the time of the second quarterly report. These draws were not based on reimbursement for funds expended. Ability Resources, Inc. requested draws for the entire amount of $30,000. The commitment of funds was originally to expire in February 2006, however an extension was requested until May 2006 to allow the applicant to expend all the funds. In May of 2006, the applicant had not expended all of the funds and requested an additional extension until January 31, 2007. The second extension was never processed. The applicant continued to submit expenses for the draws under the assumption the commitment had been extended. When staff contacted the applicant concerning the submission of additional expenditures, staff was informed of the previous request to extend until January 31, 2007. After careful research and discussion, staff agreed to request from the board an extension until January 31, 2007 and the applicant was to provide evidence of expenses through January 31, 2007.

The applicant has shown evidence of expenses incurred however all the combined expenses do not equal the amount originally drawn by the applicant. If the commitment is extended to January 31, 2007, the applicant will have a balance of $7,056.45 in unexpended funds.

Recommendation

Staff recommends that the Board grant the extension to January 31, 2007 and require the applicant return the $7,056.45 in unexpended funds.

11 May 2006

Mr. David Danenfelzer
Manager Multifamily Finance
Texas Department of Housing Affairs
P.O. Box 13941
Austin, Texas 78711-3941

Re: HTF Capacity Building Grant Contract Number 1000215

Dear David:

This correspondence confirms our telephone conversation of May 10, 2006. You informed this office of the impending expiration of the referenced contract. Since the funds were for the construction of Willow Bend Creek Apartments and since construction is scheduled to commence by July 2006, you reported an extension can be made through the scheduled completion of the contract. This letter respectfully requests a time extension of the referenced contract until completion of the Willow Bend Creek Apartments, 31 January 2007.

I hope this information fulfills your requirements for an extension.. Please inform this office should you require additional information.

Thank you for your time and cooperation in the development of this housing development for extremely low-income individuals with disabilities.

Sincerely,

Jesse Q. Seawell, IV
ARI
Executive Director

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Action on an Extension Amendment to a Housing Trust Fund Predevelopment Loan for Ralls Housing Development Corporation # 8510200007.

Required Action

Approve, amend or deny the amendment request for an extension of the predevelopment loan for Ralls Housing Development Corporation # 8510200007.

Background

On August 1, 2003 the Department executed a predevelopment loan agreement with Ralls Housing Development Corporation (Ralls HDC) in the amount of $29,550 with a maturity date of July 1, 2005. The purpose of the loan was to assist Ralls HDC with the rehabilitation of an 8-unit very low income housing complex in the City of Ralls, Crosby County, Texas. The United States Department of Agriculture (USDA) also committed $240,000 for this development. Ralls HDC was previously granted an amendment to extend the maturity date of the loan agreement to January 1, 2007.

Ralls HDC is now requesting a second extension to January 1, 2008. Ralls HDC has provided documentation to support their request including a letter from project architects Jones Rowntree detailing the firm's efforts to prepare final drawings, specifications and construction documents for the Ralls HDC project.

Recommendation

Staff does not recommend the extension due to the uncertainty of when the development can actually begin.

EQUAL HOUSING OPPORTUNITY

FINANCIAL ADMINISTRATION
2007 FEB 8 PM 2 42

Ralls Housing Authority
Section 8 Voucher Program
817 7th Street
P.O. Box 904
Ralls, Texas 79357-0904
Telephone Number: 806-253-2645
E-Mail: rha@valornet.com
Fax Number 806 253-2814
TDD Number: 1-800-735-2988

RECEIVED
FEB 22 REC'D
LIHTC

Texas Department of Housing and Community Affairs
ATTENTION: Candace Christiansen
221 East 11th. Street
P.O. Box 13941
Austin, Texas 78711-3941

RE: HTF Contract # 8520500007/ Ralls Housing Development Corporation

Dear Candace:

I received the attached letter from the Architect, Yancy Jones, he is in the process of preparing the Final Drawings and Specifications for our project.

Ralls Housing Development would like to request an Extension on the loan.

Thank you for your help.

Sincerely

Carolyn Sessom
Executive Director

FINANCIAL ADMINISTRATION
2007 FEB 23 AM 10 24

JONES ROWNTREE ARCHITECTS
2734 82nd Street Lubbock, Texas 79423-1428 (806) 792-0096 Fax (806) 748-8006

February 5, 2007

Carolyn Sesson
P.O. Box 904
Ralls, TX 79357

Re: Ralls Housing Development, Ralls, TX – Renovation

Dear Ms. Sesson,

In response to your inquiry regarding the status of the Ralls Renovation Project, I respectfully submit the following.

You may recall that the Ralls Renovation is one of a number of projects for which funding was sought through Rural Development (USDA). Our office prepared Preliminary Submittals as part of the funding request, and a group of projects were accepted, and funding allocated, at the same time. We (Jones Rowntree Architects) are in the process of preparing Final Drawings and Specifications on these projects in the order established by Rural Development (basically the order in which they were received by RD). As we have discussed previously, the Muleshoe FLH Project has been completed, the Lockney Project is under construction (estimated 35% complete), and the Floydada FLH Project Plans and Specs are 85% complete. The next projects we will be addressing are Paducah FLH, Lorenzo FLH, and Ralls, in that order (there are others after Ralls). I estimate that preparation of Bidding and Construction Documents for the Ralls Project will be well under way, if not totally complete, by the end of this year.

Please contact me if you have additional questions, or if we can assist you in any way.

Jones Rowntree Architects

Yancey L. Jones, A.I.A.
Partner

Cc Lance Smith, RD (USDA)

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Action of an Extension Amendment to a Housing Trust Fund Predevelopment Loan for Crossroads Housing Development Corporation # 8510200008.

Required Action

Approve or deny the amendment request to the Housing Trust Fund (HTF) Predevelopment Loan for Crossroads Housing Development Corporation # 8510200008.

Background

On March 24, 2003 the Department executed a predevelopment loan agreement with Crossroads Housing Development Corporation (Crossroads) in the amount of $42,250 with a maturity date of February 1, 2005. The purpose of the loan was to assist Crossroads with predevelopment activities for the restoration of the Runnels Junior High School into a transitional housing facility and to assist the veteran homeless population.

In April of 2005, the Department amended the loan to extend the maturity date to February 1, 2007 with the possibility of applying for a VA Homeless Grant if the VA hospital was to remain open in Big Spring. Crossroads is requesting a second amendment for the extension of the maturity date. They have applied for funding of a VA Homeless Grant and Per Diem and are awaiting approval.

Recommendation

Staff does not recommend the extension due to the uncertainty of the VA Homeless Grant funding.

CROSSROADS HOUSING DEVELOPMENT CORPORATION

201 N.E. 7th Street
P.O. Box 1042
Big Spring, TX 79720

PHONE: (915) 267-2206
FAX: (915) 267-2317
E-MAIL: paulpryor@cleansed.net

February 21,2007

TDHCA
Candace Christiansen
221 E 11th
P.O. Box 13941
Austin, Texas 78711-3941

Dear Ms. Christiansen:

Crossroads Housing Development Corp. has worked diligently to show progress and movement toward the creation of Runnels Transition Center. However, some of the federal requirements have taken longer than we anticipated to reach and maintain their requirements. We have put together a great team and feel we are making significant strides forward. We anticipate submitting an application for the April, 2007 funding of the VA Homeless Grant and Per Diem Program.

Because of our desire to submit, we are requesting an extension of our HTF Contract #8510200008. This contract was extended originally due to the fact that the VA Hospital is a large player in this project. Therefore, it was futile to submit a VA Homeless Grant and Per Diem application if they were to close the VA Hospital. Since our extension we have made significant progress. In May 2006 we attended a VA Homeless workshop in California, many meetings in setting up Howard County Homeless Network, and becoming part of the Balance of State Continuum of Care. During our 2007 Homeless Head Count of January 25, 2007 we had 13 agencies participate and counted 187 Homeless persons in a 24 hour period. That count was up from 105 in 2006 with 6 agencies participating. Big spring has only one shelter with a 20 bed capacity and a local preference which eliminates many of the Big Spring homeless who are here to be close to the VA Hospital and State Hospital which represent a majority of our homeless population.

Thank you for your time and consideration of our request for an extension of HTF #8510200008 Pre-Development Loan.

Sincerely,

Paul D. Pryor,
Executive Director, Crossroads Hosing Development Corp.

Enclosures

Progress onRunnels Project

Original Pre-Development

1. **property contract**
2. **financial consultant**
3. **legal fees**
4. **architect (concept)**
5. **civil engineer**
6. **Environmental study**
7. **zoning approval**

Extension Progress

1. **property contract extension**
2. **creation of Howard County Homeless Network**
3. **Creation of Continuum of Care Partners**
4. **money for asbestos removal (FHLB)**
5. **money for working blue prints (FHLB)**
6. **community support & match money from community**
7. **faith based support for match & furnishings**
8. **annual head count (2006 – 105, 2007 – 187)**

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, Discussion and Possible Action on a waiver of the sixty day submission requirement in §49.12(a)(2) of the 2007 Qualified Allocation Plan ("QAP").

Requested Action

Approve, Amend or Deny the staff recommendation for the waiver of §49.12(a)(2) of the 2007 QAP.

Background

According to §49.12(a)(2) of the 2007 QAP "any outstanding documentation required under this section must be submitted to the Department at least 60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made unless a waiver is being requested." The applicant is requesting a waiver of this rule.

Summary

Summit Point Apartments received a reservation of bond allocation on February 7, 2007. The evidence of a preliminary equity commitment from Boston Capital, a threshold requirement, was not initially submitted with the application. The deficiency request directed the applicant to submit the financial commitments according to the critical path schedule. This schedule is provided to the working group by Department staff to keep all parties associated with the bond transactions (where the Department is the issuer) moving in a timely manner in order to complete all the required steps necessary to close the bond transaction. The Department did not receive the equity commitment by the sixty day deadline for the May 10, 2007 Board meeting. Because the deadline to close the bond transaction is on or before July 7, 2007 this application could be delayed to the June 14, 2007 Board meeting. However, there are some staff concerns with delaying the presentation. The Texas Bond Review Board (BRB) does not have a scheduled meeting in June and would therefore be required to call a special meeting if the transaction was not considered exempt from the BRB formal approval process. Additionally, delaying the presentation of the transaction to the June 14, 2007 Board meeting could jeopardize the closing of the transaction because there may not be sufficient time to appropriately market, price and close the bond transaction prior to the expiration of the reservation of allocation. Although the commitment from the equity provider is required information necessary to complete the Real Estate Analysis (REA) report, the information was submitted and received on March 26, 2007, in time for the REA report to be completed without undue time constraints on the Department staff. This is a FHA 221 (d)(4) transaction and is credit enhanced by Ginnie Mae. The complexity and condensed timeframe with which to get this type of transaction closed can be challenging and the working group has been working diligently since the beginning of the year.

Recommendation

Staff recommends that the Board deny the applicant's request to waive the sixty day submission requirement as found in §49.12(a)(2) of the 2007 QAP.

SUMMIT ASSET MANAGEMENT, L.L.C.

105 Tallapoosa Street, Suite 300
Montgomery, Alabama 36104

Telephone: 334.954.4458
Telecopier: 334.954.4496

April 30, 2007

Board of Directors
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Application for allocation of low-income housing tax credits and issuance of tax-exempt bonds for the acquisition and rehabilitation of Summit Point Apartments located at 333 Uvalde Road, Houston, Texas 77015 (the "Project")

Dear Board of Directors:

Summit Asset Management, L.L.C. is the developer and management agent of the proposed acquisition and rehabilitation of the above referenced Project. We have received on behalf of Summit Point Apartments, Ltd. (the "Partnership") notification from the Texas Department of Housing and Community Affairs (the "Department") multifamily housing staff that a violation of the Department's 60-day requirement for outstanding documentation, per §49.12(a)(2) of the 2007 Qualified Allocation Plan, has occurred.

Please accept this letter as clarification of the noted violation, and a formal request by the Partnership of a waiver by the Board of Directors of this violation, which would allow the Partnership's application for an allocation of low-income housing tax credits and issuance of tax-exempt bonds to be considered by the Department at the next regularly scheduled meeting of its Board of Directors on May 10, 2007.

The particular violation/deficiency in question concerns the Equity Syndication Letter from Boston Capital Corporation dated March 7, 2007 ("Equity Letter"), and submitted by the Partnership to the Department March 26, 2007. While the Equity Letter was received prior to March 11, 2007, key principals of the partnership were unavailable, due to out of town travel, for execution of the Equity Letter until March 26, 2007; therefore the Equity Letter was submitted subsequent to the Department's 60-day deadline (March 11, 2007). While the Partnership could have submitted the non-executed Equity Letter by the 60-day deadline, we wanted to ensure the Equity Letter was valid and binding with the execution by the key principals prior to submittal to the Department.

Additionally, the original Equity Letter received on March 7, 2007 was missing one key component in connection with the proposed financing, which is a FHA 221(d)(4) mortgage loan originated by Prudential Huntoon Paige ("the Lender"). The Lender requested a minimum of 95% of the Project's projected low-income housing tax credit equity proceeds to be available for distribution during the development period. The original Equity Letter did not reflect these terms, however, the final Equity Letter provided to the Department on March 26, 2007 did reflect these more favorable terms.

Please understand that the Partnership would not request this waiver if the Project's reservation of allocation of tax-exempt bonds was not subject to expiration by the Texas Bond Review Board on July 7, 2007. If this waiver is not granted, and action is not taken until the Department's next regularly scheduled Board of Directors meeting on June 14, 2007, there will not be sufficient time to ensure the sale the tax-exempt bonds (which can not be completed until the Department's approval of the issuance), and filing of all necessary closing papers with Bond counsel and HUD counsel to achieve a closing on or before July 7, 2007. This was a very unfortunate oversight that the Partnership regrets, but please know that the Partnership and all of the financing participants stand prepared to close this valuable preservation transaction before June 30, 2007; should the Department's Board of Directors grant this requested waiver.

We thank you in advance for your consideration of this request, and please do not hesitate to contact me should you have any additional questions. Also, I will be available to answer any questions from the Department's Board of Directors at the May 10, 2007 scheduled meeting.

Respectfully,

SUMMIT ASSET MANAGEMENT, L.L.C.

Hunter McKenzie

Housing Tax Credit Program
Board Action Request
May 10, 2007

Action Item

Request, review, and board determination of two (2) four percent (4%) tax credit applications with TDHCA as the Issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of two (2) four percent (4%) Tax Credit Determination Notices with **TDHCA** as the Issuer for the tax exempt bond transactions known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Bond Amount	Requested Credit Allocation	Recommended Credit Allocation
07605	Summit Point Apartments	Houston	TDHCA	291	262	$17,955,908	$11,700,000	$534,389	$525,314
07606	Santora Villas	Austin	TDHCA	192	192	$22,676,216	$13,072,000	$966,702	$953,189

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

WWW.TDHCA.STATE.TX.US

MULTIFAMILY FINANCE PRODUCTION DIVISION

2007 Private Activity Multifamily Housing Revenue Bonds

Summit Point Apartments
333 Uvalde Road
Harris County, Texas

Summit Point Apartments, Ltd.
291 Units
Priority 3
$12,000,000 Tax Exempt – Series 2007

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MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Housing Revenue Bonds, Series 2007 and Housing Tax Credits with TDHCA as the Issuer for the Summit Point Apartments development.

Requested Action

Approve, Amend or Deny the staff recommendation for the Summit Point Apartments development.

Summary of the Summit Point Apartments Transaction

Background and General Information: The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, as amended, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue 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.)* The pre-application for the 2007 Waiting List was received on November 16, 2006. The application was scored and ranked by staff. The application was induced at the December 14, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a Reservation of Allocation on February 7, 2007. The deadline for bond delivery is on or before July 7, 2007, however the anticipated closing date is June 8, 2007. Located in Harris County, the development consists of the acquisition and rehabilitation of 291 units targeted to a general population. This application was submitted under the Priority 3 category with the applicant proposing 100% of the units serving individuals and families earning 60% of AMFI.

Organizational Structure and Compliance: The Borrower is Summit Point Apartments, Ltd. and the General Partner is Summit America Properties XXXI, Inc., and is comprised of W. Daniel Hughes, Jr. with 100% ownership. The Compliance Status Summary completed on April 25, 2007 reveals that the principals of the general partner have a total of five (5) properties that have no material noncompliance.

Public Hearing: There were 3 people in attendance at the public hearing conducted by the Department for the development on February 15, 2007, and no one spoke for the record. A copy of the transcript is included in this presentation. The Department has not received any letters of support or opposition.

Census Demographics: The proposed site is located at 333 Uvalde Road, Harris County. Demographics for the census tract (2330.00) include AMFI of $68,195; the total population is 10,349; the percent of the population that is minority is 56.83%; the percent of the population that is below the poverty line is 10.29%; the number of owner occupied units is 2,430; the number renter occupied units is 1,008 and the number of vacant units is 178. (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 $12,000,000. This is a FHA 221(d)(4) loan originated by Prudential Financial and credit enhanced by Ginnie Mae. The Bonds will carry a AAA rating and Merchant Capital, LLC will underwrite the transaction, which will be amortized over 40 years with an estimated interest rate of 5.50%. The construction and lease-up period will be for approximately 24 months with a two month extension.

Recommendation

Staff Recommends the Board approve the issuance of up to $12,000,000 in tax exempt Multifamily Housing Revenue Bonds, Series 2007 and $525,314 in Housing Tax Credits for the Summit Point Apartments.

RESOLUTION NO. 07-013

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (GNMA COLLATERALIZED MORTGAGE LOAN — SUMMIT POINT APARTMENTS) SERIES 2007; 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 construction that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; (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 (d) to make, commit to make, and participate in the making of mortgage loans, including federally insured loans, and to enter into agreements and contracts to make or participate in mortgage loans for residential housing for individuals and families of low, very low and extremely low income and families of moderate income; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (GNMA Collateralized Mortgage Loan — Summit Point Apartments) Series 2007 (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 Point 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 December 14, 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, Prudential Huntoon Paige Associates, Ltd., as lender (the "Lender"), and the Trustee will execute and deliver a Loan Agreement (the "Loan Agreement") (i) for the purpose of providing funds to finance the loan to be originated by the Lender (the "Loan") to provide financing for the cost of acquisition and rehabilitation of the Development and related costs, and (ii) pursuant to which repayment of the Loan will be secured by a first lien Deed of Trust from the Borrower for the benefit of the Lender; 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 "Official Statement") and to authorize the authorized representatives of the Department to deem the Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission and to approve the making of such changes in the Official Statement as may be required to provide a final Official Statement for use in the public offering and sale of the Bonds; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the "Purchase Agreement") with the Borrower, Merchant Capital, L.L.C. (the "Underwriter"), and any other party to the Purchase Agreement as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Underwriter and/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 and/or another party to such Purchase Agreement; 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 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 Regulatory Agreement, the Asset Oversight Agreement, the Official Statement and the Purchase Agreement, all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Article I hereof, to authorize the issuance of the Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient in connection therewith; NOW, THEREFORE,

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

ARTICLE I

ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State 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 or purchasers thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chair of the Board or the Executive Director of the Department are hereby severally authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate, principal amount and maturity of and the redemption provisions related to, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chair of the Board or the Executive Director of the Department of the Indenture and the Purchase Agreement; provided, however, that: (a) the interest rate on the Bonds shall not exceed 6.0% per annum; provided, that in no event shall the interest rate on the Bonds (including any default interest rate) exceed the maximum rate of interest permitted by applicable law; (b) the aggregate principal amount of the Bonds shall not exceed $12,000,000; (c) the final maturity of the Bonds shall occur not later than 40 years from the date of issuance thereof; and (d) the price at which the Bonds are sold to the Underwriter and/or any additional party to the 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 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, the Lender 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 Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement and to deliver the Purchase Agreement to the Borrower and the Underwriter and any additional party to the Purchase Agreement as appropriate.

Section 1.7--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 of the Board and the Executive Director of the Department are hereby severally authorized to deem the Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission; 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; and that the distribution and circulation of the Official Statement by the Underwriter are hereby 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 any authorized representative of the Department named in this Resolution and the Department's counsel.

Section 1.8-- 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 1.9--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.10--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B - Indenture
Exhibit C - Loan Agreement
Exhibit D - Regulatory Agreement
Exhibit E - Official Statement
Exhibit F - Purchase Agreement
Exhibit G - Asset Oversight Agreement

Section 1.11--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.12--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of Programs of the Department, Deputy Executive Director 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 1.13--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. 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 is hereby 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--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 2.6--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 2.7--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 2.8--Underwriter. That the underwriter with respect to the issuance of the Bonds shall be Merchant Capital, L.L.C.

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 Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the financing of the Development is a public purpose and will provide a public benefit, and

(iv) 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 Regulatory Agreement.

Section 3.3--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 3.4--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.

PASSED AND APPROVED this 10th day of May, 2007.

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

[SEAL]

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Summit Point Apartments, Ltd., an Alabama limited partnership

Development: The Development is a 291-unit multifamily facility to be known as Summit Point Apartments and located at 333 Uvalde Road, Houston, Harris County, Texas 77015. The Development will include a total of 19 two-story residential apartment buildings with approximately 266,600 net rentable square feet and an approximate average unit size of 916 square feet. The unit mix will consist of:

48	one-bedroom/one-bath units
57	two-bedroom/one-bath units
98	two-bedroom/one-and-one-half-bath units
32	two-bedroom/two-bath units
52	three-bedroom/two-bath units
2	three-bedroom/two-and-one-half-bath units
2	four-bedroom/two-bath units
291	Total Units

Unit sizes will range from approximately 630 square feet to approximately 1,507 square feet.

The Development will include a clubhouse with offices, a community room, a child development room, four laundry rooms, and a social services room. On-site amenities will include a swimming pool, a children's play area, playground equipment, and a picnic area.

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Summit Point Apts, TDHCA Number 07605

BASIC DEVELOPMENT INFORMATION

Site Address:	333 Uvalde Road			Development #:	07605
City:	Houston	Region:	6	Population Served:	General
County:	Harris	Zip Code:	77015	Allocation:	Urban/Exurban
HOME Set Asides:	☐ CHDO	☐ Preservation	☐ General	Purpose/Activity:	ACQ/R
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:	Summit Point Apartments, Ltd.	
Owner Contact and Phone	Hunter McKenzie	(334) 954-4458
Developer:	Summit Asset Management, LLC	
Housing General Contractor:	Penco Construction Company	
Architect:	Brown Chambless Architects	
Market Analyst:	Novogradac & Company	
Syndicator:	The Richman Group	
Supportive Services:	Not Utilized	
Consultant:	Not Utilized	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	0	262	0	48	187	54	2	0

Type of Building:

☐ Duplex
☐ Triplex
☐ Fourplex
☑ 4 units or more per building
☐ Detached Residence
☐ Single Room Occupancy
☐ Transitional
☐ Townhome

Total Restricted Units:	291
Market Rate Units:	29
Owner/Employee Units:	0
Total Development Units:	262
Total Development Cost:	$17,955,908
Number of Residential Buildings:	19
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:	$534,389	$525,314	0	0	0%
TDHCA Bond Allocation Amount:	$11,700,000	$11,700,000	40	40	5.5%
HOME Activity Fund Amount:	$0	$0	0	0	0%
HOME CHDO Operating Grant Amount:	$0	$0			

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Summit Point Apts, TDHCA Number 07605

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: Green, District 29, NC

TX Representative: Dutton, District 142 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 ☐

Donald H. Sampley, Assistant Director, City of Houston -
The proposed project for rehabilitation of 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: No one spoke for the record. There were concerns regarding the scope of the project.
Number that attended: 3
Number that spoke: 0
Number in support: 2
Number in opposition: 0
Number Neutral: 0

CONDITIONS OF COMMITMENT

Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Board waiver of the 60-day rule (10 TAC 49.12(b)).

Receipt, review, and acceptance of documentation clearing the four mechanic's liens on the property.

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

May 10**, 2007**

Development Information, Public Input and Board Summary

Summit Point Apts, TDHCA Number 07605

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

4% Housing Tax Credits: Credit Amount: $525,314

Recommendation: **Recommend approval of a Housing Tax Credit Allocation not to exceed $525,314 annually for ten years, subject to conditions.**

TDHCA Bond Issuance: Bond Amount: $11,700,000

Recommendation: **Recommend approval of issuance of $11,700,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 5.50% and repayment term of 40 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:

Summit Point Apartments

Estimated Sources & Uses of Funds

Sources of Funds	
Series 2007 Tax-Exempt Bond Proceeds	$ 11,700,000
Tax Credit Proceeds	5,020,435
Deferred Development Fee	1,052,404
Total Sources	$ 17,772,839

Uses of Funds	
Acquisition and Site Work Costs	$ 7,462,000
Direct Hard Construction Costs	5,924,178
Indirect Construction Costs (Architectural, Engineering, etc)	156,550
Developer Fees and Overhead	1,608,660
Direct Bond Related	267,040
Bond Purchase Costs	1,029,400
Other Transaction Costs	1,255,011
Real Estate Closing Costs	70,000
Total Uses	$ 17,772,839

Estimated Costs of Issuance of the Bonds

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	$ 58,500
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	23,400
TDHCA Bond Compliance Fee ($40 per unit)	11,640
TDHCA Bond Counsel and Direct Expenses (Note 1)	85,000
TDHCA Financial Advisor and Direct Expenses	30,000
Disclosure Counsel ($5k Pub. Offered, $2.5k Priv. Placed. See Note 1)	5,000
Trustee Fee	6,500
Trustee's Counsel (Note 1)	5,000
Rating Agency	13,500
Attorney General Transcript Fee	9,500
Texas Bond Review Board Application Fee	5,000
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,000
Total Direct Bond Related	$ 267,040

Summit Point Apartments

Bond Purchase Costs	
FHA Exam Fee	35,100
HUD Lender Fees	234,000
HUD Lender Counsel Fees	32,500
FHA Inspection Fee	58,500
FHA MIP	105,300
Developer Counsel/Local Counsel	33,000
HUD Counsel	35,000
Underwriter	117,000
Underwriter Counsel	23,000
DTC, CUSIP, SDF, Misc.	356,000
Total Bond Purchase Costs	$ 1,029,400
Other Transaction Costs	
Tax Credit Related Costs	52,847
Tax Escrow	149,240
FHA Construction Loan Interest	399,800
Initial Operating Deficit	6,991
Construction Contingency	296,209
Property and Liability Insurance	110,871
Construction Management Fee	236,967
Miscellaneous	2,086
Total Other Transaction Costs	$ 1,255,011
Real Estate Closing Costs	
Surveying	5,000
Title Insurance	55,000
Recording and Transfer Fees	10,000
Total Real Estate Costs	$ 70,000
Estimated Total Costs of Issuance	$ 2,621,451

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
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 05/01/07 PROGRAM: 4% HTC/MRB FILE NUMBER: **07605**

DEVELOPMENT

Summit Point Apartments

Location: 333 Uvalde Road Region: 6

City: Houston County: Harris Zip: 77015 [ ] QCT [X] DDA

Key Attributes: Acq/Rehab; Family; Urban/Exurban

ALLOCATION

	REQUEST			RECOMMENDATION		
TDHCA Program	Amount	Interest	Amort/Term	Amount	Interest	Amort/Term
Private Activity Mortgage Revenue Bonds	$11,700,000	5.58%	40	**$11,700,000**	**5.50%**	**40**
Housing Tax Credit (Annual)	$534,389			**$525,314**		

CONDITIONS

RECOMMENDED SUBJECT TO THE FOLLOWING:

- Board waiver of the 60 day rule(10TAC49.12(b)).
- Receipt, review, and acceptance of documentation clearing the four mechanic's liens on the property.
- Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	261

PROS

- Preservation and revitalization of a 36 year old property
- Deferred developer fee is estimated to be repaid from cash flow in less than 4 years

CONS

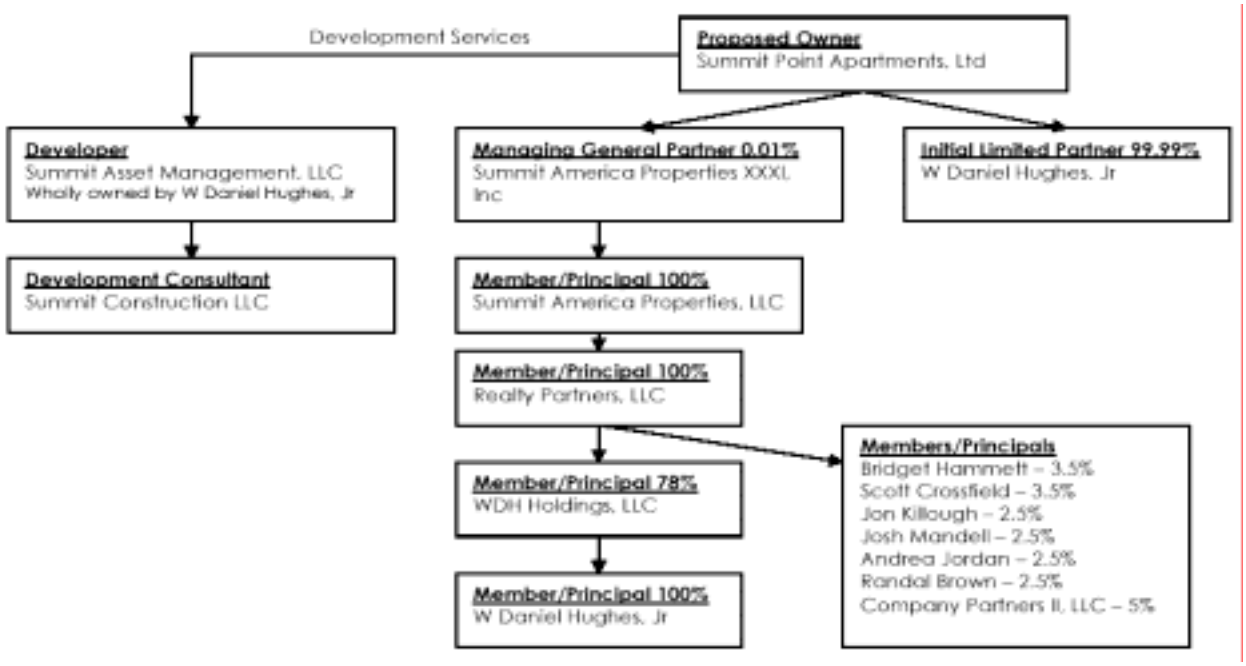
- The Applicant's direct costs are more than 5% higher than the PCA estimates
- High concentration of units in the market (>50% capture rate)

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Hunter McKenzie Phone: (334) 954-4458 Fax: (334) 954-4496

Email: hmckenzie@summitamerica.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity[1]	# of Complete Developments
Summit America Properties, Inc	($53,977)	$0	
Summit Asset Mgt, LLC	$4,931,830	$1,495,874	
Realty Partners, LLC	($1,058,107)	($2,739,689)	
WDH Holdings, LLC	$10,677,203	$6,662	
W Daniel Hughes, Jr	Confidential	Confidential	Five completed developments in Texas

[1] Liquidity = Current Assets - Current Liabilities

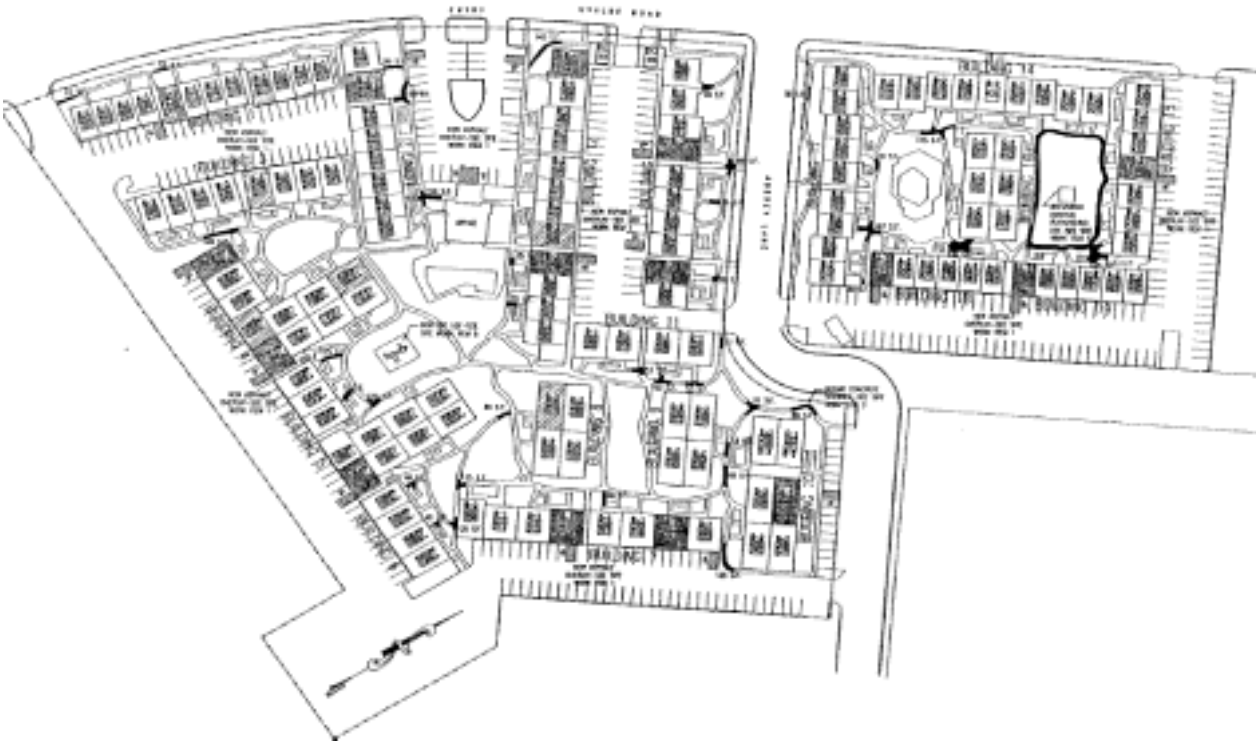
- While the financial statements of the intermediate entities reflect a relative inability to support guarantees, Mr. Hughes, the principle owner of these entities, has the capacity and will be required to provide the necessary guarantees to support the transaction.

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.

PROPOSED SITE

SITE PLAN



SITE ISSUES

Total Size:	11.04 acres	Scattered site?	☐	Yes	☒	No		
Flood Zone:	Zone X	Within 100-yr floodplain?	☐	Yes	☒	No		
Zoning:	No Zoning	Needs to be re-zoned?	☐	Yes	☐	No	☒	N/A

TDHCA SITE INSPECTION

Inspector: Multifamily Staff Date: 2/15/2007

Overall Assessment:

☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Surrounding Uses:

North: single family and multifamily East: vacant land and multifamily

South: commercial and retail development West: Uvalde Road / commercial and retail

Comments:

The site is bisected by a dedicated street, Audrey Lane, which provides access to on-site parking areas.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Real Estate Advisory, LLC Date: 1/5/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

☒ No concerns noted.

MARKET HIGHLIGHTS

Provider: Novogradac & Company Date: 10/31/2006

Contact: Amy Warschak Phone: (512) 340-0420 Fax: (512) 340-0421

Number of Revisions: 2 Date of Last Revision: 4/4/2007

Primary Market Area:

"The Subject's Primary Market Area (PMA) is the area bound by Beaumont Highway/U.S. Highway 90 to the north, The Beltway 8 to the east, Interstate 10 to the south and Interstate 610 to the west.... The Area was defined based on conversations with local property managers (including the Subject's), city officials, natural physical barriers and overall similarities in market characteristics observed during the field investigation. It is assumed 100 percent of the income qualified demand for the Subject will be generated from within the PMA" (p. 15). This area encompasses approximately 24.3 square miles and is equivalent to a circle with a radius of 2.8 miles.

Secondary Market Area:

"The secondary market area is defined as the Houston-Baytown-Sugar Land MSA" (p. 15). However, the Market Analyst did not include demand from the secondary market in the capture rate calculations.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS								
PMA				SMA				
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units
Uvalde Ranch Apts	04439	244	122	N/A	N/A	N/A	0	0

INCOME LIMITS						
Harris						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	$25,620	$29,280	$32,940	$36,600	$39,540	$42,480

PMA DEMAND by UNIT TYPE							
Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Unit Capture Rate
1 BR/60% Rent Limit	169	0	0	169	43	38	48%
2 BR/60% Rent Limit	224	0	0	224	170	48	97%
3 BR/60% Rent Limit	173	0	0	173	48	36	49%

OVERALL DEMAND											
	Target Households		Household Size		Income Eligible		Tenure		Demand	
PMA DEMAND from TURNOVER										
Market Analyst p. 110	100%	25,345	100%	25,345	21%	5,272	44%	2,294	30%	688
Underwriter	100%	25,460	91%	23,072	23%	5,363	43%	2,331	30%	699
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 110			100%	392	21%	82	44%	36	100%	36
Underwriter			91%	485	23%	102	43%	44	100%	44

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 110	261	122	N/A	383	724	52.90%
Underwriter	261	122	N/A	383	744	51.51%

Comments:

While the overall inclusive capture rate exceeds the current maximum of 25%, the subject development is currently 81% occupied. Additionally, the Developer has planned a "rolling rehab to individual units that will have a minimal impact on the resident," and it is likely the existing tenants will choose to remain at the property after completion.

Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Primary Market Occupancy Rates:

"Occupancy rates reported at the comparable properties ranged from 78.9 to 100 percent, with an average weighted occupancy rate of 91.2 percent. The LIHTC average occupancy was 95.2 percent, which is above the comparable market properties average of 88.3 percent" (p. 73). The Market Analyst also details vacancy rates by unit size and notes that the highest vacancy rate among 60% units in the market is for one bedroom units (14.5%). Vacancy rates for 2, 3, and 4 bedroom units reserved for households earning at or below 60% of AMI are 3.2%, 8.6%, and 0.0% respectively (p. 74). While the Market Analyst expressed some concern for the sustainability of the current occupancy rates (due to Katrina and Rita evacuees leaving the area), the Analyst notes upon rehabilitation, the subject will be more competitive in the market and estimates a sustained occupancy of 92% for the subject (p. 74). The property's occupancy rate as of November 30, 2006 was 81%.

Absorption Projections:

"One of the comparable properties was able to provide information on absorption. Uvalde Ranch Apartments is a LIHTC property that offers a total of 244 one-, two- and three- bedroom units at 50 and 60 percent AMI.... The property experienced an absorption rate of approximately 14 units per month. After renovation, the existing tenant base at the Subject will benefit from improvements to the property and rents that are below achievable market rents. ...If we conservatively assume the Subject were vacant upon renovation...it would take approximately 24 months to reach stabilization" (p. 72).

RENT ANALYSIS (Tenant-Paid Net Rents)					
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR/630 SF (60% AMI)	$525	$548	$515	$515	$0
1 BR/630 SF (MR)	$525	N/A	$515	$515	$0
1 BR/668 SF (60% AMI)	$525	$548	$535	$535	$0
1 BR/668 SF (MR)	$525	N/A	$535	$535	$0
1 BR/682 SF (60% AMI)	$525	$548	$540	$540	$0
1 BR/706 SF (60% AMI)	$525	$548	$545	$545	$0
1 BR/714 SF (60% AMI)	$525	$548	$550	$548	$2
1 BR/715 SF (60% AMI)	$525	$548	$550	$548	$2
2 BR/826 SF (60% AMI)	$592	$648	$620	$620	$0
2 BR/826 SF (MR)	$592	N/A	$620	$620	$0
2 BR/907 SF (60% AMI)	$592	$648	$655	$648	$7
2 BR/912 SF (60% AMI)	$592	$648	$655	$648	$7
2 BR/1041 SF (60% AMI)	$592	$648	$710	$648	$62
2 BR/925 SF (60% AMI)	$598	$648	$675	$648	$27
2 BR/925 SF (MR)	$598	N/A	$675	$648	$27
2 BR/937 SF (60% AMI)	$598	$648	$685	$648	$37
2 BR/937 SF (MR)	$598	N/A	$685	$648	$37
2 BR/977 SF (60% AMI)	$598	$648	$705	$648	$57
2 BR/1024 SF (60% AMI)	$633	$648	$705	$648	$57
2 BR/1026 SF (60% AMI)	$633	$648	$715	$648	$67
2 BR/1054 SF (60% AMI)	$633	$648	$725	$648	$77
2 BR/910 SF (60% AMI)	$627	$648	$685	$648	$37
2 BR/910 SF (MR)	$627	N/A	$685	$648	$37
2 BR/935 SF (60% AMI)	$612	$648	$690	$648	$42
3 BR/1060 SF (60% AMI)	$670	$734	$755	$734	$21
3 BR/1125 SF (60% AMI)	$693	$734	$785	$734	$51
3 BR/1197 SF (60% AMI)	$670	$734	$800	$734	$66

3 BR/1197 SF (MR)	$670	N/A	$800	$734	$66
3 BR/1283 SF (MR)	$741	N/A	$820	$741	$79
4 BR/1507 SF (MR)	$811	N/A	$875	$811	$64

Market Impact:

"The five multifamily LIHTC properties in the PMA are currently reporting an average occupancy rate of 95.2 percent. There is one unstabilized LIHTC property that targets families that may compete with the Subject in the foreseeable future. Lafayette Village Square Apartments was allocated tax credits in 2005 and will offer 250 one-, two- and three-bedroom units at 60 percent AMI. ...The Subject is a market rate property that is operating at an occupancy rate of 83 percent. ...We do not anticipate significant turnover as a result of the conversion to LIHTC after renovation. Therefore, despite the new competition in the PMA from Lafayette Village Square Apartments the potential impact on the existing affordable housing stock is anticipated to be minimal" (p. 115).

Comments:

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

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Revision: 2/1/2007

According to the Applicant, the projected rents, which are substantially lower than the program net rent limits, were determined based on what they assessed to be achievable. The Applicant's projected rents were also inconsistent with the submitted market study; the market rents are higher and lower depending on the unit type. The Underwriter's projected rents collected per unit were calculated as the lesser of the 2007 program gross rent limits less tenant-paid utility allowances as of January 1, 2007, maintained by the Houston Housing Authority, and the restricted market rents as determined by the Market Analyst.

Tenants will be required to pay electric, natural gas, water, and sewer costs. The units will be individually metered and tenants will be billed by the management company for water and sewer costs. The Undewriter also included income from the utility pass-thru structure. Income for tenant water and sewer costs has been included as a source of secondary income. The Applicant also included $23 per unit per month in secondary income from normal operation, which is higher than the underwriting standard of $15 per unit per month. The Applicant estimated vacancy and collection loss of 12% which is higher than the underwriting standard and is not supported by the market study.

As a result of these differences, the Applicant's estimate of effective gross income is 9% or $195K lower than the Underwriter's estimate.

Expense: Number of Revisions: N/A Date of Last Revision: N/A

The Applicant's total annual operating expense projection at $3,969 per unit is within 5% of the Underwriter's estimate of $3,991, derived from actual 2005 and 2006 operating history of the development, the TDHCA database, and third-party data sources. However, three of the Applicant's estimates of specific line items differ significantly from the Underwriter's, including: general and administrative (28% or $19K lower), payroll and payroll tax (15% or $47K lower), and property tax ($16K or 10% higher). The water and sewer estimates include expense associated with occupied units; however, these costs are offset by secondary income.

Conclusion:

While the Applicant's estimate of total expenses is within 5% of the Underwriter's, the Applicant's estimates of effective gross income and net operating income are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's Year One proforma results in a DCR within the current underwriting guideline of 1.15 to 1.35.

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 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	Novogradac & Company		Date:	10/30/2006
Land Only:	11.4 acres	$1,200,000	As of:	10/10/2006
Existing Buildings: (as-is)		$6,400,000	As of:	10/10/2006
Total Development: (as-is)		$7,600,000	As of:	10/10/2006

ASSESSED VALUE

Land Only:	11.4 acres	$1,491,189	Tax Year:	2006
Existing Buildings:		$4,138,659	Valuation by:	Harris CAD
Total Assessed Value:		$5,629,848	Tax Rate:	3.14924

EVIDENCE of PROPERTY CONTROL

Type:	Purchase and Sale Agreement	Acreage:	N/A
Contract Expiration:	5/28/2007	Valid Through Board Date?	[X] Yes [ ] No
Acquisition Cost:	$7,400,000	Other:	five 30-day extensions to expiration date
Seller:	Summit Houston Partners, LP	Related to Development Team?	[ ] Yes [X] No

TITLE

Comments:

Receipt, review, and acceptance of documentation clearing the four mechanic's liens on the property is a condition of this report. No other items of concern were identified in the title commitment.

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: N/A Date of Last Revision: N/A

Acquisition Value:

The Applicant provided a purchase and sale agreement for the purchase of the subject property indicating a price consistent with the development cost schedule submitted by the Applicant. The Applicant is claiming acquisition credits for the property and has attributed a value of $6,290,000 to the existing buildings. In accordance with 10TAC§ 1.32(e)(1)(C), the Underwriter has determined a building value of $5,908,811(in this case, the higher assessed land value reduced the contract price to provide a building value which was 80% of the total acquisition cost as compared to 84% inferred from the appraisal, 74% from the tax assessment and the 82% claimed by the Applicant). As a result, the acquisition eligible basis used to determine the eligible acquisition tax credit amount including the proportionate developer fee is $6,746,453 or $375,731 less than the Applicant's claimed acquisition basis.

The Applicant also included $222K in the closing costs and acquisition legal fees line item in the development cost schedule. Upon request, the Applicant provided a further breakdown of costs that are included in this line item, which appears to include costs that would typically be allocated elsewhere in the development cost schedule. The costs within this line item appear to be reasonable and are not being claimed as eligible; therefore, the Underwriter has taken no further action regarding these costs.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of $1,910 per unit, which is higher than the estimate in the Property Condition Assessment (PCA) of $1,461 per unit. The PCA cost sitework estimate appears to be derived directly from the proposed contractor's estimate, which is provided in the PCA. The underwriting analysis will reflect the PCA value.

Direct Construction Cost:

The Applicant's direct construction cost estimate is $309K or 7% higher than the estimate provided in the Property Condition Assessment (PCA). This is unusual given that the PCA estimate appears to be derived directly from the proposed contractor's cost estimate. The underwriting analysis will reflect the PCA estimates for purposes of determining eligible basis.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the Application materials submitted by the Applicant and primarily the PCA. Any deviations from the Applicant's estimates beyond the PCA are due to program and underwriting guidelines. Therefore, Underwriter's PCA derived development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of $14,103,975 supports annual tax credits of $525,314. 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

SOURCES & USES FORM Number of Revisions: N/A Date of Last Revision: N/A

Issuer: TDHCA

Source: Prudential Financial Type: **Interim to Permanent Bond Financing**

Tax Exempt: $11,700,000 Interest Rate: 5.50% [X] Fixed Term: 480 months

Comments:

The Developer expects the Bonds will be credit enhanced through FHA/Ginnie Mae mortgage backed securities. The development will be financed through the FHA 221(d)(4) loan program.

The Applicant submitted a commitment from Prudential Financial that is consistent with the Applicant's sources and uses of funds. Of note, the interest rate reflected in the commitment does not include MIP of 0.45% during permanent and 0.90% during construction. The underwriting analysis includes a MIP per the commitment terms. The original Bond Review Board request was for $12,000,000 in bonds which is the amount to be included in the TDHCA Board resolution. While it is not currently anticipated that this higher amount of bonds will ultimately be sold, the Underwriter's analysis suggests that this higher amount could be adequately serviced and the flexibility to close on the higher amount is warranted.

Source: Boston Capital Type: **Syndication**

Proceeds: $5,020,440 Syndication Rate: 98% Anticipated HTC: $512,341

Comments:

The terms and amounts of the syndication commitment are not consistent with the Applicant's sources and uses of funds exhibit. The Applicant's sources and uses of funds exhibit was completed prior to submission of the Boston Capital syndication commitment and indicates the Richman Group as the syndicator. Additionally, the Applicant's sources and uses indicates anticipated syndication proceeds of $5,022,753. The recommended credit amount is derived based on the terms of the Boston Capital commitment letter.

It should further be noted that the original application did not include any equity commitment (and required revised debt commitments) which were received on March 26, 2007 but only after significant correspondence and missing several staff imposed deadlines. The timing of receipt of this commitment puts this application in violation of the 60 day rule in 10TAC49.12(b) for a May Board meeting. While the Applicant did request a May Board meeting decision date, the BRB reservation does not expire until early July and therefore a later TDHCA Board date is possible where the 60 day rule would not be violated. All other materials were available on time and staff has completed its analysis of this request. The matter is being advanced at the May meeting in order to accommodate staff and the Board and keep it from the heavier June Board meeting agendas.

Amount: $43,769 Type: **Cash Equity**

Comments:

The Applicant has indicated that the Developer will provide cash equity. The Underwriter has not included this source of funds in the recommended financing structure, which results in a comparable increase in the deferred developer fees.

Amount: $1,691,345 Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of $11,700,000 indicates the need for $6,255,908 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $638,422 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request ($534,389), the gap-driven amount ($638,422), and eligible basis-derived estimate ($525,314), the eligible basis-derived estimate of $525,314 is recommended resulting in proceeds of $5,147,560 based on a syndication rate of 98%.

The Underwriter's recommended financing structure indicates the need for $1,108,349 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within four years of stabilized operation.

Underwriter:	*Cameron Dorsey*	Date:	May 1, 2007
Reviewing Underwriter:	*Lisa Vecchietti*	Date:	May 1, 2007
Director of Real Estate Analysis:	*Tom Gouris*	Date:	May 1, 2007

MULTIFAMILY COMPARATIVE ANALYSIS

Summit Point Apartments, Houston, 4% HTC/MRB #07605

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
TC 60%	18	1	1	630	$686	$515	$9,270	$0.82	$138.00	$13.31
MR	2	1	1	630		515	1,030	0.82	138.00	13.31
TC 60%	21	1	1	668	686	535	11,235	0.80	138.00	13.31
MR	3	1	1	668		535	1,605	0.80	138.00	13.31
TC 60%	1	1	1	682	686	540	540	0.79	138.00	13.31
TC 60%	1	1	1	706	686	545	545	0.77	138.00	13.31
TC 60%	1	1	1	714	686	548	548	0.77	138.00	13.31
TC 60%	1	1	1	715	686	548	548	0.77	138.00	13.31
TC 60%	39	2	1	826	823	620	24,180	0.75	175.00	13.31
MR	6	2	1	826		620	3,720	0.75	175.00	13.31
TC 60%	5	2	1	907	823	648	3,240	0.71	175.00	13.31
TC 60%	4	2	1	912	823	648	2,592	0.71	175.00	13.31
TC 60%	3	2	1	1,041	823	648	1,944	0.62	175.00	13.31
TC 60%	66	2	1.5	925	823	648	42,768	0.70	175.00	13.31
MR	9	2	1.5	925		648	5,832	0.70	175.00	13.31
TC 60%	10	2	1.5	937	823	648	6,480	0.69	175.00	13.31
MR	1	2	1.5	937		648	648	0.69	175.00	13.31
TC 60%	1	2	1.5	977	823	648	648	0.66	175.00	13.31
TC 60%	8	2	1.5	1,024	823	648	5,184	0.63	175.00	13.31
TC 60%	1	2	1.5	1,026	823	648	648	0.63	175.00	13.31
TC 60%	2	2	1.5	1,054	823	648	1,296	0.61	175.00	13.31
TC 60%	11	2	2	910	823	648	7,128	0.71	175.00	13.31
MR	1	2	2	910		648	648	0.71	175.00	13.31
TC 60%	20	2	2	935	823	648	12,960	0.69	175.00	13.31
TC 60%	18	3	2	1,060	951	734	13,212	0.69	217.00	13.31
TC 60%	4	3	2	1,125	951	734	2,936	0.65	217.00	13.31
TC 60%	26	3	2	1,197	951	734	19,084	0.61	217.00	13.31
MR	4	3	2	1,197		734	2,936	0.61	217.00	13.31
MR	2	3	2.5	1,283		741	1,482	0.58	217.00	13.31
MR	2	4	2	1,507		811	1,622	0.54	253.00	13.31
TOTAL:	291		**AVERAGE:**	916		$641	$186,509	$0.70	$177.23	$13.31

INCOME	Total Net Rentable Sq Ft:	266,600		TDHCA	APPLICANT			Comptroller's Region	6
POTENTIAL GROSS RENT				$2,238,108	$2,108,796			IREM Region	Houston
Secondary Income	Per Unit Per Month:	$15.00		52,380	80,316	$23.00	Per Unit Per Month		
Other Income: Water/Sewer Pass-Thr	Per Unit Per Month:	$15.00		52,380	52,380	$15.00	Per Unit Per Month		
POTENTIAL GROSS INCOME				$2,342,868	$2,241,492				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(175,715)	(268,979)	-12.00%	of Potential Gross Income		
Employee or Other Non-Rental Units or Concessions				0	0				
EFFECTIVE GROSS INCOME				$2,167,153	$1,972,513				
EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		3.11%	$231	0.25	$67,324	$48,500	$0.18	$167	2.46%
Management		3.60%	268	0.29	78,045	74,169	0.28	255	3.76%
Payroll & Payroll Tax		14.00%	1,043	1.14	303,505	256,680	0.96	882	13.01%
Repairs & Maintenance		4.65%	346	0.38	100,730	117,750	0.44	405	5.97%
Utilities		5.30%	395	0.43	114,878	131,845	0.49	453	6.68%
Water, Sewer, & Trash		3.87%	288	0.31	83,868	86,130	0.32	296	4.37%
Property Insurance		4.51%	336	0.37	97,673	109,125	0.41	375	5.53%
Property Tax	3.14924	7.01%	522	0.57	152,002	167,828	0.63	577	8.51%
Reserve for Replacements		4.03%	300	0.33	87,300	87,300	0.33	300	4.43%
TDHCA Compliance Fees		0.54%	40	0.04	11,640	11,640	0.04	40	0.59%
Other: Supp Serv/Security		2.95%	220	0.24	63,968	63,968	0.24	220	3.24%
TOTAL EXPENSES		53.57%	$3,989	$4.35	$1,160,933	$1,154,935	$4.33	$3,969	58.55%
NET OPERATING INC		46.43%	$3,458	$3.77	$1,006,220	$817,578	$3.07	$2,810	41.45%
DEBT SERVICE									
Prudential First Lien		33.41%	$2,488	$2.72	$724,141	$731,381	$2.74	$2,513	37.08%
Mortgage Ins Premium	0.45%	2.43%	$181	$0.20	52,650	6,497	$0.02	$22	0.33%
Additional Financing		0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
NET CASH FLOW		10.59%	$788	$0.86	$229,429	$79,700	$0.30	$274	4.04%
AGGREGATE DEBT COVERAGE RATIO					1.30	1.11			
RECOMMENDED DEBT COVERAGE RATIO					1.30				

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)		42.45%	$26,192	$28.59	$7,622,000	$7,622,000	$28.59	$26,192	41.29%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		2.37%	1,461	1.59	425,127	555,945	2.09	1,910	3.01%
Direct Construction		26.14%	16,128	17.60	4,693,175	5,002,672	18.76	17,191	27.10%
Contingency	3.72%	1.06%	655	0.72	190,645	190,645	0.72	655	1.03%
Contractor's Fees	14.00%	3.99%	2,462	2.69	716,562	778,206	2.92	2,674	4.22%
Indirect Construction		2.02%	1,247	1.36	362,967	362,967	1.36	1,247	1.97%
Ineligible Costs		7.84%	4,840	5.28	1,408,549	1,408,549	5.28	4,840	7.63%
Developer's Fees	14.18%	9.75%	6,018	6.57	1,751,154	1,751,154	6.57	6,018	9.49%
Interim Financing		0.31%	191	0.21	55,534	55,534	0.21	191	0.30%
Reserves		4.07%	2,509	2.74	730,195	730,195	2.74	2,509	3.96%
TOTAL COST		100.00%	$61,704	$67.35	$17,955,908	$18,457,867	$69.23	$63,429	100.00%
Construction Cost Recap		*33.56%*	***$20,706***	***$22.60***	***$6,025,509***	***$6,527,468***	***$24.48***	***$22,431***	*35.36%*

SOURCES OF FUNDS					RECOMMENDED	
Prudential First Lien	65.16%	$40,206	$43.89	$11,700,000	$11,700,000	$11,700,000	Developer Fee Available
Cash Equity	0.24%	$150	$0.16	43,769	43,769	0	$1,751,154
Boston Capital Syndication	28.13%	$17,355	$18.94	5,050,440	5,022,753	5,147,560	% of Dev. Fee Deferred
Deferred Developer Fees	9.42%	$5,812	$6.34	1,691,345	1,691,345	1,108,349	63%
Additional (Excess) Funds Req'd	-2.95%	($1,820)	($1.99)	(529,646)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$17,955,908	$18,457,867	$17,955,908	$5,468,056

PAYMENT COMPUTATION

Primary	$11,700,000	Amort	480
Int Rate	5.50%	DCR	1.39

Secondary		Amort	
Int Rate		Subtotal DCR	1.30

Additional		Amort	
Int Rate		Aggregate DCR	1.30

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$724,141
Mortgage Ins Premium	52,650
Additional Debt Service	0
NET CASH FLOW	$229,429

Primary	$11,700,000	Amort	480
Int Rate	5.50%	DCR	1.39

W/ Mtg. Premium	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.30

Additional	$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.30

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

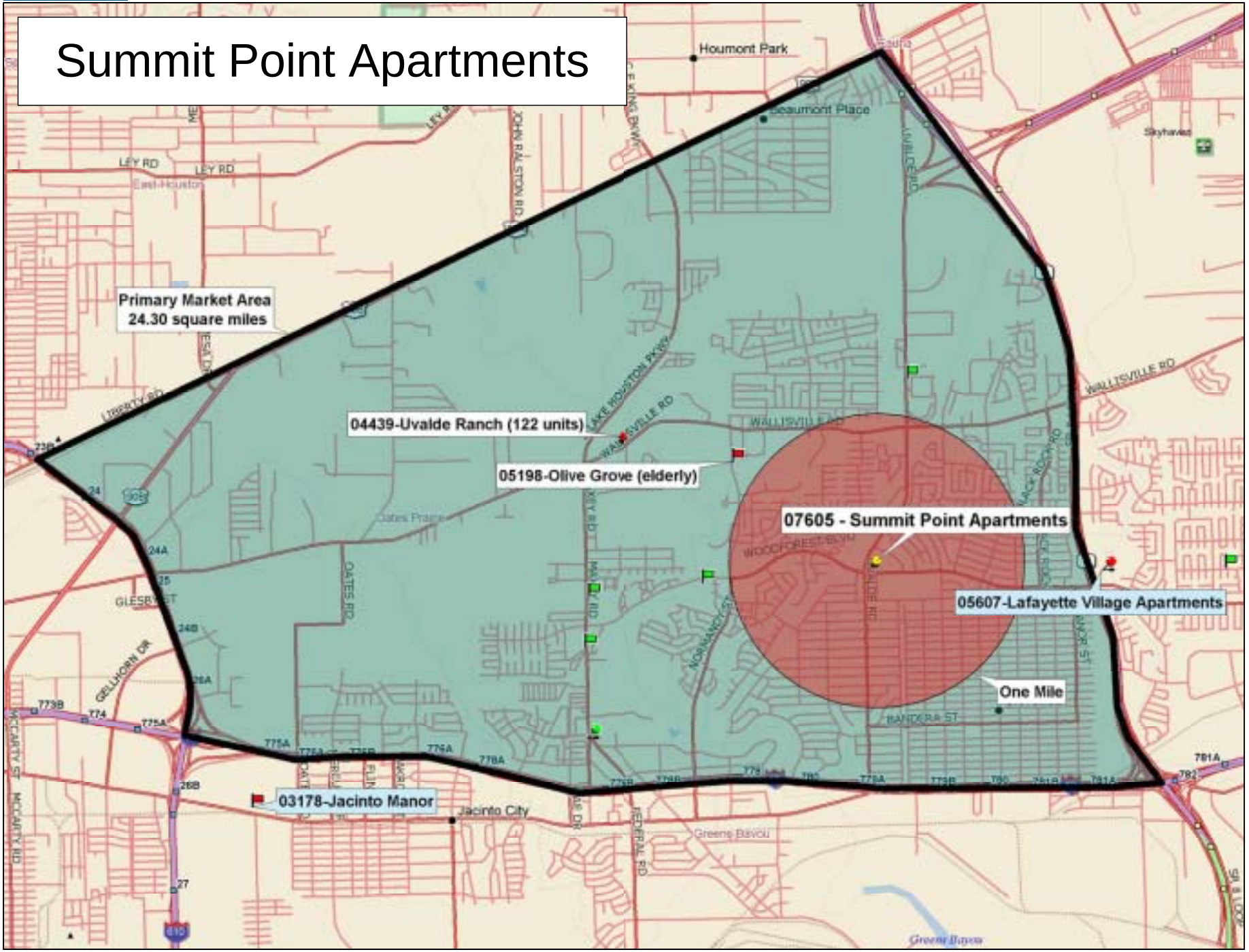
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$2,238,108	$2,305,251	$2,374,409	$2,445,641	$2,519,010	$2,920,223	$3,385,339	$3,924,536	$5,274,248
Secondary Income	52,380	53,951	55,570	57,237	58,954	68,344	79,229	91,849	123,437
Other Income: Water/Sewer Pas	52,380	53,951	55,570	57,237	58,954	68,344	79,229	91,849	123,437
POTENTIAL GROSS INCOME	2,342,868	2,413,154	2,485,549	2,560,115	2,636,919	3,056,911	3,543,798	4,108,233	5,521,122
Vacancy & Collection Loss	(175,715)	(180,987)	(186,416)	(192,009)	(197,769)	(229,268)	(265,785)	(308,117)	(414,084)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$2,167,153	$2,232,167	$2,299,133	$2,368,106	$2,439,150	$2,827,643	$3,278,013	$3,800,116	$5,107,038
EXPENSES at 4.00%									
General & Administrative	$67,324	$70,017	$72,817	$75,730	$78,759	$95,823	$116,583	$141,841	$209,959
Management	78,045	80,387	82,798	85,282	87,841	101,831	118,050	136,853	183,919
Payroll & Payroll Tax	303,505	315,645	328,271	341,402	355,058	431,982	525,572	639,439	946,526
Repairs & Maintenance	100,730	104,759	108,949	113,307	117,840	143,370	174,431	212,222	314,141
Utilities	114,878	119,473	124,252	129,222	134,391	163,507	198,931	242,030	358,263
Water, Sewer & Trash	83,868	87,223	90,711	94,340	98,114	119,370	145,232	176,697	261,555
Insurance	97,673	101,580	105,643	109,869	114,264	139,020	169,139	205,783	304,609
Property Tax	152,002	158,082	164,406	170,982	177,821	216,347	263,219	320,246	474,042
Reserve for Replacements	87,300	90,792	94,424	98,201	102,129	124,255	151,175	183,928	272,258
Other	75,608	78,632	81,778	85,049	88,451	107,614	130,929	159,295	235,795
TOTAL EXPENSES	$1,160,933	$1,206,589	$1,254,049	$1,303,383	$1,354,666	$1,643,118	$1,993,261	$2,418,333	$3,561,067
NET OPERATING INCOME	$1,006,220	$1,025,578	$1,045,083	$1,064,723	$1,084,484	$1,184,525	$1,284,752	$1,381,783	$1,545,971
DEBT SERVICE									
First Lien Financing	$724,141	$724,141	$724,141	$724,141	$724,141	$724,141	$724,141	$724,141	$724,141
Mortgage Ins Premium	52,650	52,278	51,885	51,469	51,031	48,436	45,023	40,532	26,849
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$229,429	$249,159	$269,057	$289,113	$309,312	$411,948	$515,588	$617,109	$794,980
DEBT COVERAGE RATIO	1.30	1.32	1.35	1.37	1.40	1.53	1.67	1.81	2.06

HTC ALLOCATION ANALYSIS -Summit Point Apartments, Houston, 4% HTC/MRB #07605

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
Acquisition Cost						
Purchase of land	$1,332,000	$1,713,189				
Purchase of buildings	$6,290,000	$5,908,811	$6,290,000	$5,908,811		
Site Work						
Off-site improvements						
On-site work	$555,945	$425,127			$555,945	$425,127
Construction Hard Costs	$5,002,672	$4,693,175			$5,002,672	$4,693,175
Contractor Fees	$778,206	$716,562			$778,206	$716,562
Contingencies	$190,645	$190,645			$190,645	$190,645
Eligible Indirect Fees	$362,967	$362,967			$362,967	$362,967
Eligible Financing Fees	$55,534	$55,534			$55,534	$55,534
All Ineligible Costs	$1,408,549	$1,408,549				
Developer Fees						
Developer Fees	$1,751,154	$1,751,154	$832,184	$837,642	$918,970	$913,512
Development Reserves	$730,195	$730,195				
TOTAL DEVELOPMENT COSTS	$18,457,867	$17,955,908	$7,122,184	$6,746,453	$7,864,939	$7,357,523

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	$7,122,184	$6,746,453	$7,864,939	$7,357,523	
High Cost Area Adjustment			130%	130%	
TOTAL ADJUSTED BASIS	$7,122,184	$6,746,453	$10,224,421	$9,564,779	
Applicable Fraction	89%	89%	89%	89%	
TOTAL QUALIFIED BASIS	$6,353,864	$6,018,666	$9,121,441	$8,532,960	
Applicable Percentage	3.61%	3.61%	3.61%	3.61%	
TOTAL AMOUNT OF TAX CREDITS	$229,374	$217,274	$329,284	$308,040	
Syndication Proceeds	**0.9799**	**$2,247,645**	**$2,129,071**	**$3,226,661**	**$3,018,489**
Total Tax Credits (Eligible Basis Method)				**$558,659**	**$525,314**
Syndication Proceeds				**$5,474,306**	**$5,147,560**
Requested Tax Credits				**$534,389**	
Syndication Proceeds				**$5,236,489**	
Gap of Syndication Proceeds Needed				**$6,757,867**	**$6,255,908**
Total Tax Credits (Gap Method)				**$689,647**	**$638,422**

Summit Point Apartments



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TN

MN (3.7°E)

Scale 1 : 56,250

1" = 4,687.5 ft

Data Zoom 11-7

Applicant Evaluation

Project ID # **07605** Name: **Summit Point Apartments** City: **Houston**

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: 0

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

Projects in Material Noncompliance: Yes ☐ No ☑

monitored with a score less than thirty: 0

not yet monitored or pending review: 10

in noncompliance: 0

Projects not reported in application: Yes ☐ No ☑

# 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 4/27/2007

Multifamily Finance Production

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

Reviewer S. Roth

Date 4 /25/2007

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 4 /25/2007

Real Estate Analysis (Workout)

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

Reviewer Tom Gouris

Date 5 /1 /2007

Community Affairs

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

Reviewer EEF

Date 4 /27/2007

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 4 /26/2007

Financial Administration

No delinquencies found	☑
Delinquencies found	☐

Reviewer Melissa M. Whitehead

Date 4 /26/2007

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS
SUMMIT POINT APARTMENTS, LTD.

PUBLIC HEARING

Cafeteria
Green Valley Elementary School
13350 Woodforest Boulevard
Houston, Texas

February 15, 2007
6:10 p.m.

BEFORE:

SHANNON ROTH, Multifamily Housing Specialist
Finance Division, TDHCA

ALSO PRESENT:

JOHN D. KILLOUGH, Summit Asset Management

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

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PUBLIC COMMENT:	
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P R O C E E D I N G S

MS. ROTH: My name is Shannon Roth, and I'm with the Texas Department of Housing and Community Affairs. I'm a housing specialist there. The role of the Department in this process is to allow all interested persons in the surrounding community the opportunity to provide comment on the development we will be discussing this evening, which is Summit Point Apartments.

The format of this evening's hearing will be as follows. First, I will present the programs the developer has applied for. Second, the developer or a member of the development team, Mr. Killough, will be giving a presentation on the specifics of the development. And lastly, I'm going to read a speech that's required by the Internal Revenue Service. And at the conclusion of the speech, we'll open up the floor for public comment.

There are handouts for you up here regarding the development specifics, which include the income levels. Also, the handline contains deadlines for input and how to submit input. And we have three-by-five cards with our contact information.

If you would like to speak, there are witness affirmation forms available on the back table. Please fill out the form and hand it to a TDHCA staff person

prior to speaking. There are sign-in sheets also on the back table. Please be sure to sign in; that is the only way of knowing exactly how many people were in attendance.

Also, there are columns for you to check on the far right-hand side of the sign-in sheets to indicate whether you support or oppose this development. If neither box is checked, then we will consider your attitude as being neutral. So please be sure you mark the box that is appropriate.

The entire hearing and all of the comments made here this evening will be transcribed by a court reporter; it is important that you make your comments at the microphone so she can record your comments. Any comments or questions made from the audience may not be picked up on the record. To allow everyone the opportunity to speak, we will answer any questions or concerns that were raised at the end, after all public comment has been made.

I asked that the developer keep a list of any questions that come up as it relates to the development, and I will keep a list of questions that relate to the Department and our role.

According to the 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 and to ensure that your voice is heard.

TDHCA schedules the public hearing where the development is to be located at a time and location that's convenient for the community. The mission of the Department is to help Texans achieve and improve quality of life through the development of better communities.

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 a lower-than-average income.

The Private Activity Bond program refers to an 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. Therefore, the

developer can build a market rate property at a lower cost to the development.

The Housing Tax Credit was created as a result of the Tax Reform Act of 1986. The Housing Tax Credit is a credit or reduction in tax liability each year for ten years for investors in affordable rental housing.

By providing a credit against the tax liability, the Housing Tax Credit is an incentive for individuals and corporations to invest in the construction or rehabilitation of housing for low-income families. The Housing Tax Credit provides equity to the development and lowers building costs, which allows the developer to provide lower rents that are affordable for tenants.

In conclusion, with both of these programs, the tax benefit goes to the investors to help finance the development. These programs result in the opportunity to bring something of higher quality to your area, and all of the properties are privately owned and privately managed.

There are ongoing oversight responsibilities between the affordable housing development and the Department. This includes regular monitoring to ensure that the development is complying with the rules of the Housing Tax Credit and Private Activity Bond programs.

The term that the development will be monitored

is for the greater of 30 years or as long as the bonds are outstanding. Oversight responsibilities include that units are occupied by eligible households, physical appearance, rents are capped at appropriate levels and repair reserve accounts are established and funded.

Tenant background checks -- credit, criminal, et cetera -- are established by the developer and would apply to all tenants equally. The developer can establish procedures up to and including eviction for various reasons consistent with the state eviction laws that would be applicable to any other apartment complex. TDHCA does not set these requirements.

In addition, the Department monitors the development every two years. Desk reviews are done quarterly by the Department and are a modified version of an on-site visit. The Department verifies that the set-asides were met and that the units are income and rent restricted.

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 tutoring, honor roll programs, computer access, educational classes, after-school activities, summer camp, healthcare screening, immunizations for

school children, ESL classes, GED certification, financial planning, credit counseling and down-payment assistance.

It is important to note that for most individuals, beginning in multifamily housing is the first step to home ownership. Therefore, some developers could choose to provide down-payment assistance classes to help educate tenants on the steps that they can take toward home ownership.

And now I'm going to let Mr. Killough give a brief presentation on the development, and then I'll read the speech that we need to read.

MR. KILLOUGH: Good evening. My name is John Killough; I represent the developer and property management agent of the proposed acquisition and rehab of Summit Point Apartments, located on Uvalde Road. My company, Summit, has planned to acquire the property in June of 2007, and the acquisition of the property will be financed with tax-exempt bonds and low-income housing tax credits.

The two primary costs of the financing will be the acquisition of the property, which is approximately $7.2 million for 291 units, and, the other majority cost in the transaction, will be the rehabilitation of the property, which is currently scheduled at approximately

$5,852,000, or $20,100 per unit.

The rehabilitation, which I'll speak of briefly and answer any questions on, we break into three categories: Exterior site notes or site improvements, exterior building notes or exterior building improvements, and then interior building improvements. On the exterior of the property -- I'll go through these quickly and answer any questions.

The exterior notes will include parking lot overlay, parking lot repair, new landscaping, repairing of damaged concretes, sidewalks, new privacy fencing surrounding the property -- the existing canopies on the property will be refurbished or renovated -- a new playground and new dumpster surrounds in the areas. We will improve the office and provide community space in the office.

The exterior building notes are really the facade of the property, which would include the replacement of vinyl, the replacement of the roofing components, replacement of windows, replacement and installation of new site lighting, new signage on the property, partial replacement of the stairwells at the property and -- let's see -- replacement of rotten wood, and painting. So the property's exterior should have a

new and improved curb appeal.

Lastly, the interior of the property will -- each unit will be rehabilitated to include new appliances, new HVAC, which is your heating and cooling unit, new carpet. So the interiors will be completely renovated with all new equipment.

The only part of the interior of the unit that will be on an as-needed basis will be the bathrooms. There are some bathrooms where work will be required, and there are some bathrooms where work will not. So it's -- so the interior components are 100 percent with the exception of the bathroom components.

Again, the total will be approximately $20,000 per unit. And approximately speaking, half of those monies will go to the exteriors and half of those monies will really go to the interiors.

Part of our acquisition plan outside the acquisition and outside of the rehabilitation is the quality of life. We will focus on the quality of the life of the tenants. We will implement after-school programs where mandated by the state housing agency, as mentioned by Ms. Roth, to implement programs from GED to English second language to computer, adult literacy programs.

We will implement programs. We will initially

implement some after-school tutoring programs, but, as Ms. Roth indicated, we will really do tenant screening and community meetings post-acquisition to determine what's needed the most at the property.

We are very aware of the condition of the property and its need for rehabilitation. We are very aware of some of the criminal activity at the property. And we stand prepared to address that.

So with that, Ms. Roth, I'll answer any questions.

MS. ROTH: Okay. Let me go ahead and read the speech. And I'm sorry I was mispronouncing your name.

MR. KILLOUGH: That's all right.

MS. ROTH: I'll go ahead and read this speech for IRS purposes, and then, at the end, I'll open up the floor to any public comment that anyone cares to make. Thank you.

Okay. Good evening. My name is Shannon Roth. I would like to proceed with the public hearing. Let the record show that it is 6:21 p.m. Thursday, February 15, 2007 and we are at Green Valley Elementary School, located at 13350 Woodforest Boulevard, 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 issuance of tax-exempt multifamily revenue bonds for a residential rental community. This hearing is required by the Internal Revenue Code.

The sole purpose of the 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 April 12, 2007. 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 April 3, 2007.

The bonds will be issued as tax-exempt multifamily revenue bonds in an aggregate principal amount not to exceed 12,000,000 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 Summit Point Apartments, Ltd., or a related person or

affiliate entity thereof, to finance the acquisition and rehabilitation of a multifamily housing development described as follows: A 291-unit multifamily residential rental development to be located at 333 Uvalde Road, 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 now would like to open the floor to any public comment.

(Pause.)

MS. ROTH: No formal comment from you, ladies?

(Pause.)

MS. ROTH: Okay. I'm going to go ahead and thank you for attending this hearing. You're -- let the record show there are two people in attendance and neither have signed up to make public comment nor wish to at this time.

The meeting now is adjourned, and the time is 6:23 p.m. However, we'll be happy to do any questions and answers that you ladies would like to do.

MS. M. J. SMITH: Well, my name is Mary Jane Smith. Like he was saying, they already know about the crime and dope and all this stuff, and they know how the property is. The apartments are all raggedy, and they've

got mold on them and mildew and all that on them.

And so since you all, you know, already know, that's good, because -- and all the shooting and killing and stuff over there. It's just like we are in a war zone. And that's -- all you hear is how somebody done got shot or -- and them boys walking around there. Half of them don't go to school or anything and -- with them big, old pants on and the big old shirts and all this. That -- it's like we got gangs over there.

MR. KILLOUGH: And I think that the one thing -- the easiest way to -- my name is John Killough. The easiest way to answer the question is that the state allows us to evict tenants for non-performance under their lease. And if there's a lease violation, which would include drug activity and fighting -- you referred to the gang activity. If there are households with parents or caregivers who have children who are involved in that kind of activity, that's an immediate -- that's grounds for eviction.

So I think the biggest thing we can do is get in and get our arms around the existing -- the property's about 80 percent occupied or 85 percent occupied. And over the normal course of a year, if it's 80 percent occupied -- and I'm not going to -- the point being -- is

that of the course of the year, half of those occupied units are going to move in and move out. That's just turnover.

But what we're going to have to get our arms around are who are the bad seeds, and we'll do that in the first 30 to 60 days. We'll give them -- if they've broken a term of their lease, we'll give them notice of eviction. The eviction process -- don't hold me to it -- is usually a 30- to 60-day process.

But we are making a very substantial investment. The investment in the property represents about a $17 million investment. And I can't stress enough that it's very important for us to preserve the integrity of the property; we have to get rid of the bad tenants, and we'll only be able to do that through tenant meetings that help us focus on the problems.

And again, immediately upon acquisition, we'll have a tenant meeting.

But, yes, ma'am, we're very aware. And we know there's some work that has to be done. And again, I think there'll be a series of meetings with Harris County Sheriff and with the Houston police department, because we will -- we definitely want to preserve our investment in the property.

MS. M. J. SMITH: Okay.

MR. KILLOUGH: And we also want a safe, sanitary place for you guys to live.

MS. M. J. SMITH: Okay.

MS. ROTH: Did you have some questions, ma'am?

MS. M. SMITH: Yes. I wanted to --

MS. ROTH: Can you pass that microphone down to her?

(Pause.)

MS. ROTH: And if you could, just state your name for the record. Thank you.

MS. M. SMITH: My name is Martha Smith, and I want to ask if you all are still going to take housing -- Section 8 and HUD.

MR. KILLOUGH: Yes, ma'am. Again, John -- I guess I don't have to state my name.

Yes, ma'am, we will. Under the program, when we accept voucher tenants -- we're required to continue to accept voucher tenants. So yes, ma'am. Section 8 vouchers are acceptable both -- and it's only -- it's a tenant-based voucher through the local housing authority.

MS. M. SMITH: Yes? Okay. And I want to ask one more question.

MR. KILLOUGH: Yes, ma'am.

MS. M. SMITH: Is -- are you all going to leave them all as apartments, or, you know, just tear them down, or remodel them? Or just --

MR. KILLOUGH: We will not -- we will work with the existing structures. So the intent is -- One, there will be some minor demolition --

MS. M. SMITH: Yes?

MR. KILLOUGH: -- on the interior of the units, but it is our intent not to displace anyone.

MS. M. SMITH: Oh.

MR. KILLOUGH: So our hope is to be able to do the work while you occupy the unit. Our contractors have liability insurance. Hopefully, they can work with you in the unit and, at a minimum, you'll have to be out of your unit for a day. And again, that's not relocating out of the unit; that's just moving out of the way so they can do carpentry work.

MS. M. SMITH: Oh, yes.

MR. KILLOUGH: But no, ma'am, we will not demo any units. We're not tearing down any buildings.

MS. M. SMITH: Okay.

MR. KILLOUGH: We're using the existing shell, and we're really going to modernize that shell and improve the interiors of the units. So again, our hope is that

you would have as close as you can to a new unit with new appliances and new air conditioning.

MS. M. SMITH: Oh, yes.

MR. KILLOUGH: So something a lot newer and modern for you.

MS. M. SMITH: Yes.

MR. KILLOUGH: But did I answer you? Yes, ma'am, definitely we'll accept Section 8. And we will work with the existing structures.

MS. M. SMITH: Oh. Okay.

MR. KILLOUGH: And it's our intent not to displace anyone.

MS. ROTH: Okay. All right. Did you ladies have any additional questions, or did that seem to clear up any concerns of yours?

MS. M. SMITH: Yes, that answered my question.

MS. ROTH: Okay. It sounds like they're pretty aware of the situation and they're going to get on it as soon as they get ownership of the property, and have a plan to take care of some of the issues for you guys.

MR. KILLOUGH: You all require us to have a plan.

MS. ROTH: We do, because we want the tenants to be happy and healthy.

Okay. Well, I think you have my card and you have Mr. Killough's card. So feel free to call, fax, e-mail or whatever works for you -- the regular U. S. mail works for us. Please provide any comments that you'd like.

And I guess that concludes our hearing, and I appreciate you coming. Thank you very much.

MS. M. J. SMITH: Thank you.

MS. M. SMITH: Thank you.

MR. KILLOUGH: Thank you, Shannon.

(Whereupon, at 6:30 p.m., this public hearing was concluded.)

C E R T I F I C A T E

IN RE: Summit Point Apartments, Ltd.

LOCATION: Houston, Texas

DATE: February 15, 2007

I do hereby certify that the foregoing pages, numbers 1 through 19, inclusive, are the true, accurate,

and complete transcript prepared from the verbal recording made by electronic recording by Penny Bynum before the Texas Department of Housing and Community Affairs.

02/21/2007
(Transcriber) (Date)

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DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

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MULTIFAMILY FINANCE PRODUCTION DIVISION

2007 Private Activity Multifamily Housing Revenue Bonds

Santora Villas
1805 Frontier Valley Drive
Travis County, Texas

Santora Villas, L.P.
192 Units
Priority 3
$13,072,000 Tax Exempt – Series 2007

TABLE OF EXHIBITS

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MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, Discussion and Possible Issuance of Multifamily Housing Revenue Bonds, Series 2007 and Housing Tax Credits with TDHCA as the Issuer for the Santora Villas development.

Requested Action

Approve, Amend or Deny the staff recommendation for the Santora Villas development.

Summary of the Santora Villas Transaction

Background and General Information: The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, as amended, the Department's Enabling Statute (the "Statute"), which authorizes the Department to issue revenue bonds for its public purposes, as defined therein. (*The Statute provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas.)* The pre-application for the 2007 Waiting List was received on November 16, 2006. The application was scored and ranked by staff. The application was induced at the December 14, 2006 Board meeting and submitted to the Texas Bond Review Board. The application received a Reservation of Allocation on February 7, 2007. The deadline for bond delivery is on or before July 7, 2007, but the anticipated closing date is May 22, 2007. Located in Travis County, the development consists of the new construction of 192 units targeted to a general population. This application was submitted under the Priority 3 category, with the applicant proposing 100% of the units serving individuals and families earning 60% of AMFI.

Organizational Structure and Compliance: The Borrower is Santora Villas, LP and the General Partner is Santora Villas GP, LLC which is comprised of the following individuals with ownership interest, Chris Dischinger with 40% ownership interest, Mark Lechner with 40% ownership interest, Richard Janson with 10% ownership interest and Uwe Nahuina with 10% ownership interest. The Compliance Status Summary completed on April 25, 2007 shows that the principals of the general partner have a total of two (2) properties that have no material noncompliance.

Public Hearing: There were 5 people in attendance at the public hearing conducted by the Department for the proposed development on March 22, 2007, and no one spoke for the record. A copy of the transcript is included in this presentation. The Department has not received any letters of support or opposition.

Census Demographics: The proposed site is located at approximately the 1805 Frontier Valley Drive, Travis County. Demographics for the census tract (23.12) include AMFI of $33,449; the total population is 4,077; the percent of the population that is minority is 92.22%; the percent of the population that is below the poverty line is 26.64%; the number of owner occupied units is 754; the number renter occupied units is 367 and the number of vacant units is 44. (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 the amount of $13,072,000. The bonds will be unrated and privately placed with MuniMae TEI Holdings, LLC. MMA Financial will underwrite the transaction using a debt coverage ratio of 1.12 amortized over 40 years. The term of the Bonds will be for 40 years. The construction and lease up period will be for 30 months with the option of four 3 month extensions. The interest rate on the Bonds will be 5.8% per annum.

Recommendation

Staff Recommends the Board approve the issuance of $13,072,000 in tax exempt Multifamily Housing Revenue Bonds, Series 2007 and $953,189 in Housing Tax Credits for Santora Villas.

RESOLUTION NO. 07-014

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS (SANTORA VILLAS) SERIES 2007; 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 construction that will provide decent, safe, and affordable living environments for individuals and families of low, very low and extremely low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; (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 (d) to make, commit to make and participate in the making of mortgage loans, including federally insured loans, and to enter into agreements and contracts to make or participate in mortgage loans for residential housing for individuals and families of low, very low, and extremely low income and families of moderate income; 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 (Santora Villas) Series 2007 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and The Bank of New York Trust Company, N.A., 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 Santora Villas, 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 February 14, 2007, 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 and 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 "Loan") to the Borrower to enable the Borrower to finance the costs of acquiring, constructing and equipping the Development and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the "Note") in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Financing Agreement; and

WHEREAS, it is anticipated that the Borrower's obligations under the Note will be secured by a Deed of Trust, Security Agreement and Assignment of Rents and Leases and Financing Statement (the "Deed of Trust") from 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 Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the "Assignments") from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the 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 Travis County, Texas; 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 Assignments, the Regulatory Agreement and the Asset Oversight Agreement (collectively, the "Issuer Documents"), and (b) the Deed of Trust and the Note, all of which are attached to and comprise a part of this Resolution; has found the form and substance of the Issuer 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 Deed of Trust 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:

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 at a rate of 5.80% per annum; provided, however, that the interest rate is subject to adjustment following the Initial Remarketing Date by the Remarketing Agent and as otherwise set forth in the Indenture; 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 $13,072,000; (iii) the final maturity of the Bonds shall occur on May 1, 2047; 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 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 Travis County, Texas.

Section 1.6--Acceptance of the Deed of Trust and Note. That the form and substance of the Deed of Trust and the Note are hereby accepted by the Department and that the authorized representatives of the Department named in this Resolution are hereby authorized to endorse and deliver the Note to the Order of the Trustee, as its interest 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 each are authorized hereby to execute, attest and affix the Department's seal to the Assignment of Deed of Trust Documents and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute the Assignment of Note and to deliver the Assignments to the Trustee.

Section 1.8--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 1.9--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.10--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B - Indenture
Exhibit C - Financing Agreement
Exhibit D - Regulatory Agreement
Exhibit E - Deed of Trust
Exhibit F - Note
Exhibit G - Assignments
Exhibit H - Asset Oversight Agreement

Section 1.11--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.12--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chair and Vice Chairman of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of

Programs of the Department, Deputy Executive Director 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 1.13--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. 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--Purchaser. That the Purchaser with respect to the issuance of the Bonds shall be MuniMae TE Bond Subsidiary, LLC or an affiliate of the same.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the 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.

Section 2.8--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the Units of the Development shall not exceed the amounts attached to the Regulatory Agreement and shall be annually redetermined by the Issuer.

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 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 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, very low and extremely low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the 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 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 special limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State. Each Bond shall contain on its face a statement to the effect that the State is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. 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.

[Remainder of page intentionally left blank.]

PASSED AND APPROVED this 10th day of May, 2007.

By: /s/ Elizabeth Anderson
Elizabeth Anderson, Chair

Attest: /s/ Kevin Hamby
Kevin Hamby, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF DEVELOPMENT

Owner: Santora Villas LP, a Texas limited partnership

Development: The Development is a 192-unit multifamily facility known as Santora Villas and is located at approximately 1805 Frontier Valley Drive, Austin, Travis County, Texas. The Development will include the reimbursement for the acquisition of land and the costs of the construction of a total of 8 residential apartment buildings with a total of approximately 195,168 net rentable square feet and an average unit size of approximately 1,107 square feet. The unit mix consists of:

24	one-bedroom/one-bath units
96	two-bedroom/two-bath units
72	three-bedroom/two-bath units
192	Total Units

Unit sizes range from approximately 786 square feet to approximately 1,106 square feet.

Common areas include an accessible walking path, barbecue grills and picnic tables, controlled gate access, enclosed sun porch or covered community porch/patio, business center, full perimeter fencing, furnished fitness center, children's playscape and swimming pool.

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Santora Villas, TDHCA Number 07606

BASIC DEVELOPMENT INFORMATION

Site Address:	1805 Frontier Valley Dr.			Development #:	07606
City:	Austin	Region:	7	Population Served:	General
County:	Travis	Zip Code:	78741	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:	Santora Villas, L.P.	
Owner Contact and Phone	Uwe Nahuina	(512) 963-1363
Developer:	Santora Villas, LP	
Housing General Contractor:	Xpert Design and Construction	
Architect:	Weber Group, Inc.	
Market Analyst:	Apartment Market Data	
Syndicator:	MMA Financial	
Supportive Services:	Capstone	
Consultant:	Not Utilized	

UNIT/BUILDING INFORMATION

30%	40%	50%	60%	Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	0	0	192	0	24	96	72	0	0

Type of Building:

☐ Duplex
☐ Triplex
☐ Fourplex
☑ 4 units or more per building
☐ Detached Residence
☐ Single Room Occupancy
☐ Transitional
☐ Townhome

Total Restricted Units:	192
Market Rate Units:	0
Owner/Employee Units:	0
Total Development Units:	192
Total Development Cost:	$22,676,216
Number of Residential Buildings:	10
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:	$966,702	$953,189	0	0	0%
TDHCA Bond Allocation Amount:	$13,072,000	$13,072,000	40	40	5.8%
HOME Activity Fund Amount:	$0	$0	0	0	0%
HOME CHDO Operating Grant Amount:	$0	$0			

MULTIFAMILY FINANCE PRODUCTION DIVISION

May 10**, 2007**

Development Information, Public Input and Board Summary

Santora Villas, TDHCA Number 07606

PUBLIC COMMENT SUMMARY

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

State/Federal Officials with Jurisdiction:

TX Senator: Watson, District 14 NC

US Representative: Doggett, District 25, NC

TX Representative: Rodríguez, District 51 NC

US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: Will Wynn, Mayor, City of Austin - NC

Resolution of Support from Local Government ☐

Paul Hilgers, City of Austin, Community Development Officer - Because this project is consistent with the needs and strategies outlined in the Consolidated Plan, the City of Austin supports your application for this project.

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

Neighborhood Input:

General Summary of Comment:

Public Hearing: No one spoke for the record. One member of the public had questions regarding the easements.
Number that attended: 5
Number that spoke: 0
Number in support: 3
Number in opposition: 2
Number Neutral: 0

CONDITIONS OF COMMITMENT

Per §49.12(c) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Development Applications "must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants ("LURA")."

Receipt, review, and acceptance prior to closing of current financial statements for LDG Development, LLC and LDG Multifamily, LLC, proposed guarantors.

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

May 10**, 2007**

Development Information, Public Input and Board Summary

Santora Villas, TDHCA Number 07606

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

4% Housing Tax Credits: Credit Amount: $953,189

Recommendation: **Recommend approval of a Housing Tax Credit Allocation not to exceed $953,189 annually for ten years, subject to conditions.**

TDHCA Bond Issuance: Bond Amount: $13,072,000

Recommendation: **Recommend approval of issuance of $13,072,000 in Tax Exempt Mortgage Revenue Bonds with a fixed interest rate of 5.80% and repayment term of 40 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:

Santora Villas

Estimated Sources & Uses of Funds

Sources of Funds	
Series 2007 Tax-Exempt Bond Proceeds	$ 13,072,000
Tax Credit Proceeds	9,279,411
Deferred Development Fee	384,211
Estimated Investment Earnings	3,944
Total Sources	$ 22,739,566

Uses of Funds	
Acquisition and Site Work Costs	$ 2,953,000
Direct Hard Construction Costs	11,444,000
Other Construction Costs (General Require, Overhead, Profit)	1,840,000
Indirect Construction Costs (Architectural, Engineering, etc)	656,500
Developer Fees and Overhead	2,700,000
Direct Bond Related	237,934
Bond Purchase Costs	294,080
Other Transaction Costs	2,475,079
Real Estate Closing Costs	138,973
Total Uses	$ 22,739,566

Estimated Costs of Issuance of the Bonds

Direct Bond Related	
TDHCA Issuance Fee (.50% of Issuance)	$ 65,360
TDHCA Application Fee	11,000
TDHCA Bond Administration Fee (2 years)	26,144
TDHCA Bond Compliance Fee ($40 per unit)	7,680
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	4,000
Trustee's Counsel (Note 1)	3,000
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	$ 237,934

Santora Villas

Bond Purchase Costs	
MMA Origination Fee	98,040
MMA Construction Admin Fee	98,040
MMA Application Fee/Due Diligence	35,000
Lender Attorney	33,000
Borrower Attorney	30,000
Total Bond Purchase Costs	$ 294,080
Other Transaction Costs	
Tax Credit Related Costs	60,750
Construction Period Interest	846,976
Rent Up Reserve	454,755
Soft Cost Contingency	100,000
Construction Contingency	662,350
Real Estate Taxes - Construction	75,000
TEFRA Hearing	5,500
Insurance - Builder's Risk	225,000
Miscellaneous	44,748
Total Other Transaction Costs	$ 2,475,079
Real Estate Closing Costs	
Surveying	10,000
Title/Recording Fees	128,973
Total Real Estate Costs	$ 138,973
Estimated Total Costs of Issuance	$ 3,146,066

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
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 05/01/07 PROGRAM: 4% HTC/MRB FILE NUMBER: 07606

DEVELOPMENT

Santora Villas

Location: 1805 Frontier Valley Region: 7

City: Austin County: Travis Zip: 78741 [X] QCT [ ] DDA

Key Attributes: Family, Urban/Exurban, New Construction, and Multifamily

ALLOCATION

	REQUEST			**RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
Private Activity Mortgage Revenue Bonds	$13,072,000	5.80%	40/40	**$13,072,000**	**5.80%**	**40/40**
Housing Tax Credit (Annual)	$966,702			**$953,189**		

CONDITIONS

1 Receipt, review, and acceptance prior to closing of current financial statements for LDG Development, LLC and LDG Multifamily, LLC, proposed guarantors.

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.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	192

PROS

- The subject represents the first new bond deal in this Primary Market Area in three years
- The Austin market has been steadily improving with strong occupancy levels and rising rents over the last 18 months

CONS

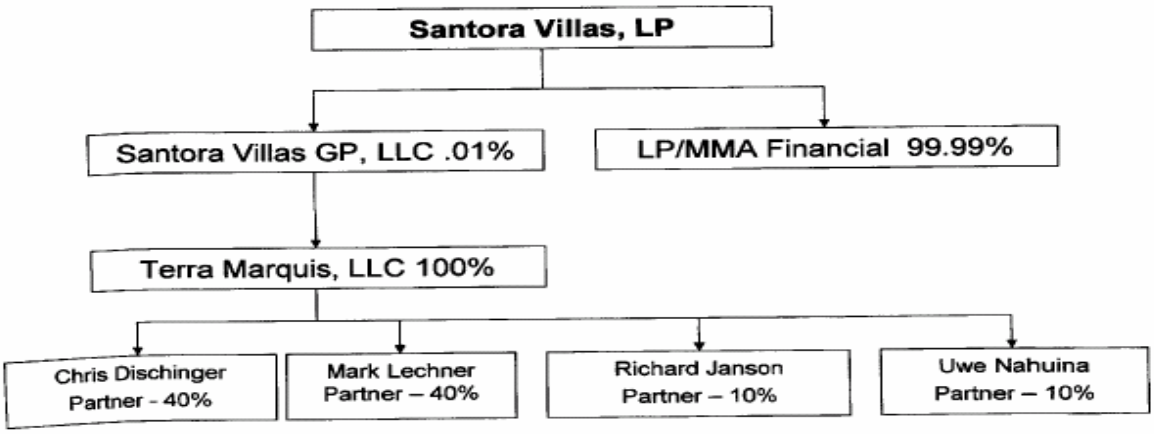
- The Applicant's income and expenses estimates are both significantly higher than Underwriter's estimates.
- The Applicant's direct construction costs are significantly higher than the Underwriter's Marshall and Swift-based estimate.

PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: Uwe Nahuina Phone: (512) 963-1363 Fax: (512) 260-8855

Email: akamaitexas@austin.rr.com

KEY PARTICIPANTS

Name	Net Assets	Liquidity[1]	# of Complete Developments
LDG Development			
LDG Multifamily			
Mark Lechner	Confidential	Confidential	
Chris Dischinger	Confidential	Confidential	
Richard Janson	Confidential	Confidential	
Uwe Nahuina	Confidential	Confidential	

[1] Liquidity = Current Assets - Current Liabilities

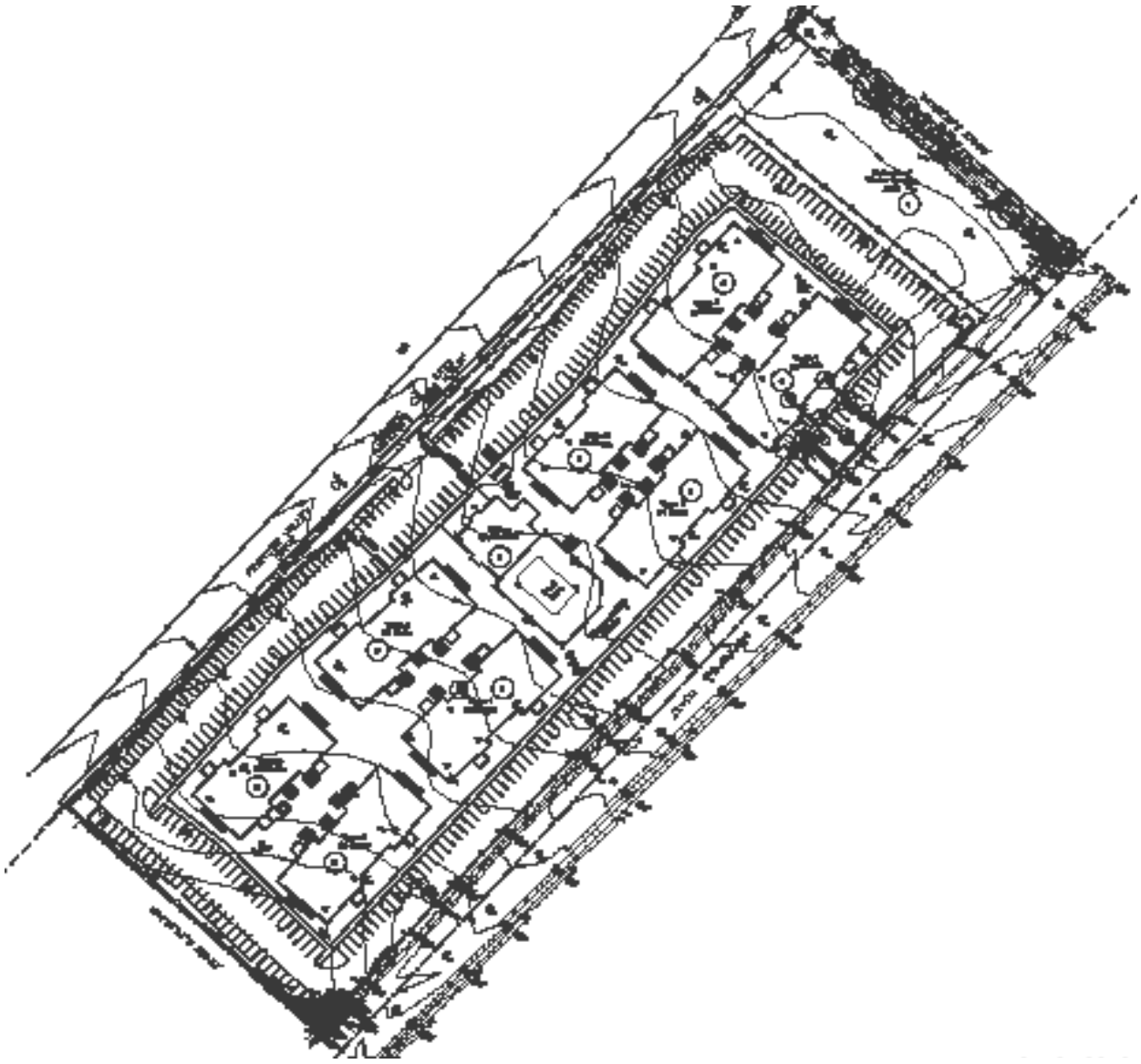
- While the financial statements of the intermediate entities were not provided, Mr. Dischinger the principle owner of these entities, has the capacity and to provide the necessary guarantees to support the transaction.

IDENTITIES of INTEREST

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

PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	2	5									Total Buildings
Floors/Stories	3	3									
Number	6	2									**8**

BR/BA	SF	Units										Total Units	Total SF
1/1	786	0	12									24	18864
2/2	1,007	12	12									96	96672
3/2	1,106	12	0									72	79632
Units per Building		24	24									**192**	**195168**

SITE ISSUES

Total Size:	9.939 acres	Scattered site?	☐	Yes	☒	No		
Flood Zone:	X	Within 100-yr floodplain?	☐	Yes	☒	No		
Zoning:	MF-3-CO-NP	Needs to be re-zoned?	☐	Yes	☒	No	☐	N/A

TDHCA SITE INSPECTION

Inspector: Multifamily Staff Date: 3/22/2007

Overall Assessment:

☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Surrounding Uses:

North: Mobile Home Trailer Park East: Frontier Valley Drive

South: 30 Foot Drainage Easement West: A-Austin Storage

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: ECS - Texas, LLP Date: 1/11/2007

Recognized Environmental Concerns (RECs) and Other Concerns:

- None.

MARKET HIGHLIGHTS

Provider: Apartment MarketData, LLC Date: 3/1/2007

Contact: Darrell G. Jack Phone: (210) 530-0040 Fax: (210) 340-5830

Number of Revisions: 0 Date of Last Applicant Revision: N/A

Primary Market Area (PMA):

The boundaries of the Primary Market Area are as follows: North: FM 969; East: FM 973; South: Stassney Lane; and West: Interstate 35. (p. 31)

Secondary Market Area (SMA):

A secondary market was not identified in the Market Study.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS

PMA				SMA				
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25%	Comp Units
Vista de Guadalupe	060101	22	19	A secondary market was not identified				
Villas on Sixth	04003	160	76					
King Fisher Creek	04000	35	35					

INCOME LIMITS

Travis

% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60	$29,880	$34,140	$38,400	$42,660	$46,080	$49,500

MARKET ANALYST'S PMA DEMAND by UNIT TYPE (p. 63)

Unit Type	Turnover Demand	Growth Demand	Other Demand	Total Demand	Subject Units	Unstabilized Comparable (PMA)	Capture Rate
1 BR/60% Rent Limit	893	70	0	963	24	23	5%
2BR/60% Rent Limit	625	44	0	669	96	47	21%
3BR/60% Rent Limit	436	44	0	480	72	46	25%

OVERALL DEMAND										
	Target Households		Household Size		Income Eligible	Tenure		Demand		
PMA DEMAND from TURNOVER										
Market Analyst p. 54	100%	34,539	92%	31,807	*included in Tenure%*	16%	5,244	63%	3,314
Underwriter	100%	34,961	92%	32,196	*included in Tenure%*	17%	5,598	63%	3,538
PMA DEMAND from HOUSEHOLD GROWTH										
Market Analyst p. 56			92%	423	*included in Tenure%*	16%	64	100%	64
Underwriter			92%	412	*included in Tenure%*	17%	66	100%	66

INCLUSIVE CAPTURE RATE						
	Subject Units	Unstabilized Comparable (PMA)	Unstabilized Comparable (25% SMA)	Total Supply	Total Demand (w/25% of SMA)	Inclusive Capture Rate
Market Analyst p. 57	192	116	0	308	3,378	9.12%
Market Analyst (HISTA) p. 57	192	116	0	308	4,353	7.08%
Underwriter	192	130	0	322	3,604	8.93%

Primary Market Occupancy Rates:

Existing affordable family projects have an overall average occupancy of 93.9% (p. 100); Overall occupancy in the PMA is 93.8% (p. 103)

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. 100)

RENT ANALYSIS (Tenant-Paid Net Rents)					
Unit Type (% AMI)	Proposed Rent	Program Maximum	Market Rent	Underwriting Rent	Savings Over Market
1 BR 786 SF (60%)	$650	$727	$805	$694	$111
2 BR 1,007 SF (60%)	$780	$859	$940	$825	$115
3 BR 1,106 SF (60%)	$840	$985	$1,100	$930	$170

Comments:

The Underwriters rents are based upon the highest affordable rents being achieved in this PMA currently at Woodway Village and Woodway Square, rather than the maximum tax credit rents because all of the other tax credit comparables in the market are significantly below these rents currently.

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. 100)

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 3/26/2007

The Applicant's rent projections are significantly lower than the maximum rents allowed under program guidelines. It should be noted, the Applicant has indicated outdated utility allowances on the Department's rent schedule form; however, their proposed rents collected are less than the max collectable rents even with the updated utility allowances. The Underwriter calculated the current gross program rents less the current utility allowances as maintained by the Austin Housing Authority in determining projected gross rental income. The Market Analyst appears to conclude that the market could support rents at these rent limit maximums. However, none of the numerous tax credit transactions in the area are achieving maximum 60% rents currently. Therefore Underwriter used rents that are equal to the highest tax credit rents currently being achieved.

The Applicant has projected secondary income from vending at $20 per unit per month exceeding the Department maximum guideline of $15 per unit per month. In addition, 100 carports will be available for rent; the Applicant projects income equivalent to $13 per unit per month from this source. No documentation was submitted to support the income from carports and the higher than average secondary income from normal operation; moreover the Underwriter is already utilizing the highest rents in this market to underwrite. Therefore, the underwriting analysis includes the standard total of only $15 per unit per month for secondary income.

Finally, the Applicant has assumed a vacancy and collection loss of 7%, while the underwriting analysis utilizes the Department's guideline of 7.5%. Despite these differences, the Applicant's effective gross income figure is within 5% of the Underwriter's estimate.

Expense: Number of Revisions: 0 Date of Last Applicant Revision: N/A

The Applicant's total annual operating expense projection at $4,136 per unit is not within 5% of the Underwriter's estimate of $4,466, derived from the TDHCA database and third party sources. In addition, the Applicant's budget shows several line item estimates that deviate significantly when compared to the database averages, particularly: general and administrative ($40K lower), payroll ($38K lower), and insurance ($15K higher). The Applicant has also underestimated reserve for replacement requirements and overestimated TDHCA compliance fees.

Conclusion:

The Applicant's total estimated operating expense is inconsistent with the Underwriter's expectations . Therefore, the Underwriter's Year 1 proforma will be used to evaluate debt service capacity. Based on the proposed permanent financing structure, the development will meet the Department's debt coverage ratio guideline of 1.15 to 1.35.

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 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

ACQUISITION INFORMATION

ASSESSED VALUE

Land Only: 9.94 acres	$248,475	Tax Year:	2006
Existing Buildings:	$0	Valuation by:	Travis County
Total Assessed Value:	$248,475	Tax Rate:	2.7601

EVIDENCE of PROPERTY CONTROL

Type: Commercial Contract - Unimproved Property Acreage: 9.939

Contract Expiration: 2/28/2007 Valid Through Board Date? [X] Yes [ ] No

Acquisition Cost: $1,325,000 Other:

Seller: Marbella Development, LP Related to Development Team? [ ] Yes [X] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: 1 Date of Last Applicant Revision: 4/24/2007

Acquisition Value:

The site cost of $123,252 per acre or $6,380 per unit is assumed to be reasonable since the acquisition is an arm's-length transaction. It should be noted, the development cost schedule indicates an acquisition cost of only $1,225,000, while both the contract for sale and title commitment indicate a cost of $1,325,000. Should the higher price be found to correct, there are sufficient developer fees available to defer to cover the additional cost of $100K.

Off-Site Cost:

The Applicant claimed off-site costs of $184,450 for public water improvements and provided sufficient third party certification through Ronald Weber, a registered architect.

Sitework Cost:

The Applicant claimed sitework costs over the Department's 2007 maximum guideline of $9,000 per unit and provided a detailed certified cost estimate by Carl Conley, a professional engineer. In addition, a letter signed by a certified public accountant indicates the site work cost schedule was examined and $10K for clearing were found to be ineligible for purposes of calculating the tax credit allocation. This amount was therefore moved to ineligible cost in the applicant's budget.

Direct Construction Cost:

The Applicant's direct construction cost estimate is $748K or 8% higher than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate.

Ineligible Costs:

The Applicant included $75,000 in marketing costs and $110,250 in direct construction for carport as eligible for calculating tax credits. Both marketing costs and any costs related to "commercial" construction are considered ineligible and, therefore, the Applicant's cost schedule was adjusted by the Underwriter to account for this miscategorization.

Interim Interest Expense:

The Underwriter reduced the Applicant's eligible interim financing fees by $88,800 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 & Fees:

The Applicant's contractor fees, contingencies, and developer fees exceed the maximums allowed by HTC guidelines by a total of $48,868 based on their own construction costs as correctly allocated. Consequently the Applicant's eligible fees in these areas have been reduced by the same amount with the overage effectively moved to ineligible costs.

Conclusion:

The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule, as adjusted by the Underwriter for ineligible costs, will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of $20,143,476 supports annual tax credits of $953,189. 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

SOURCES & USES Number of Revisions: 1 Date of Last Applicant Revision: 4/16/2007

Issuer: TDHCA

Source: Munimae Portfolio Services, LLC Type: **Interim to Permanent Bond Financing**

Tax-Exempt: $13,072,000 Interest Rate: 5.80% [X] Fixed Term: 480 months

Comments:

Replacement reserve deposit will increase by 3% annually

Guarantors include LDG Development, LLC, Chris Dischinger, and Mark Lechner

Source: MMA Financial Type: **Syndication**

Proceeds: $9,279,000 Syndication Rate: 96% Anticipated HTC: $ 966,605

Comments:

MMA will bear the cost of tax opinion as well as its own due diligence

Guarantors include LDG Development, LLC, LDG Multifamily, LLC, Chris Dischinger, and Mark Lechner

Amount: $324,805 Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent loan of $13,072,000 indicates the need for $9,604,216 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $1,000,583 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request ($966,702), the gap-driven amount ($1,000,583), and eligible basis-derived estimate ($953,189), the eligible basis-derived estimate of $953,189 is recommended resulting in proceeds of $9,149,300 based on a syndication rate of 96%.

Based on the underwriting analysis, the Applicant's deferred developer fee will be increased to $454,916, which represents approximately 17% of the eligible fee. This amount appears to be repayable from cash flow within three years of stabilized operation.

Underwriter:	*Carl Hoover*	Date:	May 1, 2007
Reviewing Underwriter:	*Lisa Vecchietti*	Date:	May 1, 2007
Director of Real Estate Analysis:	*Tom Gouris*	Date:	May 1, 2007

MULTIFAMILY COMPARATIVE ANALYSIS

Santora Villas, Austin, 4% HTC/MRB #07606

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	WS&T
TC 60%	24	1	1	786	$800	$694	$16,656	$0.88	$73.00	$50.00
TC 60%	96	2	2	1,007	$960	825	79,200	0.82	101.00	57.00
TC 60%	72	3	2	1,106	$1,109	930	66,960	0.84	124.00	84.00
TOTAL:	192		**AVERAGE:**	1,017		$848	$162,816	$0.83	$106.13	$66.25

INCOME	Total Net Rentable Sq Ft: 195,168			TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$1,953,792	$1,811,520	Travis	Austin	7
Secondary Income	Per Unit Per Month:	$15.00		34,560	46,080	$20.00	Per Unit Per Month	
Other Support Income: 100 carports @ $25 per month				0	30,000	$13.02	Per Unit Per Month	
POTENTIAL GROSS INCOME				$1,988,352	$1,887,600			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(149,126)	(132,132)	-7.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				$1,839,226	$1,755,468			

EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		4.40%	$421	0.41	$80,894	$41,000	$0.21	$214	2.34%
Management		3.44%	330	0.32	63,278	71,000	0.36	370	4.04%
Payroll & Payroll Tax		11.04%	1,058	1.04	203,129	165,000	0.85	859	9.40%
Repairs & Maintenance		4.03%	386	0.38	74,164	65,000	0.33	339	3.70%
Utilities		2.09%	200	0.20	38,460	40,000	0.20	208	2.28%
Water, Sewer, & Trash		4.56%	437	0.43	83,816	80,000	0.41	417	4.56%
Property Insurance		2.70%	258	0.25	49,573	65,000	0.33	339	3.70%
Property Tax	2.7601	10.08%	966	0.95	185,479	191,000	0.98	995	10.88%
Reserve for Replacements		2.61%	250	0.25	48,000	44,160	0.23	230	2.52%
TDHCA Compliance Fees		0.42%	40	0.04	7,680	9,000	0.05	47	0.51%
Supp. Serv. & Unspecified Other		1.25%	120	0.12	23,000	23,000	0.12	120	1.31%
TOTAL EXPENSES		46.62%	$4,466	$4.39	$857,473	$794,160	$4.07	$4,136	45.24%
NET OPERATING INC		53.38%	$5,113	$5.03	$981,753	$961,308	$4.93	$5,007	54.76%
DEBT SERVICE									
Munimae Portfolio Services, LLC		45.74%	$4,382	$4.31	$841,319	$841,289	$4.31	$4,382	47.92%
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		7.64%	$731	$0.72	$140,434	$120,019	$0.61	$625	6.84%
AGGREGATE DEBT COVERAGE RATIO					1.17	1.14			
RECOMMENDED DEBT COVERAGE RATIO					1.17				

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)		5.67%	$6,380	$6.28	$1,225,000	$1,225,000	$6.28	$6,380	5.40%
Off-Sites		0.85%	961	0.95	184,450	184,450	0.95	961	0.81%
Sitework		12.48%	14,044	13.82	2,696,378	2,696,378	13.82	14,044	11.89%
Direct Construction		43.97%	49,467	48.66	9,497,710	10,245,922	52.50	53,364	45.18%
Contingency	5.00%	2.82%	3,176	3.12	609,704	653,000	3.35	3,401	2.88%
Contractor's Fees	14.00%	7.90%	8,892	8.75	1,707,172	1,826,000	9.36	9,510	8.05%
Indirect Construction		3.62%	4,070	4.00	781,500	781,500	4.00	4,070	3.45%
Ineligible Costs		2.39%	2,687	2.64	515,982	515,982	2.64	2,687	2.28%
Developer's Fees	15.00%	11.55%	12,989	12.78	2,493,854	2,660,000	13.63	13,854	11.73%
Interim Financing		6.17%	6,944	6.83	1,333,229	1,333,229	6.83	6,944	5.88%
Reserves		2.57%	2,889	2.84	554,755	554,755	2.84	2,889	2.45%
TOTAL COST		100.00%	$112,499	$110.67	$21,599,734	$22,676,216	$116.19	$118,105	100.00%
Construction Cost Recap		*67.18%*	***$75,578***	***$74.35***	***$14,510,964***	***$15,421,300***	***$79.02***	***$80,319***	*68.01%*

SOURCES OF FUNDS						RECOMMENDED	
Munimae Portfolio Services, LLC	60.52%	$68,083	$66.98	$13,072,000	$13,072,000	$13,072,000	Developer Fee Available
Additional Financing	0.00%	$0	$0.00	0		0	$2,627,410
HTC Syndication Proceeds	42.96%	$48,330	$47.55	9,279,411	9,279,411	9,149,300	% of Dev. Fee Deferred
Deferred Developer Fees	1.50%	$1,692	$1.66	324,805	324,805	454,916	17%
Additional (Excess) Funds Req'd	-4.98%	($5,607)	($5.52)	(1,076,482)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$21,599,734	$22,676,216	$22,676,216	$4,537,588

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Santora Villas, Austin, 4% HTC/MRB #07606

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$51.07	$9,967,010
Adjustments				
Exterior Wall Finish	0.40%		$0.20	$39,868
Elderly			0.00	0
9-Ft. Ceilings	3.08%		1.57	306,984
Roofing			0.00	0
Subfloor			(0.82)	(160,688)
Floor Cover			2.43	474,258
Breezeways/Balconies	$22.27	49,104	5.60	1,093,546
Plumbing Fixtures	$805	504	2.08	405,720
Rough-ins	$400	192	0.39	76,800
Built-In Appliances	$1,850	192	1.82	355,200
Exterior Stairs	$2,100	64	0.69	134,400
Enclosed Corridors	$39.68		0.00	0
Heating/Cooling			1.90	370,819
Garages/Carports			0.00	0
Comm &/or Aux Bldgs	$63.50	4,915	1.60	312,078
Other: fire sprinkler	$1.95	195,168	1.95	380,578
SUBTOTAL			70.49	13,756,573
Current Cost Multiplier	0.98		(1.41)	(275,131)
Local Multiplier	0.87		(9.16)	(1,788,354)
TOTAL DIRECT CONSTRUCTION COSTS			$59.91	$11,693,087
Plans, specs, survy, bld prm	3.90%		($2.34)	($456,030)
Interim Construction Interes	3.38%		(2.02)	(394,642)
Contractor's OH & Profit	11.50%		(6.89)	(1,344,705)
NET DIRECT CONSTRUCTION COSTS			$48.66	$9,497,710

PAYMENT COMPUTATION

Primary	$13,072,000	Amort	480
Int Rate	5.80%	DCR	1.17

Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.17

Additional	$9,279,411	Amort	
Int Rate		Aggregate DCR	1.17

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$841,319
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$140,434

Primary	$13,072,000	Amort	480
Int Rate	5.80%	DCR	1.17

Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.17

Additional	$9,279,411	Amort	0
Int Rate	0.00%	Aggregate DCR	1.17

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

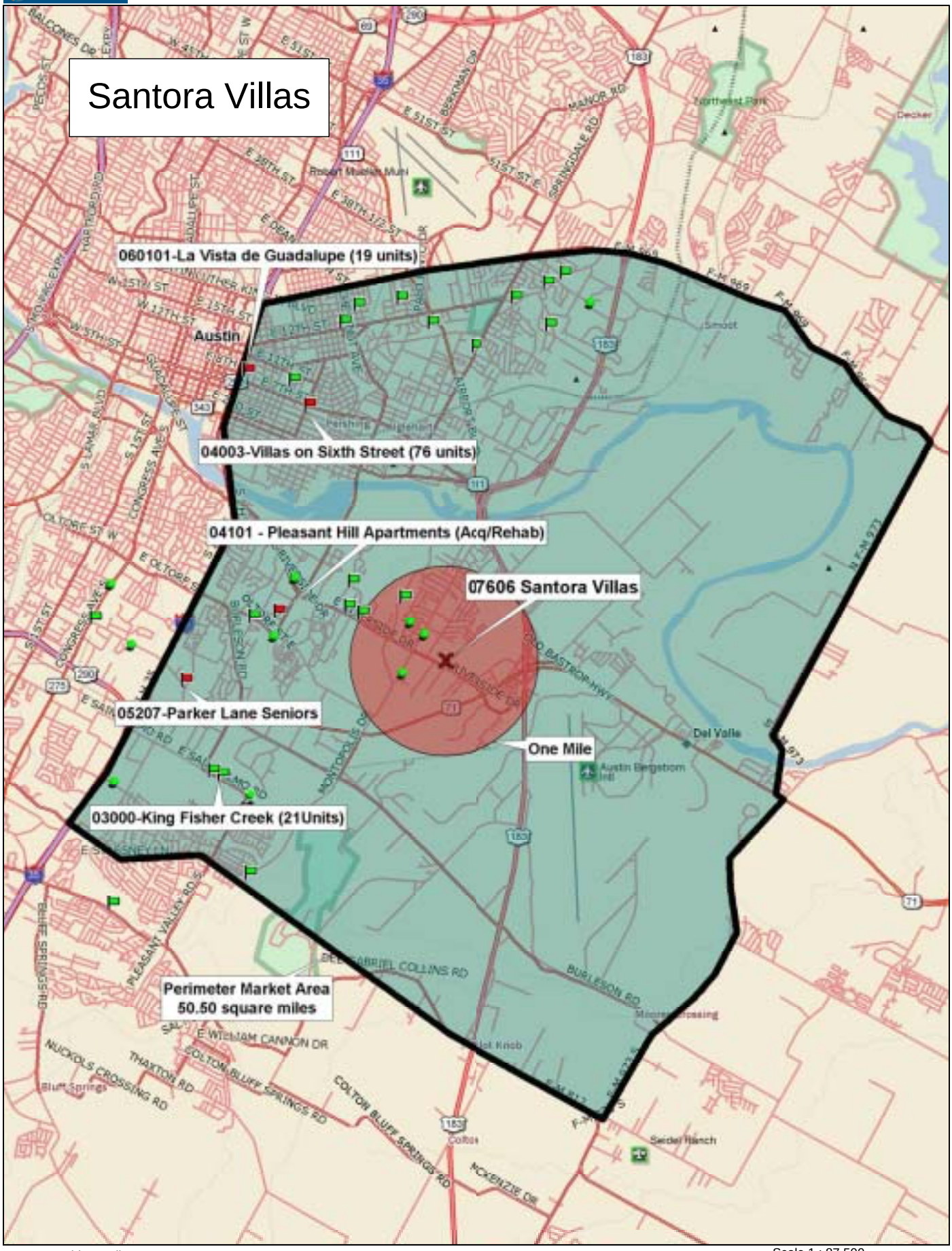
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$1,953,792	$2,012,406	$2,072,778	$2,134,961	$2,199,010	$2,549,255	$2,955,286	$3,425,986	$4,604,239
Secondary Income	34,560	35,597	36,665	37,765	38,898	45,093	52,275	60,601	81,443
Other Support Income: 100 car	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,988,352	2,048,003	2,109,443	2,172,726	2,237,908	2,594,348	3,007,561	3,486,587	4,685,682
Vacancy & Collection Loss	(149,126)	(153,600)	(158,208)	(162,954)	(167,843)	(194,576)	(225,567)	(261,494)	(351,426)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$1,839,226	$1,894,402	$1,951,234	$2,009,771	$2,070,065	$2,399,772	$2,781,994	$3,225,093	$4,334,256
EXPENSES at 4.00%									
General & Administrative	$80,894	$84,130	$87,495	$90,995	$94,635	$115,138	$140,083	$170,432	$252,282
Management	63,278	65,176	67,132	69,145	71,220	82,563	95,714	110,958	149,119
Payroll & Payroll Tax	203,129	211,254	219,704	228,492	237,632	289,116	351,753	427,962	633,488
Repairs & Maintenance	74,164	77,131	80,216	83,424	86,761	105,558	128,428	156,252	231,292
Utilities	38,460	39,999	41,599	43,263	44,993	54,741	66,601	81,030	119,945
Water, Sewer & Trash	83,816	87,169	90,656	94,282	98,053	119,297	145,142	176,588	261,393
Insurance	49,573	51,556	53,618	55,762	57,993	70,557	85,844	104,442	154,600
Property Tax	185,479	192,898	200,614	208,638	216,984	263,994	321,189	390,776	578,443
Reserve for Replacements	48,000	49,920	51,917	53,993	56,153	68,319	83,120	101,129	149,695
Other	23,000	23,920	24,877	25,872	26,907	32,736	39,829	48,458	71,729
TOTAL EXPENSES	$857,473	$883,152	$917,826	$953,868	$991,331	$1,202,020	$1,457,703	$1,768,027	$2,601,985
NET OPERATING INCOME	$981,753	$1,011,250	$1,033,408	$1,055,903	$1,078,733	$1,197,753	$1,324,290	$1,457,066	$1,732,270
DEBT SERVICE									
First Lien Financing	$841,319	$841,319	$841,319	$841,319	$841,319	$841,319	$841,319	$841,319	$841,319
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	$140,434	$169,932	$192,089	$214,585	$237,415	$356,434	$482,972	$615,747	$890,952
DEBT COVERAGE RATIO	1.17	1.20	1.23	1.26	1.28	1.42	1.57	1.73	2.06

HTC ALLOCATION ANALYSIS -Santora Villas, Austin, 4% HTC/MRB #07606

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost				
Purchase of land	$1,225,000	$1,225,000		
Purchase of buildings				
Off-Site Improvements	$184,450	$184,450		
Sitework	$2,696,378	$2,696,378	$2,696,378	$2,696,378
Construction Hard Costs	$10,245,922	$9,497,710	$10,245,922	$9,497,710
Contractor Fees	$1,826,000	$1,707,172	$1,811,922	$1,707,172
Contingencies	$653,000	$609,704	$647,115	$609,704
Eligible Indirect Fees	$781,500	$781,500	$781,500	$781,500
Eligible Financing Fees	$1,333,229	$1,333,229	$1,333,229	$1,333,229
All Ineligible Costs	$515,982	$515,982		
Developer Fees			$2,627,410	
Developer Fees	$2,660,000	$2,493,854		$2,493,854
Development Reserves	$554,755	$554,755		
TOTAL DEVELOPMENT COSTS	$22,676,216	$21,599,734	$20,143,476	$19,119,547

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		$20,143,476	$19,119,547
High Cost Area Adjustment		130%	130%
TOTAL ADJUSTED BASIS		$26,186,519	$24,855,411
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		$26,186,519	$24,855,411
Applicable Percentage		3.64%	3.64%
TOTAL AMOUNT OF TAX CREDITS		$953,189	$904,737

Syndication Proceeds	**0.9599**	**$9,149,300**	**$8,684,225**
Total Tax Credits (Eligible Basis Method)		**$953,189**	**$904,737**
Syndication Proceeds		**$9,149,300**	**$8,684,225**
Requested Tax Credits		**$966,702**	
Syndication Proceeds		**$9,279,003**	
Gap of Syndication Proceeds Needed		**$9,604,216**	
Total Tax Credits (Gap Method)		**$1,000,583**	



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MN (5.0°E)

Scale 1 : 87,500

1" = 1.38 mi

Data Zoom 11-2

Applicant Evaluation

Project ID # **07606** Name: **Santora Apartments** City: **Austin**

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: 0

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

Projects in Material Noncompliance: Yes ☐ No ☑

monitored with a score less than thirty: 0

not yet monitored or pending review: 4

in noncompliance: 0

Projects not reported in application: Yes ☐ No ☑

# 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 4/27/2007

Multifamily Finance Production

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

Reviewer S. Roth

Date 4 /25/2007

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 4 /25/2007

Real Estate Analysis (Workout)

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

Reviewer D. Burrell

Date 4 /26/2007

Community Affairs

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

Reviewer EEF

Date 4 /27/2007

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 4 /26/2007

Financial Administration

No delinquencies found	☑
Delinquencies found	☐

Reviewer Melissa M. Whitehead

Date 4 /26/2007

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS

SANTORA VILLAS

PUBLIC HEARING

Cafeteria
Allison Elementary School
515 Vargas Drive
Austin, Texas

March 22, 2007
6:00 p.m.

BEFORE:

SHANNON ROTH, Multifamily Housing Specialist
Finance Division, TDHCA

ALSO PRESENT:

RICHARD JANSON
UWE NAHUINA

ON THE RECORD REPORTING
(512) 450-0342

I N D E X

SPEAKER	PAGE
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Heather Brister	15
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P R O C E E D I N G S

MS. ROTH: My name is Shannon Roth, and I'm with the Texas Department of Housing, and I'm a housing specialist. And I'm going to go ahead and let you know what the format of tonight's hearing is going to be.

The role of the Department in this process is to allow all interested persons in the surrounding community the opportunity to provide comment on the development that we will be discussing this evening. The format of this evening's hearing will be as follows.

First, I'm going to present the program that the developer has applied for. Second, the developer or a member of the development team will give a presentation on the specifics of the development. And lastly, I'll read a speech required by the Internal Revenue Service. At the conclusion of the speech, the floor will be opened for public comment.

Okay. There are handouts for you over on the side table. We have handouts regarding the development specifics, which include income levels, and, also, handouts containing deadlines for input and how to submit that input. And we have three-by-five cards with our contact information.

If you would like to speak, there are witness

affirmation forms available on the back table. Please fill out the form and hand it to a TDHCA staff member prior to speaking.

There are sign-in sheets also on the side table. Please be sure you sign in; that is the only way of knowing exactly how many people were in attendance. Also, there are columns on the far right-hand side of the sign-in sheet to indicate whether you are in support of or oppose this development. If neither box is checked, then we will consider your attitude as being neutral, so please be sure you check the appropriate box.

The entire hearing and all of the comments made here this evening will be transcribed by our court reporter. It is important that you make comments at the microphone so that she can record your comments; any comments or questions made from the audience may not be picked up on the record.

To allow everyone the opportunity to speak, we will answer any questions and concerns that are raised at the end, after all public comment has been made. I asked that the developer keep a list of questions that come up as it relates to the development, and I will keep a list of questions that come up as it relates to the Department and our role.

According to the 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 are not required to do that, but we want community input and to ensure your voice is heard. TDHCA schedules public hearings where the development is to be located and at a time and location that are convenient for the community.

The mission of the Department is to help Texans achieve and improve quality of life through the development of better communities. 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. Therefore, the developer can build a market rate property at a lower cost to the development.

The Housing Tax Credit was created as a result of the Tax Reform Act of 1986. The Housing Tax Credit is a credit or reduction in tax liability each year for ten years for investors in affordable rental housing.

By providing a credit against the tax liability, the Housing Tax Credit is an incentive for individuals and corporations to invest in the construction or rehabilitation of housing for low-income families. The Housing Tax Credit provides equity to the development and lowers building costs, which allows the developer to provide lower, affordable rents to tenants.

In conclusion, with both of these programs, the tax benefit goes to the investors to help finance the development. These two programs result in the developer being able to build something of higher quality, and all of the properties are privately owned and privately managed.

There are ongoing oversight responsibilities between the affordable housing developments and the

Department; this includes regular monitoring to ensure that the development is complying with the rules of the Housing Tax Credit and Private Activity Bond programs.

The term the development will be monitored for is the greater of 30 years or as long as the bonds are outstanding. Oversight responsibilities include that units are occupied by eligible households, physical appearance, rents are kept at appropriate levels, and repair reserve accounts are established and funded, tenant background checks -- credit, criminal, et cetera -- are established by the developer and would apply to all tenants equally.

The developer can establish procedures up to and including eviction for various reasons consistent with state eviction laws that would be applicable to any other apartment complex. TDHCA does not set these requirements.

In addition, the Department monitors the development every two years. Desk reviews are done quarterly by the Department and are modified versions of on-site visits. The Department verifies that the set-asides were met and that the units are income and rent restricted. After lease-up, a survey is usually done to determine the tenant profile and the type of services that would be of interest to the tenants; these services can

include tutoring, honor roll programs, computer access, educational classes, after-school activities, summer camps, healthcare screening, immunizations for school children, ESL classes, GED certification, financial planning or credit counseling and down-payment assistant.

It is important to note that all or most individuals begin in multi-family housing as a first step to home ownership. Therefore, some developers could choose to provide down-payment assistance classes to help educate the tenants on the steps they can take toward home ownership.

Okay. And so now I'm going to have a member of the development team come up and make a presentation on the development itself.

MR. NAHUINA: Okay. Thank you very much.

My name is Uwe Nahuina. I'm here representing the developer this evening for the proposed apartment community called Santora Villas, and the goal of my presentation is to successfully inform all in attendance about Santora Villas and to answer any questions regarding the proposed development.

I'm just going to briefly go through an introduction of the development team and, also, then go through the development summary that we have handed out to

everyone and then just conclude.

Once again, my name is Uwe Nahuina. I'm a commercial realtor in the state of Texas; I've been doing that for about six years now. I also have my partner, Richard J. Janson, here, as well, who has been involved in commercial real estate for close to 30 years now. There's a lot of experience between the both of us.

The developer is LDG Multifamily, who has been doing -- they're a nationwide developer who have been doing everything from single family developments all the way up to rehabilitations of apartment communities. They've done it up and down the east coast.

We also have two current developments under construction at this time, the first being Harris Branch Apartments, which is a 248-unit development which is just north of Parmer Lane on Dessau Road. And that one's about 60 percent complete right now. And a second development has just broken ground; it's a 252-unit apartment community which is going to be located at approximately 6200 Loyola Lane.

We are also going to be utilizing Capstone Property Management, who's going to be managing the property. They are a nationwide property management company that has successfully been able to lease to the

apartment communities, as well as -- they do commercial leasing and all sorts of other property management. So a good development team with a lot of experience.

Secondly, I'd like to kind of go through the development summary for the development. Currently, the site location is at approximately 1805 Frontier Valley Drive, which is just north on Frontier Valley Drive right off of Riverside Drive. There is a -- it's 9.939 acres. It's currently zoned Multi-family 3 with a conditional overlay and part of the Montopolis Neighborhood plan.

Currently, the MF3 zoning will allow approximately 36 units per acre. We are actually going to be developing 192 units, which is 19 units per acre.

The key thing to keep in mind is the conditional overlay, which requires the development to have 40 percent of the units be rented or leased to the population that have 60 percent of the area median income.

All of our developments -- 100 percent of our units are actually going to be leased to families earning 60 percent of the median income. We will be successfully targeting working families and individuals who will earn between $29,880 per year to $42,660 per year.

Now let me go through the unit mix with the proposed rents. We're going to be doing 24 one-bedroom

apartment units, one bedroom/one bath, at $650 per month; 96 two-bedroom/two-baths for $780 per month, and; 72 three-bedroom units with two baths at $840 per month.

Allow me to pass around two exhibits that I have this evening. I have a copy of the site plan, the development, as well as a rendering of the buildings that we're going to be putting in.

As you can see, we've got eight residential buildings and one clubhouse. And all of the residential buildings are going to be three stories, and the exterior will be Texas white stone and Hardie board.

Hardie board -- we've got like a 50-year warranty on the Hardie board. So it's going to ensure that the property continues to stay looking nice, have a good curb appeal. Texas white stone is very strong and very durable, and we're going to have 30-year architectural shingle roofing on the development, as well.

All the unit amenities will include self-cleaning ovens, microwaves, Energy Star-rated refrigerators and dishwashers, laundry connections, covered entries, storage units outside each unit, ceiling fans, and covered patios and balconies. Some of the common-area amenities will include grills and picnic tables, a pool and play scape for children, enclosed sun

porch and a gated access with perimeter fencing.

Some of the clubhouse amenities will include a theater room, furnished fitness center, equipped business center with computers and fax machine. And the property management will also be administering the CARES program, which will be providing after-school programs for children and adult education classes.

With every development that we do, we have a success plan which we start with experienced property management. And when -- I say, Experienced. We like to have a strict tenant screening process which ensures that not only are the working families able to afford the rents, but, you know, we do criminal background checks to ensure that we don't have any bad neighbors that are going to, you know, impact the community or the apartment community.

And we also feel that the CARES program and community awareness and involvement programs really help build our apartment community, and, as well, they help us to integrate better with the community around us.

We'll use quality building materials which will maintain the development over years to come. And by going through the Department for the Private Activity Bonds and tax credits, also, another thing to keep in mind is they

require us to put X number of dollars aside every month for replacement reserves so that we can repair any outer deficiencies on the development so that the curb appeal stays good and, you know, it's a good-looking development over the long term.

In conclusion, we believe that Santora Villas will be a successful development because of the following: An experienced development team; we build a quality product; we have experienced management, and; our community involvement.

So that concludes my presentation. If anyone has any questions?

MS. ROTH: Okay. Thank you.

Let me go ahead and read this speech into the record. And then when I'm done with the speech, if you want to make public comment, we can do that. Or if you just have questions, we can work on that, too. Okay?

Good evening. My name is Shannon Roth. I'd like to proceed with the public hearing. Let the record show that it is 6:28 p.m. Thursday, March 22, 2007 and we are at the Allison Elementary School, located at 515 Vargas Drive, Austin, Texas.

I'm here to conduct the public hearing on behalf of the Texas Department of Housing and Community

Affairs with respect to an issuance 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 April 12, 2007. 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 accept written comments from the public up to 5:00 p.m. on April 3, 2007.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed 15,000,000 and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the Issuer.

The proceeds of the bonds will be loaned to Santora Villas, 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 192-unit multifamily residential rental development to be constructed on approximately 9.939 acres of land located at approximately 1805 Frontier Valley Drive, Travis 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 like to now open the floor for public comment.

(Pause.)

MS. ROTH: Okay. Let the record show that we have four people in attendance; no one is wanting to make a formal comment. It is 6:30, and the meeting is now adjourned.

So what we're going to do is now keep the record running. And we can do any questions and answers that you have. If you could just state your name before your question for the record, that would be great.

MS. BRISTER: My name is Heather Brister. I just have a question about the drawing. Is this drawn to scale like -- is this the drainage easement?

MR. NAHUINA: Uh-huh.

MS. BRISTER: Okay. And so is this drawn to scale pretty much?

MR. NAHUINA: Well, this is drawn --

MS. BRISTER: Like -- if the drainage easement's 30 feet, then basically the apartments won't start for 60 feet, semi, sort of?

MR. NAHUINA: Something like that. I would have to go back and --

MS. BRISTER: Okay.

MR. NAHUINA: There are specific, you know, rules that the City of Austin will have that will require that, you know, the buildings back up a certain distance --

MS. BRISTER: Okay.

MR. NAHUINA: -- from the property line.

MS. BRISTER: And then this is parking?

MR. NAHUINA: Yes. That's parking.

MS. BRISTER: Okay. So I wouldn't necessarily have an apartment complex right in my back yard?

MR. NAHUINA: No. It's not going to be like that. So you have that 25- or 30-foot easement there. And then you're going to have -- that's probably around 50 or 60 feet from this line here, all the way back to building, or something like that.

MS. BRISTER: Okay. So it would -- it could possibly be as much as 90 yards away from the back of my --

MR. NAHUINA: Ninety feet.

MS. BRISTER: Yeah. That's what I mean. Sorry. Away from the back of where my gate starts?

MR. NAHUINA: Uh-huh.

MS. BRISTER: Okay.

MR. NAHUINA: Now, those are just estimates, but yes.

MS. BRISTER: Yeah. Approximately?

MR. NAHUINA: Approximate.

MS. BRISTER: Okay. Because I know the drainage easement's about 30 feet.

MR. NAHUINA: Yep.

MS. BRISTER: Okay. That was my only question.

MS. ROTH: Great. Was that your only question?

MS. BRISTER: Yeah.

MS. ROTH: Well, that's excellent.

Okay. Well, if you have any further questions, you -- my contact information, as well as the Department's in general contract information, is on the handouts that you took. Please feel free to call us. If you want to submit a comment, you can, you know, mail, e-mail or

fax -- all that's workable -- by April 3. I think we're still on schedule for the April 12 board meeting.

Is that right for you guys right now, anyway, tentatively?

MR. NAHUINA: Well, yeah. We're -- it's tentative right now.

MS. ROTH: Okay.

MR. NAHUINA: And, you know, we may push it a little bit because, you know, we need to -- there are a couple of things that we're working on right now. And so we may delay it a bit.

MS. ROTH: Well, if you would like, if they decide to go to a May meeting because of circumstances, I can take your phone number or your e-mail address.

MS. BRISTER: Okay.

MS. ROTH: And then I can send you an e-mail and let you know that they've decided to push it back until May. So then you'll have some additional time to submit comment if you'd like.

MS. BRISTER: Okay. That would be great.

MS. ROTH: Yeah? Okay.

Okay. Well, thank you for coming. And everyone have a good evening.

MR. NAHUINA: Thank you.

(Whereupon, at 6:30 p.m., this public hearing was concluded.)

C E R T I F I C A T E

IN RE: Santora Villas

LOCATION: Austin, Texas

DATE: March 22, 2007

I do hereby certify that the foregoing pages, numbers 1 through 20, 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.

03/28/2007
(Transcriber) (Date)

On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731

HOME DIVISION

BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, Discussion and Possible Action for the applicant's appeal of the termination of the 2007 HOME Investment Partnerships Rental Housing Development applications for Creek View Apartments (#07418) and Park Ridge Apartments (#07417).

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeals.

Background and Recommendations

On March 1, 2007, an application was submitted for each of these developments to the Texas Department of Housing and Community Affairs (the "Department"), in person. March 1st was the official deadline for applications submitted in response to the Preservation and Rental Development Competitive Application Cycle NOFA. The Threshold Criteria Section 8(e) (iii) of this NOFA which applies to all HOME applications for rental housing development states, "The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise: all of 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15)."

In addition, §49.9(h) (14)(G)(ii) of the QAP states that "Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 2, 2007. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00p.m. CST, April 2, 2007. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration."

The third-party reports were due on April 2, 2007 for all applications received in response to the Preservation and Rental Development Competitive Application Cycle NOFA. This deadline applied to all HOME applications regardless of whether it was combined with a competitive or non-competitive Housing Tax Credit application. All HOME applications received under this NOFA were held to the same standard. Pursuant to the sections cited above, the application was terminated.

On April 17, 2007 the Department received a request to appeal the termination decision. As it relates to the issues raised in the appeal letter, the Department received five (5) HOME applications under this NOFA that did not include an application for competitive 9% Housing

Tax Credits. Three of these applications also included an application for non-competitive Housing Tax Credits.

The letter provided to the applicant on March 26, 2007 and referenced in the appeal request was specifically addressing only the Housing Tax Credit application. This letter is exclusively utilized to determine the preferred TDHCA Board meeting date and does not pertain to the application for HOME rental development funds. Moreover, the HOME application is not mentioned in this letter.

The third-party reports were received by the Department on April 26, 2007. The electronic copies of the reports were received by the Department on April 30, 2007.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Creek View, Ltd.
Site Location:	East side of North Winters Furr, north of Dawn Street
City/County:	Johnson City/ Blanco County
Regional Allocation Category:	Rural
Set-Aside:	None
Population Served:	5 Units for Persons with Disabilities
Region:	7
Type of Development:	New Construction
Units:	10 HOME Units / 64 Total Units
HOME Requested:	$1,000,000

Applicant:	Park Ridge, Ltd.
Site Location:	Approximately at the southeast corner of Legend Hills Blvd. and RM 152
City/County:	Llano/Llano
Regional Allocation Category:	Rural
Set-Aside:	None
Population Served:	5 Units for Persons with Disabilities
Region:	7
Type of Development:	New Construction
Units:	12 HOME Units / 64 Total Units
HOME Requested:	$1,350,000

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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Michael Gerber
EXECUTIVE DIRECTOR

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C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

May 1, 2007

Park Ridge, Ltd.
Attention: Mr. Mark Mayfield
1110 Broadway
Marble Falls, Texas 78654
Telephone: (830) 693-451
Facsimile: (830) 693-5128

Re: Appeal for Park Ridge Apartments #07417

Dear Mr. Mayfield:

Appeal Review

I have carefully reviewed your appeal received by the Texas Department of Housing and Community Affairs (the "Department") on April 17, 2007 regarding the termination (non-acceptance) of the HOME Investment Partnerships Rental application for the above referenced application.

The Threshold Criteria Section 8(e) (iii) of the Preservation and Rental Development Competitive Application Cycle NOFA which applies to all HOME applications for rental housing development states, "The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise: all of 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15)."

In addition, §49.9(h) (14)(G)(ii) of the QAP states that "Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 2, 2007. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00p.m. CST, April 2, 2007. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration."

Your application failed to comply with these requirements which were applied to all applications submitted under this NOFA regardless of whether the application was combined with a competitive or non-competitive Housing Tax Credit application. The Department received five (5) HOME applications under this NOFA that did not include an application for competitive 9% Housing Tax Credits. Three of these applications also included an application for non-competitive Housing Tax Credits.

The letter you received from the Department on March 26, 2007 which you reference your appeal was specifically addressing only your Housing Tax Credit application. This letter is exclusively utilized to determine your preferred TDHCA Board meeting date and does not pertain to your application for HOME rental development funds.

Appeal Determination

Your appeal is denied.

Pursuant to §49.17(b) of the 2007 Qualified Allocation Plan and Rules, your request for an appeal to the Board has been placed on the May 10, 2007 Board meeting agenda.

If you have questions or comments, please contact Jeannie Arellano, Director of the HOME Division at (512) 463-6164.

Sincerely,

Michael Gerber
Executive Director

MG:ja

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Gloria Ray
Norberto Salinas

April 13, 2007

Mr. Mark Mayfield
1110 Broadway
Marble Falls, Texas 78654
Telephone: (830) 693-4521
Telecopier: (830) 693-5128

Re: Park Ridge Apartments # 07417

Dear Mr. Mayfield:

On March 1, 2007, an application was submitted for the above-referenced development for an award of HOME Investment Partnerships funds. It has been determined that the application is ineligible for the following reason:

(I) Market Study and the Environmental Site Assessment were not submitted by the April 2, 2007 deadline.

Threshold Criteria Section 8(e) (iii) of the NOFA states "The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise: all of 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15)."

Section 49.9(h)(14)(G)(ii) of the QAP states that "Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 2, 2007. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00p.m. CST, April 2, 2007. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration."

Therefore, please be informed that pursuant to §53.53(b) of the Department's 2006 HOME Rules and §49.9(h)(14)(G)(ii) of the QAP, the Department has terminated the HOME application and no further action will be taken.

Please be aware that an Appeals Policy exists for the HOME Program. If you wish to appeal this application termination decision, you must appeal to the Executive Director no later than 5:00 pm on or before seven days following the date of this notice. The restrictions and requirements relating to the filing of an appeal can be found in Title10 Texas Administrative Code §1.7.

If you have any questions, please do not hesitate to me at jeannie.arellano@tdhca.state.tx.us or 512.463.6164.

Sincerely,

Jeannie Arellano

Jeannie Arellano
Director of the HOME Division

JA:bs

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Rick Perry
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EXECUTIVE DIRECTOR

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Sonny Flores
Gloria Ray
Norberto Salinas

March 26, 2007

Mark Mayfield
Park Ridge, Ltd
1110 Broadway
Marble Falls, TX 78654

Re: Complete Tax Credit Application with Tax Exempt Bond Financing: Park Ridge Apartments
TDHCA Number: 07417

Dear Mr. Mayfield,

Due to the expiration date of the bonds, based on the information available on the Texas Bond Review Board (TBRB) web site, the above referenced development must be scheduled for approval of tax credits on the agenda for the **June 28, 2007 or the July 12, 2007** board meeting. Therefore, as required in the Qualified Allocation Plan, **all** application volumes including the ESA, the Market Study and an Appraisal, if applicable, must be in our office at least 60 days prior to the board meeting.

Please check one of the following boxes, sign the form and fax to my attention at (512) 475-1895:

☐ I will be on the **June 28**agenda. I understand I must provide the remaining volumes by **Friday, April 27, 2007** per section 49.12(a)(2) of the 2007 QAP.

☐ I will be on the **July 12** agenda. I understand I must provide the remaining volumes by **Friday, May 11, 2007** per section 49.12(a)(2) of the 2007 QAP.

Applicant's Signature:_____Date _____

All necessary documents must be provided at least 60 days prior to the board meeting; or the application will **not** be permitted to be scheduled for that board meeting and will be postponed to the following board meeting. In the event the reservation from the TBRB expires prior to a subsequent Board meeting, the application may be terminated. If you are not going forward with this development, please notify me in writing and fax it to our office as soon as possible.

In addition, please note the following:

- The required signage must be posted on the property within **30 days** of the submission of volumes one and two to TDHCA regardless of the priority.
- The date, time and location of the bond public hearing must be included on the sign no later than **30 days** prior to the scheduled public hearing.
- The elected official and neighborhood organization notifications submitted in volume three cannot be older than **90 days** from the due date of volume three.

- Neighborhood Organization requests must be done at least **21 days** prior to submission of volume three.
- Selection of a board meeting date preference in this letter, and submission of documents 60 days in advance, does not ensure that your application will be placed on the board meeting agenda requested.

If you have questions, comments or need further information, you may contact me by phone at (512) 475-4610 or by fax at (512) 475-1895.

Sincerely,

Sharon D. Gamble
Multifamily Housing Specialist
sharon.gamble@tdhca.state.tx.us

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

March 26, 2007

Mark Mayfield
Park Ridge, Ltd
1110 Broadway
Marble Falls, TX 78654

Re: Complete Tax Credit Application with Tax Exempt Bond Financing: Park Ridge Apartments
TDHCA Number: 07417

Dear Mr. Mayfield,

Due to the expiration date of the bonds, based on the information available on the Texas Bond Review Board (TBRB) web site, the above referenced development must be scheduled for approval of tax credits on the agenda for the June 28, 2007 or the July 12, 2007 board meeting. Therefore, as required in the Qualified Allocation Plan, all application volumes including the ESA, the Market Study and an Appraisal, if applicable, must be in our office at least 60 days prior to the board meeting.

Please check one of the following boxes, sign the form and fax to my attention at (512) 475-1895.

☒ I will be on the June 28 agenda. I understand I must provide the remaining volumes by **Friday, April 27, 2007** per section 49.12(a)(2) of the 2007 QAP.

☐ I will be on the July 12 agenda. I understand I must provide the remaining volumes by **Friday, May 11, 2007** per section 49.12(a)(2) of the 2007 QAP.

Applicant's Signature: _____ Date 3/26/07

All necessary documents must be provided at least 60 days prior to the board meeting, or the application will not be permitted to be scheduled for that board meeting and will be postponed to the following board meeting. In the event the reservation from the TBRB expires prior to a subsequent Board meeting, the application may be terminated. If you are not going forward with this development, please notify me in writing and fax it to our office as soon as possible.

In addition, please note the following:

- The required signage must be posted on the property within 30 days of the submission of volumes one and two to TDHCA regardless of the priority.
- The date, time and location of the bond public hearing must be included on the sign no later than 30 days prior to the scheduled public hearing.
- The elected official and neighborhood organization notifications submitted in volume three cannot be older than 90 days from the due date of volume three.

- Neighborhood Organization requests must be done at least 21 days prior to submission of volume three.
- Selection of a board meeting date preference in this letter, and submission of documents 60 days in advance, does not ensure that your application will be placed on the board meeting agenda requested.

If you have questions, comments or need further information, you may contact me by phone at (512) 475-4610 or by fax at (512) 475-1895.

Sincerely,

Sharon D. Gamble
Multifamily Housing Specialist
sharon.gamble@tdhca.state.tx.us

2007 HOME INVESTMENT PARTNERSHIP PROGRAM ELECTION FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

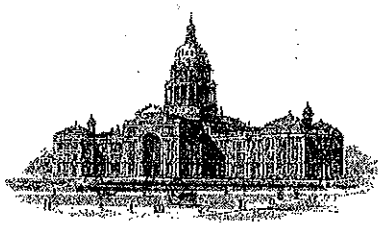
☐ Do wish to appeal to the Board of Directors and request that my application be added to the May 10, 2007 TDHCA Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, April 18, 2007 to be placed on the May 10, 2007 Board book. If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Title:	
Date:	

Signed: _____

The Senate of The State of Texas



RECEIVED
APR 23 2007
DEPUTY ED.

TROY FRASER

April 19, 2007

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th
Austin, Texas 78711

Subj: Park Ridge Apartments #07417 -- Termination Appeal; Creek View Apartments #07418 --- Termination Appeal

Dear Mr. Gerber,

I respectfully request that you favorably and expeditiously consider the appeal of Mr. Mark Mayfield, as submitted to you in his letter of April 17, 2007. Assuming that the required Market Study and the Environmental Site Assessment have been received by your office, and that all aspects of his multi-faceted application are in order, his initiatives in behalf of the communities of Llano and Johnson City are indeed worthy of your personal attention.

Mr. Mayfield's efforts are ardently supported by the aforementioned cities with the hope of providing needed housing that can only be realized through the auspices and resources accorded to rural counties through the Texas Department of Housing and Community Affairs.

I appreciate, deeply, your assistance in this appeal process.

Sincerely,

Troy Fraser

P.O. Box 12068 ★ Austin, Texas 78711 ★ 512/463-0124 ★ TDD: 1-800-735-2989

TEXAS
HOUSING FOUNDATION
RAISING THE STANDARD OF LIVING

April 02, 2007

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th
Austin, Texas 78711

Re: Park Ridge Apartments #07417 – Termination Appeal
Creek View Apartments #07418 – Termination Appeal

Dear Mr. Gerber:

The above referenced applications were terminated for failure to provide a market study and phase 1 ESA by April 2, 2007. I am writing to appeal the termination of the above referenced application.

It was our interpretation of the HOME NOFA and QAP that this requirement applied strictly to HOME fund applications paired with competitive tax credit applications. Our two HOME applications are the only two Multifamily HOME Rental applications not seeking competitive 9% tax credits.

Additionally, on March 26th, 2007 we received a letter from TDHCA (see attached letter) stating that the ESA, and Market Study must be in the TDHCA offices at least 60 days prior to the board meeting at which the application is to be considered. This letter indicates that the items could be provided as late as Friday April 27th, 2007. While we understand the necessity of providing the requested material in a timely manner to allow staff to efficiently process applications, the short delay we had in providing this material will have no effect on the staff processing this application and the letter mentioned above indicates that TDHCA shares this position.

As of the writing of this letter both the market study and phase 1 ESA have been completed and are being delivered to TDHCA. We seek your understanding of our position and the reinstatement of our application.

Very truly yours,

Mark Mayfield
President

cc: Jim Shaw
Jeff Spicer

1110 Broadway
Marble Falls, TX 78654
www.txhf.org
T: 830.693.4521
F: 830.693.5128

2007 HOME INVESTMENT PARTNERSHIP PROGRAM ELECTION FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the May 10, 2007 TDHCA Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, April 18, 2007 to be placed on the May 10, 2007 Board book. If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Park Ridge Apartments #07417
Development Address:	Llano, TX
Title:	Mark A. Mayfield, President
Date:	4/18/07

Signed: _____

2007 HOME INVESTMENT PARTNERSHIP PROGRAM ELECTION FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the May 10, 2007 TDHCA Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, April 18, 2007 to be placed on the May 10, 2007 Board book. If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Creek View Apartments #07418
Development Address:	Johnson City, TX
Title:	Marie A. Mayfield, President
Date:	4/18/07

Signed: _____

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
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C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

May 1, 2007

Creek View, Ltd.
Attention: Mr. Mark Mayfield
1110 Broadway
Marble Falls, Texas 78654
Telephone: (830) 693-451
Facsimile: (830) 693-5128

Re: Appeal for Creek View Apartments #07418

Dear Mr. Mayfield:

Appeal Review

I have carefully reviewed your appeal received by the Texas Department of Housing and Community Affairs (the "Department") on April 17, 2007 regarding the termination (non-acceptance) of the HOME Investment Partnerships Rental application for the above referenced application.

The Threshold Criteria Section 8(e) (iii) of the Preservation and Rental Development Competitive Application Cycle NOFA which applies to all HOME applications for rental housing development states, "The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise: all of 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15)."

In addition, §49.9(h) (14)(G)(ii) of the QAP states that "Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 2, 2007. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00p.m. CST, April 2, 2007. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration."

Your application failed to comply with these requirements which were applied to all applications submitted under this NOFA regardless of whether the application was combined with a competitive or non-competitive Housing Tax Credit application. The Department received five

(5) HOME applications under this NOFA that did not include an application for competitive 9% Housing Tax Credits. Three of these applications also included an application for non-competitive Housing Tax Credits.

The letter you received from the Department on March 26, 2007 which you reference your appeal was specifically addressing only your Housing Tax Credit application. This letter is exclusively utilized to determine your preferred TDHCA Board meeting date and does not pertain to your application for HOME rental development funds.

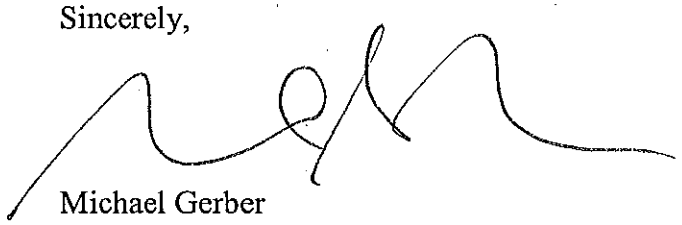
Appeal Determination

Your appeal is denied.

Pursuant to §49.17(b) of the 2007 Qualified Allocation Plan and Rules, your request for an appeal to the Board has been placed on the May 10, 2007 Board meeting agenda.

If you have questions or comments, please contact Jeannie Arellano, Director of the HOME Division at (512) 463-6164.

Sincerely,



Michael Gerber
Executive Director

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Michael Gerber
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Gloria Ray
Norberto Salinas

April 17, 2007

Mr. Mark Mayfield
1110 Broadway
Marble Falls, Texas 78654
Telephone: (830) 693-4521
Telecopier: (830) 693-5128

Re: Creek View Apartments # 07418

Dear Mr. Mayfield:

On March 1, 2007, an application was submitted for the above-referenced development for an award of HOME Investment Partnerships funds. It has been determined that the application is ineligible for the following reason:

(I) Market Study and the Environmental Site Assessment were not submitted by the April 2, 2007 deadline.

Threshold Criteria Section 8(e) (iii) of the NOFA states " The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise: all of 2007 Qualified Allocation Plan and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15)."

Section 49.9(h)(14)(G)(ii) of the QAP states that "Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 2, 2007. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00p.m. CST, April 2, 2007. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration."

Therefore, please be informed that pursuant to §53.53(b) of the Department's 2006 HOME Rules and §49.9(h)(14)(G)(ii) of the QAP, the Department has terminated the HOME application and no further action will be taken.

Please be aware that an Appeals Policy exists for the HOME Program. If you wish to appeal this application termination decision, you must appeal to the Executive Director no later than 5:00 pm on or before seven days following the date of this notice. The restrictions and requirements relating to the filing of an appeal can be found in Title10 Texas Administrative Code §1.7.

If you have any questions, please do not hesitate to me at jeannie.arellano@tdhca.state.tx.us or 512.463.6164.

Sincerely,

Jeannie Arellano

Jeannie Arellano
Director of the HOME Division

JA:bs

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

March 26, 2007

Mark Mayfield
Creek View, Ltd
1110 Broadway
Marble Falls, TX 78654

Re: Complete Tax Credit Application with Tax Exempt Bond Financing: Creek View Apartments
TDHCA Number: 07418

Dear Mr. Mayfield,

Due to the expiration date of the bonds, based on the information available on the Texas Bond Review Board (TBRB) web site, the above referenced development must be scheduled for approval of tax credits on the agenda for the **June 28, 2007 or the July 12, 2007** board meeting. Therefore, as required in the Qualified Allocation Plan, **all** application volumes including the ESA, the Market Study and an Appraisal, if applicable, must be in our office at least 60 days prior to the board meeting.

Please check one of the following boxes, sign the form and fax to my attention at (512) 475-1895:

☐ I will be on the **June 28**agenda. I understand I must provide the remaining volumes by **Friday, April 27, 2007** per section 49.12(a)(2) of the 2007 QAP.

☐ I will be on the **July 12** agenda. I understand I must provide the remaining volumes by **Friday, May 11, 2007** per section 49.12(a)(2) of the 2007 QAP.

Applicant's Signature:_____Date _____

All necessary documents must be provided at least 60 days prior to the board meeting; or the application will **not** be permitted to be scheduled for that board meeting and will be postponed to the following board meeting. In the event the reservation from the TBRB expires prior to a subsequent Board meeting, the application may be terminated. If you are not going forward with this development, please notify me in writing and fax it to our office as soon as possible.

In addition, please note the following:

- The required signage must be posted on the property within **30 days** of the submission of volumes one and two to TDHCA regardless of the priority.
- The date, time and location of the bond public hearing must be included on the sign no later than **30 days** prior to the scheduled public hearing.
- The elected official and neighborhood organization notifications submitted in volume three cannot be older than **90 days** from the due date of volume three.

- Neighborhood Organization requests must be done at least **21 days** prior to submission of volume three.
- Selection of a board meeting date preference in this letter, and submission of documents 60 days in advance, does not ensure that your application will be placed on the board meeting agenda requested.

If you have questions, comments or need further information, you may contact me by phone at (512) 475-4610 or by fax at (512) 475-1895.

Sincerely,

Sharon D. Gamble
Multifamily Housing Specialist
sharon.gamble@tdhca.state.tx.us

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
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March 26, 2007

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1110 Broadway
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☐ I will be on the **July 12** agenda. I understand I must provide the remaining volumes by **Friday, May 11, 2007** per section 49.12(a)(2) of the 2007 QAP.

Applicant's Signature _____ Date 3/29/07

All necessary documents must be provided at least 60 days prior to the board meeting, or the application will not be permitted to be scheduled for that board meeting and will be postponed to the following board meeting. In the event the reservation from the TBRB expires prior to a subsequent Board meeting, the application may be terminated. If you are not going forward with this development, please notify me in writing and fax it to our office as soon as possible.

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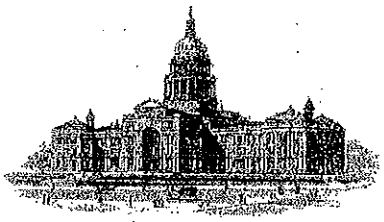
Sincerely,

Sharon D. Gamble
Multifamily Housing Specialist
sharon.gamble@tdhca.state.tx.us

The Senate of The State of Texas



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April 19, 2007

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th
Austin, Texas 78711

Subj: Park Ridge Apartments #07417 -- Termination Appeal; Creek View Apartments #07418 --- Termination Appeal

Dear Mr. Gerber,

I respectfully request that you favorably and expeditiously consider the appeal of Mr. Mark Mayfield, as submitted to you in his letter of April 17, 2007. Assuming that the required Market Study and the Environmental Site Assessment have been received by your office, and that all aspects of his multi-faceted application are in order, his initiatives in behalf of the communities of Llano and Johnson City are indeed worthy of your personal attention.

Mr. Mayfield's efforts are ardently supported by the aforementioned cities with the hope of providing needed housing that can only be realized through the auspices and resources accorded to rural counties through the Texas Department of Housing and Community Affairs.

I appreciate, deeply, your assistance in this appeal process.

Sincerely,

Troy Fraser

P.O. Box 12068 ★ Austin, Texas 78711 ★ 512/463-0124 ★ TDD: 1-800-735-2989

TEXAS
HOUSING FOUNDATION
RAISING THE STANDARD OF LIVING

April 17, 2005

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th
Austin, Texas 78711

Re: Park Ridge Apartments #07417 – Termination Appeal
Creek View Apartments #07418 – Termination Appeal

Dear Mr. Gerber:

The above referenced applications were terminated for failure to provide a market study and phase 1 ESA by April 2, 2007. I am writing to appeal the termination of the above referenced application.

It was our interpretation of the HOME NOFA and QAP that this requirement applied strictly to HOME fund applications paired with competitive tax credit applications. Our two HOME applications are the only two Multifamily HOME Rental applications not seeking competitive 9% tax credits.

Additionally, on March 26th, 2007 we received a letter from TDHCA (see attached letter) stating that the ESA, and Market Study must be in the TDHCA offices at least 60 days prior to the board meeting at which the application is to be considered. This letter indicates that the items could be provided as late as Friday April 27th, 2007. While we understand the necessity of providing the requested material in a timely manner to allow staff to efficiently process applications, the short delay we had in providing this material will have no effect on the staff processing this application and the letter mentioned above indicates that TDHCA shares this position.

As of the writing of this letter both the market study and phase 1 ESA have been completed and are being delivered to TDHCA. We seek your understanding of our position and the reinstatement of our application.

Very truly yours,

Mark Mayfield
President

cc: Jim Shaw
Jeff Spicer

1110 Broadway
Marble Falls, TX 78654
www.txhf.org
T: 830.693.4521
F: 830.693.5128

2007 HOME INVESTMENT PARTNERSHIP PROGRAM ELECTION FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the May 10, 2007 TDHCA Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, April 18, 2007 to be placed on the May 10, 2007 Board book. If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Park Ridge Apartments #07417
Development Address:	Llano, TX
Title:	Mark A. Mayfield, President
Date:	4/18/07

Signed: _____

2007 HOME INVESTMENT PARTNERSHIP PROGRAM ELECTION FORM

This form, submitted with my appeal to the Executive Director, is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the May 10, 2007 TDHCA Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. Tuesday, April 18, 2007 to be placed on the May 10, 2007 Board book. If no documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Creek View Apartments #07418
Development Address:	Johnson City, TX
Title:	Marie A. Mayfield, President
Date:	4/18/07

Signed: _____

HOME DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Approval of the 2007 Housing Trust Fund Funding Plan.

Required Action

Approve, amend or deny the 2007 Housing Trust Fund 2007 Funding Plan.

Background

In an effort to better inform the public of the Texas Department of Housing and Community Affairs' funding initiatives for the Housing Trust Fund, the Department has developed this proposed funding plan. Please note that the figures used in this plan are approximations based on current fund balances and anticipated funding. The Department anticipates having approximately $3.4 million dollars in FY 2007; however estimates for FY 2008 have not been finalized.

Sources

Approximately $3.4 million in Local Revenues are available for Housing Trust Fund activities in 2007. This total includes program income from the repayment of existing HTF loans, interest payments, funds from deobligated contracts and funds from activities not committed. No General Revenue funds are available in 2007 because the 2007 General Revenue funds appropriated to the Housing Trust Fund have already been committed to the Texas Bootstrap Loan Program as further described below.

Status of Previously Programmed Activities

Below is a brief status on the activities for which Housing Trust Funds have been programmed:

- **Texas Bootstrap Loan Program**. Historically, the Department has used the Housing Trust Fund to fund $3 million per year to the Texas Bootstrap Loan Program as provided for in statute. The Department has already met this mandate for FY 2006 and 2007 by releasing and awarding funding for both fiscal years in January 2006. Furthermore, an additional $1.8 million in funding was made available for additional Hurricane Rita disaster-related Bootstrap awards funded through uncommitted Housing Trust Funds. These funds were awarded in March 2006.
- **Rental Portfolio Disaster Relief Program.** In August 2006, the Department made available $1,000,000 in HTF funds to finance the rehabilitation of qualified affordable housing developments in the Department's existing rental portfolio that received damage from Hurricane Rita. In spite of this proposal having been made in response to public testimony regarding concern with the existing portfolio's hurricane damage, there was minimal interest and no applications were received or awarded. This $1,000,000 is still available and is included in the $3.4 million estimate of funds available.
- **CDFI Support Program**. In March 2006, the Board authorized staff to further research and commit up to $500,000 to a program that would award funds to Community Development Financing Institutions (CDFI) to securitize revenue bonds or other

investments in affordable housing loan programs. While significant staff time went into further trying to solidify this concept, a full program design was not achieved. This $500,000 is still available and is included in the $3.4 million estimate of funds available.

- **The Predevelopment Loan Program.** In March 2006 the Board authorized $400,000 for a predevelopment program to loan nonprofit organizations funds for housing development costs that the Department determines to be customary and reasonable and creates affordable housing units across the state. The costs include but are not limited to third party reports (ESAs, Market Studies, etc.), legal fees, architectural fees, engineering fees, site control, and title clearance. A NOFA was released for these funds and closed on March 31, 2007. To date, no eligible applications have been submitted. This $400,000 is now available and is included in the $3.4 million estimate of funds available.
- **FEMA Alternative Housing Pilot Program**. In February 2007 the Board approved the use of up to $250,000 in HTF funds as leveraging for the Alternative Housing Pilot Program effort. The program will target families displaced as a result of the 2005 hurricanes and the HTF funds have been designated to enhance accessibility and/or energy efficiency in the units. These funds are considered unavailable and are <u>not</u> included in the $3.4 million estimate of funds available.

Proposals:

The Department has approximately $3.4 million in HTF funding available for new or existing programs. All of the funding consists of recycled funds and therefore is not subject to the Regional Allocation Formula. Staff has developed several different options for utilizing these funds from which the Board may select one, several or all options at amounts that the Board determines per activity.

Texas Grow Homes Demonstration Program:

Staff advises that a reasonable amount for the Texas Grow Homes Demonstration (TGHD) program would be $250,000 if the Board chooses to utilize funds for this activity. The TGHD Program is a unique, disaster-related demonstration program to develop a comprehensive approach to unprecedented housing needs, such as those brought on by Hurricanes Rita and Katrina. The concept is based on a proposal from the Texas Low Income Housing Information Service (TxLIHIS) in partnership with the University of Texas and the American Institute of Architects. The TGHD Program hopes to provide a sustainable prototype for the Department to provide well-built, affordable, single family housing to Texas residents in most need, specifically addressing emergency housing needs in the aftermath of disasters.

TxLIHIS would be the lead resource in sponsoring a design competition to be held statewide to design a home based on a core model which could be used for the following concepts:

- **Temporary Grow Home** – The TGHD core module includes one or two bedrooms with a kitchen and bath. The unit is designed to be used as temporary housing while rehabilitation or reconstruction on a permanent house is underway. Once work is complete on permanent housing, the core module can be moved off site for use elsewhere, or converted into a rental house. Production costs are not expected to exceed $55,000.

- **Grow Home** -- The self sufficient core house module contains a living area, kitchen and bath. The core module can exist on its own or can become the first component of a larger house that is expanded through the addition of a second module as the family's needs demand or resources allow. A second module will contain approximately 400 square feet at a cost not to exceed $30,000.
- **Secondary ECHO Style Grow Home** – This self sufficient core house is intended to allow an additional household to share a lot with the original homeowner. ECHO houses are often occupied by older parents.

At least one winning design will be selected. It is anticipated that a minimum of two prototype houses will be constructed based on the winning design. The houses will be built by existing faith-based, non-profit or governmental organizations already working in southeast Texas, on lots owned by families earning 80% or less of AMFI as defined by HUD whose homes were destroyed by Hurricane Rita. The prototype houses will be made available for public display to increase awareness of modular construction techniques for the low-income housing industry. Financing for the construction of these houses will be provided by the Department through 0% mortgage loans made available to the individual families served.

Texas Veteran's Housing Support Program

Staff advises that a reasonable amount for the Texas Veteran's Housing Support Program would be approximately $1,000,000 if the Board chooses to utilize funds for this activity. Funds would be utilized for rental subsides and homeownership assistance for low-income (80% AMFI) veterans. Rental assistance would be available for veterans transitioning from VA hospitals, other care facilities; or low income veteran's leaving the service and transitioning to civilian life for up to three years and would be calculated based on income. Homeownership assistance would be available as a one-time deferred forgivable loan of up to $35,000 for down payment assistance, closing costs and accessible modifications such as ramps, accessible bathrooms and accessible kitchens. Priority for both activities will be given to veterans with disabilities. Priority will also be given to those veterans who have served in the war in Afghanistan, also known as Operation Enduring Freedom, the Iraq War, also known as Operation Iraqi Freedom, and other recent overseas conflicts.

If approved in the HTF Funding Plan, staff will present a Notice of Funding Availability for Board approval prior to publication.

Foreclosure Prevention Training

Staff advises that a reasonable amount for the Foreclosure Prevention Training activity would be $100,000 if the Board chooses to utilize funds for this activity. Management and operation of this activity would be performed by the Texas Homeownership Division, where efficient management of another training program (the Texas Statewide Homebuyer Education Program (TSHEP)) is already occurring. This activity would provide foreclosure prevention training to eligible non-profit single family developers, non-profit finance agencies or units of local government. Since Texas is near the top among states with high mortgage foreclosure rates, the provision of this training may help address this growing issue. This training would be provided statewide, through a service provider, as a "train the trainer" session to personnel from non-profit single family developers, housing finance organizations, social service providers or units of local government.

Texas Bootstrap Loan Program

Staff advises that a reasonable amount to be added to the Texas Bootstrap Loan Program would be an amount not to exceed $3,500,000, based upon the amount available in the Trust Fund based on deobligations at the time the NOFA is released. This amount of funds could be made available for additional Bootstrap Program awards this year. The Bootstrap Loan Program was oversubscribed by a margin of 2 to 1 during the 2006-2007 biennium funding cycle. Funding this activity would help address this unmet demand.

Recommendation

Staff recommends that the Board approve the allocation of uncommitted HTF balances. It should be noted that all of the activities noted above at the identified levels would fully allocate the HTF funds.

HOME DIVISION

BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, discussion and possible approval of a Notice of Funding Availability (NOFA) for approximately $5,000,000 utilizing de-obligated HOME funds for the Affordable Rental Housing Development Supporting New Job Creation and Economic Development in Rural Texas.

Required Action

Approval for the use of HOME deobligated funds in accordance with 10 TAC Chapter 1, Subchapter 1.19 (e)(2)(C), and approval of the NOFA for publication in the *Texas Register*.

Background

In an effort to provide affordable rental housing to promote new job creation and economic development in rural Texas, staff proposes the release of approximately $5,000,000 in federal funding from the Department's de-obligated HOME Investment Partnerships Program (HOME) funds. Funds will be made available to develop affordable rental housing for low-income Texans in conjunction with rural economic development projects that have been recently developed or are currently under development. These funds are made available through de-obligated HOME funds that the Department has distributed through the Regional Allocation Formula and have remained unutilized or have been returned by the original applicant and are therefore not subject to the Regional Allocation Formula (RAF). The availability and use of these funds are subject to the State HOME Rules (10 TAC Chapter 53) and the Federal HOME regulations governing the HOME Program (24 CFR Part 92).

Recommendation

Staff recommends approval of the Notice of Funding Availability for Rental Housing Development Supporting New Job Creation and Economic Development in Rural Texas for publication in the *Texas Register* and to the Department's website. Staff also recommends approval to utilize HOME deobligated funds for this activity.

Texas Department of Housing and Community Affairs

HOME Investment Partnerships Program Rental Housing Development Supporting New Job Creation and Economic Development in Rural Texas

Notice of Funding Availability (NOFA)

1. Summary

a. The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $5,000,000 in federal funding from the HOME Investment Partnerships Program (HOME) to develop affordable rental housing for low-income Texans in conjunction with rural economic development projects that have been recently developed or are currently under development. The availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 53 ("HOME Rules") in effect at the time the NOFA is released, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306, Texas Government Code. Other Federal regulations may also apply such as, but not limited to, 24 CFR parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR 85.36 and 84.42 for conflict of interest and 24 CFR part 5, subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

2. Allocation of HOME Funds

a. These funds are made available through de-obligated HOME funds that the Department has distributed through the Regional Allocation Formula and have remained unutilized or been returned by the original applicant. All funds released under this NOFA are to be used for the creation of affordable rental housing for

low-income Texans earning 80 percent or less of the Area Median Family Income (AMFI).

b. Funding must be tied to the creation of new or expanded job opportunities in non-participating jurisdictions within the past 18 months for rural Texas. Projects where limited housing is a factor in the overall site selection for new businesses or institutions will be a priority. Only development sites where businesses or institutions that are new or expanding and will employee at least ten persons (new positions) from the area will be considered. Such new employment locations must be no more than twenty miles from the proposed housing development site. Development of business facilities must be underway at the time of application and/or be no more than 18 months from the opening date of the facility. The application must provide evidence of a definite and long-term employment commitment from the business or institution. The term of the commitment must be consistent with the federal tier of affordability for the affordable housing development described in section 4(b)(i) of this NOFA.

c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ).

d) In accordance with 10 TAC §53.58, this NOFA will be an Open Application Cycle and funding will be available on a first-come, first-served Statewide basis. Applications will be accepted until 5:00 p.m. **October 1, 2007** unless all funds are committed prior to this date. Applicants are encouraged to review the application process cited above. Applications that do not meet minimum threshold, minimum score or financial feasibility will not be considered for funding recommendations.

e) The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families. Award amounts are limited to no more than $3 million per development, pursuant to 10 TAC §53.54(2). The minimum HOME award may not be less than $1,000 per HOME assisted unit. The maximum award may not exceed 90% of the

total development costs. The remaining 10% of total development costs must be in the form of loans or grants from private or public entities. The per-unit subsidy may not exceed the per-unit dollar limits established by United States Department of Housing and Urban Development (HUD) under §221(d)(3) of the National Housing Act which are applicable to the area in which the development is located, and as published by HUD. The Department will evaluate the net operating income of the Development and the existing debt service capacity to determine if the award will be made in the form of a loan or grant or a combination thereof. The Department's underwriting guidelines in 10 TAC §1.32 will be used which set as a minimum feasibility a 1.15 debt coverage ratio. Where the anticipated debt coverage ratio in the year after completion exceeds 1.35, a loan or partial loan will be recommended.

f) Developments involving rehabilitation 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, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

g) Funds will be awarded in accordance with the rules and procedures as set forth in the State HOME Program rules at 10 TAC §53.50-53.63. The Department may, at its discretion and based upon review of the financial feasibility of the development conducted in accordance with 10 TAC §1.32, determine to award HOME funds as either a loan or as a grant. Loans cannot exceed amortization of more than 40 years.

3. Eligible and Ineligible Applicants

a. The Department provides HOME funding from the federal government to qualified nonprofit organizations, for-profit entities, sole proprietors, public housing authorities and units of local government.

b. Applicants may be ineligible for funding if they meet any of the criteria listed in §53.53(b) of the Department's HOME rule, clarification for §53.53(b)(6) creates ineligibility with any requirements under 10 TAC 49.5(a) of this title excluding subsections (5) thru (8) or 10 TAC 1.3. Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

4. Affordability Requirements

a. Applicants should be aware that there are minimum affordability standards necessary for HOME assisted rental developments. Initial occupancy income restrictions require that at least 90% of the units are affordable to persons below 60% AMFI and that 20% of the units are affordable to person below 50% AMFI. Over the remaining affordability period at least 20% of HOME assisted units should be affordable to persons earning 50% or less than the AMFI, all remaining units must be affordable to persons earning 80% or less than the AMFI.

b. Each development will have a two-tier affordability term.

i. The first tier will entail the federally required affordability term. For new construction or acquisition of new housing, this term is 20 years. For rehabilitation or acquisition of existing housing, the term is 5 years if the HOME investment is less than $15,000 per unit; 10 years if the HOME investment is $15,000 to $40,000 per unit; and 15 years if the HOME investment is greater than $40,000 per unit. This first tier is subject to all federal laws and regulations regarding HOME requirements, recapture, net proceeds and affordability.

ii. The second tier of affordability is the additional number of years required to bring the total term of affordability up to 30 years or the term of the loan agreement. For example, the second tier of affordability on a 10-year federal affordability term is 20 additional years. The second tier, or remaining term, is subject only to state regulations and affordability requirements.

c. Properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

5. Match Requirements

a. Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

6. Site and Development Restrictions:

a. Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, International Building Code (IBC) or its appropriate sub code, and/or the Minimum Property Standards (MPS) in 24 CFR §200.925 and §200.926. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a MPS inspection performed by a qualified person. If no other and more stringent property standard is applicable, the Texas Minimum Construction Standards (TMCS) should be used as a minimum standard of acceptability. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

b. All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the Housing Quality Standards (HQS) in 24 CFR §982.401. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

c. Housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and covered multifamily dwellings, as defined at 24 CFR §100.201, must also meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §3601–§3619). Additionally, pursuant to the 2007 Qualified Allocation Plan (QAP), §49.9(h)(4)(G), developments involving new construction (excluding new construction of nonresidential buildings) where some units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one-bedroom, two-bedroom, three-bedroom) must provide an accessible entry level and all common-use facilities in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A certification will be required after the development is completed from an inspector, architect, or accessibility specialist. Any developments designed as single family structures must also satisfy the requirements of §2306.514, Texas Government Code.

d. All of the 2007 Qualified Allocation Plan and Rules, 10 TAC §49.6, excluding subsections (d), (f), (g) and (h) applies to any housing proposed under this NOFA.

e. Developments involving new construction will be limited to 76 units. This maximum unit limitation also applies to those developments which involve a combination of rehabilitation and new construction. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.53(f).

f. Proposed units may be scattered sites but must be organized as one project. Unit types may be single family, duplex, triplex, fourplex or larger but applicants should be aware that scattered site and certain building types may add to the project cost, present zoning and infrastructure issues and contribute other difficulties that may make the proposed development infeasible as affordable housing.

7. Threshold Criteria

a. Evidence of a definite and long-term employment commitment from a business or institution will be required to be consistent with term of the federal tier of affordability for the housing development described in section 4(b)(i) of this NOFA. The evidence must demonstrate that a minimum of 10 new full-time paid positions will be created as a result of this activity. The evidence must be a written certification from the most senior officer or Board of Directors of the business or institution that indicates the minimum number of positions to be created, the timeline for facility development, proof of capital investment and other pertinent details.

b. Housing units subsidized by HOME funds must be affordable to low, very-low or extremely low-income persons. Mixed income rental developments may only receive funds for units that meet the HOME program affordability standards. All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

c. For funds being used for rental housing developments, the recipient must establish a reserve account consistent with §2306.186, Texas Government Code, and as further described in 10 TAC §1.37 pursuant to 10 TAC 53.53(i).

d. All applications will be required to meet HQS detailed under 24 CFR §982.401, TMCS, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973. Developments must also meet all local building codes or standards that may apply. If the development is located within a jurisdiction that does not have building codes, developments must meet the most current IBC.

e. Pursuant to 10 TAC §53.53(j), Applicants for Rental Development activities will be required to provide written notification to each of the following persons or entities 14 days prior to the submission of any application package. Failure to provide written notifications a minimum of 14 days prior to the submission of an application package will cause an application to be terminated under competitive application cycles. Applicants must provide notifications to:

   i. the executive officer and elected members of the governing board of the community where the development will be located. This includes municipal governing boards, city councils, and County governing boards;

   ii. all neighborhood organizations whose defined boundaries include the location of the Development;

   iii. executive officer and Board President of the school district that covers the location of the Development;

   iv. residents of occupied housing units that may be rehabilitated, reconstructed or demolished; and

   v. the State Representative and State Senator whose district covers the location of the Development.

   vi. The notification letter must include, but not be limited to, the address of the development site, the number of units to be built or rehabilitated, the proposed rent and income levels to be served, and all other details required of the NOFA and Application Manual.

f. An applicant shall provide certification that no person or entity that would benefit from the award of HOME funds has provided a source of match or has satisfied the

Applicant's cash reserve obligation or made promises in connection therewith, pursuant to 10 TAC §53.53(k).

g. All contractors, consulting firms, and Administrators must sign an affidavit to attest that each request for payment of HOME funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions, pursuant to §53.53(l).

h. The application must meet all of the requirements of the 2007 QAP and Rules at 10 TAC §49.9(h), excluding subsections (4)(I), (11), (12) and (15) with the exception of (14) Supplemental Threshold Reports. The deadline for submission of the Supplemental Threshold Reports is the date of the application submission. If the Supplemental Threshold Reports are not submitted in conjunction with the application, the application will be terminated.

8. Selection Process

a. **Distribution.** Awards will be made on a statewide basis.

b. **Scoring Criteria**. Applicants may receive up to 103 points based on the scoring criteria listed below and must obtain a minimum score of 70 points to be considered for award. Evidence of these items must be submitted in accordance with the 2007 Final Application Submission Procedures Manual (ASPM), effective as of the date of issuance of this NOFA. Applicants must also select each item as part of their self score to receive points. The scoring criteria to be used are:

i. **New Job Creation per Unit Proposed -** Applications will be awarded points for the number of positions per units of housing for persons currently earning at or below 60% AMFI. To receive points, the activity must provide one new full-time paid position for each unit proposed.

1. For activities that create at least 1 new position per unit proposed but less than 1.5 positions per unit proposed:

10 points

2. For activities that create at least 1.5 new positions per unit proposed: **20 points**

Maximum 20 Points.

ii. **New Job Creation -** Applications will be awarded points for the number of new full-time paid positions created. One point will be awarded for every 5 new positions over the minimum 15 new positions required.

Maximum 15 Points.

iii. **Public Private Partnership-** 5 points will be awarded to applicants that can provide a memorandum of understanding between the business entity and a local economic development corporation that indicates the commitment of the economic development corporation to the business entity and 5 points will be awarded for a resolution from the local government endorsing both the housing and the business entity.

Maximum 10 Points.

iv. **Leveraging of Public and Private Financing:** To encourage the involvement of other public agencies and private entities in affordable housing, applicants will receive 5 points if their HOME request represents greater than 25% but less than 50% of the total development costs, or will receive 10 points if their HOME request represents less than 25% of the total development costs. Applications requesting 50% or more of the total development costs through a HOME award will receive no points. Applicants may use the estimated equity value of Housing Tax Credits in the calculation of leveraged financing.

Maximum 10 Points.

v. **Extremely Low-Income Targeting**. To encourage the inclusion of families and individuals with the highest need for affordable housing, applicants will receive 5 points for proposed developments that provide at least 5% of units to families or individuals earning 30% or less of the area medium income for the development site. Applicants will receive 10 points for proposed developments that provide at least 10% of units to families or individuals

earning 30% or less of the area medium income for the development site. Rents for these units targeting families or individuals earning 30% or less of the area medium income may not exceed the Department's 30% rent limits for the Housing Trust Fund and Housing Tax Credit programs.

Maximum 10 Points.

vi. **Matching Funds**: To ensure that the Department continues to meet its federal obligation to provide matching funds under the HOME program, Applicants will receive 3 points for having at least 10% of their total development costs covered by eligible HOME matching financing, or will receive 7 points for having at least 5% of their total development costs covered by eligible HOME matching financing, as outlined in the application materials. Applicants with less than 5% of their total development costs covered by match financing will receive no points.

Maximum 7 Points.

vii. **Location of Development**: To encourage the creation of rental housing in communities where affordable units may not already exist, applicants will receive 5 points for developments that are located in Cities or Places that have no other affordable rental developments that have received funding from the Department.

Maximum 5 Points.

viii. **Cost-Effectiveness of a Proposed Development**: To encourage reasonable and cost effective building strategies, applicants will receive 10 points for developments that do not exceed $70 per square foot for new construction and $38 per square foot for rehabilitation. This figure will be calculated by dividing the total development costs by the total net rentable square footage.

Maximum 10 Points.

ix. **Program Design**. Pursuant to 10 TAC §53.60(2), applicants will receive 10 points if evidence is provided that the proposed development meets the needs identified in the needs assessment, whether the design is complete and whether the development fits within the community setting. Information required includes, but is not limited to: community involvement; support services and resources; scope of program; income and population targeting; marketing, fair housing and relocation plans, as applicable.
Maximum 10 Points.

x. **Capability of Applicant**. Pursuant to 10 TAC §53.60(3), applicants will receive 6 points if evidence is provided that the Applicant has the capacity to administer and manage the proposed development, demonstrated through previous experience either by the applicant, cooperating entity or key staff (including other contracted service providers), in program management, property management, acquisition, rehabilitation, construction, real estate finance counseling and training or other activities relevant to the proposed program, 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.
Maximum 6 Points.

9. Tie Breakers

a. Pursuant to 10 TAC §53.59(c)(4), in the event that two or more Applications were received on the same day and receive the same number of points and are both practicable and economically feasible, the Department will utilize the factors in this paragraph, in the order they are presented, to determine which development will receive a preference in consideration for an award. The Department may also recommend a partial funding recommendation.

i. The Number of Jobs Created. The number of new full-time paid positions created will be used as the first tie breaker criteria. The Applicant with the highest number of new jobs created will win the tie breaker.

ii. Long-term Feasibility. The second tie breaker criteria will be average debt coverage ratio calculated on the Applicant's originally submitted proforma. The Applicant with the highest average debt coverage ratio over the period of time represented in the proforma will win the tie breaker.

10. Submission and Review Process

a. All applications submitted under this NOFA must be received on or before 5:00 p.m. on October 1, 2007. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, Scoring and Financial Feasibility as described in this NOFA.

b. All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.

c. Pursuant to the QAP 49.5(a)(9) if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department. If an application is determined ineligible pursuant to this section, the Application will be terminated without being processed as an Administrative Deficiency.

d. Pursuant to 10 TAC §53.59(3), a site visit will be conducted as part of the HOME Program development feasibility review.

e. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.

f. The Department may decline to consider 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. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.

g. In accordance with §2306.082 Texas Government Code and 10 TAC §53.58(d), it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. 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.

h. Pursuant to §2306.1112 and §2306.6731 of the Texas Government Code, after eligible Applications have been evaluated, ranked and underwritten in accordance with this NOFA, the Department staff shall make its recommendations to the Executive Award and Review Advisory Committee. The Committee will develop funding priorities and shall make commitment recommendations to the Board. Such recommendations and supporting documentation shall be made in advance of the meeting at which the issuance of Commitment is discussed. The Committee will provide written, documented recommendations to the Board which will address at a minimum the financial or programmatic viability of each Application and a list of all

submitted Applications which enumerates the reason(s) for the Development's proposed selection or denial.

i. An Applicant may appeal decisions made by staff in accordance with 10 TAC §§1.7.

11. Application Submission

a. Application materials must be organized and submitted in the manner detailed in the 2007 Final ASPM for rental housing developments.

b. The application consists of three parts: bound items, unbound items and electronic submission. A complete application for each proposed development must be submitted. Incomplete applications or improperly bound applications will not be accepted. The bound volumes of the application must be bound using red pressboard binders. Each volume must be submitted in a separate red pressboard binder. If the required documentation for a volume exceeds the capacity of one binder, a second binder may be used to subdivide the volume. Applicants must submit one complete printed copy of all application materials and one complete scanned copy stored on compact disc of the application materials as detailed in the 2007 Final ASPM. All scanned copies must be scanned in accordance with the guidance provided in the 2007 Final ASPM.

c. All application materials including manuals, NOFA, program guidelines, and QAP and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold and applicable portions of the QAP requirements in effect at the time of the application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

d. Applicants are required to remit a non-refundable application fee payable to the Texas Department of Housing and Community Affairs in the amount of $500.00 per application. Payment must be in the form of a check, cashier's check or money

order. Do not send cash. §2306.147(b) of the Texas Government Code requires the Department to waive application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the application fee. The application fee is not an allowable or reimbursable cost under the HOME Program.

e. Applications received after 5:00 P.M. on October 1, 2007 will not be accepted. The deadline is strictly adhered to; therefore the Department strongly encourages you to consider traffic and travel delays when planning your submission. For questions regarding this NOFA please contact Skip Beaird at 512-475-0908 or via e-mail at skip.beaird@tdhca.state.tx.us or Barbara Skinner at 512-475-1643 or via e-mail at barbara.skinner@tdhca.state.tx.us.

f. Applications must be sent via overnight delivery to:

Texas Department of Housing and Community Affairs
HOME Division
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:
Texas Department of Housing and Community Affairs
HOME Division
Post Office Box 13941
Austin, TX 78711-3941

NOTE: *This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME Rental Housing Development Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

Update on Community Development Block Grant related to disaster recovery

Oral Presentation

OFFICE OF RURAL COMMUNITY AFFAIRS

BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, discussion and possible approval of Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the Restoration of Critical Infrastructure Program and corresponding amendment to the Restoration of Critical Infrastructure Program Notice of Funding Availability (NOFA).

Required Action

Approval of amendments to the Action Plan and Restoration of Critical Infrastructure Program NOFA.

Background

The Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding was approved by the Governing Board February 1, 2007 and was forwarded to the Department of Housing and Urban Development (HUD) for approval February 6, 2007. On April 13, 2007 the Action Plan was approved by HUD. The total funding allocation is $428,671,849. Under the General Use of Funds and Funding Allocation is a line item activity for the Restoration of Critical Infrastructure Program. The available funding for this activity is $42,000,000, of which $22,200,000 has not been specifically set-aside for identified projects. On April 12, 2007, the Board approved a Final NOFA for the Unreserved Funds from the Restoration of Critical Infrastructure Program. As approved, this $22.2 million will be used solely for infrastructure projects where there is outstanding damage and no other sources of funding can be obtained. The Office of Rural Community Affairs (ORCA) will administer all activities awarded under the Restoration of Critical Infrastructure Program through an Agreement with TDHCA as approved by TDHCA's Governing Board.

Pursuant to the Action Plan and the NOFA, any unreserved funds from the Restoration of Critical Infrastructure Program will be provided in the form of grants in an amount up to $5 million to help communities address unmet, critical infrastructure needs directly related to damage from Hurricane Rita. Following a not more than 120-day application period, ORCA will evaluate the requests based on priorities included in a NOFA announcing the availability of these funds. Eligible applicants for these funds are local and county governments, and **requests for utility reconstruction are limited to municipally owned entities**.

ORCA, as discussed at the round table discussion March 27, 2007, is recommending that the Action Plan and NOFA be amended to allow cities and counties to apply on behalf of membership owned nonprofit utilities that provide the majority of some service (water, sewer, drainage, or electricity) to the city or county. As the Action Plan is written most counties are limited from applying for any type of utility repairs because most counties do not own or operate the utilities provided to citizens in their unincorporated areas. Cities that are also unable to provide utility services themselves would be precluded from applying for utility reconstruction activities. ORCA has received feedback from the affected communities that damages to their primary utilities remains an issue in this area. Without this amendment to the Action Plan these utilities have limited options including taking on debt to make these repairs and pass on the cost of that debt to their customers. These rate increases will particularly impact low to moderate income individuals using these services.

Summary of Staff's Recommended Changes

ORCA requests approval to amend the Action Plan to allow cities and counties to apply on behalf of membership owned nonprofit utilities such as water supply corporations, municipal utility districts, electrical cooperatives, and drainage districts that provide the majority of some service to the city or county. Consistent with this comment, staff recommends the following language:

> Eligible applicants for these funds are local and county governments. Requests regarding utility reconstruction are limited to municipally owned entities. Membership owned nonprofit utility providers may be eligible if all of the following requirements are met:
>
> 1. The $22,200,000 available under the Unreserved Funds from the Restoration of Critical Infrastructure Program is undersubscribed; and,
> 2. The request is submitted by a city or county on behalf of a membership owned nonprofit utility that provides the majority of some service (water, sewer, drainage, etc.) to the city or county; and
> 3. In addition to all required documentation under this subsection, audited financial statements and evidence of a demonstrated capacity for effectively utilizing the funds within the requirements of the program must be submitted in the application package; and
> 4. A NOFA has been approved specifically allowing membership owned nonprofit utility providers.

Upon approval of this Action Plan Amendment, staff also requests to amend the NOFA so that it is consistent with the Action Plan.

Recommendation

Staff recommends Governing Board approval of the Action Plan Amendment and Unreserved Funds for Restoration of Critical Infrastructure Program NOFA, as proposed.

State of Texas

Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding

to Assist with the Recovery of Distressed Areas Related to the Consequences of

Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005

(Pending HUD Approval)

February 5, 2007

Prepared by the Division of Policy and Public Affairs
PO Box 13941, Austin, TX 78711-3941
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EXECUTIVE SUMMARY

The Texas Department of Housing and Community Affairs ("Department" or "TDHCA") has prepared this State of Texas Action Plan for Community Development Block Grant (CDBG) Disaster Recovery Grantees under Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 ("Action Plan"). This Action Plan will be used by TDHCA, the lead agency designated by Texas Governor Rick Perry to administer these funds, to provide $428,671,849 in CDBG funding to help restore and rebuild in areas of the State most directly impacted by Hurricanes Rita and Katrina.

These funds, coupled with a previous supplemental appropriation authorized under Public Law 109-148 ($74,523,000 in CDBG disaster recovery funding), will provide significant assistance to affected areas in southeast Texas. It should be noted that this Action Plan addresses a scope of needs beyond the similar plan issued May 9, 2006 to use the funding authorized under Public Law 109-148. While the previous plan only addressed needs associated with Hurricane Rita, this Action Plan addresses needs resulting from both Hurricanes Rita and Katrina. Combined, all the needs identified in *Texas Rebounds*, a document prepared by the Office of the Governor detailing $2.02 billion in Rita and Katrina recovery needs, will not have been met. However, with an emphasis on helping restore homes and improving neighborhoods, these funds will help address many of the key priorities for recovery.

The Action Plan gives priority to community infrastructure development and rehabilitation as well as the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing. More specifically, the funds will be used to help:

- provide assistance to homeowners of low to moderate income whose houses were damaged by Hurricane Rita;
- provide focused efforts to restore and protect owner occupied housing stock in the community of Sabine Pass which was severely damaged by the storm;
- repair, rehabilitate, and reconstruct (including demolition, site clearance and remediation) the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas;
- restore critical infrastructure damaged by Hurricane Rita where no other funds are available; and
- provide assistance in the City of Houston and Harris County for increased demands for public services, law enforcement and judicial services, community development, and housing activities in specific areas (police districts, schools, apartment complexes, neighborhoods) that have experienced a dramatic population increase due to an influx of Katrina evacuees.

The comment period opened on December 15, 2006, and closed on January 2, 2007. The Department received written public comment as well as verbal public comment at three public hearings, two of which were held in the affected region of Southeast Texas. Because these natural disasters impacted a region with diverse communities, TDHCA released public comment notifications and Action Plan drafts in English, Spanish, and Vietnamese to provide persons with limited English proficiency a better opportunity to participate in the public comment process.

It should be noted that this is a partial action plan. A more detailed description of how the funding will be used (eligible activities, beneficiaries, areas, etc.) that has been targeted for the City of Houston and Harris County will be included in the final Action Plan. This description will be developed separately because of the complexity of crafting a plan that effectively addresses remaining needs in the City of Houston and Harris County. The required amendment to the Action Plan shall be developed through a separate public comment process and will be coordinated by the City of Houston and Harris County CDBG entitlement communities, in conjunction with TDHCA.

INTRODUCTION

In the fall of 2005, Texas felt the extreme impact of both Hurricanes Rita and Katrina. While Hurricane Katrina did not make land fall in Texas, the need for vast amounts of both short and long term assistance to help persons who evacuated to the state soon became apparent. Shortly thereafter, Texas suffered the direct impact of Hurricane Rita, which physically destroyed communities and regions already stretched thin by providing aid and support services to Hurricane Katrina evacuees. This one-two punch left Texas with estimated recovery needs of almost 3 billion dollars, as documented in the report *Texas Rebounds* – an in-depth assessment of the impact of the Hurricanes on Texas prepared by the Governor as part of a request for additional funding assistance from Congress.

Supplemental appropriations to the CDBG program are providing funding to the affected states to implement disaster recovery efforts that address the widespread need caused by these storms. The first supplemental appropriation was tied to Public Law 109-148 (effective December 30, 2005) which provided $11.5 billion of supplemental appropriation for the CDBG program. This funding was for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Rita, Katrina and Wilma. Of this amount, $74,523,000 was specifically allocated to Texas by the Secretary of HUD to address the consequences of Hurricane Rita. The funds were intended by HUD to be used toward meeting unmet housing, infrastructure, public service, public facility, and business recovery needs in areas of concentrated distress.

Texas developed the required action plan to use these funds through intensive consultation with the citizens, local government leaders, state and federal legislators, and community action and social services agencies that were hit hardest by Hurricane Rita. In addition to the numerous meetings that were held across the region, five public hearings were held for the specific purpose of crafting the required action plan. The resulting *State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006* was approved by HUD on May 9, 2006. This action plan used four of the state's Councils of Governments to serve as applicants for the entitlement communities, non-entitlement communities, and federally recognized Indian Tribes within their region. Under the plan, a minimum of approximately $38.9 million is being used to meet housing needs. The remaining approximately $31.9 million is being used for infrastructure needs.

Congress recognized that the CDBG funding authorized under PL 109-148 was not sufficient given the full impact that the 2005 hurricane season had on the entire gulf coast region. Therefore, the earlier emergency funding was increased by authorizing Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234, approved June 15, 2006). As required by Congress, the U.S. Department of Housing and Urban Development published requirements for distribution and use of these funds by the impacted states in its "Department of Housing and Urban Development [Docket No. FR–5089–N–01] Allocations and Waivers Granted to and Alternative Requirements for CDBG Disaster Recovery Grantees Under Chapter 9 of Title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006" published in Federal Register (Vol. 71, No. 209) on October 30, 2006. Part of this requirement was to create a document that will guide and direct the use of funds within the categories outlined under the funds notice.

The funds were made available to the State of Texas through the Office of the Governor. With more needs identified in Texas Rebounds than there were funds available, Governor Rick Perry identified the needs that should be given priority. The majority of the funds are to be used to directly assist Texans who, more than a year after the hurricanes, still struggle with unmet housing needs as a result of the storms. Given that the largest share of the funds would go to meet the housing needs of Texans, the Governor directed TDHCA to assist with the distribution of these funds.

To best inform the public and receive its input, as well as to meet the requirements established by the HUD funding notice, the Department has developed this Proposed Partial Action Plan for Disaster Recovery ("Action Plan"). This Action plan will be used to distribute Federal funding for recovery of distressed areas related to the consequences of Hurricanes Rita and Katrina in the Gulf of Mexico in 2005. The amount of funding to Texas was specified in the funding notice by HUD along with general priorities and a specific funding priority to assist rental housing damaged by Hurricane Rita in Texas. More specifically, the Action Plan describes the:

- priorities to best assist the needs of the State's citizens and communities,
- citizen participation process used to develop the Action Plan,
- the types of activities and funds available for which assistance may be provided,
- who may apply and the application process,
- the methodology used to distribute funds, and
- method of grant administration standards and procedures that will be used to ensure that program requirements, including non-duplication of benefits, are met through continuous quality assurance and internal audit functions.

FEDERAL APPROPRIATION ASSOCIATED WITH THIS PLAN

As described above, Public Law 109-234 (effective June 15, 2006) provided $5.2 billion supplemental appropriation of CDBG Disaster Recovery Funding for *"necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of Hurricanes Katrina, Rita, or Wilma."* In reviewing the totality of the need in the five state region covered by the law, $428,671,849 was specifically allocated to Texas by the Secretary of HUD. As further provided for under the law, *"funds provided under this heading shall be administered through an entity or entities designated by the Governor of each State."* Governor Rick Perry has designated TDHCA as this entity for the State of Texas.

All regulations associated with the CDBG program apply to this funding unless specifically detailed as a waiver in the Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005 or as specified in the February 13, 2006 *Federal Register* notice) or subsequently waived by HUD as documented in this Action Plan. In addition, definitions and descriptions contained in the *Federal Register* are applicable to this funding.

THE IMPACT OF THE STORMS AND TEXAS RECOVERY NEEDS

The 2005 Atlantic hurricane season was one of the most extreme in recorded history. The U.S. Gulf Coast was hit by Hurricanes Katrina, Rita, and Wilma. Texas was greatly impacted by both Hurricanes Katrina and Rita. While Hurricane Katrina did not make landfall directly in Texas, the indirect impact on Texas led to a presidential disaster declaration to provide emergency funding as Texans assisted Katrina evacuees. While that assistance was ongoing, Hurricane Rita dealt a second blow to the lives, homes and property of Texans.

TIMELINE OF STORM EVENTS AND STATE RESPONSES

The timeline of the storm events and related responses are below provided.

1. The Governor of Texas declared a State of Emergency on August 29, 2005, relative to Hurricane Katrina's imminent landfall on the Gulf Coast. Hurricane Katrina made landfall that same day in Louisiana. While Texas did not directly receive the impact of the storm, within hours, the significant impact Katrina would have on the State became clear.
2. The President issued an Emergency Declaration on September 2, 2005, for all 254 counties in Texas for emergency protective measures due to the huge influx of evacuees from Alabama, Louisiana, and Mississippi. As a result of massive evacuations, Texas absorbed more than 400,000 evacuees – mostly from Louisiana.

3. While Texas authorities were beginning to assess the long-term sheltering operation for Hurricane Katrina evacuees, dangerous Hurricane Rita entered the Gulf of Mexico. On September 21, 2005, due to the impending threat of Rita, the President issued another Emergency Declaration for all 254 Texas counties.
4. On September 24, 2005, only 26 days after Katrina devastated the Gulf Coast, the Category Three Hurricane Rita came ashore. The eye of the storm made landfall near Sabine Pass, Texas severely damaging communities and homes unfortunate enough to fall within its path. As the storm traveled inland, the core of the hurricane's most extreme destruction hit the heavily populated and industrialized areas of Port Arthur, Orange, and Beaumont. Communities in the path of the hurricane sustained enormous physical damage from excessive winds and rain. In some heavily wooded areas, an estimated 25 percent of the trees were lost. High winds and falling trees caused extensive damage to homes and businesses. The same day of the storm, Texas received a FEMA Major Disaster Declaration for all 254 counties for debris operations and emergency protective measures for Hurricane Rita. Multiple amendments have since been added to the Major Disaster Declaration to expand the list of eligible counties for FEMA Individual Assistance Program (IAP) funding to 22 designated counties and Public Assistance Program (PAP) funding to 29 designated counties.

OVERVIEW OF STORM IMPACT

The Governor's Division of Emergency Management (GDEM) and FEMA reported the receipt of 479,199 registrations for the Individual Assistance Program as a result of Hurricane Rita in the 29-county area. As a result of Hurricane Rita, more than 75,000 homes in the area suffered major damage or were destroyed. Of these, approximately 40,000 homes were uninsured. Furthermore, a substantial percentage of the damaged households are located in areas predominantly occupied by individuals meeting the definition of low to moderate income (LMI). There were 44 recovery centers set up in disaster impacted counties and throughout the state so that residents could apply for immediate assistance, meet with Small Business Administration loan specialists, and get information about available federal and state assistance. Additionally, 4,249 travel trailers were issued to displaced individuals and families.

According to FEMA, 640,968 Katrina and Rita applicants for assistance resided in Texas as of February 1, 2006. Most of these families are living in Southeast Texas. Second only to Louisiana, Texas hosts the most people impacted by the devastating hurricanes of 2005. In light of these facts, the lasting impact of Hurricanes Katrina and Rita on Texas is widespread and extremely apparent.

CITIZEN PARTICIPATION

Since the Hurricanes hit, the State has been working closely with the citizens and organizations who were directly impacted by the storm and a wide variety of municipal, county, regional, and state officials to determine what the greatest disaster recovery needs are and how to best address those needs. Through this ongoing interaction and the three public hearings and two TDHCA Board meetings accepting public comment held to develop the *State of Texas Action Plan for CDBG Disaster Recovery Grantees under the Department of Defense Appropriations Act, 2006* (required to use disaster recovery funding associated with Public Law 109-148), the need for assistance to repair homes and to meet specific remaining critical infrastructure needs has been well established.

PUBLIC COMMENT PERIOD AND PUBLIC HEARINGS

On Friday, December 15, 2006, the Action Plan was made available for public comment via TDHCA's website or upon request. The 18-day public comment period began on Friday, December 15, 2006 and ended at the close of business on Tuesday, January 2, 2007.

Verbal comment on the Action Plan was taken at the following public hearings times and accessible locations.

Location:	Austin	Houston	Beaumont
Facility:	Rusk Building Room 227	City Council Annex Chambers Public Level	South East Texas Regional Planning Commission
Address:	208 E. 10th Street	900 Bagby	2210 Eastex Freeway
	Austin, TX 78701	Houston, TX 77251	Beaumont, TX 77703
Date and Time:	Tuesday, December 19 6:00 p.m.	Tuesday, December 19 12:00 p.m.	Wednesday, December 20 12:00 p.m.

The hearing announcement specifically described the process by which individuals who require special assistance could contact TDHCA to make appropriate arrangements so that they could participate in the hearing.

Written comment was also accepted at the public hearings and by mail, fax, or email at the following addresses.

Mail: TDHCA, Division of Policy and Public Affairs, P.O. Box 13941, Austin, TX 78711-3941

Fax: (512) 469-9606

Email: info@tdhca.state.tx.us

As is the Department's standard practice when developing rules or policies, a summary of the issues raised by comment received and the corresponding reasoned responses was generated for both the decision makers and the public. A summary of the comments received during the public comment period and the Department's reasoned responses and resulting changes to the Action Plan is provided in Appendix B of this document.

ADVERTISING THE PUBLIC COMMENT PERIOD

As the disaster impacted region has a diverse community, both the public comment notifications and Plan were published in English, Spanish, and Vietnamese. This enhanced the ability of persons with limited English proficiency to provide comment. The following efforts were made to advertise the public comment period.

- On November 28, 2006, an electronic hearing notification was made through TDHCA's email list serve. This is a list of 3,112 public officials, for-profit and non-profit developers, community housing development organizations, advocacy groups, and supportive service providers that have an interest in TDHCA programs and who sign up to receive notification of upcoming events.
- On December 15, 2006, as required by State law, a notice of the public comment period and associated public hearings was published in the *Texas Register*.
- On December 1, 2006, a letter advertising the comment period and hearings was distributed to a list of 1,531 addresses which included the State's mayors, county judges, CDBG entitlement communities, and councils of government.
- On December 4, 2006, TDHCA posted a webpage at http://www.tdhca.state.tx.us/cdbg/index.htm to specifically advertise the hearings and consolidate all documents associated with the Action Plan.

DESCRIPTION OF THE STATE'S OVERALL PLAN FOR DISASTER RECOVERY

PROMOTING SOUND SHORT AND LONG-TERM RECOVERY PLANNING

The Governor's Division of Energy Management (GDEM) offers Disaster Recovery Courses and Workshops to educate local governments on the recovery process following a disaster. Other state agencies and volunteer groups are encouraged to participate in these courses focusing on a combined effort of valuable resources to be made available in

the aftermath of a disaster. During major disasters, representatives of state agencies and volunteer organizations work closely with GDEM staff to participate in the operation of Disaster Recovery Centers. In addition, GDEM has supported and has had significant involvement in the formation of long-term recovery committees. The frequency and magnitude of disasters in this state, necessitates the growing number of long-term recovery committees in order to address unmet needs.

PROMOTING LAND USE DECISIONS THAT REFLECT RESPONSIBLE FLOOD PLAIN MANAGEMENT AND REMOVAL OF REGULATORY BARRIERS TO RECONSTRUCTION

The State promotes wise land use decisions in several ways. It conducts National Flood Insurance Program inspections. Communities who are found to have improperly permitted development in the 100 year floodplain are subject to fines, suspensions, and ejection from the program. A surge marker project has been initiated, which will place warning markers in those areas along the coast which are subject to storm surge flooding. Texas participates in the federally funded mitigation grant programs and is thus in a position to offer incentive grants to communities who wish to repair past mistakes and clear their floodplains. Mitigation funding is denied for some projects unless they are outside the 100 or 500 year floodplain. The State denies all mitigation funding to communities that have not identified the number of citizens and number of community facilities that are in the 100 year floodplain. State law prohibits a manufactured home retailer, broker, or salesperson from delivering a manufactured home for installation in the 100-year floodplain, as designated by FEMA, unless the consumer provides evidence that installation of the home in the floodplain will not violate certain requirements of state and federal law.

COORDINATING PLANNING REQUIREMENTS WITH OTHER STATE AND FEDERAL PROGRAMS AND ENTITIES

To encourage consistent flood plain development across Texas, the State runs an extensive education program for local officials. It runs dozens of classes a year, most of which emphasize the danger of allowing development in the floodplain or near Hazmat facilities/routes. These classes are provided free of charge and travel costs are covered.

PROMOTING HIGH QUALITY, DURABLE, ENERGY EFFICIENT, AND MOLD RESISTANT CONSTRUCTION METHODS

A requirement for construction related activities is that work on residential dwellings must meet the 2000 International Residential Code Chapter 11. For commercial and multifamily rental activities, the International Building Code of 2003 or local municipal code, whichever is more stringent, must be followed. Within this code, there is a section entitled the 2000 International Energy Conservation Code (IECC) which works to provide more energy efficient structures. Following these codes should result in the construction of high quality, durable, energy efficient, and mold resistant buildings.

PROMOTING THE MITIGATION OF FLOOD RISK

Under this Action Plan, housing units receiving funds must be elevated in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. For the Rental Housing Stock Restoration Program, accessibility issues created by this elevation must be addressed. The Sabine Pass Dwelling Restoration Program specifically serves as a source of financing to elevate homes. Under that funding priority, persons with disabilities and the elderly can request up to $15,000 to address the costs associated with accessibility issues caused by the increased elevation of the home.

PROMOTING ADEQUATE, FLOOD-RESISTANT HOUSING FOR ALL INCOME GROUPS THAT LIVED IN THE DISASTER IMPACTED AREAS

Approximately 71 percent of the Action Plan's funding allocation will go towards repair, rehabilitation, and reconstruction of owner occupied and rental units across the disaster impacted areas.

ADDRESSING THE NEEDS OF SPECIAL NEEDS POPULATIONS

Persons with disabilities face unique challenges in finding accessible and affordable housing in the disaster impacted area. The need is clearly described in *TDHCA's State Low Income Housing Plan*, *2005-2009 State of Texas Consolidated Plan*, and *The Housing Needs of Texans with Disabilities* (published by TDHCA in April 2005*)*. This Action Plan includes the following strategies that help provide assistance to persons with disabilities.

- Construction activities which result in a change of elevation must consider the accessibility needs of persons with disabilities.
- $42 million of homeowner assistance is being targeted towards assisting persons with special needs.
- Under the Sabine Pass Restoration Program, a homeowner whose household includes a person with a disability or an elderly person may apply for an additional $15,000 in assistance for accessibility related costs associated with elevating the dwelling.

TDHCA has found that directly involving program beneficiary representatives, community advocates, and potential applicants for funding in the process of crafting its policies and rules is extremely helpful. This process is often done through a "working group" format. The working groups provide an opportunity for staff to interact with various program stakeholders in a more informal environment than that provided by the formal public comment process. TDHCA will consult with a Disability Advisory Workgroup organized by TDHCA for guidance on how the NOFAs associated with this plan can be structured to effectively serve persons with disabilities.

USE OF ACTION PLAN FUNDING

ANTICIPATED ACCOMPLISHMENTS

Accomplishments resulting from this Action Plan will include restoration of housing units and critical public infrastructure damaged by Hurricane Rita and the provision of enhanced public services and community development efforts to meet increased demand from evacuees from Katrina. TDHCA anticipates that low to moderate income (LMI) individuals will be the primary beneficiaries of the program. Under HUD program guidelines, LMI beneficiaries are part of households that earn less than 80 percent of the area median family income.

NATIONAL OBJECTIVE

Under this Action Plan, all eligible activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). Pursuant to explicit authority in the Department of Defense Appropriations Act, 2006 (Public Law 109-148, approved December 30, 2005), HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives, rather than the 30 percent allowed in the annual State CDBG program. The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The statute goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low and moderate income

persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives.

GENERAL USE OF FUNDS AND FUNDING ALLOCATION

TDHCA will use the following funding allocation to prioritize the use of funds based on the highest observed needs.

Activity	Primary National Objective Addressed	Additional Objectives Established in the *Federal Register**	Available Funding for Activity	% Plan Funding
Homeowner Assistance Program (HAP)	LMI Benefit	n/a	$210,371,273	49.08%
Sabine Pass Restoration Program (SPRP)	LMI Benefit	n/a	$12,000,000	2.80%
Rental Housing Stock Restoration Program	LMI Benefit	i, iii	$82,866,984	19.33%
City of Houston and Harris County Public Service and Community Development Program	TBD	n/a	$60,000,000	14.00%
Restoration of Critical Infrastructure Program	Urgent Need	i	$42,000,000	9.80%
State Administration Funds	Not Applicable	n/a	$21,433,592	5.00%
Total Plan Funding			$428,671,849	

*As established by the "Action Plan additional elements" requirement included in the *Federal Register* notice, the activity addresses one or more of the identified additional elements below described.

> *"b. The grantee's overall plan for disaster recovery will also include:*
>
> *(i) An explanation of how the State will give priority to the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing, a description of the activities the State plans to undertake with grant funds under this priority, and a description of the unique challenges that individuals with disabilities face in finding accessible and affordable housing;*
>
> *(ii) An explanation of how the State will give priority to infrastructure development and rehabilitation, and a description of the infrastructure activities it plans to undertake with grant funds; and*
>
> *(iii) An explanation of how the method of distribution or use of funds described in accordance with the applicable notices will result in the State meeting the requirement that at least 19.3311 percent of its allocation under this notice shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas."*

OVERARCHING ACTIVITY ELIGIBILITY REQUIREMENTS

This Action Plan outlines the Department's framework for allocating funding as guided by the requirements published in the *Federal Register* (Vol. 71, No. 209) on October 30, 2006. Unless otherwise stated in the *Federal Register*, statutory and regulatory provisions governing the CDBG program for states, specifically 24 CFR Part 570 Subpart I, apply to the use of these funds. All activities must be eligible CDBG activities according to 24 CFR Part 570 Subpart I, except as waived by HUD, must meet requirements for disaster recovery funding cited throughout this document, and must meet at least one of the three national CDBG objectives.

As noted in the *Federal Register*, under the law *"…the funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers. Further, none of the funds made available under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program."* This will be a key requirement that will be monitored by TDHCA throughout every stage of the program.

ELIGIBLE ACTIVITIES UNDER THE SPECIFIC FUNDING PRIORITIES

As stated in the Federal Register, *"the appropriations statute requires funds be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005. The statute directs that each grantee will describe in its Action Plan for Disaster Recovery how the use of the grant funds gives priority to infrastructure development and rehabilitation and the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing."* The following specific funding categories reflect the State of Texas prioritization of need based on its review of available damage assessments and discussions with local leaders and citizens.

Homeowner Assistance Program (HAP)

The Governor has identified destruction done to an individual's home as one of the most persistent and difficult issues to address in the aftermath of Hurricane Rita. To deal with this real need of Texans who have no other place to turn, the largest share of the funding priorities is provided for the HAP. Funding in the amount of approximately $210 million shall be made available in the form of a grant to homeowners of LMI income whose homes were damaged by Hurricane Rita. Assistance provided in a special flood hazard area (defined as zone "A", "V", "M", and "E" series (44 CFR 64.3) as shown on a current Flood Insurance Rate Map (FIRM), as amended by Letters of Map Amendment (LOMA) or Letters of Map Revision (LOMR)) will be in the form of a deferred forgivable loan. All other assistance will be in the form of a grant. This assistance will be made available for both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance. All grant amounts will be based on damage to the dwelling and do not include its contents or other personal property.

Part of this funding priority, $42 million (20 percent of the Homeowner Assistance Program funds) will be targeted specifically for persons with special needs. According to HUD, in addition to the homeless, special needs populations include persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents. The targeted amount is based on the percentage of elderly households in the 22 counties eligible for this funding. If after 120 days, there are not sufficient applications received for the special needs target, then these funds will be rolled back into the general HAP funding priority.

Eligibility Requirements

The program is limited to homeowners that satisfy all of the following conditions.

- The owner's household must be eligible under the applicable low and moderate income limits.
- The owner must be able to prove ownership and that he or she occupied the property as a primary residence at the time of Hurricane Rita (September 24, 2005). Rental dwellings and second homes are not eligible.
- The owner's home is located in one of the 22 counties eligible for the FEMA IAP as established by FEMA-1606-DR-TX (Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, and Walker).
- The owner must be able to clearly establish that their residence was physically damaged by Hurricane Rita. Examples of acceptable types of documentation include, but are not limited to, evidence:
    - from FEMA that the homeowner applied for FEMA IAP and the home was categorized by FEMA as having been "destroyed" or having suffered "major" damage. Homeowners who were approved by FEMA for $5,200 or more in FEMA home repair assistance (a component of the Individual Assistance Program) will fall into one of these categories, or
    - from their homeowner's insurance provider that a claim for damage specifically related to Hurricane Rita was filed and that the provider determined that such damage existed.

A description of alternate methods that a program management firm will use to establish that the damage was related to Hurricane Rita will be clearly described in a Request for Proposal.

Requirements for Receiving Assistance

To receive assistance under this funding activity, the owner must:

- sign a release so that financial assistance received through any public or private source can be verified by the Program;
- agree to verification of ownership status and the amount of disaster-related damage to the home;
- swear to the accuracy and completeness of all information provided to the Program under penalty of law;
- agree to sign a legally binding agreement that commits the owner to the following terms and conditions:
  - the home will meet the legal requirements of the State Uniform Construction Code, comply with local zoning, and comply with the latest available FEMA guidance for base flood elevations, unless exceptions are granted by TDHCA where the action is designed or modified to minimize harm to or within a floodplain;
  - assure the home will remain owner-occupied for at least three years after the repairs/replacement or a new purchase;
  - maintain flood insurance if the home is located in a floodplain;
  - subrogate claims for unpaid and outstanding insurance claims back to the Program; and
  - ensure mitigation efforts to reduce the impact of future storms are undertaken, if mitigation can be done to make a home safer and are cost beneficial to undertake, and if the homeowner's eligible assistance allows funds for such activities.

Benefit Calculation

The maximum benefit for the HAP is $40,000 per household. This limit is based on the average cost to repair homes with major or severe damage for a subset of FEMA registrants with real property damage who applied to the Small Business Administration for a loan to assist with repairing their property.

Benefits will be calculated as follows:

1. Estimate of Storm Damage Cost - The calculation of the benefit amount starts with the smaller of the following values:
   a. cost of completed repairs (if the work is substantially complete), or
   b. a damage assessment by FEMA, SBA, private insurance, or otherwise approved damage assessor.
2. Storm Damage Cost Gap – To avoid duplication of benefits, the Estimate of Storm Damage Cost will be reduced by the following:
   a. FEMA Grants which represent a duplication of benefits,
   b. homeowner insurance proceeds (Unpaid and outstanding insurance claims must be subrogated back to the State),
   c. National Flood Insurance Program proceeds, and
   d. SBA Loans identified by SBA as a duplication of benefits.
3. Benefit Amount - The lesser of $40,000 or the Storm Damage Cost Gap is the amount of the HAP grant or deferred forgivable loan.

If the cost to fully repair the home exceeds that covered by the grant or loan, then the homeowner must provide evidence that they have the available funds or can obtain financing from an outside source to cover the funding gap. Working with faith based or nonprofit organizations that provide funding, volunteer service, or other forms of self help assistance is an eligible source of such financing.

Distribution of Funding

Program Management Firm Request for Proposal (RFP)

A RFP for a program management firm to administer this funding priority throughout the eligible areas will be released upon HUD's approval of this Action Plan. TDHCA will organize a working group for guidance on how the RFP can be structured most effectively. This working group will include persons impacted by the storm and representatives from organizations working on case management and distribution of funds in the impacted areas.

The RFP will clearly establish all milestones and timelines required of the program management firm to ensure that the funds are distributed in an expeditious manner.

To insure effectiveness of operations as well as accounting and control oversight, the RFP respondent must:

- document their experience with administering such a program including evidence that they have previously developed and utilized effective standard operating procedures to validate eligibility, determine benefits procedure; work with contractors, and account for the distribution of funds; and
- establish that they have the available resources and existing administrative systems required to effectively manage the program.

The RFP will require the respondent to clearly describe specific efforts that ensure outreach efforts are conducted across the entire region. The respondent must demonstrate that they will be able to implement and maintain a communications process that will reach eligible homeowners to tell them how to apply for benefits. The application process should be customer friendly and include the use of, but not be limited to, 1-800 numbers and a "one-stop" web portal that allows for online application submission. Local assistance facilities shall be established in areas where the need is most concentrated. The respondents must describe the efforts that will be used to ensure that assistance is made available to assist lower income households and households with special needs.

The management firm shall be required to build upon the existing application intake and case management efforts of faith based, regional councils of government, and nonprofit organizations (Local Organizations). In designing its program, the management firm shall:

- determine how to best work with the existing case management and intake processes of Local Organizations;
- develop guidelines so that reasonable and well documented costs incurred by Local Organizations to prequalify, document, and counsel grant applicants are eligible program costs.

Therefore, respondents will be required to describe how they will utilize the current case management and intake systems of the Local Organizations already working in the targeted areas. It is expected the response to the RFP will include the process by which applications received by Councils of Governments for CDBG Disaster Recovery Program funding authorized by Public Law 109-148 will be given priority while still allowing the management firm to maintain oversight of the program.

Other Basic Application Guidelines

Applications shall be accepted on a first come, first served basis with a priority to applications received for the CDBG Disaster Recovery Program funding authorized by Public Law 109-148 until all funds are utilized. The process developed through the RFP process shall ensure that all grant or loan applications are processed equitably, that the privacy of applicant information is maintained, and that an appeals process is in place that can effectively address applicant concerns.

Sabine Pass Restoration Program (SPRP)

While many communities in South East Texas were substantially impacted by Rita, the coastal community of Sabine Pass was nearly destroyed by the storm. To help address this need, funding in the amount of $12 million shall be made available to homeowners whose homes were damaged by Hurricane Rita. Because all of Sabine Pass is located within a special flood hazard area, such assistance shall be in the form of a deferred forgivable loan unless the funds are being used to move out of the flood zone.

Funding Purpose

Funding from the SPRP will serve three purposes.

1. Up to $40,000 in home rehabilitation and reconstruction assistance will be made available for homeowners whose family income is up to 150 percent of the area median family income. Such assistance will be available to both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance. The eligible loan amount shall be calculated in the same manner as the HAP assistance.
2. Homeowners may apply for assistance in an amount up to $30,000 to help defray the costs of elevating rehabilitated or reconstructed homes in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. Unlike the home rehabilitation and reconstruction assistance described above, homeowner income restrictions do not apply for the home elevation assistance. These funds may also be used for other special construction improvements required to increase a home's ability to survive another significant storm event. A homeowner whose household includes a person with a disability or an elderly person may apply for an additional $15,000 in assistance for additional accessibility related costs associated with elevating the dwelling. While the home elevation assistance may serve all incomes, it is estimated that almost half of the owner occupied households in Sabine Pass are of LMI income.
3. After 180 days if uncommitted funding remains available, in instances where a homeowner whose family income is up to 150 percent of the area median family income has experienced damage in an amount equal to or greater than 50 percent of the market value of the home at the time of the storm based on an appraisal and wants to move out of the flood plain, a grant in an amount up to $40,000 will be made available to purchase a new home elsewhere in the Rita Go Zone. The eligible grant amount shall be calculated in the same manner as the HAP assistance.

Eligibility

The Hurricane Rita damaged home must be located in Census Tract 4824501160 which includes Sabine Pass (See Appendix D for a map of this tract.). With the exception of the household income requirements described in the "Funding Purpose" section above, all eligibility requirements associated with the HAP funding priority apply.

Requirements for Receiving Assistance

All requirements for receiving assistance associated with the HAP funding priority apply. Additionally, for the homeowner to receive assistance, the dwelling must be elevated to comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128) which applies to the use of funds provided under the CDBG Disaster Recovery Program."

Distribution of Funding

The same program management firm used for the HAP funding priority will be used to manage the SPRP.

Assistance applications shall be accepted on a first come, first serve basis until all of the SPRP funds are utilized. In the event that the SPRP is fully utilized, if HAP funding is still available, it may be used to address storm damage to households in Census Tract 4824501160. Note that homeowners in Census Tract 4824501160 may only apply through the SPRP for Action Plan assistance.

Rental Housing Stock Restoration Program

Funding in the amount of $82,866,984 shall be made available in the form of a grant or loan to the owners of affordable rental properties that were damaged by Hurricane Rita. This funding amount complies with statutory provisions as interpreted by HUD in the Federal Register that requires that *"...not less than $1.0 billion of the $5.2 billion appropriation less $27.0 million in administrative set-asides (which computes to 19.3311 percent of any State's allocation) shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD- assisted housing) in the impacted areas. Therefore, HUD is requiring that not less than 19.3311 percent of each State's grant be used for these activities."* As further described in the *Federal Register*, Texas shall set aside $82.9 million which will be used for activities related to the *"repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas."* This federally mandated set aside meets the national objective of serving low and moderate income persons because of the income restrictions placed on the occupancy of the affordable housing units which are being restored.

This funding will be allocated through a two tiered approach.

1. For 180 days, the NOFA will be open to multifamily properties with a minimum of 16 units. Applications for assistance for such properties shall be submitted to TDHCA for review and possible approval as described in the NOFA.
2. If after 180 days, all funds under the Rental Housing Stock Restoration have not been committed, then properties of fewer than 16 units, including single family units, may apply for assistance. This program will be administered through a program management firm that has been selected for the HAP.

Eligibility Requirements

The applicant must satisfy the following basic eligibility requirements:

- The applicant must be able to prove ownership of the property at the time of Hurricane Rita (September 24, 2005).
- The applicant must establish that this property was physically damaged by Hurricane Rita through the provision of evidence that an insurance claim related to Hurricane Rita was filed and subsequently reviewed by their insurance provider.

Requirements for Receiving Assistance

In exchange for accepting funding assistance, each applicant must agree to the following requirements.

- At a minimum, the number of affordable housing units available on September 24, 2005 must be available when the construction has been completed.
- To assure that the assisted housing is as affordable as possible and is occupied by families with appropriate incomes, a land use restriction agreement must be recorded that establishes appropriate low to moderate rent and income limits for the period of years required by HUD regulations.
- All construction will be in accordance with the International Building Code (IBC) of 2003 or local municipal code, whichever is more stringent.
- Units that are being demolished and rebuilt shall be elevated in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. In doing so, access needs for persons with disabilities must be met as required by State and Federal law.
- Maintenance of 100 percent insurance coverage on replacement values of the property for all hazard types will be required.

Benefit Calculation

The amount and terms of the loan or grant shall be based on underwriting criteria established in the NOFA. The assistance amount for the first tier of funds shall be determined through an intensive review of the application by the Department's Real Estate Analysis Division. Among other items, this review will specifically assess each application's stated operating proforma, cost estimates, and area rental market conditions to develop the appropriate amount of and structure for the assistance. If available, the assistance amount for the post 180 day program awards shall be determined through careful review of the application conducted by the program management company selected for the HAP.

Applicants are encouraged, but not required, to leverage other available resources to preserve affordable housing for low and very low income residents.

All application requests will be carefully scrutinized to ensure that the assistance does not duplicate any of benefits that the applicant may have received from other sources.

Distribution of Funding

TDHCA will issue a Notice of Funding Availability (NOFA) for the Rental Housing Stock Restoration assistance upon HUD's approval of this Action Plan. This NOFA will clearly establish the application acceptance period, threshold criteria, and selection criteria. In addition to other factors, the selection criteria will give a scoring priority to applications which:

- serve households at very low income levels;
- are constructed or will be rehabilitated in a manner that provides for low maintenance and energy efficiency; and
- help persons avoid or transition from homelessness.

City of Houston and Harris County Public Service and Community Development Program

Many Texas communities openly welcomed persons displaced by Hurricane Katrina. The initial and ongoing impact was felt most strongly in the City of Houston and Harris County. With a reported peak of more than 400,000 displaced persons in the Harris County area, the area has worked tirelessly to provide ongoing assistance with food, shelter, clothing, emergency services, law enforcement, community services, education, and medical care. According to information provided by a Gallup poll commissioned by the Texas Health and Human Services Commission, Houston remains the transitional home to nearly half of the 251,000 people evacuated from Louisiana and elsewhere along the Gulf Coast as a result of Hurricane Katrina.

It is proposed under the Action Plan, that funding in the amount of $60 million be included in this funding priority for public service, community development, and housing activities in areas (police districts, schools, apartment complexes,

neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees.

The State has identified this as an important part of disaster recovery. However, the funds available for this effort does not meet all the need demonstrated in the request from the City of Houston and Harris County. It is expected that the City of Houston and Harris County will need to cooperatively determine where it is most appropriate to direct the dedicated resources under the requirements identified in the HUD release.

An amendment to this plan will follow detailing how the funding priorities will meet HUD's NOFA's requirements, the delivery mechanism, the distribution of funds and other HUD requirements. The amendment to this Action Plan may designate the City of Houston and/or Harris County as the subdivision of the State of Texas charged with administering these funds as they have a direct relationship with HUD as participating jurisdictions. If that designation is not made, and/or approved, TDHCA, by and through its Governing Board, will negotiate with the parties to develop a cost-effective process for administration of these funds in the City of Houston and Harris County.

Restoration of Critical Infrastructure Program

While housing is the priority in this Action Plan, a number of significant infrastructure projects were identified as budget priorities. Approximately 10 percent of the available funding will be used for the restoration of critical infrastructure damaged by Rita. This $42 million will be used solely for infrastructure projects where there is outstanding damage and no other sources of funding can be obtained. The Office of Rural Community Affairs (ORCA) will administer activities awarded under this program through a contract with TDHCA and approved by TDHCA's Governing Board.

Reserved Funds from the Restoration of Critical Infrastructure Program

As significant need for the following projects has already been clearly established, funding for these purposes has been accordingly reserved.

Memorial Hermann Baptist Orange Hospital

Funding in an amount of up to $6 million will be provided in the form of a grant to the Memorial Hermann Baptist Orange Hospital. In order to provide emergency medical care in Orange County, the Memorial Hermann Baptist Orange Hospital, the only emergency care hospital in the county, should be restored and hurricane damage repaired. The hospital also serves the entire Southeast Texas region, which consists of eight counties covering over 6,800 square miles.

The hospital was severely affected by Hurricane Rita. The storm's powerful winds removed rooftops and destroyed HVAC, power and water supply systems, buildings and windows, and caused water damage throughout various hospital facilities. Exposure to wind and water caused costly medical and surgical equipment to rust, corrode, or mold. As a result, in addition to repairing structural damages, the hospital must replace an extensive amount of expensive, high tech equipment, restock supplies, and recreate a sterile environment. After reimbursement from insurance and FEMA assistance, it is estimated that the hospital suffered over $20 million in uninsured damages from the storm. The Action Plan has established a budget priority of $6 million to assist with necessary remaining repairs.

Many citizens in this region are poor and medically underserved. In Orange County, the 2005 unemployment rate stood at 8%[1], while the median household income was $37,174[2]. This compares to Texas statewide figures for the same period of 5.3% unemployment and median household income of $42,139. Approximately 15.2% of individuals in Orange

[1] U.S. Bureau of Labor Statistics
[2] U.S. Census 2000

County were living below the poverty level. According to the U.S. Department of Health and Human Services, Hardin, Jefferson, and Orange Counties are the only places in Texas with both Medically Underserved Area (MUA) and Medically Underserved Population (MUP) designations.

Bridge City Water Infrastructure

Funding in an amount of up to $3.8 million will be provided in the form of a grant to Bridge City for water, sanitary sewer, and drainage structure work. The funds will assist in the rebuilding and replacement of Ferry Drive, a major street in Bridge City connecting two main arteries (Highway 87 and FM 1442).

Hardin County Drainage Restoration Project

Funding in an amount up to $10 million will be provided in the form of a grant to Hardin County. This funding will assist the County with removal of vast amounts of fallen timber and debris that resulted from Hurricane Rita. Currently, this debris is blocking ditches and drainage areas, especially in the Pine Island Bayou area, causing flooding with each subsequent storm event.

Unreserved Funds from the Restoration of Critical Infrastructure Program

The remaining unreserved funds from the Restoration of Critical Infrastructure Program will be provided in the form of grants in an amount up to $5 million to help communities address unmet, critical infrastructure needs directly related to damage from Hurricane Rita. Following a not more than 120-day application period, ORCA will evaluate the requests based on priorities included in a NOFA announcing the availability of these funds.

Eligible activities include:

- flood and drainage projects (including flood buyouts in which the property is converted into open, undeveloped land);
- repair of roads and bridges, utilities, water control facilities, water supply facilities, waste water facilities, buildings and equipment, hospitals and other medical facilities; and
- debris removal.

Ineligible activities include:

- reimbursement of entities for disaster related funding that has been previously expended.
- assistance for storm shelters that were not damaged by Hurricane Rita.

Evidence must be provided that all other options of financing have been explored and no other options are available.

Projects must be identified, approved, and underway within 12 months of approval of the Action Plan by HUD. Work must be substantially underway and drawing funds within 18 months. The TDHCA governing Board may reallocate any funds to HAP that have not been committed within 12 months or may deobligate committed funds where substantial progress has not been achieved within 18 months.

Eligibility Requirements

Infrastructure work must occur in one of the counties eligible for FEMA's Public Assistance Program for Hurricane Rita. These counties include Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, Walker, Cherokee, Gregg, Harrison, Houston, Marion, Panola, and Rusk.

Eligible applicants for these funds are local and county governments. Requests regarding utility reconstruction are limited to municipally owned entities. Membership owned nonprofit utility providers may be eligible if all of the following requirements are met:

1. The $22,200,000 available under the Unreserved Funds from the Restoration of Critical Infrastructure Program is undersubscribed; and,

2. The request is submitted by a city or county on behalf of a membership owned nonprofit utility that provides the majority of some service (water, sewer, drainage, etc.) to the city or county; and

3. In addition to all required documentation under this subsection, audited financial statements and evidence of a demonstrated capacity for effectively utilizing the funds within the requirements of the program must be submitted in the application package; and

4. A NOFA has been approved specifically allowing membership owned nonprofit utility providers.

Adherences to Program Regulations

The following procedures will be followed to comply with HUD's CDBG program regulations for this project. The State or its designee will:

- review the procurement process utilized in the hiring of an architect and/or engineer for the project and will verify and document that the person/firm hired is not listed on the federal Excluded Parties List;
- review the professional services contract to ensure that it includes all required supplemental clauses and conditions;
- review the project's bid package and ensure inclusion of all required supplemental clauses and conditions, Federal Labor Standards Provisions, current wage decision(s), etc.;
- attend the pre-bid conference and the bid opening as necessary;
- obtain a copy of the bid tabulation and verify and document the eligibility of the contractor selected via the federal Excluded Parties List system;
- attend the pre-construction conference to ensure that all required Equal Opportunity forms and certifications are signed by the prime contractor and all subcontractors, as well as to provide these contractors with a list of eligible workers obtained from the State's Department of Labor. This list will help the contractor in meeting the Section 3 hiring goals requirement. At this conference, the Labor Standards requirements of weekly payrolls and daily inspections reports will be explained;
- review submitted payrolls, new and existing employee forms, payroll deduction authorization forms, etc., as well as conduct employee interviews and make site visits to the project when necessary. During the review of the payrolls, it will be verified that Davis-Bacon and Contract Work Hours and Safety Standards Act (CWHSSA) requirements are being met and will ensure payment of restitution where needed;
- review and process Request for Payment forms and supporting documentation, and will review change orders for reasonableness of cost and consistency with the project's scope of work; and
- prepare a Final Wage Compliance Report, accept clear liens, make final payments and issue Acceptance of Work Certificates.

State Administration Funds

The state may use up to 5 percent of the funding, approximately $21.1 million for the Departments' administrative expenses, including contract administration, compliance monitoring, and the provision of technical assistance.

GENERAL APPLICATION PROCESS

PREVIOUS PERFORMANCE

Each applicant's or respondents performance with previous state and federal funding assistance will be thoroughly reviewed to ensure they are in compliance with the program requirements. Specifically, they must be in compliance with both of the following sections of the Texas Administrative Code (TAC).

- As more thoroughly described in 10 TAC Sec. 1.3, "Delinquent Audits and Other Issues," applicants are ineligible

to apply for Plan funds if they have any audits past due to TDHCA and are ineligible to receive funds until any unresolved TDHCA audit findings or questioned or disallowed costs are resolved.

- As more thoroughly described in 10 TAC Sec. 255.1(h)(6), an applicant that has one year's delinquent audit may apply for disaster funding but must satisfy all outstanding ORCA audits prior to award. A community with two years of delinquent audits may not apply for additional funding and may not receive a funding recommendation.

REGULATORY REQUIREMENTS

Contract awardees (applicants to NOFAs or respondents to an RFP that are awarded funds) must comply with relevant fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program.

FAIR HOUSING

Each contract awardee will be required to take steps to affirmatively further fair housing. TDHCA will require that special emphasis be placed on those communities who both geographically and categorically consist of individuals who comprise "protected classes" under the Civil Rights Act of 1964 and the Fair Housing Act of 1978 as amended. The efforts will be recorded in an "Affirmative Marketing Plan" which will be part of the application or RFP response submitted to the Department. At all times, "Housing Choice" will be an emphasis of program implementation and outreach will be conducted in the predominate language of the region where funds will be spent.

NONDISCRIMINATION

Each contract awardee will be required to adhere to the Department's established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG funds. Contract awardees will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

LABOR STANDARDS

Where required by CDBG regulations, the contract awardee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of $2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon Related Acts.

ENVIRONMENTAL

Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all contract awardees. Some projects will be exempt from the environmental assessment process, but all contract awardees will be required to submit the Request for Release of Funds and Certification (HUD Form 7015.15) for those activities requiring environmental review. Funds will not be released for expenditure until TDHCA is satisfied that the appropriate environmental review has been conducted if required. Contract awardees will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

PREVENTING FRAUD, ABUSE OF FUNDS, AND DUPLICATION OF BENEFITS

TDHCA will monitor all contract expenditures for quality assurance and to prevent, detect, and eliminate fraud, waste and abuse as mandated by Executive Order RP 36, signed July 12, 2004, by the Governor. TDHCA will particularly emphasize mitigation of fraud, abuse and mismanagement related to accounting, procurement, and accountability which may also be investigated by the State Auditor's Office. TDHCA will monitor the compliance of applicants, and HUD will monitor the Department's compliance with this requirement.

MONITORING STANDARDS AND PROCEDURES

TDHCA's monitoring procedures have been modified to specifically address the requirements of the CDBG Disaster Recovery Program. These procedures will ensure that all contracts funded under HUD disaster recovery allocation are carried out in accordance with federal and state laws, rules, regulations, and the requirements. The procedures will ensure that there are no duplication of benefits that have otherwise been covered by FEMA, private insurance, or any other federal assistance or any other funding source. Expenditures will be disallowed if the use of the funds is not an eligible CDBG activity, does not address disaster-related needs directly related to Hurricane Katrina or Hurricane Rita, or does not meet at least one of the three national CDBG objectives. In such case, contract awardees shall be required to refund the amount of the grant that was disallowed. To ensure that funds are spent promptly, contracts will be terminated if identified timetables/milestones are not met.

QUALITY ASSURANCE

Continual monitoring efforts will provide quality assurance. These efforts will be guided by both CDBG Program requirements and responsibilities to low income Texans. In determining appropriate monitoring of the Action Plan, TDHCA will consider prior CDBG grant administration, audit findings, as well as factors such as complexity of the project. TDHCA will determine the areas to be monitored, the number of monitoring visits, and their frequency. Any entity administering CDBG Disaster Recovery funding will be monitored not less than once during the contract period. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58 ("Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities") or 50 ("Protection and Enforcement of Environmental Quality.") as applicable TDHCA will utilize the checklists specifically developed for monitoring activities under this Action Plan.

These monitoring efforts include:

- identifying and tracking program and project activities to ensure the activities address needs caused by Hurricane Katrina or Hurricane Rita;
- identifying technical assistance needs of applicants;
- ensuring timely expenditure of CDBG funds;
- documenting compliance with program rules;
- preventing fraud and abuse;
- identifying innovative tools and techniques that help satisfy established goals; and
- ensuring quality workmanship in CDBG funded projects

INVESTIGATION

Section 321.022(a) of the Texas Government Code requires that if the administrative head of a department or entity that is subject to audit by the State Auditor has reasonable cause to believe that money received from the State by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the State Auditor. TDHCA is responsible for referring suspected fraudulent activities to the State Auditor's office as soon as is administratively feasible. The State Auditor reports directly to the Texas Legislature.

TDHCA has also established a strong working relationship with HUD's Office of Inspector General during administration of the first supplemental CDBG Disaster Recovery funding. TDHCA anticipates that this partnership will be carried through to the Department's administration of the second supplemental funding round.

INDEPENDENT INTERNAL AUDIT

TDHCA and contract awardee are subject to the Single Audit Act. A "Single Audit" encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant or by the State Auditors Office. Reports from the State Auditors Office will be sent to the Office of the Governor, the Legislative Audit Committee and to the TDHCA Governing Board.

Internal Audit staff at TDHCA perform independent internal audits of programs and can perform such audits on these programs and Applicants. The TDHCA Internal Auditor reports directly to TDHCA's Governing Board.

INCREASING CAPACITY OF IMPLEMENTATION AND COMPLIANCE

TDHCA staff will be provided with all training necessary to ensure that activities funded under this Action Plan are correctly administered. As contracts are made, necessary efforts to increase the capacity of local governments, subrecipients, applicants, contractors and any other entity responsible for administering funding under this Action Plan will be implemented to ensure they have the specific skills needed to successfully oversee the activity.

CONTRACT ADMINISTRATION

AMENDMENTS

Action Plan Amendments

The following events would require a substantial amendment to the Action Plan:

- addition or deletion of any allowable activity described in the Action Plan;
- change in the allowable beneficiaries; or
- a change of more than five percent in the funding allocation between the activity categories described in the Action Plan (unless sufficient Applications are not received to meet the targeted percentages for each activity).

If a substantial amendment to the Action Plan is needed, then reasonable notice will be given to citizens and units of general local government to comment on the proposed changes. This notice must be provided to citizens in predominant languages of the region. Consistent with the desire to allocate these funds as quickly as possible, the public comment period will be the same as that utilized for the Action Plan. The Department's public comment notification, receipt, and response processes will also follow those used to develop the Action Plan.

Contract Amendments

TDHCA will direct contract awardees to carefully plan projects that meet the stated requirements and to specify activities, associated costs, milestones/delivery dates, and proposed accomplishments and beneficiaries in order to reduce the need for amending contracts. Two-year contracts will be awarded. Contract amendments that vary more than 10 percent in budget categories or project deliverables must be approved by the TDHCA Governing Board.

TDHCA will follow an established, consistent process for amendments. Contract awardees shall contact TDHCA prior to requesting an amendment or contract modification that affects the budget, activities, beneficiaries or timeframe for accomplishing the work. Should a proposed amendment result in the need for modification of this Action Plan, the State will follow the process required by HUD for this disaster recovery funding.

Substantial amendments may be cause to review the entire Application or Response submitted to determine if the project is meeting its stated goals and timelines.

CERTIFICATIONS REQUIRED

The use of the disaster funding is contingent upon certain requirements, and both TDHCA and contract awardees will be expected to certify that these requirements will be met or carried out. Applicable federal and state laws, rules and regulations are listed in the NOFA or RFP, and the designee authorized by the contract awardee will be required to certify in writing that the grant will be carried out in accordance with the stated requirements.

Anti-Displacement and Relocation

Each contract awardee must certify that they will minimize displacement of persons or entities and assist any persons or entities displaced in accordance with the Uniform Anti-Displacement and Relocation Act and local policy.

HUD Action Plan Certification

TDHCA has provided a fully executed copy of HUD Required Certifications for State Governments, Waiver and Alternative Requirement as in Appendix E.

CITIZEN COMPLAINTS

Each contract awardee must have adopted procedures for responding to citizens' complaints as is required under the Texas Small Cities Nonentitlement CDBG Program or Entitlement programs. Citizens must be provided with the address, phone numbers, and times for submitting such complaints or grievances. Contract awardee must provide a written response to every citizen complaint within 15 working days of the complaint, if practicable.

DOCUMENTATION AND REPORTING

Each contract awardee must submit or maintain documentation that fully supports the application submitted to TDHCA. Requirements relating to such documentation will be established in the Application Guide. Any recipient of public funds in Texas is subject to Texas Government Code Chapter 552, commonly called the Public Information Act. Records retention policies must meet federal Office of Management and Budget guidelines and/or other applicable state or local statute with regards to record retention.

Each contract awardee must report on a quarterly basis (on a form provided by TDHCA) on the status of the activities undertaken and the funds drawn. Quarterly status reports will be due to TDHCA within 15 calendar days following the end of the quarter. TDHCA will then report to HUD using the online Disaster Recovery Grant Reporting system.

More frequent reports may be required if the contract awardee has missed milestones/or has not met substantial elements of the Application.

MATCH REQUIREMENT

The provisions at 42 USC 5306(d) and 24 CFR 570.489(a)(1)(i) and (iii) will not apply to the extent that they cap State administration expenditures and require a dollar for dollar match of State funds for administrative costs exceeding $100,000.

PROGRAM INCOME

Any program income earned as a result of activities funded under this grant will be subject to 24 CFR 570.489(e), which defines program income and provides when such income must be paid to the state.

TIMEFRAME FOR COMPLETION

Availability of funds provisions in 31 USC 1551-1557, added by section 1405 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), limit the availability of certain appropriations for expenditure. This limitation may not be waived. However, the Appropriations Act for these grants directs that these funds be available until expended unless, in accordance with 31 USC 1555, TDHCA determine that the purposes for which the appropriation has been made have been carried out and no disbursement has been made against the appropriation for two consecutive fiscal years. In such case, TDHCA shall close out the grant prior to expenditure of all funds. All grants will be in the form of a contract between the Applicant and TDHCA that adheres to the federal time limitation.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
May 10, 2007

Action Item

Presentation, discussion and possible approval of Amendment to the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding (Action Plan) related to the City of Houston and Harris County Public Service and Community Development Program .

Required Action

Approval of the amendment to the Action Plan related to the City of Houston and Harris County Public Service and Community Development Program .

Background

The Partial Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding was approved by the Governing Board February 1, 2007 and was forwarded to the Department of Housing and Urban Development (HUD) for approval February 6, 2007. On Aril 13, 2007 the Action Plan was approved by HUD. The total funding allocation is $428,671,849. Under the General Use of Funds and Funding Allocation is a line item activity for City of Houston and Harris County Public Service and Community Development Program. The available funding for this activity is $60,000,000.

Pursuant to the Action Plan approved by HUD, an amendment to the Action Plan is required that details how the $60,000,000 of funding available to Houston and Harris County, "will meet HUD's NOFA's requirements, the delivery mechanism, the distribution of funds and other HUD requirements. The amendment to this Action Plan may designate the City of Houston and/or Harris County as the subdivision of the State of Texas charged with administering these funds as they have a direct relationship with HUD as participating jurisdictions. If that designation is not made, and/or approved, TDHCA, by and through its Governing Board, will negotiate with the parties to develop a cost-effective process for administration of these funds in the City of Houston and Harris County."

As required, the City of Houston and Harris County have prepared the amendment to the Action Plan (attached behind this write-up). The amendment details how the $60 million will include the funding priorities outlined in the Action Plan, and how the funding priorities will meet HUD's NOFA's requirements, the delivery mechanism, the distribution of funds and other HUD requirements.

Summary of Recommended Amendment

The City of Houston and Harris County, under this amendment to the Action Plan, are proposing to fund projects that will meet the needs of persons who fled to and continue to reside in the Houston region as a result of Hurricane Katrina. Under this amendment, the City of Houston will utilize $40 million towards multi-family housing rehabilitation and housing safety services, and Harris County will utilize $20 million to meet a variety of public services needs of the evacuee community including medical and case management services.

In summary, the Houston/Harris County plan will:

- Provide safe, sanitary affordable housing for displaced evacuees including evacuees with special needs;
- Implement a coordinated housing safety program to promote community development and decrease crime in communities where evacuees have resettled;
- Address costs incurred in providing necessary emergency and non-emergency medical services provided to evacuees immediately following the disasters and months thereafter;
- Provide necessary crisis counseling and case management to evacuees who continue to face extreme transition emergencies; and
- Address the public service needs of special populations.

Recommendation

Staff recommends Board approval of the Action Plan Amendment as proposed.

DRAFT

Amendment to the Texas Action Plan for Disaster Recovery to Use Community Development Block Grant (CDBG) Funding to Assist with the Recovery if Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005 (Action Plan)

Harris County and the City of Houston have prepared this amendment to the Partial Texas Action Plan for Disaster Recovery (Action Plan) approved by the Texas Department of Housing and Community Affairs (TDHCA) Board on February 1, 2007. The Action Plan proposed "that funding in the amount of $60 million be included in this funding priority for public service, community development, and housing activities in areas (police districts, schools, apartment complexes, neighborhoods) comprised predominantly of low to moderate income households and where it can be clearly demonstrated that the population within the area has seen a dramatic population increase due to an influx of Katrina evacuees." (p. 14) As required by the Action Plan, this amendment details how the funding priorities will meet HUD's NOFA's requirements, the delivery mechanism, the distribution of funds and other HUD requirements.

The City of Houston and Harris County, under this amendment to the Action Plan, are proposing to fund projects that will meet the needs of persons who fled to and continue to reside in the Houston region as a result of Hurricanes Katrina and Rita. Under this amendment, the City of Houston will utilize $40 million towards multi-family housing rehabilitation and housing safety services, and Harris County will utilize $20 million to meet a variety of public services needs of the evacuee community including medical and case management services.

In summary, the Houston/Harris County plan will:

- Provide safe, sanitary affordable housing for displaced evacuees including evacuees with special needs;
- Implement a coordinated housing safety program to promote community development and decrease crime in communities where evacuees have resettled;
- Address costs incurred in providing necessary emergency and non-emergency medical services provided to evacuees immediately following the disasters and months thereafter;
- Provide necessary crisis counseling and case management to evacuees who continue to face extreme transition emergencies; and
- Address the public service needs of special populations.

BACKGROUND

In response to Hurricane's Katrina and Rita, the Houston region received over 200,000 evacuees in September 2005. At first, evacuees were housed within shelters, homes, and hotels within the City of Houston. By December 31, 2005, approximately 160,000 evacuees remained. Those in organized shelters, churches, private homes, and hotels were moved into apartments, which housed by year-end some 37,000 households representing approximately 110,000 people (Attachment A). Other evacuees in the region found other types of shelter independent of the City-managed and FEMA-reimbursed housing program. In addition, the City and Harris County housed

approximately 3,000 additional households who had existing Section 8 vouchers or had received or continue to receive federal housing assistance.

Based on postal change of address records, by December 31, 2006, the City of Houston remained a home for over 100,000 evacuees. Substantial portions of entire zip codes within Orleans Parish now were making their new lives in Houston. Since the United States and this region have encouraged able-bodied evacuees to seek work and students to attend school wherever they choose to live, and since little progress has been made on reconstructing the 204,000 housing units destroyed in Louisiana, Houston will be the home for a number of evacuees for the foreseeable future.

The City of Houston, Harris County and various social service agencies working with evacuees understand well the needs and priorities of evacuees who are reconstructing their lives in this community. The most critical needs are for affordable housing and safety.

According to periodic Zogby surveys of evacuees participating in FEMA-subsidized housing programs, tens of thousands of the evacuees still living in the region rented before the hurricanes, continue to rent, and will have difficulty affording housing after the end of FEMA assistance.

Houston and Harris County take some pride in our efforts to encourage evacuees back into the mainstream of our nation's life, rather than segregating these citizens in particular apartment complexes or makeshift trailer camps. So, the most cost-effective use of CDBG funds is to address the incremental need for affordable rental units and housing safety services caused by a rise in population in the areas where a high concentration of the evacuees have chosen to live.

USE OF ACTION PLAN FUNDING
ANTICIPATED ACCOMPLISHMENTS
Accomplishments resulting from this Action Plan will include enhanced safety, public services and sheltering in low- and moderate-income areas where it can be clearly demonstrated that the population has seen a dramatic population increase due to an influx of Katrina evacuees. Houston and Harris County anticipate that low to moderate income (LMI) individuals will be the primary beneficiaries of the program. Under HUD program guidelines, LMI beneficiaries are part of households that earn less than 80 percent of the area median family income.

NATIONAL OBJECTIVE
Under the Action Plan, all eligible activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, primarily benefit LMI persons). Pursuant to explicit authority in the Department of Defense Appropriations Act, 2006 (Public Law, 109=148, approved December 30, 2005), HUD is granting an overall benefit waiver that allows for up to 50 percent of the grant to assist activities under the urgent need or prevention or elimination of slums and blight national objectives, rather than the 30 percent allowed in the annual

CDBG program. The primary objective of Title I of the Housing and Community Development Act and of the funding program of each grantee is the "development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income." The state goes on to set the standard of performance for this primary objective at 70 percent of the aggregate of the funds used for support of activities producing benefit to low and moderate-income persons. Since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the 70 percent overall benefit requirement, leaving a 50 percent requirement, to give grantees even greater flexibility to carry out recovery activities within the confines of the CDBG program national objectives. The National Objective that will be met with this spending will be the addressing of slum and blight, meeting an urgent need, as well as benefits accruing to low- to moderate- income persons making less than 80% of Area Median Income. The high priority of rehabilitation and reconstruction of affordable rental units and community development programs to increase the safety in those complexes and their surrounding areas is demonstrated by this plan amendment. All of the City of Houston spending will be allocated to affordable rental housing programs in areas where it can be demonstrated that the population has seen a dramatic population increase due to an influx of Katrina evacuees. Harris County programs will primarily target low- and moderate-income persons who are Katrina or Rita evacuees.

GENERAL USE OF FUNDS AND FUNDING ALLOCATION

The City of Houston and Harris County will use the following funding allocation to prioritize the use of funds based on the highest observed needs.

Activity	**Primary National Objective Addressed**	**Additional Objectives Established in the *Federal Register****	**Available Funding for Activity**	**% Plan Funding**
Neighborhoods To Standard Program	Address slum and blight, LMI Benefit	Rehabilitation of the affordable rental housing stock	$20,000,000	
Multi-Family Apartment Community Liaison Program	Address slum and blight, LMI Benefit		$20,000,000	
Evacuee Public Services: Housing Safety Program-Expanded public services to incarcerated evacuees	Urgent Need, LMI Benefit		$20,000,000	

Evacuee Medical Services Katrina Crisis Counseling Program Youth Offender Services				
Total Plan Amendment Funding			$60,000,000	

*As established by the "Action Plan additional elements" requirement included in the *Federal Register* notice, the activity addresses one or more of the identified additional elements below described.

"b. The grantee's overall plan for disaster recovery will also include:

(i) An explanation of how the State will give priority to the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisting housing, a description of the activities the State plans to undertake with grant funds under this priority, and a description of the unique challenges that individuals with disabilities face in finding accessible and affordable housing/

(ii) *An explanation of how the State will give priority to infrastructure development and rehabilitation, and description of the infrastructure activities is plans to undertake with grant funds; and*

(iii) *An explanation of how the method of distribution or use of funds described in accordance with the applicable notices will result in the State meeting the requirement that at least 19.3311 percent of its allocation under this notice shall be used for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas."*

OVERARCHING ACTIVITY ELIGIBILITY REQUIREMENTS

This Action Plan Amendment outlines the City of Houston's and Harris County's framework for allocating funding as guided by the requirements published in the *Federal Register* (Vol. 71, No. 209) on October 30, 2006. Unless otherwise stated in the *Federal Register*, statutory and regulatory provisions governing the CDBG program, specifically 24 CDF Part 570 Subpart I, apply to the use of these funds. All activities must be eligible CDBG activities according to 24 CFT Part 570 Subpart I, except as waived by HUD, must meet requirements for disaster recovery funding cited throughout this document, and must meet at least one of the three national objectives.

As noted in the *Federal Register*, under the law *"…the funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency or the Army Corps of Engineers. Further, none of the funds made available under this heading may be used by a State or locality as a matching requirement, share, or contribution for any other Federal program."* This will be a key requirement that will be monitored by TDHCA throughout every stage of the program.

ELIGIBLE ACTIVITES UNDER THE SPECIFIC FUNDING PRIORITIES

As stated in the *Federal Register, "the appropriations statute requires funds be used only for disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to the consequences of hurricanes in the Gulf of Mexico in 2005. The statute directs that each grantee will describe in its Action Plan for Disaster Recovery how the use of the grant funds gives priority to infrastructure development and rehabilitation and the rehabilitation and reconstruction of the affordable rental housing stock including public and other HUD-assisted housing."* The following specific activities have been identified by the City of Houston and Harris County to be carried out to meet the priority needs of evacuees who reside in the Houston/Harris County area.

THE STRATEGY BEHIND HOUSTON'S REQUESTS

Housing

Houston's use of $20 million in the CDBG funds for housing will be undertaken in the most cost-effective and market-driven manner. These funds will be plugged into an existing Apartment-to-Standard Program in an area where a large number of evacuees have chosen to live. The rehabilitation of existing multi-family housing stock at approximately $20,000 per unit can be implemented much more quickly and cost-effectively than the construction of new apartments. By increasing the supply of affordable housing units in an area, we increase the availability of good quality housing at a reasonable price point available to evacuees.

The best way to target housing assistance for an evacuee population will be to concentrate this assistance in the geographical submarket within Houston where the highest concentration of evacuees have chosen to reside and get on with their lives. (See Attachment A.) Specifically, Houston will target the funds in and around the Fondren/Southwest area, the geographical area south of IH 59 outside Loop 610, in the southwest part of the City. In that area, public school enrollment increased by 2,840 students between September 2005 and January 2006.

Housing Safety

The $20 million intended for housing safety efforts in and around multi-family complexes is based on similar principles. Violent crime rose dramatically in multi-family complexes located within four Police Districts that contain the high percentages of evacuees. Murder rose 62%, rape rose 20 %, robbery rose 3%, and aggravated assault

rose 20% in multi-family complexes in these districts. These figures do not include crime that spilled over into the neighborhoods near these hot zones. (Attachment B).

Recognizing the unusual and extraordinary nature of Houston's response to the evacuees, both FEMA and the Department of Justice funded programs to deploy overtime police officers in areas with high concentrations of evacuees. These special overtime programs funded by Department of Justice grants and FEMA have proven to be highly effective means for improving the safety of residents, as crime rates dropped sharply after the implementation of these programs. The housing safety program must be extended while evacuees remain since housing safety is a direct function of population and density.

Crime analysis by the Houston Police Department has shown that residents of lower-income, multi-family apartment complexes are disproportionately the victims of violent crime. This CDBG program will provide an officer liaison for fifty apartment complexes located primarily in Police Districts in the Fondren/ Southwest, west, and Greenspoint areas where a concentration of evacuees reside and a disproportionately high rate of violent crime has developed. The program is intended to decrease the number of crime incidents in and around multi-family apartment complexes in these districts. Overtime police programs previously funded by Justice and FEMA have allowed deployment of more officers into these hot spots, making numerous arrests, and heading off what would have been an even more shocking rise in the violent crime rate. Houston continues to shelter more than 100,000 persons displaced by Hurricane Katrina. *Safe* housing remains a need for these evacuees.

TIMING

Houston requests prompt action on the disbursement of these funds. For housing safety, prompt approval of this request and disbursement of these funds is necessary to continue overtime programs after July 1, 2007.

As described in the more detailed section of this request dealing with the multi-family program, request for proposals have already been made for apartment improvements in areas with high concentrations of evacuees. The City of Houston requested assistance from TDHCA, in writing, during the first 60 days of the evacuation, September-October 2005. We highlighted that construction timetables require prompt action to allow sufficient rehabilitation and repair of multi-family housing units. Since no assistance was forthcoming, many of the units with heavy evacuee populations have deteriorated significantly since that time. The reimbursement rates based on HUD Section 8 formulas did not provide sufficient incentive for many landlords to invest in the rehabilitation of this housing stock. Rising insurance rates and utility bills which could not be passed along to renters have further jeopardized the potential supply of habitable multi-family housing stock. Construction must begin as soon as possible.

Housing - Neighborhoods to Standard Program - Katrina Target Area

Funding in the amount of $20,000,000 shall be made available to developers, both for- and not-for-profit, to rehabilitate apartment units in low-moderate income areas of the city. The City's Department of Housing and Community Development (HCD) opened a Request for Proposals (RFP) for the citywide Neighborhoods to Standard Program in February 2007. This RFP invited developers, both for- and not-for-profit, to rehabilitate apartment units in any low-moderate income area of the city. Under the Katrina component, extra credit will be given for units located in the Fondren/Southwest Freeway target area where the population has seen a particularly dramatic increase due to an influx of Katrina evacuees. (Attachment A shows, however, that the population of evacuees has significantly impacted several parts of the city besides the target area.)

The Neighborhoods to Standard program seeks to rehabilitate a substantial number of units in each target area. Assuming an average of $20,000 invested per unit, this will improve 1,375 units and provide an opportunity for safer, more sanitary shelter including special needs. All approved projects will be subject to all HUD requirements for projects. This includes relevant fair housing, nondiscrimination, labor standards, special needs and environmental requirements.

Eligibility Requirements

The program is limited to developments that satisfy all of the following conditions.

1. Assisted units in areas where population within the area significantly increased due to an influx of Katrina evacuees.
2. A private sector partner with a 20-year useful life of the property following the rehabilitation.
3. A solid track record of accomplishment in real estate development and management.

Requirements for Receiving Assistance

In exchange for accepting funding assistance, each applicant must agree to the following requirements.

1. To assure that the assisted housing is as affordable as possible and is occupied by families with appropriate incomes, a land use restriction agreement must be recorded that establishes appropriate low to moderate rent and income limits for the period of years required by HUD regulations. All assisted units will comply with rent restrictions for 15 years post-rehabilitation.
2. All construction will be in accordance with local municipal code.
3. Maintenance of 100 percent insurance coverage on replacement values of the property for all hazard types will be required.
4. All approved projects are subject to all HUD requirements for projects. This includes relevant fair housing, nondiscrimination, labor standards, and environmental requirements.

Grant Calculation
The amount and terms of the loan or grant shall be based on underwriting criteria established in the NOFA. The assistance amount shall be determined through an intensive review of the application by the City of Houston Department of Housing and Community Development as outlined in the existing Neighborhoods to Standards Request for Proposals (RFP). Among other items, this review will specifically assess each application's stated operating proforma, cost estimates, and area rental market conditions to develop the appropriate amount of and structure for the assistance. Applicants are encouraged to leverage other available resources to preserve affordable housing for low and very low-income residents. Primary consideration will be given to redevelopment plans that go beyond unit improvement to include community services, community facilities, area beautification, or school support (such as a community room for tutoring or computers).

Distribution of Funding
Funds will be distributed via contracts with developers approved by the Houston City Council following analysis and underwriting by HCD. Contracts typically call for a developer to be reimbursed for costs related to rehabilitation or reconstruction activities on a monthly basis, with an appropriate retainage withheld. Funds should be completely distributed within 24 months of the contract start date.

Funds under Neighborhoods to Standard are to be used for hard costs only. Interest, developer's fees, and other such "soft" costs will not be funded with this grant.

Housing Safety - Multi-Family Apartment Community Liaison Program
Funding in the amount of $20 million will be provided to the Houston Police Department for establishment of a Multi-Family Apartment Community Program. The funds will be utilized to procure equipment and supplies to support the program and to staff the program with officers on overtime.

The Multi-Family Apartment Community Program is designed to address the needs of low to moderate income residents residing in multi-family apartment communities where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees. Health, public safety and overall quality of life issues in these multi-family communities not only affect the residents who reside in the multi-family communities, many of whom are Katrina evacuees, but directly impact the surrounding neighborhoods and educational institutions. Through the program's direct involvement of residents within the designated multi-family communities, the Houston Police Department's goal is to reduce crime as well as fear of crime, and actively involve residents in the process of developing strong bonds to their community.

The objectives of the program are to:

I. Develop a working team between apartment management, residents and law enforcement officers tasked with developing collaborative crime fighting strategies in multi-family communities.

II. Create, implement and facilitate long-term strategies to address crime, housing safety, and quality of life issues affecting residents of multi-family residential properties in low to moderate income neighborhoods where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees. Strategies will be tailored to individual complex needs and issues.

In order to achieve these objectives, the Program will be implemented across two distinct phases. In Phase I, liaison teams will be deployed to each of fifty multi-family residence properties that have been identified as housing a large proportion of evacuees from Hurricanes Katrina and Rita and having high levels of crime.

During Phase I of the ACLP housing safety program, officers will engage in community outreach, resident education, law enforcement and development of management strategies to lower crime rates and enhance housing safety and quality of life on the multi- family properties. The program will enlist the residents' active involvement in identifying, prioritizing and addressing housing safety and quality of life issues in their community.

Phase II will require property management and resident volunteers to assume responsibility for the on-property program and to coordinate with the HPD Citywide Apartment Community Liaison coordinator. The coordinator will provide organizational skills, direction, and analysis of crime trends and educational resources. In addition, the coordinator will schedule regular meetings in the affected multi-family communities to assess community needs and provide feedback to the department.

The Houston Police Department's Multi-Family Administrative Unit will coordinate the Program.

Eligibility Requirements
Only multi-family apartment complexes in low to moderate income neighborhoods where it can be clearly demonstrated that the population within the area has seen a dramatic increase due to an influx of Katrina evacuees are eligible. Data from the FEMA Housing Assistance Program has been used to identify qualifying apartment complexes. Among the qualifying complexes, properties within Master Police Districts with concentrations of high violent crime will be designated for the ALP program. (See Attachment C.)

Distribution of Funding
Funds will be distributed to the Houston Police Department for implementation of the program.

THE STRATEGY BEHIND HARRIS COUNTY'S REQUESTS

Harris County's use of the CDBG recovery funding will address a myriad of public service needs for evacuees who remain in the area. Following the advent of the 2005 disasters, the area's public service systems experienced extreme increases in demand for service. Most notably, the United Way reported a 56% increase in inquiries for services in 2005 over requests for services in 2004. Additionally, other programs expended significant resources in the provision of services to a significant number of evacuees while also continuing services to Harris County residents; specifically, MHMRA's Katrina Crisis Counseling program served more than 39,000 evacuees through December 2006, the Harris County Hospital District opened more than 35,000 inpatient and outpatient cases for evacuees through December 2006, and the Harris County Juvenile Probation Department served more than 470 evacuee youth in its facilities through August 2006.

Published reports on the impact of the Gulf Coast hurricanes of 2005 on the Houston/Harris County area have stated that as many as 380,000 persons sought refuge following these storms in this area. While many stayed temporarily or had resources that allowed them to re-establish permanently in the area, a significant portion of this population continue to remain in the area because they have little or no resources to allow them to move elsewhere or return home. This is demonstrated by Census Bureau data that reported a decrease to Harris County's median household income from 2005 to 2006 partially attributed to the influx of low-income persons who remain in the area. Furthermore, the home communities of many of these persons have not yet recovered to offer sufficient services and affordable housing to return to. Thus, Houston/Harris County continues to be the home of a low-income, disadvantaged, and displaced population who are in need of services and resources necessary to sustain a fair quality of life as well as address the myriad of issues that linger as a result of the initial disaster. Many of these persons have lost permanent housing and continue to be housed in the temporarily extended Federal Emergency Management Agency (FEMA) housing program

Houston and Harris County did not hesitate to provide services to meet the increased demand by evacuees. With this request, Harris County plans to expand services and continue to meet the increased demand while continuing its level of service for permanent Harris County residents. With this funding, the area's capacity to serve will increase and more evacuee needs will be met.

The use of recovery funds for this purpose will require a waiver of the public services cap requirement. The County also requests that use of these funds be expedited to ensure gaps in service do not occur. The County proposes funding four public service programs more fully described below.

DRAFT

Table 1. Funding Summary-Proposed Harris County Projects

Harris County Proposed Projects	National Objective	Proposed Accomplishments	Amount Allocated	Percent of Harris County Portion
Evacuee Public Services:				
Coordinated Housing Safety Program- Multi-Family Community Liaison Program (City-County Joint Program)	LMA	20,000 Persons	$6,707,000	33%
Evacuee Medical Services (HCHD)	LMC/ Urgent Need	35,515 Persons	$6,285,000	32%
Continuation of Katrina Crisis Counseling Program (MHMRA)	LMC	30,000- 40,000 Persons	$3,550,000	18%
Youth Offender Services	LMC	700 – 800 youth	$3,458,000	17%
Harris County Total			**$20,000,000**	

Coordinated Housing Safety Program-Multi-Family Community Liaison Program

Funding in the amount of $6,707,000 will be used to provide expanded public services through the Coordinated Housing Safety Program with the City of Houston. Harris County's participation in the Coordinated Housing Safety Program, more fully described under the City of Houston's Multi-Family Community Liaison Program, will be limited to expanded services to evacuees arrested as a result of the increased security and public safety efforts in the identified target apartment complexes. The County will provide expanded services to such evacuees by contracting for additional bed space for treatment of substance abuse and mental health issues to reduce the recidivism rate of evacuees who are arrested and incarcerated. The County will add 144 beds specifically for substance abuse and mental health treatment of inmates who are evacuees. Additionally, the County will hire by contract six (6) reintegration counselors to re-establish eligibility in Social Security Income (SSI) programs, Medicaid, Mental Health Mental Retardation Authority (MHMRA) programs, housing and other similar programs to ensure continuity of services upon release from jail. Based on 2006 statistics, the Harris County correctional facilities processed an estimated 3,600 evacuees through its system. It is anticipated that approximately 20,000 evacuees will be incarcerated in the County jail as a result of the proposed Multi-Family Community Liaison Program.

Table 2. Coordinated Housing Safety – Expanded Service Costs

Service Type	Beds	Annual Cost	Term	Total Estimated Cost
Substance Abuse Beds	96	293,500	2 years	587,000

Mental Health In-Patient	48	2,800,000	2 years	5,600,000
Case Management Reintegration Counselors (6)	-	260,000	2 years	520,000
Total	**144**	**3,353,500**		**6,707,000**

National Objective
This activity will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements
Evacuees who receive expanded services through Harris County under the Coordinated Public Safety Program must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita;
- Evacuee must assessed as a substance abuser and/or suffer with mental health issues.

Distribution of Funding
Funding under this program will go towards payment of contract services to provide additional substance abuse treatment, mental health treatment beds and reintegration counselors/case managers.

Evacuee Medical Services-Harris County Hospital District
Funding in the amount $6,300,000 will be provided to the Harris County Hospital District (HCHD) to recover unreimbursed costs associated with the provision of emergency and non-emergency medical services to evacuees.

When news of Hurricane Katrina's approaching landfall in Louisiana broke in late August 2005, Texas became the main destination for hundreds of thousands of people fleeing the advancing storm. For many of those left behind in New Orleans, their only refuge was within the Louisiana Superdome. Following the storm's passing, Houston and Harris County's planned evacuation of more than 20,000 people during the renowned dome-to-dome transfer captured the nation's imagination and helped achieve a new level of local civic pride. More than 16 months later, more than 100,000 evacuees continue to call Texas home, and the impact of this mass exodus continues to be felt in our community and by the Harris County Hospital District.

The Harris County Hospital District's unprecedented two-week operation of the Astrodome Health Clinic at the Reliant Complex from September 1-15, 2005 was one of its proudest moments and remains a shining example of HCHD's employee and medical staff's can-do attitude. Marshalling the full extent of its resources, HCHD staff and physicians from its medical school partners established a fully operational field hospital within 18 hours, accepting its first patients during the early morning hours of September 1, 2005.

Clinical operations, staff and physical structure grew approximately four times in size during the first 72 hours while patient treatment continued. The clinic space expanded from its initial 20 exam rooms to 90 exam rooms by the fourth day. In all, the Astrodome Health Clinic operated by HCHD accounted for more than 11,000 patient visits, 10,000 prescriptions and 10,000 tetanus shots to Katrina's evacuees. Through December 2006, the Hospital District has provided health care for more than 35,000 evacuee patient visits in its facilities, including 507 admissions to its hospitals.

The cost of providing medical services to the evacuees was a significant expense for the Hospital District to bear. HCHD received only $3 million in payments, less than 32.3 percent of its estimated costs.

Table 3. Harris County Hospital District-Katrina Patients

Service Type	Cases	Charges	Cost	Total Payments Received	Cost Less Total Payments Received
In-Patient	507	7,652,631	4,356,706	2,117,639	2,239,068
Out-Patient	24,754	6,869,482	3,311,980	660,791	2,651,188
Take Home Drugs	10,254	1,529,735	735,688	115,036	620,652
Total Patient Services	**35,515**	**16,051,847**	**8,404,374**	**2,893,466**	**5,510,909**
Astrodome Clinic			883,103	109,487[1]	773,616
Grand Total	**35,515**	**16,051,847**	**9,287,477**	**3,002,952**	**6,284,525**

National Objective

At least twelve percent of costs associated with eligible activities will be documented as meeting the CDBG National Objective of Urgent Need, as these costs were expended on emergency medical services provided to evacuees during the critical hours immediately following the disaster on September 1-15, 2005. The remainder the costs associated with eligible activities will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements

Since medical services may be necessary for evacuees of varying income levels, the services provided under this program to evacuees after September 15, 2005, will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees who receive expanded medical services through the Harris County Hospital District must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);

[1] Amount reimbursed by FEMA.

- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding
Funding under this program will be used to reimburse the Harris County Hospital District for documented emergency and non-emergency medical costs.

Katrina Crisis Counseling Program
Funding in the amount of $3,550,000 will be provided to the Mental Health Mental Retardation Authority of Harris County (MHMRA) for the continuation of the Katrina Crisis Counseling Program (KCCP) for a period of 19 months.

In September 2005, upon the arrival of the evacuees to the Harris County area, MHMRA immediately organized and provided leadership and staffing for emergency psychiatric services at the Mega Shelters (Reliant Center/Arena and George R. Brown Convention Center) and Disaster Recovery Centers ("DRC's"), utilizing about 100 MHMRA employees. In addition to individuals with mental health needs, MHMRA served children, seniors, and individuals with mental retardation who were also particularly impacted. MHMRA coordinated emergency services with City, County, State and Federal officials, medical provider networks, Social Work schools, and other service providers.

This immediate local response grew into what became known as the Katrina Crisis Counseling Program that opened for operation in October 2005 with funding through the Texas Department of State Health Services. The KCCP was organized to provide longer term crisis counseling to Katrina survivors as temporary relocation grew into longer term displacement. KCCP staff assumed crisis counseling service provision at the Disaster Recovery Centers (DRC's) and throughout the community immediately after they were hired and trained. Contract services include: Individual Crisis Counseling, Group Crisis Counseling, Outreach, Screening and Assessment, Grief and Loss Counseling, Stress Management, Education and Information, Referrals to longer term, more formal mental health and/or substance abuse treatment (Narcotics Anonymous and Alcoholics Anonymous), Referrals to other service agencies (FEMA help-line, Voluntary Organizations Active in Disaster, Salvation Army, Red Cross, Interfaith, Unmet Needs), Networking and Collaboration with community leaders and public officials, regarding the disaster.

During 2006, the KCCP delivered more than 35,000 crisis counseling sessions, provided more than 4,400 crisis counseling sessions by phone, and made more than 1,700 mental health referrals.

In December 2006, funds from the Texas Department of State Health Services ended and MHMRA agreed to continue the program through a phase-down plan that would end all services within six months and hopefully setup in-kind collaborations with other services providers for the benefit of evacuees still facing crisis. In lieu of phasing down the program, Harris County proposes to continue the program with CDBG recovery funds to

assist between 30,000 to 40,000 individuals and provide the necessary emotional closure to set them on a path of to developing self-sufficiency and integration into the Houston/Harris County community or resettling back to their home communities. We anticipate this program continuing for another 19 months with full closure within 24 months of receipt of grant funds.

National Objective
This activity will meet the CDBG National Objective of primarily benefiting low and moderate-income persons.

Eligibility Requirements
Since crisis counseling may be necessary for evacuees of varying income levels, the services provided under this program will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees who receive services through the Katrina Crisis Counseling Program must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding
Funding under this program will go towards payment of salaries, supplies, and professional fees and services necessary to continue services to evacuees served under this program.

Youth Offender Services
Approximately 17 percent of Harris County's funding will be used to provide expanded services to juvenile offenders who are evacuees and have been placed under the supervision of the Harris County Juvenile Probation Department.

The Harris County Juvenile Probation Department (HCJPD) provides protection to the public and provision of services to youth referred for violations of the law. As mandated in the Texas Juvenile Justice Code, the department provides services including treatment, training, rehabilitation and incarceration while emphasizing responsibility and accountability of both parent and child for the child's conduct and offering the most opportunities for those youth who demonstrate the greatest potential for positive change. In part to achieve this mission, HCJPD provides a variety of additional social services not mandated by law to youth offenders under their supervision. Such services include but are not limited to mental health assessments, crisis intervention, individual and family counseling, tutorials, educational workshops and residential treatment including acute psychiatric care services. Through August 2006, HCJPD had admitted to its facilities and provided services to 472 youth who were evacuees to Harris County at a cost of approximately $1.2 million. In addition to these services, HCJPD contracts for space at the Harris County Psychiatric Center (HCPC) for 16 service beds for youth that have acute psychiatric needs that cannot be addressed in other residential treatment facilities.

In 2005, 124 Harris County youth received services at HCPC. With the advent of the disasters of late 2005, HCJPD had to give up critical bed space for Harris County youth at HCPC for eight youth who evacuated to the Harris County area. In an effort to meet the service needs of these youth while also maintaining the level of service required to serve Harris County youth, CDBG recovery funding will be set-aside to fund expanded HCJPD services to evacuee youth offenders and to contract space for four (4) beds at HCPC for evacuee youth in need of such services during the next 24 months.

Eligibility Requirements

Since youth from households of varying income levels may need the services of the HCJPD, the services provided under this program will not be restricted to only low-income persons; however, at least 51 percent of all persons served through this program will be of low and moderate income. In general, evacuees processed through the HCJPD under this program must meet the following eligibility criteria:

- Evacuees must provide proof of household income (at least 51 percent of the persons served will have incomes within the applicable income limits);
- Evacuee status must be documented via FEMA eligibility, or other documents proving displacement as a result of the Hurricanes Katrina or Rita.

Distribution of Funding

Funding under this program will go towards payment of salaries, supplies, and professional fees and services necessary to provide services to youth evacuees and to pay contract costs to reserve beds at the Harris County Psychiatric Center.

City/County Administration Funds

It is proposed that the City and County retain up to five percent of it's the designated allocation, for City and County administrative activities.

Implementation

Harris County and City of Houston will implement the activities of this Action Plan consistent with each jurisdiction's standard grants management policies and procedures used in management of CDBG entitlement funds. Contracts will include all required clauses. Each governmental entity shall implement a monitoring program to ensure that subrecipients of CDBG recovery funds carry out their activities in accordance with the respective regulations and agreements. Specific areas of subrecipient operations that will be reviewed include financial performance, project timeliness, record-keeping procedures and compliance with federal regulations and applicable program guidelines. Subrecipients will be continually assessed to determine organizational ability to carry out approved projects. Where potential problem areas are found, technical assistance and training will be provided.

On- Site Monitoring

Harris County will be responsible for on-site monitoring of its proposed projects and the City of Houston will be responsible for monitoring its projects proposed under this Action Plan. Site visits will be to monitor program progress. The purpose of an on-site monitoring program is to determine if a subrecipient is carrying out its program activities

as described in the application for assistance and the written agreement. On-site monitoring is also used to ensure that required records are maintained to demonstrate compliance with applicable regulations. Subrecipients that present the greatest vulnerability to fraud, waste and mismanagement are monitored within the resources available. Risk factors that will be used to determine frequency of monitoring will include:

- Subrecipient experience with CDBG program or other federal grants;
- Subrecipient staffing, to include turnover and key staff experience;
- Previous compliance or performance problems;
- Nature of activity (housing, economic development; relocation, acquisition); and
- Scope of program.

Agencies are notified in writing of any findings resulting from monitoring visits and are given a date by which all findings are to be addressed, as well as corrective actions that must be taken to address the findings. The monitoring letter also addresses concerns and makes recommendations for improvement. Harris County and the City of Houston will use its established procedures and will incorporate any additional requirements on an as-needed basis.

Amendments

Each entity will follow its guidelines for amendments as published in its local Consolidated Plan.

Citizen Participation

Citizen participation is critical to any successful planning effort. The City of Houston and Harris County have kept in close contact with citizens regarding the needs of evacuees. The City of Houston Mayor's Office initiated weekly Monday morning meetings at the George R. Brown Convention Center immediately following the disaster. Such meetings have continued on a periodic basis through the current date. This action plan was developed based on input from those meetings.

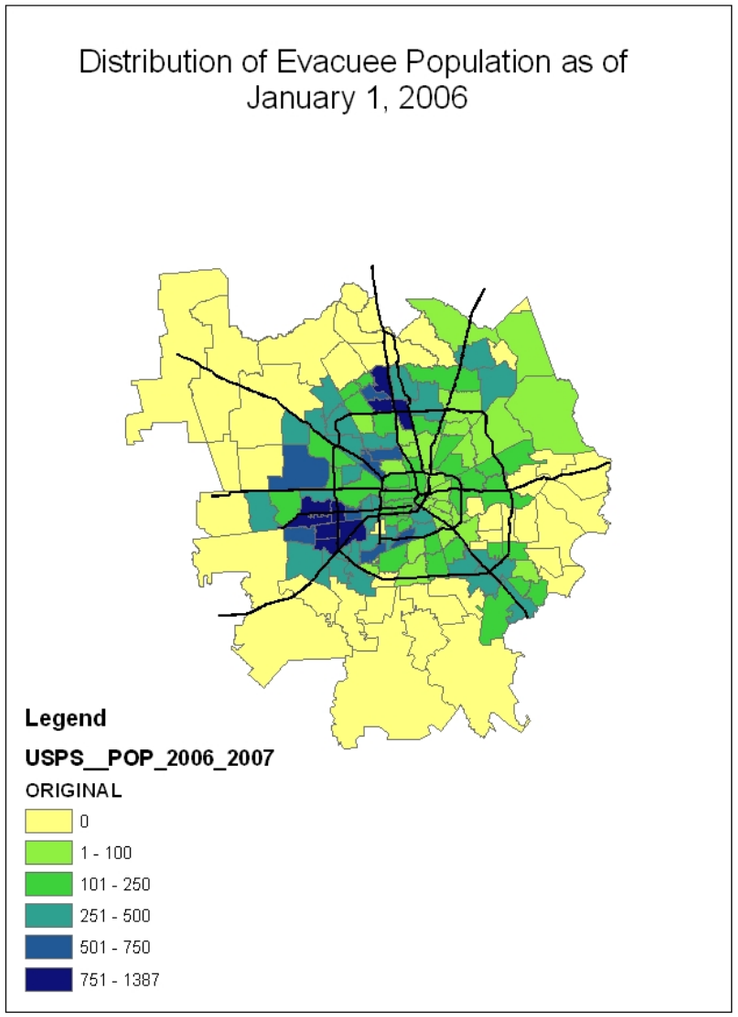
Public Comment Period and Public Hearings

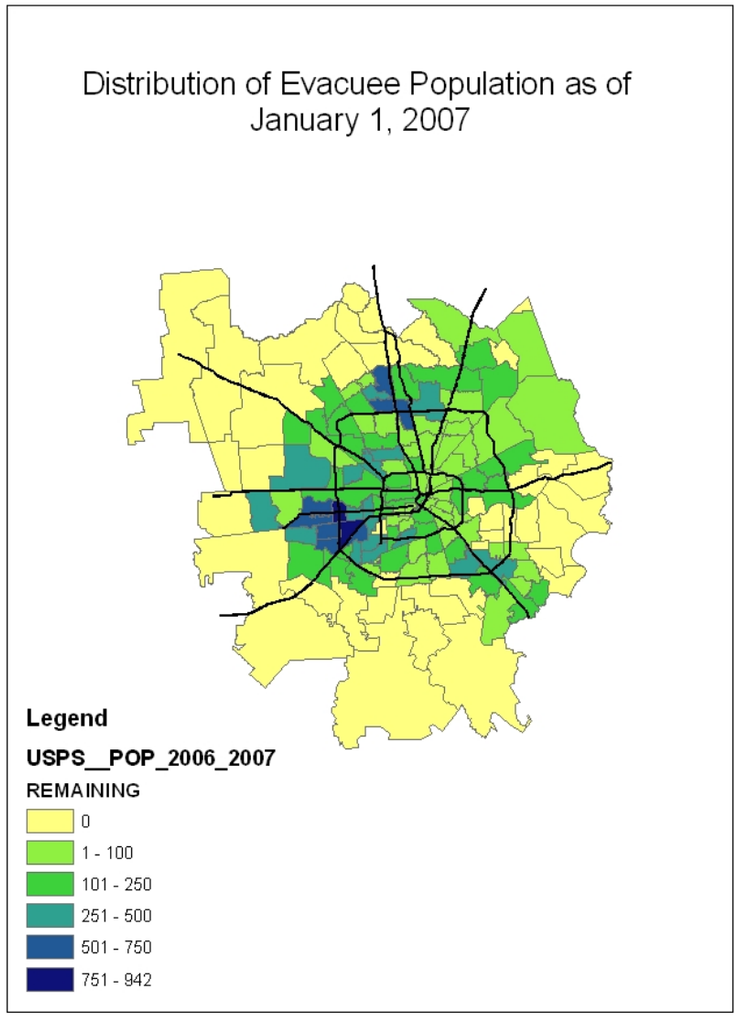
The public was given an opportunity to review the Houston/Harris County Joint Action Plan for use of CDBG recovery funds during a 15-day public review period which began on April 4, 2007. The Joint Action Plan was made available via the City of Houston's and Harris County's websites. A public notice summary including a list of projects and proposed expenditures was placed in the Houston Chronicle on the April 4, 2007. The general public was notified of the public hearing and the availability of the draft document for public review. A public hearing is scheduled for April 16, 2007.

A summary of any comments received during the public comment period, reasoned responses and any changes that resulted from such comments will be added to the Joint Action Plan.

Waivers Requested

During development of this Action Plan, the City of Houston and Harris County identified issues requiring waivers from HUD to address specific needs of the evacuee population. A copy of our waiver request is attached at Exhibit A to this Plan.

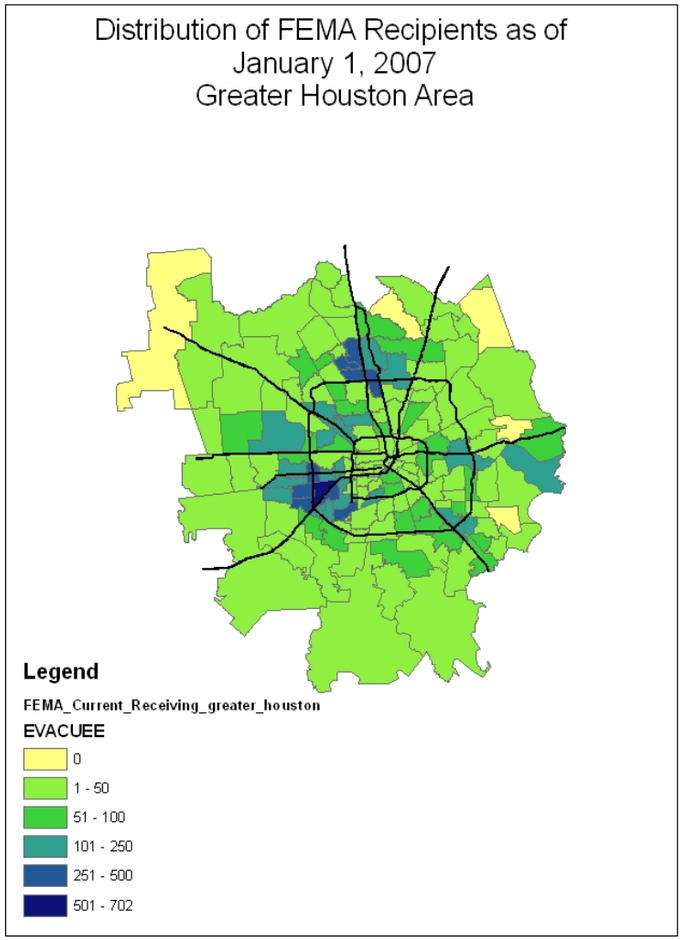


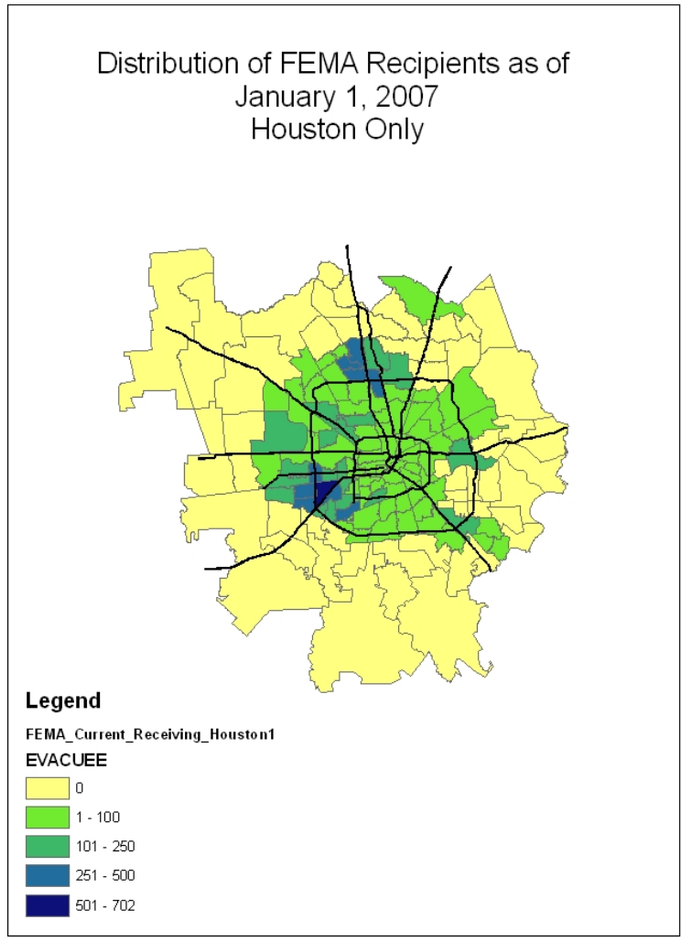


Displayed are two maps showing the distribution of evacuees residing within the City of Houston.

The map on the left shows the distribution of evacuee households by zip code, as of **January 1, 2006**. Yellow indicates that zero evacuee households live within the city's zip codes. Dark blue indicates that over 750 households live within the zip code.

The map on the right shows the latest distribution of evacuee households by zip code, as of **January 1, 2007**. Yellow indicates zero evacuees live within the city's zip codes. Dark blue indicates that over 750 evacuees live within the zip code.





Displayed are two maps showing the distribution of current FEMA recipients.

The map on the left shows the distribution of FEMA recipient households by zip code, as of **January 1, 2007,** for the greater Houston area. Yellow indicates that zero evacuee households live within the zip code. Dark blue indicates that over 500 households live within the zip code.

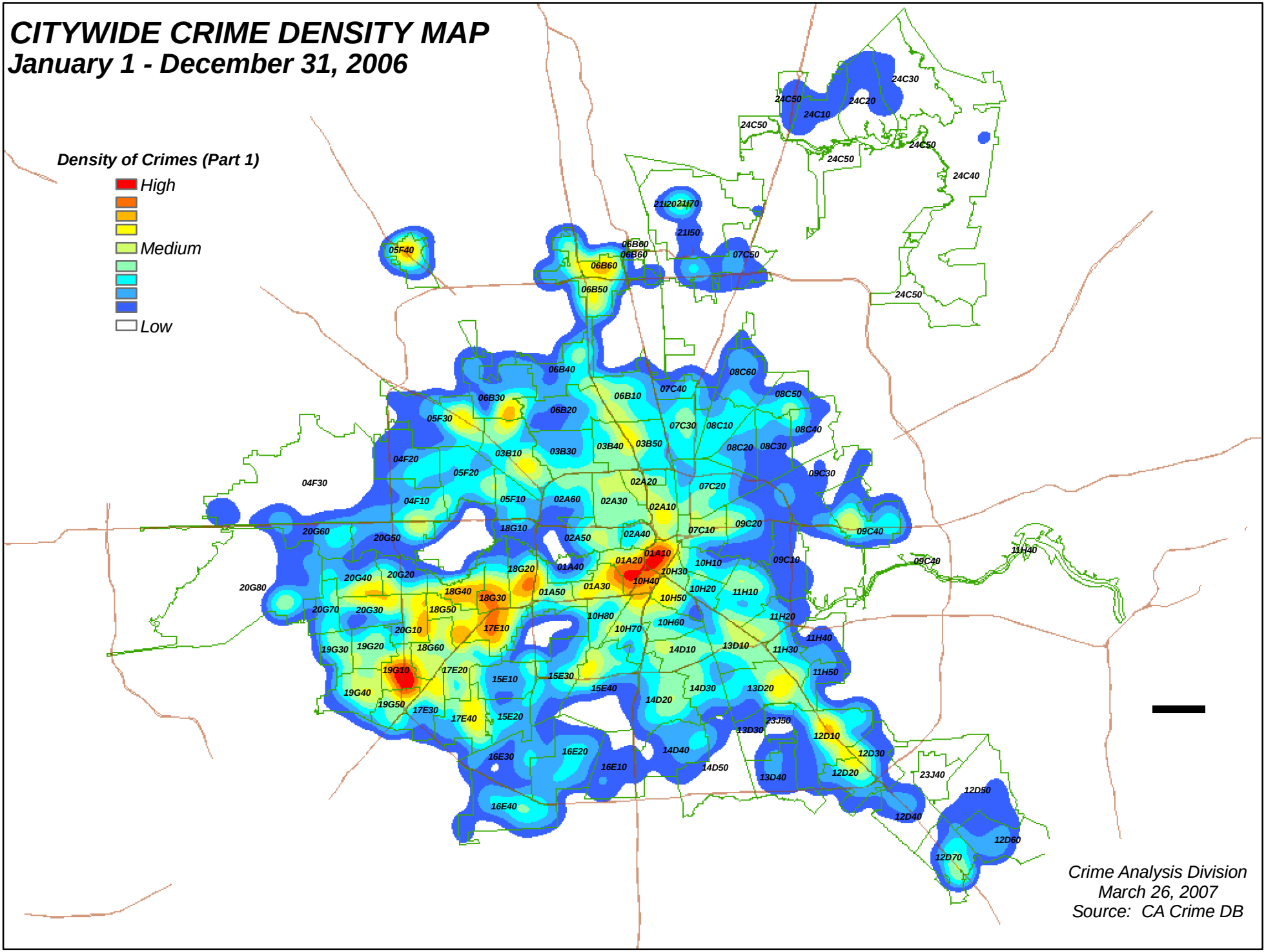
The map on the right shows the distribution of FEMA recipient households by zip code, as of **January 1, 2007,** within the Houston city limits. Yellow indicates zero evacuees live within the zip code and dark blue indicates over 500 evacuees live within the zip code.

Attachment B:

Crime in Apartment Complexes within Police Districts 6, 17, 19, 20. Reported for One Year Berfore and One Year After September 1, 2005					
District	**Time Span**	**Murder**	**Rape**	**Robbery**	**Agg. Assault**
6	Sep. 1, 2004 - Aug. 31, 2005	10	30	281	216
	Sep. 1, 2005 - Aug. 31, 2006	9	30	372	222
	2004/2005 vs 2005/2006	-1	0	91	6
17	Sep. 1, 2004 - Aug. 31, 2005	17	29	492	248
	Sep. 1, 2005 - Aug. 31, 2006	26	41	466	278
	2004/2005 vs 2005/2006	9	12	-26	30
19	Sep. 1, 2004 - Aug. 31, 2005	16	27	322	137
	Sep. 1, 2005 - Aug. 31, 2006	29	32	342	207
	2004/2005 vs 2005/2006	13	5	20	70
20	Sep. 1, 2004 - Aug. 31, 2005	4	25	332	109
	Sep. 1, 2005 - Aug. 31, 2006	12	30	293	144
	2004/2005 vs 2005/2006	8	5	-39	35
Total	Sep. 1, 2004 - Aug. 31, 2005	47	111	1427	710
	Sep. 1, 2005 - Aug. 31, 2006	76	133	1473	851
	2004/2005 vs 2005/2006	29	22	46	141
Percentage Change 2004/2005 vs 2005/2006		**62%**	**20%**	**3%**	**20%**

The number of Crime Events are counted, not the number of victims.
Domestic Violence is not included within the assualt catagory.

CITYWIDE CRIME DENSITY MAP
January 1 - December 31, 2006



Crime Analysis Division
March 26, 2007
Source: CA Crime DB

BORRADOR

Enmienda al Plan de Acción de Texas para la Recuperación de los Desastres para Usar Fondos de Concesión del Bloque de Desarrollo Comunitario (CDBG) para Asistir con la Recuperación de Áreas Desvastadas Relacionado con las Consecuencias de los Huracanes Katrina, Rita y Wilma en el Golfo de México en 2005 (Plan de Acción).

El Condado de Harris y la Ciudad de Houston han elaborado esta enmienda al Plan de Acción de Texas Parcial para la Recuperación de Desastres (Plan de Acción), aprobado por la Junta del Departamento de la Vivienda y Asuntos Comunitarios de Texas (TDHCA) el 1 de febrero de 2007. El Plan de Acción propuso "que el suministro de fondos por la cantidad de $60 millones se incluyera en esta prioridad de suministro de fondos para servicio público, desarrollo comunitario y actividades de vivienda en áreas (distritos policíacos, escuelas, complejos de apartamentos, vecindarios) compuestos predominantemente de hogares de ingresos bajos a moderados y donde se pueda demostrar claramente que ha habido un aumento dramático de la población dentro del área debido a un aflujo de los evacuados de Katrina." (pág. 14) Según exigido por el Plan de Acción, esta enmienda detalla cómo las prioridades del suministro de fondos cumplirán con los requisitos NOFA de HUD (Departamento de la Vivienda y Desarrollo Urbano), el mecanismo de entrega, la distribución de fondos y otros requisitos de HUD.

La Ciudad de Houston y el Condado de Harris, bajo esta enmienda al Plan de Acción, están proponiendo suministrar fondos que cumplirán las necesidades de personas que se dirigieron y siguen residiendo en la región de Houston como consecuencia de los Huracanes Katrina y Rita. Bajo esta enmienda, la Ciudad de Houston utilizará $40 millones para la rehabilitación de viviendas multifamiliares y para los servicios de seguridad de vivienda, y el Condado de Harris utilizará $20 millones para cumplir con diversos tipos de necesidades de servicios públicos de la comunidad de evacuados, incluyendo servicios médicos y de administración de casos.

En resumen, el plan de Houston/Condado de Harris efectuará lo siguiente:

- Les proporcionará vivienda segura, sanitaria y asequible a los evacuados desplazados, incluyendo a los evacuados con necesidades especiales;
- Implementará un programa coordinado de seguridad de vivienda para fomentar el desarrollo en la comunidad y reducir el crimen en las comunidades donde los evacuados han asentado sus hogares;
- Atenderá los costos incurridos en la prestación de servicios médicos necesarios tanto en casos de emergencia como en los de no emergencia suministrados a los evacuados inmediatamente después de los desastres y en los meses subsiguientes;
- Les proporcionará servicios necesarios de consejería en crisis y gestión de casos a los evacuados que sigan enfrentándose a emergencias transitorias extremas; y
- Atenderá las necesidades de servicios públicos de las poblaciones especiales.

ANTECEDENTES

En respuesta a los Huracanes Katrina y Rita, la región de Houston acogió a más de 200.000 evacuados en septiembre del año 2005. Inicialmente se alojaron a los evacuados en centros de refugios, en hogares y en hoteles dentro de la Ciudad de Houston. Para el 31 de diciembre de 2005, quedaban aproximadamente 160.000 evacuados. Los que se encontraban en centros de refugio, en iglesias, en hogares particulares y en hoteles fueron mudados a apartamentos, donde para finales del año alojaban a 37.000 familias que representaban aproximadamente 110.000 personas (Anexo A). Otros evacuados en la región encontraron otros tipos de refugio independiente del programa de vivienda administrado por la Ciudad y reembolsado por FEMA.

Además, la Ciudad y el Condado de Harris alojaron a aproximadamente 3.000 familias adicionales que tenían comprobantes Sección 8 existentes o que habían recibido o seguían recibiendo asistencia de vivienda federal.

Basado en registros de cambios de dirección postal, para el 31 de diciembre de 2006, la Ciudad de Houston siguió siendo el hogar de más de 100.000 evacuados. Partes considerables de códigos postales enteros dentro de la Parroquia de Orleans (Orleans Parish) se hacían ahora residentes nuevos de Houston. Ya que los Estados Unidos y esta región han animado a los evacuados físicamente capacitados para buscar trabajo y a los estudiantes a asistir a la escuela en los lugares que escogían para vivir y puesto que se ha progresado poco en la reconstrucción de 204.000 unidades de vivienda destruidas en Luisiana, Houston será el hogar de una buena cantidad de evacuados en el futuro previsible.

La Ciudad de Houston, el Condado de Harris y diversas agencias de servicios sociales que trabajan con los evacuados entienden bien las necesidades y prioridades de los evacuados que están reconstruyendo sus vidas en esta comunidad. Las necesidades más críticas son la vivienda asequible y la seguridad.

De acuerdo con las encuestas periódicas de Zogby referentes a los evacuados que participan en los programas de vivienda subvencionada por FEMA, decenas de miles de los evacuados que todavía viven en la región alquilaban antes de los huracanes, siguen alquilando y tendrán dificultades económicas en conseguir alojamiento después de la finalización de la asistencia FEMA.

Houston y el Condado de Harris se enorgullecen de sus esfuerzos de animar a los evacuados a volver a formar parte de la ciudadanía central de nuestra Nación, en vez de segregar a estos ciudadanos en complejos de apartamentos determinados o en campamentos improvisados de casas móviles. Así, la mayoría del uso eficaz y económico de los recursos financieros CDBG es atender la necesidad incremental de unidades de alquiler asequibles y servicios de seguridad de vivienda causados por un aumento de la población en las áreas en que ha decidido vivir una alta concentración de evacuados.

EL USO DE LOS FONDOS DEL PLAN DE ACCIÓN

LOS LOGROS PREVISTOS

Los logros que resulten de este Plan de Acción incluirán la seguridad ampliada, los servicios públicos y el suministro de refugios en áreas de población con ingresos bajos y moderados donde se pueda demostrar claramente que ha habido un aumento dramático de la población debido a la llegada de los evacuados de Katrina. Houston y el Condado de Harris tienen previsto que las personas de ingresos bajos a moderados (los LMI) serán los beneficiarios principales del programa. Según las pautas del programa HUD, los beneficiarios LMI forman parte de las familias que ganan menos del 80 por ciento del promedio de ingresos de la familia.

EL OBJETIVO NACIONAL

Bajo el Plan de Acción, todas las actividades elegibles deben cumplir con uno de los tres objetivos nacionales establecidos en el Acto de la Vivienda y Desarrollo Comunitario (los barrios bajos y la necesidad urgente y emergente benefician principalmente a las personas LMI). De acuerdo con la autoridad explícita en el Acto de Apropiaciones del Departamento de Defensa,

2006 (Ley Pública, 109=148, aprobada el 30 de diciembre de 2005), HUD está concediendo una renuncia general de beneficios que permite hasta el 50 por ciento de la concesión para prestar asistencia a actividades según la necesidad urgente o prevención o eliminación de barrios bajos y objetivos nacionales críticos, en vez del 30 por ciento permitido en el programa anual CDBG. El objetivo principal del Título I del Acto de la Vivienda y Desarrollo Comunitario y del programa de suministro de fondos de cada beneficiario de concesión es el "desarrollo de comunidades urbanas viables mediante el suministro de vivienda decente y un ambiente de vivir adecuado y la ampliación de oportunidades económicas, principalmente para personas de ingresos bajos y moderados." El estado procede a establecer la norma de desempeño para este objetivo principal en un 70 por ciento de la suma global de los fondos utilizados para apoyo de actividades que producen beneficios para las personas con ingresos bajos y moderados. Puesto que los daños extensivos al desarrollo comunitario y a la vivienda afectaron a aquellas personas con ingresos variantes y los puestos de trabajo productores de ingresos se pierden a menudo durante un período después de un desastre, HUD está eliminando el requisito de beneficio general de 70 por ciento, dejando un requisito de 50 por ciento, para darles a los beneficiarios de concesión mayor flexibilidad para llevar a cabo las actividades de recuperación dentro de los límites de los objetivos nacionales del programa CDBG. El Objetivo Nacional que se cumplirá con este gasto será la atención que se les dará a los barrios bajos y a la situación crítica, cumpliendo con una necesidad urgente, así como los beneficios que se acumulen para las personas con ingresos bajos a moderados, ganando menos del 80% del Ingreso Medio del Área. La alta prioridad de la rehabilitación y de la reconstrucción de las unidades de alquiler asequibles y de los programas de desarrollo comunitario para aumentar la seguridad en esos complejos y en sus áreas circundantes lo demuestra esta enmienda al plan. Toda la cantidad que gaste la Ciudad de Houston será asignada para programas de viviendas de alquiler asequibles en áreas donde se pueda demostrar que la población ha visto un aumento dramático debido a la llegada de los evacuados de Katrina. Los programas del Condado de Harris se destinarán principalmente a las personas con ingresos bajos y moderados que sean evacuados de Katrina o Rita.

LOS FONDOS DE USO GENERAL Y LA ASIGNACIÓN PARA EL SUMINISTRO DE FONDOS

La ciudad de Houston y el Condado de Harris utilizarán la siguiente asignación para el suministro de fondos con base en las mayores necesidades observadas.

Actividad	**Objetivo Principal Nacional que se Atiende**	**Objetivos Adicionales Establecidos en la publicación *Federal Register** (Registro Federal)**	**Suministro de Fondos Disponibles para Actividad**	**% de Suministro de Fondos del Plan**
Programa de Vecindarios Adecuados a la Norma	Beneficio LMI orientado a los barrios bajos y de bajas condiciones de vivienda	Rehabilitación de viviendas de alquiler asequibles	$20.000.000	
Programa de Enlace Comunitario para Apartamentos Multifamiliares	Beneficio LMI orientado a los barrios bajos y de bajas condiciones de vivienda		$20.000.000	
Servicios Públicos a los Evacuados: Servicios públicos Ampliados al Programa de Vivienda prestados a los evacuados encarcelados	Beneficio LMI de Necesidad Urgente		$20.000.000	
Prestación de Servicios Médicos a los Evacuados				

Crisis de Katrina Programa de Consejería Servicios a los Jóvenes Delincuentes				
Suministro Total de Enmienda al Plan			$60.000.000	

* Según está establecido por el requisito de "elementos adicionales del Plan de Acción" incluido en el aviso del *Federal Register*, la actividad atiende uno o más de los elementos adicionales identificados que se describen a continuación.

"b. El plan general del concesionario para recuperación de desastre también incluirá:

(i) Una explicación de cómo el Estado dará prioridad a la rehabilitación y a la reconstrucción de las viviendas de alquiler asequibles, incluyendo las viviendas públicas y otras con asistencia de HUD, una descripción de las actividades que el Estado tiene planeado emprender con fondos de concesión según esta prioridad, así como una descripción de los desafíos singulares que las personas incapacitadas encaran en encontrar vivienda accesible y asequible;

(ii) *Una explicación de cómo el Estado le dará prioridad al desarrollo y a la rehabilitación de la infraestructura, y una descripción de las actividades de infraestructura que se propone emprender mediante fondos de concesión; y*

(iii) *Una explicación de cómo el método de distribución o uso de fondos descritos de acuerdo con los avisos aplicables tendrá como resultado que el Estado cumpla con el requisito que por lo menos 19.3311 por ciento de su asignación de fondos bajo este aviso se utilizará para la reparación, la rehabilitación y la reconstrucción (incluyendo la demolición, la limpieza del terreno y la remediación) de las viviendas de alquiler asequibles (incluyendo las viviendas públicas y otras con asistencia de HUD) en las áreas impactadas."*

LOS REQUISITOS DE ELEGIBILIDAD DE ACTIVIDADES QUE SE EXTIENDEN POR TODO EL PROCESO

Esta Enmienda al Plan de Acción esboza el marco de la Ciudad de Houston y del Condado de Harris respecto a la asignación de fondos según está orientado por los requisitos publicados en el *Federal Register* (Vol. 71, No. 209) el 30 de octubre de 2006. A menos que sea indicado de otra forma en el *Federal Register*, las disposiciones estatutarias y reglamentarias que rigen el programa CDBG, específicamente 24 CDF Parte 570 Subparte I, se aplican al uso de estos fondos. Todas las actividades deben ser actividades elegibles CDBG de acuerdo con 24 CFT Parte 570 Subparte I, salvo que sea renunciado por HUD, deben cumplir con los requisitos para el suministro de fondos de recuperación de desastres mencionados en todo este documento y deben cumplir con por lo menos tres objetivos nacionales.

Según está señalado en el *Federal Register*, de acuerdo con la ley *"...los fondos no pueden ser utilizados para actividades reembolsables por o para las cuales la Agencia Federal de Gestión de Emergencias o el Cuerpo de Ingenieros del Ejército de los Estados Unidos ponen a la disposición de las personas. Además, ninguno de los fondos puestos a la disposición bajo este rubro puede ser utilizado por un Estado o localidad como requisito, participación o*

contribución de igualación para cualquier otro programa Federal." Esto será un requisito clave que será monitoreado por TDHCA en todas las etapas del programa.

LAS ACTIVIDADES ELEGIBLES BAJO LAS PRIORIDADES ESPECÍFICAS DE SUMINISTRO DE FONDOS

Según está indicado en el *Federal Register, "el estatuto de apropiaciones requiere que sólo se utilicen los fondos para la asistencia para desastres ocurridos, para la recuperación a largo plazo y la restauración de la infraestructura en las áreas que hayan sufrido los mayores impactos y desastres relacionados con las consecuencias de los huracanes en el Golfo de México en el año 2005. El estatuto instruye que cada beneficiario de concesión describirá en su Plan de Acción para la Recuperación de Desastre cómo el uso de los fondos concedidos dará prioridad al desarrollo y a la rehabilitación de la infraestructura y a la rehabilitación y a la reconstrucción de las viviendas de alquiler asequible, incluyendo la vivienda pública y otras con asistencia de HUD."* Las siguientes actividades específicas han sido identificadas por la Ciudad de Houston y el Condado de Harris para que se lleven a cabo con objeto de cumplir las necesidades prioritarias de los evacuados que residan en el área de Houston/Condado de Harris.

LA ESTRATEGIA DE LAS SOLICITUDES DE HOUSTON

La vivienda

El uso por la ciudad de Houston de $20 millones de fondos CDBG para viviendas se realizará de la manera más eficaz en cuanto a costos y según sea dictado por las necesidades del mercado. Estos fondos se colocarán en un Programa de Apartamentos Adecuados a la Norma en un área donde una gran cantidad de evacuados haya decidido vivir. La rehabilitación de las viviendas multifamiliares al costo aproximado de $20.000 por unidad puede ser implementada con mayor rapidez y de una manera más eficaz en cuanto a costos que la construcción de nuevos apartamentos. Al aumentar el suministro de unidades de vivienda asequibles en un área, se aumenta la disponibilidad de viviendas de buena calidad a un precio razonable para los evacuados.

La mejor manera de objetivar la asistencia para obtener vivienda para la población de evacuados será concentrar esta asistencia en el submercado geográfico dentro de Houston donde la mayor concentración de evacuados ha decidido radicarse y continuar con su vida. (Vea el Anexo A.) Específicamente, Houston objetivará los fondos en el área de Fondren/Southwest (área de la Calle Fondren y el Sureste) y alrededores, el área geográfica de la autopista IH 59 fuera del Loop (Periférico) 610, en la parte suroeste de la Ciudad. En esa área, la matriculación en las escuelas públicas aumentó 2.840 estudiantes entre septiembre de 2005 y enero de 2006.

La seguridad en la vivienda

La cantidad de $20 millones destinados para las labores de fomento de seguridad en la vivienda dentro de los complejos multifamiliares y en su alrededor se basa en principios semejantes. La incidencia de crímenes violentos subió dramáticamente en los complejos multifamiliares situados dentro de cuatro Distritos de Policía que contienen los altos porcentajes de evacuados. El homicidio aumentó un 62%, las violaciones de mujeres subieron en un 20%, los robos aumentaron un 3% mientras los asaltos agravados subieron un 20% en los complejos multifamiliares en estos distritos. Estas cifras no incluyen delitos que se esparcieron a vecindarios cerca de estas zonas críticas. (Anexo B).

Al reconocer la naturaleza inusitada y extraordinaria de la respuesta que Houston les dio a los evacuados al acogerlos, tanto FEMA como el Departamento de Justicia aportaron los fondos a los programas para desplegar agentes de policía que trabajen sobretiempo en las áreas con altas concentraciones de evacuados. Estos programas especiales de trabajo sobretiempo financiados por concesiones del Departamento de Justicia y FEMA han demostrado ser medios sumamente eficaces para mejorar la seguridad de los residentes, a medida que las tasas de crímenes bajan vertiginosamente después de la implementación de estos programas. El programa de seguridad en la vivienda deberá prolongarse durante la permanencia de los evacuados puesto que la seguridad en la vivienda es una función directa de la población y de la densidad.

El análisis del crimen por el Departamento de Policía de Houston ha mostrado que los residentes de los complejos de apartamentos multifamiliares con bajos ingresos son desproporcionadamente las víctimas de crímenes violentos. Este programa CDBG proporcionará un vínculo de agentes de policía para cincuenta complejos de apartamentos situados principalmente en los Distritos de Policía en las áreas de Fondren/ Suroeste, oeste y Greenspoint donde radican una concentración de evacuados y donde se ha desarrollado una alta tasa de crímenes violentos. El programa está destinado a disminuir el número de incidentes de crimen dentro y alrededor de los complejos de apartamentos multifamiliares situados en estos distritos. Unos programas de policía que laboran sobretiempo financiados anteriormente por el Departamento de Justicia y FEMA han permitido el despliegue de más agentes de policía en lugares críticos quienes efectúan numerosas detenciones y contrarrestan lo que habría sido un aumento mucho más asombroso de la tasa de crímenes violentos. Houston sigue suministrando refugio a más de 100.000 personas desplazadas por el Huracán Katrina. La vivienda *Segura* sigue siendo una necesidad para estos evacuados.

EL TIEMPO OPORTUNO

Houston solicita acción oportuna sobre el desembolso de estos fondos. Para la seguridad en la vivienda, es necesario la obtención de aprobación oportuna de esta solicitud y el desembolso de estos fondos a fin de continuar los programas de trabajo en sobretiempo después del primero de Julio de 2007.

Según está descrito en la sección más detallada de esta solicitud que trata del programa multifamiliar, ya se ha presentado una solicitud de propuestas para las mejoras de apartamentos en áreas con altas concentraciones de evacuados. La Ciudad de Houston solicitó, por escrito, asistencia a TDHCA durante los 60 primeros días de la evacuación, septiembre-octubre de 2005. Resaltamos que los cronogramas de construcción requieren acción oportuna para permitir rehabilitación y reparación suficiente de las unidades de vivienda multifamiliares. Puesto que no llegó asistencia alguna, muchas de las unidades con grandes poblaciones de evacuados se han deteriorado de manera considerable desde ese tiempo. Las tasas de reembolso basadas en las formulas Sección 8 de HUD no proporcionaron suficiente incentivo para muchos de los propietarios para invertir en la rehabilitación de este cupo de viviendas. Las tasas crecientes de seguros y las cuentas cobradas por servicios de agua, luz y otros que no se pudieron pasar a los inquilinos han puesto en peligro aun más la oferta potencial de las viviendas multifamiliares idóneas para habitar. La construcción deberá comenzar tan pronto como sea posible.

La vivienda – El Programa de Vecindarios Adecuados a la Norma – El Área Objetivo Katrina

BORRADOR

El suministro de fondos de $20.000.000 se pondrá a la disposición de los desarrolladores, tanto para asuntos con y sin fines lucrativos, para rehabilitar las unidades de apartamentos en las áreas de la ciudad de ingresos bajos a moderados. El Departamento de la Vivienda y Desarrollo Comunitario (HCD) de la Ciudad abrió un acto de Presentación Solicitud de Propuestas (RFP) para los Vecindarios Adecuados a la Norma esparcidos por toda la ciudad en febrero de 2007. Este RFP invitaba a los desarrolladores, tanto con como sin fines de lucro, a rehabilitar las unidades de apartamentos en cualquier área de la ciudad con ingresos bajos a moderados. Bajo el componente de Katrina, se les dará crédito extra a las unidades situadas en el área objetivo de Fondren/Suroeste donde la población ha visto un aumento particularmente dramático debido a la llegada de los evacuados de Katrina. (El Anexo A muestra, sin embargo, que la población de evacuados ha impactado significativamente varias partes de la ciudad además del área objetivo.)

El programa de Vecindarios Adecuados a la Norma busca rehabilitar un número considerable de unidades en cada área objetivo. Suponiendo un promedio de $20.000 invertidos por unidad, esto mejorará 1.375 unidades y proporcionará una oportunidad para refugio más seguro y más sanitario, incluyendo necesidades especiales. Todos los proyectos aprobados estarán sujetos a todos los requisitos HUD para proyectos. Esto incluye vivienda equitativa relevante, no discriminación, normas de trabajo, necesidades especiales y requisitos ambientales.

Los requisititos de elegibilidad
El programa queda limitado a los desarrollos que satisfagan todas las siguientes condiciones.

1. Unidades asistidas en las áreas donde la población dentro del área aumentó significativamente debido a la llegada de los evacuados de Katrina.
2. Un socio del sector privado con vida útil de 20 años de la propiedad después de la rehabilitación.
3. Una buena marca de logros en el desarrollo y en la gerencia de bienes inmuebles.

Los requisitos para recibir asistencia
A cambio de aceptar la asistencia de suministro de fondos, cada solicitante debe estar de acuerdo con los siguientes requisitos.

1. Para asegurar que la vivienda asistida sea lo más asequible posible y sea ocupada por familias con ingresos apropiados, se debe registrar un convenio de restricción del uso de terreno que establezca límites apropiados de alquileres e ingresos bajos a moderados durante el período de años requeridos por los reglamentos HUD. Todas las unidades que reciban asistencia cumplirán con restricciones de alquiler durante 15 años después de la rehabilitación.
2. Toda la construcción se efectuará de acuerdo con el código municipal local.
3. Se exigirá el mantenimiento de cobertura de seguro de 100 por ciento sobre los valores de reemplazo de la propiedad para todo tipo de peligro.
4. Todos los proyectos aprobados están sujetos a todos los requisitos HUD para los proyectos. Esto incluye requisitos de vivienda equitativa, no discriminación, normas de trabajo y requisitos ambientales.

El cálculo de concesión
La cantidad y plazos del préstamo o concesión se basarán en criterios de suscripción establecidos en la NOFA. La cantidad de asistencia será determinada a través de una revisión intensiva de la solicitud por el Departamento de la Vivienda y Desarrollo Comunitario de la Ciudad de Houston, según está esbozado en la Solicitud de Propuestas (RFP) de Vecindarios Adecuados a la Norma

existente. Entre otros rubros, esta revisión evaluará específicamente la proforma operativa declarada de cada solicitud, los estimados de costo y las condiciones del mercado de alquiler de vivienda del área para desarrollar la cantidad apropiada y la estructura de la asistencia. Se les anima a los solicitantes a que dispongan de otros recursos disponibles para preservar la vivienda asequible para los residentes con ingresos bajos y sumamente bajos. Se les dará consideración principal a los planes de desarrollo que vayan más allá de las mejoras de unidades para incluir los servicios comunitarios, las instalaciones comunitarias, el embellecimiento del área o el apoyo escolar (tales como una sala de la comunidad para clases con tutores o de computadoras).

La distribución de fondos
Los fondos serán distribuidos mediante contratos con desarrolladores aprobados por el Consejo de la Ciudad de Houston después de los análisis y de la suscripción por HCD. Típicamente, los contratos requieren que un desarrollador sea reembolsado por concepto de costos relacionados con las actividades de rehabilitación o de reconstrucción mensualmente, con una cantidad apropiada retenida. Los fondos deben ser distribuidos totalmente dentro de 24 meses a partir de la fecha de comienzo del contrato.

Los fondos bajo el programa de Vecindarios Adecuados a la Norma se han de utilizar para costos "duros" solamente. Los intereses, honorarios de desarrollador y otros costos "suaves" no serán financiados con esta concesión.

La seguridad en la vivienda – El programa de enlace con la comunidad de apartamentos multifamiliares
La financiación de los fondos de $20 millones le será suministrada al Departamento de Policía de Houston para el establecimiento de un Programa Comunitario de Apartamentos Multifamiliares. Los fondos serán utilizados para la adquisición de equipos y los suministros para apoyar el programa y dotar el programa con agentes de policía que trabajen sobretiempo.

El Programa Comunitario de Apartamentos Multifamiliares está diseñado para atender las necesidades de los residentes con ingresos bajos a moderados residenciados en comunidades de apartamentos multifamiliares donde se pueda demostrar claramente que ha habido un aumento dramático de la población debido a la llegada de los evacuados de Katrina. Las cuestiones de salud, de la seguridad pública y de la calidad de la vida en general en estas comunidades multifamiliares no sólo afectan a los residentes que viven en las comunidades multifamiliares, mucho de los cuales son evacuados de Katrina, sino que impactan directamente a los vecindarios circundantes y a las instituciones educativas. A través de la participación directa de los residentes del programa dentro de las comunidades multifamiliares designadas, la meta del Departamento de Policía de Houston es reducir el crimen así como el miedo que las personas tienen del crimen, e involucrar activamente a los residentes en el proceso de desarrollar sólidos vínculos con su comunidad.

Los objetivos del programa son:

I. Desarrollar un equipo de trabajo entre la gerencia de apartamentos, los residentes y los agentes policíacos encargados de desarrollar estrategias de colaboración para combatir el crimen en las comunidades multifamiliares.

II. Crear, implementar y facilitar estrategias a largo plazo para enfrentar cuestiones de crimen, de seguridad en la vivienda y de la calidad de vida que afectan a los residentes de propiedades residenciales multifamiliares en vecindarios con ingresos bajos a moderados donde se pueda demostrar claramente que ha habido un aumento dramático de la población dentro del área debido a la llegada de los evacuados de Katrina. Las estrategias se adecuarán a las necesidades y a las cuestiones complejas individuales.

Para lograr estos objetivos, el Programa será implementado en dos fases distintas. En la Fase I, serán desplegados algunos equipos de enlace a cada una de las cincuenta propiedades residenciales multifamiliares que han sido identificadas como alojadoras de una gran proporción de evacuados de los Huracanes Katrina y Rita y que tienen un alto nivel de crimen.
Durante la Fase I del programa de seguridad en la vivienda ACLP, los agentes se dedicarán a contactar a los miembros de la comunidad, a la educación de los residentes, a la aplicación del orden público y al desarrollo de estrategias de gerencia para reducir las tasas de incidencia de crímenes y mejorar la seguridad en la vivienda y la calidad de vida en las propiedades multifamiliares. El programa exigirá que los residentes participen activamente en identificar, dar prioridad y atender cuestiones de seguridad en la vivienda y calidad de vida en su comunidad.

La Fase II requerirá que los voluntarios del personal de gerencia de propiedades y los residentes asuman la responsabilidad del programa en la propiedad y que se pongan de acuerdo con el coordinador del Enlace Comunitario de Apartamentos de la Ciudad HPD (el coordinador HPD Citywide Apartment Community Liaison). Este coordinador proporcionará las habilidades organizativas, la dirección y el análisis de tendencias del crimen y los recursos educativos. Además, el coordinador programará reuniones periódicas en las comunidades multifamiliares afectadas para evaluar las necesidades de la comunidad y proporcionarle información de vuelta (feedback) al departamento.

La unidad Administrativa Multifamiliar del Departamento de Policía de Houston coordinará el Programa.

Los requisitos de elegibilidad
Sólo los complejos de apartamentos multifamiliares en vecindarios con ingresos bajos a moderados donde se pueda demostrar claramente que ha habido un aumento dramático de la población dentro del área debido a la llegada de los evacuados de Katrina serán elegibles. Se han utilizado datos del Programa de Asistencia de Vivienda FEMA para identificar los complejos de apartamentos que califican. Entre los complejos que califican, las propiedades dentro de los Distritos de Policía Principales con concentraciones de alto nivel de crimen violento serán designadas para el programa ALP. (Vea el Anexo C.)

La distribución de fondos
Se le distribuirán los fondos al Departamento de Policía de Houston para la implementación del programa.

LA ESTRATEGIA DE SOLICITUDES DEL CONDADO DE HARRIS

El uso de los fondos de recuperación CDBG por el Condado de Harris atenderá múltiples necesidades de servicios públicos para los evacuados que permanezcan en el área. Después de los desastres de 2005, los sistemas de servicios públicos del área experimentaron aumentos

extremos de demanda de servicio. Lo más notable fue que la organización United Way reportó un aumento de un 56% en consultas de servicio en el año 2005 en comparación con solicitudes de servicios en el año 2004. Además, otros programas gastaron recursos significativos en la prestación de servicios a un número considerable de evacuados mientras continuaban prestándoles servicios a los residentes del Condado de Harris; específicamente, el programa de Consejería de la Crisis Katrina de la MHMRA sirvió a más de 39.000 evacuados hasta e inclusive diciembre de 2006, el Distrito del Hospital del Condado de Harris abrió más de 35.000 casos de pacientes hospitalizados y no hospitalizados para evacuados hasta e inclusive diciembre de 2006 y el Departamento de Libertad Provisional Juvenil del Condado de Harris sirvió a más de 470 evacuados en sus centros hasta e inclusive agosto de 2006.

Los informes publicados sobre el impacto de los huracanes de la Costa del Golfo del año 2005 sobre el área de Houston/Condado de Harris han indicado que hasta 380.000 personas buscaron refugio después de estas tormentas en esta área. Aunque muchos se quedaron temporalmente o tenían recursos que les permitieron restablecerse permanentemente en el área, una parte significativa de esta población permanece en el área porque tiene poco o ningún recurso que le permita mudarse a otra región o regresar a su punto de origen. Esto lo demuestran los datos del Buró del Censo que reportó una reducción del punto medio de ingresos del grupo familiar del Condado de Harris de 2005 a 2006, atribuido esto parcialmente a la llegada de personas con bajos ingresos que permanecen en el área. Además, las comunidades de origen de muchas de estas personas todavía no se han recuperado para poder ofrecer suficientes servicios y vivienda asequible para regresar a las mismas. De esa manera, la Ciudad de Houston/el Condado de Harris sigue siendo el hogar de una población de bajos ingresos, sin ventajas y desplazada que necesita servicios y recursos necesarios para mantener una calidad de vida bastante buena, así como atender las múltiples cuestiones que siguen sin resolverse como resultado del desastre inicial. Muchas de estas personas han perdido su vivienda permanente y siguen alojados en el programa de vivienda de la Agencia Federal de Emergencia (FEMA) prorrogado temporalmente.

Houston y el Condado de Harris no titubearon en prestar servicios para cumplir con el aumento de la demanda por parte de los evacuados. Con esta solicitud, el Condado de Harris tiene planeado ampliar los servicios y seguir cumpliendo con el aumento de la demanda mientras siga su nivel de servicio para los residentes permanentes del Condado de Harris. Con este suministro de fondos, la capacidad del área para servir aumentará y se cumplirá con las necesidades de los evacuados.

El uso de fondos de recuperación para este propósito exigirá una eliminación del requisito de cupo de servicios públicos. El Condado también solicita que el uso de estos fondos sea agilizado para asegurar que no ocurra falta de servicio. El Condado propone el suministro de fondos para cuatro programas de servicios públicos que se describen más detalladamente a continuación.

Tabla 1. Suministro de Fondos de Proyectos del Condado de Harris Propuestos con Resumen

Proyectos propuestos del condado de HARRIS	Objetivo Nacional	Logros Propuestos	Cantidad Asignada	Porcentaje de la Porción del Condado de Harris
Servicios Públicos para los Evacuados:				
Programa Coordinado de Seguridad en Vivienda – Programa de Enlace Comunitario Multifamiliar (Programa Conjunto de la Ciudad y el Condado)	LMA	20.000 Personas	$6.707.000	33%

Servicios Médicos para los Evacuados (HCHD)	LMC/ Necesidad Urgente	35.515 Personas	$6.285.000	32%
Continuación del Programa de Consejería de la Crisis Katrina (MHMRA)	LMC	30.000- 40.000 Personas	$3.550.000	18%
Servicios para Jóvenes Delincuentes	LMC	700 – 800 jóvenes	$3.458.000	17%
Total del Condado de Harris			**$20.000.000**	

Programa Coordinado de Seguridad en la Vivienda - Programa de Enlace de Comunidad Multifamiliar

El suministro de fondos de $6.707.000 se utilizará para prestar servicios públicos ampliados a través del Programa Coordinado de Seguridad en la Vivienda con la Ciudad de Houston. La participación del Condado de Harris en el Programa Coordinado de Seguridad en la Vivienda, descrito más plenamente bajo el Programa de Enlace de Comunidad Familiar de la Ciudad de Houston, se limitará a los servicios ampliados a los evacuados detenidos como resultado de las labores de la seguridad pública y el aumento de la vigilancia en los complejos de apartamentos objetivo identificados. El Condado prestará servicios ampliados a tales evacuados al contratar espacio adicional para camas para el tratamiento de abuso de sustancias y cuestiones de salud mental para reducir la tasa de reincidencia de crímenes de los evacuados que son detenidos y encarcelados. El Condado agregará 144 camas específicamente para el tratamiento de abuso de sustancias y de salud mental de los prisioneros que sean evacuados. Además, el Condado contratará a seis (6) consejeros de reintegración para restablecer elegibilidad en los programas de Ingresos de Seguro Social (SSI), de Medicaid, en los programas de la Autoridad de Retraso Mental y de Salud Mental (MHMRA), así como programas de vivienda y otros semejantes, a fin de garantizar la continuidad de los servicios cuando se les dé libertad a los encarcelados. Con base en los datos estadísticos del año 2006, las instalaciones correccionales del Condado de Harris procesaron un número estimado de 3.600 evacuados por su sistema. Se tiene previsto que aproximadamente 20.000 evacuados serán encarcelados en la cárcel del Condado como resultado del Programa de Enlace de la Comunidad Multifamiliar propuesto.

Tabla 2. Programa Coordinado de Seguridad en la Vivienda – Costos de Servicios Ampliados

Tipo de Servicio	Cama	Costo Anual	Plazo	Total de Costo Estimado
Camas para Abuso de Sustancias	96	293.500	2 años	587.000
Pacientes Hospitalizados bajo tratamiento para Salud Mental	48	2.800.000	2 años	5.600.000
Consejeros de Reintegración del sector de Gerencia de Casos (6)	-	260.000	2 años	520.000
Total	**144**	**3.353.500**		**6.707.000**

El objetivo nacional

Esta actividad cumplirá con el Objetivo Nacional CDBG de beneficiar principalmente a las personas con ingresos bajos y moderados.

Los requisitos de elegibilidad

Los evacuados que reciban servicios ampliados a través del Condado de Harris bajo el Programa Coordinado de Seguridad Pública deberán cumplir con los siguientes criterios de elegibilidad:

- Los evacuados deberán presentar prueba del grupo familiar (por lo menos el 51 por ciento de las personas a las que se les prestó servicio tendrá ingresos dentro de los límites de ingresos aplicables);
- El estado de evacuado deberá ser documentado mediante la elegibilidad FEMA (Agencia para la administración de emergencias federales), u otros documentos que comprueben el desplazamiento como consecuencia de los Huracanes Katrina o Rita;
- El evacuado deberá ser evaluado como un abusador de sustancia y/o que sufra algún trastorno mental.

La distribución de fondos
Los fondos bajo este programa se destinarán al pago de servicios contratados para la prestación de tratamiento adicional por abuso de sustancia, las camas para tratamiento de salud mental y los consejeros de reintegración/gerentes de casos.

Los servicios médicos prestados a los evacuados-El Distrito del Hospital del Condado de Harris
El suministro de fondos de $6.300.000 se le proporcionará al Distrito del Hospital del Condado de Harris (HCHD) para recuperar los costos no reembolsados asociados a la prestación de servicios médicos de emergencia y en casos de no emergencia prestados a los evacuados.

Cuando se anunció la noticia de que el Huracán Katrina se aproximaba al Estado de Luisiana a finales del mes de agosto del año 2005, Texas se convirtió en el destino principal de cientos de miles de personas que huían de la tormenta que avanzaba. Para muchas personas que se quedaron en Nueva Orleans, su único refugio era dentro del Estadio Superdome de Luisiana. Después de que pasó la tormenta, la evacuación planeada de Houston y del Condado de Harris de más de 20.000 personas durante la famosa transferencia de estadio a estadio capturó la imaginación de la nación y sirvió para lograr un nuevo nivel de orgullo cívico local. Más de 16 meses después, más de 100.000 evacuados siguen viviendo en Texas y el impacto de este éxodo en masa se sigue sintiendo en nuestra comunidad y también se siente en el Distrito del Hospital del Condado de Harris.

La operación de la Clínica Médica Astrodome en el Complejo Reliant por dos semanas, del 1 al 15 de septiembre de 2005, nunca antes efectuada, que realizó el Distrito del Hospital del Condado de Harris fue uno de sus momentos más orgullosos y sigue siendo un maravilloso ejemplo de la actitud de que todo es posible del personal de trabajadores y empleados médicos del HCHD. Mediante la aplicación de toda la gama de sus recursos, el personal y los médicos de sus escuelas de medicina asociadas establecieron un hospital de campo totalmente operacional en un plazo máximo no mayor de 18 horas, aceptando sus primeros pacientes durante la madrugada del 1 de septiembre de 2005.

Las operaciones clínicas, el personal y la estructura física crecieron aproximadamente cuatro veces en tamaño durante las primeras 72 horas mientras se continuaba tratando a los pacientes. El espacio de la clínica se amplió de sus 20 salas iniciales de exámenes a 90 salas de exámenes ya para el cuarto día. En total, la Clínica Médica Astrodome operada por HCHD proporcionó más de 11.000 consultas de pacientes, 10.000 recetas médicas y 10.000 inyecciones de tétano a

los evacuados de Katrina. Hasta e inclusive el mes de diciembre del año 2006, el Distrito de Hospital ha proporcionado atención médica de consultas de pacientes a más de 35.000 evacuados en sus instalaciones, incluyendo el ingreso de 507 personas en sus hospitales.

El costo de proporcionarles servicios médicos a los evacuados fue un gasto significativo que el Distrito del Hospital tuvo que soportar. El HCHD recibió sólo $3 millones en pagos, menos del 32,3 por ciento de sus costos estimados.

Tabla 3. Distrito del Hospital del Condado de Harris-Pacientes de Katrina

Tipo de Servicio	Casos	Cargos	Costo	Total de pagos recibidos	Costo menos total de pagos recibidos
Pacientes Hospitalizados	507	7.652.631	4.356.706	2.117.639	2.239.068
Pacientes No Hospitalizados	24.754	6.869.482	3.311.980	660.791	2.651.188
Fármacos que se llevan a la Casa	10.254	1.529.735	735.688	115.036	620.652
Total de Servicios a Pacientes	**35.515**	**16.051.847**	**8.404.374**	**2.893.466**	**5.510.909**
Clínica Astrodome			883.103	109.487[1]	773.616
Total General	**35.515**	**16.051.847**	**9.287.477**	**3.002.952**	**6.284.525**

El objetivo nacional

Por lo menos el doce por ciento de los costos asociados con las actividades elegibles se documentará como que cumple con el Objetivo Nacional CDBG de Necesidad Urgente, ya que estos costos fueron gastados en servicios médicos de emergencia prestados a los evacuados durante las horas críticas inmediatamente después del desastre del 1 al 15 de septiembre de 2005. El resto de los costos asociados con actividades elegibles cumplirá con el Objetivo Nacional CDBG de beneficiar principalmente a las personas con ingresos bajos y moderados.

Los requisitos de elegibilidad

Puesto que los servicios médicos pueden ser necesarios para los evacuados de distintos niveles de ingresos, los servicios prestados bajo este programa a los evacuados después del 15 de septiembre de 2005, no estarán limitados únicamente a las personas con bajos ingresos; sin embargo, por lo menos el 51 por ciento de todas las personas a las que se les prestó servicios por medio de este programa será de ingresos bajos y moderados. En general, los evacuados que reciban servicios médicos ampliados a través del Distrito del Hospital del Condado de Harris deberán cumplir con los siguientes criterios de elegibilidad:

- Los evacuados deberán presentar prueba de ingresos del grupo familiar (por lo menos el 51 por ciento de las personas a quienes se les prestó servicios tendrá ingresos dentro de los límites de ingresos aplicables);

1 Cantidad reembolsada por FEMA.

- El estado de evacuado deberá ser documentado mediante la elegibilidad FEMA (Agencia para la administración de emergencias federales) o por medio de otros documentos que comprueben el desplazamiento como resultado de los Huracanes Katrina o Rita.

La distribución de fondos
Los fondos bajo este programa se destinarán para rembolsar al Distrito del Hospital del Condado de Harris por costos documentados en casos de emergencia y de no emergencia.

El programa de consejería de la crisis Katrina
Fondos por la cantidad de $3.550.000 le serán suministrados a la Autoridad de Retraso Mental y de Salud Mental del Condado de Harris (MHMRA) para la continuación del Programa de Consejería de la Crisis Katrina (KCCP) durante un período de 19 meses.

En septiembre del año 2005, a la llegada de los evacuados al área del Condado de Harris, la MHMRA organizó y proporcionó inmediatamente liderazgo y dotación de personal para servicios psiquiátricos de emergencia en los Mega Refugios (Centro Reliant/Arena y el Centro de Convenciones George R. Brown) y Centros de Recuperación del Desastre ("Centros DRC"), utilizando alrededor de 100 empleados MHMRA. Además de individuos con necesidades de salud mental, la MHMRA les prestó servicios a niños, personas de de la tercera edad y a personas con retraso mentales que también sufrieron impacto en particular. La MHMRA coordinó servicios de emergencia con funcionarios de la Ciudad, del Condado, Estatales y Federales, con redes de proveedores de servicios médicos, con escuelas de Trabajo Social y con otros proveedores de servicios.

Esta respuesta local inmediata creció transformándose en lo que se denomina el Programa de Consejería de la Crisis Katrina, el cual empezó a operar en octubre de 2005 con fondos suministrados a través del Departamento de Servicios de Salud del Estado de Texas. El KCCP se organizó para proporcionarles servicios de consejería de crisis con más plazo a los sobrevivientes de Katrina a la vez que la reubicación temporal se prolongaba más tiempo. El personal de KCCP asumió la prestación de servicios de consejería de crisis en los Centros de Recuperación de Desastre (Centros DRC) y en toda la comunidad inmediatamente después que fue contratado y entrenado. Los servicios de contratación incluyen: Consejería de Crisis Individual, Consejería de Crisis Colectiva, Programa *Outreach*, Examen Preliminar y Evaluación, Consejería por razón de Pérdida de Personas Amadas, Manejo de Estrés, Educación e Información, Referencias para el Tratamiento de la Salud Mental y/o de Abuso de Sustancias durante un plazo más largo y de una manera más formal (Narcóticos Anónimos y Alcohólicos Anónimos), Referencias a otras agencias de servicio (línea de ayuda FEMA, Organizaciones Voluntarias Activas en Desastres, Salvation Army, la Cruz Roja, Interfaith, Unmet Needs), Organización de Redes y Colaboración con líderes de la comunidad y funcionarios públicos, con respecto al desastre.

Durante el año 2006, el KCCP proporcionó más de 35.000 sesiones de consejería de crisis, proveyó más de 4.400 sesiones telefónicas de consejería para personas en estado de crisis y efectuó más de 1.700 remisiones de pacientes con trastornos mentales.

En diciembre del año 2006 terminó el suministro de fondos del Departamento de Servicios de Salud del Estado de Texas y la MHMRA convino en continuar el programa a través de un plan

de reducción de fases que terminaría todos los servicios dentro de un lapso de seis meses y establecería esperanzadamente colaboraciones en especie con otros proveedores de servicios en beneficio de los evacuados que todavía se enfrentaban a la crisis. En lugar de ir acabando con el programa etapa por etapa, el Condado de Harris propone continuar el programa con fondos de recuperación CDBG para ayudar a entre 30.000 y 40.000 personas y proporcionar la clausura emocional necesaria para encaminarlas hacia el desarrollo de la autosuficiencia y la integración a la comunidad de Houston/Condado de Harris o para que se vuelvan a asentar en sus propias comunidades originales. Tenemos previsto que este programa continúe durante 19 meses más con clausura final dentro de 24 meses siguientes a la recepción de los fondos de concesión.

El objetivo nacional
Esta actividad cumplirá el Objetivo Nacional de CDBG de beneficiar primordialmente a las personas de ingresos bajos y moderados.

Los requisitos de elegibilidad
Ya que puede requerirse orientación para los evacuados en estado de crisis de distintos niveles de ingresos, los servicios prestados bajo este programa no se restringirán únicamente a las personas de bajos ingresos; sin embargo, por lo menos el 51 por ciento de todas las personas a quienes se les prestó servicio por medio de este programa serán de ingresos bajos y moderados. En general, los evacuados que reciban servicios por medio del Programa de Orientación para las personas en estado de crisis de Katrina deberán cumplir con los siguientes criterios de elegibilidad:

- Los evacuados deberán presentar prueba de ingresos del grupo familiar (por lo menos el 51 por ciento de las personas a las que se les prestó servicio tendrá ingresos dentro de los límites de ingresos aplicables);
- El estado de evacuado deberá ser documentado mediante la elegibilidad FEMA (Agencia para la administración de emergencias federales) o por medio de otros documentos que comprueben el desplazamiento como consecuencia de los Huracanes Katrina o Rita.

Distribución de los Fondos
Los fondos bajo este programa se destinarán al pago de sueldos, suministros y honorarios y servicios profesionales necesarios para continuar los servicios para los evacuados atendidos bajo este programa.

Los servicios para delincuentes jóvenes
Aproximadamente el 17 por ciento de los fondos del Condado de Harris se usará para prestarles servicios a los delincuentes juveniles que sean evacuados y que hayan sido colocados bajo la supervisión del Departamento de Libertad Condicional de Jóvenes del Condado de Harris.

El Departamento de Libertad Condicional de Jóvenes del Condado de Harris (HCJPD) le proporciona protección al público y provee servicios para jóvenes que hayan sido remitidos por violaciones a la ley. Tal como lo ordena el Código de Justicia de Menores de Texas, el departamento proporciona servicios que incluyen tratamiento, entrenamiento, rehabilitación y encarcelación, al mismo tiempo que enfatiza la responsabilidad y la obligación de rendir cuentas por parte de los padres y los hijos por la conducta del hijo, y les ofrece las mayores oportunidades a aquellos jóvenes que demuestren el mayor potencial de un cambio positivo. En parte para lograr esta misión HCJPD les proporciona una variedad de servicios sociales adicionales no requeridos por la ley a los delincuentes jóvenes bajo su supervisión. Estos

servicios incluyen pero no se limitan a las evaluaciones de la salud mental, a la intervención en casos de crisis, a la orientación individual y familiar, a las clases individuales o en grupos pequeños, a los talleres educativos y al tratamiento residencial incluyendo los servicios de cuidado psiquiátrico agudo. Hasta agosto del año 2006, el HCJPD había recibido en sus instalaciones y les había prestado servicios a 472 jóvenes que eran evacuados del Condado de Harris a un costo de aproximadamente $1,2 millones. Además de estos servicios, el HCJPD contrata espacio en el Centro Psiquiátrico del Condado de Harris (HCPC) para 16 camas con servicio para jóvenes que tienen necesidades psiquiátricas agudas que no pueden ser atendidos en las otras instalaciones de tratamiento residencial.

En el año 2005, 124 jóvenes del Condado de Harris recibieron servicios en el HCPC. Con el advenimiento de los desastres de fines del año 2005, el HCJPD tuvo que proporcionar espacio de cama crítico para los jóvenes del Condado de Harris en el HCPC para ocho jóvenes que habían sido evacuados al área del Condado de Harris. En un esfuerzo por satisfacer las necesidades de servicio de estos jóvenes mientras se mantiene también el nivel de servicio requerido para servir a los jóvenes del Condado de Harris, se destinarán fondos de recuperación del CDBG para financiar servicios ampliados del HCJPD para los jóvenes delincuentes evacuados y para contratar espacio para cuatro (4) camas en el HCPC para los jóvenes evacuados que necesiten tales servicios durante los próximos 24 meses.

Los requisitos de elegibilidad
Puesto que los jóvenes de hogares de distintos niveles de ingresos pueden necesitar los servicios del HCJPD, los servicios prestados bajo este programa no estarán limitados únicamente a las personas de bajos ingresos; sin embargo, por lo menos el 51 por ciento de todas las personas a quienes se les prestó servicio por medio de este programa será de ingresos bajos y moderados. En general, los evacuados atendidos por medio del HCJPD bajo este programa deberán cumplir los siguientes criterios de elegibilidad:

- Los evacuados deberán presentar prueba de ingresos del grupo familiar (por lo menos el 51 por ciento de las personas a quienes se les prestó servicios tendrá ingresos dentro de los límites de ingresos aplicables);
- El estado de evacuado deberá ser documentado mediante la elegibilidad FEMA (Agencia para la administración de emergencias federales) o por medio de otros documentos que comprueben el desplazamiento como consecuencia de los Huracanes Katrina o Rita.

La distribución de fondos
Los fondos bajo este programa se destinarán al pago de sueldos, suministros y honorarios y servicios profesionales para proporcionarles servicios a los jóvenes evacuados y para pagar los costos de contrato para reservar camas en el centro Psiquiátrico del Condado de Harris.

Los fondos de administración de la ciudad/condado
Se propone que la Ciudad y el Condado retengan hasta el cinco por ciento de su asignación designada, para actividades administrativas de la Ciudad y del Condado.

La implementación
El Condado de Harris y la Ciudad de Houston implementarán las actividades de este Plan de Acción que sean consistentes con las políticas y con los procedimientos estándares de

administración de subsidios de cada jurisdicción usados en la administración de los fondos asignados al CDBG. Los contratos incluirán todas las cláusulas requeridas. Cada organismo del gobierno implementará un programa de monitoreo para asegurar que los sub-receptores de fondos de recuperación del CDBG lleven a cabo sus actividades de conformidad a las normas y acuerdos respectivos. Las áreas específicas de operaciones de sub-receptores que se supervisarán incluyen el desempeño financiero, el cumplimiento de los plazos del proyecto, los procedimientos de llevar registros y el cumplimiento de las normas federales y de las directivas aplicables del programa. Los Sub-receptores serán evaluados continuamente para determinar su capacidad organizativa para llevar a cabo los proyectos aprobados. Cuando se descubran áreas potenciales de problemas, se prestará asistencia técnica y entrenamiento.

El control en el lugar

El Condado de Harris tendrá la responsabilidad del control en el lugar de sus proyectos propuestos y la Ciudad de Houston tendrá la responsabilidad de monitorear sus proyectos propuestos bajo este Plan de Acción. Las visitas a los lugares serán para monitorear el avance del programa. El propósito de un programa de control en el lugar es de determinar si un sub-receptor está llevando a cabo sus actividades del programa tal como se indica en la solicitud de asistencia y en el acuerdo escrito. También se usa el control en el lugar para asegurar que se lleven los registros requeridos para demostrar el cumplimiento de las reglamentaciones aplicables. Los Sub-receptores que presenten mayor vulnerabilidad al fraude, al despilfarro y a la mala administración serán controlados dentro de los recursos disponibles. Los factores de riesgo que se usarán para determinar la frecuencia del control incluirán:

- Experiencia del sub-receptor con subsidios del programa CDBG u otros subsidios federales;
- Personal del sub-receptor, para incluir la rotación y la experiencia del personal clave;
- Problemas anteriores de cumplimiento o desempeño;
- Naturaleza de la actividad (vivienda, desarrollo económico, reubicación, adquisición); y
- Alcance del programa.

Se les notifica por escrito a los organismos toda conclusión que surja de las visitas de control y se les da un plazo dentro del cual deben solucionarse los problemas, así como las acciones correctivas que deben tomarse para solucionar los problemas. La carta de control también se refiere a las preocupaciones y hace recomendaciones para las mejoras. El Condado de Harris y la Ciudad de Houston usarán sus procedimientos establecidos e incorporarán cualquier requerimiento adicional que sea necesario.

Las enmiendas

Cada entidad seguirá sus propias directivas para las enmiendas como se ha publicado en su propio Plan Consolidado local.

La participación de los ciudadanos

La participación de los ciudadanos es crítica para cualquier esfuerzo exitoso de planificación. La Ciudad de Houston y el Condado de Harris se han mantenido en estrecho contacto con los ciudadanos con relación a las necesidades de los evacuados. La Oficina del Alcalde de la Ciudad de Houston inició reuniones semanales los lunes por la mañana en el Centro de Convenciones George R. Brown inmediatamente después del desastre. Estas reuniones han continuado

periódicamente hasta la fecha. Este plan de acción se desarrolló a base de la información recibida en estas reuniones.

El período para los comentarios del público y las audiencias públicas

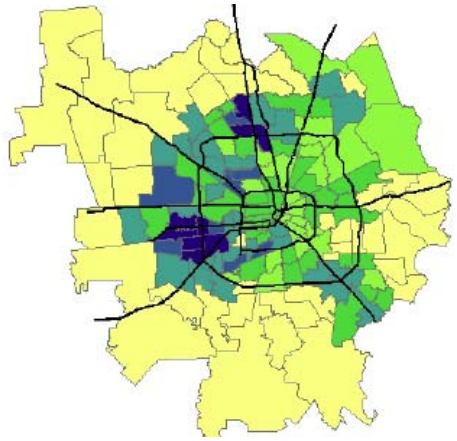
Al público se le dio una oportunidad para analizar el Plan de Acción Conjunta de la Ciudad de Houston/Condado de Harris para el uso de los fondos de recuperación CDBG durante un período de 15 días de revisión pública que comenzó el 4 de abril de 2007. El Plan de Acción Conjunta quedó disponible para la consulta por medio de los sitios de Internet de la Ciudad de Houston y del Condado de Harris. Se publicó un aviso público resumido incluyendo una lista de los proyectos y de los gastos propuestos en el periódico Houston Chronicle el 4 de abril de 2007. Se le notificó al público en general acerca de la audiencia pública y de la puesta a la disposición para consulta del borrador del documento para su análisis por el público. Se ha programado una audiencia pública para el 16 de abril de 2007.

Se le agregará al Plan de Acción Conjunta un resumen de todos los comentarios recibidos durante el período de comentarios del público, las respuestas razonadas y todo cambio que resulte de dichos comentarios.

Las renuncias solicitadas

Durante el desarrollo de este Plan de Acción, la Ciudad de Houston y el Condado de Harris identificaron los problemas que requieren renuncias del HUD para atender las necesidades específicas de la población de evacuados. Se adjunta una copia de nuestra solicitud de renuncia como Anexo A a este Plan.

Distribución de la Población de Evacuados a partir del 1 de enero de 2006



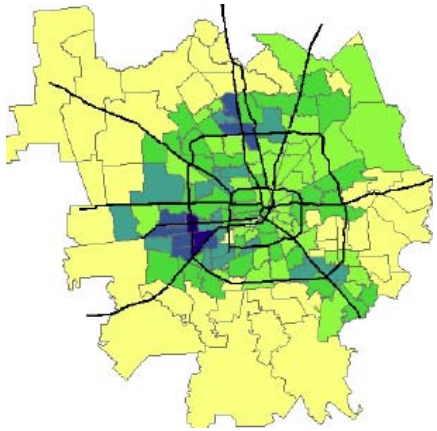
Legenda

USPS_POP_2006_2007

ORIGINAL

- 0
- 1-100
- 101-250
- 251-500
- 501-750
- 751-1387

Distribución de la Población de Evacuados a partir del 1 de enero de 2007



Legenda

USPS_POP_2006_2007

RESTANTE

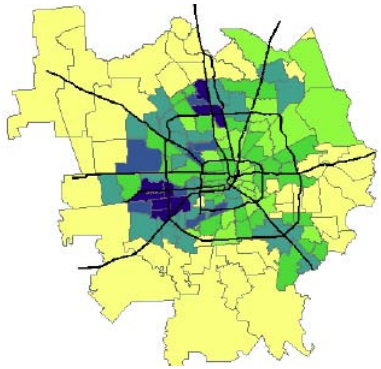
- 0
- 1-100
- 101-250
- 251-500
- 501-750
- 751-942

Se muestran dos mapas indicando la distribución de evacuados que residen dentro de la ciudad de Houston.

El mapa a la izquierda muestra la distribución de hogares de evacuados por código postal, a partir del **1 de enero de 2006**. Lo marcado en amarillo indica que cero hogares de evacuados se encuentran dentro de los códigos postales de la ciudad. Lo marcado en azul marino indica que más de 750 hogares se encuentran dentro del área del código postal.

El mapa a la derecha muestra la última distribución de hogares de evacuados por código postal a partir del **1 de enero de 2007**. Lo marcado en amarillo indica que cero evacuados viven dentro de los códigos postales de la ciudad. Lo marcado en azul marino indica que más de 750 evacuados viven dentro del área del código postal.

Distribución de los Beneficiarios de FEMA a partir del
1 de enero de 2007
Gran Área Metropolitana de Houston



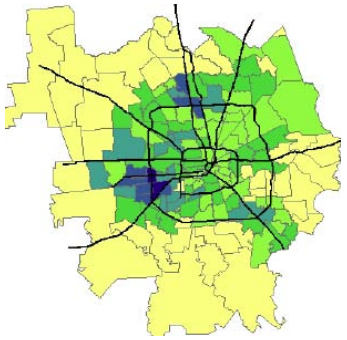
Legenda

FEMA_Current_Receiving_greater_houston
(FEMA_Actual_Beneficiario_Gran Área Metropolitana_houston)

EVACUADO

- 0
- 1-50
- 51-100
- 101-250
- 251-500
- 501-702

Distribución de los Beneficiarios de FEMA a partir del
1 de enero de 2007
Houston Solamente



Legenda

FEMA_Current_Receiving_Houston1
(FEMA_Actual_Beneficiario_Houston1)

EVACUADO

- 0
- 1-100
- 101-250
- 251-500
- 501-750
- 751-702

Se muestran dos mapas indicando la distribución de los beneficiarios actuales de FEMA.

El mapa a la izquierda muestra la distribución de los hogares de los beneficiarios de FEMA por código postal, a partir del **1 de enero de 2007,** para la gran área metropolitana de Houston. Lo marcado en amarillo indica que cero hogares de evacuados se encuentran dentro de los códigos postales de la ciudad. Lo marcado en azul marino indica que más de 500 hogares se encuentran dentro del área del código postal.

El mapa a la derecha muestra la última distribución de los hogares de los beneficiarios de FEMA por código postal, a partir del **1 de enero de 2007,** dentro de los límites de la ciudad de Houston. Lo marcado en amarillo indica que cero evacuados viven dentro de los códigos postales y lo marcado en azul marino indica que más de 500 evacuados que vivan dentro del código postal.

El Crimen en los Complejos de Apartamentos dentro de los Distritos de Policía 6, 17, 19, 20.

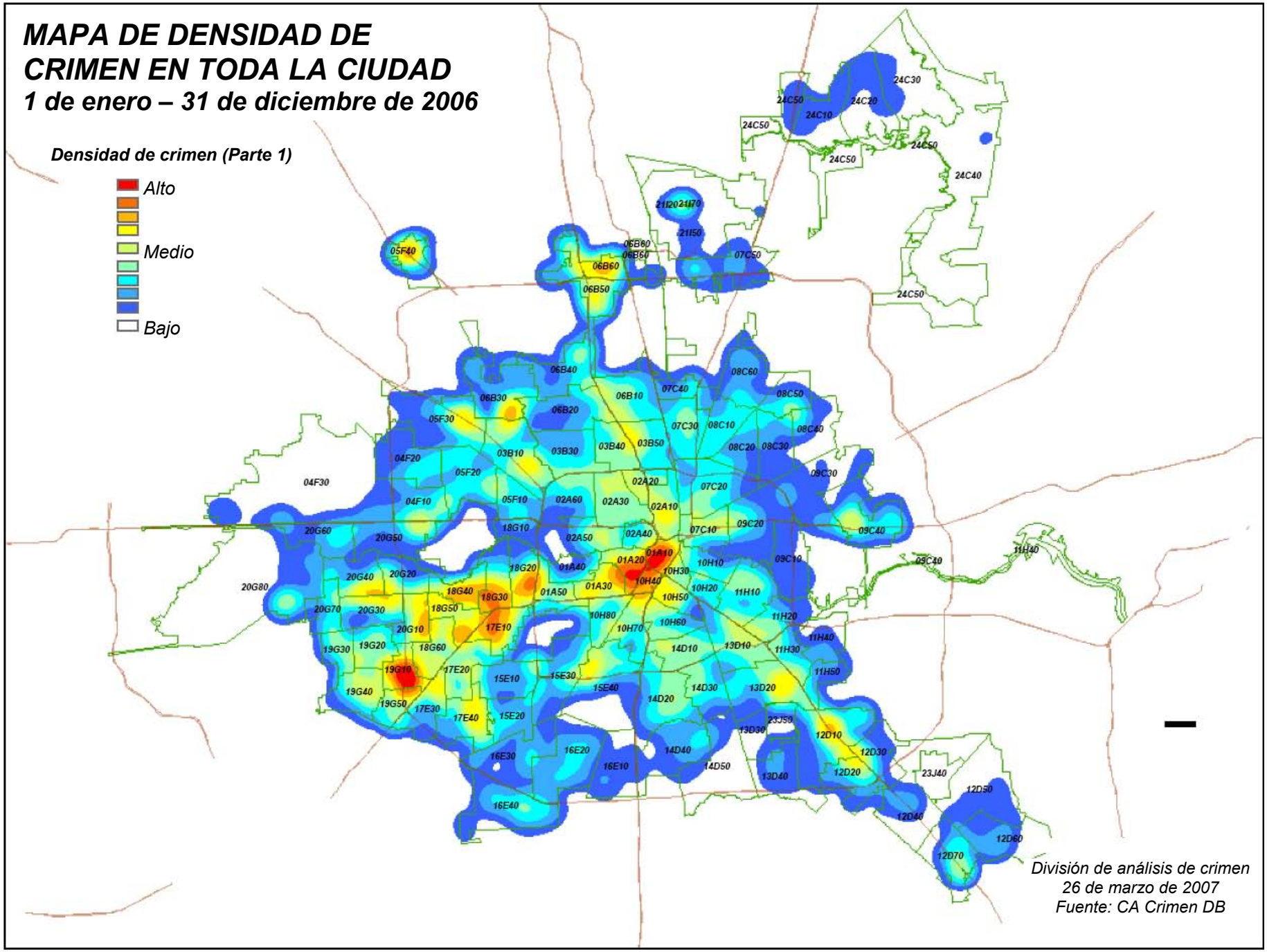
Reportado Un Año Antes y Un Año Después del 1 de septiembre de 2005

Distrito	Período De Tiempo	Asesinato	Violación	Robo	Asaltos Agravados
6	1 de septiembre de 2004 – 31 de agosto de 2005	10	30	281	216
	1 de septiembre de 2005 - 31 de agosto de 2006	9	30	372	222
	2004/2005 vs 2005/2006	-1	0	91	6
17	1 de septiembre de 2004 - 31 de agosto de 2005	17	29	492	248
	1 de septiembre de 2005 - 31 de agosto de 2006	26	41	466	278
	2004/2005 vs 2005/2006	9	12	-26	30
19	1 de septiembre de 2004 - 31 de agosto de 2005	16	27	322	137
	1 de septiembre de 2005 - 31 de agosto de 2006	29	32	342	207
	2004/2005 vs 2005/2006	13	5	20	70
20	1 de septiembre de 2004 - 31 de agosto de 2005	4	25	332	109
	1 de septiembre de 2005 - 31 de agosto de 2006	12	30	293	144
	2004/2005 vs 2005/2006	8	5	-39	35
Total	1 de septiembre de 2004 - 31 de agosto de 2005	47	111	1427	710
	1 de septiembre de 2005 - 31 de agosto de 2006	76	133	1473	851
	2004/2005 vs 2005/2006	29	22	46	141
Cambio de Porcentaje 2004/2005 vs 2005/2006		**62%**	**20%**	**3%**	**20%**

El número de eventos de crímenes está contado, no el número de víctimas.
La Violencia Doméstica no está incluida dentro de la categoría de asalto.

MAPA DE DENSIDAD DE CRIMEN EN TODA LA CIUDAD

1 de enero – 31 de diciembre de 2006



Bản phác thảo Tu Chính Kế Hoạch Khắc Phục Thảm Họa của tiểu bang Texas để Sử Dụng Ngân Quỹ Đồng Loạt cho Phát Triển Cộng Đồng (CDBG) nhằm Giúp Khôi Phục Lại Các Khu Vực Bị Tàn Phá do Hậu Quả của Các Cơn Bão Katrina, Rita, và Wilma tại Vùng Vịnh Mễ Tây Cơ năm 2005 (Kế Hoạch Hành Động)

Quận Harris và Thành Phố Houston đã biên soạn bản tu chính Kế Hoạch Khắc Phục Thảm Họa Một Phần của tiểu bang Texas (Kế Hoạch Hành Động) được Ban Quản Lý Sở Gia Cư và Sự Vụ Cộng Đồng Texas (Texas Department of Housing and Community Affairs - TDHCA) thông qua vào ngày 1 tháng Hai, 2007. Bản Kế Hoạch Hành Động đề xuất rằng "số tiền ngân quỹ $60 triệu được ưu tiên sử dụng để cung cấp các dịch vụ công cộng, phát triển cộng đồng, và các hoạt động gia cư trong những khu vực (các nha cảnh sát, trường học, các khu chung cư, khu phố) chủ yếu có các gia đình có lợi tức ở mức thấp tới vừa phải cư ngụ và là nơi có thể thấy rõ sự gia tăng dân số đáng kể do dòng người sơ tán sau cơn bão Katrina" (trang 14). Theo yêu cầu của Kế Hoạch Hành Động, bản tu chính này trình bày chi tiết về cách thức các vấn đề ưu tiên ngân quỹ tài trợ sẽ đáp ứng các yêu cầu NOFA của HUD, cơ chế cung cấp nguồn tài trợ, việc phân bổ ngân quỹ tài trợ và các yêu cầu khác của HUD.

Theo bản tu chính Kế Hoạch Hành Động này, Thành Phố Houston và Quận Harris đang đề nghị tài trợ cho các dự án sẽ đáp ứng nhu cầu của những người sơ tán và tiếp tục cư ngụ tại khu vực Houston do Cơn Bão Katrina và Rita. Theo bản tu chính, Thành Phố Houston sẽ sử dụng $40 triệu cho các dịch vụ bảo vệ và phục hồi gia cư dành cho nhiều gia đình, còn Quận Harris sẽ sử dụng $20 triệu để đáp ứng nhiều nhu cầu về các dịch vụ công cộng của cộng đồng những người sơ tán, trong đó bao gồm cả các dịch vụ y tế và quản lý hồ sơ.

Tóm lại, bản kế hoạch của Quận Harris/Houston sẽ:

- Cung cấp gia cư an toàn, sạch sẽ và hợp túi tiền cho những người sơ tán bị mất nơi ở, trong đó bao gồm cả những người sơ tán có nhu cầu đặc biệt;
- Áp dụng một chương trình phối hợp bảo vệ gia cư để khuyến khích cộng đồng phát triển và giảm bớt tình trạng tội phạm trong các cộng đồng những người sơ tán tái định cư;
- Trang trải các khoản chi phí phát sinh khi cung cấp các dịch vụ y tế cấp cứu và không cấp cứu, cần thiết cho những người sơ tán ngay sau khi xảy ra thảm họa và nhiều tháng sau đó;
- Cung cấp dịch vụ quản lý hồ sơ và cố vấn trợ giúp khủng hoảng cần thiết cho những người sơ tán vẫn đang phải đối mặt với tình trạng di chuyển cực kỳ khẩn cấp; và
- Đáp ứng các nhu cầu về dịch vụ công cộng của các thành phần dân số đặc biệt.

BỐI CẢNH

Nhằm khắc phục hậu quả của Các Cơn Bão Katrina và Rita, khu vực Houston đã nhận hơn 200,000 người sơ tán trong tháng Chín, 2005. Thoạt tiên, những người sơ tán cư ngụ trong các trung tâm tạm trú, nhà, và khách sạn trong phạm vi Thành Phố Houston. Tính tới ngày 31 tháng Mười Hai, 2005, có khoảng 160,000 người sơ tán vẫn tiếp tục ở lại. Những người sống trong các trung tâm tạm trú có tổ chức, các nhà thờ, tư gia, và khách sạn đều được chuyển tới các khu chung cư. Từ nay tới cuối năm, đây sẽ là nơi cư ngụ của khoảng 37,000 gia đình, tương ứng với khoảng 110,000 người (Tài Liệu Đính Kèm A). Những người sơ tán khác trong khu vực đã tìm thấy nơi tạm trú khác không liên quan tới chương trình gia cư do Thành Phố quản lý và FEMA trợ cấp. Ngoài ra, Thành Phố và Quận Harris cũng tiếp nhận thêm khoảng 3,000 hộ gia đình có

phiếu trợ cấp Section 8, hoặc đã nhận được hoặc đang tiếp tục được nhận trợ cấp gia cư của liên bang.

Dựa trên hồ sơ thay đổi địa chỉ bưu tín, tính tới ngày 31 tháng Mười Hai, 2006, Thành Phố Houston vẫn là nơi định cư của hơn 100,000 người sơ tán. Giờ đây phần lớn những người cư ngụ trong các khu vực có số zip code hoàn toàn thuộc Giáo Khu Orleans (Orleans Parish) đang bắt đầu cuộc sống mới tại Houston. Vì Hoa Kỳ và khu vực này khuyến khích những người sơ tán còn khỏe mạnh tìm việc làm và học sinh đi học ở bất kỳ nơi nào họ muốn cư ngụ, và vì 204,000 căn nhà bị hư hỏng tại Louisiana đang được xây dựng lại, Houston sẽ là nơi tiếp nhận nhiều người sơ tán trong thời gian sắp tới.

Thành Phố Houston, Quận Harris và nhiều cơ quan dịch vụ xã hội làm việc với những người sơ tán để hiểu rõ hơn về các nhu cầu cũng như các vấn đề quan tâm của họ, những người đang tái định cư trong cộng đồng này. Vấn đề an toàn và gia cư hợp túi tiền hiện là những nhu cầu cấp thiết nhất.

Theo các cuộc thăm dò ý kiến Zogby định kỳ về những người sơ tán tham gia các chương trình gia cư được FEMA trợ cấp, hàng chục ngàn người sơ tán vẫn ở nhà thuê trong khu vực đó trước khi xảy ra cơn bão, tiếp tục thuê nhà, và vẫn khó có thể mua được nhà mới sau khi ngừng nhận tiền trợ cấp của FEMA.

Thành phố Houston và Quận Harris rất tự hào về các nỗ lực khuyến khích những người sơ tán trở lại nhịp sống của quốc gia chứ không phải là cô lập các cư dân này trong một số khu dân cư nhất định hoặc các khu trại dành cho xe lưu động. Vì vậy, việc sử dụng ngân quỹ CDBG một cách hiệu quả nhất về mặt chi phí là đáp ứng nhu cầu ngày càng tăng về các căn hộ cho thuê hợp túi tiền và các dịch vụ bảo vệ an toàn gia cư do tình trạng dân số tăng tại các khu vực được nhiều người sơ tán chọn làm nơi cư ngụ.

SỬ DỤNG NGÂN QUỸ CHO CHƯƠNG TRÌNH HÀNH ĐỘNG
CÁC THÀNH TÍCH DỰ KIẾN

Các thành tích thu được từ Chương Trình Hành Động này sẽ bao gồm tăng cường mức độ an toàn, cung cấp các dịch vụ công cộng và nơi tạm trú trong các khu vực có mức lợi tức từ thấp tới vừa phải, nơi có thể chứng minh rõ ràng là dân số đã tăng đáng kể do dòng người sơ tán sau cơn bão Katrina. Thành phố Houston và Quận Harris dự kiến rằng những người có lợi tức thấp tới vừa phải (LMI) sẽ là những người hưởng lợi chính từ chương trình. Theo các qui định hướng dẫn của chương trình HUD, những người hưởng lợi LMI đều thuộc các gia đình có mức lợi tức thấp hơn 80 phần trăm mức lợi tức trung bình của gia đình trong khu vực.

MỤC TIÊU CỦA QUỐC GIA

Theo Chương Trình Hành Động, tất cả các hoạt động hội đủ điều kiện đều phải đáp ứng một trong ba mục tiêu quốc gia được đặt ra trong Đạo Luật Gia Cư và Phát Triển Cộng Đồng (Housing and Community Development Act) (giải quyết tình trạng nhà ổ chuột và tiêu điều, đáp ứng các nhu cầu cấp thiết, chủ yếu mang lại lợi ích cho những người thuộc diện LMI). Theo thẩm quyền của Đạo Luật về Phân Bổ Ngân Quỹ của Bộ Quốc Phòng (Department of Defense Appropriations Act) ban hành năm 2006 (Công Luật, 109=148, được phê chuẩn ngày 30 tháng Mười Hai, 2005), HUD sẽ đồng ý cho phép từ bỏ phúc lợi hoàn toàn, qua đó có thể dành tới 50

phần trăm số tiền trợ cấp đó để trợ giúp các hoạt động đang có nhu cầu cấp thiết hoặc các mục tiêu ngăn ngừa và bài trừ tình trạng nhà ổ chuột và tiêu điều chứ không phải là 30 phần trăm được phép trong kế hoạch CDBG hàng năm. Mục tiêu chính của Tiêu Đề I, Đạo Luật Phát Triển Gia Cư và Cộng Đồng và chương trình tài trợ của mỗi tổ chức được tài trợ là "phát triển các cộng đồng thành thị sầm uất, qua việc cung cấp gia cư khang trang và môi trường sống thích hợp cũng như mở rộng các cơ hội kinh doanh, chủ yếu là cho những người có lợi tức thấp và vừa phải". Tiểu bang đã thiết lập tiêu chuẩn đánh giá kết quả hoạt động cho mục tiêu chính này ở mức tổng cộng bằng 70 phần trăm ngân quỹ được sử dụng để hỗ trợ cho các hoạt động có lợi cho những người có lợi tức thấp và vừa phải. Vì có tác động rất lớn tới sự phát triển của cộng đồng và gia cư của những người có nhiều mức lợi tức khác nhau, người dân thường bị mất các công việc tạo ra thu nhập trong một thời gian sau khi xảy ra thảm họa, HUD sẽ miễn trừ áp dụng qui định phúc lợi 70 phần trăm phúc lợi tổng quát, để lại qui định 50 phần trăm, tạo điều kiện cho các tổ chức được nhận trợ cấp linh hoạt trong việc tiến hành các hoạt động khắc phục thảm họa trong phạm vi các mục tiêu quốc gia của chương trình CDBG. Mục Tiêu Quốc Gia sẽ đáp ứng ngân sách chi tiêu này sẽ là giải quyết tình trạng nhà ổ chuột và cảnh tiêu điều, đáp ứng nhu cầu cấp thiết cũng như các phúc lợi accruing cho những người có mức lợi tức thấp tới vừa phải, có mức lợi tức chưa bằng 80% Mức Lợi Tức Trung Bình Trong Khu Vực. Bản tu chính chương trình này có trình bày về vấn đề ưu tiên hàng đầu đối với hoạt động phục hồi và tái xây dựng các căn hộ cho thuê hợp túi tiền cũng như các chương trình phát triển cộng đồng nhằm cải tiến tình trạng an toàn trong các khu chung cư cũng như các khu vực xung quanh. Toàn bộ ngân quỹ chi của Thành Phố Houston sẽ được phân bổ cho các chương trình gia cư cho thuê hợp túi tiền tại các khu vực có thể chứng minh được rằng dân số đã tăng đáng kể do dòng người sơ tán sau cơn bão Katrina. Các chương trình của Quận Harris chủ yếu sẽ chú trọng tới những người có lợi tức thấp tới vừa phải, là những người đã phải sơ tán sau cơn bão Katrina hoặc Rita.

THÔNG TIN TỔNG QUÁT VỀ VIỆC SỬ DỤNG VÀ PHÂN BỔ NGÂN QUỸ

Thành Phố Houston và Quận Harris sẽ áp dụng phương pháp phân bổ ngân quỹ sau đây để sắp xếp theo thứ tự ưu tiên các mục đích sử dụng ngân quỹ dựa trên mức nhu cầu cao nhất có thể nhận biết được.

Hoạt Động	**Mục Tiêu Chính Của Quốc Gia Đã Được Giải Quyết**	**Các Mục Tiêu Khác Được Qui Định trong *Federal Register****	**Ngân Quỹ Tài Trợ cho Hoạt Động**	**% Ngân Quỹ Tài Trợ cho Chương Trình**
Chương Trình Các Khu Phố Đạt Mức Tiêu Chuẩn	Giải quyết tình trạng nhà ổ chuột và tiêu điều, Phúc Lợi LMI	Phục hồi hệ thống gia cư cho thuê hợp túi tiền	$20,000,000	
Khu Căn Hộ Có Nhiều Gia Đình Đại Diện Liên Lạc của Cộng Đồng	Giải quyết tình trạng nhà ổ chuột và tiêu điều, Phúc Lợi LMI		$20,000,000	
Các Dịch Vụ Công Cộng cho Người Sơ	Nhu Cầu Cấp Thiết, Phúc Lợi LMI		$20,000,000	

Tán: Chương Trình Bảo Vệ An Toàn Gia Cư -Được mở rộng cho những người sơ tán Các Dịch Vụ Y Tế cho Người Sơ Tán Chương Trình Cố Vấn Khủng Hoảng sau cơn bão Katrina Nhân Viên Bênh Vực Quyền Lợi cho Thanh Thiếu Niên Các Dịch Vụ				
Tổng Cộng Số Ngân Quỹ Tài Trợ trong bản Tu Chính Kế Hoạch			$60,000,000	

*Theo như qui định về "các yếu tố bổ sung của Kế Hoạch Hành Động" trong thông báo của *Federal Register,* hoạt động này giải quyết một hoặc nhiều yếu tố bổ sung được trình bày dưới đây.

"b. Kế hoạch khắc phục thảm hoạ tổng quát của bên được nhận trợ cấp cũng sẽ bao gồm:

(i) Phần giải thích về cách Tiểu Bang sẽ ưu tiên các hoạt động khôi phục và xây lại hệ thống gia cư cho thuê hợp túi tiền, trong đó bao gồm cả gia cư chính phủ và các gia cư khác được HUD tài trợ, phần trình bày về các hoạt động mà Tiểu Bang dự kiến sẽ thực hiện bằng ngân quỹ trợ cấp theo hạng mục ưu tiên này, và phần trình bày về các khó khăn riêng biệt mà những người khuyết tật đang phải đối mặt khi tìm gia cư hợp túi tiền và thích hợp cho họ

(ii) *Phần giải thích về cách thức Tiểu Bang sẽ ưu tiên phát triển và phục hồi cơ sở hạ tầng, và phần trình bày về các hoạt động liên quan đến cơ sở hạ tầng là các kế hoạch sẽ được thực hiện bằng ngân quỹ tài trợ; và*

(iii) *Phần giải thích về phương pháp phân bổ hoặc sử dụng ngân quỹ tài trợ được trình bày theo đúng các thông báo hiện hành hội đủ điều kiện có ít nhất 19.3311 phần trăm ngân quỹ phân bổ của Tiểu Bang theo thông báo này sẽ được sử dụng cho hoạt động sửa chữa, phục hồi và xây lại (trong đó bao gồm cả hoạt động dỡ bỏ, dọn quang và tu bổ địa điểm) để xây hệ thống gia cư cho thuê hợp túi tiền (trong đó bao gồm cả gia cư công cộng và các dạng gia cư khác được HUD tài trợ) trong các khu vực bị ảnh hưởng.*

CÁC YÊU CẦU TỔNG QUÁT VỀ TÌNH TRẠNG HỘI ĐỦ ĐIỀU KIỆN THAM GIA HOẠT ĐỘNG

Bản Tu Chính Kế Hoạch Hành Động này trình bày về mô hình phân bổ ngân quỹ của Thành Phố Houston và Quận Harris theo các qui định được công bố trong tờ *Federal Register* (Quyển 71, Số 209) vào ngày 30 tháng Mười, 2006. Trừ khi có qui định khác trong tờ *Federal Register*, các điều khoản qui định và pháp lý áp dụng cho chương trình CDBG, đặc biệt là 24 CDF Phần 570 Phụ Mục I, áp dụng cho việc sử dụng các nguồn ngân quỹ này. Tất cả các hoạt động phải là các hoạt động CDBG hội đủ điều kiện chiếu theo mục 24 CFT Phần 570 Phụ Mục I, trừ khi được HUD miễn tuân hành, và phải hội đủ điều kiện nhận tiền tài trợ khắc phục thảm hoạ được đề cập tới trong toàn bộ tài liệu này, cũng như phải đạt ít nhất một trong ba mục tiêu quốc gia.

Như đã đề cập trong tờ *Federal Register*, theo luật *"...không được sử dụng ngân quỹ cho các hoạt động có thể được hoàn trả hoặc được tài trợ qua Cơ Quan Kiểm Soát Các Trường Hợp Khẩn Cấp Của Liên Bang (Federal Emergency Management Agency) hoặc Quân Đoàn Kỹ Sư. Ngoài ra, Tiểu Bang hoặc chính quyền địa phương không được sử dụng các nguồn ngân quỹ tài trợ theo tiêu đề này như là điều kiện, phần đóng góp hoặc phần cống hiến tương ứng cho bất kỳ chương trình nào khác của Liên Bang"*. Đây sẽ là yêu cầu chính và sẽ được TDHCA giám sát trong toàn bộ các giai đoạn của chương trình.

CÁC HOẠT ĐỘNG HỘI ĐỦ ĐIỀU KIỆN THEO CÁC HẠNG MỤC ƯU TIÊN TÀI TRỢ CỤ THỂ

Như đã được đề cập trong tờ *Federal Register, "đạo luật về phân bổ ngân quỹ qui định rằng chỉ được sử dụng ngân quỹ tài trợ cho các hoạt động khắc phục thảm hoạ, khôi phục dài hạn và phục hồi cơ sở hạ tầng ở những khu vực bị ảnh hưởng nhiều nhất do hậu quả của các cơn bão tại Vùng Vịnh Mễ Tây Cơ năm 2005. Điều luật cũng qui định rằng mỗi bên được nhận trợ cấp sẽ phải trình bày trong Kế Hoạch Khắc Phục Thảm Hoạ của mình về việc cách thức sử dụng các ngân quỹ tài trợ có ưu tiên cho việc khôi phục và phát triển cơ sở hạ tầng và việc xây lại cũng như khôi phục hệ thống gia cư cho thuê hợp túi tiền, trong đó bao gồm cả gia cư công cộng và các hạng mục gia cư khác được HUD tài trợ"*. Các hoạt động cụ thể sau đây đã được Thành Phố Houston và Quận Harris xác định là các hoạt động cần phải được thực hiện để đáp ứng các yêu cầu ưu tiên của những người sơ tán hiện đang cư ngụ trong khu vực Thành Phố Houston/Quận Harris.

CHIẾN LƯỢC PHÍA SAU CÁC YÊU CẦU CỦA THÀNH PHỐ HOUSTON

Gia Cư

$20 triệu ngân quỹ CDBG dành cho hoạt động gia cư sẽ được thành phố Houston sử dụng một cách hiệu quả nhất về mặt chi phí và sẽ chú trọng tới thị trường. Các ngân quỹ này sẽ được đưa vào Chương Trình Chung Cư Tới Mức Tiêu Chuẩn (Apartment-to-Standard Program) tại khu vực có nhiều người sơ tán chọn làm nơi cư ngụ. Hoạt động khôi phục hệ thống gia cư dành cho nhiều gia đình hiện tại với mức chi phí khoảng $20,000 cho mỗi căn hộ có thể được thực hiện nhanh chóng hơn và tiết kiệm chi phí hơn nhiều so với việc xây các khu chung cư mới. Bằng cách tăng nguồn cung cấp gia cư hợp túi tiền trong khu vực, chúng tôi cũng tăng tình trạng có sẵn gia cư chất lượng cao với mức giá hợp lý cho những người sơ tán.

Cách tốt nhất để tập trung trợ cấp gia cư cho cộng đồng sơ tán sẽ là việc tập trung nguồn trợ cấp này vào thị trường thứ yếu trong phạm vi thành phố Houston, nơi được nhiều người sơ tán chọn làm nơi cư ngụ và tái định cư đông nhất. (Xem Tài Liệu Đính Kèm A). Cụ thể là, thành phố Houston sẽ tập trung ngân quỹ vào khu vực Tây Nam/Fondren và các vùng phụ cận, khu vực phía nam IH 59 ở bên ngoài Loop 610, nằm ở phía tây nam Thành Phố. Trong khu vực đó, số học sinh theo học tại các trường công lập đã tăng thêm 2,840 em trong khoảng thời gian từ Tháng Chín, 2005 tới Tháng Giêng, 2006.

An Toàn Gia Cư

$20 triệu ngân quỹ dành cho các hoạt động bảo vệ gia cư an toàn tại các khu chung cư dành cho nhiều gia đình và các vùng phụ cận cũng dựa trên các nguyên tắc tương tự. Tỷ lệ tội phạm bạo lực phát sinh đáng kể tại các khu chung cư nằm trong phạm vi bốn Quận Cảnh Sát có đông người sơ tán. Tỷ lệ án mạng tăng 62%, hãm hiếp tăng 20 %, trộm cướp tăng 3%, và số vụ hành hung tăng 20% trong các khu chung cư tại các khu vực này. Các con số này không bao gồm các trường hợp tội phạm xảy ra tại những khu phố gần các điểm nóng này. (Tài Liệu Đính Kèm B).

Nhận thấy tính chất đặc biệt và bất thường trong hoạt động tiếp nhận người sơ tán của thành phố Houston, cả FEMA và Bộ Tư Pháp đã tài trợ cho các chương trình triển khai các viên chức cảnh sát tới làm việc ngoài giờ tại khu vực có mật độ người sơ tán đông. Các chương trình làm việc ngoài giờ đặc biệt được FEMA và Sở Tư Pháp tài trợ này chính là những phương pháp rất hiệu quả để nâng cao an toàn cho cư dân. Tỷ lệ phạm tội giảm mạnh sau khi các chương trình này được áp dụng. Các chương trình gia cư an toàn phải được mở rộng trong thời gian những người sơ tán vẫn tiếp tục ở lại, vì an toàn gia cư là yếu tố trực tiếp ảnh hưởng tới số dân và mật độ dân số.

Phân tích tình hình tội phạm của Nha Cảnh Sát Houston cho thấy cư dân ở các khu chung cư có mức lợi tức thấp hơn thường là nạn nhân tội phạm với tỷ lệ không cân đối so với nơi khác. Chương trình CDBG này sẽ cử một viên chức cảnh sát làm đầu mối liên lạc cho năm mươi khu chung cư chủ yếu nằm trong Các Khu Vực Cảnh Sát tại Fondren/ Southwest, miền tây, và Greenspoint nơi có đông người sơ tán cư ngụ và có tỷ lệ tội phạm bạo lực cao ở mức mất cân đối so với các nơi khác. Mục đích của chương trình này là giảm bớt số vụ phạm tội trong và gần các khu chung cư ở các khu vực này. Các chương trình cảnh sát làm việc ngoài giờ trước đây được Bộ Tư Pháp và FEMA tài trợ đã tạo điều kiện điều động thêm nhiều viên chức cảnh sát xuống các điểm nóng này, tiến hành nhiều vụ bắt giữ và ngăn chặn tỷ lệ phạm tội bạo lực có nguy cơ tăng ở mức đáng kinh ngạc. Houston tiếp tục là nơi tạm trú của hơn 100,000 người phải dời nơi ở do Cơn Bão Katrina. Gia cư *an toàn* vẫn tiếp tục là nhu cầu của những người sơ tán này.

THỜI HẠN

Thành phố Houston yêu cầu phải áp dụng các biện pháp kịp thời để phân bổ các ngân quỹ này. Về vấn đề an toàn gia cư, cần phải có sự chấp thuận kịp thời cho yêu cầu này và phân bổ các ngân quỹ này để duy trì các chương trình làm việc ngoài giờ sau ngày 1 Tháng Bảy, 2007.

Như được trình bày trong mục chi tiết hơn của yêu cầu này liên quan tới chương trình gia cư dành cho nhiều gia đình, đã có thông báo mời thầu công trình cải tiến căn hộ trong các khu vực

có số lượng người sơ tán đông. Thành Phố Houston đã gửi văn bản yêu cầu TDHCA trợ giúp trong 60 ngày đầu tiên sau khi sơ tán, từ Tháng Chín tới Tháng Mười năm 2005. Chúng tôi đã nhấn mạnh là lịch trình xây cất đặt ra yêu cầu phải có biện pháp giải quyết kịp thời để có thể tu bổ và sửa chữa thoả đáng các căn hộ dành cho nhiều gia đình. Vì sau đó không có trợ cấp nữa, nhiều căn hộ có đông người sơ tán đã bị xuống cấp nghiêm trọng kể từ thời điểm đó. Tỷ lệ hoàn trả chi phí dựa trên công thức Mục 8 của HUD không khuyến khích thoả đáng để nhiều chủ nhà đầu tư vào việc phục hồi dạng gia cư này. Mức lệ phí bảo hiểm và hoá đơn dịch vụ điện nước tăng nhưng không thể bắt người thuê phải trả tiền cũng ảnh hưởng xấu tới nguồn cung cấp dạng gia cư dành cho nhiều gia đình. Do đó công việc xây cất phải bắt đầu càng sớm càng tốt.

Gia Cư – Chương Trình Các Khu Phố Đạt Mức Tiêu Chuẩn – Khu Vực Trọng Tâm Katrina

Số tiền trợ cấp ngân quỹ $20,000,000 sẽ được cung cấp cho các nhà thầu xây cất, kể cả các tổ chức hoạt động vì lợi nhuận và tổ chức bất vụ lợi để tu bổ các khu chung cư tại các khu vực có mức lợi tức từ thấp tới trung bình của thành phố. Sở Gia Cư và Phát Triển Cộng Đồng (HCD) của Thành Phố đã công bố Thông Báo Mời Thầu (RFP) cho Chương Trình Các Khu Phố Đạt Mức Tiêu Chuẩn (Neighborhoods to Standard Program) trên toàn thành phố trong Tháng Hai, 2007. RFP đã mời các nhà thầu xây cất, kể các tổ chức bất vụ lợi và hoạt động vì lợi nhuận tham gia tu bổ các căn hộ trong khu vực có mức lợi tức từ thấp tới trung bình của thành phố. Liên quan tới Katrina, các căn hộ nằm trong khu vực trọng tâm Fondren/Southwest Freeway sẽ được dành thêm ngân quỹ vì là nơi dân số tăng đáng kể do dòng người sơ tán sau cơn bão này. (Tuy nhiên Tài Liệu Đính Kèm A lại cho thấy rằng số lượng người sơ tán đã ảnh hưởng nghiêm trọng tới nhiều khu vực của thành phố ngoài khu vực trọng tâm nói trên).

Chương trình Neighborhoods to Standard muốn phục hồi nhiều căn nhà trong mỗi khu vực trọng tâm. Giả sử mức đầu tư trung bình cho mỗi căn hộ là $20,000, thì 1,375 căn hộ sẽ được cải tiến, tạo cơ hội cung cấp nơi ở an toàn và sạch sẽ hơn, đáp ứng được cả các nhu cầu đặc biệt. Tất cả các dự án đã được chấp thuận đều phải tuân theo đúng các qui định của HUD về dự án. Điều này bao gồm cả vấn đề gia cư công bằng, không phân biệt đối xử, các tiêu chuẩn về lao động, các nhu cầu đặc biệt và các yêu cầu đối với việc bảo vệ môi trường.

Các Qui Định Về Tình Trạng Hội Đủ Điều Kiện

Chương trình chỉ dành cho các công trình xây cất hội đủ tất cả các điều kiện sau đây.

1. Các căn hộ được trợ cấp trong các khu vực nơi dân cư tăng đáng kể do dòng người sơ tán sau cơn bão Katrina.
2. Một đối tác tư nhân có căn nhà có thể sử dụng trong 20 năm sau khi tu bổ.
3. Đạt thành tích tốt trong việc quản lý và xây bất động sản.

Các Yêu Cầu để Được Nhận Trợ Cấp

Để nhận tiền trợ cấp, mỗi đương đơn phải đồng ý với các điều kiện sau đây.

1. Bảo đảm rằng gia cư được trợ cấp hợp túi tiền nhất ở mức có thể được và là nơi cư ngụ của các gia đình có mức lợi tức thích hợp, hợp đồng giới hạn việc sử dụng đất phải được

ghi và thiết lập các mức giới hạn về mức lợi tức và mức tiền thuê nhà từ thấp tới trung bình trong giai đoạn tính theo năm dựa trên các qui chế của HUD. Tất cả các căn hộ được trợ cấp sẽ tuân theo các giới hạn về tiền thuê nhà trong 15 năm sau khi tu bổ.
2. Tất cả các công trình xây cất đều phải tuân theo bộ luật của thành phố địa phương.
3. Phải có bảo hiểm 100 phần trăm cho các giá trị thay thế của căn nhà đối với tất cả các dạng rủi ro.
4. Tất cả các dự án được chấp thuận đều phải tuân theo các qui định của HUD về các dự án. Điều này bao gồm gia cư công bằng, không phân biệt đối xử, các tiêu chuẩn về lao động, và các yêu cầu về môi trường.

Tính Số Tiền Trợ Cấp
Số tiền và các điều kiện vay hoặc trợ cấp sẽ dựa trên các tiêu chí bán bảo hiểm được qui định trong NOFA. Số tiền trợ cấp sẽ được quyết định sau khi Sở Gia Cư và Phát Triển Cộng Đồng Thành Phố Houston đã xem xét kỹ đơn xin như được trình bày trong Thư Mời Thầu của Chương Trình Các Khu Phố Đạt Mức Tiêu Chuẩn (RFP) hiện tại. Ngoài các vấn đề khác, Sở sẽ đánh giá cụ thể quá trình hoạt động đã nói, các khoản chi phí ước tính, và tình hình thị trường thuê nhà trong khu vực đó để thiết lập số tiền và cơ cấu trợ cấp thích hợp. Các đương đơn nên tìm hiểu về các nguồn trợ giúp có sẵn khác để bảo đảm duy trì gia cư hợp túi tiền cho các gia đình có lợi tức thấp hoặc rất thấp. Sẽ chủ yếu xem xét các kế hoạch tái thiết không chỉ cải tiến nhà mà còn bao gồm cả các dịch vụ cộng đồng, cơ sở vật chất của cộng đồng, các vấn đề về cảnh quan khu vực, hoặc hỗ trợ trường học (ví dụ như phòng sinh hoạt cộng đồng để học sinh học phụ đạo hoặc sử dụng máy điện toán).

Phân Bổ Quỹ
Quỹ sẽ được phân bổ qua hợp đồng với các nhà thầu xây đã được Hội Đồng Thành Phố Houston phê chuẩn sau khi HCD đã phân tích và đồng ý bảo hiểm. Các hợp đồng thường yêu cầu hãng xây nhà phải được hoàn trả chi phí liên quan tới các hoạt động phục hồi và xây lại hàng tháng, với tỷ lệ giữ lại thích hợp. Ngân quỹ cần phải được phân bổ hết trong vòng 24 giờ kể từ ngày bắt đầu hợp đồng.

Ngân quỹ trong chương trình Neighborhoods to Standard chỉ được sử dụng cho các khoản chi phí cố định. Lãi suất, các khoản lệ phí hãng xây cất và các khoản chi phí "mềm" khác sẽ không được tài trợ qua ngân khoản trợ cấp này.

<u>An Toàn Gia Cư – Chương Trình Liên Lạc Cộng Đồng Khu Chung Cư Nhiều Gia Đình</u>
Số tiền tài trợ $20 triệu sẽ được cấp cho Nha Cảnh Sát Houston để xác lập Chương Trình Khu Chung Cư Nhiều Gia Đình. Ngân quỹ sẽ được sử dụng để mua trang thiết bị và đồ tiếp liệu nhằm hỗ trợ chương trình và thuê các viên chức cảnh sát làm việc ngoài giờ làm nhân viên trong chương trình.

Chương Trình Khu Dân Cư Nhiều Gia Đình được thiết kế để đáp ứng nhu cầu của các cư dân có lợi tức ở mức thấp tới vừa phải hiện đang cư ngụ tại các khu chung cư dành cho nhiều gia đình, nơi có thể chứng minh rõ ràng rằng dân số trong khu vực đó đã tăng đáng kể do dòng người sơ tán sau cơn bão Katrina. Các vấn đề về sức khoẻ, an toàn công cộng và phẩm chất cuộc sống nói

chung tại các khu dân cư này không chỉ ảnh hưởng tới các cư dân đang cư ngụ trong các khu phố nhiều gia đình, trong đó có nhiều người là người sơ tán sau khi xảy cơn bão Katrina, mà còn trực tiếp ảnh hưởng tới các khu phố và trường học xung quanh. Qua việc các cư dân trực tiếp tham gia chương trình trong phạm vi các khu phố nhiều gia đình, mục tiêu của Nha Cảnh Sát Houston là giảm bớt tình trạng tội phạm cũng như nỗi sợ hãi về tội phạm, và tích cực khuyến khích các cư dân tham gia vào tiến trình thiết lập mối quan hệ bền chặt với cộng đồng của mình.

Các mục tiêu của chương trình là:

I. Thành lập một nhóm gồm ban quản lý khu nhà, các cư dân và các viên chức thi hành luật pháp có nhiệm vụ phát triển các chiến lược hợp tác đấu tranh chống tội phạm tại các cộng đồng nhiều gia đình.

II. Thiết lập, thi hành và tạo điều kiện thuận lợi để áp dụng các chiến lược lâu dài nhằm giải quyết tình trạng tội phạm, an toàn gia cư và phẩm chất cuộc sống ảnh hưởng tới cư dân của các căn hộ dành cho nhiều gia đình, tại các khu phố có mức lợi tức thấp tới vừa phải, nơi có thể chứng minh rõ ràng là dân số trong khu vực đó tăng đáng kể do dòng người sơ tán sau cơn bão Katrina. Các chiến lược sẽ được điều chỉnh cho phù hợp với các vấn đề và nhu cầu phức tạp của từng cá nhân.

Để đạt được các mục tiêu này, chương trình phải được áp dụng theo hai giai đoạn riêng biệt. Trong Giai Đoạn I, các nhóm liên lạc sẽ tới từng nhà trong số năm mươi căn nhà thuộc khu dành cho nhiều gia đình được coi là nơi cư trú của Nhiều Người Sơ Tán sau cơn bão Katrina và Rita và có tỷ lệ tội phạm rất cao.

Trong Giai Đoạn I của chương trình bảo vệ an toàn gia cư ACLP, các viên chức cảnh sát sẽ tham gia hoạt động ngoại tiếp, giáo dục cư dân, thi hành luật pháp và phát triển các chiến lược quản lý nhằm giảm bớt tỷ lệ tội phạm và tăng cường an toàn cũng như phẩm chất cuộc sống của các căn nhà dành cho nhiều gia đình. Chương trình này sẽ khuyến khích các cư dân trực tiếp tham gia nhận biết, sắp xếp theo thứ tự ưu tiên và giải quyết các vấn đề về an toàn gia cư và phẩm chất cuộc sống trong cộng đồng của họ.

Giai Đoạn II sẽ yêu cầu ban quản lý gia cư và các cư dân tình nguyện nhận trách nhiệm về việc thi hành chương trình trong khu nhà của họ và phối hợp với điều phối viên Chương Trình Liên Lạc Cộng Đồng Khu Chung Cư Trên Toàn Thành Phố HPD (HPD Citywide Apartment Community Liaison). Các điều phối viên sẽ cung cấp các kỹ năng tổ chức, giáo dục và phân tích các xu hướng tội phạm cũng như cung cấp các nguồn trợ giúp giáo dục. Ngoài ra điều phối viên sẽ thu xếp các buổi họp đều đặn tại cộng đồng có nhiều gia đình bị ảnh hưởng nhằm đánh giá các nhu cầu của cộng đồng cũng như đóng góp ý kiến phản hồi cho nha cảnh sát.
Ban Điều Hành Khu Chung Cư Nhiều Gia Đình thuộc Nha Cảnh Sát Houston sẽ điều phối Chương Trình này.

Các Yêu Cầu về Tình Trạng Hội Đủ Điều Kiện
Chỉ có các khu chung cư nhiều gia đình tại các khu phố có thành phần dân cư có lợi tức từ mức thấp tới vừa phải, nơi có thể chứng minh rõ ràng rằng thành phần dân số trong khu vực đó tăng đáng kể do dòng người sơ tán sau cơn bão Katrina mới hội đủ điều kiện. Dữ liệu từ Chương

Trình Trợ Giúp Gia Cư của FEMA đã được sử dụng để nhận biết các khu chung cư hội đủ điều kiện. Trong số các khu chung cư hội đủ điều kiện, các khu nhà trong phạm vi Các Quận Cảnh Sát Chính với tỷ lệ tội phạm bạo lực cao sẽ được đưa vào chương trình ALP. (Xem Tài Liệu Đính Kèm C.)

Phân Bổ Ngân Quỹ
Ngân quỹ sẽ được phân bổ cho Nha Cảnh Sát Houston để thực thi chương trình.

CHIẾN LƯỢC PHÍA SAU CÁC YÊU CẦU CỦA QUẬN HARRIS

Việc Quận Harris sử dụng ngân quỹ khắc phục CDBG sẽ đáp ứng được nhiều nhu cầu về dịch vụ công cộng cho những người sơ tán vẫn tiếp tục ở lại khu vực này. Sau khi xảy ra các thảm họa vào năm 2005, nhu cầu cần dịch vụ trong các hệ thống dịch vụ công cộng này đã tăng rất cao. Đáng chú ý nhất là mức nhu cầu cần dịch vụ trong năm 2005 đã tăng 56% so với nhu cầu trong năm 2004, theo ghi nhận của United Way. Ngoài ra, các chương trình khác cũng mở rộng các nguồn cung cấp dịch vụ quan trọng cho nhiều người sơ tán đồng thời vẫn tiếp tục cung cấp các dịch vụ cho cư dân Quận Harris; cụ thể là, chương trình Cố Vấn Khủng Hoảng do Bão Katrina của MHMRA đã phục vụ hơn 39,000 người sơ tán tính tới tháng Mười Hai, 2006, Khu Bệnh Xá Quận Harris đã phục vụ hơn 35,000 người sơ tán chữa bệnh theo diện ngoại chẩn và nội chẩn tính tới tháng Mười Hai, 2006, còn Sở Quản Chế Trẻ Vị Thành Niên Quận Harris (Harris County Juvenile Probation Department) đã phục vụ hơn 470 thanh thiếu niên sơ tán tại các cơ sở của mình tính tới tháng Tám, 2006.

Các bản báo cáo được công bố về ảnh hưởng của các cơn bão Miền Duyên Hải Vùng Vịnh trong năm 2005 đối với khu vực Houston/Quận Harris đã cho thấy rằng gần 380,000 người muốn xin tị nạn trong khu vực này sau bão. Mặc dù nhiều người ở lại tạm thời hoặc có các nguồn trợ giúp để tạo dựng cuộc sống ổn định trong khu vực, phần lớn cộng đồng này vẫn tiếp tục ở lại vì họ chỉ có ít hoặc hoàn toàn không có các nguồn trợ giúp để chuyển đi nơi khác hoặc trở về nhà. Điều này được chứng minh qua dữ liệu thống kê của Cục Điều Tra Dân Số, trong đó ghi nhận tình trạng giảm mức lợi tức gia đình trung bình của Quận Harris từ năm 2005 tới năm 2006, tác động một phần tới số lượng người có lợi tức thấp vẫn tiếp tục sống trong khu vực này. Ngoài ra, nhiều khu phố vẫn chưa được phục hồi để cung cấp các dịch vụ thỏa đáng và gia cư hợp túi tiền để họ trở về. Bởi vậy, thành phố Houston/Quận Harris vẫn tiếp tục là nơi cư ngụ của những người có lợi tức thấp, có hoàn cảnh kinh tế khó khăn và bị mất nơi ở, hiện đang cần các dịch vụ và nguồn trợ giúp cần thiết để duy trì phẩm chất cuộc sống thỏa đáng cũng như giải quyết nhiều vấn đề phát sinh do thảm họa. Nhiều người trong số này đã mất nơi ở cố định và vẫn tiếp tục tham gia chương trình gia cư mở rộng tạm thời của Cơ Quan Kiểm Soát Khẩn Cấp Liên Bang (FEMA).

Thành phố Houston và Quận Harris sẵn sàng cung cấp các dịch vụ nhằm đáp ứng nhu cầu ngày càng tăng của những người sơ tán. Với yêu cầu này, Quận Harris dự định sẽ mở rộng dịch vụ, tiếp tục đáp ứng nhu cầu ngày càng tăng đồng thời vẫn cung cấp dịch vụ ở mức độ như cũ cho các cư dân thường trú tại Quận Harris. Với ngân quỹ này, công suất phục vụ của khu vực sẽ tăng và do đó sẽ đáp ứng được nhu cầu của nhiều người sơ tán hơn.

Việc sử dụng ngân quỹ trợ giúp khắc phục thảm họa cho mục đích này sẽ đòi hỏi phải miễn áp dụng qui định mức dịch vụ công cộng tối đa. Quận cũng sẽ yêu cầu nhanh sử dụng các ngân quỹ

này để bảo đảm tránh gây gián đoạn dịch vụ. Quận đề nghị tài trợ cho bốn chương trình dịch vụ công cộng, và các chương trình này được trình bày chi tiết hơn trong phần dưới đây.

Bảng 1. Tóm Lược về Việc Cung Cấp Ngân Quỹ Tài Trợ-Các Dự Án Được Đề Nghị của Quận Harris

Các Dự Án Được Đề Nghị của Quận Harris	Mục Tiêu Quốc Gia	Các Thành Tích Được Đề Nghị	Số Tiền Phân Bổ	Mức Phần Trăm của Phần Trợ Cấp dành cho Quận Harris
Các Dịch Vụ Công Cộng dành cho Người Sơ Tán:				
Chương Trình An Toàn Gia Cư-Chương Trình Liên Lạc Với Khu Phố Nhiều Gia Đình (Chương Trình Kết Hợp Giữa Quận và Thành Phố)	LMA	20,000 Người	$6,707,000	33%
Các Dịch Vụ Y Tế cho Người Sơ Tán (HCHD)	LMC/ Nhu Cầu Cấp Thiết	35,515 Người	$6,285,000	32%
Tiếp Tục Chương Trình Cố Vấn Trợ Giúp Khủng Hoảng Sau Cơn Bão Katrina (Katrina Crisis Counseling Program - MHMRA)	LMC	30,000- 40,000 Người	$3,550,000	18%
Các Dịch Vụ Trợ Giúp Người Phạm Tội Là Thanh Thiếu Niên	LMC	700 – 800 thanh thiếu niên	$3,458,000	17%
Tổng Cộng Ngân Quỹ Tài Trợ cho Quận Harris			**$20,000,000**	

<u>Chương Trình Liên Lạc với Khu Phố dành cho Nhiều Gia Đình-Chương Trình An Toàn Gia Cư</u>

Số tiền ngân quỹ tài trợ $6,707,000 sẽ được sử dụng để cung cấp các dịch vụ công cụ mở rộng qua Chương Trình An Toàn Gia Cư Được Điều Phối với Thành Phố Houston. Việc Quận Harris tham gia Chương Trình An Toàn Gia Cư Được Điều Phối (được trình bày chi tiết hơn trong mục Chương Trình Liên Lạc Với Khu Phố Nhiều Gia Đình của Thành Phố Houston) sẽ chỉ giới hạn ở các dịch vụ được cung cấp thêm cho những người sơ tán bị bắt do các hoạt động bảo vệ an ninh và an toàn công cộng được tăng cường trong các khu chung cư trọng tâm. Quận sẽ cung cấp thêm các dịch vụ cho những người sơ tán nói trên bằng cách ký hợp đồng với nhà thầu để cung cấp thêm giường bệnh để điều trị cai nghiện rượu/ma túy và các vấn đề về sức khỏe tâm thần nhằm giảm bớt tỷ lệ tái phạm trong những người bị bắt và bị giam giữ. Quận cũng sẽ thêm 144 giường bệnh dành riêng để cai nghiện rượu/ma túy và chữa bệnh tâm thần cho các tù nhân là người sơ tán. Ngoài ra, Quận sẽ ký hợp đồng thuê sáu (6) cố vấn viên tái hòa nhập với cộng đồng để giúp họ tiếp tục hội đủ điều kiện tham gia các chương trình Lợi Tức An Sinh Xã Hội (SSI),

Medicaid, các chương trình của Cơ Quan Quản Lý Sức Khỏe Tâm Thần và Người Mắc Bệnh Chậm Phát Triển Trí Tuệ (Mental Health Mental Retardation Authority - MHMRA), các chương trình gia cư cũng như các chương trình tương tự để bảo đảm việc tiếp tục cung cấp dịch vụ sau khi tù nhân ra khỏi nhà tù. Dựa trên dữ liệu thống kê năm 2006, các trại cải huấn của Quận Harris đã giải quyết gần 3,600 người sơ tán qua hệ thống của mình. Ước tính rằng khoảng 20,000 người sơ tán sẽ bị giam giữ tại nhà tù Quận do Chương Trình Liên Lạc Với Khu Phố Nhiều Gia Đình Được Đề Nghị.

Bảng 2. An Toàn Gia Cư Được Điều Phối – Chi Phí cho Các Dịch Vụ Mở Rộng

Dạng Dịch Vụ	Giường Bệnh	Chi Phí Hàng Năm	Thời Hạn	Tổng Số Chi Phí Ước Tính
Số Giường Bệnh dành cho Người Cai Nghiện Rượu/Ma Túy	96	293,500	2 năm	587,000
Chữa Các Bệnh Tâm Thần theo diện Bệnh Nhân Nội Trú	48	2,800,000	2 năm	5,600,000
Các Cố Viên Quản Lý Hồ Sơ Trợ Giúp Tái Hòa Nhập (6)	-	260,000	2 năm	520,000
Tổng Cộng	**144**	**3,353,500**		**6,707,000**

Mục Tiêu Quốc Gia
Hoạt động này sẽ đáp ứng được Mục Tiêu Quốc Gia của CDBG, chủ yếu phục vụ những người có lợi tức từ mức thấp tới vừa phải.

Các Yêu Cầu về Tình Trạng Hội Đủ Điều Kiện
Những người sơ tán được nhận dịch vụ mở rộng qua Quận Harris theo Chương Trình An Toàn Công Cộng Được Điều Phối phải hội đủ các tiêu chuẩn sau đây:

- Người sơ tán phải cung cấp bằng chứng về lợi tức của gia đình (ít nhất 51 phần trăm số người phục vụ sẽ có lợi tức nằm trong mức giới hạn về mức qui định hiện hành về lợi tức);
- Tình trạng sơ tán phải có giấy tờ chứng minh theo qui định về tình trạng hội đủ điều kiện của FEMA, hoặc các tài liệu khác chứng mình rằng người đó phải di dời đi nơi khác do Cơn Bão Katrina hoặc Rita;
- Người sơ tán phải được đánh giá là người nghiện rượu/ma túy và/hoặc bệnh nhân mắc bệnh tâm thần.

Phân Bổ Ngân Quỹ Tài Trợ
Ngân quỹ tài trợ trong chương trình này sẽ được sử dụng để trả chi phí cho các dịch vụ hợp đồng để cung cấp thêm dịch vụ cai nghiện rượu/ma túy, các giường bệnh dành cho bệnh nhân điều trị bệnh tâm thần và thù lao cho các quản lý viên hồ sơ/cố vấn viên về tái hòa nhập.

<u>Các Dịch Vụ Y Tế dành cho Người Sơ Tán-Khu Bệnh Xá Quận Harris</u>
Số tiền ngân quỹ tài trợ $6,300,000 sẽ được cấp cho Khu Bệnh Xá Quận Harris (Harris County Hospital District - HCHD) để trang trải các khoản chi phí không được hoàn trả liên quan tới việc cung cấp các dịch vụ y tế khẩn cấp và không khẩn cấp cho người sơ tán.

Khi tin tức về Cơn Bão Katrina đang chuẩn bị đổ bộ vào đất liền tại Louisiana được công bố vào cuối tháng Tám, 2005, Texas trở thành lựa chọn chính của hàng trăm ngàn người sơ tán để tránh cơn bão đang tới. Đối với nhiều người ở lại New Orleans, nơi trú ẩn duy nhất của họ là tòa nhà Louisiana Superdome. Sau khi cơn bão đi qua, kế hoạch sơ tán hơn 20,000 trong thời gian chuyển địa điểm từ tòa nhà này sang tòa nhà khác của thành phố Houston và Quận Harris đã thu hút sự chú ý trên toàn quốc và giúp mang lại niềm kiêu hãnh mới cho cư dân địa phương. Hơn 16 tháng sau, hơn 100,000 người sơ tán vẫn tiếp tục chọn Texas là nơi tạm trú, và cuộc di cư ồ ạt này vẫn tiếp tục ảnh hưởng tới cộng đồng của chúng ta và Khu Bệnh Xá Quận Harris.

Hoạt động kéo dài hai tuần của Astrodome Health Clinic do Khu Bệnh Xã Harris County tổ chức tại khu nhà Reliant Complex từ ngày 1 đến 15 tháng Chín, 2005 là một trong những hoạt động đáng tự hào nhất của khu bệnh xá vẫn tiếp tục là tấm gương sáng về năng lực của các nhân viên y tế và nhân viên của HCHD. Huy động tối đa các nguồn lực, các nhân viên và bác sĩ của HCHD từ các trường y hợp tác với khu bệnh xá đã thiết lập một bệnh viện dã chiến với đầy đủ các dịch vụ trong vòng 18 giờ, tiếp nhận các bệnh nhân đầu tiên trong buổi sáng ngày 1 tháng Chín, 2005.

Qui mô của các hoạt động y tế, cơ cấu nhân viên và bác sĩ đã tăng khoảng bốn lần trong 72 giờ đầu tiên khi các bệnh nhân tiếp tục được điều trị. Qui mô của y viện tăng từ 20 phòng khám ban đầu tới 90 phòng khám vào ngày thứ tư. Tính tổng quát, y viện Astrodome Health Clinic do HCHD điều hành đã đón 11,000 lượt bệnh nhân tới khám chữa bệnh, cấp 10,000 và 10,000 mũi trích ngừa bệnh uốn ván cho những người sơ tán do cơn bão Katrina. Tính tới tháng Mười Hai, 2006, Khu Bệnh Xá đã cung cấp dịch vụ chăm sóc sức khỏe cho hơn 35,000 lượt bệnh nhân là người sơ tán tới khám chữa bệnh tại các cơ sở của mình, trong đó bao gồm 507 trường hợp nhập viện.

Chi phí cung cấp dịch vụ y tế cho những người sơ tán là khoản chi phí đáng kể mà Khu Bệnh Xá phải gánh chịu. HCHD chỉ nhận được triệu $3, thấp hơn 32.3 phần trăm so với mức chi phí ước tính của bệnh viện.

Bảng 3. Khu Bệnh Xá Quận Harris-Các Bệnh Nhân Liên Quan Tới Cơn Bão Katrina

Dạng Dịch Vụ	Số Trường Hợp	Lệ Phí	Chi Phí	Tổng Số Tiền Nhận Được	Chi Phí Trừ Đi Tổng Số Tiền Nhận Được
Bệnh Nhân Nội Trú	507	7,652,631	4,356,706	2,117,639	2,239,068
Bệnh Nhân Ngoại Trú	24,754	6,869,482	3,311,980	660,791	2,651,188
Thuốc Mang Về Nhà Dùng	10,254	1,529,735	735,688	115,036	620,652
Tổng Cộng Dịch Vụ dành cho Bệnh Nhân	**35,515**	**16,051,847**	**8,404,374**	**2,893,466**	**5,510,909**
Astrodome Clinic			883,103	109,487[1]	773,616
Tổng Cộng	**35,515**	**16,051,847**	**9,287,477**	**3,002,952**	**6,284,525**

[1] Số tiền được FEMA hoàn trả.

Mục Tiêu Quốc Gia
Ít nhất mười hai phần trăm chi phí liên quan tới các hoạt động hội đủ điều kiện sẽ được ghi hồ sơ là đạt Mục Tiêu Quốc Gia về Nhu Cầu Cấp Thiết của CDBG (CDBG National Objective of Urgent Need), vì các khoản chi phí này đã được sử dụng cho các dịch vụ y tế cấp cứu dành cho những người sơ tán trong các giờ cao điểm ngay sau khi xảy ra thảm họa, trong khoảng thời gian từ ngày 1 tới 15 tháng Chín, 2005. Phần chi phí còn lại liên quan tới các hoạt động hội đủ điều kiện sẽ đạt Mục Tiêu Quốc Gia của CDBG là chủ yếu phục vụ những người có lợi tức thấp tới vừa phải.

Các Yêu Cầu về Tình Trạng Hội Đủ Điều Kiện
Vì có thể cần các dịch vụ y tế cho những người sơ tán với nhiều mức lợi tức khác nhau, các dịch vụ được cung cấp cho những người sơ tán cho chương trình này sau ngày 15 tháng Chín, 2005 sẽ không bị giới hạn ở những người có lợi tức thấp; tuy nhiên, ít nhất 51 phần trăm số người được phục vụ trong chương trình này sẽ là người có lợi tức thấp và vừa phải. Xét về mặt tổng quát, những người sơ tán nhận dịch vụ y tế được mở rộng qua Khu Bệnh Xá Quận Harris phải hội đủ các tiêu chuẩn sau đây:

- Người sơ tán phải cung cấp bằng chứng về mức lợi tức của gia đình (ít nhất 51 phần trăm số người được phục vụ sẽ có lợi tức nằm trong mức qui định lợi tức hiện hành);
- Tình trạng sơ tán phải được chứng minh bằng giấy tờ dựa trên tình trạng hội đủ điều kiện của FEMA, hoặc các giấy tờ khác chứng minh rằng họ phải di dời nơi ở do Cơn Bão Katrina hoặc Rita.

Phân Bổ Ngân Quỹ Tài Trợ
Ngân quỹ tài trợ theo chương trình này sẽ được sử dụng để hoàn trả cho Khu Bệnh Xá Quận Harris các khoản chi phí y tế khẩn cấp và không khẩn cấp có hồ sơ giấy tờ chứng minh.

<u>Chương Trình Cố Vấn Trợ Giúp Khủng Hoảng Katrina</u>
Số tiền tài trợ $3,550,000 sẽ được cấp cho Cơ Quan Trợ Giúp Người Mắc Bệnh Tâm Thần và Chậm Phát Triển Trí Tuệ của Quận Harris (Mental Health Mental Retardation Authority of Harris County - MHMRA) để tiếp tục duy trì Chương Trình Cố Vấn Trợ Giúp Khủng Hoảng Katrina (Katrina Crisis Counseling Program - KCCP) trong giai đoạn 19 tháng.

Vào tháng Chín, 2005, sau khi những người sơ tán tới khu vực Quận Harris, MHMRA tổ chức và cung cấp ngay đội ngũ lãnh đạo và nhân viên chữa bệnh tâm thần khẩn cấp tại Mega Shelters (Reliant Center/Arena và George R. Brown Convention Center) và Các Trung Tâm Khắc Phục Thảm Họa "DRC"), trong đó sử dụng khoảng 100 nhân viên MHMRA. Ngoài những người có nhu cầu về sức khỏe tâm thần, MHMRA còn phục vụ trẻ em, người cao niên và những người mắc bệnh chậm phát triển trí tuệ cũng bị ảnh hưởng nặng nề. MHMRA điều phối các dịch vụ khẩn cấp với các viên chức Quận, Tiểu Bang và Liên Bang, các mạng lưới nhà cung cấp dịch vụ y tế, các trường huấn luyện về Hoạt Động Xã Hội, và các nhà cung cấp dịch vụ khác.

Sự tiếp ứng tức thời ở cấp địa phương đã biến thành Chương Trình Cố Vấn Trợ Giúp Khủng Hoảng Katrina. Chương trình bắt đầu đi vào hoạt động từ tháng Mười, 2005 với ngân quỹ tài trợ qua Sở Dịch Vụ Y Tế Tiểu Bang Texas. KCCP được tổ chức để cung cấp dịch vụ cố vấn trợ giúp khủng hoảng dài hạn hơn cho các nạn nhân của cơn bão Katrina để làm nơi tạm trú. Nhân viên KCCP đảm trách việc cung cấp dịch vụ cố vấn trợ giúp khủng hoảng tại Các Trung Tâm Khắc

Phục Thảm Họa (DRC) và trên khắp cộng đồng ngay sau khi được tuyển dụng và huấn luyện. Các dịch vụ qua nhà thầu gồm có: Cố Vấn Trợ Giúp Khủng Hoảng Riêng cho Từng Cá Nhân, Cố Vấn Trợ Giúp Khủng Hoảng Theo Nhóm, Ngoại Tiếp, Sàng Lọc và Đánh Giá, Cố Vấn Trợ Giúp về Đau Buồn và Mất Mát, Kiểm Soát Tâm Trạng Căng Thẳng, Tin Tức và Giáo Dục, Giới Thiệu tới nơi cung cấp dịch vụ điều trị cai nghiện rượu, ma túy và/hoặc sức khỏe tâm thần dài hạn hơn và qui mô hơn (Narcotics Anonymous và Alcoholics Anonymous), Giới Thiệu tới các cơ quan dịch vụ khác (đường dây trợ giúp của FEMA, Voluntary Organizations Active in Disaster, Salvation Army, Red Cross, Interfaith, Unmet Needs), Liên Kết và Hợp Tác với các nhà lãnh đạo trong cộng đồng cũng như các viên chức chính quyền về vấn đề khắc phục thảm họa.

Trong năm 2006, KCCP đã cung cấp hơn 35,000 buổi cố vấn trợ giúp thảm họa, cung cấp hơn 4,400 buổi cố vấn trợ giúp khủng hoảng qua điện thoại và đã giới thiệu hơn 1,700 trường hợp cần dịch vụ sức khỏe tâm thần.

Trong tháng Mười Hai, 2006, ngân quỹ tài trợ của Sở Dịch Vụ Y Tế Tiểu Bang Texas đã kết thúc. MHMRA đồng ý tiếp tục duy trì chương trình qua một chương trình cắt giảm. Chương trình này sẽ ngừng mọi dịch vụ trong vòng sáu tháng và hy vọng rằng sẽ thiết lập được các mối quan hệ hợp tác thiện nguyện với các nhà cung cấp dịch vụ khác để phục vụ những người sơ tán vẫn đang còn gặp khủng hoảng. Thay vì cắt giảm chương trình, Quận Harris đề nghị tiếp tục duy trì chương trình bằng ngân quỹ khắc phục thảm họa CDBG để trợ giúp từ 30,000 tới 40,000 người và cung cấp dịch vụ trợ giúp tinh thần cần thiết nhằm giúp họ tiếp tục cố gắng hướng tới cuộc sống tự túc và hòa nhập vào cộng đồng thành phố Houston/Quận Harris hoặc quay trở lại quê hương mình. Chúng tôi dự tính sẽ tiếp tục duy trì chương trình này thêm 19 tháng nữa và cho chương trình ngừng hoạt động hoàn toàn trong vòng 24 tháng sau khi nhận được ngân quỹ trợ cấp.

Mục Tiêu Quốc Gia
Hoạt động này sẽ đạt Mục Tiêu Quốc Gia của CDBG là chủ yếu phục vụ những người có lợi tức ở mức thấp và vừa phải.

Các Yêu Cầu về Tình Trạng Hội Đủ Điều Kiện
Vì việc cố vấn trợ giúp khủng hoảng có thể cần thiết cho những người sơ tán có nhiều mức lợi tức khác nhau, các dịch vụ được cung cấp trong chương trình này sẽ không chỉ giới hạn ở những người có lợi tức thấp; tuy nhiên, ít nhất 51 phần trăm số người được phục vụ trong chương trình này sẽ có mức lợi tức ở mức thấp và vừa phải. Xét về mặt tổng quát, những người sơ tán được nhận dịch vụ qua Chương Trình Cố Vấn Trợ Giúp Khủng Hoảng Katrina phải hội đủ các điều kiện sau đây:

- Những người sơ tán phải cung cấp bằng chứng về lợi tức gia đình (ít nhất 51 phần trăm số người được phục vụ sẽ có mức lợi tức nằm trong mức lợi tức qui định hiện hành);
- Tình trạng người sơ tán phải được chứng minh qua hồ sơ giấy tờ dựa trên tình trạng tiêu chuẩn hội đủ điều kiện của FEMA, hoặc các giấy tờ khác chứng minh rằng họ phải di dời chỗ ở do Cơn Bão Katrina hoặc Rita.

Phân Bổ Ngân Quỹ Tài Trợ
Ngân quỹ tài trợ trong chương trình này sẽ được sử dụng để trả lương, các đồ tiếp liệu, và lệ phí thuê chuyên gia cũng như các dịch vụ cần thiết để tiếp tục cung cấp dịch vụ cho những người sơ tán được phục vụ trong chương trình này.

Các Dịch Vụ dành cho Các Tội Phạm Là Thanh Thiếu Niên
Khoảng 17 phần trăm ngân quỹ trợ giúp của Quận Harris sẽ được sử dụng để cung cấp thêm dịch vụ cho những kẻ phạm tội ở tuổi vị thành niên, là những người sơ tán và đã được đặt dưới sự giám sát của Sở Quản Chế Trẻ Vị Thành Niên Quận Harris (Harris County Juvenile Probation Department).

Sở Quản Chế Vị Thành Niên Quận Harris (HCJPD) bảo vệ công chúng và cung cấp dịch vụ cho thanh thiếu niên được giới thiệu tới sở do vi phạm pháp luật. Theo qui định của Bộ Luật Công Lý Trẻ Vị Thành Niên Tiểu Bang Texas (Texas Juvenile Justice Code), sở cung cấp các dịch vụ, trong đó bao gồm điều trị, huấn luyện, phục hồi và giam giữ, đồng thời nhấn mạnh tới trách nhiệm và nghĩa vụ của cả cha mẹ và đứa trẻ đối với hành vi đạo đức của đứa trẻ, đồng thời cung cấp nhiều cơ hội cho những thanh thiếu niên thể hiện nhiều khả năng có sự thay đổi theo chiều hướng tốt đẹp nhất. Để đạt được nhiệm vụ này, HCJPD cung cấp thêm nhiều dịch vụ xã hội mà luật pháp không bắt buộc cho những người phạm tội là thanh thiếu niên đang được sở giám sát. Các dịch vụ này bao gồm, nhưng không giới hạn tới, khám kiểm soát bệnh tâm thần, can thiệp khủng hoảng, cố vấn cho cá nhân và gia đình, phụ đạo, các cuộc hội thảo về giáo dục và dịch vụ điều trị nội trú, trong đó bao gồm cả dịch vụ chữa trị tâm thần cấp tính. Tính tới tháng Tám, 2006, HCJPD sẽ tiếp nhận vào các cơ sở của mình và cung cấp dịch vụ cho hơn 472 thanh thiếu niên sơ tán tới Quận Harris với mức chi phí khoảng $1.2 triệu. Ngoài các dịch vụ này, HCJPD còn ký hợp đồng thuê chỗ tại trung tâm chữa bệnh tâm thần Quận Harris (HCPC) cho 16 giường bệnh dành cho thanh thiếu niên có nhu cầu điều trị tâm thần cấp tính nhưng không thể đáp ứng được tại các cơ sở điều trị nội trú khác. Trong năm 2005, 124 thanh thiếu niên tại Quận đã nhận dịch vụ tại HCPC. Do các vụ thiên tai xảy ra vào cuối năm 2005, HCJPD phải dành giường bệnh dành cho thanh thiếu niên tại Quận Harris tại HCPC cho thanh thiếu niên sơ tán tới khu vực Quận Harris. Nhằm cố gắng đáp ứng các nhu cầu dịch vụ của các thanh niếu niên này đồng thời vẫn duy trì mức độ dịch vụ yêu cầu để phục vụ các thanh thiếu niên khác trong Quận Harris, ngân quỹ trợ cấp khắc phục thảm họa của CDBG sẽ được dành riêng để tài trợ cho các dịch vụ HCJPD mở rộng dành cho những kẻ phạm tội là thanh thiếu niên và là người sơ tán, và ký hợp đồng thuê chỗ cho bốn (4) giường bệnh tại HCPC cho các thanh thiếu niên sơ tán cần các dịch vụ đó trong 24 tháng tới.

Các Yêu Cầu về Tình Trạng Hội Đủ Điều Kiện
Vì các em thanh thiếu niên từ các gia đình có mức lợi tức khác nhau có thể cần các dịch vụ của HCJPD, các dịch vụ được cung cấp trong chương trình này sẽ không chỉ giới hạn ở những người có mức lợi tức thấp; tuy nhiên, ít nhất 51 phần trăm số người được phục vụ trong chương trình này sẽ có mức lợi tức thấp và vừa phải. Xét về mặt tổng quát, những người sơ tán được HCJPD trợ giúp qua chương trình này phải hội đủ các tiêu chuẩn điều kiện sau đây:

- Những người sơ tán phải cung cấp bằng chứng về lợi tức gia đình (ít nhất 51 phần trăm số người được phục vụ sẽ có mức lợi tức nằm trong mức qui định lợi tức hiện hành);

- Tình trạng sơ tán phải có giấy tờ chứng minh dựa trên tiêu chuẩn hội đủ điều kiện của FEMA, hoặc các tài liệu khác chứng minh rằng họ phải di dời nơi ở do Cơn Bão Katrina hoặc Rita.

Phân Bổ Ngân Quỹ Trợ Cấp
Ngân quỹ trợ cấp trong chương trình này sẽ được sử dụng để trả lương, các đồ tiếp liệu và các khoản lệ phí thuê chuyên gia cũng như các dịch vụ cần thiết để cung cấp dịch vụ cho những người sơ tán là thanh thiếu niên và trả các khoản chi phí hợp đồng để giữ giường bệnh tại Trung Tâm Điều Trị Tâm Thần Quận Harris.

Ngân Quỹ Điều Hành của Thành Phố/Quận
Có đề xuất rằng Thành Phố và Quận nên giữ lại tới năm phần trăm ngân quỹ phân bổ của mình để phục vụ cho các hoạt đồng điều hành, Quận và Thành Phố.

Thực Hiện
Quận Harris và Thành Phố Houston sẽ thực thi các hoạt động trong Kế Hoạch Hành Động này cho phù hợp với các thủ tục và chính sách qui định về quản lý trợ cấp theo tiêu chuẩn của mỗi khu vực pháp lý, được sử dụng để quản lý các ngân quỹ CDBG. Các hợp đồng sẽ bao gồm tất cả các điều khoản qui định. Mỗi tổ chức chính phủ sẽ áp dụng một chương trình giám sát để bảo đảm rằng những nơi được nhận ngân quỹ khắc phục thảm họa CDBG sẽ thực thi các hoạt động của mình theo đúng các thỏa thuận và qui chế tương ứng, các lĩnh vực hoạt động cụ thể của các bệnh viện trợ cấp sẽ được xem xét bao gồm kết quả hoạt động tài chánh, khả năng đáp ứng thời hạn của dự án, các thủ tục lưu giữ hồ sơ và tuân theo các qui chế của liên bang cũng như các qui định hướng dẫn hiện hành của chương trình. Những nơi được nhận trợ cấp sẽ liên tục được đánh giá để xác định khả năng thực hiện các dự án được phê chuẩn. Trong trường hợp phát hiện ra các vấn đề có thể gây trở ngại, chương trình sẽ cung cấp dịch vụ trợ giúp kỹ thuật và huấn luyện.

Giám Sát Tại Chỗ
Quận Harris sẽ chịu trách nhiệm giám sát tại chỗ đối với các đề án của mình, còn Thành Phố Houston sẽ chịu trách nhiệm giám sát các đề án của mình theo Kế Hoạch Hành Động này. Sẽ có các buổi tới cơ sở thanh tra để giám sát tiến trình thực hiện của chương trình. Mục đích của chương trình giám sát tại cơ sở là để xác định xem nơi nhận trợ cấp có thực hiện có hoạt động chương trình của mình như đã trình bày trong đơn xin trợ cấp và văn bản thỏa thuận hay không. Biện pháp giám sát tại cơ sở cũng được sử dụng để bảo đảm rằng các tổ chức này lưu giữ các hồ sơ theo yêu cầu để chứng minh việc tuân hành các qui định hiện hành. Các nơi nhận trợ cấp dễ có nguy cơ gian lận, lãng phí và quản lý không thích hợp sẽ được giám sát trong phạm vi nguồn lực có sẵn. Các yếu tố rủi ro sẽ được sử dụng để xác định mức độ giám sát thường xuyên là:

- Kinh nghiệm sử dụng chương trình CDBG hoặc các ngân khoản trợ cấp liên bang khác của nơi được nhận trợ cấp;
- Cơ cấu nhân viên của nơi nhận trợ cấp, kể cả tỷ lệ thay thế nhân viên và cơ cấu nhân viên chủ chốt;
- Quá trình tuân hành qui định hoặc các vấn đề về kết quả hoạt động trước đây;
- Tính chất của hoạt động (gia cư, phát triển kinh tế; di dời nơi ở, mua lại v.v…); và
- Phạm vi chương trình.

Các cơ quan sẽ nhận được văn bản thông báo về kết luận điều tra thu được từ các cuộc thăm viếng, giám sát và sẽ được thông báo ngay phải giải quyết tất cả các vấn đề được phát hiện cũng như các biện pháp khắc phục cần phải được áp dụng để giải quyết các vấn đề đó. Thư thông báo giám sát cũng sẽ đề cập tới các vấn đề lo ngại và đưa ra các đề nghị cải tiến. Quận Harris và Thành Phố Houston sẽ sử dụng các thủ tục qui định của mình và sẽ áp dụng thêm các yêu cầu khác khi cần.

Tu Chính
Mỗi tổ chức sẽ tuân theo các qui định hướng dẫn của mình về tu chính, như được công bố trong bản Kế Hoạch Hợp Nhất ở cấp địa phương của mình.

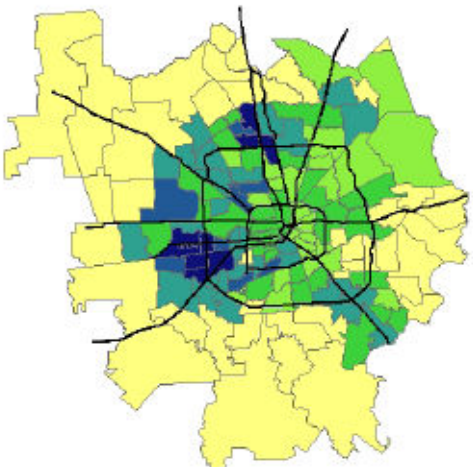
Sự Tham Gia của Cư Dân
Sự tham gia của cư dân là rất quan trọng để hoạch định thành công. Thành Phố Houston và Quận Harris giữ mối quan hệ gần gũi với các cư dân về nhu cầu của người sơ tán. Văn Phòng Thị Trưởng Thành Phố Houston tổ chức các buổi họp vào buổi sáng thứ Hai hàng tuần tại George R. Brown Convention Center ngay sau khi xảy ra thảm họa. Các buổi họp này vẫn tiếp tục được duy trì theo định kỳ cho tới hiện tại. Kế hoạch hành động này được thiết lập dựa trên ý kiến đóng góp thu được từ các buổi họp đó.

Giai Đoạn Công Chúng Đóng Ý Kiến Nhận Xét và Các Buổi Điều Trần Công Khai
Công chúng được tạo cơ hội xem xét Kế Hoạch Hành Động Kết Hợp của Thành Phố Houston/Quận Harris để sử dụng ngân quỹ trợ cấp khắc phục thảm họa CDBG trong giai đoạn dành cho công chúng xem xét kéo dài 15 ngày bắt đầu từ ngày 4 tháng Tư, 2007. Quý vị có thể tìm đọc Kế Hoạch Hành Động Kết Hợp này qua trang mạng điện toán của Thành Phố Houston và Quận Harris. Một bản thông báo tóm lược công khai, trong đó bao gồm danh sách các dự án và các khoản chi tiêu được đề nghị đã được đăng trong tờ Houston Chronicle vào ngày 4 tháng Tư, 2007. Công chúng đã được thông báo về buổi điều trần công khai và tình trạng có sẵn tài liệu phác thảo để công chúng xem xét. Một buổi điều trần công khai dự tính sẽ diễn ra vào ngày 16 tháng Tư, 2007.

Phần trình bày tóm lược về các ý kiến nhận xét nhận được trong giai đoạn tiếp nhận ý kiến công chúng, các lời giải đáp có lý do và bất kỳ thay đổi nào phát sinh từ các nhận xét đó sẽ được bổ sung thêm vào Kế Hoạch Hành Động Chung.

Các Trường Hợp Miễn Trừ Qui Định Được Yêu Cầu
Trong quá trình biên soạn Kế Hoạch Hành Động này, Thành Phố Houston và Quận Harris đã nhận biết các vấn đề mà HUD cần phải miễn trừ việc tuân theo qui định nhằm đáp ứng các nhu cầu cụ thể của cộng đồng sơ tán. Một bản sao của yêu cầu miễn trừ qui định của chúng tôi được đính kèm với Chương Trình này trong phần Phụ Lục A.

Tỷ Lệ Phân Bổ Dân Số Sơ Tán tính tới ngày 1 tháng Giêng năm 2006



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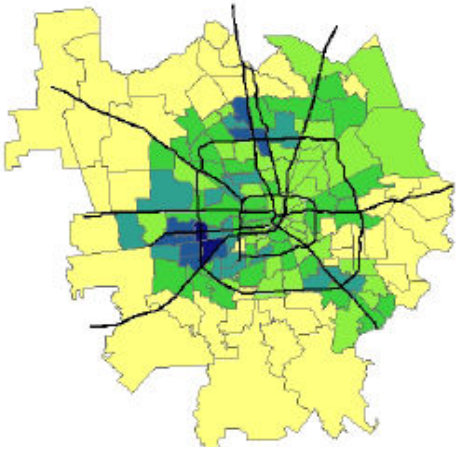

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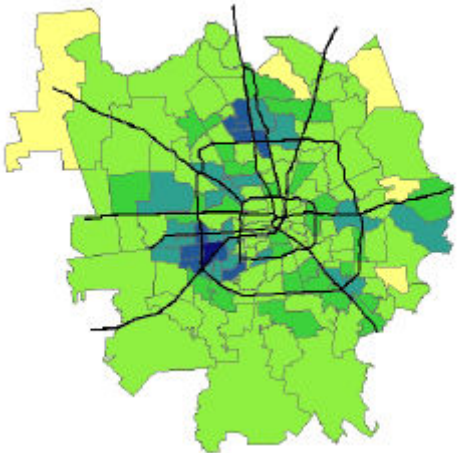
Trong hình là hai sơ đồ cho biết tỷ lệ phân bổ số người sơ tán cư ngụ trong phạm vi Thành Phố Houston.

Sơ đồ bên trái cho biết tỷ lệ phân bổ các gia đình sơ tán theo số Zip Code, tính tới **ngày 1 tháng Giêng, 2006**. Màu vàng cho biết không có hộ gia đình sơ tán nào cư ngụ trong các khu vực có số zip code của thành phố. Màu xanh đậm cho biết hơn 750 hộ gia đình cư ngụ trong phạm vi số zip code đó.

Sơ đồ bên phải cho biết tỷ lệ phân bổ các gia đình sơ tán theo số Zip Code, tính tới **ngày 1 tháng Giêng, 2007**. Màu vàng cho biết không có hộ gia đình sơ tán nào cư ngụ trong các khu vực có số zip code của thành phố. Màu xanh đậm cho biết hơn 750 người sơ tán cư ngụ trong phạm vi số zip code đó.

Tỷ Lệ Phân Bổ Nơi Nhận Trợ Cấp FEMA
tính tới ngày 1 tháng Giêng, 2007
Khu Vực Houston và Các Vùng Phụ Cận



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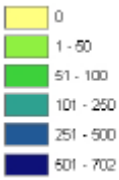
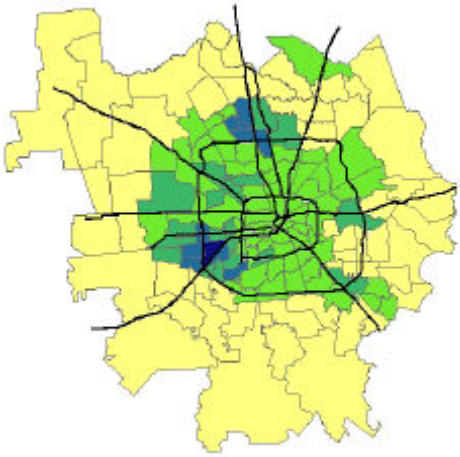
NGƯỜI SƠ TÁN



Tỷ Lệ Phân Bổ Nơi Nhận Trợ Cấp FEMA
tính tới ngày 1 tháng Giêng, 2007
Chỉ Có Khu Vực Houston



Chú giải
FEMA_Current_Receiving_Houston1
NGƯỜI SƠ TÁN

Trong hình là hai sơ đồ cho biết tỷ lệ phân bổ số người hiện đang được nhận trợ cấp của FEMA.

Sơ đồ bên trái cho biết tỷ lệ phân bổ các hộ gia đình được nhận trợ cấp của FEMA theo số Zip Code, tính tới **ngày 1 tháng Giêng, 2006** tại Houston và các vùng phụ cận. Màu vàng cho biết không có hộ gia đình sơ tán nào cư ngụ trong các khu vực có số zip code đó. Màu xanh đậm cho biết hơn 500 hộ gia đình cư ngụ trong phạm vi số zip code đó.

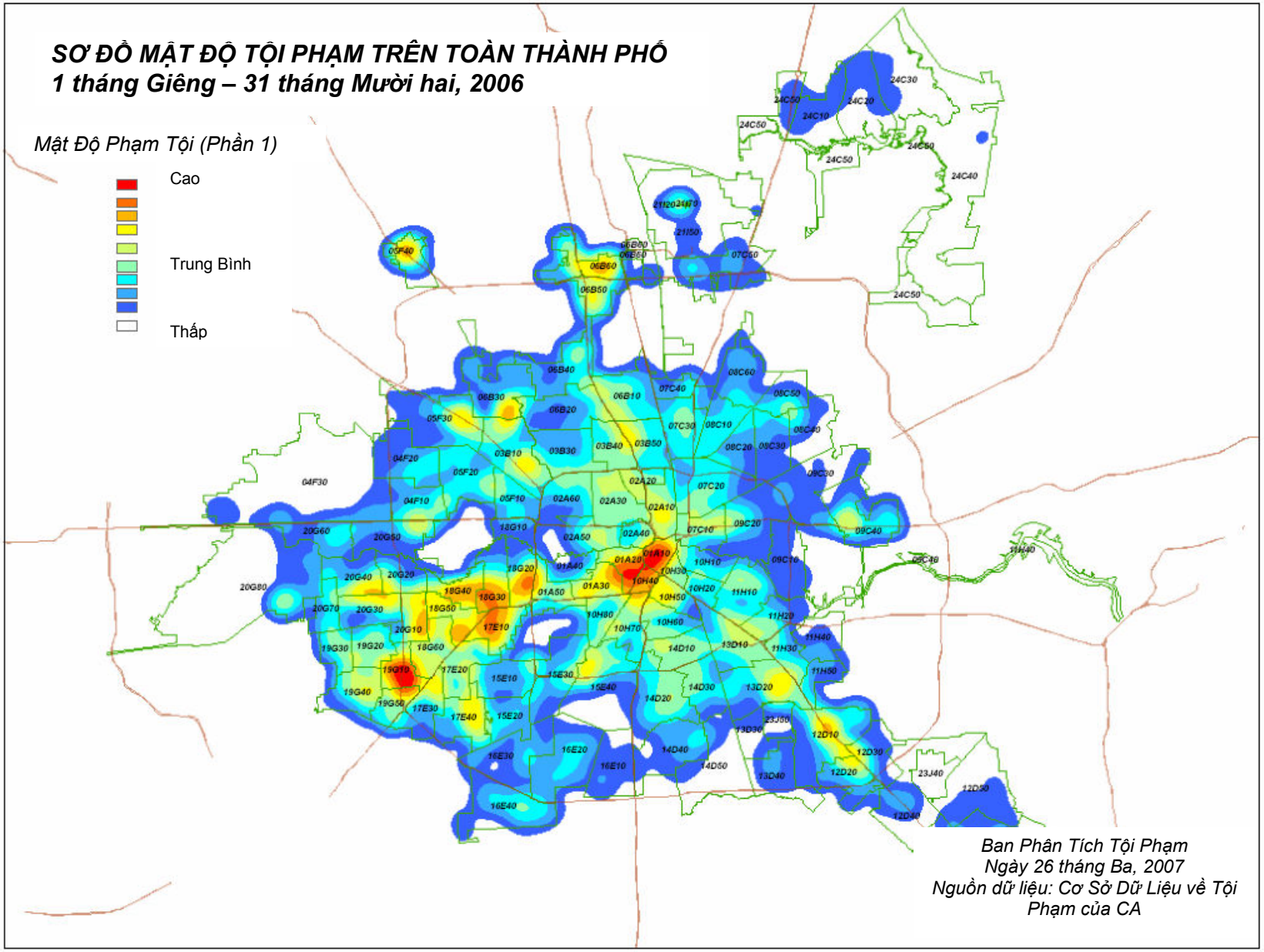
Sơ đồ bên phải cho biết tỷ lệ phân bổ các hộ gia đình được nhận trợ cấp của FEMA theo số Zip Code, tính tới **ngày 1 tháng Giêng, 2007** trong phạm vi ranh giới thành phố Houston. Màu vàng cho biết không có người sơ tán nào cư ngụ trong các khu vực có số zip code đó, còn màu xanh đậm cho biết hơn 500 người sơ tán cư ngụ trong phạm vi số zip code đó.

El Crimen en los Complejos de Apartamentos dentro de los Distritos de Policía 6, 17, 19, 20.

Reportado Un Año Antes y Un Año Después del 1 de septiembre de 2005

Distrito	Período De Tiempo	Asesinato	Violación	Robo	Asaltos Agravados
6	1 de septiembre de 2004 – 31 de agosto de 2005	10	30	281	216
	1 de septiembre de 2005 - 31 de agosto de 2006	9	30	372	222
	2004/2005 vs 2005/2006	-1	0	91	6
17	1 de septiembre de 2004 - 31 de agosto de 2005	17	29	492	248
	1 de septiembre de 2005 - 31 de agosto de 2006	26	41	466	278
	2004/2005 vs 2005/2006	9	12	-26	30
19	1 de septiembre de 2004 - 31 de agosto de 2005	16	27	322	137
	1 de septiembre de 2005 - 31 de agosto de 2006	29	32	342	207
	2004/2005 vs 2005/2006	13	5	20	70
20	1 de septiembre de 2004 - 31 de agosto de 2005	4	25	332	109
	1 de septiembre de 2005 - 31 de agosto de 2006	12	30	293	144
	2004/2005 vs 2005/2006	8	5	-39	35
Total	1 de septiembre de 2004 - 31 de agosto de 2005	47	111	1427	710
	1 de septiembre de 2005 - 31 de agosto de 2006	76	133	1473	851
	2004/2005 vs 2005/2006	29	22	46	141
Cambio de Porcentaje 2004/2005 vs 2005/2006		**62%**	**20%**	**3%**	**20%**

El número de eventos de crímenes está contado, no el número de víctimas.
La Violencia Doméstica no está incluida dentro de la categoría de asalto.


SƠ ĐỒ MẬT ĐỘ TỘI PHẠM TRÊN TOÀN THÀNH PHỐ
1 tháng Giêng – 31 tháng Mười hai, 2006
Mật Độ Phạm Tội (Phần 1)
Cao
Trung Bình
Thấp
Ban Phân Tích Tội Phạm
Ngày 26 tháng Ba, 2007
Nguồn dữ liệu: Cơ Sở Dữ Liệu về Tội Phạm của CA

LEGAL SERVICES DIVISION

BOARD ACTION REQUEST

May 10, 2007

Action Item

Presentation, Discussion and Possible Approval of Request For Proposals (RFP) for a program management firm to administer Homeowner Assistance Program (HAP) and Sabine Pass Restoration Program (SPRP)

Requested Action

Approve, reject, or approve with modifications draft RFP for publication in the Texas Register.

Background and Recommendations

The Texas Partial Action Plan approved by this Board and subsequently approved by the U.S. Department of Housing and Urban Development in April anticipated that the Department would advertise a Request for Proposal to secure a contractor to provide management and delivery of services for the HAP and Sabine Pass elements of the Action Plan.

The Department engaged the law firm of Vinson and Elkins to write the draft Request for Proposal to cover standard requirements for federal contracting as these funds are federal funds and will have federal reporting requirements. After input from Department staff, the attached draft was written. Ms. Suzanne Reifman located in the Washington D.C. office of Vinson and Elkins was the primary drafter with Department and community input. As you can tell, the document is comprehensive and designed to solicit detailed bids that utilize the creativity of the industry.

The plan is to publish this RFP in the Texas Register, the State of Texas E-Grants system, and to make it available on our website. We anticipate an application period of no more than 60-to-90 days. When the applications have been received, Mr. Gerber will assemble a review team It is anticipated that there will also be a presentation of the top applicants before a final recommendation is made to the Board. The final award of the contract will be made at the first Board meeting after the recommendation is made.

If there are Board members who wish to participate as part of the review team, up to two members can do so. The Chairman can ask Mr. Gerber to include members on the team without implicating open meetings provisions.

Staff Recommendation: Approve the Request for Proposal as drafted for publication and direct the executive director to appoint a review team to make a recommendation to the Board at the first available meeting but not later than July 31, 2007.

Part I

Statement of Objective and General Requirements

1.0 Background

On April 13, 2007, the U.S. Department of Housing and Urban Development ("HUD") approved the State of Texas Partial Action Plan for Disaster Recovery to Use Community Development Block Grant ("CDBG") funding to Assist with the Recovery of Distressed Areas Related to the Consequences of Hurricanes Katrina, Rita, and Wilma in the Gulf of Mexico in 2005, hereinafter referred to as the Plan or Action Plan. The Plan may be found at <http://www.tdhca.state.tx.us>. Offerors are advised to review the Plan in its entirety. Pursuant to the Plan, a Program Management Firm ("PM") shall be engaged by the Texas Department of Housing and Community Affairs ("TDHCA" or "the Department") to administer the $210,371,273 set-aside for the Homeowner Assistance Program ("HAP") and the $12,000,000 set-aside for the Sabine Pass Restoration Program ("SPRP") (collectively known as the "Programs" or "Program").

1.1 Objective

The primary objective is to seek a turnkey solution managed by one PM to administer the Programs and to distribute CDBG funding in accordance with the Plan.

1.2 Description of Set-Aside for the Homeowner Assistance Program ("HAP")

The Governor has identified destruction done to an individual's home as one of the most persistent and difficult issues to address in the aftermath of Hurricane Rita. To deal with this real need of Texans who have no other place to turn, the largest share of the CDBG funding priorities is provided for the HAP. Funding in the amount of approximately $210 million shall be made available in the form of a grant to homeowners of LMI ("Low and Moderate Income") income whose homes were damaged by Hurricane Rita. Assistance provided in a special flood hazard area (defined as zone "A", "V", "M", and "E" series (44 CFR 64.3) as shown on a current Flood Insurance Rate Map ("FIRM"), as amended by Letters of Map Amendment ("LOMA") or Letters of Map Revision ("LOMR") will be in the form of a deferred forgivable loan. All other assistance will be in the form of a grant. This assistance will be made available for both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance. All grant amounts will be based on the physical condition of the dwelling and do not include its contents or other personal property. Assistance shall be provided on a first-come, first-served basis until all of the funds are utilized.

Part of this funding priority, $42 million (20 percent of the HAP funds) will be targeted specifically for persons with special needs. According to HUD, in addition to the homeless, special needs populations include persons with disabilities, the elderly, persons with alcohol and/or drug addictions, persons with HIV/AIDS, and public housing residents. The targeted amount is based on the percentage of elderly households in the 22 counties eligible for this funding. If after 120 days from the date the PM makes funding available there are not sufficient applications received for this "special needs" target, then these funds will be rolled back into the general HAP funding priority.

Eligibility Requirements

The program is limited to homeowners that satisfy all of the following conditions.

- The owner's household must be eligible under the applicable low and moderate income limits of up to 80 percent Area Median Family Income ("AMFI").

- The owner must be able to prove ownership and that he or she occupied the property as a primary residence at the time of Hurricane Rita (September 24, 2005). Rental dwellings and second homes are not eligible.

- The owner's home is located in one of the 22 counties eligible for the FEMA Individual Assistance Program ("IAP"), as established by FEMA-1606-DR-TX (Angelina, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler, and Walker).

- The owner must be able to clearly establish that their residence was physically damaged by Hurricane Rita. Examples of acceptable types of documentation include, but are not limited to, evidence:

    - from FEMA that the homeowner applied for FEMA IAP and the home was categorized by FEMA as having been "destroyed" or having suffered "major" damage. Homeowners who were approved by FEMA for $5,200 or more in FEMA home repair assistance (a component of the IAP) will fall into one of these categories; or

    - from their homeowner's insurance provider that a claim for damage specifically related to Hurricane Rita was filed and that the provider determined that such damage existed; or

    - from SBA or otherwise approved damage assessor that documents damage specifically related to Hurricane Rita.

Requirements for Receiving Assistance

To receive assistance under this funding activity, the owner must:

- sign a release so that financial assistance received through any public or private source can be verified by the Program;

- agree to verification of ownership status and the amount of disaster-related damage to the home;

- swear to the accuracy and completeness of all information provided to the Program under penalty of law;

- agree to sign a legally binding agreement that commits the owner to the following terms and conditions:
    - the home will meet the legal requirements of the State Uniform Construction Code, comply with local zoning, and comply with the latest available FEMA guidance for base flood elevations, unless exceptions are granted by TDHCA where the action is designed or modified to minimize harm to or within a floodplain;
    - assure the home will remain owner-occupied for at least three years after assistance is provided;
    - maintain flood insurance if the home is located in a floodplain;
    - subrogate claims for unpaid and outstanding insurance claims back to the Program; and
    - ensure mitigation efforts to reduce the impact of future storms are undertaken, if mitigation can be done to make a home safer and are cost beneficial to undertake, and if the homeowner's eligible assistance allows funds for such activities.

Distribution of Funding

Assistance applications shall be accepted on a first-come, first-served basis until all of the HAP funding is utilized.

Benefit Calculation

The maximum benefit for the HAP is $40,000 per household. This limit is based on the average cost to repair homes with major or severe damage for a subset of FEMA registrants with real property damage who applied to the Small Business Administration ("SBA") for a loan to assist with repairing their property.

Benefits will be calculated as follows:

- Estimate of Storm Damage Cost – The calculation of the benefit amount starts with the smaller of the following values:
    - cost of completed repairs (if the work is substantially complete), or
    - a damage assessment by FEMA, SBA, private insurance, or otherwise approved damage assessor.
- Storm Damage Cost Gap – To avoid duplication of benefits, the Estimate of Storm Damage Cost will be reduced by the following:
    - FEMA grants which represent a duplication of benefits,

- homeowner insurance proceeds (unpaid and outstanding insurance claims must be subrogated back to the State),
- National Flood Insurance Program proceeds, and
- SBA loans identified by SBA as duplication of benefits.

- Benefit Amount – The lesser of $40,000 or the Storm Damage Cost Gap is the amount of the HAP grant or deferred forgivable loan.

If the cost to fully repair the home exceeds that covered by the grant, then the homeowner must provide evidence that they have the available funds or can obtain financing from an outside source to cover the funding gap. Working with faith based or nonprofit organizations that provide funding, volunteer service, or other forms of self help assistance is an eligible source of such financing.

1.3 Description of Set-Aside for the Sabine Pass Restoration Program ("SPRP")

While many communities in South East Texas were substantially impacted by Rita, the coastal community of Sabine Pass was nearly destroyed by the storm. To help address this need, funding in the amount of $12 million shall be made available to homeowners whose homes were damaged by Hurricane Rita. Because all of Sabine Pass is located within a special flood hazard area, such assistance shall be in the form of a deferred forgivable loan unless the funds are being used to move out of the flood zone.

Funding Purpose

Funding from the SPRP will serve three purposes:

1. Up to $40,000 in home rehabilitation and reconstruction assistance will be made available for homeowners whose family income is up to 150 percent of AMFI. Such assistance will be available to both homeowners who had insurance in an insufficient amount to cover the storm damage as well as those who did not have homeowner's insurance. The eligible loan amount shall be calculated in the same manner as the HAP assistance.

2. Homeowners may apply for assistance in an amount up to $30,000 to help defray the costs of elevating rehabilitated or reconstructed homes in accordance with FEMA advisory flood elevations or subsequent FEMA permanent maps. Unlike the home rehabilitation and reconstruction assistance described above, homeowner income restrictions do not apply for the home elevation assistance. These funds may also be used for other special construction improvements required to increase a home's ability to survive another significant storm event. A homeowner whose household includes a person with a disability or an elderly person may apply for an additional $15,000 in assistance for accessibility related costs associated with elevating the dwelling. While the home elevation assistance may serve all incomes, it is estimated that almost half of the owner occupied households in Sabine Pass are of LMI income.

3. After 180 days from the date the PM makes funding available, in instances where a homeowner whose family income is up to 150 percent of AMFI has experienced damage in an amount equal to or greater than 50 percent of the market value of the home at the time of the storm based on an appraisal and wants to move out of the floodplain, a grant in an amount up to $40,000 will be made available to purchase a new home elsewhere in the Rita Go Zone on a first-come, first-served basis. The eligible grant amount shall be calculated in the same manner as the HAP assistance.

Eligibility

The Hurricane Rita damaged home must be located in Census Tract 4824501160 which includes Sabine Pass (See Appendix D for a map of this tract). With the exception of the household income requirements described in the "Funding Purpose" section above, all eligibility requirements associated with HAP funding priority apply.

Requirements for Receiving Assistance

All requirements for receiving assistance associated with the HAP funding priority apply. Additionally, for the homeowner to receive assistance, the dwelling must be elevated to comply with the requirements of the Flood Disaster Protection Act of 1973, as amended (45 U.S.C. 4001-4128) which applies to the use of funds provided under the Programs.

Distribution of Funding

Assistance applications shall be accepted on a first-come, first-served basis until all of the SPRP funds are utilized. In the event that the SPRP is fully utilized, if HAP funding is still available, it may be used to address storm damage to households in Census Tract 4824501160. Note that homeowners in Census Tract 4824501160 may only apply through the SPRP for Plan assistance.

1.4 Scope of Requirement

In administering the HAP and SPRP, the PM will be required to successfully complete the following requirements:

1.4.1 Develop schedules to ensure the timely commencement and completion of the Programs.

1.4.2 Develop a plan for validating eligibility, determining benefits, working with contractors, accounting for the distribution of funds, considering available resources and using administrative systems, software and infrastructure effectively to manage the Programs.

1.4.3 Process grant or loan applications in accordance with Program requirements until all funds are utilized which will involve, among other things, a determination of eligibility and benefits and a prioritization of applications.

1.4.3.1 Responsibilities of the PM related to households also includes:

- documenting compliance with low to moderate national objective;
- documenting compliance with CDBG citizen participation requirements;
- implementing strategies related to fair housing, affirmative marketing, anti-discrimination, and accessibility;
- preparing all environmental clearance documentation on behalf of TDHCA;
- procuring and providing contract management of subcontractors;
- coordinating and overseeing construction activities;
- complying with labor standards requirements when applicable;
- maintaining program records on each applicant, regardless of whether assistance is provided, substantiating the above responsibilities.

1.4.4 Create a mechanism for determining the benefit calculation and how applicants will be notified.

1.4.5 Create a mechanism for ensuring claims for unpaid and outstanding insurance claims are subrogated back to the Programs.

1.4.6 Maintain the privacy of applicant information.

1.4.7 Ensure the application process is compliant with fair housing and anti-discrimination regulations; that the offeror prepares an "Affirmative Marketing Plan" which is designed to record fair housing efforts; and that an appeals process is in place that can effectively address applicant concerns.

1.4.8 Develop a methodology for determining how any historical designation will be characterized for purposes of "first-come, first-served."

1.4.9 Develop specific efforts to ensure outreach efforts are conducted across the entire 22 county affected area. The offeror must demonstrate that it will be able to implement and maintain a communications process that will reach eligible homeowners to tell them how to apply for benefits. The application process should be customer friendly and include the use of, at a minimum, an informational website, 1-800 numbers and a "one-stop" web portal that allows for online application submission.

1.4.10 Establish local assistance facilities in areas where the need is most concentrated. Offerors must describe efforts that will be used to ensure that outreach is made available to assist lower income households and households with special needs.

1.4.11 Build on the existing application intake and case management efforts of regional councils of governments, faith based and nonprofit organizations ("Local

Organizations"). Work with the existing case management and intake processes of Local Organizations and develop guidelines so that reasonable and well documented costs incurred by Local Organizations to prequalify, document, and counsel grant applicants are eligible program costs. Develop a process for utilizing and integrating the current case management and intake systems of the Local Organizations already working in the targeted areas and for determining how payment costs will be allocated where a Local Organization is included in the application process. Develop a process by which applications received by the Councils of Governments for CDBG Disaster Recovery Program funding authorized by Public Law 109-148 will be given priority while still allowing the PM to maintain oversight over the Programs.

1.4.12 Develop a process to manage the distribution of funds from approval to final draw.

1.4.13 Develop a mechanism for processing contracts for loans, where applicable, that will meet HUD and state affordability issues, if necessary.

1.4.14 Develop a mechanism to prescreen and approve potential contractors in the relevant regions that will expedite the process.

1.4.15 Develop a plan for ensuring that expense limitations are not exceeded.

1.4.16 Develop a system to submit progress reports to the Department in a format prescribed by the Department that detail activities and compliance with program requirements.

1.4.17 Develop a plan for receipt and use of Program funding.

1.4.18 Assemble adequate and effective management, key personnel and staffing, including staffing in local facilities that will be used to make the Programs operational in the 22 county affected areas.

1.4.19 Institute administrative systems to provide necessary "back room" operations including data systems, information systems, and communication systems.

1.4.20 Develop internal control procedures to test the effectiveness of the Programs.

1.5 Scope of Project Management Firm Constraints

The PM will be subject to the following constraints that must be taken into account when administering the HAP and SPRP:

1.5.1.1 The successful PM must have a transition plan to transfer applicant information from local organizations with the potential for receiving assistance. The plan will detail the transition period and the manner in which the transfer of information will occur, and must be submitted in accordance with the Department's "RFP

Timeline Requirements" (to be published to the Department's website with the release of the RFP). The life of the program will be either three years or when all program funds are expended, which ever comes first.

1.5.2 The successful PM will receive a cost reimbursement contract and may expend funds in accordance with the administrative expense categories defined in Section 4.4-Administrative Fee and the terms specified in Section 2.7-Federal Contract Terms and Conditions. The Department will establish reasonable drawdown thresholds for administrative expenses that are commensurate with the progress of the project and the associated administrative duties. The PM will ensure that expenditure of funds submitted to the Department are for eligible program costs. If the persons to benefit from the Programs are not receiving the service or benefit, the PM is liable to repay to the Department any associated disallowed costs.

1.5.3 All CDBG rules and regulations must be followed as they apply to the Program.

1.5.4 There is a 10 percent retainage requirement on project draws.

1.5.5 Environmental and Texas Historical Commission clearances must be obtained prior to proceeding, as applicable.

1.5.6 There is an availability of qualified, bonded subcontractors.

1.6 General Proposal Requirements

To ensure the effectiveness of operations as well as accounting and control oversight, the offeror must submit a proposal, as outlined in more detail in Parts III and IV of the RFP, which addresses the following:

1.6.1 Establishes that the offeror meets minimum threshold qualifications for award, including status as a Texas corporation; compliance with applicable federal and state laws and regulations; and sufficient financial and management resources and capability to perform.

1.6.2 Documents the workplan/technical approach for administering the HAP and SPRP.

1.6.3 Highlights relevant experience in successfully administering similar programs, including evidence the offeror has previously developed and utilized effective standard operating procedures to validate eligibility, determine benefits, procure and work with contractors, and account for the distribution of funds.

1.6.4 Establishes that the offeror has a plan for managing and monitoring the HAP and SPRP to ensure administrative and financial accountability.

1.6.5 Provides a project budget and identifies an administrative fee that will be payable to the PM by TDHCA.

Part II

Contract Terms and Conditions

2.0 Type of Contract

As it is expected that a significant portion of the funds expended under the contract will require professional services such as surveying, engineering, architecture, accounting and similar professionals, the contract will be a professional services contract under Texas Government Code, Chapter 2254, Subchapter A.

2.1 Period of Performance

The term of the contract will be agreed upon under the final contract. For planning purposes, the period of performance is the earlier of three years or until such a time as all the funds are expended.

2.2 Place of Performance

Registration with the Texas Secretary of State as a domestic corporation or a foreign corporation doing business in Texas is required to perform the contract. It is expected that the PM will establish an office for the public to come to at a location within the impacted region.

2.3 Designation of TDHCA Representative

The Deputy Executive Director for Disaster Recovery or their designee will administer the technical aspects of the contract and inspect the PM's work for compliance with the work statement and delivery requirements. Oversight by TDHCA internal audit staff, State Auditor's Office ("SAO"), and HUD Office of Inspector General ("OIG") staff may occur from time-to-time as well.

2.4 Payment Requirements

Vendor shall submit an itemized invoice showing vendor's mailing address, telephone number, contact name, valid Texas Identification Number ("TIN") issued by the Comptroller of Public Accounts, TDHCA Contract Reference Number on all copies, and description of services provided in sufficient detail to substantiate the invoice. The State will incur no penalty for late payment if payment is made in 30 or fewer days from receipt of goods or services on an uncontested invoice. Payment will be direct deposited to a bank account as supplied by vendor.

2.5 No Assignment

Once an offeror has submitted a proposal, in accordance with Part III herein, the offer may not be transferred or assigned to any other offeror without the prior written consent of TDHCA.

2.6 General Contract Terms and Conditions

2.6.1 Fair Housing

The contract awardee will be required to take steps to affirmatively further fair housing. TDHCA will require that special emphasis be placed on those communities who both geographically and categorically consist of individuals who comprise "protected classes" under the Civil Rights Act of 1964 and the Fair Housing Act of 1978 as amended. The efforts will be recorded in an "Affirmative Marketing Plan" which will be part of the proposal in response to the RFP submitted to TDHCA (sample of Affirmative Marketing Plan available upon request).

2.6.2 Nondiscrimination

The contract awardee will be required to adhere to TDHCA's established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis of race, color, national origin, relation, sex, familial status, age, and/or physical and mental handicap under any program funded in whole or part by Federal CDBG funds. The contract awardee will be required to document compliance with all federal and state nondiscrimination and civil rights laws, executive orders, and regulations.

2.6.3 Labor Standards

Where required by CDBG regulations, the contract awardee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of $2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon related Acts.

2.6.4 Environmental Requirements

The contract awardee must comply with environmental standards which may be required pursuant to the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order 11514; notification of violating facilities pursuant to Executive Order 11738; protection of wetlands pursuant to Executive Order 11990; the Clean Act of 1955, as amended, 42 U.S.C. 7401 et seq; protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205). Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to the contract awardee. Some projects will be exempt from the environmental assessment process, but the contract awardee will be required to submit the Request for Release of Funds and Certification (HUD Form 7015.15) for those activities requiring environmental review. Funds will not be released

for expenditure until TDHCA is satisfied that the appropriate environmental review has been conducted if required. The contract awardee will not use CDBG funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

2.6.5 Preventing Fraud, Abuse of Funds, and Duplication of Benefits

TDHCA will monitor all PM contract expenditures for quality assurance and to prevent, detect, and eliminate fraud, waste and abuse as mandated by Executive Order RP 36, signed July 12, 2004 by the Governor. TDHCA will particularly emphasize mitigation of fraud, abuse and mismanagement related to accounting, procurement, and accountability which may also be investigated by the SAO. TDHCA will monitor the compliance of applicants, and HUD will monitor the Department's compliance with this requirement. TDHCA's monitoring procedures will review the PM's efforts to ensure that there are no duplication of benefits that have otherwise been covered by FEMA, private insurance, or any other federal assistance or any other funding source. Expenditures will be disallowed if the use of the funds is not an eligible CDBG activity, does not address disaster-related needs directly related to Hurricane Rita or does not meet the national CDBG objective of primary benefit to LMI persons, with the exception of limited funding provided under SPRP noted in Section 1.3. In such case, the PM shall obtain a refund from the contract awardee(s) in the amount of the grant that was disallowed.

2.6.6 Quality Assurance

Continual monitoring efforts in the form of on-site reviews, draws testing, and desk reviews will provide quality assurance. These efforts will be guided by both Program requirements and statutory responsibilities to low income Texans. In determining appropriate monitoring of the HAP and SPRP, TDHCA will consider prior CDBG grant administration, audit findings, as well as factors such as complexity of the project. TDHCA will determine the areas to be monitored, the number of monitoring visits, and their frequency. Any entity administering CDBG Disaster Recovery funding will be monitored not less than once during the contract period. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58 ("Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities") or 50 ("Protection and Enforcement of Environmental Quality.") As applicable, TDHCA will utilize checklists specifically developed for monitoring activities under this Action Plan.

These monitoring efforts include:

- identifying and tracking program and project activities to ensure the activities address needs caused by Hurricane Rita;
- identifying technical assistance needs of applicants;
- ensuring timely expenditure of CDBG funds;
- documenting compliance with program rules;

- preventing fraud and abuse; and
- ensuring quality workmanship in CDBG funded projects.

2.6.7 Investigation

Section 321.022(a) of the Texas Government Code requires that if the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor. TDHCA is responsible for referring suspected fraudulent activities to the state auditor's office as soon as administratively feasible. The State Auditor reports directly to the Texas Legislature.

THDCA has also established a strong working relationship with HUD's OIG during administration of the first supplemental CDBG Disaster Recovery funding. TDHCA anticipates that this partnership will be carried through to the Department's administration of the second supplemental funding round.

2.6.8 Independent Internal Audit

TDHCA and the contract awardee are subject to the Single Audit Act. A "Single Audit" encompasses the review of compliance with program requirements and the proper expenditure of funds by an independent Certified Public Accountant or by the SAO. Reports from the SAO will be sent to the Office of the Governor, the Legislative Audit Committee and to the TDHCA Governing Board.

TDHCA has Internal Audit staff that perform independent audits of programs and can perform such audits on these programs and Applicants. The TDHCA Internal Auditor reports directly to TDHCA's Governing Board.

2.6.9 Hatch Act

The contract awardee will comply with provisions of the Hatch Act (5 U.S.C. 1501-1508 and 7324-7328) which limit the potential activities of employees whose principal employment activities are funded in whole or in part with federal funds.

2.6.10 Lobbying

The contract awardee will not use any federally appropriated funds for any lobbying purposes, at any level of government.

2.6.11 Historic Preservation

The contract awardee will ensure compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470), Executive Order 11593 (identification and preservation of historic properties), and the Archaeological and Historic Preservation Act of 1974, 16 U.S.C. 469a-1 et seq).

2.7 Federal Contract Terms and Conditions

The contract awarded under this RFP will be subject to all of the federal laws and regulations, Executive Orders and policies relating to the CDBG set forth in the following, which are incorporated by reference:

2.7.1 24 CFR Part 570, Subpart I.

2.7.2 Public Law 109-148 (Department of Defense Appropriations Act, 2006).

2.7.3 Public Law 109-234 (Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006).

2.7.4 "Allocations and Common Application and Reporting Waivers Granted to and Alternative Requirements for CDBG Disaster Recovery Grantees Under the Department of Defense Appropriations Act, 2006; Notice," 71 Fed. Reg. 7666 (Feb. 13, 2006).

2.7.5 The allowability of costs will be determined in accordance with the Office of Management and Budget ("OMB") Circular A-110.

2.7.6 As required by 24 CFR Part 24, proposals must include a certification that the offeror is not debarred or suspended by any agency of the U.S. Government.

2.8 State of Texas Contract Terms and Conditions

2.8.1 Offerors must comply with all applicable rules, regulations and statutes relating to purchasing in the State of Texas, in addition to the requirements identified herein.

2.8.2 The contract shall be governed, construed and interpreted under the laws of the State of Texas. Disputes will be handled under 10 Texas Administrative Code § 1.7 and § 1.17. Any legal actions must be filed in Travis County, Texas.

2.8.3 Proposals must include a certification that the offeror is not debarred by any Texas state agency or by HUD.

2.8.4 Submission of the name of any person who owns more than 25 percent of the offeror, including social security numbers of each person, to test for delinquent child support.

2.8.5 The offeror is subject to 10 Texas Administrative Code §1.3, "Delinquent Audits and Other Issues." Potential award recipients are ineligible to apply for Plan funds if they have any audits past due to TDHCA and are ineligible to receive funds until any unresolved TDHCA audit findings or questioned or disallowed costs are resolved.

2.8.6 The PM shall only subcontract for performance of activities described in the contract after the PM has submitted the appropriate documentation verifying the subcontractor's eligibility, as specified by TDHCA, for each such proposed subcontract, and the PM, in subcontracting for any activities described in the contract, expressly understands that in entering into such subcontracts, TDHCA is in no way liable to the PM's subcontractor(s).

2.8.7 In no event shall Department's prior written approval of a subcontractor's eligibility, be construed as relieving the PM of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the requirements proposed in the RFP.

2.8.8 The PM shall comply with all applicable federal, state, and local laws, regulations, and ordinances for making procurements under the contract.

2.8.9 The PM shall ensure that no employee, officer, or agent shall participate in the selection, or in the award or administration of a subcontract supported by funds if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: l) The employee, officer, or agent; 2) any member of his or her immediate family; 3) his or her partner; or 4) 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 PM shall include the substance of this subsection 2.8.9 in all of its subcontracts.

2.8.10 The PM shall ensure that no person shall, on the grounds of race, color, religion, sex, disability, familial status, or national origin, be excluded from participation in, denied the benefits of, or subjected to discrimination under, any program or activity funded in whole or in part with funds provided under the contract.

2.8.11 It is expressly understood and agreed that TDHCA will contract with the PM as an independent contractor, and that the PM, as such, agrees to hold TDHCA harmless and, to the extent allowed by law, indemnify TDHCA from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by the PM under the contract.

2.8.12 TDHCA shall not be liable to the PM for any costs incurred by the PM or for any performances rendered by the PM which are not strictly in accordance with the terms of the contract.

2.8.13 The PM shall establish and maintain sufficient records, as specified by TDHCA including records that demonstrate that each household assisted with funds provided under the contract is eligible to receive funds.

2.8.14 The PM agrees that TDHCA, the Auditor of the State of Texas, the Comptroller of the United States, or any of their duly authorized representatives, shall have the right to access and to examine all books, accounts, records, reports, files, and other papers or property belonging to or in use by the PM pertaining to the contract. The PM agrees to maintain such records at its regular place of business.

2.8.15 All records pertinent to the contract shall be retained by the PM for a period of five (5) years following the date of HUD's close-out of the CDBG Disaster Recovery funding, except that if any litigation, claim, negotiation, audit, monitoring, inspection or other action has started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

2.8.16 The PM shall not employ, award contracts to, or fund any person that has been debarred, suspended, proposed for debarment, or placed on ineligibility status by HUD. In addition, TDHCA shall have the right to suspend or terminate the contract if the PM is debarred, suspended, proposed for debarment, or is otherwise ineligible from participating in federal or state programs. The PM acknowledges and agrees that this section specifically includes, but is not limited to, professional service providers hired by the PM to assist the PM in any aspect relative to the activities of the contract.

2.8.17 OFFEROR AFFIRMATION: Signing this offer with a false statement is a material breach of contract and shall void the submitted offer or any resulting contracts, and the offeror shall be removed from all bid lists. By signature hereon affixed to this offer, the offeror hereby certifies that:

2.8.17.1 The offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer.

2.8.17.2 Neither the offeror nor the firm, corporation, partnership, or institution represented by the offeror, or anyone acting for such firm, corporation or institution has violated the antitrust laws of this State or the federal antitrust laws nor communicated directly or indirectly the offer made to any competitor or any other person engaged in such line of business.

2.8.17.3 Pursuant to Section 2155.004 of the Texas Government Code, the offeror has not received compensation for participation in the preparation of the specifications for this RFP.

2.8.17.4 Pursuant to Section 231.006 (d), Family Code, re: child support, the offeror certifies that the individual or business entity named in this offer is not ineligible to receive the specified payment and acknowledges that the contract may be terminated and payment may be withheld if this certification is inaccurate.

2.8.17.5 Pursuant to Section 2155.004 of the Texas Government Code, the offeror certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that the contract may be terminated and/or payment withheld if this certification is inaccurate.

2.8.17.6 The offeror shall defend, indemnify, and hold harmless the State of Texas, all of its officers, agency and employees from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, arising out of, connected with, or resulting from any acts or omissions of contractor or any agent, employee, subcontractor, or supplier of contractor in the execution or performance of the contract.

2.8.17.7 Offeror agrees that any payments due under the contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas.

2.8.17.8 Offeror certifies that they are in compliance with section 669.003 of the Texas Government Code, relating to contracting with executive head of a State agency. If section 669.003 applies, offeror will complete the following information in order for the offer to be evaluated:

Name of Former executive: _____
Name of State Agency: _____
Date of separation of State agency: _____
Position with offeror: _____
Date of Employment with offeror: _____

2.8.17.9 Offeror agrees to comply with the Texas Government Code 2155.4441 pertaining to service contract use of products produced in the State of Texas.

2.8.17.10 Offeror understands that acceptance of funds under the contract acts as acceptance of the authority of the SAO, or any successor agency to conduct an audit or investigation in connection with those funds. Offeror further agrees to cooperate fully with the SAO or its successor in the conduct of the audit or investigation, including providing all records requested. Offeror will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through offeror and the requirement to cooperate, is included in any subcontract it awards.

2.8.17.11 TDHCA is federally mandated to adhere to the directions provided in the President's Executive Order ("EO") 13224, "Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism," effective September 24, 2001 and any subsequent changes made to it via cross-referencing respondents/vendors with the federal General Services Administration's Excluded Parties List System (EPLS, http://epls.gov), which is inclusive of the United States Treasury's Office of Foreign Assets Control ("OFAC") Specially Designated National ("SDN") list. Contents of EO 13224 may be viewed by accessing the following website: http://whitehouse.gov/news/orders/.

2.8.17.12 Pursuant to Section 231.006 (c), Family Code, the offer must include name and Social Security Number of each person with at least 25 percent ownership of the business entity submitting the offeror. Attach name and social security number for each person. This information must be provided prior to contract award.

Name:_____
Social Security Number:_____
Name:_____
Social Security Number:_____
Name:_____
Social Security Number:_____
Name:_____
Social Security Number:_____

2.8.17.13 The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by TDHCA and the offeror to attempt to resolve all disputes arising under the contract.

2.8.17.14 Information, documentation, and other material in connection with this solicitation or any resulting contract may be subject to public disclosure pursuant to Chapter 552 of the Texas Government Code (the "Public Information Act" or "TPIA"). Any part of the solicitation response that is of a confidential or proprietary nature must be clearly and prominently marked as such by the respondent. The PM acknowledges that TDHCA is subject to TPIA and the PM agrees to cooperate with TDHCA in responding to requests under the TPIA. The PM further understands and agrees that it shall provide citizens, public agencies, and other interested parties with reasonable access to all records relating to the funds provided under the contract, subject to the restrictions under the TPIA relating to privacy and confidentiality. Any information that is believed to be confidential under other law or subject to an exception under the TPIA should be clearly designated and marked by the PM as confidential, proprietary or trade secret. The PM acknowledges and agrees that if a member of the public requests information once the final award is made by the Board, if it is unmarked as meeting an exception to the TPIA, then it will be released.

2.8.17.15 NON-APPROPRIATION OF FUNDS: The State's funds are contingent on the availability of lawful appropriation by the Texas Legislature. If the Texas Legislature fails to continue funding for the payments due under an order referencing the contract, the order will terminate as of the date that the funding expires, and the State will have no further obligation to make any payments.

2.8.17.16 TECHNOLOGY ACCESS CLAUSE: The offeror expressly acknowledges that State funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, the vendor represents and warrants to TDHCA that the technology provided to TDHCA for purchase is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of:

- providing equivalent access for effective use by both visual and non visual means;
- presenting information, including prompts used for interactive communications, in formats intended for both visual and non visual use; and
- being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

For purposes of this clause, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Federal Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.

2.8.17.17 Exemption Declaration: Pursuant to the provisions of the Texas Government Code, Chapter 2157.005(d) this requirement is for the purchase of a wireless communication device to be used by peace officers, firefighters, and other emergency response personnel to respond to a public safety emergency. The provisions of the Technology Access Clause do not apply.

2.8.17.18 The PM shall include the substance of this Subsection 2.8 in all of its subcontracts.

2.9 Oral Representations

TDHCA will not be bound by any oral statement or representation contrary to the written specification of this RFP or to any written amendments thereto.

Part III

Preparation and Submission of Offers

3.0 General Requirements

To be considered for award, offerors must submit a written proposal (no faxed or electronic offers will be accepted) which satisfies the requirements outlined in Part III of this RFP to the office specified in this RFP.

3.1 Bidder's Conference

TDHCA invites all potential offerors to attend a Bidder's Conference at TDHCA headquarters in accordance with the Department's "RFP Timeline Requirements" (to be published to the Department's website with the release of the RFP). TDHCA encourages all potential offerors to submit any questions regarding this RFP to Jennifer Joyce (jennifer.joyce@tdhca.state.tx.us) no later than 5:00 PM, Central Daylight Time on the deadline published in the "RFP Timeline Requirements" to ensure that responses to these questions are addressed during the Bidder's Conference.

3.2 Request for Clarification

Throughout the procurement process, all questions relating to this RFP must be submitted to TDHCA in writing to Jennifer Joyce (jennifer.joyce@tdhca.state.tx.us). All responses will be made in writing and posted on a continual basis to the Department's website or in direct electronic mail.

3.3 RFP Offer Preparation Instructions

The offeror submitting a proposal in response to this RFP shall submit one hard copy and one searchable electronic scanned copy of the following information, divided as prescribed below in order to be considered for award:

3.3.1 Cover Letter, which provides the offeror's full firm name, address, and contact information. The Cover Letter should also provide the offeror's federal tax identification number ("TIN") and Texas Identification Number System ("TINS") numbers, if available. The Cover Letter must be executed by the person(s) with the authority to bind the offeror in a contract.

3.3.2 Volume 1, Section I, Threshold Criteria (see Section 4.2 for requirements)

3.3.3 Volume 1, Section II, Project Workplan (see Section 4.3.1 for requirements, including schematic application)

3.3.4 Volume 1, Section III, Management and Staffing Plan/Qualifications of Key Personnel (see Section 4.3.2 for requirements)

3.3.5 Volume 1, Section IV, Relevant Experience (see Section 4.3.3 for requirements)

3.3.6 Volume 1, Section V, Financial Management and Monitoring (see Section 4.3.4 for requirements)

3.3.7 Volume 2, Administrative Fee (see Section 4.4 for requirements relating to preparation of project budget and calculation of administrative fee)

Failure to submit any of the items in 3.3 above may lead to the disqualification and rejection of your proposal without further consideration.

The searchable electronic copy of the complete RFP submission must be submitted as one PDF file on a recordable compact disk (CD-R). This electronic copy must be submitted with the submission by the applicable deadline in the following required format:

- The volume's tabs must be correctly bookmarked;
- Files should average less than 100 Kilobytes per page;
- Files must be readable with free PDF file viewers including Adobe Reader and be compatible with Adobe Reader 5.0 and above;
- Files should be saved so that "Fast Web View" (or page-at-a-time downloading) is enabled;
- Text within the PDF file should be searchable using the "Find" command in the PDF viewer;
- The PDF file should be named in the following format -- <file_name>.pdf (i.e., Greens Crossing.pdf);
- **Please note that the PDF format is an open technology and not proprietary to Adobe, therefore other PDF format applications are available to the public.**

3.4 Page Limitation

Offerors are advised that proposals cannot exceed a total page limitation (including any attachments or supplementary materials) of 300 pages for Volume 1 (including Cover Letter) and 300 pages for Volume 2. Any pages submitted in excess of this limitation will not be reviewed or considered as part of the evaluation.

3.5 Proposal Deadline

Proposals must be submitted in accordance with the Department's "RFP Timeline Requirements" (to be posted on the Department's website with the release of the RFP) at the place specified in section 3.6 below and must remain open until award. All submitted proposals must be complete and signed by the party or parties authorized to execute any contract awarded on behalf of the offeror. No incomplete, unsigned or late proposals will be accepted after the

Proposal Deadline, unless TDHCA determines, in its sole discretion, that it is in the best interest of TDHCA to do so.

3.6 Place and Method of Proposal Delivery

Proposals shall be delivered to: Kelly Crawford, Deputy Executive Director for Disaster Recovery at:

Physical Address for Overnight Carriers
221 East 11th Street
Austin, Texas 78701-2410

Mailing Address:
P.O. BOX 13941
Austin, TX 78711-3941
(512) 475-3800

Additional delivery and deadline information will be published on the Department's website upon Board approval in the Department's "RFP Timeline Requirements" (to be published to the Department's website with the release of the RFP). It is incumbent upon the offeror to ensure that any hand carried proposals in response to this RFP be delivered before the date and time and to the office and contact point specified in Section 3.5 herein. All hand carried proposals will not be deemed delivered unless they have been received by the office and contact point identified in Section 3.5. Offerors are reminded that such hand carried packages and their couriers will be subject to appropriate screening before being allowed to proceed to the final delivery point.

3.7 Oral Presentation

As part of their proposals, offerors who have been included in the competitive range (described in Section 4.5 below) will be invited to participate in an oral presentation to TDHCA at TDHCA headquarters (date TBD) on how the work will be performed, with a question and answer period to follow. The offeror shall limit its presentation to 30 minutes. It is anticipated that the question and answer period will be approximately 1 hour. The offeror should use the oral presentation as an opportunity to demonstrate its capability to successfully administer the HAP and SPRP. The oral presentation should reflect the offeror's approach to solving the Program objectives. The offeror should present significant aspects of its proposal, including its understanding and workplan/technical approach, qualifications and commitment of management and other staff, relevant experience, and financial management and monitoring plan. It is advisable that the offeror's team making the presentation and responding to questions include key personnel who will work on the contract. Do not refer to the Administrative Fee in any manner during the oral presentation.

The offeror may elect to include a PowerPoint presentation during its oral presentation. TDHCA will make available a screen and projection equipment to support PowerPoint. Any presentation used will be provided to TDHCA at the end of the oral presentation and will be considered as

part of the evaluation. Any inconsistencies between the written proposal and the oral presentation may result in a reduction in the offeror's overall score during the final evaluation.

3.8 Proposal Costs

Offerors shall bear all costs related to the preparation and submittal of their proposal.

Part IV

Evaluation of Offers and Award

4.0 Award All or None Basis

TDHCA intends to make one award to the offeror whose proposal is determined to offer the best value to the Government. The Government intends to award one contract as the result of this RFP. TDHCA reserves the right not to award any contract as a result of this RFP if it determines that none of the submitted proposals would adequately satisfy the requirements of the Plan. TDHCA also reserves the right to reopen the procurement to seek additional offers or to amend the RFP at any time prior to award if it is determined by TDHCA to be in the best interests of the Government.

4.1 Description of TDHCA Evaluation Team

The first evaluation team will be appointed by the Executive Director. After primary review, an oral presentation may be requested to be presented to the team to make a recommendation to the TDHCA Governing Board who shall make the final award.

Because all of the Governing Board Members and any of the TDHCA staff could be on the evaluation team, no communication about the RFP process is allowed between anyone responding to the RFP, related parties or their agents and the TDHCA Governing Board or TDHCA staff except as defined by Subsections 3.1 and 3.2.

4.2 Threshold Criteria

TDHCA will determine if a proposal meets the minimum threshold for acceptability. Acceptability will be determined on an overall pass/fail basis based on the inclusion of all items referred to in Section 4.2. If a proposal is deemed to be unacceptable, it may be dropped from consideration and the other Selection Criteria not evaluated.

4.2.1 Registration with Secretary of State

The proposal must provide evidence of the legal registration of the offeror as a Texas company by providing a local office address and verification that the company is registered in Texas either as a domestic corporation or as a foreign corporation doing business in the state.

4.2.2 Compliance with Federal and State Laws and Regulations

The offeror must certify that it is in compliance with all federal and state laws and regulations identified in Sections 2.6, 2.7 and 2.8 and include the required certifications and Affirmative Marketing Plan described therein.

4.2.3 Evidence of Capability to Perform

Offerors shall submit the following evidence of their capability to perform the project:

4.2.3.1 An outline describing the expected total project costs.

4.2.3.2 Certification that the offeror has the resources and the financial ability to complete the project within the required timeframe.

4.2.3.3 Satisfactory evidence that offeror has the financial ability to incur costs and run a reimbursement program that has federal and state time delays for reimbursement without exceeding administrative expense limitations as detailed in Section 1.5 – Scope of Project Management Firm Constraints and further in Section 4.4 – Administrative Fee. This requires, among other things, evidence of a commitment of funds or letter of credit in a form satisfactory to the TDHCA in its sole discretion, in an amount necessary to enable the offeror to administer the programs in accordance with the terms of the RFP.

4.2.3.4 Current financial statements (no earlier than 2005) certified by an independent certified public accountant, and prepared in accordance with Generally Accepted Accounting Principles ("GAAP") consistently applied (or if not per GAAP, then specifying in detail each variation there from and the effect thereof) for the offeror, any general partner of the offeror, and any other person responsible for performing any work which may be required in connection with this RFP. Financial statements must present clearly the financial condition of the person(s) to whom they pertain and must show and describe assets and liabilities.

Note: prior to final award, TDHCA must be completely satisfied, in its sole judgment, with the financial stability of the offeror.

4.2.3.5 The PM must demonstrate sufficient cash reserves to fund direct program delivery costs and continue to provide direct assistance while the Department reviews, processes, and reimburses drawdown requests.

4.2.3.6 Ownership chart which illustrates the complete organizational structure of the final proposed ownership structure.

4.2.3.7 Demonstrated experience in successfully administering at least one federal housing program administered by HUD. Evidence must show that the PM has a record of successfully constructing or developing residential units (single family or multifamily), involvement in building a large subdivision, replacing damaged homes, relation of displaced population, etc. in the capacity of owner, general partner or developer. Documentation of experience in administering this program is required, including evidence of previously developed and utilized effective standard operating procedures to validate eligibility, determine benefits, work with contractors, and account for the distribution of funds.

4.3 Selection Criteria

As part of its proposal, the offeror will address the following Selection Criteria, which will be evaluated and scored by TDHCA. The maximum score that may be received by an offeror is 100

points. The points associated with each criteria are listed below. The offeror is expected to address the requirements identified in Part I (Sections 1.4, 1.5 and 1.6) as well as in the guidance contained in the Selection Criteria.

4.3.1 Criteria 1: Project Workplan/Technical Approach (40 points)

This criteria evaluates the offeror's proposed technical solution and plan for administering the Programs. All proposals will be reviewed for specificity in describing the services to be provided, the completeness and clarity of responses, consistency, and understanding of Program goals.

TDHCA will consider, among other things, the offeror's ability to mobilize. TDHCA places a premium on the expeditious start and completion of the Programs and will consider the schedule proposed by the offeror, including the readiness to proceed and the start date.

TDHCA values multichannel communication devices that are innovative beyond that described in Section 1.4. The offeror must demonstrate that it will be able to implement and maintain a communications process that will reach eligible homeowners to apply for benefits. As part of its technical solution, offerors must submit a schematic of a representative application timeline that describes the application process from intake, verification of file, review of potential benefits, site inspection, environmental clearance, approval of file, notification, coordination of construction, final inspection and payment of approved benefits. Deadlines outlined in Section 1.5 of the RFP should be considered in developing the proposed timeline.

4.3.2 Criteria 2: Management, Subcontractors and Staffing Plan/Qualifications of Key Personnel and Subcontractors (25 points)

TDHCA believes that the offeror's ability to complete the Programs in a timely and cost effective manner will be the direct result of superior management and personnel resources to operate the Programs. TDHCA will evaluate the offeror's proposed management, staffing, and key personnel. Use of subcontractors is permitted and encouraged to promote effective and efficient delivery of services.

TDHCA will consider the depth and breadth of management, including construction management experience, environmental clearance experience, case management experience, qualifications of personnel, and competency in dealing with highly automated case management systems, whether done under a subcontract or other arrangements.

In addition, the existence of technical resources necessary to maintain administrative and fiscal accountability are vital to potential success of the program and the offeror should demonstrate their abilities.

For all professional services to be used, like accountants, architects, engineers, surveyors, auditors, attorneys, environmental professionals, etc., offerors should identify whether they will be internal or external.

It is imperative that offerors clearly describe the specific role of management and tasks to be performed by key personnel and other staff and to establish the relationship and method of communication between management, key personnel and other staff.

TDHCA will examine how the offeror intends to staff (or subcontract) the Programs including local assistance facilities in a timely manner in areas where the need is most concentrated. Offerors should describe proposed staffing levels, staff qualifications and duties, and plans for staff training.

For all key personnel, including the principals of the offeror, the offeror should provide biographical information relevant to the administration of the Programs.

4.3.3 Criteria 3: Relevant Experience/Past Performance (20 points)

TDHCA will examine the offeror's experience in administering similar large distribution programs. While experience with disaster relief is preferred, other large direct service programs involving delivery of services to individuals will be considered as relevant experience. Any delivery of direct services involving housing or environmental evaluations are also valid as relevant experience. These should be specific to timeline of implementation, follow-through, adherence to projected costs, meeting and exceeding performance requirements, etc. and do not apply to projects not yet completed. Positive experience with other state and federal disaster-related program implementation is particularly favorable.

The offeror shall provide evidence of relevant experience. This experience may be that of the offeror or one of its major subcontractors. There are no limits to the number of relevant projects that may be submitted in this regard. However, for each project submitted, the offeror is required to obtain a client reference, using the Relevant Experience Reference Form, attached to this RFP, at Appendix 1.

4.3.4 Criteria 4: Financial Management and Monitoring (15 points)

TDHCA will review the offeror's plan to manage and monitor the Programs to maintain administrative and fiscal accountability for strong case management.

TDHCA will also review the offeror's proposed financial management plan. It is expected that financial management capacity will be based on measurable objectives and that the offeror will describe the measurable objectives and expected outcomes for managing the Programs. TDHCA will review the capacity of offerors for fiscal and statistical tracking of performance as required by federal and state statutes, regulations and policies applicable to the funding sources.

TDHCA will review the offeror's proposed monitoring/auditing policy and procedures, and its plan for conducting quality assurance and internal audits to ensure that funds are being efficiently used and for fraud prevention.

4.4 Administrative Fee

Up to 10 percent of the $210,371,273 available under the HAP and $12,000,000 available under the SPRP may be used for administrative expenses related to project delivery costs under this RFP. Therefore, up to $21,037,127 is allowable for HAP project delivery costs and $1,200,000 is allowable for SPRP project delivery costs. Project delivery costs are costs that can be attributed directly to housing activities. Examples of project delivery costs include procurement of services or goods, contract preparation related to subcontracted activities, compliance reviews, such as environmental review records directly related to housing activities, reviewing applications submitted for assistance, preparing reports and record keeping specifically for housing activities.

Separately, a maximum of $9,466,707 is allowable for eligible HAP program administrative costs and a maximum of $540,000 is available for eligible SPRP program administrative costs. These program administrative costs are separate from the $210,371,273 available under HAP and $12,000,000 available under the SPRP. Therefore, the total funds available for HAP is $219,837,980, and the total funds available for SPRP is $12,540,000. Specifically, program administrative costs are defined as those services that are being completed on behalf of TDHCA primarily that are not specifically linked to housing activities. An inclusive list of program administrative costs can be found at 24 CFR 570.206(a)(1). Planning costs are associated with activities conducted for the common good of the affected region and for the overall benefit of the public and not linked to a specific project or activity. An inclusive list of planning costs can be found at 24 CFR 570.205(a)(6).

As part of its proposal, the offeror will prepare a project budget tied into project deliverables and a proposed timeline which shall contain sufficient cost detail to support its proposed Administrative Fee and to permit TDHCA to determine if the proposed fee is fair and reasonable.

4.5 Establishment of Competitive Range and Negotiations

TDHCA will conduct oral and/or written negotiations with all offerors that meet the Threshold Criteria and are within the competitive range. TDHCA will establish the competitive range on the basis of the Selection Criteria that are stated in this section and will include all proposals that have a reasonable chance of being selected for award. TDHCA will inform the offerors in writing if they have been downselected into the competitive range.

At its discretion, TDHCA reserves the right to conduct negotiations with and to request additional information from any or all of the offerors in the competitive range.

TDHCA reserves the right to contact any individuals, agencies or employers listed in a proposal; to contact others who have experience and/or knowledge of the offeror's relevant performance and/or qualifications; and to request additional information from any and all offerors.

The offerors downselected and included in the competitive range will have the opportunity to make an oral presentation, as described in Section 3.5 above and will be provided a reasonable

opportunity to submit any cost, price, technical or other revisions to their offers that may result from the negotiations. Negotiations will conclude with submission of "best and final" offers.

4.6 Evaluation of Best and Final Offers

The evaluation team appointed by the Executive Director will examine the totality of the best and final offer presented and determine a final recommendation to the Governing Board for decisions. Each member of the relevant evaluation team will score the offeror's proposal and the scores will be combined to provide a recommendation to the Board after discussion.
Award will be made by the Governing Board of the TDHCA.

4.7 Basis for Award

After review of best and final offers is completed, the contract will be awarded to the offeror whose proposal represents the greatest overall value to TDHCA, after weighing the Selection Criteria scores and Administrative Fee. The Administrative Fee is less important than the Selection Criteria scores. However, as the Selection Criteria scores between offerors become closer, the Administrative Fee will become a more important consideration in the final award decision and TDHCA reserves the right to award to the offeror with the lowest Administrative Fee.

4.8 Award Contingent on Receipt of Funds

The award and funding of any contract is contingent upon receipt by the TDHCA of funds from the State of Texas and/or the United States of America.

4.9 Review of Offeror Records and Systems Submittals

TDHCA reserves the right to conduct a review of records, systems, and procedures of any entity selected to receive funding. This may occur prior to or subsequent to award of a contract. Misrepresentation of an offeror's ability to perform as stated in the proposal may result in cancellation of the contract.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Approval of Webb County Colonia Self-Help Center Extension, Performance Statement and Budget Amendment Request.

Required Action

Approve or Deny Webb County Colonia Self-Help Center Extension, Performance Statement and Budget Amendment Request.

Background

Colonia Self-Help Centers Program

The Colonia Self-Help Centers (SHC) were created by Acts of the 74th Legislature of the state of Texas in 1995. The purpose of a Colonia SHC 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 designated colonia service area or in another area the Department has determined is suitable. Pursuant to Subchapter Z of Chapter 2306 of the Texas Government Code, the Texas Department of Housing and Community Affairs (TDHCA or "Department") has established Colonia SHCs in Cameron/Willacy, El Paso, Hidalgo, Starr and Webb Counties. If TDHCA determines it necessary and appropriate, the legislation allows for Colonia SHCs to be established in any other county if the county is designated as an economically distressed area under Chapter 17 of the Water Code. In 2001, the Department opened two additional centers in Maverick and Val Verde Counties to address the needs in those locations.

On February 1, 2007, the TDHCA Governing Board approved the first edition of the Colonia SHC Program Rules. The purpose of the rules was to make the program more transparent, reflect the self-help concepts of the enabling legislation and facilitate the administration and completion of Colonia SHC activities within the original contract period. The development of program rules has led to a more structured and uniform program.

The goal of a Colonia SHC is to improve the living conditions of residents in the colonias in ways that go beyond the provision of basic infrastructure. A Colonia SHC may provide key services and concentrated technical assistance in the areas of housing rehabilitation, new construction, surveying, platting, construction skills training, tool library access for self-help construction, housing finance, credit, debt counseling, grant writing, infrastructure installation and access, contract-for-deed conversions, capital access for mortgages to improve the quality of life for colonia residents. A Colonia SHC may also provide other services that the Colonia SHC, 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. Participants in the program must not earn more than eighty percent (80%) of the area median family income (AMFI). Additionally, the properties proposed for this initiative must be located in a colonia as identified by the Texas Water Development Board colonia list or meet the Department's definition of a colonia.

Webb County Contract No.724003

Summary for Request:

Webb County is requesting a combined contract extension, performance statement and budget amendment. The amendment would allow the county to complete the housing activities and make revisions to its budget to exclude activities that are no longer necessary. Webb County has completed all of the activities as contracted (see activity status chart below) with the exception of the housing activities (rehabilitation and reconstruction) in the targeted colonias. (Program rules prohibit the Colonia SHC program from conducting housing activities in areas that do not have the availability of water and wastewater services). Despite the progress in non-housing related activities, the county is behind in requesting reimbursement for completed activities and is being actively encouraged to submit drawdown requests as soon as possible.

In 2000, the city of Laredo received funding from the Texas Water Development Board and the North American Development Bank to extend city water and wastewater services to the colonias along Highway 359. Due to various delays encountered by the city in finalizing the project along Highway 359, Webb County has been unable to complete the housing related activities included in Colonia SHC Contract No. 724003 by the scheduled contract end date and is requesting an extension. These delays are out of the control of the county. The city of Laredo projects have received additional funding and have overcome most of the major hurdles that have delayed the installation of the infrastructure. The water and wastewater mainline infrastructure is currently being installed into the Colonia SHC service area and water system hook-ups are imminent in the colonias of Tanquecitos I & II.

The county continues to demonstrate the ability and willingness to carry out and finalize the housing related activities. To date, the county has conducted a housing rehabilitation assistance application intake campaign, completed four (4) residential rehabilitations (where water and wastewater services are available) and, is currently accepting bids for two (2) additional homes. The county has also revised the housing rehabilitation guidelines in order to allow many colonia residents, previously ineligible, to now become eligible for housing rehabilitation in order to be ready to proceed with the rest of the targeted area once they receive water and wastewater services.

Contractor:	Webb County
Nonprofit SHC Provider:	Webb County Community Action Agency
Contact:	The Honorable Danny Valdez
Address:	1000 Houston Street 3rd Floor
	Laredo, Texas 78040

Purpose of Contract: To provide housing and community development activities to Webb County in the following colonias: Los Altos, Tanquecitos I & II, San Carlos I & II and D-5 Acres.

Contract Amount:	$1,265,060.00
Amount Drawn:	$372,320.89
Percent Draw:	29%
Type of Request:	Extension, Performance Statement and Budget amendment
Original Contract Period:	11/01/2004 to 11/01/2006
Prior Requested Extended Period:	05/01/2007
Requested End Date:	5/01/2008
Staff Recommended End Date:	10/31/2008

Webb County Community Action Agency has completed the following activities under the current Colonia SHC contract.

Performance Activity	Performance Goal	Total Goal Complete	Percent of Goal Complete	New Performance Goal
Public Facility (tool lending library)	1	.85	85%	1
Legal Services to residents	3	0	0%	0
Voluntary House Relocation	3	0	0%	0
Solid Waste Removal	4	4	100%	4
Model House Plans	39	20	51%	39
Tool Lending Library	1	1	100%	1
Technical Assistance	250	250	100%	250
Outreach	250	250	100%	250
Colonia Meetings	15	15	100%	15
Self-Help Home Improvements	25	25	100%	25
Construction Classes	10	10	100%	10
Housing Rehabilitation	25	3	12%	28
Reconstruction of Private Properties	2	1	50%	3
Special Needs Home Improvements	10	10	100%	10
New Construction	1	0	0%	1

Recommendation

Approval to extend the Colonia Self-Help Center (SHC) contract with Webb County by one year and five months and amend the performance statement and budget for SHC Contract No. 724003. This will be the last contract time extension recommended by staff as the contract activities are anticipated to be completed within the extended period. Staff recommends extension through October 31, 2008 as the new termination date will bring this contract to the 4-year period as specified by legislation for Colonia SHC contracts.

Staff was not able to recommend all of the county's requests due to the restrictions of program rules. With the consent of the county, staff has redirected surplus funds resulting from the removal of now unnecessary legal services and unutilized housing relocation funds from the contract, which total $79,772, to the housing rehabilitation and reconstruction line items. These funds will be utilized to add three (3) additional units to be rehabilitated and/or reconstructed in areas that will be fully serviced by water and wastewater by the end of the proposed contract period.

RECEIVED
OFFICE OF COLONIA INITIATIVES

DANNY VALDEZ
WEBB COUNTY JUDGE

March 2, 2007

Mr. Homero Cabello, Director
Office of Colonia Initiatives
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701-2410

Re: Webb County Self-Help Center Request for Extended Contract End-Date Contract Amendment and Performance Statement Amendment.
TCDP Contract No. 724003

Dear Mr. Cabello:

The County of Webb is appreciative for the opportunity to administer the TCDP Contract # 724003. In order to complete the project successfully, Webb County is respectfully requesting a contract extension for twelve (12) months or until May 1, 2008.

All activities outlined in our Performance Statement have been successfully completed with the exception of housing related activities (See attached activity status report). This contract consists of the rehabilitation of twenty-five (25) homes and two (2) reconstructions within the Webb County Self-Help Center's targeted colonias. The Texas Department of Housing and Community Affairs-OCI has authorized Webb County to commence with the rehabilitation activities with the provision that water and sewer services will be in place at the close of the contract. Due to the delays encountered by the City of Laredo in finalizing the water and sanitary sewer project along Hwy 359, the Self-Help Center has been unable to meet this provision by the scheduled contract end date. Therefore, we find it necessary to request a contract extension end date in order to ensure that water and sewer services are in place when all rehabilitations are completed.

An eight (8) month extension has been approved for the Tanquecitos-I wastewater project which will now change the expected project completion date for said project to December 2007. This extension was necessary due to the length of time taken by the City of Laredo and the Texas Water Development Board in implementing their

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TEL. (956) 523-4600 • FAX: (956) 523-5065 • E-mail: webbcountyjudge@webb

EDAP funded water and sewer project along Highway 359. These delays to the Tanquecitos-I Wastewater Project will unfortunately trickle down to the Self-Help Center housing rehabilitation project completion date. In order to meet our compliance agreement and have water and sewer services in place at completion of the Self-Help Center TCDP Contract, we find it necessary to adjust our performance measures and timelines accordingly.

Webb County is proposing the following performance and budget amendment required to adjust and redirect funds from remaining activities to the proposed changes:

1. A reduction of rehabilitation units from twenty-five (25) to twenty (20).
2. An increase to the max amount per rehabilitation from $ 18,000.00 to $ 22,000.00. This is imperative due to the significant increase in construction costs and construction materials.
3. Eliminate the housing relocation activity. Due to the redesign of waterlines, Webb County currently does not require housing relocation.
4. Allocation of $60,690 for construction of the SHC Health and Nutrition Center. HUD Neighborhood Initiatives grant contributed a total of $ 47,000 and Texas A&M Center for Housing and Urban Development HUD Grant contributed $137,000 to construct a facility that will be known as the SHC Health and Nutrition Center. This facility will serve residents living in the SHC's targeted colonias and provide instruction on health and nutrition topics emphasizing the importance of special precautions needed due to the lack of potable water available to colonia residents in Webb County. Disease prevention and education topics such as children's immunizations, dental hygiene, mental health, pre and post natal care, substance abuse, HIV prevention and diet related illnesses such as diabetes and high blood pressure shall also be incorporated under the educational component of this program.
5. Earthen Block Demonstration Building: The SHC is redirecting twenty-four thousand dollars for the completion of the demonstration building. The funds are needed for labor and materials to complete the construction of this building.
6. Legal Services: This line item is being eliminated because the SHC will not be undertaking any housing relocation activities.

7. Colonia Meetings: The SHC is redirecting six thousand dollars for colonia meeting activities that will continue to be conducted until contract end date.
8. Reconstruction of Private Properties: The SHC is decreasing this line item by $ 13,000 and redirecting the funds to the above activities. The SHC was able to leverage funds from another funding source resulting in a savings to the line item.
9. Proposal Research and Development: The SHC is moving this line item from Program Administration to Public Services. The line item falls under Public Services. (Total amount for Public Services are under the 15% limit)
10. Program Administration: The SHC is augmenting the administration and operation line item to reflect an additional twenty-two thousand and eighty-two dollars from previous line item Research and Development. Total amount of Administration, Planning and Management did not increase.

The Self-Help Center is conducting a housing rehabilitation assistance application intake campaign. To date, four (4) rehabilitations have been completed. At this time, two (2) applicants are out for bids and construction is expected to commence shortly after the bids are awarded. Webb County has revised its Housing Rehabilitation Guidelines and eliminated one of our biggest obstacles, the inability to assist multiple dwellings. This change will allow us to assist homeowners in Tanquecitos I who will have water and sewer services in the near future, meet our performance statement requirements, and meet water and sewer requirements by projects' end. With your approval to the proposed changes outlined in this letter, we are certain that this contract will be successfully completed.

Should you have any questions, please contact Mr. Juan Vargas at (956) 523-4605.

Sincerely,

Danny Valdez
Webb County Judge

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

BOARD ACTION REQUEST
May 10, 2007

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 in the estimation of the Executive Director significantly decrease the benefits to be received by the Department, will be presented to the Board for approval.

Department policy requires that the commitment and expenditure rates of each contract be analyzed when processing extension requests. Extension requests will only be considered by the Department to complete activities that are in process and that have been committed in the TDHCA Contract System. Commitment is defined as contract funds that have been pledged to an eligible household. These funds must be entered electronically into the TDHCA Contract System by the Administrator, and the funds must be approved electronically by the Department in the TDHCA Contract System. Before commitments are entered in the TDHCA Contract System all household and budget information must be verified by the Administrator. Documentation must be submitted to the Department to substantiate the commitment of funds.

Marble Falls Housing Development Corporation Contract Number 534339

Summary of Request
Marble Falls Housing Development Corporation (Administrator) is requesting a modification to the "Special Needs" requirement in the Land Use Restriction Agreement (LURA) for Southwest Village Apartments in Marble Falls. The current LURA requires that all twenty-four (24) units or one hundred percent (100%) of the qualifying units be leased by "Special Needs" individuals.

The LURA defines a "Special Needs" individual or "Special Needs" family as an individual or family of Low Income or Very Low Income who is considered disabled, handicapped or elderly under applicable State or Federal law, an individual or family of Low Income or Very Low Income as otherwise designated by the Owners in its loan application and approved by the Department, or as otherwise designated by the Department. An individual who is 63 years of age or older or a family in which each member is 63 years of age or older is considered elderly for purposes of this definition. A "Special Needs" family also includes a large family which, except as otherwise may be determined by the Department, is a family consisting of at least five (5) members.

The Administrator states that it has been difficult for them to lease to "Special Needs" households. The property is comprised of twenty-four (24) three bedroom units. The property cannot sustain having vacancies for long periods of time waiting for families that will meet the "Special Needs" requirement as currently defined in the LURA. The vacancy rate is detrimental to the cash flow of the property that is needed to pay bills and salaries.

Fair Housing Act requirements do not allow for less than 80% of the units to be set aside for elderly only. The Integrated Housing Rule, which was not in effect when this LURA was adopted, allows for 36% of the units to be designated for disabled households, not elderly households.

Amendment Number:	1 (First LURA Amendment)
Activity Type:	Rental Housing Development (RHD)
LURA Executor:	Mark Mayfield, Executive Director
Property Contact:	Lucy Webber, Affordable Housing Director
LURA Start Date:	December 21, 1995
LURA End Date:	December 21, 2025 (30 Years)
Location:	Marble Falls, Burnet County
Total Budget Amount:	$910,000
Project Amount:	$865,000
CHDO Operating:	$45,000
Units Restricted:	24

Requested Action
Consistent with the Department Integrated Housing Rule and in compliance with the Fair Housing Act, staff recommends that the property provide no more than 36% or eight (8) of the units to be set-aside exclusively for Persons with Disabilities. The "Special Needs" definition would be amended to include persons with disabilities and large families. The property is in compliance with Department requirements.

Family Crisis Center Contract Number 536297

Summary of Request

Family Crisis Center (Administrator) is requesting that the Long Term Occupancy Requirement in the Land Use Restriction Agreement (LURA) for Bastrop County Women's Shelter (Development) be reduced by one Qualifying Unit. The LURA requires 100% of the twenty-one (21) units be occupied by income eligible households. Ten (10) units must be available for Very Low Income families, whose income does not exceed 50% of the area median family income (AMFI), and eleven (11) units available for families whose income does not exceed 30% AMFI. The Administrator requests that the LURA require only twenty (20) income restricted units.

The Development provides shelter to women and children escaping family violence or sexual assault. The Administrator has allowed one (1) unit to be occupied by an on-site security officer who is not income qualified under the current set-asides. The officer donates his time by assisting with security and community policing during his off hours. Without the reduction of one (1) unit, the Administrator will be required to reoccupy the unit with an income eligible household or face being cited with a compliance finding for allowing an income ineligible household to occupy a unit.

Amendment Number:	1 (First LURA Amendment)
Activity Type:	Rental Housing Development (RHD)
LURA Executor:	Sherry Murphy, Executive Director
Property Contact:	Rachel McDonald, Residential Services Coordinator
LURA Start Date:	November 30, 1999
LURA End Date:	November, 2040 (41 Years)
Location:	Bastrop, Bastrop County
Total Budget Amount:	$736,511
Project Amount:	$701,439
CHDO Operating:	$35,072
Units Restricted:	21

Requested Action

Staff recommends the approval of the reduction of one (1) unit. The residents of the Development would benefit from the services offered by the security officer. If approved, the LURA would be amended so that only twenty (20) of the twenty-one (21) units are restricted by the HOME occupancy requirements. The LURA would require twenty (20) qualifying units, of which nine (9) are available for households at 50% AMFI and eleven (11) units for households at 30% AMFI. The property is in compliance with Department requirements.

Tanglewood II, LLC Contract Number 539116

Summary of Request
Tanglewood II, LLC (Administrator) is requesting to reduce the number of restricted HOME units in the Land Use Restriction Agreement (LURA) for Riverview Apartments in San Marcos from fifty-four (54) units to fifty-three (53) units. The current LURA requires that one hundred percent (100%) of the rental units be occupied by very low income families. "Very low income families" is defined in the LURA as families whose annual incomes do not exceed fifty percent (50%) of the Area Median Family Income (AMFI).

The Administrator has been cited a compliance finding for using one of the units as a rental office for the community. The Administrator states that in order to properly manage the property it is essential to use one of the units as a rental office.

Amendment Number:	1 (First LURA Amendment)
Activity Type:	Rental Housing Development (RHD)
LURA Executor:	Eugene J. Burger, President
LURA Start Date:	January 18, 2001
LURA End Date:	January 18, 2017 (16 Years)
Location:	San Marcos, Hays County
Total Budget Amount:	$534,986
Project Amount:	$536,986
Units Restricted:	54

Requested Action
Staff recommends the approval of the reduction of one (1) unit. The development requires an office to manage the property. If approved, the LURA would be amended so that only fifty-three (53) of the fifty-four (54) units are restricted by the HOME occupancy requirements. The LURA would require fifty-three (53) qualifying units, of which all fifty-three (53) are available for households at 50% AMFI. The property is in compliance with Department requirements.

Affordable Housing of Parker County Contract Numbers 542004 and 542010

Summary of Request

Affordable Housing of Parker County (Administrator) is requesting a restructure of CHDO project funds and CHDO operating funds remaining under contract numbers 542004 and 542010. The Administrator is requesting the opportunity to complete their original obligation to create homeownership opportunities for low income families in Parker and Wise Counties. Specifically, the Administrator requests that remaining project and operating funds in contract number 542010 be transferred to contract number 542004. This would increase the total contract budget to $207,087.46 (of which $195,837 is available for downpayment assistance). Contract 542010 would be closed and the 4 remaining households that were pledged but not served would be added to the 2 unserved households in the remaining contract.

The Administrator also requests that the contract end date be extended until December 31, 2007 or 12 months from the date that the Executive Director executes the amended contract. The required number of assisted households for the remaining contract would increase from a total of nine (9) to ten (10). The Administrator requests that they be allowed to assist each low income homebuyer with a maximum of $20,000 in Homebuyer Assistance structured as ten-year, 0% interest, deferred forgivable loans held by the Department. The tenth assisted household would receive the balance of the funds up to $20,000 if less than $20,000 is available.

Under contract number 542010, the Administrator originally planned to purchase homes from the USDA default list at below appraised value, rehabilitate the homes and sell them to first-time low-income homebuyers. However, USDA changed their policy of selling the properties at a discount and instead began selling them at sheriff's sale to the highest bidder. According to the Administrator, the change in policy by USDA effectively made contract number 542010 not viable. Under contract number 542004, the Administrator was to provide downpayment and closing cost assistance to low-income homebuyers to enable them to purchase their first home. The inflated value of the existing homes and the lack of energy efficiency of these homes made the purchase of existing homes in Parker and Wise County economically infeasible according to the Administrator.

The Administrator was encouraged by the Department's consultant, ICF, to submit an amendment request to modify and dramatically expand the HOME funds in this contract to include construction costs. Since both of these contracts were intended to be CHDO awards and the HOME funds were not part of the construction activity, the consultant also recommended that funding for these contracts cease being considered CHDO unless they were expanded. The Administrator submitted this request over a year ago, but this request was not brought to the Board due to insufficient information available to fully underwrite the request.

The Administrator states that while the existing market is still experiencing difficulty, the sale of newly constructed homes has experienced an increase. New single family construction of three-bedroom, two bath homes are being built and sold for approximately $110,000. The Administrator states that with $20,000 in downpayment assistance, these new, energy efficient homes could be made affordable to low income families.

	Balance of 542004	**Balance of 542010**	**Restructure**
CHDO Project Funds	$78,125.00	117,712.46	$195,837.46
CHDO Operating Funds	$3,125.00	$8,125.00	$11,250.00
Total Funds	**$81,250.00**	**$125,837.46**	**$207,087.46**
Total Assisted Units	**4**	**2**	**10**

Because the Administrator has purchased a single family subdivision and made infrastructure improvements utilizing private funds, and because the Administrator has obtained interim construction financing from private sources, the Administrator believes that they meet the CHDO activity requirements and requests the approval of the restructure of contracts numbers 542004 and 542010 as CHDO funds. If this revised activity is not considered a CHDO activity as proposed, the Administrator has suggested that a last construction draw be used to get the funds into the construction activity and then be transferred to the homebuyer. The Administrator further acknowledges that no such funds would be drawn unless a qualified buyer is ready and able to close on a permanent loan.

Recommendation

Staff does not recommend the Administrator's proposal because it violates the original award terms and because it is inconsistent with the downpayment assistance programs most recently approved by the Board. The current Board policy with regard to downpayment assistance allows up to $10,000 per household and $15,000 per household with a member that has a disability. Staff recommends that the expired contract be deobligated and if the unexpired contract can not be fulfilled as agreed and is not voluntarily returned, that it is terminated and the funds for it deobligated as well.

If the board chooses to approve the amendment, remaining contract funds would be transferred from contract number 542010 to contract number 542004. The contract end date would be extended to December 31, 2007, and the number of low-income families to be assisted would be increased to ten (10) to be assisted up to $20,000 in downpayment and closing cost assistance in the form of a ten-year 0% interest, deferred forgivable loan held by the Department. Approval of this amendment would require the Administrator to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. Sufficient CHDO funds are available to fund this request.

Val Verde County Contract Number 1000156

Summary of Request

Val Verde County (County) has previously been permitted two amendments 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 board approved a second amendment at the October 2006 meeting. The second amendment extended the end date for seven (7) additional months to March 31, 2007.

The County is requesting a third amendment to further extend the end date of their contract for nine (9) additional months from March 31, 2007 to December 31, 2007. The County is also requesting that the maximum amount of assistance be increased from $50,000 per household to $60,000 per household. The number of assisted households will remain at six (6). Additional funds of $30,000 would be required to fund this request. The County has previously deobligated $208,000 in contract funds.

	Current	Requested	Change	% Reduction
Households	6	6	0	0.0%
Budget	$312,000	$343,200	$31,200	10.0%

Due to lack of performance, the County terminated the services of their consultant, SMi Consulting. Since then, the County has proceeded with the procurement of a building contractor. The building contractor has indicated that the three remaining homes can be completed for $60,000 per home. There is no change in construction status since the October 2006 board meeting. Three (3) homes have been completed, and the County states that a nine (9) month extension is necessary to complete reconstruction on the three (3) remaining homes. The status of these homes remains the same as listed below (same status as at the October 2006 board meeting):

Activity #	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: 3
Activity Type: Owner Occupied Reconstruction (OCC)
Contract Executor: County Judge Mike L. Fernandez
Former Consultant: SMi Consulting, Robert Chavira (terminated)
Contract Start Date: September 1, 2003
Contract End Date: March 31, 2007
Requested End Date: December 31, 2007
Service Area: Val Verde County
Total Budget Amount: $312,000
Project Amount: $300,000
Administration Amount: $12,000
Households Required: 6
Households Assisted: 3
Amount Drawn: $160,245

Requested Action

Staff does not recommend approval of the request. At the time of the second extension for nine (9) months, the County assured the Department and the Board that the contract would be completed by the

amended contract end date. To date, forty-four (44) 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 contract end date would be extended from March 31, 2007 to December 31, 2007, and the contract amount would be increased to $343,200.

United Cerebral Palsy Contract Number 1000371

Summary of Request
United Cerebral Palsy (Administrator) is requesting additional funds of $132,500 ($125,000 project funds and $7,500 administrative funds) in order to be able to assist five (5) additional disabled households with down payment and housing rehabilitation assistance. The Administrator is also requesting to extend the end date of their contract for six (6) months from May 31, 2007 to November 30, 2007 in order to have sufficient time to assist the additional households.

	Original	Requested	Change	Percent Increase
Households	20	25	5	25%
Budget	$530,000	$662,500	$132,500	25%

The Administrator states that the Home of Your Own Program (HOYO) has an extensive waiting list of disabled households. The Administrator states that they have committed all their existing funds, and that a request for additional funds is necessary to compensate for delays in the issuance of the 2007 Department NOFA to address the housing needs of individuals with disabilities.

The Administrator was awarded $625,000 in 2006 HOME funds. To date, nine (9) months after the start date, the Administrator has committed $257,646 or forty-one percent (41%) of the project funds and has expended $206,863 or thirty-one percent (31%) of the contract funds.

Amendment Number:	1
Activity Type:	Home Buyer Assistance (HBA/Rehab)
Contract Executor:	Jean Langendorf, Executive Director
Contract Start Date:	June 1, 2005
Contract End Date:	May 31, 2007
Requested End Date:	November 30, 2007
Service Area:	Statewide
Total Budget Amount:	$530,000
Project Amount:	$500,000
Administration Amount:	$30,000
Amount Committed:	$496,157.85
Amount Drawn:	$514,759.59
Households Required:	20
Households Committed:	24

Requested Action
Staff does not recommend approval. In order to approve the use of deobligated funds, the board must determine that the request is "unique or extenuating" in accordance with the Department's Deobligation Policy, 10TAC§1.19(e)(2)(F) *"Funding to existing previously awarded eligible contracts in need of additional resources for circumstances considered unique or extenuating by the Department's board"*. Approval also requires a waiver of the maximum allowable funding in State HOME Rules and would require confirmation of continued compliance with the 95/5 statutory funding requirement. A new NOFA has been issued that makes similar funds available on a competitive basis.

If the board chooses to approve the amendment, the contract amount would be increased to $662,500, including 6% in administrative funds. Approval of this amendment would require the Administrator to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. Sufficient HOME deobligated funds are available to fund this request.

Affordable Housing of Parker County Contract Number 1000453

Summary of Request

Affordable Housing of Parker County (Administrator) is requesting additional funds of $118,339 in Tenant Based Rental Assistance (TBRA) funds in order to assist thirty-four (34) households with rental assistance past the twenty-four (24) months originally allowed. The Administrator sent 30-day notices to assisted households to notify them that their 24-months of assistance was ending. The households are distressed that their rental assistance is being terminated. Because Section 8 vouchers are not available in Wise County, the families do not have access to another form of rental subsidy. Although the intent of the TBRA program is to provide rental assistance for twenty-four months, HOME program rules allow for the assistance to be extended if funds are available.

The Administrator has requested that they be allowed to provide rental assistance to their existing tenants until May 31, 2008 to allow Wise County officials time to procure Section 8 vouchers to assist these households. The Administrator also requests a two (2) month extension in order to assist the families until May 31, 2008.

	Original	Requested	Change	Percent Increase
Households	15	46	31	207%
Budget	$226,571	$344,910	$118,339	52%

Amendment Number:	1
Activity Type:	Tenant Based Rental Assistance (TBRA)
Contract Executor:	Al Swan, Executive Director
Contract Consultant:	Michael Hunter, Hunter & Hunter Consultants
Contract Start Date:	October 3, 2005
Contract End Date:	March 31, 2008
Requested End Date:	May 31, 2008
Service Area:	Parker County and Wise County
Total Budget Amount:	$226,571
Project Amount:	$217,857
Administration Amount:	$8,714
Amount Committed:	$160,399
Amount Drawn:	$134,057
Households Required:	15
Households Committed:	46

Requested Action

Staff does not recommend approval. In order to approve the use of deobligated funds, the board must determine that the request is "unique or extenuating" in accordance with the Department's Deobligation Policy, 10TAC§1.19(e)(2)(F) *"Funding to existing previously awarded eligible contracts in need of additional resources for circumstances considered unique or extenuating by the Department's board"*. Approval also requires a waiver of the maximum 24 months of assistance.

If the board chooses to approve the amendment, the contract amount would be increased to $344,910, not including 4% in administrative funds. Approval of this amendment would require the Administrator to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department. Sufficient HOME deobligated funds are available to fund this request.

Travis County Housing Finance Corporation Contract Number 1000533

Summary of Request
Travis County Housing Finance Corporation (Administrator) is requesting a modification to the income requirements in their contract as noted on the table below:

	2007 Income Limits (4 Person)	Original	Requested	**Variance**
60% AMFI	$25,860	12	6	**(6)**
80% AMFI	$34,500	18	24	**6**
Total		30	30	

The Administrator states that they have not been able to identify households to qualify for the program at the 60% income level. It is difficult to assist homeowners whose income fall into the lower income levels with homebuyer assistance because of difficulties involved in qualifying the household for mortgage loans. The Administrator would be able to quickly commit and expend their remaining contract funds at the 80% income level. The application has been rescored and the Administrator would have been funded under the ADDI program with the increased income limit requirements.

Amendment Number:	1
Activity Type:	American Dream Downpayment Initiative (ADDI)
Contract Executor:	Samuel T. Biscoe, President and Travis County Judge
Contract Start Date:	October 3, 2005
Contract End Date:	September 28, 2007
Service Area:	Travis County
Total Budget Amount:	$223,080
Project Amount:	$214,500
CHDO Operating:	$8,580
Households Required:	30
Households Assisted:	24
Amount Drawn:	$164,900

Requested Action
Staff recommends the approval of the income requirements in the contract to increase as noted in the table above. The Administrator has attempted to meet the set aside requirements and has had challenges identifying lower income families who also qualify for a mortgage loan. Approval of this amendment would allow the Administrator to move forward with assisting income eligible households at the 80% AMFI with homebuyer assistance. Approval of this Amendment would require the Administrator to provide the Department with a Monthly Contract Progress Report in a form prescribed by the Department.

TEXAS home Of Your Own

UCP United Cerebral Palsy of Texas

Life without limits for people with disabilities

1016 La Posada
Suite 145
Austin, TX 78752

TEL 800-798-1492
TEL & TDD 512-472-8696
FAX 512-472-8026

info@ucptexas.org

April 26, 2007

Kevin Hamby
General Counsel and
Secretary/Treasure to the Governing Board
Texas Department of Housing and Community Affairs
P. O. Box 13941
Austin, Texas 78711-3941

Dear Mr. Hamby:

United Cerebral Palsy of Texas (UCP Texas) serves as the lead organization for the Texas Home of Your Own (HOYO) Coalition. We are requesting an extension to the current HOME Contract #1000371 to continue to assist the individuals with disabilities who have been working towards their dream of homeownership. While the department undertakes a new process to allocate assistance for a homebuyer assistance program with rehabilitation for Texans with disabilities, we would like to have the ability to continue to serve the individuals in the interim currently requesting assistance at the six locations of the Texas Home of Your Own program.

The commitments for HOME Contract #1000371 are at 99% and 97% drawn. We have exceeded the contract performance goals with 24 units completed – 4 units over the 20 unit goal. We have household with 'commitment letters' that can be assisted by an amendment to HOME Contract #1000371 to provide homebuyer assistance activities followed by home modifications as needed.

With this amendment, we can continue to partner together to expand opportunities for homeownership among a greatly underserved population: low income persons with disabilities. As noted in the attached press release, TDHCA has been a 'partner' in this public-private initiative since 1996 – as a partner TDHCA has committed downpayment and barrier removal assistance to prospective homeowners with disabilities - a major activity of the project to promote the homeownership opportunities. As of March 31, 2007, 333 individuals with disabilities have become homeowners through the Texas Home of Your Own Coalition activities.

In addition to the partnership with TDHCA, local partnerships have been established. With assistance of these local participating jurisdiction partners, 114 of the 333 individuals assisted (34%) have achieve their dream of homeownership. 219 have been assisted through the TDHCA partnership.

We support any effort to expand this successful effort to serve people with disabilities in additional areas of Texas. It has always been the desire of the HOYO Coalition members, lenders, Fannie Mae, homebuyer education providers and member disability groups, to continue to expand this successful HOYO model. As additional operational resources for local level support is made available, we are seeking opportunities to increase the number of sites.

Again, we thank you for your consideration of our request.

Sincerely,

Jonas E Schwartz

Jonas E. Schwartz
President

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

NEWS RELEASE

FOR IMMEDIATE RELEASE
July 8, 1996

CONTACT: Patrick Rhode
(512) 475-4743

Brian Montgomery
(512) 475-4542

TDHCA HELPS FACILITATE NATIONAL LOAN PROGRAM FOR DISABLED

Texas Home of Your Own coalition, "HOYO," will create homeownership opportunities for state's eligible borrowers

(AUSTIN) -Texas has been selected by Fannie Mae as one of ten states to participate in a $50 million loan program directed towards low and moderate income borrowers with disabilities or borrowers who have disabled dependents living with them. As a result, low-to-moderate income persons with disabilities will have a greater opportunity to purchase a home. HOYO's lead organization, United Cerebral Palsy Association of Texas, has worked closely with both TDHCA and Fannie Mae to participate in this endeavor.

The three-year pilot program is administered by Fannie Mae and will be known as HomePartners. HomePartners is part of an underwriting program where Fannie Mae will commit $50 million dollars in mortgage loans in Texas and nine other states. Loans will be available to qualified borrowers through select financial institutions working in partnership with coalitions of state and local housing and disability organizations.

The Texas Department of Housing and Community Affairs recently awarded the HOYO coalition $350,000 in HOME Program funds to assist disabled homebuyers with their down-payment and closing costs, gap financing, cost associated with barrier removal and home rehabilitation. TDHCA serves on the planning committee of HOYO and will continue to assist the organization as it administers the loan initiative.

Fannie Mae is a congressionally chartered shareholder-owned company and the nation's largest source of funds for home mortgages. It has committed to provide $1 trillion in targeted lending for 10 million homes by the end of the decade. The targeted lending will serve low and moderate income families, minorities, new immigrants, residents of central cities and other underserved areas, and people who have special housing needs. More information about Fannie Mae can be found on the internet at *http://www.fanniemae.com*.

The Texas Department of Housing and Community Affairs is Texas' lead agency responsible for affordable housing, community development and community assistance programs; and the regulation of the state's manufactured housing industry. The Department annually administers funds in excess of $490 million, the overwhelming majority of which is derived from mortgage revenue bond financing and refinancing, federal grants and federal tax credits.

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Real Estate Analysis Division

BOARD ACTION ITEM

May 10, 2007

Action Item

Presentation, discussion and possible action on a timely filed appeal regarding the underwriting recommendation of a development under the HOME program, Floresville Senior Housing in Floresville, TX.

Required Action

Approve, deny or approve with amendments a determination on the appeal.

Background

060247 Floresville Senior Housing

The Center for Housing and Economic Opportunities Corporation, the Managing General Partner of the Applicant, submitted an application for funding under the HOME CHDO program to develop 24 multifamily rental units targeting the elderly. The Applicant originally requested $50,000 in CHDO Operating Expense funds, and development funds of $1,947,989 to include a deferred forgivable loan of $1,677,989 and a $270,000 repayable loan with an amortization period of 30 years at 0% interest. As a result of an appeal, discussion with the Board and discussions with staff, the Applicant has revised the development portion of this request to reduce the deferred forgivable portion of the loan to $715,909 and increase the repayable loan to $1,222,080 with an amortization period of 40 years at 0% interest. The request is $10,000 less than the original with total development funds requested of $1,937,989.

The application was originally not recommended for funding due to several issues identified in the underwriting report which were the basis of the Applicant's appeal. At the March 20, 2007 meeting the appeal was heard but the Board did not act on the appeal. Rather, the Board postponed the item and asked staff to work with the Applicant with regard to the financial feasibility issues which will be discussed in the paragraphs below. The additional non financial feasibility reasons the development was not recommended must still be addressed by the Board and are as follows: 1) The application failed to provide 10% leverage as required by the Notice Of Funds Availability (NOFA). This requirement continues to be unmet and the Applicant has requested a waiver of this Board approved requirement. 2) The community building did not meet the requirements of § 92.206 of the HOME regulations which requires non-residential community facilities to be a part of a residential building. This requirement has now been met but the correction was made after the original appeal and response information was posted to the web.

Staff met with the Executive Director of the Center for Housing and Economic Opportunities Corp, Mike Harms, and his Market Analyst twice since the Board appeal to discuss the financial feasibility issues and the potential rents used in the underwriting analysis and the financing structure

of the HOME funds. During the process Mr. Harms submitted several different rent structures with very different resulting financing structures. Below is a chart demonstrating the evolution of the rent and debt structures requested.

	Application	2/13 Appeal	Current 4/23
Ave. Rent Collected	$377	$333	$401
Num. of 40% Units	0	0	11
Num. of 50% Units	6	24	13
Num. of 80% Units	18	0	0
Requested Repayable Debt	$270,000	$270,000	$1,222,080

Mr. Harms has contended that rents for all units as high as the maximum 50% of Area Median Income (AMI) level are not attainable in the subject development's market. The Market Analyst's market rents remain at $500 for one-bedroom units and $600 for two-bedroom, which are well above the Applicant's rent levels, the maximum 50% rents and the underwriter's originally underwritten rents. Mr. Harms' concern is that an insufficient demand exists at the 50% income level even though potential tenants at 40% of AMI or less would find the subject at the 50% rent a comparable bargain in the market and save money over the current alternatives in the market. This lack of demand concern has not been fully born out by the Market Analyst's data. Nonetheless as an alternative to supporting the market need for lower rents, the Applicant has requested to deepen rent restrictions either by an informal self restriction or by more formal LURA restrictions. In addition to and despite tightening restrictions, the Applicant has also substantially increased the repayable debt portion from $270,000 to $1,222,080.

Due to lack of evidence otherwise, staff continue to believe the originally underwritten rents at the maximum 50% and High HOME rent/80% of AMI levels can be achieved and could provide value in this rural market. Additionally, at the originally underwritten rents the originally underwritten debt structure with a HOME award of $1,785,017 at 0% fully amortized over 40 years remains viable though it would require the 10% local funding requirement to be fully achieved. However, staff has reevaluated the transaction at the request of the Board and provided two additional options for the Board's consideration.

The Applicant's requested lower income and rent restrictions with 11 units restricted at 40% of AMI and 13 units restricted at 50% of AMI would require compliance staff to utilize non typical HOME rent and income restrictions at 40% but these are levels currently calculated for the tax credit program. Under such a rent structure and a waiver of the 10% leverage requirement a HOME award of $1,931,571 would need to be structured as a permanent repayable first lien of $1,000,799 at 0% fully amortized over 40 years, a $30,416 loan at 0% payable from available cashflow, and a deferred forgivable loan of $900,357. This proposed rent structure results in a debt structure that is not typical for staff to recommend due to a Year One debt coverage ratio that exceeds the Department's 2006 maximum of 1.30 and hence, includes a cash flow piece that will bring down the DCR to a 1.30. It is not included as a fixed amortization because it cannot be predicted to be repayable for all of the first 30 years. If the Board were to choose not to waive the 10% leveraging requirement the HOME funds would need to be reduced by

$115,522 (reduced from the deferred forgivable portion) and an equivalent amount of alternatively sourced local funds would need to be secured.

The second alternative staff evaluated based upon the Board's request is 100% of the units restricted at the 50% level. This scenario is the lowest traditional HOME income and rent structure that meets the Department's financial feasibility guidelines (i.e. meets both the 1.30 maximum initial DCR and remains above a 1.10 through the first 30 years of the proforma). Under such a rent structure and a waiver of the 10% leverage requirement a HOME award of $1,931,571 to be structured as a permanent repayable first lien of $1,440,442 at 0% fully amortized over 40 years and a deferred forgivable second lien of $491,129 is recommended. Again if the Board were to choose not to waive the 10% leveraging requirement the HOME funds needed would be reduced by $115,522 (reduced from the deferred forgivable portion) and an equivalent amount of alternatively sourced local funds would need to be secured.

These alternative scenarios, waivers, and changes to the application that are now proposed are not a result of deficiency or clarification to the original application but rather are the result of a negotiated work-out strategy of an award that has yet to be made. As such they are outside of the normal staff evaluation process for a competitive round application. The Executive Director of TDHCA denied the original appeal on the basis that the application did not satisfy the 10% leveraging requirement but also addressed the Applicant's challenges to the underwriting conclusions and found that the underwriting conclusions were supported by the Department's guidelines and the best information available at the time the report was completed and posted.

Recommendation

Staff recommends the Board deny the appeal and deny the requested waiver.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM

DATE: April 23, 2007 **PROGRAM:** HOME CHDO **FILE NUMBER:** 060247

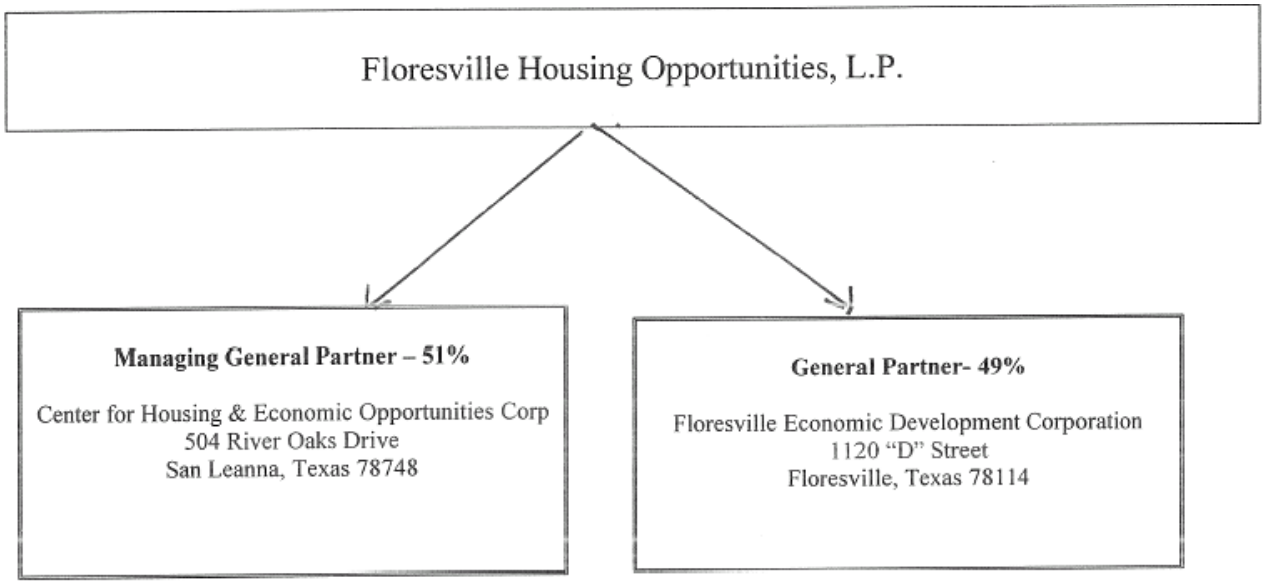
DEVELOPMENT NAME

Floresville Senior Housing

APPLICANT

Name:	Floresville Housing Opportunities, LP	**Contact:**	Mike S Harms
Address:	504 River Oaks Drive		
City	San Leanna	**State:** TX	**Zip:** 78748
Phone:	(512) 292-3919 **Fax:** (512) 292-0134	**Email:**	mikesharms@aol.com

KEY PARTICIPANTS



PROPERTY LOCATION

Location:	Corner of Paloma Drive and Veterans Drive				
City:	Floresville			**Zip:**	78114
County:	Wilson	**Region:**	9	☐ **QCT**	☐ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HOME (CHDO) Operating Expense Funds	$50,000	N/A	N/A	N/A
HOME (CHDO)	$1,222,080*	0%	40 yrs	40 yrs
HOME (CHDO)	$715,909**	N/A	N/A	N/A

Proposed Use of Funds:	New construction	**Type:**	Multifamily
Target Population:	Elderly	**Other:**	Rural, CHDO

* Revised from $270,000.
** Revised from $1,677,989.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM

RECOMMENDATION

☒ NOT RECOMMENDED DUE TO THE FOLLOWING:

- The application does not satisfy the NOFA requirement that 10% of the total development cost be financed by leveraging additional public or private financing sources.
- The community building did not meet the requirements of **§ 92.206** of the HOME regulations, as follows, until after the original appeal information was received.
  (a)(4) For both new construction and rehabilitation of multifamily rental housing, costs to construct or rehabilitate laundry and community facilities which are **located within the same building as the housing** and which are for the use of the project residents and their guests.

SHOULD THE BOARD APPROVE THIS AWARD, THE BOARD MUST ADDRESS ITS RULES FOR THE ISSUES LISTED ABOVE AND SUCH AN AWARD SHOULD BE CONDITIONED UPON THE FOLLOWING:

CONDITIONS

1. **Option 1:** The LURA to reflect eleven of the units restricted at the LIHTC 40% of AMI rent level and the remaining thirteen units restricted to Low HOME rent levels targeting 50% of AMI; a HOME award of $1,818,749 to be structured as a permanent repayable first lien of $1,000,799 at 0% fully amortized over 40 years, a $30,416 loan at 0% payable from available cashflow, and a deferred forgivable loan of $900,357.

OR

2. **Option 2:** The LURA to reflect 100% of the Units restricted as Low HOME units targeting 50% of AMI; a HOME award of $1,818,749 to be structured as a permanent repayable first lien of $1,440,442 at 0% fully amortized over 40 years and a deferred forgivable second lien of $491,129.

AND

3. Board waiver of the 10% leveraging requirement or receipt, review and acceptance of a commitment for a local grant or cashflow loan of at least $115,522 and an equivalent reduction in the deferred forgivable portion of the HOME award;
4. Receipt, review, and acceptance of a cost breakdown signed and sealed by a third-party architect or engineer for the claimed $35,800 in off-site costs is a condition of this report;
5. Receipt, review, and acceptance before release of funds of an opinion from the ESA provider concerning the potential need for a noise study;
6. Should the terms of the proposed in kind donations of the development site or City waivers change or the total development cost change, any potential HOME award (amount and repayment structure) should be re-evaluated.

ADDENDUM

This addendum has been completed pursuant to the TDHCA Board's request to further evaluate the subject transaction and provide the Board with additional financially feasible options. Staff met with the Applicant on two occasions subsequent to the Board's request to discuss staff's concerns and to attempt to reach a common understanding regarding the achievable rents within the subject development's market and feasible financing structures. The Underwriter continues to believe that the conditions of the original underwriting evaluation are relevant should the waiver of the leveraging rules and the Applicant's appeal be granted. The original underwriting report recommendation was based on six Low HOME 50% units and eighteen High HOME units.

The Underwriter has provided a proforma analysis based upon two alternative rent structures including: (Option 1) eleven of the units restricted at LIHTC 40% rent levels and thirteen units restricted at Low HOME rent levels; and (Option 2) 100% of the units restricted at Low HOME rent levels. Based on the information provided by the Applicant and the Market Analyst, the rents used by the Underwriter in each analysis are achievable and the debt has been structured in order to best fit within the Department's guidelines. It should be further noted that the Applicant has a definite preference for the Option 1 as it provides a greater mix of income levels and targets a lower income group they believe is needed in this market. The following sections

are those that have been materially affected by new information submitted subsequent to the Board's request.

As originally submitted, the community building did not meet the requirements of § 92.206 of the HOME regulations which requires non-residential community facilities to be a part of a residential building. This requirement has now been met but the correction was made after the original appeal and response information was posted to the web. Therefore, despite that fact that the new site plan complies with HOME regulations, the Board must still address this issue should the Board wish to award HOME funds.

RENT RESTRICTIONS

The Applicant has proposed an alternative unit mix than previously evaluated. The proposal indicates that eleven units will be restricted at 40% of AMI and the remaining thirteen units will be Low HOME units. The HOME program does not have rental restrictions for 40% of AMI. A 40% restriction is not a traditional HOME restriction but is a restriction level that is used in the housing tax credit program and may be adaptable for this situation.

The Underwriter also evaluated an alternative scenario where all 24 units are restricted as Low HOME /50% of AMI units.

OPERATING PROFORMA ANALYSIS

Revised Income: The Applicant has provided a new rent schedule based on the revised proposed rental restrictions discussed above. However, the Applicant's rent schedule reflects rents for the 50% of AMI units that are well below the maximums. The Applicant continues to suggest that the maximum 50% rents are not achievable in the proposed market. However, after substantial correspondence between the Applicant, the Applicant's Market Analyst, and Staff, the Applicant was unable to produce any evidence that the Underwriter's originally underwritten rents were not achievable. The Market Analyst determined achievable market rents of $500 for one bedroom units and $600 for two bedroom units. Therefore, the maximum 50% rents of $437 and $516 would be discounts of 13% to 14% over the market. The Applicant provided the rent roll for Milam Creek Senior Village in Luling, Texas to support the Applicant's rents. Based on the Underwriter's review of this information 71.4% of the residents living at Milam Creek could afford rents at the maximum 50% level at the proposed development. The Underwriter has provided a proforma analysis based on the proposed rental restrictions with units at 40% and 50% of AMI and a proforma analysis based on 100% of the units restricted as Low HOME units at 50% of AMI. The Applicant's revised effective gross income estimate therefore is $2K (1%) and $15K (12%) lower than the Underwriter's estimates.

Revised Expenses: The Applicant's revised total annual operating expense projection at $3,035 is more than 5% lower than the Underwriter's updated estimate of $3,246. The Applicant supplied a letter from the Wilson CAD indicating that, should the development satisfy Section 11.182 of the State of Texas statutes, the development will be eligible for a 100% tax abatement. Based upon the Underwriter's review of the said letter and statute, the development appears to meet the requirements for a 100% tax abatement. Therefore, the proforma has been revised to reflect no annual property taxes. The Underwriter's revised proforma also reflects slight reductions in general and administrative expense and payroll and payroll tax expense based upon additional data now available to the Underwriter.

Option 1 Conclusion (proposed rent restrictions at 40% and 50% of AMI): The Applicant's estimates of operating expenses and net operating income are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR). Based on the Underwriter's proforma, the development's Year One DCR is within the Department's 2006 guideline. However, due to the high expense to income ratio the Underwriter's financing structure reflects changes to the debt structure in order to meet the feasibility requirements for 2006 requiring that the DCR remain above 1.10 and the development sustain positive cashflow for a 30-year period. Also of note, the Applicant's proposed lower rents and expenses would not meet the Department's 2007 feasibility guidelines as a result of expense to income ratios that exceed 65%, nor would the Underwriter's proforma with the Option 1 rent structure.

Option 2 Conclusion (all units at 50% of AMI): The Applicant's estimates of operating expenses and net operating income again are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio (DCR). The Underwriter's proforma and estimated debt service result in a debt coverage ratio (DCR) significantly above

the current underwriting maximum guideline of 1.30. Therefore, the recommended financing structure reflects an increase in the permanent repayable portion of the HOME loan. This is discussed in more detail in the conclusion to the "Financing Structure Analysis" section (below). It should also be noted that the unit mix with 100% of the units achieving the maximum net Low HOME rents results in a first year expense to income ratio that would meet the Department's 2007 maximum of 65%.

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant provided a revised development cost schedule with a higher acquisition value ($69,000) than originally claimed ($42,000). While the property is being donated by a related party for development, the value of the property is counted toward the NOFA requirement that 10% of the total development cost is financed by leveraging funds from private or public sources other than the HOME program, and is particularly important for determining if the application meets this program guideline. As demonstrated in the original report, the prorata original acquisition cost of the property plus prorata infrastructure costs is $44,786, which is substantially lower than the Applicant's revised acquisition value of $69,000. The Underwriter has used the Applicant's original acquisition value of $42,000 as a development cost, which will be offset in the sources of funds by $42,000 for the donation of the property. Should the Applicant's costs be used to determine the funding recommendation, the total development cost will be reduced by the difference between the Applicant's acquisition cost and the Underwriter's cost in order to not overstate the financing leveraged to meet the 10% NOFA requirement.

Off-Site Costs: The Applicant's revised development cost schedule includes $35,800 in off-site costs for extensions to the existing water and wastewater lines and curb cuts for access to the site. The Applicant provided an off-site cost breakdown which included $33,300 for the water/wastewater extensions, but which does not include the cost attributed to the curb cuts. Additionally, the cost breakdown appears to have been signed by the Executive Director of the Floresville Economic Development Corporation, which is the 49% owner of the Applicant. Therefore, receipt, review, and acceptance of a cost breakdown signed and sealed by a third-party architect or engineer for the claimed $35,800 in off-site costs is a condition of this report.

Developer Fee: The Applicant's developer fee continues to exceed the 15% allowed based upon typically capitalized costs however the amount of excess is now only $6,417. This amount will be reduced from the sources of funds if the Applicant's costs are used to determine the final funding recommendation.

Conclusion: The Applicant's total development cost is within 5% of the Underwriter's estimate; therefore, the Applicant's cost schedule, adjusted for overstated developer fee and acquisition value, will be used to determine the development's need for permanent funds.

FINANCING STRUCTURE

Interim to Permanent Financing: The Applicant has reduced the requested $1,947,989 in HOME funds to $1,937,989 as part of the revised documentation. The Applicant has proposed the funding to be structured as a $1,222,080 first lien with a 40-year amortization and interest rate of 0% and a $715,909 deferred forgivable second lien. While the Applicant's revised sources and uses reflects only the total amount requested, additional correspondence has indicated the specific requests of the Applicant. The Applicant has also requested a $50,000 HOME award to be structured as a grant in order to cover CHDO operating expenses. These funds are used for the operation of the CHDO in the administration of this award, and as such, are not considered a direct funding source for the development.

In Kind Donation: The Applicant has provided a letter from the Floresville Economic Development Corp, current owner of the site, stating that the property will be donated to the partnership for development of the proposed units. An Option of Conveyance Agreement has also been provided, which supports this claim. As stated above, the Applicant has increase the claimed value of the property from $42,000 to $69,000. However, documentation provided by the Applicant does not support this value. The Underwriter has determined a value of $42,000 which is consistent with the Applicant's original application.

Additionally, the Applicant has provided a letter from the Floresville Economic Development Corporation indicating a waiver of fees and certain off-site costs of $47,261. This in kind contribution is subject to a third-party professional engineer or architect's verification of these costs as described above in the development

cost section.

Deferred Developer's Fees: The Applicant proposed no deferred developer's fees.

10% NOFA Requirement: The combined $49,261 of in kind donations is the only additional source of private or public financing and amounts to 4.4% of the adjusted total development cost. However, the NOFA requires that 10% of the total development costs be financed by leveraging additional public or private financing sources. Based on the total adjusted development cost, the Applicant would need an additional $115,522 in financing from a public or private source in order to satisfy this requirement. As a result of the failure to meet this requirement, the application is not recommended for funding. It should be noted the Applicant has requested a waiver of this requirement. As of the date of this underwriting report addendum, a waiver has not been granted. (In addition, the Applicant requested a waiver of the $500 HOME program application fee, however this is an issue typically addressed in an award recommendation from the production staff rather than the underwriting report). Should the 10% NOFA requirement not be waived, the Underwriter's recommended financing structures indicates $115,522 in alternative leveraging from private grant resources be secured. Alternatively, the Board may waive the 10% NOFA requirement and require that the developer contribute $115,522 in equity to the transaction through deferral of a portion of the developer fee. Deferred developer fee does not meet the leveraging requirement and must be accompanied by a waiver of the 10% leveraging requirement. Based upon the Applicant's total development cost as adjusted by the Underwriter, a 10% match would leave a maximum award amount of $1,818,749.

Option 1 Financing Conclusions (proposed rent restrictions at 40% and 50% of AMI): Should the TDHCA Board decide to move forward with this transaction with the proposed rent restrictions at 40% of AMI and 50% of AMI, the Underwriter recommends the following financing structure:

While the Underwriter's Year One proforma reflects a DCR within the Department's 2006 guideline, the 30-year proforma indicates that the development cannot support the proposed repayable debt of $1,222,080 for a 30 year period. As a result the Underwriter has decrease the amortized repayable debt to a 30 year sustainable level of $1,000,799 at 0% for 40 years. With a waiver of the 10% leveraging requirement, the Underwriter recommends a HOME award of $1,931,571 to be structured as a permanent repayable first lien of $1,000,799 at 0% fully amortized over 40 years, a $30,416 loan payable from available cashflow at 0%, and a deferred forgivable loan of $900,357. The cashflow loan is structured in order to bring the DCR in initial years in line with Department guidelines. Based on the proposed rent restrictions and the Underwriter's analysis, this is the maximum amount of debt that the development can support. The deferred forgivable ($30,416) and the developer equity ($115,522), if required, appear to be repayable from available cashflow within 15 years. Should the TDHCA Board approve this structure, $900,357 or 47% of the HOME award would be forgivable debt. Additionally, this structure reflects a feasibility period of no more than 30 years, while the repayable debt is amortized over 40 years. Therefore, as much as an additional $250,200 or 25% of the repayable debt may need to be forgiven in later years. Also of note, based on the Applicant's proforma and requested debt structure the development's DCR would fall below the Department's guideline of 1.10 between years 20 and 30.

Option 2 Financing Conclusions (all units at 50% of AMI): Should the TDHCA Board decide to move forward with this transaction with all units restricted at Low HOME rent levels, the Underwriter recommends the following financing structure:

As stated above, the proforma analysis results in a debt coverage ratio above the Department's maximum guideline of 1.30. The underwriting analysis assumes an increase in the permanent loan amount to $1,440,442 based on the terms reflected in the application materials. As a result the development's deferred forgivable will decrease proportionately. With a waiver of the 10% leveraging requirement, the Underwriter recommends a HOME award of $1,931,571 to be structured as a permanent repayable first lien of $1,440,442 at 0% fully amortized over 40 years and a deferred forgivable second lien of $491,129. This results in a DCR that remains above the Department's 2006 minimum DCR of 1.10 beyond the 30 year feasibility period. Should the Board choose to waive the 10% NOFA leveraging requirement but require developer equity (deferred developer fee), $115,522 in fees could be repayable from available cashflow within ten years.

SUMMARY OF SALIENT RISKS AND ISSUES

- Threshold items identified have not been satisfactorily addressed.
- The Applicant's estimated income, operating expenses, operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Inconsistencies in the application could affect the financial feasibility of the development.
- The development could potentially achieve an excessive profit level (i.e., a DCR above 1.30) if the maximum HOME rents can be achieved in this market.
- The recommended amount of developer equity/deferred developer fee under some scenarios may not be repaid within ten years.
- The seller of the property has an identity of interest with the Applicant.
- The anticipated ad valorem property tax exemption may not ultimately 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, and acceptable alternative structures may exist.

Underwriter:	*Cameron Dorsey*	**Date:**	April 23, 2007
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	April 23, 2007

MULTIFAMILY COMPARATIVE ANALYSIS -- Option 1

Floresville Senior Housing, Floresville, HOME CHDO, #060247

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 40%/LH	6	1	1	778	$403	$337			$2,019	$0.43	$66.48	$37.28
LH	10	1	1	778	503	437			4,365	0.56	66.48	37.28
TC 40%/LH	5	2	2	1,000	483	396			1,982	0.40	86.54	39.58
LH	3	2	2	1,000	603	516			1,549	0.52	86.54	39.58
TOTAL:	24		**AVERAGE:**	852	$486	$413			$9,916	$0.48	$73.17	$38.05

INCOME	Total Net Rentable Sq Ft: 20,448			TDHCA	TDHCA Orig	App Orig	APPLICANT		Comptroller's Region 9	
POTENTIAL GROSS RENT				$118,992	$147,412	$108,600	$115,524		IREM Region	
Secondary Income	Per Unit Per Month:	$5.00		1,440	1,440	0	0	$0.00	Per Unit Per Month	
Other Support Income:				0	0	0	0	$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$120,432	$148,852	$108,600	$115,524			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(9,032)	(11,164)	(8,145)	(5,776)	-5.00%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0	0	0			
EFFECTIVE GROSS INCOME				$111,400	$137,688	$100,455	$109,748			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & Administrative	8.68%	$403	0.47	$9,672	$10,749	$9,000	$9,200	$0.45	$383	8.38%
Management	9.35%	434	0.51	10,417	10,417	6,372	9,120	0.45	380	8.31%
Payroll & Payroll Tax	16.86%	782	0.92	18,779	20,731	14,136	16,120	0.79	672	14.69%
Repairs & Maintenance	12.84%	596	0.70	14,298	14,298	14,300	14,300	0.70	596	13.03%
Utilities	4.40%	204	0.24	4,900	4,900	4,800	4,400	0.22	183	4.01%
Water, Sewer, & Trash	7.08%	329	0.39	7,884	7,884	10,080	7,700	0.38	321	7.02%
Property Insurance	6.42%	298	0.35	7,148	7,148	9,400	7,200	0.35	300	6.56%
Property Tax 2.540325	0.00%	0	0.00	0	4,573	2,500	0	0.00	0	0.00%
Reserve for Replacements	4.31%	200	0.23	4,800	4,800	4,800	4,800	0.23	200	4.37%
Other: compl fees	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
TOTAL EXPENSES	69.93%	$3,246	$3.81	$77,898	$85,500	$75,388	$72,840	$3.56	$3,035	66.37%
NET OPERATING INC	30.07%	$1,396	$1.64	$33,501	$52,188	$25,067	$36,908	$1.80	$1,538	33.63%
DEBT SERVICE										
HOME Repayable First Lien	27.43%	$1,273	$1.49	$30,552	$9,000	$9,000	$30,552	$1.49	$1,273	27.84%
HOME Deferred Forgivable	0.00%	$0	$0.00	0	0	0	0	$0.00	$0	0.00%
Additional Financing	0.00%	$0	$0.00	0	0	0	0	$0.00	$0	0.00%
NET CASH FLOW	2.65%	$123	$0.14	$2,949	$43,188	$16,067	$6,356	$0.31	$265	5.79%
AGGREGATE DEBT COVERAGE RATIO				1.10	5.80	2.79	1.21			
RECOMMENDED DEBT COVERAGE RATIO				1.34	1.17	0.56				

CONSTRUCTION COST					TDHCA	TDHCA Orig	App Orig	APPLICANT			
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		2.13%	$1,750	$2.05	$42,000	$42,000	$42,000	$69,000	$3.37	$2,875	3.36%
Off-Sites		1.82%	1,492	1.75	35,800	0	0	35,800	1.75	1,492	1.74%
Sitework		9.12%	7,477	8.78	179,454	179,454	179,454	179,454	8.78	7,477	8.74%
Direct Construction		58.13%	47,668	55.95	1,144,030	1,144,030	1,188,475	1,188,475	58.12	49,520	57.85%
Contingency	0.00%	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
General Req'ts	6.00%	4.03%	3,309	3.88	79,409	79,409	82,075	82,075	4.01	3,420	4.00%
Contractor's G & A	2.00%	1.34%	1,103	1.29	26,470	26,470	27,358	27,358	1.34	1,140	1.33%
Contractor's Profit	6.00%	4.03%	3,309	3.88	79,409	79,409	82,075	82,075	4.01	3,420	4.00%
Indirect Construction		5.43%	4,457	5.23	106,961	105,500	105,500	106,961	5.23	4,457	5.21%
Ineligible Costs		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Developer's G & A	9.80%	8.12%	6,656	7.81	159,751	159,532	173,768	173,768	8.50	7,240	8.46%
Developer's Profit	5.20%	4.31%	3,533	4.15	84,784	84,784	84,784	84,784	4.15	3,533	4.13%
Interim Financing		0.74%	604	0.71	14,500	14,500	14,500	14,500	0.71	604	0.71%
Reserves		0.79%	647	0.76	15,539	13,214	10,000	10,000	0.49	417	0.49%
TOTAL COST		100.00%	$82,004	$96.25	$1,968,106	$1,928,301	$1,989,989	$2,054,250	$100.46	$85,594	100.00%
Construction Cost Recap		*76.66%*	***$62,865***	***$73.79***	***$1,508,771***	***$1,508,771***	***$1,559,437***	***$1,559,437***	***$76.26***	***$64,977***	*75.91%*

SOURCES OF FUNDS								RECOMMENDED	
HOME Repayable First Lien	62.09%	$50,920	$59.77	$1,222,080	$270,000	$270,000	$1,222,080	$1,000,799	Developer Fee Available
HOME Cashflow Loan	0.00%	$0	$0.00	$0	0	0	$0	30,416	$252,135
HOME Deferred Forgivable	36.38%	$29,830	$35.01	715,909	1,677,989	1,677,989	715,909	900,357	
In Kind Land Contribution	3.51%	$2,875	$3.37	69,000	42,000	42,000	69,000	42,000	
In Kind City Contribution	2.40%	$1,969	$2.31	47,261	0	0	47,261	47,261	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$0	$0.00	0	0	0	0	0	0%
Additional (Excess) Funds Req'd	-4.38%	($3,589)	($4.21)	(86,144)	(61,688)	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$1,968,106	$1,928,301	$1,989,989	$2,054,250	$2,020,833	$150,399

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$60.85	$1,244,163
Adjustments				
Exterior Wall Finish	0.00%		$0.00	$0
Elderly/9-Ft. Ceilings	3.00%		1.83	37,325
Roofing			0.00	0
Subfloor			(1.65)	(33,739)
Floor Cover			2.81	57,459
Porches/Balconies	$18.15	2,256	2.00	40,946
Plumbing	$815	(48)	(1.91)	(39,120)
Built-In Appliances	$2,200	24	2.58	52,800
Stairs/Fireplaces			0.00	0
Enclosed Corridors	$50.93		0.00	0
Heating/Cooling			2.20	44,986
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	$75.95	1,444	5.36	109,665
Other:			0.00	0
SUBTOTAL			74.07	1,514,484
Current Cost Multiplier	1.07		5.18	106,014
Local Multiplier	0.86		(10.37)	(212,028)
TOTAL DIRECT CONSTRUCTION COSTS			$68.88	$1,408,470
Plans, specs, survy, bld prm	3.90%		($2.69)	($54,930)
Interim Construction Interes	3.38%		(2.32)	(47,536)
Contractor's OH & Profit	11.50%		(7.92)	(161,974)
NET DIRECT CONSTRUCTION COSTS			$55.95	$1,144,030

PAYMENT COMPUTATION

Primary	$1,222,080	Amort	480
Int Rate	0.00%	DCR	1.10
Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.10
Additional	$715,909	Amort	
Int Rate		Aggregate DCR	1.10

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$25,020
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$8,481

Primary	$1,000,799	Amort	480
Int Rate	0.00%	DCR	1.34
Secondary	$30,416	Amort	
Int Rate	0.00%	Subtotal DCR	1.34
Additional		Amort	
Int Rate		Aggregate DCR	1.34

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	$118,992	$122,562	$126,239	$130,026	$133,927	$155,258	$179,986	$208,653	$280,412
Secondary Income	1,440	1,483	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	120,432	124,045	127,766	131,599	135,547	157,136	182,164	211,178	283,806
Vacancy & Collection Loss	(9,032)	(9,303)	(9,582)	(9,870)	(10,166)	(11,785)	(13,662)	(15,838)	(21,285)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$111,400	$114,742	$118,184	$121,729	$125,381	$145,351	$168,502	$195,340	$262,520
EXPENSES at 4.00%									
General & Administrative	$9,672	$10,059	$10,461	$10,880	$11,315	$13,767	$16,749	$20,378	$30,164
Management	10,417	10,729	11,051	11,382	11,724	13,591	15,756	18,265	24,547
Payroll & Payroll Tax	18,779	19,531	20,312	21,124	21,969	26,729	32,520	39,565	58,566
Repairs & Maintenance	14,298	14,870	15,465	16,084	16,727	20,351	24,760	30,124	44,591
Utilities	4,900	5,096	5,300	5,512	5,732	6,974	8,485	10,324	15,281
Water, Sewer & Trash	7,884	8,200	8,528	8,869	9,224	11,222	13,653	16,611	24,589
Insurance	7,148	7,433	7,731	8,040	8,362	10,173	12,377	15,059	22,291
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	$77,898	$80,910	$84,039	$87,290	$90,668	$109,639	$132,612	$160,439	$234,999
NET OPERATING INCOME	$33,501	$33,832	$34,145	$34,439	$34,713	$35,712	$35,889	$34,901	$27,521
DEBT SERVICE									
First Lien Financing	$25,020	$25,020	$25,020	$25,020	$25,020	$25,020	$25,020	$25,020	$25,020
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	$8,481	$8,812	$9,125	$9,419	$9,693	$10,692	$10,869	$9,881	$2,501
DEBT COVERAGE RATIO	1.34	1.35	1.36	1.38	1.39	1.43	1.43	1.39	1.10

MULTIFAMILY COMPARATIVE ANALYSIS -- Option 2

Floresville Senior Housing, Floresville, HOME CHDO, #060247

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
LH	16	1	1	778	$503	$437			$6,984	$0.56	$66.48	$37.28
LH	8	2	2	1,000	603	516			4,132	0.52	86.54	39.58
TOTAL:	24		**AVERAGE:**	852	$536	$463			$11,116	$0.54	$73.17	$38.05

INCOME Total Net Rentable Sq Ft: 20,448

			TDHCA	TDHCA Orig	App Orig	APPLICANT		
POTENTIAL GROSS RENT			$133,392	$147,412	$108,600	$115,524		Comptroller's Region 9
Secondary Income	Per Unit Per Month:	$5.00	1,440	1,440	0	0	$0.00	IREM Region
Other Support Income:			0	0	0	0	$0.00	Per Unit Per Month
POTENTIAL GROSS INCOME			$134,832	$148,852	$108,600	$115,524		Per Unit Per Month
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	(10,112)	(11,164)	(8,145)	(5,776)	-5.00%	of Potential Gross Income
Employee or Other Non-Rental Units or Concessions			0	0	0	0		
EFFECTIVE GROSS INCOME			$124,720	$137,688	$100,455	$109,748		

EXPENSES		% OF EGI	PER UNIT	PER SQ FT	TDHCA	TDHCA Orig	App Orig	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative		7.76%	$403	0.47	$9,672	$10,749	$9,000	$9,200	$0.45	$383	8.38%
Management		8.35%	434	0.51	10,417	10,417	6,372	9,120	0.45	380	8.31%
Payroll & Payroll Tax		15.06%	782	0.92	18,779	20,731	14,136	16,120	0.79	672	14.69%
Repairs & Maintenance		11.46%	596	0.70	14,298	14,298	14,300	14,300	0.70	596	13.03%
Utilities		3.93%	204	0.24	4,900	4,900	4,800	4,400	0.22	183	4.01%
Water, Sewer, & Trash		6.32%	329	0.39	7,884	7,884	10,080	7,700	0.38	321	7.02%
Property Insurance		5.73%	298	0.35	7,148	7,148	9,400	7,200	0.35	300	6.56%
Property Tax	2.540325	0.00%	0	0.00	0	4,573	2,500	0	0.00	0	0.00%
Reserve for Replacements		3.85%	200	0.23	4,800	4,800	4,800	4,800	0.23	200	4.37%
Other: compl fees		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
TOTAL EXPENSES		62.46%	$3,246	$3.81	$77,898	$85,500	$75,388	$72,840	$3.56	$3,035	66.37%
NET OPERATING INC		37.54%	$1,951	$2.29	$46,821	$52,188	$25,067	$36,908	$1.80	$1,538	33.63%
DEBT SERVICE											
HOME Repayable First Lien		24.50%	$1,273	$1.49	$30,552	$9,000	$9,000	$30,552	$1.49	$1,273	27.84%
HOME Deferred Forgivable		0.00%	$0	$0.00	0	0	0	0	$0.00	$0	0.00%
Additional Financing		0.00%	$0	$0.00	0	0	0	0	$0.00	$0	0.00%
NET CASH FLOW		13.04%	$678	$0.80	$16,269	$43,188	$16,067	$6,356	$0.31	$265	5.79%
AGGREGATE DEBT COVERAGE RATIO					1.53	5.80	2.79	1.21			
RECOMMENDED DEBT COVERAGE RATIO					1.30	1.17	0.56				

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA Orig	App Orig	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		2.13%	$1,750	$2.05	$42,000	$42,000	$42,000	$69,000	$3.37	$2,875	3.36%
Off-Sites		1.82%	1,492	1.75	35,800	0	0	35,800	1.75	1,492	1.74%
Sitework		9.12%	7,477	8.78	179,454	179,454	179,454	179,454	8.78	7,477	8.74%
Direct Construction		58.13%	47,668	55.95	1,144,030	1,144,030	1,188,475	1,188,475	58.12	49,520	57.85%
Contingency	0.00%	0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
General Req'ts	6.00%	4.03%	3,309	3.88	79,409	79,409	82,075	82,075	4.01	3,420	4.00%
Contractor's G & A	2.00%	1.34%	1,103	1.29	26,470	26,470	27,358	27,358	1.34	1,140	1.33%
Contractor's Profit	6.00%	4.03%	3,309	3.88	79,409	79,409	82,075	82,075	4.01	3,420	4.00%
Indirect Construction		5.43%	4,457	5.23	106,961	105,500	105,500	106,961	5.23	4,457	5.21%
Ineligible Costs		0.00%	0	0.00	0	0	0	0	0.00	0	0.00%
Developer's G & A	9.80%	8.12%	6,656	7.81	159,751	159,532	173,768	173,768	8.50	7,240	8.46%
Developer's Profit	5.20%	4.31%	3,533	4.15	84,784	84,784	84,784	84,784	4.15	3,533	4.13%
Interim Financing		0.74%	604	0.71	14,500	14,500	14,500	14,500	0.71	604	0.71%
Reserves		0.79%	647	0.76	15,539	13,214	10,000	10,000	0.49	417	0.49%
TOTAL COST		100.00%	$82,004	$96.25	$1,968,106	$1,928,301	$1,989,989	$2,054,250	$100.46	$85,594	100.00%
Construction Cost Recap		*76.66%*	***$62,865***	***$73.79***	***$1,508,771***	***$1,508,771***	***$1,559,437***	***$1,559,437***	***$76.26***	***$64,977***	*75.91%*

SOURCES OF FUNDS

				TDHCA	TDHCA Orig	App Orig	APPLICANT	RECOMMENDED	
HOME Repayable First Lien	62.09%	$50,920	$59.77	$1,222,080	$270,000	$270,000	$1,222,080	$1,440,442	Developer Fee Available
HOME Cashflow Loan	0.00%	$0	$0.00	$0	0	0	$0	0	$252,135
HOME Deferred Forgivable	36.38%	$29,830	$35.01	715,909	1,677,989	1,677,989	715,909	491,129	
In Kind Land Contribution	3.51%	$2,875	$3.37	69,000	42,000	42,000	69,000	42,000	
In Kind City Contribution	2.40%	$1,969	$2.31	47,261	0	0	47,261	47,261	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$0	$0.00	0	0	0	0	0	0%
Additional (Excess) Funds Req'd	-4.38%	($3,589)	($4.21)	(86,144)	(61,688)	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$1,968,106	$1,928,301	$1,989,989	$2,054,250	$2,020,833	$230,997

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Floresville Senior Housing, Floresville, HOME CHDO, #060247

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$60.85	$1,244,163
Adjustments				
Exterior Wall Finish	0.00%		$0.00	$0
Elderly/9-Ft. Ceilings	3.00%		1.83	37,325
Roofing			0.00	0
Subfloor			(1.65)	(33,739)
Floor Cover			2.81	57,459
Porches/Balconies	$18.15	2,256	2.00	40,946
Plumbing	$815	(48)	(1.91)	(39,120)
Built-In Appliances	$2,200	24	2.58	52,800
Stairs/Fireplaces			0.00	0
Enclosed Corridors	$50.93		0.00	0
Heating/Cooling			2.20	44,986
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	$75.95	1,444	5.36	109,665
Other:			0.00	0
SUBTOTAL			74.07	1,514,484
Current Cost Multiplier	1.07		5.18	106,014
Local Multiplier	0.86		(10.37)	(212,028)
TOTAL DIRECT CONSTRUCTION COSTS			$68.88	$1,408,470
Plans, specs, survy, bld prm	3.90%		($2.69)	($54,930)
Interim Construction Interes	3.38%		(2.32)	(47,536)
Contractor's OH & Profit	11.50%		(7.92)	(161,974)
NET DIRECT CONSTRUCTION COSTS			$55.95	$1,144,030

PAYMENT COMPUTATION

Primary	$1,222,080	Amort	480
Int Rate	0.00%	DCR	1.53
Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.53
Additional	$715,909	Amort	
Int Rate		Aggregate DCR	1.53

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$36,011
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$10,810

Primary	$1,440,442	Amort	480
Int Rate	0.00%	DCR	1.30
Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.30
Additional	$491,129	Amort	
Int Rate		Aggregate DCR	1.30

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	$133,392	$137,394	$141,516	$145,761	$150,134	$174,046	$201,767	$233,904	$314,347
Secondary Income	1,440	1,483	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	134,832	138,877	143,043	147,335	151,755	175,925	203,945	236,429	317,740
Vacancy & Collection Loss	(10,112)	(10,416)	(10,728)	(11,050)	(11,382)	(13,194)	(15,296)	(17,732)	(23,831)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$124,720	$128,461	$132,315	$136,284	$140,373	$162,731	$188,650	$218,697	$293,910
EXPENSES at 4.00%									
General & Administrative	$9,672	$10,059	$10,461	$10,880	$11,315	$13,767	$16,749	$20,378	$30,164
Management	10,417	10,729	11,051	11,382	11,724	13,591	15,756	18,265	24,547
Payroll & Payroll Tax	18,779	19,531	20,312	21,124	21,969	26,729	32,520	39,565	58,566
Repairs & Maintenance	14,298	14,870	15,465	16,084	16,727	20,351	24,760	30,124	44,591
Utilities	4,900	5,096	5,300	5,512	5,732	6,974	8,485	10,324	15,281
Water, Sewer & Trash	7,884	8,200	8,528	8,869	9,224	11,222	13,653	16,611	24,589
Insurance	7,148	7,433	7,731	8,040	8,362	10,173	12,377	15,059	22,291
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	$77,898	$80,910	$84,039	$87,290	$90,668	$109,639	$132,612	$160,439	$234,999
NET OPERATING INCOME	$46,821	$47,551	$48,276	$48,994	$49,705	$53,092	$56,037	$58,257	$58,911
DEBT SERVICE									
First Lien Financing	$36,011	$36,011	$36,011	$36,011	$36,011	$36,011	$36,011	$36,011	$36,011
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	$10,810	$11,540	$12,265	$12,983	$13,694	$17,081	$20,026	$22,246	$22,900
DEBT COVERAGE RATIO	1.30	1.32	1.34	1.36	1.38	1.47	1.56	1.62	1.64

Original Board Appeal
March 20, 2007

Tom
Lucy

Center for Housing and
Economic Opportunities Corporation
504 River Oaks Drive, San Leanna, Texas 78748
512-292-3919 Fax 512-292-0134 Cell Phone 512-796-0746
E-Mail - MikeSHarms@aol.com

February 13, 2007

RECEIVED
2007
DEPUTY ED.

Texas Department of Housing and Community Affairs
c/o Michael Gerber – Executive Director
221 E. 11th Street
Austin, Texas 78711-3941

Re: Appeal of Texas Department of Housing and Community Affairs Appeal Review by Michael Gerber, Executive Director dated February 7, 2007.
Floresville Senior Housing TDHCA HOME CHDO File # 060247

Dear Mr. Gerber,

Pursuant to Title 10 TAC Section 1.7, we respectfully appeal to the TDHCA Board of Directors, your February 7, 2007 denial of our appeal to staff which was dated January 23, 2007.

Specifically we appeal the following:

1. NOFA Requirement that 10% of total development cost be leveraged with additional Public or Private financing sources:

We officially reiterate our request in our application for a waiver of the NOFA requirement that the applicant demonstrate that at least 10% of the total development costs be leveraged by additional private or public financing resources. However, in order to meet the spirit and intent of the 10% requirement, our development partner, Floresville Economic Development Corporation (FEDC), has committed to donating the land to the project. The land has an appraised value of $ 69,000. In good faith FEDC has already expended $10,000 for the Phase I Environmental Study, land surveys, the Professional Market Sturdy, and the land appraisal. Also we have also committed to making a request to the City of Floresville to waive building permit and tap fees.

2. REA Recommendations and Conditions:

The REA analysis division has proposed a condition that if a loan was approved by the TDHCA Board, the term would be 0% for 40 years. In order to support a 0% - 40 year loan, the REA analysis established the net rent collected would be $462 & $490 for a One (1) bedroom unit and $600 for a Two (2) BR unit. This is due to the fact that Wilson County utilizes the San Antonio MSA HOME Income and Rent charts. However we respectfully disagree that we can achieve the TDHCA REA proposed rents for low income seniors and persons with disabilities in Floresville, Wilson County.

In response to the Appeal Review of February 7, 2007, we will agree to a rent restriction that 100% of the units will be reserved for senior households with incomes 50% or less of the median income for the area. We would agree to **legally "self-restrict" rents** based on 50% of median income or less, and agree to place those conditions in our LURA. We respectfully request that TDHCA recommend a loan structure consistent with the following proposed rents.

Number of Units	Bedroom Size	Income Limit	Gross Rent	Utility Allowance	Net Collectable Rent
16	1 Bedroom	50%	367	67	300
8	2 Bedroom	50%	487	87	400

Future increases above the baseline rents as identified in the above chart, could be capped using a formula of a 3% increase, or the percentage increase in annual HOME Published Rents, whichever is greater, as long as rents remained affordable to household incomes of 50% of median or below.

3. The REA Division rejected our site plan to connect the community building with two adjacent apartment buildings with a covered "breezeway". In order to adhere to Section 92.206 of the HOME Regulations as delineated in the February 7, 2007 letter from Mr. Gerber, we have revised the site plan to have the community space and two apartments in one building. This revised site plan will be provided under separate cover in sufficient time to attach it to the March Board Packet.

4. The Board of Directors had approved a six (6) month extension for initiation of payments to TDHCA by Kenedy Senior Housing. Occupancy improved substantially by December 31, 2006. Prior to January 10, 2007, we verbally informed Mr. Bert Murray of the REA staff, that in lieu of requesting the final two (2) months extension, we would begin making our loan payments to TDHCA in January 2007. We made our first payment in January. We respectfully disagree that we were delinquent at any time on any of the conditions of the loan.

We respectfully request that this appeal, based on these issues, be placed on the March TDHCA Board Agenda.

If you have any questions, please feel free to call at your convenience.

Respectfully,

Mike S. Harms
Executive Director

Cc: Jesse M. Perez – Executive Director Floresville Economic Development Corporation
Tom Gouris – Director REA Division, TDHCA

Center For Housing and Economic Opportunities Corporation
504 River Oaks Drive
San Leanna, Texas 78748
512-292-3919 Fax 512-292-0134
Cell Phone 512-796-0746
E-Mail – MikeSHarms@aol.com

March 9, 2007

Texas Department of Housing and Community Affairs
c/o Tom Gouris – Director - Real Estate Analysis Division
P.O. Box 13941
221 E. 11th Street
Austin, Texas 78711-3941

Re: Re: Appeal of Texas Department of Housing and Community Affairs Appeal Review by Michael Gerber, Executive Director dated February 7, 2007. Floresville Senior Housing TDHCA HOME CHDO File # 060247

Dear Mr. Gouris,

In response to the letter by Mr. Michael Gerber, as noted above, please find the following additions to our appeal letter of February 13, 2007:

A revised site plan and elevations by Michael Wills, Architect, demonstrating that the community building is located within the same building as tenant units per HOME regulations 92.206.

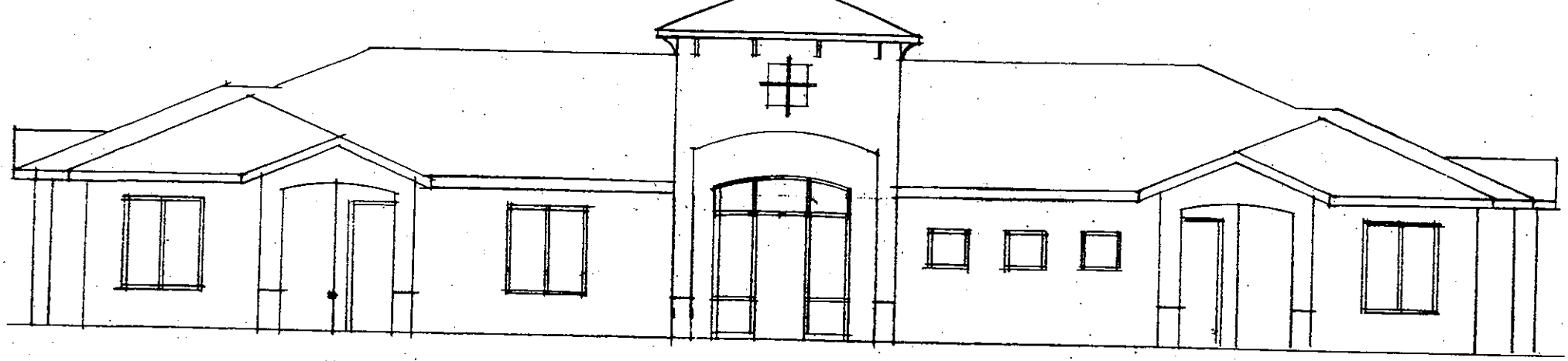
In response to your request we have provided an expanded market penetration analysis by our Market Study firm delineating the demand summary by income brackets of 50%, 60% and 80% for the Primary Market Area. This analysis is for our designated target market which is elderly renter households (62+).

Please attach these documents to our February 13, 2007 appeal letter to the Board of Directors

If you have any questions, please feel free to call at your convenience.

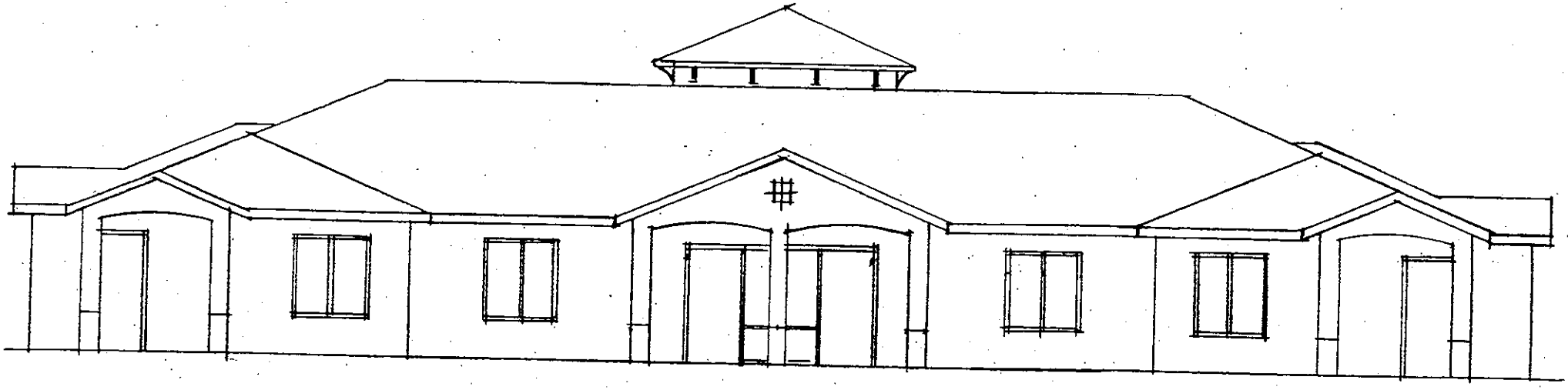
Respectfully,

Mike S. Harms
Executive Director



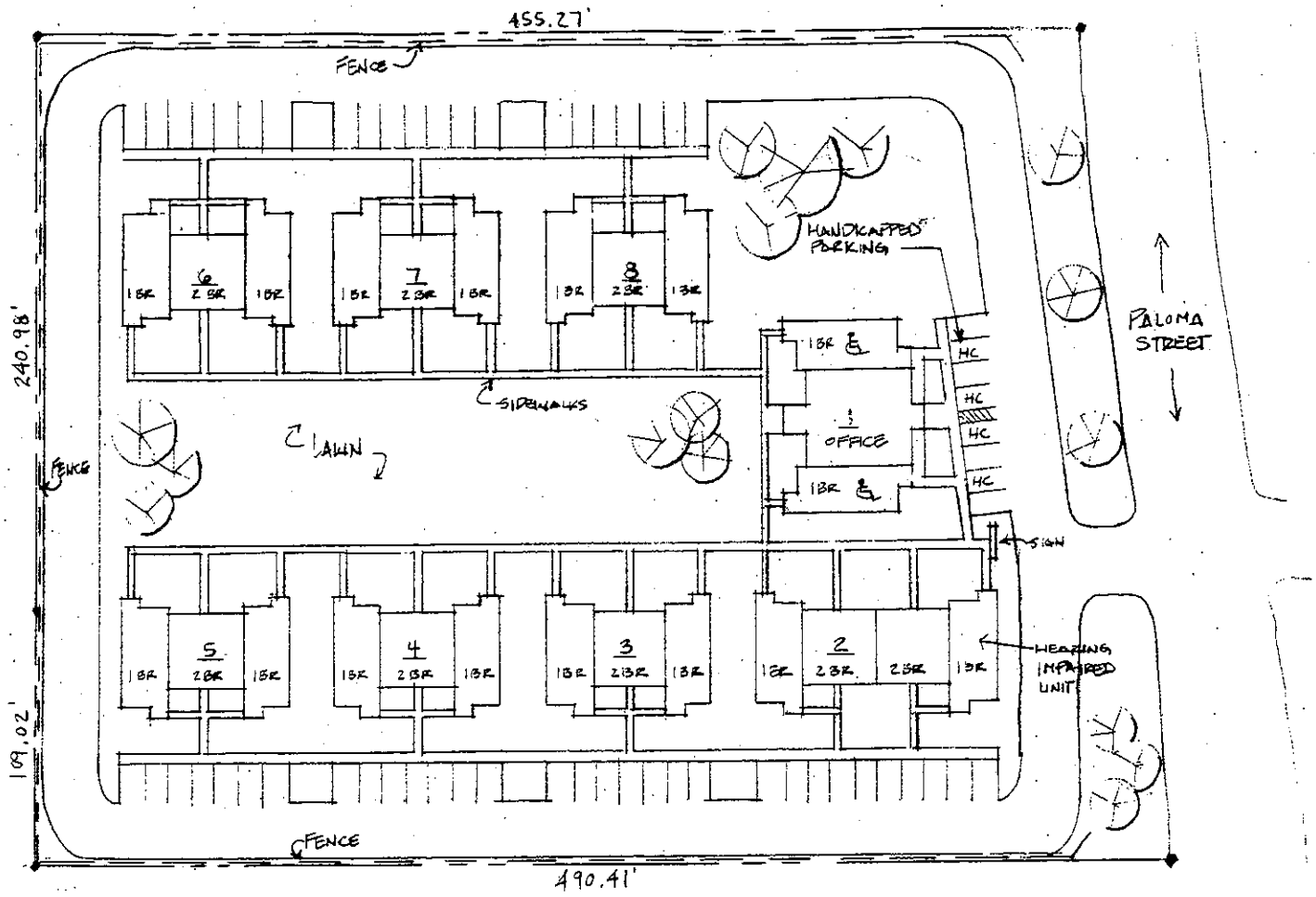
BUILDING #1 FRONT

1 BEDROOM UNIT | COMMUNITY BUILDING | 1 BEDROOM UNIT



BUILDING #1 BACK

Floresville Housing Opportunities
Paloma Street, Floresville, Texas
Michael Wills – Architect



SITE PLAN

1" = 50'-0"

NORTH

Floresville Housing Opportunities
Paloma Street, Floresville, Texas
Michael Wills – Architect

Revised February 15, 2007

Notes:

The subject property is in Zone C,
"Area outside of 500 year Flood Plain"

There are no encroachments or easements
per the survey dated July 17, 2006 by Pollock Surveyors.

The subject property is 3.83 acres.

Development Includes:

60 parking spaces
1 – community building with office
8 – 2 bedroom units
16 – 1 bedroom units
(2 units for handicapped attached to community building)

v o g t williams bowen
RESEARCH

February 28, 2007

Mr. Mike Harms
Center for Housing and Economic Opportunities
504 River Oaks Drive
Austin, TX 78748

Dear Mr. Harms:

Per your request, I have formulated a market absorption analysis based on the proposed rents recommended by the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Floresville Senior Apartments project in Floresville, Wilson County, Texas.

The original rents submitted by the applicant in April 2006 are as follows:

TOTAL UNITS	BEDROOM TYPE	BATHS	STYLE	SQUARE FEET	PERCENT OF AMHI	PROPOSED RENTS		
						COLLECTED	UTILITY ALLOWANCE	GROSS
2	ONE	1.0	GARDEN	685	30%	$250	$67	$317
4	ONE	1.0	GARDEN	685	50%	$300	$67	$367
10	ONE	1.0	GARDEN	685	60%	$325	$67	$392
6	TWO	1.0	GARDEN	906	60%	$400	$87	$487
2	TWO	1.0	GARDEN	906	80%	$425	$87	$512
24								

Source: Center for Housing and Economic Opportunities, Inc.
AMHI – Area Median Household Income (San Antonio, Texas MSA)

The recommended collected rents by TDHCA are as follows:

TOTAL UNITS	BEDROOM TYPE	BATHS	STYLE	SQUARE FEET	PERCENT OF AMHI	PROPOSED RENTS		
						COLLECTED	UTILITY ALLOWANCE	GROSS
6	ONE	1.0	GARDEN	685	50%	$432	$67	$498
15	ONE	1.0	GARDEN	685	60%	$490	$67	$557
5	TWO	1.0	GARDEN	906	60%	$600	$87	$687
3*	TWO	1.0	GARDEN	906	80%	$600	$87	$687
24								

*The unit mix between AMHI levels reflects the initial lease up period only. Per Final HOME Rule 92.216, not less than 90% of the total units must be rented at 60% AMHI or below during the initial lease-up period. Therefore, only 10% of the total units at the proposed project can be at 80% AMHI.

869 W. Goodale Blvd., Columbus, OH 43212 (614) 225-9500/Fax: (614) 225-9505
12731 Research Blvd., Building A, Suite 110, Austin, TX 78759 (512) 351-4781/Fax: (512) 258-8244
www.vwbresearch.com

MARKET PENETRATION CALCULATIONS

We have conducted a demand analysis for the 24 total units at the subject site pursuant to TDHCA market study guidelines. A separate analysis was also conducted for the proposed units at 50%, 60%, and 80% of AMHI. The enclosed market penetration analysis was based on the proposed collected rents submitted by TDHCA, which are $432 and $490 for a one-bedroom unit at $600 for a two-bedroom unit.

The following are key demographic data used in the Market Penetration Calculation analysis:

- The base year (2006) population age 62 and older for the Site Primary Market Area (PMA) is 5,402, and is projected to increase to 6,886 in 2011. This is an annual increase in population of 297.

- The total number of households age 62 and older in the base year (2006) is 3,750, and is projected increase to 4,738 by 2011. This equates to an annual increase of 198 households.

- According to the 2000 Census and HISTA, 81.3% of households age 62 and older in the Site PMA were comprised of one and two persons.

- In 2006, there were 787 age- and income-eligible households within the Site PMA. These 787 households represent 21.0% of the 3,750 households age 62 and older within the Site PMA.

- According to the 2006 estimates, renters age 62 and older occupied 372 of the 3,750 total housing units (occupied by a household age 62 and older). These 372 renter-occupied households represent 9.9% of all occupied households.

- According to the Institute of Real Estate Management, the annual turnover rate for 12 to 24 unit buildings in the region that includes Floresville is 60.2%. However it should be noted that turnover at senior properties is typically lower than that of properties that target families.

- Based on the 2006 estimates of the number of households age 62 and older and total population age 62 and older, it is estimated that the average household size headed by a person age 62 and above is 1.44. This is derived by taking the 5,402 people age 62+ in the Site PMA and dividing that number by the 3,750 households age 62+ within the market.

- There are no known comparable affordable rental housing units currently approved and not constructed in the Site PMA.

- Although we expect that the project will also receive support from senior homeowners converting to renters, we have not factored in age- and income-qualified owner households into our analysis. The Underwriter that conducted the TDHCA Multifamily Underwriting Analysis (dated January 22, 2007) did not factor in age- and income-qualified owner households into this analysis.

The demand for the 24 HOME units at the subject site is calculated on the following page.

TDHCA-FORMATTED DEMAND SUMMARY I. DATA	ANALYST (OVERALL)	ANALYST (50% AMHI)	ANALYST (60% AMHI)	ANALYST (80% AMHI)
Number of Proposed Affordable Units	24	6	15	3
Targeted Group (low-income general, elderly, etc.)	Elderly (62+)	Elderly (62+)	Elderly (62+)	Elderly (62+)
Primary Market Area	Wilson County	Wilson County	Wilson County	Wilson County
Demographic Baseline Year	2006	2006	2006	2006
Demographic Projection Year	2011	2011	2011	2011
Number of Years in Projection Period	5	5	5	5
Current Year	2006	2006	2006	2006
Number Years into Projection Period	1	1	1	1
Baseline Total Population Age 62+	5,402	5,402	5,402	5,402
Projected Total Population Age 62+	6,886	6,886	6,886	6,886
Est. Current Population Age 62+	5,402	5,402	5,402	5,402
Population Growth Rate (Total)	27.5%	27.5%	27.5%	27.5%
Population Growth Rate (Annual)	5.5%	5.5%	5.5%	5.5%
Baseline Total Households Age 62+	3,750	3,750	3,750	3,750
Projected Total Households Age 62+	4,738	4,738	4,738	4,738
Estimated Current Total Households Age 62+	3,750	3,750	3,750	3,750
Household Growth Rate (Total)	26.3%	26.3%	26.3%	26.3%
Household Growth Rate (Annual)	5.3%	5.3%	5.3%	5.3%
Average Household Size	1.44	1.44	1.44	1.44
Estimated Current Total Households Age 62+	3,750	3,750	3,750	3,750
X Percent Households Size Appropriate (1 and 2 Person)	81.3%	81.3%	81.3%	81.3%
= Estimated Current Targeted Size-Appropriate Households Age 62+	3,049	3,049	3,049	3,049
X Percent Households Income-Qualified Age 62+	25.8%	6.4%	12.4%	16.2%
= Estimated Current Targeted Size-Appropriate Income-Qualified Households Age 62+	787	195	378	494
X Renter Percent Age 62+	9.9%	9.9%	9.9%	9.9%
=Current Targeted Size Appropriate Income-Qualified Renter Households Age 62+	**78**	**19**	**37**	**49**
II. GROWTH DEMAND				
Population-Based:				
Projected Total Targeted Population Age 62+	6,886	6,886	6,886	6,886
Baseline Total Targeted Population Age 62+	5,402	5,402	5,402	5,402
= Projected Total Targeted Population Growth	1,484	1,484	1,484	1,484
/ Number of Years in Projection	5	5	5	5
= Annual Total Targeted Population Growth Age 62+	297	297	297	297
/ Average Targeted Household Size Age 62+	1.44	1.44	1.44	1.44
= Annual Total Targeted Household Growth	206	206	206	206
X Percent Households Size Appropriate (1 and 2 Person)	81.3%	81.3%	81.3%	81.3%
= Estimated Targeted Size-Appropriate Household Growth	167	167	167	167
X Renter %	9.9%	9.9%	9.9%	9.9%
= Annual Total Targeted Size-Appropriate Renter HH Growth	17	17	17	17
X % Income-Qualified	25.8%	6.4%	12.4%	16.2%
= Annual Size-Appropriate Income-Qualified Targeted Renter HH Growth Demand Age 62+	**4**	**1**	**2**	**3**
Percent of Total Demand	7.8%	8.3%	8.0%	9.4%
III. TURNOVER DEMAND				
Estimated Current Number of Size Appropriate Income-Qualified Targeted Renter HH Age 62+	**78**	**19**	**37**	**49**
X Turnover Rate (%)	60.2%	60.2%	60.2%	60.2%
= Annual Income-Qualified Targeted Renter Turnover Demand Age 62+	47	11	23	29
Percent of Total Demand	92.1%	91.7%	92.0%	90.6%
IV. OTHER DEMAND (PER ANALYST)	**0**	**0**	**0**	**0**
Percent of Total Demand	92.1%	91.7%	92.0%	90.6%
V. TOTAL INCOME-QUALIFIED TARGETED RENTER DEMAND AGE 62+ (Growth + Turnover + Other)	**47+4 = 51**	**11+1 = 12**	**23+2 = 25**	**29+3 = 32**
VI. SIMPLE CAPTURE RATE				
(Proposed Affordable Units)	24	6	10	8
/Total Income-Qualified Targeted Renter Demand				
= Simple Capture Rate	**24/51=47.1%**	**6/12=50.0%**	**15/25=60.0%**	**3/32=9.4%**
VII. INCLUSIVE CAPTURE RATE (Proposed Units)				
+ Known Projected Comparable (Affordable) Units:	0	0	0	0
Project	24	6	10	8
= Total Unstabilized Comparable Units of Supply	0	0	0	0
/ Total Income-Qualified Targeted Renter Demand	51	12	25	32
= Inclusive Capture Rate	**24/51=47.1%**	**6/12=50.0%**	**15/25=60.0%**	**3/32=9.4%**

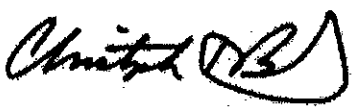
869 W. Goodale Blvd., Columbus, OH 43212 (614) 225-9500/Fax: (614) 225-9505
12731 Research Blvd., Building A, Suite 110, Austin, TX 78759 (512) 351-4781/Fax: (512) 258-8244
www.vwbresearch.com

As the preceding demand summary illustrates, the proposed 24 units at the subject site will represent a capture rate of 47.1% of the 51 net age- and income-eligible renter households within the Site PMA. This is considered to be a high overall capture rate. The capture rates for units at 50%, 60%, and 80% of AMHI range from 9.4% to 60.0%. The capture rate at 80% AMHI (9.4%) is achievable due to the low number of units proposed (three). However, the capture rates at both 50% and 60% of AMHI both appear to be high. The greatest demand in the Site PMA is for units at 80% AMHI (32 households). Based on the indicated capture rates for the proposed units, it appears that there is limited support for the proposed Floresville Senior Housing project at the rents proposed by TDHCA.

Additionally, note that the market-driven collected rents for the subject unit are $500 for a one-bedroom unit and $600 for a two-bedroom unit. The proposed TDHCA collected rents of $432 and $490 for a one-bedroom units are 86.4% and 98.0% of market-driven, respectively. The proposed TDHCA collected rent of $600 for a two-bedroom unit is equal to the two-bedroom market-driven rent of $600. Typically, proposed Tax Credit rents should be set at least 10% below market-driven to ensure that the site project attracts a sufficient flow of tenants.

Please feel free to contact me if you have any questions or concerns regarding the contents of this letter.

Sincerely,



Christopher T. Bunch
Market Analyst
Vogt, Williams and Bowen

Executive Direct Response to Appeal
February 7, 2007

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
Elizabeth Anderson, *Chair*
Shadrick Bogany
C. Kent Conine
Sonny Flores
Gloria Ray
Norberto Salinas

February 7, 2007

Mr. Mike Harms
Center for Housing and Economic Opportunities Corporation
504 River Oaks Drive
San Leanna, TX 78748
Telecopier: (512) 292-0134

Re: Executive Director Appeal for Floresville Senior Housing

Dear Mr. Harms:

Appeal Review

I have reviewed the application you submitted, as well as your appeal that was received on January 23, 2007 regarding the underwriting recommendation of the above-referenced application.

Your appeal is denied based on the fact the application does not satisfy the NOFA requirement that 10% of the total development cost be financed by leveraging additional public or private financing sources. I note for the record you have not contested that the application does not satisfy the 10% leveraging component of the NOFA.

I will address other issues you raised for your benefit should you successfully appeal the development cost issue to the Governing Board.

1. Challenge of the Underwriter's use of the maximum HOME rents in the feasibility analysis and to determine the financing structure.

The 2006 Real Estate Analysis Rules and Guidelines §1.32(d)(1)(A) states, "Rental Income. The Program Rent less Utility Allowances or Market Rent or Contract Rent is utilized by the Underwriter in calculating the rental income for comparison to the Applicant's estimate in the Application." The Underwriting Report documented the rents as the lesser of the program rent less utility allowances or the market rent in line with the underwriting rules. For each unit type, the market rent was equal to or higher than the program rent. Your suggestion of a lower self restricted rent to address lower income households could be addressed in a future application by using the 30% of AMI target for units.

2. Challenge of staff's request for additional information on Home Rules §92.206. On December 20, 2006 you assured staff that you would amend the plans to comply with the community facilities requirement in § 92.206 of the HOME regulations. However, the amended plans had not been received as of January 22, 2007, the date of the Underwriting Report.

In addition, the very rough site plan you provided with your appeal indicates that the clubhouse is connected via a breezeway. Such a construction plan has been used in the past in order to meet the requirements of § 92.206 of the HOME regulations, but it has not been confirmed by HUD to meet the requirement that common area facilities are located within the same building as tenant units. Moreover, recent discussions with HUD and HOME administrators from other states suggest that a breezeway connection is not sufficient to meet this requirement.

3. Challenge of direct construction costs used to determine the total need for funds. This issue has been resolved and is no longer at issue in that your costs were used with a minor adjustment described in the underwriting report.

4. Challenge of compliance report regarding Kenedy Senior Housing. The property was in delinquency at the time of the report. It is noted that a copy of the payment check attached to your letter indicates a date of January 23, 2007. Staff was correct in its assertion at the time of the request that Kenedy Senior Housing was in technical delinquency.

I have determined that the Departments rules and guidelines were applied evenly, fairly, and as originally intended during the course of the underwriting analysis and in making the recommendation. Therefore, the appeal is denied.

Appeal Determination

As noted above, the appeal is denied.

Pursuant to Title 10 Texas Administrative Code Section 1.7 you have requested that your appeal, if denied by me, be filed with the Board and heard at its next regularly scheduled meeting. This appeal will be considered by the Board at the March 12, 2007 Board meeting.

If you have questions or comments, please call me or Tom Gouris, Director of our Real Estate Analysis Division at (512) 475-1470.

Sincerely,

Michael Gerber
Executive Director

MGG : CD

Appeal to Executive Director
January 23, 2007

Center for Housing and
Economic Opportunities Corporation
504 River Oaks Drive
San Leanna, Texas 78748
512-292-3919 Fax 512-292-0134 Cell Phone 512-796-0746
E-Mail – MikeSHarms@aol.com

January 23, 2007

Texas Department of Housing and Community Affairs
c/o Michael Gerber – Executive Director
221 E. 11th Street
Austin, Texas 78711-3941

Re: Appeal of TDHCA Underwriting Analysis - Floresville Senior Housing
TDHCA HOME CHDO File # 060247

Dear Mr. Gerber,

We respectfully appeal portions of the underwriting analysis as e-mailed to us on January 22, 2007 by the Real Estate Analysis Division of TDHCA. Our basis of appeal is on procedural grounds.

1. REA Recommendations and Conditions:

The REA analysis division has proposed a condition that if a loan was approved by the TDHCA Board, the term would be 0% for 40 years. In order to support a 0% - 40 year loan, the REA analysis established the net rent collected as $462 & $490 for a One (1) bedroom unit and $600 for a Two (2) BR unit. We believe this to be a procedural miscalculation. We based our application and **loan request** based on the following rent structure:

Bedroom Size	Income Limit	Gross Rent	Utility Allowance	Net Collectable Rent
1 Bedroom	30%	367	67	300
1 Bedroom	50%	392	67	325
1 Bedroom	60%	417	67	350
2 Bedroom	60%	537	87	450
2 Bedroom	80%	562	87	475

We based our projections based on our knowledge of the income levels of seniors 62+ in the Primary Market Area (PMA) i:e Wilson County. The General Partner in the borrower entity, Floresville Housing Opportunities, L.P., is the Floresville Economic Development Corporation whose mission is to improve economic opportunities for the residents of Floresville. They are very familiar with the demographics and "on the ground" knowledge of the economic base of the area. In their introduction for their Economic Development and Marketing Strategic Plan, which was included in our application Volume 3 Tab 7, they stated that Floresville "has a workforce engaged in low-wage jobs, the median household income of Floresville is significantly lower than surrounding counties". This is further reflected in the Market Feasibility Analysis by Vogt, Williams and Bowen that we submitted with our application. On page IV-13, they indicate that a full 42% of 62+ households in the PMA have income of less than $ 19,999. Even more important is they indicate on page IV-15 that a full **71%** of 62+ one and two person **renter** households have an income less that **$20,000**. Furthermore, over 41% of the 62+ renter household have incomes below **$10,000**.

TDHCA's January 22, 2007 Underwriting Analysis establishes one bedroom net rents at $462-$490. This would require a senior household income of $18,500 to $22,000 to afford these rents. The two bedroom net rents projected by the TDHCA's analysis would require an elderly household to have an income of $27,500. By their rent projections, they exclude 70% of the eligible senior market in the PMA.

Our projected rents submitted in our application (see above chart) target 85% of the senior rental households with incomes under $20,000. Virtually 100% of this income group fall under the 50% income 2006 limits for Wilson County. The remaining 15% would fall in the 60% 2006 income limits for Wilson County.

Although we could "technically" utilize the 2006 income and rent limits for the San Antonio MSA, the "actual" incomes for seniors in the Wilson County PMA are much lower as indicated in the Professional Market Feasibility Analysis by Vogt, Williams, & Bowen. We submitted our application based on our mission as a CHDO to provide the "actual" low income seniors in Floresville and Wilson County with affordable housing consistent with their incomes. Our history as an organization in producing "actual" affordable housing for seniors in Kenedy (Karnes County) and Luling (Caldwell County) bears this out. Our prior assistance as a non-profit consultant to other CHDO's in Smithville, Lockhart, and Fairfield is further proof that our mission is consistent with providing "actual" affordable housing in those communities.

If necessary to assure TDHCA that we will adhere to our goal of renting 90% of our units to those whose incomes are 60% median and under, we would agree to **legal "self-restrictions" on rents** that would be included in our LURA. Future increases above the baseline rents as identified in our application (see above chart), could be capped using a formula of a 4% increase, or the percentage increase in annual HOME Published Rents, whichever is greater. In addition, of course we would adhere to the HOME initial rent-up and long term rent restrictions as indicated by our Rent Schedule in Volume 1 Tab 2 part B.

We respectfully request that TDHCA recommend a loan structure consistent with our proposed rents.

2. Adherence to HOME Regulation 92.206 (a) (4) - January 22, 2007 Underwriting Analysis:
In a December 20, 2006 discussion with Cameron Dorsey, REA Division, he mentioned that the community building had to be connected to the housing units in order to be an eligible HOME cost. I assured Mr. Dorsey that we would amend our plans to connect the units to the housing units and submit the plans when requested. In response to the Underwriting Analysis of January 22, 2007, we are submitting that corrected preliminary site plan indicating that the community building is connected to the housing units in Building One (1) and Building Eight (8), attached hereto.

3. Direct Construction Costs - January 22, 2007 Underwriting Analysis:
Under the Construction Cost Comparison, TDHCA estimated direct construction costs at $44,445 less than our estimates. Our estimated construction costs were calculated and estimated as a joint effort between the Executive Director of CHEO and Countywide Builders, L.P., the proposed General Contractor. Our cost estimates took into account recent substantial increases in steel (re-bar), concrete, copper (wiring and plumbing) and other materials and labor. When we entered into the cost estimating discussions in October 2006, Countywide Builders, L.P. had just completed the 22 units of HOME CHDO rental housing for us in Luling, Texas, thus they had a current handle on materials and labor for very similar units. They brought the senior project in "on budget" and well under the time period called for in the contract. We also factored in cost inflation resulting from the time period involved from application submission to a proposed construction start. We estimated this to be at least 6-8 months. Since our estimate of direct construction costs, and TDHCA's vary less than 5%, we request that our cost amount of $1,188,475 be utilized. In lieu of a line item increase in direct construction cost, we could amend our construction costs to include a 3% Construction Contingency line item in the amount of $46,753.

4. Background and Experience – January 22, 2007 Underwriting Analysis

It was noted that the "applicant was technically delinquent pending approval of the latest extension request" as regards Kenedy Senior Housing. We respectfully submit that we are in full compliance with the extension and conditions approved by the TDHCA Board. A January 10th report was due to Mr. Bert Murray, in order to extend the payment for January. In lieu of the fact that rent up was approaching 95% by February 1, we chose to begin making payments in January. We informed Mr. Murray of this by telephone on or about January 4th. Also in early late December or early January, in a discussion with Mr. Tom Gouris, we conveyed that we would begin making payments and not request the final two months of extensions. A copy of the payment check to TDHCA for January is attached hereto. We request that language that we are technically delinquent be removed from the Underwriting Analysis.

We want to reiterate our request in our application for a waiver of the NOFA requirement that the applicant demonstrate that at least 10% of the total development costs be leveraged by additional private or public financing resources. Our development partner, Floresville Economic Development Corporation, has committed to donating the land that has an appraised value of $ 69,000. We have also committed to making a request to the City of Floresville to waive building permit and tap fees.

We respectfully request that these issues be resolved in a timely manner in order to be placed on the March TDHCA Board Agenda.

If you have any questions, please feel free to call at your convenience.

Respectfully,

Mike S. Harms
Executive Director

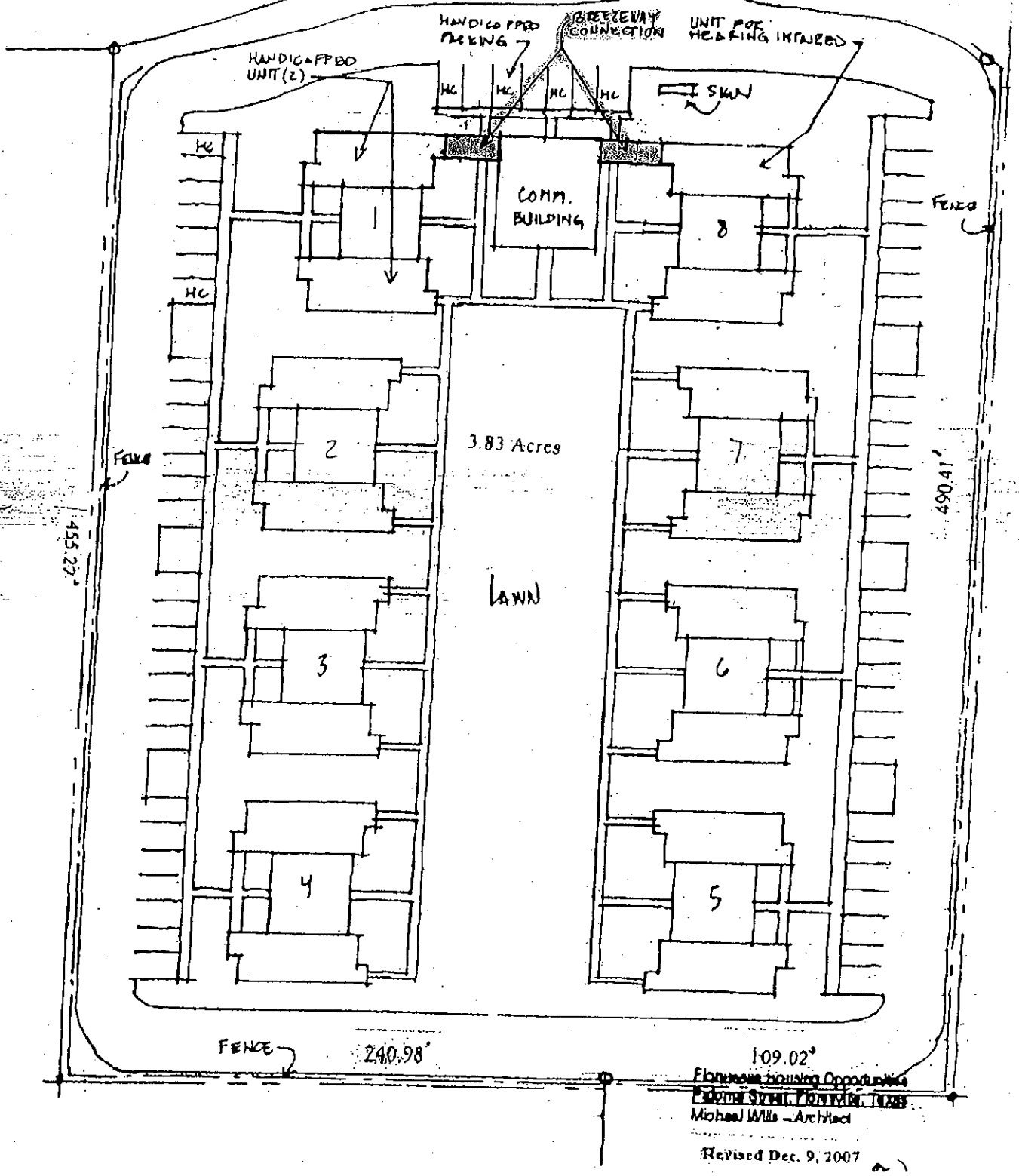
Cc: Tom Gouris – Director REA Division, TDHCA
Jesse M. Perez – Executive Director Floresville Economic Development Corporation

SITE PLAN

1" = 50'-0"

1. The Subject Property is in Zone C "Area outside of 500 yr Flood Plain"

2. There are no encronchments or easements per the survey dated July 17, 2006 by Pollock Surveyors



Planned Housing Opportunities
Paloma Street, Perryton, Texas
Michael Mills – Architect

Revised Dec. 9, 2007

Center For Housing and Economic Opportunities Corporation
504 River Oaks Drive
San Leanna, Texas 78748
512-292-3919 Fax 512-292-0134
Cell Phone 512-796-0746
E-Mail - MikeSHarms@aol.com

January 23, 2007

Texas Department of Housing and Community Affairs
c/o Housing Finance – Loan Servicing
P.O. Box 13941
221 E. 11th Street
Austin, Texas 78711-3941

Re: Loan Number 53100001
Floresville Senior Housing

Attn: Mr. Ernie Palacios – Manager Financial Administration

Dear Mr. Palacios,

Enclosed is our first loan payment check # 1118 in the amount of $932.98. At the November 2006 meeting of The Board of Directors of TDHCA, they approved Six (6) one month loan payment extensions. This was to cover September 2006 until February 2007.

However we are approaching 95% occupancy and have agreed with Mr. Bert Murray of the TDHCA REA Division to begin making payments in lieu of requesting the last two (2) months of payment extensions.

Although this is not a current billing statement, we have enclosed a billing statement dated September 2006 for your reference.

This payment should make us current and in compliance with the payment extensions approved by the Board of TDHCA.

If you have any questions, please feel free to call at your convenience.

Respectfully,

Mike S. Harms
Executive Director

cc: Bert Murray – TDHCA REA Division

1118

ALTA VISTA VILLAGE
GENERAL FUND
413 GRAHAM STREET
KENEDY, TX 78119
PH: 830-583-3138

Date Jan 23, 2007 88-668-1149

Pay to the order of TDHCA Housing Finance $ 932 98

Nine hundred & thirty two & 98/100 Dollars

FIRST NICHOLS NATIONAL BANK
P.O. BOX 18
KENEDY, TEXAS 78119-0018

For January 2007 Payment

Mike S Harms

MP

⑈001118⑈ ⑆114906689⑆ ⑈14515701⑈

Original Underwriting Report
January 22, 2007

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: January 22, 2007 **PROGRAM:** HOME CHDO **FILE NUMBER:** 060247

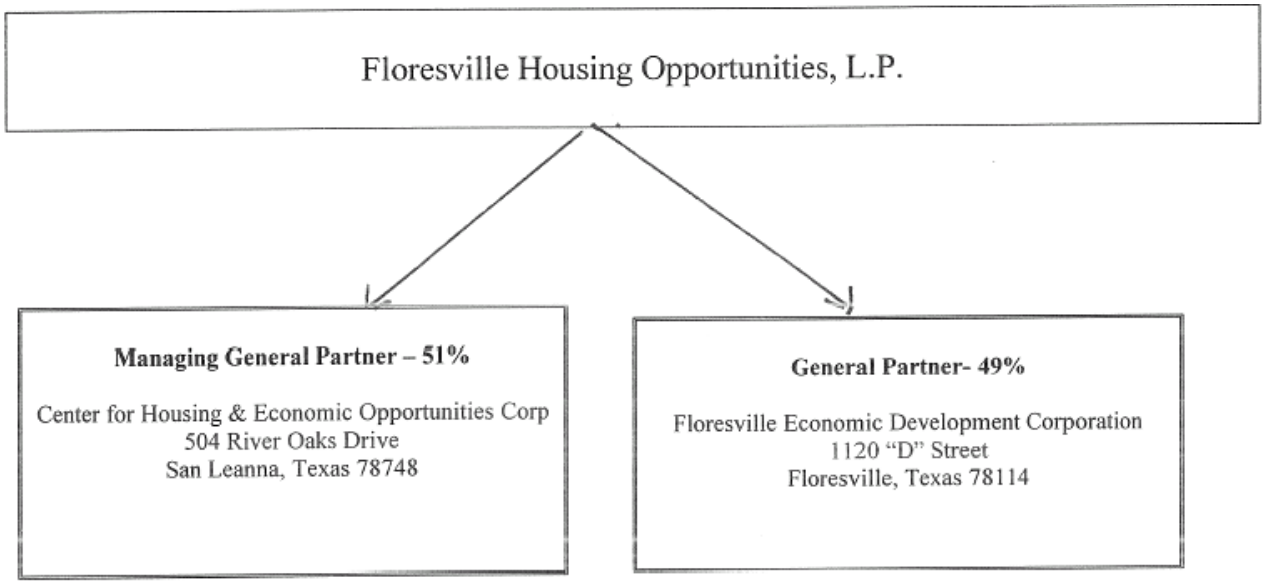
DEVELOPMENT NAME

Floresville Senior Housing

APPLICANT

Name:	Floresville Housing Opportunities, LP			**Contact:**	Mike S Harms
Address:	504 River Oaks Drive				
City	San Leanna			**State:**	TX **Zip:** 78748
Phone:	(512) 292-3919	**Fax:**	(512) 292-0134	**Email:**	mikesharms@aol.com

KEY PARTICIPANTS



PROPERTY LOCATION

Location:	Corner of Paloma Drive and Veterans Drive				
City:	Floresville			**Zip:**	78114
County:	Wilson	**Region:**	9	☐ **QCT**	☐ **DDA**

REQUEST

Program	Amount	Interest Rate	Amortization	Term
HOME (CHDO) Operating Expense Funds	$50,000	N/A	N/A	N/A
HOME (CHDO)	$270,000	0%	30 yrs	30 yrs
HOME (CHDO)	$1,677,989	N/A	N/A	N/A

Proposed Use of Funds:	New construction	**Type:**	Multifamily
Target Population:	Elderly	**Other:**	Rural, CHDO

RECOMMENDATION

☒ NOT RECOMMENDED DUE TO THE FOLLOWING:

- The application does not satisfy the NOFA requirement that 10% of the total development cost be financed by leveraging additional public or private financing sources.
- The proposed community building does not meet the requirements of **§ 92.206** of the HOME regulations as follows:
  (a)(4) For both new construction and rehabilitation of multifamily rental housing, costs to construct or rehabilitate laundry and community facilities which are **located within the same building as the housing** and which are for the use of the project residents and their guests.

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:

CONDITIONS

1. Approval of a HOME award not to exceed $1,785,017 structured as a repayable first lien loan with a 40-year term, fully amortizing over 40 years at 0% interest.
2. Receipt, review and acceptance of final values for proposed City fee waivers to partially meet the NOFA requirement for private or public leveraging of 10% of total development costs.
3. Receipt, review and acceptance of a commitment for a grant, cashflow loan, or deferred developer fees, currently estimated at $156,335 more than indicated in the application; the final amount of the grant, cashflow loan, or deferred developer fees must cover the final cost of constructing the HOME-ineligible community building.
4. Receipt, review, and acceptance before release of funds of an opinion from the ESA provider concerning the potential need for a noise study;
5. Should the terms of the proposed in kind donation of the development site change or the total development cost change, any potential HOME award (amount and repayment structure) should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 24 **# Res Bldgs** 8 **# Non-Res Bldgs** 1 **Age:** N/A yrs **Vacant:** N/A at / /

Net Rentable SF: 20,448 **Av Un SF:** 852 **Common Area SF:** 1,444 **Gross Bldg SF:** 21,892

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 concrete slabs. According to the plans provided in the application the exterior will be 100% 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: a self-cleaning oven, laundry connections, 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 13 or more, the Applicant has elected to provide an accessible walking path, community dining room with kitchen, community laundry room, an enclosed sun porch or covered community porch, full perimeter fencing, and an activity room.

Uncovered Parking: 60 spaces **Carports:** 0 spaces **Garages:** 0 Spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Floresville Senior Housing is a 6.3-unit per acre new construction development located in southeast Floresville. The development is comprised of 8 evenly distributed triplex residential buildings as follows:

No. of Buildings	No. of Floors	1BR	2BR
8	1	2	1

The development includes a 1,444-square foot community building that includes a community room, kitchen and laundry room. The HOME Regulations, §92.206(a)(4), states, "For both new construction and rehabilitation of multifamily rental housing, costs to construct or rehabilitate laundry and community facilities which are **located within the same building as the housing** and which are for the use of the project residents and their guests." The proposed community building is a stand-alone structure with no residential units attached. Therefore, the costs to construct the community building would be considered ineligible for HOME funding.

SITE ISSUES

SITE DESCRIPTION

Total Size:	3.83 acres	**Scattered sites?**	☐ Yes ☒ No
Flood Zone:	Zone C	**Within 100-year floodplain?**	☐ Yes ☒ No
Current Zoning:	R-2 / Multi-Family	**Needs to be re-zoned?**	☐ Yes ☒ No ☐ N/A

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The proposed site is a 3.83 acre parcel located approximately 0.5 miles southeast of the central business district in Floresville, Wilson County.

Adjacent Land Uses:

- **North:** Paloma Drive and vacant land immediately adjacent and Texas State Veterans beyond;
- **South:** sparse single family homes and vacant land immediately adjacent and vacant land beyond;
- **East:** vacant land and a cemetery immediately adjacent and 3rd Street beyond; and
- **West:** a church immediately adjacent and Highway 181 (10th Street) beyond.

Site Access: According to the site plan submitted access will be from Paloma Drive. Highway 181 is located less than one mile from the site and provides access to other parts of the city, region, and state.

Public Transportation: The area is served by the Alamo Regional Transit, which is available by reservation on a space available basis. Fares vary by location and route.

Shopping & Services: A major supermarket, retail stores and restaurants, pharmacies, public parks, churches, and a medical center are all located within three miles of the site.

TDHCA SITE INSPECTION

Inspector: Manufactured Housing Staff **Date:** 09/20/2006

Overall Assessment: ☐ Excellent ☒ Acceptable ☐ Questionable ☐ Poor ☐ Unacceptable

Comments:

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated June 8, 2006 was prepared by Professional Service Industries, Inc and contained the following findings and recommendations:

Findings:

- **Noise:** The potential need for a noise study is not addressed in the Phase I ESA provided.
- **Floodplain:** "The EDR Radius Map Report did not contain a FEMA Flood Insurance Rate Map for the subject property area of Wilson County, Texas. In addition, the FEMA website indicated a floodplain map for the area was not currently available. However, Mr. Gary Pelech, City Manager for the City of Floresville, said his floodplain data indicates the subject property to be located in Zone C – an area outside the 100 and 500-year flood zones" (p. 2).
- **Asbestos-Containing Materials (ACM):** "Testing for asbestos-containing materials…is not required pursuant to local, state, and federal laws, or recommended due to any other consideration as the subject property is undeveloped" (p. 2).
- **Lead-Based Paint (LBP):** "Testing for…lead based paint is not required pursuant to local, state, and federal laws, or recommended due to any other consideration as the subject property is undeveloped" (p. 2).
- **Lead in Drinking Water:** "According to water quality testing data provided by the City of Floresville, the lead in drinking water concentration is below the EPA action level" (p. 2).
- **Radon:** "According to the Texas Indoor Radon Survey conducted by the Texas Department of Health, Wilson County, Texas is located in Zone 3. Zone 3 counties have a predicted average indoor radon screening level <2pCi/l. of air. The EPA threshold level of concern is 4pCi/l. Based on this information; radon does not appear to be an environmental concern at the subject site.
- **Recognized Environmental Concerns (RECs):** None

Recommendations: "No further assessment of recognized environmental conditions appears to be warranted at this time" (p. 2). Receipt, review, and acceptance before release of funds of an opinion from the ESA provider concerning the potential need for a noise study is a condition of this report.

INCOME SET-ASIDE

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 supersede the minimum affordability requirements for applicants jointly applying for HOME and Housing Tax Credits or any other federal, state or local affordable housing programs. Six of the 24 units (25% of total) will be reserved for households making at or below 50% of AMI and the remaining 18 units (75%) will be reserved for households making at or below 80% of AMI after meeting the initial HOME occupancy requirements (at least 20% at 50% and 70% at 60%). Moreover, the rents for High HOME are not based on the 80% incomes but rather the lesser of the area's Fair Market Rent or 30% of the calculated 65% area median family income.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	**2 Persons**	**3 Persons**	**4 Persons**	**5 Persons**	**6 Persons**
80% of AMI	$29,750	$34,000	$38,250	$42,500	$45,900	$49,300

MARKET HIGHLIGHTS

A market feasibility study dated April 25, 2006 was prepared by Vogt, Williams & Bowen, LLC ("Market Analyst") and included the following findings:

Secondary Market Information: No secondary market was identified by the Market Analyst.

Definition of Primary Market Area (PMA): "The Floresville Site PMA is defined as Wilson County in its entirety" (p. IV-9). This area encompasses approximately 808 square miles and is equivalent to a circle with a radius of 16 miles.

Population: The estimated 2006 population of the PMA is 38,055 and is expected to increase by 27.5% to approximately 42,961 by 2011. The Market Analyst included only persons age 62 and older in the demand

analysis. Within the primary market area there are estimated to be 8,404 age 62+ households in 2006. Restricting the demand analysis to include only households of persons age 62+ appears to be appropriate based on the application, which indicates the Applicant's intention to restrict the development to age 62+ households.

Total Market Demand: The Market Analyst utilized a target household adjustment rate of 14% and a household size-appropriate adjustment rate of 81% (p.VII-4). The Analyst's income band of $9,510 to $34,000 (p. VII-2) results in an income eligible adjustment rate of 38.5% (p. VII-4). The tenure appropriate adjustment rate of 9.9% is specific to the target population (p. VII-4). The Market Analyst indicates a turnover rate of 60.2% applies based on IREM data (p. VII-3).

In addition, the Market Analyst included demand from elderly homeowners that will convert to renters. "We have conservatively estimated this number at 10% of the households age 62 and older" (p. VII-3). However, the Analyst did not provide sufficient support for this additional source of demand. Therefore, the Underwriter did not include demand from this source in the capture rate calculation.

MARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	7	3%	10	7%
Resident Turnover	70	32%	125	93%
Other Sources: Homeowner Conversion	143	65%	N/A	
TOTAL DEMAND	**220**	**100%**	**135**	**100%**

p. VII-3

Inclusive Capture Rate: The Market Analyst calculated an inclusive capture rate of 10.9% based upon 220 units of demand and 24 units of unstabilized affordable housing in the PMA (including the subject) (p. VII-4). The Underwriter calculated an inclusive capture rate of 17.8% based upon a supply of 24 unstabilized comparable affordable units divided by a revised demand estimate for 135 affordable units. Both the Underwriter's and Analyst's inclusive capture rates are derived based on demand from households with persons age 62 and older, as noted above.

Unit Mix Conclusion: "Based on our analysis of the rents, unit sizes (square feet), amenities, location, quality, and occupancy rates of the existing affordable properties within the market, it is our opinion that the proposed subject development will be competitive with the existing affordable properties in the market. Note that although the subject site does not offer the project amenities the other affordable properties offer, it is our opinion this is sufficient given the target market and rents" (p. V-8).

Market Rent Comparables: The Market Analyst surveyed four comparable apartment projects in the area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
1-Bedroom Low HOME	$300	$432	-$132	$500	-$200
1-Bedroom Low HOME	$325	$432	-$107	$500	-$175
1-Bedroom High HOME	$350	$490	-$140	$500	-$150
2-Bedroom High HOME	$450	$600	-$150	$600	-$150
2-Bedroom High HOME	$475	$600	-$125	$600	-$125

(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) Low HOME rent is derived from the 50% income level, High HOME rent is the rent for 80% units but is derived from the lesser of the Fair Market Rent or the 65% income level.

Primary Market Occupancy Rates: "Based on our survey of conventional rentals, non-subsidized (market-rate and Tax Credit) rentals have an overall occupancy rate of 91.8%, with subsidized units 99.2% occupied. Although the non-subsidized occupancy rate is moderate, we feel that the market can support additional housing, particularly at the low rent levels proposed for the subject" (p. II-3). "Highland Oaks has an overall occupancy rate of 78.9%, with 16 vacant units. Most of the vacant units (14) are at the 60% AMHI level" (p. V-3).

Absorption Projections: "It is our opinion that the 24 units at the subject site would reach a stabilized occupancy of 93.0% within six months of opening" (p. II-3).

Unstabilized, Under Construction, and Planned Development: "Based on our interviews with local building and planning representatives, it was determined that there are no multifamily projects planned for the area" (p. V-8). The Underwriter identified a 2005 9% HTC (060003; forward commitment) USDA Rural Rescue development located less than 0.5 miles southeast of the subject. However, the development has an existing tenant base and will target families. Highland Oaks Apartments (00179), a year 2000 mixed income development targeting families, is located approximately 2.7 miles south of the subject property. The property currently has an occupancy rate of 78.9% according to the market study. While the target population is different in the subject, the low occupancy rate in this new affordable development in such a small market is indicative of the limited overall potential demand in this market and stands in contrast to the conclusions of the capture rate calculation.

Market Impact: "Given that the good base of income-eligible households in the Site PMA, we do not anticipate the subject property impacting the occupancy rates of existing rentals in the market. The low occupancy rate reported at Highland Oaks (78.9%) is likely due to high 60% AMHI rents and a project design that does not appeal to its target market of families" (p. II-2).

Market Study Analysis/Conclusions: While the high vacancy rate in the market is a cause for concern, the information provided in 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 determined based on the desire to "sustain occupancy and to serve very low and low income elderly and disabled persons." The Applicant's projected rents are substantially below the net program rents, based on program guidelines, and are below the achievable market rents, as determined by the Market Analyst. The Underwriter's projected rents were determined as the lesser of the 2006 program gross rent limit less the current tenant-paid utility allowances and the achievable market rent as determined by the Market Analyst and are on average $135 more than the Applicant's estimated rents on a monthly per unit basis. Tenants will be required to pay electric costs. The Applicant claimed no secondary income which is below the Department's standard; therefore, the Underwriter estimated secondary income of $5 per unit per month. The Applicant's vacancy and collection loss is in line with the Department guideline. However, as a result of the differences noted above, the Applicant's effective gross income estimate is $37K or 27% lower the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense projection at $3,141 per unit is not within 5% of the Underwriter's estimate of $3,562, derived from the TDHCA database and third-party data sources. A number of the Applicant's estimates deviate significantly from the Underwriter's estimates, including: payroll and payroll tax ($7K lower); property insurance ($2K higher); and property tax ($2K lower). As a result of the proposed ownership structure, the subject property may be eligible for a 50% property tax abatement, which is reflected in the Underwriter's property tax estimate.

Conclusion: The Applicant's estimates of effective gross income, operating expenses, and net operating income are each not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma will be used to determine the development's debt capacity and debt coverage ratio. The proforma and estimated debt service result in a debt coverage ratio (DCR) significantly above the current underwriting maximum guideline of 1.30. Therefore, the recommended financing structure reflects an increase in the permanent repayable portion of the HOME loan. 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 from this perspective, the development can be characterized as feasible for the long-term.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 3.83 acres	$69,000	**Date of Valuation:**	11/21/2006
Existing Building(s): "as is"	N/A	**Date of Valuation:**	
Total Development: "as is"	$69,000	**Date of Valuation:**	11/21/2006

Appraiser: Albert O Menn **Firm:** Menn & Associates **City:** Seguin

APPRAISAL ANALYSIS/CONCLUSIONS

An appraisal, provided by the purchaser, was performed by Menn & Associates and dated November 11, 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 sales comparison approach. Three recent land sales for 3.9 acres to 6.7 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.

ASSESSED VALUE

Land: 29.59 acres	$714,600	**Assessment for the Year of:**	2006
Per acre:	$24,150	**Valuation by:**	Wilson County Appraisal District
Prorata Value: 3.83 acres	$92,495	**Tax Rate:**	2.540325

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Option of Conveyance (3.83 acres)		
Contract Expiration:	08/31/2007 -- one 6 month extension	**Valid through Board Date?**	☒ Yes ☐ No
Acquisition Cost:	$10.00	**Other:**	
Seller:	Floresville Economic Development Corp	**Related to Development Team?**	☒ Yes ☐ No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The Applicant has provided an Option of Conveyance agreement indicating that the property will be conveyed to the partnership for a nominal sum. The agreement and the revised development cost schedule also indicate that the conveyance of the property constitutes an in kind donation and has included the in kind value as a source of funds. The Applicant has valued the property at $42,000, which is lower than the appraised value of the property. The Applicant also provided a settlement statement for the original purchase of the property by the related party and the costs associated with the development of infrastructure for the property. The prorata original acquisition cost of the property plus prorata infrastructure costs is $44,786, which is higher than the Applicant's claimed value of $42,000. Therefore, the Underwriter used a value of $42,000 for the development site. The value of this donation is counted toward the NOFA requirement that 10% of the total development cost is financed by leveraging funds from private or public sources other than the HOME program, and is particularly important for determining if the application meets this program guideline.

Sitework Cost: The Applicant's claimed sitework costs of $7,477 per unit are within Department guidelines for 2006 applications. Therefore, further third party substantiation is not required.

Direct Construction Cost: The Applicant's direct construction cost estimate is $44K or 4% higher than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate. It should be noted again that the Applicant intends to construct a stand alone community building which the Underwriter has also included in the project costs at approximately $110,000, but these costs may not be funded with HOME funds.

Contingency: The Applicant has claimed no contingency, which could result in a gap in funding if there are any unanticipated increases in costs. Project contingency may be embedded in the direct costs; although, it appears that the Applicant may be able to defer developer fees in order to cover unanticipated cost increases.

Fees: For non-Tax Credit Developments, the maximum developer fee is 15% of the total development cost less the sum of the fee itself, land costs, the costs of permanent financing, excessive construction period financing, reserves, and any other identity of interest acquisition cost. The Applicant's developer fee exceeds

15% of the Applicant's eligible development costs by $6,636. As a result of the proposed financing structure, this portion of the developer fee is essentially funded through an increase in the deferred forgivable portion of the requested HOME funds. Therefore, if the Applicant's costs are used in the final analysis, the sources and uses of funds will be adjusted downward by the overstated developer fee to ensure that the deferred forgivable portion of the HOME funds is not used to fund a potential excess of profit.

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 developer fee, will be used to determine the development's need for permanent funds, which is discussed in detail in the following section.

FINANCING STRUCTURE			
OTHER			
Amount:	$42,000	**Source:**	In Kind Donation

FINANCING STRUCTURE ANALYSIS

Interim to Permanent Financing: The Applicant has requested $1,947,989 in HOME funds to be structured as a $270,000 first lien with a 30-year amortization and interest rate of 0% and a $1,677,989 deferred forgivable second lien. While the Applicant's sources and uses reflects only the total amount requested, the financing narrative provides a detailed explanation of the request that is more consistent with the other information provided in the application. The Applicant has also requested a $50,000 HOME award to be structured as a grant in order to cover CHDO operating expenses. These funds are used for the operation of the CHDO in the administration of this award, and as such, are not considered a direct funding source for the development.

In Kind Donation: The Applicant has provided a letter from the Floresville Economic Development Corp, current owner of the site, stating that the property will be donated to the partnership for development of the proposed units. An Option of Conveyance Agreement has also been provided, which supports this claim. The Applicant has assigned a value of $42,000 to the site which has been included as a source and use of funds. The value assigned to the property by the Applicant is below the appraised value and below the original value plus infrastructure costs, and is therefore generally acceptable.

Although not included on the sources and uses of funds statement, in a letter dated August 29, 2006, the Applicant indicates a match loan of $10,000 was provided by the Floresville Development Corporation for purchase of the Market Study, Phase I Environmental, and boundary survey. It appears this loan will not carry over to the permanent phase of financing. Finally, the Applicant will request a waiver of building permit and applicable water/wastewater tap fees. The value of the waived fees will not be known until after submission of final plans to the City. Receipt, review and acceptance of final values for proposed City fee waivers to partially meet the NOFA requirement for private or public leveraging of 10% of total development costs is a condition of this report.

Deferred Developer's Fees: The Applicant proposed no deferred developer's fees.

Financing Conclusions: The Applicant's $42,000 in kind donation is the only additional source of private or public financing and amounts to 2.1% of the adjusted total development cost. However, the NOFA requires that 10% of the total development costs be financed by leveraging additional public or private financing sources. Based on the total adjusted development cost, the Applicant would need an additional $156,335 in financing from a public or private source in order to satisfy this requirement. As a result of the failure to meet this requirement, the application is not recommended for funding. It should be noted the Applicant has requested a waiver of this requirement. As of the date of this underwriting report, a waiver has not been granted. In addition, the Applicant requested a waiver of the $500 HOME program application fee.

In the case that an award of HOME funds to this Applicant moves forward, the Underwriter competed the following analysis:

Based upon the Applicant's total development cost as adjusted by the Underwriter, a 10% match would leave a maximum award amount of $1,785,017. As stated above, the proforma analysis results in a debt coverage ratio above the Department's 2006 maximum guideline of 1.30. The underwriting analysis indicates the permanent repayable HOME loan amount may encompass the entire $1,785,017 based on the maximum

amortization period of 40 years indicated in the NOFA and a 0% interest rate. The Applicant's adjusted total development cost less this proposed permanent repayable first lien and in kind donation indicates the need for additional funds totaling $156,335. There are sufficient developer fees that could potentially be deferred to cover this funding gap which would also be sufficient to cover the cost of the HOME-ineligible community building and appear to be repayable from development cashflow within 15 years of stabilized operation, though not within the ten years as is preferred. Utilizing deferred developer fee as the match does not meet the intent of the NOFA requirement. In addition, the projected amount of deferred developer fee cannot be determined until final plans are submitted to the City and any fee waivers are considered. Finally since these application budgets leave no margin for error with regard to the 10% match requirement, the final development costs will determine the final amount of grant, cashflow loan, or deferred developer fee necessary to meet this requirement. While deferment of developer fee is not considered "an additional private or public source of funds," if the Board chooses to waive the NOFA requirement for private or public leveraging of 10% of total development costs, the Underwriter recommends that HOME funds be conditioned upon receipt, review and acceptance of any additional commitments for a grant, cashflow loan, fee waivers or deferred developer fees. The additional funds are currently estimated at $156,335 and must cover the final cost of constructing the HOME-ineligible community building.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

- The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HOME-funded developments.
- The conveyance of the development site is from a General Partner of the Applicant to the Applicant. While the property is being donated to the project, the value of this in kind donation is counted toward the program requirement that 10% of the total development financing be leveraged from sources other than the HOME program.

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

Financial Highlights:

- The Applicant is single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- The 51% Managing General Partner, Center for Housing & Economic Opportunities Corporation, submitted an unaudited financial statement as of December 31, 2005 reporting total assets of $1.3M and consisting of $13K in cash, $125K in receivables, and $1.2M in real property. Liabilities totaled $1.2M, resulting in net assets of $123K.
- The 49% General Partner, Floresville Economic Development Corporation, submitted a financial statement as of September 30, 2005 reporting total assets of $1.2M and consisting of $268K in cash, $39K in investments, $870K in real property, and $19K in other assets. Liabilities totaled $561K, resulting in net assets of $636K.

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. The Managing General Partner of the Applicant, the Center for Housing and Economic Opportunities Corporation has a similar development in Kennedy funded by the Department in 2002 that has had to request several extensions in order to address construction and lease up issues. The current status of the Kennedy Seniors Development is that the loan is technically delinquent pending approval of the latest extension request.

SUMMARY OF SALIENT RISKS AND ISSUES

- Threshold items identified have not been satisfactorily addressed.
- The Applicant's estimated income, operating expenses, operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Inconsistencies in the application could affect the financial feasibility of the development.
- 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.

- 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 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, and acceptable alternative structures may exist.

Underwriter:	*Cameron Dorsey*	**Date:**	January 22, 2007
Reviewing Underwriter:	*Lisa Vecchietti*	**Date:**	January 22, 2007
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	January 22, 2007

MULTIFAMILY COMPARATIVE ANALYSIS

Floresville Senior Housing, Floresville, HOME CHDO, #060247

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
LH	6	1	1	778	$498	$432	$2,589	$0.55	$66.48	$37.28
HH	10	1	1	778	556	490	4,895	0.63	66.48	37.28
HH	8	2	2	1,000	687	600	4,800	0.60	86.54	39.58
TOTAL:	24		**AVERAGE:**	852	$585	$512	$12,284	$0.60	$73.17	$38.05

INCOME	Total Net Rentable Sq Ft: 20,448			TDHCA	APPLICANT			
POTENTIAL GROSS RENT				$147,412	$108,600		Comptroller's Region	9
							IREM Region	
Secondary Income	Per Unit Per Month:	$5.00		1,440	0	$0.00	Per Unit Per Month	
Other Support Income:				0	0	$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$148,852	$108,600			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(11,164)	(8,145)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0			
EFFECTIVE GROSS INCOME				$137,688	$100,455			

EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		7.81%	$448	0.53	$10,749	$9,000	$0.44	$375	8.96%
Management		7.57%	434	0.51	10,417	6,372	0.31	266	6.34%
Payroll & Payroll Tax		15.06%	864	1.01	20,731	14,136	0.69	589	14.07%
Repairs & Maintenance		10.38%	596	0.70	14,298	14,300	0.70	596	14.24%
Utilities		3.56%	204	0.24	4,900	4,800	0.23	200	4.78%
Water, Sewer, & Trash		5.73%	329	0.39	7,884	10,080	0.49	420	10.03%
Property Insurance		5.19%	298	0.35	7,148	9,400	0.46	392	9.36%
Property Tax	2.540325	3.32%	191	0.22	4,573	2,500	0.12	104	2.49%
Reserve for Replacements		3.49%	200	0.23	4,800	4,800	0.23	200	4.78%
Other: compl fees		0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES		62.10%	$3,562	$4.18	$85,500	$75,388	$3.69	$3,141	75.05%
NET OPERATING INC		37.90%	$2,175	$2.55	$52,188	$25,067	$1.23	$1,044	24.95%
DEBT SERVICE									
HOME Repayable First Lien		6.54%	$375	$0.44	$9,000	$9,000	$0.44	$375	8.96%
HOME Deferred Forgivable		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		31.37%	$1,800	$2.11	$43,188	$16,067	$0.79	$669	15.99%
AGGREGATE DEBT COVERAGE RATIO					5.80	2.79			
RECOMMENDED DEBT COVERAGE RATIO					1.17	0.56			

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)		2.18%	$1,750	$2.05	$42,000	$42,000	$2.05	$1,750	2.11%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		9.31%	7,477	8.78	179,454	179,454	8.78	7,477	9.02%
Direct Construction		59.33%	47,668	55.95	1,144,030	1,188,475	58.12	49,520	59.72%
Contingency	0.00%	0.00%	0	0.00	0	0	0.00	0	0.00%
General Req'ts	6.00%	4.12%	3,309	3.88	79,409	82,075	4.01	3,420	4.12%
Contractor's G & A	2.00%	1.37%	1,103	1.29	26,470	27,358	1.34	1,140	1.37%
Contractor's Profit	6.00%	4.12%	3,309	3.88	79,409	82,075	4.01	3,420	4.12%
Indirect Construction		5.47%	4,396	5.16	105,500	105,500	5.16	4,396	5.30%
Ineligible Costs		0.00%	0	0.00	0	0	0.00	0	0.00%
Developer's G & A	9.79%	8.27%	6,647	7.80	159,532	173,768	8.50	7,240	8.73%
Developer's Profit	5.21%	4.40%	3,533	4.15	84,784	84,784	4.15	3,533	4.26%
Interim Financing		0.75%	604	0.71	14,500	14,500	0.71	604	0.73%
Reserves		0.69%	551	0.65	13,214	10,000	0.49	417	0.50%
TOTAL COST		100.00%	$80,346	$94.30	$1,928,301	$1,989,989	$97.32	$82,916	100.00%
Construction Cost Recap		*78.24%*	***$62,865***	***$73.79***	***$1,508,771***	***$1,559,437***	***$76.26***	***$64,977***	*78.36%*

SOURCES OF FUNDS						RECOMMENDED	
HOME Repayable First Lien	14.00%	$11,250	$13.20	$270,000	$270,000	$1,785,017	Developer Fee Available
HOME Deferred Forgivable	87.02%	$69,916	$82.06	1,677,989	1,677,989	0	$251,916
In Kind Contribution	2.18%	$1,750	$2.05	42,000	42,000	42,000	
HTC Syndication Proceeds	0.00%	$0	$0.00	0	0	0	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$0	$0.00	0	0	156,335	62%
Additional (Excess) Funds Req'd	-3.20%	($2,570)	($3.02)	(61,688)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$1,928,301	$1,989,989	$1,983,353	$190,359

MULTIFAMILY COMPARATIVE ANALYSIS(continued)

Floresville Senior Housing, Floresville, HOME CHDO, #060247

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Townhome Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			$60.85	$1,244,163
Adjustments				
Exterior Wall Finish	0.00%		$0.00	$0
Elderly/9-Ft. Ceilings	3.00%		1.83	37,325
Roofing			0.00	0
Subfloor			(1.65)	(33,739)
Floor Cover			2.81	57,459
Porches/Balconies	$18.15	2,256	2.00	40,946
Plumbing	$815	(48)	(1.91)	(39,120)
Built-In Appliances	$2,200	24	2.58	52,800
Stairs/Fireplaces			0.00	0
Enclosed Corridors	$50.93		0.00	0
Heating/Cooling			2.20	44,986
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	$75.95	1,444	5.36	109,665
Other:			0.00	0
SUBTOTAL			74.07	1,514,484
Current Cost Multiplier	1.07		5.18	106,014
Local Multiplier	0.86		(10.37)	(212,028)
TOTAL DIRECT CONSTRUCTION COSTS			$68.88	$1,408,470
Plans, specs, survy, bld prm	3.90%		($2.69)	($54,930)
Interim Construction Interest	3.38%		(2.32)	(47,536)
Contractor's OH & Profit	11.50%		(7.92)	(161,974)
NET DIRECT CONSTRUCTION COSTS			$55.95	$1,144,030

PAYMENT COMPUTATION

Primary	$270,000	Amort	360
Int Rate	0.00%	DCR	5.80

Secondary	$1,677,989	Amort	
Int Rate		Subtotal DCR	5.80

Additional	$0	Amort	
Int Rate		Aggregate DCR	5.80

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$44,625
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$7,563

Primary	$1,785,017	Amort	480
Int Rate	0.00%	DCR	1.17

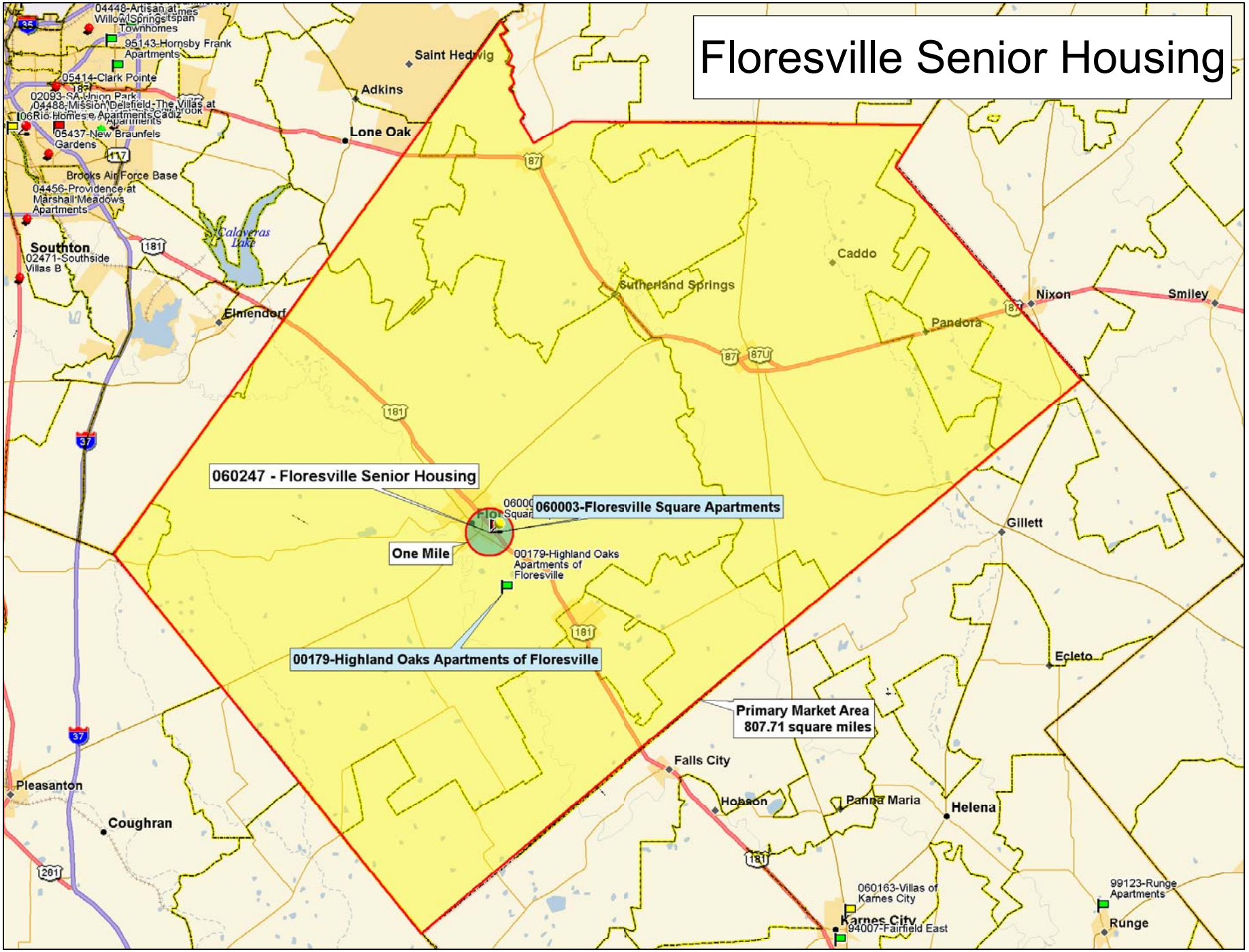
Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.17

Additional	$0	Amort	
Int Rate		Aggregate DCR	1.17

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	$147,412	$151,834	$156,389	$161,081	$165,913	$192,339	$222,974	$258,488	$347,386
Secondary Income	1,440	1,483	1,528	1,574	1,621	1,879	2,178	2,525	3,393
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	148,852	153,317	157,917	162,654	167,534	194,218	225,152	261,013	350,779
Vacancy & Collection Loss	(11,164)	(11,499)	(11,844)	(12,199)	(12,565)	(14,566)	(16,886)	(19,576)	(26,308)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$137,688	$141,819	$146,073	$150,455	$154,969	$179,652	$208,265	$241,437	$324,471
EXPENSES at 4.00%									
General & Administrative	$10,749	$11,179	$11,626	$12,091	$12,575	$15,299	$18,614	$22,646	$33,522
Management	10,417	10,729	11,051	11,382	11,724	13,591	15,756	18,265	24,547
Payroll & Payroll Tax	20,731	21,561	22,423	23,320	24,253	29,507	35,900	43,678	64,654
Repairs & Maintenance	14,298	14,870	15,465	16,084	16,727	20,351	24,760	30,124	44,591
Utilities	4,900	5,096	5,300	5,512	5,732	6,974	8,485	10,324	15,281
Water, Sewer & Trash	7,884	8,200	8,528	8,869	9,224	11,222	13,653	16,611	24,589
Insurance	7,148	7,433	7,731	8,040	8,362	10,173	12,377	15,059	22,291
Property Tax	4,573	4,755	4,946	5,144	5,349	6,508	7,918	9,634	14,260
Reserve for Replacements	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Other	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	$85,500	$88,815	$92,261	$95,841	$99,561	$120,458	$145,776	$176,454	$258,705
NET OPERATING INCOME	$52,188	$53,003	$53,812	$54,615	$55,408	$59,194	$62,490	$64,982	$65,765
DEBT SERVICE									
First Lien Financing	$44,625	$44,625	$44,625	$44,625	$44,625	$44,625	$44,625	$44,625	$44,625
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	$7,563	$8,378	$9,187	$9,989	$10,783	$14,568	$17,864	$20,357	$21,140
DEBT COVERAGE RATIO	1.17	1.19	1.21	1.22	1.24	1.33	1.40	1.46	1.47

Floresville Senior Housing



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Scale 1 : 350,000

1" = 5.52 mi

Data Zoom 9-2

LEGAL SERVICES DIVISION

BOARD ACTION REQUEST

MAY 10, 2007

Action Items

Presentation, Discussion and Possible Approval of list of factors that the Review Committee will consider in assessing compliance penalties under 10 TAC §1.20.

Required Action

Approve, deny or modify the list of factors, and the notice containing the list of factors, for publication in the *Texas Register* and on the Department's website.

Background

10 TAC §1.20(d)(3)(B) requires that the Department use a list of published factors to assess the amount of any monetary penalty authorized by the rule. The Department has developed a list of five (5) factors that it proposes to use. The factors are based primarily on the concepts that, (1) the penalties are not intended to be punitive but rather compensatory to the Department, (2) that regulatory penalties are generally strict liability not requiring any particular state of mind such as "intent" or "knowledge," and (3) that because the penalties are meant to reimburse the Department for the added costs of assuring the correction of rule violations, proving up the factors for any particular assessed penalty should not create a significant "burden of production" on the Department. The burden of proving the reasonableness (based on the factors) of any assessment, however, remains on the Department.

Recommendation

Approve, deny or modify the list of factors, and the notice containing the list of factors, for publication in the *Texas Register* and on the Department's website.

(for publication in the *In Addition* section of the Texas Register)

Texas Department of Housing and Community Affairs

Notice of Approval of Factors To Be Used In Assessing a Penalty Pursuant to 10 TAC §1.20, Concerning Asset Resolution and Enforcement.

The governing board ("Board") of the Texas Department of Housing and Community Affairs ("Department") has approved a list of factors that the Department shall use when assessing the amount of any penalty pursuant to 10 TAC §1.20, concerning Asset Resolution and Enforcement.

In developing these factors the Board considered the following: (1) the compliance penalties in 10 TAC §1.20 are not primarily intended to have a punitive effect but rather are based on "additional staff time and record keeping requirements associated with non-compliance..." as stated in the rule (See 10 TAC §1.20(d)(3)(A)); (2) compliance or regulatory penalties are generally considered strict liability violations not requiring proof of a particular state of mind (negligence, knowledge, recklessness or intent); and (3) because the purpose of the penalties is to offset the additional costs to the Department of investigating and correcting rule violations, the factors should not significantly increase the burden of production on the Department. The Department's burden of proof, however, does not change or shift.

Accordingly, at the May 10, 2007 open meeting, the Board approved the use of the following factors in assessing the amount of penalty:

1. Seriousness of the violation relative to health and safety of tenants
2. Deviation from LURA and intended benefits to Texans
3. Time and effort expended by Staff in notifying owner of the violation and in monitoring the correction of the violation.
4. Promptness in responding to Staff's communications and correcting the violation
5. History of previous violations of the owner or property

This notice will also be placed on the Department's website.

LEGAL SERVICES DIVISION

BOARD ACTION REQUEST

MAY 10, 2007

Action Items

Presentation, Discussion and Possible Approval for publication in the *Texas Register* of draft proposed amendments to 10 TAC §60.17, concerning Utility Allowances.

Required Action

Approve, reject, or approve with modifications the draft proposed amendments to 10 TAC §60.17, concerning Utility Allowances, for publication in the *Texas Register*.

Background

The Housing Tax Credit and Bond development programs offered by TDHCA set rent limits that include an allowance for utilities. Because rents limits are fixed, the greater the allowance for utilities, the less revenue may be attributed to rents by the property owners. For example, an allowable rent of $480 will generate $405 in rent if the utility allowance is only $75. However, if the utility allowance rises to $190, only $290 is available to the owner as to rent income. The relative partitioning of the rent dollar depends primarily on the general level of utility rates and usage and, to some degree, on the method that the property owner uses to calculate the utility allowance.

Treasury Regulations currently outline four different options that property owners may use to estimate utility allowances. In January 2007, the Internal Revenue Service released the 8823 Audit Guide which, in effect, created a fifth option for calculating utility allowances based on expected or historical use. The Audit Guide says, "tax payers may calculate utility allowances for the rent-restricted units in the building based upon an average of the actual use of similarly constructed and sized units in the building using actual utility usage data and rates…" The Guide also requires that the taxpayer receive written approval from the state agency to use such a methodology and requires state agencies to "review the methodology used to calculate the estimate for reasonableness, and ensure that the estimate is computed accurately."

The Department has developed a general methodology that it believes is reasonable and will produce accurate estimates. The owner may choose to use this methodology or may be required by the Department to use the methodology if the PHA allowance does not accurately reflect the cost of utilities. The amendments to 10 TAC §60.17 proposed herein set forth staff's proposed methodology.

To ensure that the estimate is reasonable and accurate, staff's methodology requires the owner to use billing histories from all of the continuously occupied units over the 12 months preceding the request for the data from the utility provider. This helps to ensure that only the most recent rates are reflected in the allowance and that there is no "cherry-picking" of the billing histories to keep the allowance artificially low. Properties in lease up or with excessive vacancies must use a minimum of 20% of each unit type and size. Owners are required to submit backup data on unit characteristics and must calculate utility allowances for each bedroom size (# bedrooms per unit).

The draft proposed language has been developed and reviewed internally however it has not been presented to the public for comments prior to this Board meeting.

Recommendation

Approve, Reject, or Approve with modifications the draft proposed amendments to 10 TAC §60.17, concerning Utility Allowances, for publication in the *Texas Register*.

The Texas Department of Housing and Community Affairs proposes amendments to §60.17, concerning Utility Allowances. The amendments are necessary to meet certain requirements of the Internal Revenue Service found in the 2007 Form 8823 Audit Guide. The Guide allows rental property owner-tax payers to calculate utility allowances for rent-restricted units in buildings based upon an average of the actual use of similarly constructed and sized units in the building using actual utility usage data and rates. The Guide requires that state agencies assure that the methodology is reasonable and computed accurately. The proposed amendments to subsections (c), (d), and (e) set forth a methodology that the Department considers to be reasonable and that results in an accurately computed utility allowance.

Michael Gerber, Executive Director, has determined that for the first five-year period the amendments are in effect there will be no additional cost to state or local governments as a result of enforcing or administering the amendments.

Mr. Gerber has also determined that for the first five-year period the amendments are in effect the public will benefit in that utility allowance estimates will more accurately track recent payment history. This is important as utility rates may fluctuate greatly from year to year. Mr Gerber has also determined that for the first five-year period there will be no economic cost to individuals required to comply with the rule and no adverse economic effect on small businesses.

Comments on the proposed amendments may be submitted to Mr. Kevin Hamby, General Counsel, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, TX 78711-3941, or by e-mail to kevin.hamby@tdhca.state.tx.us. Comments must be received no later than 30 days from the date that these proposed amendments are published in the Texas Register.

The amendments are proposed under Tex. Gov't Code §§2306.053(b)(4) which permits the Department to adopt and enforce bylaws and rules and §2306.141 which gives the Board the duty and power to adopt rules governing the administration of the housing finance division and its programs.

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

§60.17. Utility Allowances.

(a) No Change.

(b) No Change.

(c) Owners that want to switch from using a PHA allowance to a utility company [~~written~~] estimate or vice versa must have written approval from TDHCA.

(d) If an owner or the Department believes that the published PHA allowance does not accurately reflect the costs of utilities, the owner may elect [~~be required~~] to calculate or may be required by the Department to calculate utility allowances for rent restricted units in the building based upon the methodology in subsection (e)[~~an average cost of the actual use of similarly constructed and sized units in the building using actual usage data and rates~~].

(e) An[~~If an~~] owner computing[~~es~~] the utility allowance estimate based on the expected or historical use by HTC buildings/units shall use the following methodology:

(1) The owner must obtain prior written consent from the Department to use this methodology. The request must specify the owner's calculated unit utility allowance by bedroom size (# of bedrooms per unit).

(2) The allowance must be calculated based upon a one-year billing history documenting the actual utility costs for 100% of the continuously occupied low income units over the 12 months preceding the request to the utility provider for data.

(3) Properties in lease up or with excessive vacancies must use a minimum of at least 20% of each unit type and unit size throughout the development. The units used in calculating the allowance must have been continuously occupied over the last 12 months.

(4) Owners must submit information including a listing of all units on the property, the number of bedrooms, bathrooms and square footage for each unit, and the one year billing history broken down by month for each unit used to calculate the allowance. This information must be submitted electronically in an excel spreadsheet. In addition, a rent roll for each month used to calculate the allowance must be submitted. All data must be submitted within 45 days of receipt of the information from the utility provider.

(5) The Department will respond in writing confirming or contesting the owner's calculation within 30 days of receipt. If the owner's calculation is confirmed, the letter will establish an effective date. If the allowance increases, owners must implement the allowance for all rent restricted units within 90 days of the effective date.

(6) Once this method is established, a utility study must be conducted annually and the 12 month period for all units must be same. The calculated allowance is valid for twelve months.

(7) The Department may require owners to calculate an allowance using the above methodology if there is no local Public Housing Authority or if the local Public Housing Authority allowance is outdated or does not account for utilities the resident is responsible for.

(8) Owners may use this methodology for each utility (electric, water gas etc.) or may combine this methodology with written a local estimate or local Public Housing Authority Allowance.[~~, the estimate must be calculated in a reasonable manner and contemporaneously documented to show how the estimate was determined.~~]

(f) No Change.

(g) No Change.

David Gaines, CPA, CISA
11406 Eveningstar Dr.
Austin, TX 78739

April 25, 2007

Governing Board
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Dear Members of the Board:

Please accept this as formal notice of my retirement from the position of Director of Internal Audit, effective May 31.

Thank you for the opportunities for professional and personal development that you have provided me over the years. While I believe that I am retiring from my current position for good reason, I will miss the agency's mission and hope to have future opportunities to work with you, management and staff in helping achieve an improved quality of life for all Texans through the development of better communities.

Thank you for your support during my time with the agency, which I have found enjoyable and fulfilling.

If you decide, I believe that Greg Magness will serve the Department well as Acting Director until the position is filled. Please let me know if I can be of any assistance during this transitional period.

Sincerely,

David Gaines

TDHCA
APR 25 2007
HUMAN RESOURCE OFFICE

cc: Michael Gerber
TDHCA Executive Director

Tim Irvine
MHD Executive Director

Home: (512) 280-9513; DCGaines@austin.rr.com; Cell: (512) 809-1942

Texas Department of Housing and Community Affairs

Director of Internal Audit Job Description

Internal Audit Division

BOARD ACTION REQUEST

May 10, 2007

Action Items

Presentation, Discussion and Possible Approval of the Job Description of the Director of Internal Audit and posting of the position.

Required Action

Review and approve of the Job Description of the Director and Internal Audit.
Approve posting of the position based on the Job Description.

Background

The position of the Director of Internal Audit becomes vacant on June 1, 2007.

Recommendation

Approve the proposed Job Description of the Director of Internal Audit and posting of the position.

Texas Department of Housing and Community Affairs
Director of Internal Audit
Job Description

Employee: **Social Security:**
State Classification: B18 **Class #:** 1621
Working Title: Director of Internal Auditing **Employees Supervised:** 3
Group: **Division:** Internal Audit **Section:** Internal Audit
[X] **Regular Full Time** [ ] **Regular Part Time** [ ] **Temporary Full Time** [ ] **Temporary Part Time**

Supervisor Name: Shadrick Bogany, Chairman of TDHCA Audit Committee
Michael Gerber, Executive Director (Administratively)

Date Prepared: April 30, 2007

To be completed by Human Resources Office

FLSA Status	Job Category
☐ Covered	☐ A - Officials and Administrators
☐ Exemption	☐ P - Professionals
☐ Executive	☐ T - Technicians
☐ Professional	☐ Q - Para-Professionals
☐ Administrative	☐ C - Administrative Support

GENERAL DESCRIPTION

Performs highly advanced (senior-level) managerial work providing direction and guidance in strategic planning and operations of the Internal Audit Division (Division) of the Texas Department of Housing and Community Affairs (Department). Work involves establishing the goals and objectives of the Division; developing policies, procedures, standards, and measurement tools for determining progress in meeting goals; establishing priorities; and reviewing and approving the Division's budgets. Plans, assigns, and supervises the work of others. Performs highly responsible administrative work directing the internal auditing program of the Department.

Reviews Department program guidelines, procedures, rules, and regulations and assesses management compliance with such. Reviews and assesses standards and measurement tools used by management for determining progress in meeting goals and evaluation tools used by management in assessing program activities. Provides management guidance in moderately complex management activities. Work involves planning, assigning and supervising work of internal auditing staff, planning and coordinating internal audits, as well as coordinating all external and state audits of the Department.

Works under minimal supervision with high expectations of exercising initiative and independent judgment. The Director of Internal Auditing reports directly to the Board of Directors.

ESSENTIAL DUTIES

- Plans, directs, assigns, and supervises activities of staff within the Division and the internal audits of the Department's functions and records.
- Establishes goals and objectives of the Division that support overall Department strategies.
- Plans, develops, and approves internal audit schedules, priorities, and standards for achieving goals; and directs internal audit evaluation activities; ensures compliance with generally accepted auditing standards and internal auditing standards.
- Develops and implements techniques for evaluating program activities.
- Establishes policies and procedures for audit functions; evaluates and updates present procedures.

- Prepares the annual audit plan based on a risk analysis.
- Directs the preparation of the Internal Auditing Division's operating and financial budgets, recommends staffing and funding for program activities and provides final approval within the Division.
- Submits personnel actions for the internal audit staff.
- Identifies staff development and training requirements for Internal Auditing staff.
- Ensures Department functions are reviewed regularly.
- Keeps division personnel informed of latest program, legislative and administrative developments.
- Reviews guidelines, procedures, rules, and regulations; and monitors compliance pertaining to program areas.
- Evaluates compliance with Department policies.
- Reviews new program proposals and presents recommendations.
- Reviews results of special investigations, internal audits, research studies, forecasts, and modeling exercises to provide direction and guidance.
- Writes and presents clear and direct reports of audit results.
- Effectively orally communicates with Board Members, Executive Team, and others.
- Reports audit status and results to the Board of Directors and Executive Director.
- Serves as agency point of contact for other state or federal agencies' auditing and monitoring functions; coordinates activities of external and state auditors.
- Directs special projects as requested by the Board of Directors and Executive Director of the Department.
- Represents the Department in business meetings, legislative sessions and committees requiring technical or professional audit expertise.
- Testifies at legislative meetings as appropriate.
- Performs related work as assigned.

KNOWLEDGE, SKILLS AND ABILITIES
- Thorough knowledge of finance administration, budget control and fiscal accounting.
- Extensive experience auditing complex Federal and state programs with involved program activities and goals.
- Knowledge of local, state, and federal laws and regulations relevant to program areas; and of the principles and practices of public administration and management.
- Thorough knowledge of auditing theory and technique, personnel management and office procedures.
- Ability to plan, organize, coordinate and direct audit operations; to establish the Internal Auditing program's goals and objectives; to identify program problems, evaluate alternatives, and offer effective solutions; to evaluate policies and procedures; to make presentations at Board meetings; to plan, assign, and/or supervise the work of others; and to prepare concise reports and communicate effectively.

EDUCATION/EXPERIENCE
Graduation from an accredited four-year college or university with major course work in accounting, business administration or a related field. Five years of management experience leading an audit staff, preferably in government sector.

REGISTRATION, CERTIFICATION, OR LICENSURE
Shall be either a Certified Public Accountant or Certified Internal Auditor

OTHER
Must be willing to work in a non-smoking environment and adhere to all applicable Department safety rules and policies. Must be willing to travel 20% and work overtime if necessary.

REPORT ITEMS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber

From: Gordon Anderson

cc: Brooke Boston, Michael Lyttle

Date: April 30, 2007

Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for April 2007. 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, April 2007

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
HOME application workshop/ Persons with Disabilities	Harlingen	April 2-3	HOME	Training
First Thursday Income Eligibility Training	Austin	April 5	Portfolio Management and Compliance	Training
HOME Task Force Meeting	Austin	April 10	HOME	Participant
"United Texas – Housing Initiatives that Work" Realtor Training	Odessa	April 18	Texas Homeownership	Training
Wednesday TBRA Workshops	Austin	April 18	HOME	Training
Disaster Recovery Public Hearing	Houston	April 19	Executive, Disaster Recovery	Public Hearing
Meeting with MLK Regional CDC of East Texas	Austin	April 19	HOME, Multifamily, Homeownership, Office of Colonia Initiatives	Presentation, Participant
"United Texas – Housing Initiatives that Work" Realtor Training	Sherman	April 19	Texas Homeownership	Training
"United Texas – Housing Initiatives that Work" Realtor Training	Corpus Christi	April 26	Texas Homeownership	Training
2007 Coastal Plains Economic Development Conference	Robstown	April 26-27	HOME	Presentation

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM
May 10, 2007

Background

The TDHCA Board requested a monthly status report to provide an updated status on HOME amendments previously approved by the Board.

Summary of HOME Amendment Process

HOME Administrators may request amendments to existing contracts; however, in order for a request to be considered, the Administrator must:

- submit justification, extenuating circumstances, or compelling reasons for the request; and
- submit a request that would still have resulted in an award of HOME funds if the original application had been submitted according to the requested changes; and
- be in compliance with monitoring and auditing requirements for all Department programs.

The 2006 HOME Rules in the Texas Administrative Code, Title 10, Part 1, Chapter 53, Rule §53.62(b)(3) states 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.

Summary of Previously Approved HOME Amendments

The following Administrators do not have acceptable progress in the administration of their amended HOME contract:

Contract #	Administrator Name	Reason Progress Not Acceptable	Staff Comments
1000186	Brewster County	The contract end date is 3/31/07. 100% of the funds have not been committed and only eight (8) are in process.	The Administrator will not be able to assist one (1) unit. The additional funds will be deobligated at closing.
1000020	City of Cotulla	Delinquent Monthly Report	Staff has requested that monthly report be submitted.
1000028	La Salle County	Delinquent Monthly Report	This is the Administrators first delinquent report; they have been contacted to submit report.
1000156	Val Verde County	Delinquent Monthly Report	This is the Administrators first delinquent report; they have been contacted to submit report.
1000299	City of Pearsall	Delinquent Monthly Report	This is the Administrators first delinquent report; they have been contacted to submit report.

Board Approval Date	Administrator	Contract Number	Activity Type	Amendment Type	Date Report Received	Progress Acceptable?	Req # of Units	Units in Process	Units @100% (To Date)	Start Date	End Date	Project Budget Amt.	Project Committed Amount	Project Expended Amount	% Time Expired	% Committed	% Drawn Amt.	PMC Update
5/4/2006	Affordable Caring Housing	1000341	TBRA	Match Elimination	4/11/07	Y	35	43	5	10/1/04	9/30/07	$233,311	$151,262	$124,068	85%	65%	53%	A six (6) month extension was granted. All remaining houses are between 38%-95% complete.
5/4/2006	Affordable Caring Housing	1000342	TBRA	Match Elimination	4/11/07	Y	20	15	19	10/1/04	3/31/07	$174,048	$124,371	$117,741	100%	71%	68%	A six (6) month extension was granted. All remaining houses in the construction process.
6/9/2006	Brewster County	1000186	OCC	Extension	4/11/07	N	9	0	8	1/1/04	3/31/07	$500,000	$439,928	$439,928	100%	88%	88%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
6/9/2006	City of Nash	1000486	OCC	AMFI Modification Match Reduction	4/3/07	Y	8	8	0	10/3/05	9/28/07	$477,232	$440,000	$0	78%	92%	0%	Administrator has eight (8) units in process.
6/26/2006	Laredo-Webb NHS	542040	HBA	Extension	4/17/07	Y	20	5	15	10/1/03	6/30/07	$300,000	$270,000	$225,000	95%	90%	75%	Construction of sixteen (16) units was reported as 100% completed, three (3) units are at 70% and one (1) unit is at 66%.
7/12/2006	City of Jonestown	1000277	OCC	Reduction in units (8 to 3), Waiver of $55,000 cap & Ext.	4/3/2007	Y	3	3	0	10/1/04	3/31/07	$191,853	$127,902	$0	100%	67%	0%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
7/12/2006	Midland Habitat for Humanity	1000541	HBA	AMFI Modification	4/10/2007	Y	4	2	0	10/3/05	9/28/07	$40,000	$20,000	$0	78%	50%	0%	Construction on two (2) units was reported as 98% complete, one (1) unit at 75% and one (1) unit at 35% complete.
8/30/2006	City of Socorro	542052	HBA	Extension	4/30/07	Y	41	18	31	10/1/03	3/31/07	$500,000	$490,000	$310,000	100%	98%	62%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
10/12/2006	City of Cotulla	1000020	OCC	Extension		N	10	10	0	12/1/03	3/31/07	$500,000	$500,000	$368,319	100%	100%	74%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
10/12/2006	City of Mesquite	1000327	OCC	Extension	4/2/2007	Y	3	3	0	10/1/04	3/31/07	$198,000	$148,972	$132,189	100%	75%	67%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
10/12/2006	La Salle County	1000028	OCC	Extension		N	10	10	9	12/1/03	3/31/07	$500,000	$500,000	$491,400	100%	100%	98%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
10/12/2006	Val Verde County	1000156	OCC	Extension		N	6	3	3	9/1/03	3/31/07	$300,000	$300,000	$158,245	100%	100%	53%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
11/9/2006	Alpha Concepts	1000301	HBA	Extension	4/18/2007	Y	29	0	0	10/1/04	4/30/08	$350,000	$0	$0	71%	0%	0%	In the process of identifying eligible households.
11/9/2006	City of Lewisville	1000253	OCC	Reduction in units (8 to 6) & Extension	4/5/2007	Y	6	6	0	10/1/04	6/30/07	$321,884	$321,884	$0	93%	100%	0%	Construction on one (1) units was reported as 90% complete, one (1) as 85%, one (1) as 75%, one (1) at 50%, one (1) at 10% and one (1) beginning construction.
11/9/2006	City of Midland	1000264	HBA	Reduction in units (10 to 6) & Extension	4/5/2007	Y	6	1	5	10/1/04	6/30/07	$41,500	$41,500	$34,000	93%	100%	82%	Administrator has reported that all units are 100% complete.

Board Approval Date	Administrator	Contract Number	Activity Type	Amendment Type	Date Report Received	Progress Acceptable?	Req # of Units	Units in Process	Units @100% (To Date)	Start Date	End Date	Project Budget Amt.	Project Committed Amount	Project Expended Amount	% Time Expired	% Committed	% Drawn Amt.	PMC Update
11/9/2006	City of Pearsall	1000299	OCC	Extension		N	10	0	0	10/1/04	4/30/08	$500,000	$0	$0	71%	0%	0%	Process of Procurement
11/9/2006	City of Presidio	1000302	OCC	Extension	4/4/2007	Y	9	0	0	10/1/04	4/30/08	$448,848	$0	$0	71%	0%	0%	Process of Procurement
11/9/2006	City of Texarkana	1000305	OCC	Increase in Budget & - Extension	4/5/2007	Y	2	1	1	10/1/04	3/31/07	$110,000	$110,000	$55,000	100%	100%	50%	Administrator has 60 days after end date to submit draw requests. Uncommitted funds will be deobligated.
11/9/2006	Frio County	1000308	OCC	Extension	4/5/2007	Y	10	0	0	10/1/04	4/30/08	$500,000	$0	$0	71%	0%	0%	Construction on six (6) units was reported as three (3) at 10% complete and three (3) at 5% complete.
11/9/2006	Town of Anthony	1000298	OCC	Extension	3/22/2007	Y	4	0	0	10/1/04	4/30/08	$180,333	$0	$0	71%	0%	0%	Administrator has reported that four (4) units are in the process.
11/9/2006	Zapata County	1000297	OCC	Extension	4/27/2007	Y	10	0	0	10/1/04	4/30/08	$500,000	$0	$0	71%	0%	0%	Process of Procurement
12/14/2006	Accessible Community, Inc.	1000360	TBRA	Extension	4/10/2007	Y	65	63	30	2/1/05	10/31/08	$709,642	$517,575	379,186	59%	73%	53%	Construction on thirty (30) units was reported as 100% complete. All others were reported as being in progress.
12/14/2006	Angelina County	1000607	OCC	Extension	4/5/2007	Y	5	5	0	4/17/06	10/31/07	$300,000	$0	$0	66%	0%	0%	In the process of ascertaining clear title on two (2) eligible units and appraisal in progress for three (3) units.
12/14/2006	San Augustine County	1000604	OCC	Extension	4/5/2007	Y	3	0	0	4/17/06	10/31/07	$166,667	$0	$0	66%	0%	0%	Beginning title search on one (1) unit, qualifying applicants on two (2).
12/14/2006	Trinity County	1000605	OCC	Extension	4/9/2007	Y	3	0	0	4/17/06	10/31/07	$166,667	$0	$0	66%	0%	0%	Searching for qualified applicants

PORTFOLIO MANAGEMENT AND COMPLIANCE DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM
May 10, 2007

Background

The HOME Program Performance "SNAPSHOT" is a quarterly cumulative performance report, which can be useful in tracking the HOME program progress and in keeping informed of activities undertaken with HOME funds. The SNAPSHOT is a national comparison of the 51 states administering the HOME Program as Participating Jurisdictions. The performance SNAPSHOT is an important tool in helping to evaluate program performance by providing a context for accomplishments. In addition to the Overall Rank, the following categories are also ranked on the SNAPSHOT:

State of Texas Program Progress	Rank as of December 2006	Rank as of March 2007
Overall Rank:	**42**	**33**
Program Progress:		
% of Funds Committed	17	19
% of Funds Disbursed	43	44
Leveraging Ratio for Rental Activities	43	43
% of Completed Rental Disbursements to All Rental Commitments**	39	19
% of Completed CHDO Disbursements to All CHDO Reservations**	47	28
Low-Income Benefit:		
% of 0-50% AMI Renters to All Renters	29	25
% of 0-30% AMI Renters to All Renters**	19	22
Lease-up:		
% of Occupied Rental Units to All Completed Rental Units**	1	19

Several caveats should be kept in mind when reviewing the SNAPSHOT information: Numbers alone, no matter how reliable, cannot fully describe performance in this or any other program. Therefore, these performance SNAPSHOTs are not intended to be the final word on the success or quality of a local or State HOME program. For example, the performance SNAPSHOT will not capture the size or complexity of development projects undertaken by states and no additional credit is given to states that undertake more difficult projects. The State of Texas, unlike most other states, provides assistance in the four HOME eligible activity types. The SNAPSHOT will not capture whether the state is out of compliance with HOME program requirements as identified through independent audits or HUD monitoring visits. The State of Texas does not have any outstanding monitoring issues.

In addition, the SNAPSHOT does not take into account the amount of funding received by each of the states. In 2006, Texas received the second highest allocation (approximately $40.6 Million), second only to California (approximately $55.6 Million). The State of New York is third largest with an allocation of $35.5 Million; Ohio is fourth largest with $27.6 Million, and Pennsylvania is fifth largest with an allocation of $26 Million. Only four (4) other states receive

allocations greater than $20 Million. The remaining forty-two (42) states receive less than $20 Million each. Twenty-three (23) states actually receive allocations of less than $10 Million.

The states with the larger allocations generally have lower rankings on the SNAPSHOT. Of the ten states with the highest allocation, the highest ranking was 30th (Illinois with an allocation of $22.4 Million). The states with the smaller allocations tend to have the higher rankings, such as Vermont, which is ranked 1st and receives $3.5 Million.

When Texas is compared to the five comparable states that received the highest amount of funding, Texas ranks highest at 33, higher than California (38), New York (44), Ohio (46) and Pennsylvania (48). When Texas is compared to the 10 states receiving the greatest amount of funding, Texas actually ranks 2nd, ranking higher than California and seven (7) other states receiving significantly less funding.

Current and Proposed Initiatives to Improve Performance

The goal of the Department is to make every effort to significantly improve its ranking on the HUD SNAPSHOT. As of December 2006, the National Rank of the Department was 42 out of 51 State Participating Jurisdictions. On the March 2007 report, the Department's ranking improved nine spaces to 33.

The Department initiated several strategies to improve SNAPSHOT performance, including adding interim commitment and expenditure milestones to contracts initiated with the adoption of the 2006 Department HOME rules. The Department is actively tracking Contract Administrator performance to ensure that contract funds are committed to households and expended in accordance to these required milestones. Quarterly status reports are sent to Administrators to inform them of their current contract performance. The goal of these efforts is to improve the commitment rate and expenditure rate of open HOME contracts.

The 2006 Department HOME Rules were also revised to include incentives for performance. Applicants will receive points for having received an award and performed in accordance with their contracts and Department rules. If unsatisfactory performance exists on any prior award regardless of set aside or activity, a score of zero points will result for that category. In cases where entities have been funded for multiple years, the most recent award will be reviewed for performance. Unsatisfactory past performance on any contract will be forgiven if two (2) years from the application deadline date has elapsed.

The Department's deobligation policy was recently amended to enhance the Department's ability to commit and expend deobligated funds more efficiently than the prior rules allowed. The Department has also addressed the need for technical assistance to improve the performance of Contract Administrators by creating a HOME Division with both award and technical assistance responsibilities. The HOME Division has initiated a technical assistance plan for the 2006 contracts and provides technical assistance on a case-by-case basis for pre-2006 contracts as referrals are received from the PMC Division. Training continues to be conducted by HOME Division staff to focus on improvement of all aspects of contract performance, including commitments and expenditures.

Texas Department of Housing and Community Affairs

Housing Tax Credit Ownership Transfers - 1st Quarter 2007

Dev. No.	Date Approved	Development	City	County	Region	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	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). O=other change
04425	1/3/07	The Masters	Dallas	Dallas	3	Mercury Development, LLC (Owner of GP)	WOLCO Development, LLC (Owner of GP)	**NC -** Different name than originally proposed was used because name originally proposed was not available.
95027	1/8/07	Western Redd Road	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Redd Road, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
95028	1/8/07	Western Yarbrough	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Yarbrough, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
96070	1/8/07	Western Gallagher	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Gallagher, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
97023	1/8/07	Western Crosby	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Crosby, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
97025	1/8/07	Western Carolina	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Carolina, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
97088	1/8/07	Western Burgundy	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Burgundy, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
98093	1/8/07	Lee Seniors	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Lee Elderly, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
99097	1/8/07	Western Eastside Seniors	El Paso	El Paso	13	The Housing Authority of the City of El Paso (GP)	Affordable Housing Western Eastside Elderly, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
060239	1/24/07	Timber Creek at Sienna Hills	Beaumont	Jefferson	5	MGroup Holdings, Inc. (GP)	TC36 General, LLC (GP)	**R -** New GP is wholly owned and controlled by original GP.
04439	2/8/07	Uvalde Ranch	Houston	Harris	6	NA	Hettig Development Group IV, Ltd. (SLP)	**R -** Developer/Guarantor became SLP at request of syndicator/lender.
93129	2/13/07	Project 93 04	Edinburg	Hidalgo	11	Theodore C. Miller, Jr. (O)	Alvano Castillo (O)	**S -** The development was purchased by an investor.

Dev. No.	Date Approved	Development	City	County	Region	Entity Departing (GP=general partner, O=owner, SLP=special limited partner, D=developer)	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). O=other change
91122	2/21/07	Maryland I	Mission	Hidalgo	11	Mary A. Talboys (O)	Avenada T. Carreon (O)	**S -** The development was purchased by an investor.
060118	3/19/07	Sunset Haven	Brownsville	Cameron	11	Brownsville Housing Authority (O of GP)	Brownsville Housing Management Corporation (O of GP)	**R -** New owner of GP is instrumentality of original owner of GP.
070001	3/20/07	Fairway Crossing	Dallas	Dallas	3	Fairway Townhomes Housing, L.P. (GP)	Townhomes at Fairway Crossing, L.L.C. (GP)	**S -** New investor bought allocation from original applicant. Hardship forced sale.
060206	3/23/07	The Gardens of Mabank	Mabank	Kaufman	3	Continental Realty, Inc. (O of GP)	Keystone Kansas Development Group, Inc. (O of GP)	**R -** New owner of GP is wholly owned and controlled by original owner of GP.
060208	3/23/07	The Gardens of Gatesville	Gatesville	Coryell	8	Continental Realty, Inc. (O of GP)	Keystone Kansas Development Group, Inc. (O of GP)	**R -** New owner of GP is wholly owned and controlled by original owner of GP.
060419	3/23/07	The Gardens of Weatherford	Weatherford	Parker	3	Continental Associates VI, Inc. (SLP) and Continental Realty, Inc. (O of SLP)	Continental Associates VI, Inc. (Co-GP) and Keystone Kansas Development, Inc. (O of Co-GP)	**R -** SLP became Co-GP. Control of new Co-GP transferred to new organization having same owner as original organization.
060420	3/23/07	The Gardens of DeCordova	Granbury	Hood	3	Continental Associates VIII, Inc. (SLP) and Continental Realty, Inc. (O of SLP)	Continental Associates VIII, Inc. (Co-GP) and Keystone Kansas Development, Inc. (O of Co-GP)	**R -** SLP became Co-GP. Control of new Co-GP transferred to new organization having same owner as original organization.
01442	3/28/07	Buena Vista Seniors Community	Cleburne	Johnson	3	Kenneth H. Mitchell (O of GP)	Hunt Building Company, Ltd. (O of GP)	**S -** The development was purchased by an investor.

Real Estate Analysis Division

EXECUTIVE DIRECTOR'S REPORT ITEM

May 10, 2007

Item

Presentation, review and discussion of potential increases in the cost of construction in East Texas particularly single family construction costs in Orange County and Angelina County, Texas.

Background

Construction costs in all of Texas have been impacted by the aftermath of reconstruction in Hurricane Rita and Katrina impacted areas. TDHCA addressed this shock to construction costs for tax credit developments completed since the hurricanes with the 14% increase in cost and resulting forward credit allocation to address the increase for developments awarded funds in 2004 and 2005. In addition, all 2006 and 2007 allocations are using updated cost information to address ongoing cost pressures. Staff and the Board continue to hear concerns with regard to development costs particularly in areas closest to the devastation caused by the Hurricane. In response to comments made at the April 12, 2007 Board meeting, the Board asked staff to conduct research and report on the current construction costs in this area of Texas.

One of the Department's primary tools for evaluating the cost of housing is the Marshall and Swift Residential Cost Handbook. This nationally recognized estimating tool is used primarily by appraisers, lenders, and real estate professionals to estimate the cost approach for completed homes and multifamily developments. This source of information is updated on a quarterly basis and provides useful cost multipliers for 27 submarkets across the State of Texas which are also updated every three months. Marshall and Swift have evidenced increases in construction costs in the range of 5 to 8% in the Orange/Beaumont market over the past year. Current construction costs including contractor fees from this source range from $64 to $68 per square foot of living area for an average quality 1,300 to 1,400 square foot home with garage.

Staff also contacted over 20 real estate professionals in the Orange and Lufkin areas, and actually communicated with over 10. Seventy percent of those whom staff communicated with were identified as builders from a search on the internet and the remaining contacts were Brokers in the area. The majority of the professionals we spoke with indicated that they believed that construction costs in the area have actually come down in the last six months. The general consensus was that material costs have subsided or stabilized (except for concrete which has increased significantly). They also indicated that the skilled labor supply may be tight for some time to come as many of the skilled craftsmen and construction workers are engaged in New Orleans/Louisiana/Mississippi markets. Construction cost estimates from these experts range from $61 per foot for a spec home to $100 plus per foot for a custom home on an all in, turn key basis. Most estimates were in the $60 to low $80 per foot and $110,000 to $130,000 per home for a 1,300 square foot home, though few indicated that they were building any spec homes as small as 1,300 square feet.

The development that prompted this study is called Pineywoods Orange and consists of 50 single family units on 30 scattered sites throughout Orange. The general partner for this development has already bid the development out and the best bid received was the bid from G & G Enterprises. It reflected a total contractor cost of $143,000 or $108 per foot. As part of our survey we contacted G & G which we realized later was the successful bidder. They indicated a typical 1,500 square foot spec home with a 2 car garage would cost around $120,000 or $80 to $82 per foot. They did indicate to us that they had a contract to build 76 homes in the area at $62 per foot. We realized after the call that this estimate included the garage and patio square footage in the denominator of cost per square foot so it gives the impression that costs are lower because the square footage being considered is greater. Due to this easy misunderstanding staff re-checked with the folks that originally gave us estimates to confirm these costs. In addition to the contractor costs the applicant for the Pineywoods Orange development anticipated indirect and developer fees and other costs to bring the total per unit development cost as of March 23, 2007 up to $206,823 per unit or $155 per square foot. In more recent conversations with the applicant, they have indicated that some cost savings have been found in the last budget provided, but as of this report that revised budget has not been provided.

We also spoke with local Brokers and researched the web for listings of homes for sale. Resale of homes in the area typically consist of older homes, generally 20 plus years old. These older homes outnumber newer homes for resale by 20 to 1. Older homes in this area sell on average for $63 a square foot or $80,000 to $85,000 for a 1,200 to 1,400 square foot home. Newer homes sell for a premium at a price of $110,000 to $135,000, depending on location. There are very few brand new homes in this size range for sale. This may be based on a limited demand for such homes or more likely is a result of an abundant supply of older small homes.

Conclusions:

Based upon the current construction costs and the current resale values several conclusions can be drawn. The cost of new construction has increased in the area by 5 to 8% over last year but appear to currently be more stable. While costs have increased they do not appear to have increased to the level suggested by the latest costs available from the Pineywoods Orange development. The information from the survey of local professionals suggests that larger new custom homes could be acquired for the same or less total cost as the latest total cost per home estimated by the applicant for the Pineywoods Orange development. New construction of smaller homes may be limited as long as an abundant supply of much lower cost, older resale homes are available.

Texas Department of Housing and Community Affairs

Bond Finance Division

Subprime Analysis – May 17, 2007

Subprime Mortgages Defined

According to several sources, subprime mortgages are for borrowers with FICO credit scores generally under 620. Subprime mortgages are given to people who wouldn't qualify for standard home loans because they have a relatively poor or insufficient credit history. Subprime loans have higher interest rates than equivalent prime loans.

Subprime loans are also rated A- and below. According to the Federal Reserve Bank of Dallas, if a subprime loan is rated an A-, its interest rate will be 1 to 2 % higher than conventional rates, a B rated loan will be 2 to 4% higher, a C rated loan will be 3 to 5% higher, and a D rated loan will be 6+% higher.

Alternative-A mortgages, or "Alt-A", are mortgages based on low documentation, allowing for some individuals to avoid having to provide or verify details on their income and assets in return for a modestly higher mortgage rate.

I. Executive Summary

On March 17, 2007, Matt Pogor, Director of Bond Finance with the Texas Department of Housing and Community Affairs ("TDHCA" or the "Department") met with the Texas Bond Review Board to request the approval of Single Family Mortgage Revenue Bonds 2007 Series A. At that planning meeting, the Bond Review Board requested Matt Pogor return on May 17, 2007 with a report that addresses the need for TDHCA to request a waiver with each bond issuance that sets aside 40% of each structure for subprime requirements as directed by the Texas Government Code, Section 2306.142(i).

Per Senate Bill 322 passed during the 77th Texas Legislative Session, the Department was required to conduct a market study to determine the home mortgage credit needs in underserved economic and geographic sub-markets in the state. This market study was used to evaluate the feasibility of developing a subprime lending product by dedicating 40% of the Single Family Mortgage Revenue Bond Program loan volume towards meeting the needs of underserved economic and geographic submarkets. The Department conducted the study, and in response issued a $10 million mortgage revenue bond structure in conjunction with Fannie Mae's Expanded Approval (EA) mortgage loan products to address subprime needs; however, due to program cost and poor loan origination, the program was terminated. Because TDHCA continues to reach out to the subprime markets through its current involvement with Fannie Mae's "MyCommunityMortgage" loan products which address the needs of the subprime market in Texas and our inability to structure a viable subprime product, TDHCA's Board continues to request a waiver of the requirements of Section 2306.142(i).

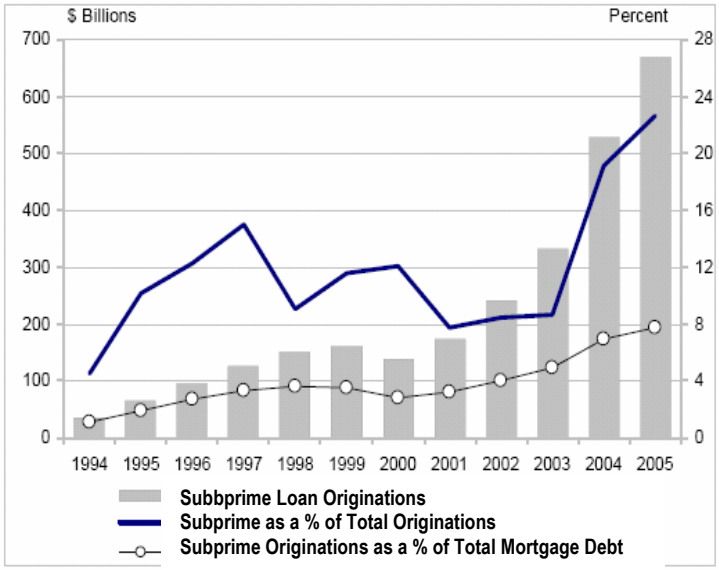
II. TDHCA's Subprime History

In June 2002, TDHCA became the first tax-exempt bond issuer to offer Fannie Mae's Expanded Approval (EA) mortgage loan products by means of mortgage revenue bonds. The bond structure was for $10 million and offered Fannie Mae Expanded Approval (EA-1 and EA-2 sub-prime) loans. In the first year TDHCA issued only two loans for $130,440 so we restructured our offering to the lenders by increasing the discounts points from 2 points to 3 points and lowered the mortgage rate from 7.2% to 6.2%. By the end of the second year we issued a total $223,440 for four loans. Feedback from lenders who regularly originate Alt-A loans included comments that TDHCA's program was not profitable and that private mortgage insurance increased the cost of the loan for borrowers. Due to a consistent trend of poor loan origination, TDHCA closed the program in July of 2004.

III. Subprime Current Events

The subprime market has received much headline attention recently due to the weakened real estate market across the U.S., which has affected both subprime lenders and borrowers.

From 2000 through 2005, the real estate market experienced dramatic growth. As home prices rose, lenders grew increasingly comfortable with the risks associated with non-traditional loans. This growth of non-traditional lending has also extended to include subprime loans (see chart at right); such loans typically have non-traditional terms, such as interest only periods and interest rates that float with short term market indices. What truly distinguishes a subprime mortgage credit is the borrower's relatively poor or insufficient credit history.



Source: Citigroup Global Markets Inc.

The Mortgage Bankers Association (MBA) recently released its National Delinquency Survey for the fourth quarter of 2006. As indicated by the survey, increases in delinquency and foreclosure rates were noticeably larger for subprime loans. Subprime borrowers are more likely to be susceptible to the cumulative increases in interest rates that we have experienced and the resultant nationwide slowing of home price appreciation including outright declines in some markets. Per Citigroup Global Markets, Inc., approximately 22 percent of mortgages originated in the U.S. were subprime in 2005, which is up from 8 percent in 2001. The subprime market accounted for about 20 percent, or over $600 billion, of the $3 trillion mortgage market. Furthermore, according to the March 1, 2007 New York Times, the problems of subprime lending are spreading to the Alt-A mortgages (which fall between subprime and prime) and accounted for 13 percent of all loans written last year.

Fannie Mae recently noted it is likely that serious delinquency rates for subprime loans will continue to rise. Most of the mortgages in this sector are adjustable rate mortgages (ARMs), with the potential for significant payment shock as rates adjust upward (some may refinance, but not all will be able to do so for credit or loan-to-value (LTV) reasons, or because they have prepayment penalties).

Foreclosure rates and delinquency rates for all mortgage loans in 2006 were less for TDHCA compared to the State of Texas and the United States, as shown in the following chart:

	Foreclosure Rate [1]	Delinquency Rate [2]
United States	1.1%	13%
Texas	1.9%	15%
TDHCA	0.7%	9%

1 Per Realty Trac as of December 2006
2 Per Mortgage Bankers Association as of 3rd Qtr 2006

The significant increases in delinquency rates has in some cases led to unexpected increases in credit losses and the failures of some subprime specialist firms. The recent bankruptcy of New Century Financial Corp., one of the nation's biggest subprime mortgage lenders, demonstrates the overall industry

instability. According to Bloomberg News, at least 50 mortgage lenders have gone bankrupt, closed operations or sought buyers since the subprime debacle.

The Center for Responsible Lending, a nonprofit research and policy organization, recently published its "Losing Ground: Foreclosures in the Subprime Market and their Cost to Homeowners" report. The key findings in this report are:

- 2.2 million subprime home loans made in recent years have already failed or will end in foreclosure.
- These foreclosures will cost homeowners as much as $164 billion.
- One out of five subprime mortgages originated during the past two years will end in foreclosure.

IV. TDHCA's Current Subprime Participation

As mentioned above, subprime loans generally have a FICO score of 620 or less. Countrywide, the Department's Master Servicer for the majority of its mortgage loans, recently performed a study which indicated that approximately **25%** of the Department's mortgage portfolio have FICO scores of 620 or less.

The Department is addressing the subprime problems by leveraging Fannie Mae's MyCommunityMortgage program (MCM), which is an affordable housing product. The product has been in existence several years now and can be used for both new home purchases and refinancing existing loans. The MCM program, which can be utilized with the Department's First Time Homebuyer Program, allows loans with low credit scores to be securitized and guaranteed by Fannie Mae. This allows the Department to retain its triple A rating category from rating agencies while also addressing the subprime market problems.

Also, on April 18th, Freddie Mac, the second-largest source of money for U.S. home loans, announced that it will purchase $20 billion in fixed-rate and hybrid ARM products that will provide lenders with more choices to offer subprime borrowers. The products, currently under development by the company and slated to be introduced by mid-summer, will limit payment shock by offering reduced adjustable rate margins; longer fixed-rate terms; and longer reset periods.

V. Conclusion

TDHCA continues to request a waiver for the 40% subprime requirement for each bond issuance as directed by Section 2306.142(i) for the following reasons:

- TDHCA Subprime Program was not profitable to lenders along with high private mortgage insurance for borrowers.
- Financial news articles have brought to the forefront just how risky subprime and Alt-A mortgages are with delinquencies and foreclosures increasing and expected to continue to increase in the future.
- Subprime lenders have no regulatory oversight and no capital requirements, whereas TDHCA is "regulated" by the Bond Review Board and Rating Agencies.
- TDHCA does not have capital reserves to support subprime and Alt-A mortgage loans.
- TDHCA will continue offering our First Time Homebuyer Program through Fannie Mae's MyCommunityMortgage program and will continue to educate our participating lenders about the program. We expect that Fannie Mae will securitize approximately 70% of the conventional mortgage loans made through the First Time Homebuyer Program.
- Freddie Mac has indicated that it will infuse $20 billion to help stabilize the subprime market.

- Should TDHCA be required to dedicate 40% of our Single Family Mortgage Revenue Bond programs to subprime lending products, the rating agencies could significantly downgrade TDHCA's bond issues and indentures, making it much more expensive to issue debt, which in turn would increase mortgage loan rates above conventional rates. This would defeat the true purpose of the First Time Homebuyer Program, which is meant to make below-market-rate mortgages to first time homebuyers.